

Officers of the Detachment of Illinois

Reason; Charitable - Exempt Organizations: Compensation of Officers

As many of you know the "Budgeted Expense Report" form was changed at our 2011 Convention to come into the guidelines of the IRS, not only to protect the Detachments charitable exemption but to protect our members from tax problems also. We come under an accountable plan where we reimburse our members for their actual out of pocket expenses incurred for carrying out the duties of the office they hold. Under the guidelines of the IRS, these expenses have to be accounted for by the way of an actual itemized receipt. These receipts must also show a business connection to the organization. This can be done by providing information as to the reason for and or where traveled on the expense form.

Example: 09-2-11	Meals - attending DEC meeting in Bloomington	\$29.95
	(Attach itemized receipts)	
09-2-11	Fuel for DEC in Bloomington	\$34.50
	(Attach fill up upon leaving and fill up on return)	
	"You can only be reimbursed for actual fuel used"	
09-2-11	Copy Quik – Copies of reports for DEC meeting	\$19.95

If you were to turn in an expense without receipts and not proving it's business related, then the IRS would require you to claim it as income on your taxes. The Detachment, as well as yourself, would come under fire from the IRS for not filing the proper paper work. The IRS started looking at exempt organizations in 2007 and 2008 more closely for this. That is why the changes were made. If you would like more detailed information on this, you can go to IRS.gov/Exempt Organizations and look under the chapter covering Compensation of Officers.

Hopefully this will clear up any problems filling out the Budgeted Expense Form. If you are not sure, just contact me by phone, e-mail or see me at the meetings.

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