



TOASTMASTERS INTERNATIONAL®

Tips

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*A bimonthly
publication to club,
area and
district officers
for circulation
to members*

Last Call For Proxies

Club presidents must make arrangements for their club's votes to be cast in August at the 2005 Annual Business Meeting in Toronto, Ontario, Canada.

If your club has lost or misplaced its proxy, call or write WHQ with the name and address of your club president. Please remember only one duplicate proxy can be sent to each club.

There are three ways a club can use its proxy:

- ▶ If one of your members plans to attend the Annual Business Meeting at the International Convention, complete the proxy and give it to your delegate.
- ▶ If no one from your club plans to attend, complete the proper proxy and give it to any active member of a club who will be attending the convention. You can also mail the proxy to your district governor, whose name and address appears on the reverse side of the proxy. This allows the 2005-2006 district governor to cast your club's vote.
- ▶ For undistricted clubs: You were assigned a region for voting purposes. A list of the district governors from your assigned region was sent with your proxy. If no one from your club plans to attend the convention, either mail the proxy to any district governor on the list or give it to any active Toastmaster who will be attending.

Please do not mail your proxy to WHQ.

You must exchange your proxy for ballots at the Credentials Desk to cast your votes at the Annual Business Meeting.

Time is running out – take steps now to ensure that your club's voice is heard.

Attention 2005-2006 District Governors and other Proxy Carriers: Get To Know The Candidates

One of your responsibilities at the International Convention in August is to cast votes to elect the International Board of Directors. You owe it to yourself and the clubs you represent to meet and talk with each International Officer and Director candidate.

- ▶ Be sure to visit every candidate in the Candidates Corner in the Frontenac Foyer on Wednesday and Thursday of convention week. You will have the opportunity to talk to the candidates to learn about their qualifications and personal qualities so you can make an informed decision.
- ▶ You will also want to attend the Candidates Showcase on Thursday evening. This event gives you an opportunity to hear the candidates answer questions raised by a variety of districts.

These are two opportunities you don't want to miss!

DCP Awards Mailed to Clubs

WHQ is again sending banner ribbons directly to 2004-2005 Distinguished, Select Distinguished, and President's Distinguished clubs. The ribbons will be included with the year-end DCP report, which will be mailed to outgoing club presidents in early August. Districts should then recognize these clubs in their district newsletters, at upcoming district conferences, and even via letter.

The 2005 Supply Catalog is Available!

By now, club presidents should have received the TI Supply Catalog for 2005, which details products, prices and shipping rates. See your club president or buy your own copy for just \$1.

...or you can...

Buy Supplies Online

Hundreds of items are available at the simple click of a mouse through TI's Web site, www.toastmasters.org/store. Hope to see you there soon!

Has Your Club Heard From the IRS?

Some clubs in the United States have received a letter from the Internal Revenue Service stating that the IRS has not received a Form 990 (Return of Organization Exempt from Income Tax) from the club. Along with the letter, the IRS asks for a form to be filled out and returned.

A Toastmasters club is not required to file Form 990 as long as its annual gross receipts are \$25,000 or less and its unrelated business income is \$1,000 or less.

However, the IRS has requested that if a club receives a Form 990 with a pre-addressed label, the club should file a return even if it is not required to do so. Per the IRS instructions for the 990 and 990EZ, a club should:

- ▶ Verify the Taxpayer ID number listed on the label.
- ▶ Attach the label to the name and address space on the return.
- ▶ Check box 'K' in the heading of the Form 990 or 990EZ to indicate that the organization's gross receipts are normally not more than \$25,000.
- ▶ Have a club officer sign the return.
- ▶ Send it to the Ogden Service Center.
- ▶ Note: The Club does not have to complete Parts I through X of the Form 990, or Parts I through V of the Form 990EZ.

*If you have any questions e-mail
jmcpherson@toastmasters.org*

Save Time, Submit Online

Clubs and districts around the world have been using the Web site more and more each month!

- ▶ More than 6,000 clubs submit their dues online!
- ▶ More than 4,400 educational awards were processed online.
- ▶ More than 8,200 new members were added online.
- ▶ Clubs and districts can track their Distinguished progress through a few clicks of the mouse.

The Web site is a huge asset and information tool; every member should visit it regularly. But before you do so, be sure to read this:

- ▶ You need a password to log into the Club or District Business sections of the Web site
- ▶ Club presidents are provided with the password
- ▶ Do not double-click when submitting payment. It can result in duplicate charges.
- ▶ Cookies MUST be enabled to submit information through the TI Web site
- ▶ Before paying for anything with a credit or debit card, confirm that there is enough money in the account and that the card has been activated.

Toronto: A World Within a City!

Don't miss the 74th Annual Toastmasters International Convention, August 24-27, at The Westin Harbour Castle in Toronto, Ontario, Canada.

- ▶ Enjoy a varied educational program presented in four tracks covering: *Communication, Skill Building, Leadership and Club and District Success*. Mix, match and explore any of these tracks tailored to satisfy your educational interests.
- ▶ Attend the Golden Gavel Luncheon where this year's recipient is well-known leadership expert, speaker and author Marcus Buckingham.
- ▶ Witness the excitement of the World Championship of Public Speaking on Saturday, August 27.

Beginning in April, you may visit our Web site at www.toastmasters.org and register online for the International Convention. Or mail your convention registration form to WHQ. Registration forms can be found in the April and May issues of *The Toastmaster* magazine. Either way, you're guaranteed an experience of a lifetime in Toronto!

Tax Deductions for U.S. Toastmasters

Every year, Toastmasters members in the United States ask: "Are my Toastmasters dues and expenses tax deductible?" We'll attempt to answer that question in accordance with current legislation.

Generally, two classifications cover club dues and other membership expenses, which may or may not be deductible if you itemize your deductions on your tax return.

A. CHARITABLE CONTRIBUTIONS

Toastmasters International is a nonprofit organization under Section 501(c) (3), so some items may be deductible as charitable contributions. Deductions for charitable contributions may not exceed 50% of a member's adjusted gross income.

Category 1: If you give your club a check as a gift (and for no other reason), it is deductible as a charitable contribution.

Category 2: If you're a duly-appointed delegate representing your club at the international convention, and you attend all meetings as the delegate and

report back to your club, many of your out-of-pocket expenses are deductible as charitable contributions. However, your club cannot have reimbursed you and no significant element of personal pleasure or recreation can have been involved.

B. EDUCATIONAL/BUSINESS EXPENSE

Because the organization is educational, some expenditures may be deductible as educational expenses, provided they can be considered ordinary and necessary in your trade, business or profession.

Category 3: Your income-producing activity may require the skills you develop in Toastmasters. The expense may be an ordinary, necessary expense for education and:

- a) meet the express requirements of your employer for keeping your salary, status or employment, or
- b) maintain or improve skills required to perform the duties of your present employment, trade or business.

This third category could include a commissioned salesperson, a supervisor or manager, a lawyer or instructor, but

would not include work where effective public speaking is not a prerequisite.

There are now limits on the amounts that are tax deductible as ordinary and necessary business expenses. Only 50% of the cost of meals is deductible. Also, all educational/business expenses (including 50% of the cost of meals) are deductible only to the extent that they exceed 2% of adjusted gross income. These expenses are no longer allowed as income adjustments; they may be taken only as miscellaneous itemized deductions. Two things to keep in mind:

- 1) Any items for which you are reimbursed aren't deductible unless the reimbursement is included in income.
- 2) Records must be kept to substantiate the amounts deducted and to show that you actually attended sessions and workshops of the meetings and conventions.

If you have any questions, please contact Jane McPherson, controller, at jmcperson@toastmasters.org.

Below are some typical expenses and answers about their tax deductibility under each category:

Expenditures	Category 1	Category 2	Category 3
Club Dues	No	No	Yes
Club Meetings:			
Luncheons	No	No	No
Registration Costs	No	No	Yes
Mileage from work to meeting at .405 per mile (effective 1/1/05)	No	No	Yes
Parking at meetings	No	No	Yes
Flat tire fix	No	No	No
Regional Conference:			
Registration/Meals	No	Yes	Yes
Other meals	No	Yes	Yes
Room	No	Yes	Yes
Mileage to and from conference:			
At .14 per mile	No	Yes	No
At .405 per mile (effective 1/1/05)	No	No	Yes
100 miles, site-seeing	No	No	No
Golf, tennis, etc.	No	No	No
Purchased Parliamentary law book and gave to club:	Yes	Yes	No
Toastmasters International Convention:			
Taxi to Airport	No	Yes	Yes
Air Fare	No	Yes	Yes
Registration	No	Yes	Yes
Meals	No	Yes	Yes
Hotel Room	No	Yes	Yes
Tips	No	Yes	Yes
Telephone home	No	No	No
Night Club Entertainment	No	No	No
Tour of convention city	No	No	No

Retention of Club Records Guidelines

Frequently, clubs asks WHQ how long they should keep certain financial and administrative records. Following is a list of items and the length of time they should be kept as part of the club records.

Depending on your club's individual needs, you may add items to this list. Your club should have a procedure in place to pass on records from one administration to the next administration. Be sure to include a review of these records as part of your club's audit.

	Minimum
<u>Financial Records</u>	
Audit reports (internal)	3 years
Bank statements	1 year
Cancelled checks (if returned)	7 years
Cash receipts/cash disbursements	7 years
Check register and receipts	7 years
<u>Administrative Records</u>	
Correspondence (routine)	1-3 years
Correspondence (legal, controversial, or other important matters)	Permanently
Internal reports (including officer and committee reports)	3 years
membership rosters (clubs may choose to keep membership rosters permanently for historical purposes.)	4 years
Minute books	Permanently
<u>Governance Records</u>	
Article of Incorporation and Bylaws of Toastmasters International	Permanently
Club Constitution and Standard Club Bylaws (including any amendments the club has made)	Permanently
Club policies and procedures or standing rules (including any amendment the club has made)	Permanently
<u>Other Records</u>	
Charter papers (including roster of charter members)	Permanently
Club charter certificate	Permanently