

# FINANCIAL PROCEDURES

## LUTHERVILLE TIMONIUM RECREATION COUNCIL

Revised 02/25/2025

Obtain all the necessary forms at the R & P Office, 121 Ridgely Rd., Lutherville, MD 21093;  
Phone: 410-887-7684, (Located in Ridgely Middle School)  
(i.e. Check Request Vouchers, deposit slips and envelopes)

### I. DEPOSITS

1. **All** monies, no matter the source, type, or method received, must be deposited in the LTRC account. Endorse all checks and provide the program name. You can purchase a preprinted ink stamp at most office supply stores or on-line. This helps identify deposits and bounced checks. The stamp must have the following:

Lutherville Timonium Recreation Council  
For Deposit Only  
Account Number  
(Activity Name)

2. Print your program name in the space provided on the pre-printed deposit slip.
3. List total dollars in the lower left corner of the deposit slip in each of following categories: Registration, Fundraiser, Gaming, Sponsors, Sale of costumes/uniforms/equipment/etc., Bounced check + bank fee collected, Donations, Unused Umpire/Referee Fee, etc. Monies from fundraising must be more clearly defined on the deposit slip, such as, Fundraising- Pizza Sales, Fundraising - Sale of Spirit Wear, Fundraising - Car Wash, etc. This breakdown of funds is necessary for the completion of council tax return.

NOTE: Monies received from raffles are categorized as gaming. All proceeds are to be deposited and the prize paid by check via a **Check Request Voucher**. The IRS regulations regarding gaming are somewhat complicated. For our purpose, a 1099 will be issued if the winning prize is (1) \$600 or more, but less than \$5000, and the prize is at least 300 times the wager, or (2) the prize exceeds \$5000. If either of these conditions exist, the winner must complete IRS Form W-9 prior to receiving the prize.

4. **Monies received in cash or check should be deposited as soon as possible.** A daily deposit of cash of \$10,000 or more requires the bank to report the name of the person making the deposit to the IRS. It is suggested that cash deposits be made more frequently to remain below this threshold.
5. The LTRC bank is PNC, 2050 York Rd., Timonium, MD, 21093. Deposits may be made at any PNC branch.
6. The teller should return two copies of the deposit slip and a bank receipt. Send the pink copy with the bank receipt attached to the accountant immediately (address below in II). Keep one copy for your records.

7. Deposits are credited to your activity in the month deposited.
8. If a check in your deposit bounces, the face amount of the check, plus the bank fee, will be subtracted from your income. The bounced check will be returned to the program treasurer for collection. When depositing recovered bad checks, label the Deposit Slip: Recovered Bad Check.
9. Monetary donations of \$250 or more **must** be acknowledged in writing by the receiving program. The acknowledgement letter must contain the LTRC tax identification number, 52-1071233, for IRS purposes. A sample letter is included in Appendix "A". Should a donor require IRS Form W-9, copies may be obtained from the Treasurer.
10. All donations of products or services are to be recorded on the "***Event Donation Record***" form. The IRS requires that such donations be accounted for in the annual tax return. Any questions regarding the completion of the form should be directed to the Council Treasurer. The completed form is to be submitted to the accountant within thirty (30) days of receipt of the donation. The form is included in Appendix "A".
11. Third Party Cash Collectors

Programs must consult with the LTRC Treasurer prior to engaging the services of a third-party cash collector or on-line registration service.

ACH bank transfers to the proper LTRC bank account must be approved by the LTRC Treasurer, may take place not less than weekly, and require notification to the accountant at the time of transfer. Debits from all LTRC bank accounts are blocked.

Programs that use third party cash collectors such as *Active.com, Stone Alley, etc.* must account for both the revenue collected and service fees from such service providers. When income is deposited via ACH or bank counter deposit, a copy of the service provider's statement indicating gross revenue **and** the service fee is to be sent to the LTRC accountant. Programs utilizing these services must become familiar with the methods to obtain a report of any, and all, service fees which are being charged. Gross revenue will be booked as income and the service fees will be booked as an expense.

## **II. PURCHASES/PAYMENTS**

1. All purchases must be in the name of Lutherville-Timonium Recreation Council with your program name added. **Only the program chairperson can authorize volunteers to purchase items on behalf of the activity. DO NOT PAY MARYLAND SALES TAX.** The LTRC Maryland sales tax-exempt number is 31062905. A copy may be obtained from the Council Treasurer. You will **not** be reimbursed for Maryland sales tax paid.
2. Persons completing ***Check Request Vouchers*** must be cognizant of any real or perceived conflict of interest. Such a conflict will exist when goods or services are obtained from another family member or one's own business and/or employer. To avoid or minimize such a conflict, the ***Check Request Voucher*** should be approved by another authorized person from

the program. If there is no other authorized person, then the President or Treasurer of LTRC should authorize the transaction by signing the *Check Request Voucher*.

3. Program/activity funds, no matter the source, are **not** to be used for the purchase of alcohol, nor will anyone be reimbursed for such a purchase.
4. Complete a **CHECK REQUEST VOUCHER Form** and attach the original receipt or invoice to the white copy. Ensure the proper documents are provided and the totals are correct. Vouchers containing significant errors and/or missing proper supporting documents will **not** be processed until corrected. These items will be either returned for correction or held by the accountant until the error has been rectified. Please include your e-mail address on the voucher to facilitate any necessary corrections. This may have a negative impact on the timely payment to vendors with whom we do business. Additionally, every expense must be appended to a specific category to properly prepare the annual tax return. Please ensure that every expense is sufficiently described so this determination can be made by the accountant, especially where the vendor only provides a product code or an abbreviated description of the product or service being provided. Retain the pink copy for your records. If the voucher is for pre-payment of an expense, check "Receipt to Follow" on the voucher and remember to send the original receipt to the accountant when it is received. When a chairperson is filling out a *Check Request Voucher* and there is a program treasurer, the chairperson must send the yellow copy of the voucher to the program treasurer.

5. Payment For Services

A. IRS Requirements

The IRS requires that any person being compensated for services rendered provide IRS Form W-9 prior to payment, no matter the amount. Compensation of \$600 or more will be reported to the IRS via Form 1099. Individuals who receive this form are solely responsible for including this income on their tax return. **LTRC withholds no taxes.**

B. Reimbursement for Cash Payments

Any person seeking reimbursement for a cash payment **MUST** provide a receipt. For cash payments to game officials, assignors, scorekeepers, etc. utilize the LTRC *Receipt for Services*.

C. Independent Contractor Policy

The *Independent Contractor Agreement* will be utilized whenever an individual provides services for compensation under any of the following conditions:

1. Administrative support for any program,
2. Coaching, training, instructional, etc. services for any LTRC program,
3. Compensation is paid periodically over time,
4. Compensation exceeds \$1000.00 per fiscal year, or
5. When determined as necessary by the LTRC President, Vice-President, and/or Treasurer.

The ***Independent Contractor Agreement*** is not necessary for:

1. Services provided by game officials or assignors,
2. Payment of less than \$1000.00 for services not exceeding (7) cumulative days,
3. A stipend or honorarium, whether cash, gift card, etc., valued at less than \$1000.00 in appreciation for services rendered, or
4. When determined as necessary by the LTRC President, Vice-President, and/or Treasurer.

The contractor may not provide services nor will they be compensated until such time as the Agreement is fully executed, background checks are completed, and any required documentation is provided.

The Contractor must submit the appropriate time sheet to the respective program chair or treasurer for approval to receive payment. The time sheet is to be sent to WABC for processing.

D. Funds Advanced For Future Services:

Monies can be advanced to program officials for cash payments for anticipated services such as game officials, scorekeepers, etc. by submitting a ***Check Request Voucher***. The individual receiving the disbursement is responsible for the redistribution of the funds **and** obtaining a receipt for monies disbursed.

The program chair/treasurer will submit to the LTRC accountant a final report of all monies disbursed within thirty (30) days of the close of the season, including the receipts and the name of the original payee. If the program's season crosses from one fiscal year (August 31<sup>st</sup>) to another, or from one calendar year (December 31<sup>st</sup>) to another, an interim report of all monies paid to date must be submitted to the accountant.

Preprinted cash ***Receipt for Services*** are available to assist in the tracking of cash payments. The original (white copy) is to be attached to the summary report for submission to the accountant. A copy is included in Appendix "A".

Excess monies not disbursed must be re-deposited within thirty (30) days of the close of the season or prior to the end of the fiscal year on August 31st, whichever is shortest. Such deposits should be categorized as "Unused Service Fees - Umpires", for example, on the deposit slip.

Any program which fails to provide a complete accounting of all funds advanced, including receipts, will be prohibited from receiving future advances.

6. Donations

Programs may make charitable donations, at their discretion, to organizations such as nationally recognized charities, local non-profit organizations, educational institutions, religious institutions, scholarship funds, etc. up to \$2500 without Board approval. It is incumbent upon the program chair or treasurer to ensure that the recipient of any funds is a legitimate organization prior to submitting a Check Request Voucher.

Any single donation in excess of \$2500, OR, multiple donations to a single organization which total more than \$2500 in any one fiscal year, will require the approval of the Board of Directors. Requests for payment must be submitted in writing to the LTRC Treasurer for presentation to the Board. Upon approval, the program chair or treasurer may submit a Check Request Voucher for payment. Any request must include the following:

1. Name and address of the organization
2. Federal Tax ID number of the organization, ideally IRS Form W-9
3. Amount to be donated
4. Reason for the donation
5. Confirmation that the recipient is duly registered as a charitable organization with the Maryland Secretary of State and is in good standing.

EXCEPTION: Government entities, churches, and schools.

Information can be found by searching the “Charities & Fundraisers” link at the Secretary of State’s webpage: [www.sos.state.md.us](http://www.sos.state.md.us).

7. Mail the *Check Request Voucher* and original invoice to the LTRC Accountant: **WABC, 201 W. Padonia Road, Suite 600, Timonium, MD 21093, ATTN: Ms. Mandy Holmes.**

Ms. Holmes will be the individual handling LTRC affairs. Business hours are 8:30 AM to 5:00 PM. She may be reached at 410-561-4411 or preferably via e-mail at [ltrc@wabccpas.com](mailto:ltrc@wabccpas.com). **Do not mail deposit slips or vouchers to the Recreation Office.** Any inquiries regarding the Financial Procedures are to be directed to the Council Treasurer. Inquiries to Ms. Holmes should be limited to discrepancies regarding program balances.

8. *Check Request Vouchers* will be processed every Wednesday, excluding holidays. It is important that persons submitting vouchers plan accordingly to ensure checks are received in a timely manner. Should a holiday fall on a Wednesday, vouchers will be processed on the following day. Checks will **not** be issued at any other time. All checks will be delivered via U.S. Mail.
9. Insurance

If your program is hosting any type of event which requires the issuance of a liquor/alcohol permit, you must obtain additional liability insurance coverage for the event.

Program volunteers are reminded that they are covered under the Baltimore County self insurance plan which is similar to that coverage provided to County employees. The County has the option of whether or not they will extend coverage to a volunteer depending upon the circumstances. **The County will deny coverage if the named party is not on the County’s approved background check list.**

If you participate in an activity outside the State of Maryland, you are **NOT** covered by the County’s plan and must obtain insurance coverage for the event/activity. When in doubt, obtain additional insurance coverage.

10. When an individual seeks reimbursement for the use of their personal funds, proof of payment is required as follows:

- A) PERSONAL CHECK: Submit a copy of the cancelled check
- B) CREDIT CARD: Submit the original receipt
- C) CASH: Submit the original receipt
- D) ELECTRONIC FUNDS TRANSFER: Submit a copy of the statement showing the transfer
- E) INTERNET PURCHASES: Submit a copy of vendor's confirmation including method of payment, i.e., credit card receipt, PayPal receipt, etc.

NOTE: Maryland sales tax will **not** be reimbursed. Black out account information prior to submission at your discretion. If receipts include items that were not purchased for the benefit of LTRC, circle or highlight those items for which reimbursement is being sought. Failure to provide the required proof of payment will delay reimbursement.

### III. PETTY CASH FUND

1. Programs desiring to set up a Petty Cash Fund should contact the Council Treasurer. The account cannot exceed \$1000 without Board approval.
2. A Petty Cash ledger must be maintained indicating cash in and out with a running balance. The ledger is subject to audit at any time.
3. Prior to the close of the fiscal year on August 31<sup>st</sup>, all expenses must be submitted for reimbursement.

### IV. LOST/STALE/VOID PAYMENTS

LOST	If you want a "stop payment" placed on the check, contact the LTRC Treasurer. The stop payment fee will be charged to the activity.
STALE	Checks that are over six months old and have not been cashed are considered "stale" checks. The accountant will notify the treasurer of that status if this occurs.
VOID	Mark the work "VOID" across the face of the check and send the check to the accountant. The voided check will be credited to the respective activity.

### V. MONTHLY FINANCIAL STATEMENT

1. LTRC issues a financial statement each month. Chairpersons and treasurers of each program should receive a copy via e-mail. Please ensure that current e-mail addresses are on file with the LTRC Treasurer
2. The program chairperson or treasurer **must** check this statement for accuracy each month. Any discrepancies between the council financial statement and your program figures should be reconciled with the accountant.
3. Each program **must** keep a ledger detailing all income and expenses, as well as a running balance. The program should maintain all paper back-up to support ledger figures. All

financial records such as ledgers, petty cash funds, etc. are the property of LTRC and subject to audit at any time.

4. Records should be kept for the current and the two prior fiscal years.
5. Programs are required to maintain a positive balance. Short-term deficits must be reported to, and approved by, the LTRC President or Treasurer. Programs who run a deficit for three (3) or more consecutive months risk denial or delay of any check request voucher that may be submitted.

## **VI. COUNCIL ASSESSMENTS**

Each program is assessed based on the prior year's program registration numbers. The Council Treasurer will obtain these figures, and the assessment will be charged to your program on November 1st each year. The LTRC Board of Directors will determine assessment fees in the fiscal year prior to the year of the actual assessment.

The Board may impose additional monetary penalties against any program/activity for non-compliance with any policy or procedure of the Council. All such monies will be transferred from the program/activity to the Council's General Fund.

Appeals of any fee or penalty must be submitted in writing to the LTRC Board of Directors within thirty (30) days of the imposition of such fee or penalty.

## **VII. RECONCILIATION OF PROGRAM INCOME AND EXPENSES**

At the close of the fiscal year, the Treasurer will provide each program a copy of their respective ledger with a record of all income and expenses. Program chairs and treasurers should review the ledger for accuracy and report any discrepancies to the LTRC accountant for correction within the timeframe specified by the LTRC Treasurer. This will be the last opportunity to make any corrections to the ledger.

# **APPENDIX “A”**

## **Forms**

Check Request Voucher

Event Donation Record

W-9

LTRC Time Sheet

Receipt for Services

Sample Donation Acknowledgement Letter



LUTHERVILLE TIMONIUM RECREATION COUNCIL

CHECK REQUEST VOUCHER

TO THE ACCOUNTANT,

Date \_\_\_\_\_

Please \_\_\_\_\_ Issue Check \_\_\_\_\_ Transfer

Payable to \_\_\_\_\_ Amount \$ \_\_\_\_\_

Address \_\_\_\_\_

City/State \_\_\_\_\_ Zip code \_\_\_\_\_

Purpose \_\_\_\_\_

Activity to be charged \_\_\_\_\_

Please: \_\_\_\_\_ Mail \_\_\_\_\_ Return to Activity Chairman or Treasurer \_\_\_\_\_ Receipt to follow

If payment is for services rendered and is being paid to an individual, that individual's social security number must be provided: # \_\_\_\_\_

For Accountant's use only

Paid by check # \_\_\_\_\_

Transfer recorded: \_\_\_\_\_

\*Payment authorization must be signed by Activity Chairman or Treasurer:

Name \_\_\_\_\_

Address \_\_\_\_\_

Phone \_\_\_\_\_

**PLEASE NOTE:** Original invoice must accompany this voucher, and if seeking reimbursement, proof of payment is also required.

WHITE COPY-TREASURER

YELLOW COPY-RECREATION OFFICE

PINK COPY-ORIGINATOR

# Lutherville-Timonium Recreation Council

## Donation Record

<b>PROGRAM:</b>				
<b>EVENT TYPE:</b>			<b>DATE:</b>	
ITEM	DONOR	ITEM DESCRIPTION	VALUE	DOLLARS RECEIVED
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				

SUBMITTED BY: \_\_\_\_\_

DATE: \_\_\_\_\_

# Request for Taxpayer Identification Number and Certification

Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.

**Give form to the  
requester. Do not  
send to the IRS.**

**Before you begin.** For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

<b>Print or type.</b> See <i>Specific Instructions</i> on page 3.	<p><b>1</b> Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.)</p>	
	<p><b>2</b> Business name/disregarded entity name, if different from above.</p>	
	<p><b>3a</b> Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only <b>one</b> of the following seven boxes.</p> <p><input type="checkbox"/> Individual/sole proprietor    <input type="checkbox"/> C corporation    <input type="checkbox"/> S corporation    <input type="checkbox"/> Partnership    <input type="checkbox"/> Trust/estate</p> <p><input type="checkbox"/> LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) _____</p> <p><b>Note:</b> Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner.</p> <p><input type="checkbox"/> Other (see instructions) _____</p>	<p><b>4</b> Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):</p> <p>Exempt payee code (if any) _____</p> <p>Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____</p> <p style="text-align: right;"><i>(Applies to accounts maintained outside the United States.)</i></p>
	<p><b>3b</b> If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions _____ <input type="checkbox"/></p>	
	<p><b>5</b> Address (number, street, and apt. or suite no.). See instructions.</p>	Requester's name and address (optional)
	<p><b>6</b> City, state, and ZIP code</p>	
	<p><b>7</b> List account number(s) here (optional)</p>	

## Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

<b>Social security number</b>					
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; border: 1px solid black; height: 20px;"></td> <td style="width: 5%; text-align: center;">-</td> <td style="width: 25%; border: 1px solid black; height: 20px;"></td> <td style="width: 5%; text-align: center;">-</td> <td style="width: 40%; border: 1px solid black; height: 20px;"></td> </tr> </table>		-		-	
	-		-		
<b>or</b>					
<b>Employer identification number</b>					
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; border: 1px solid black; height: 20px;"></td> <td style="width: 5%; text-align: center;">-</td> <td style="width: 70%; border: 1px solid black; height: 20px;"></td> </tr> </table>		-			
	-				

**Note:** If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

## Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

<b>Sign Here</b>	Signature of U.S. person	Date
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## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9).

## What's New

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

## Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they

# Lutherville Timonium Recreation Council Time Sheet

<b>PROGRAM</b>							
<b>PAYEE</b>							
<b>ADDRESS</b>		<b>CITY</b>		<b>STATE</b>		<b>ZIP</b>	
<b>DATE</b>	<b>WORK PERFORMED</b>			<b>HOURS</b>			
<b>HOURLY RATE</b>				<b>TOTAL HOURS</b>	0	<b>AMOUNT DUE</b>	\$0.00
<b>SUMBITTED BY</b>				<b>DATE</b>			
<b>APPROVED BY</b>				<b>DATE</b>			

LUTHERVILLE TIMONIUM RECREATION COUNCIL

***RECEIPT FOR SERVICES***

Name: \_\_\_\_\_

Vendor Number: \_\_\_\_\_ or Social Security Number: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Type of Service:   Umpire/Referee: \_\_\_ Other (Explain): \_\_\_\_\_

Date of Service: \_\_\_\_\_ Venue: \_\_\_\_\_

Teams: \_\_\_\_\_

Amount: \_\_\_\_\_ Cash Payment: \_\_\_ or Payment Due: \_\_\_

Home Team Manager's Signature: \_\_\_\_\_

Program: \_\_\_\_\_

Payment Authorized By: \_\_\_\_\_

(PROGRAM/ACTIVITY CHAIRMAN or TREASURER)

Phone Number or E-Mail Address: \_\_\_\_\_

**Distribution:**

Original (White): Accountant

Pink: Program Chair/Treasurer

Yellow: Retained By Payee



*Lutherville Timonium Recreation Council*

**P O Box 147  
Lutherville, MD 21094**

(Date)

(Name of Donor)

(Address of Donor)

Dear XXXXX,

On behalf of the Lutherville-Timonium Recreation Council's (XXXXX) Program, I would like to thank you for your donation of (XXXXX). The Council is an IRS 501c(3) non-profit tax exempt organization. The federal tax identification number is 52-1071233. Your generosity allows us to meet our mission of providing public recreation programs for youths and adults in our county. Additionally, no consideration has been provided in return for your donation.

Sincerely,