



Chapter Treasurer

Operational Playbook

This document replaces prior chapter financial reporting guidance for operational use.

It is written for chapter treasurers and is intended to be clear, supportive, and practical. It reflects current IRS requirements and Texas State law and establishes consistent organizational wide practice.

Purpose & Authority

This Playbook functions as operational guidance informed by policy.

- Policy establishes what must occur to remain compliant.
- Guidelines explain how chapters carry out those requirements.

Chapters report financial activity to the State Office. The State Office consolidates chapter activity and files required reports with the IRS and the Texas Comptroller on behalf of the entire Society.

Governance & Reporting Relationship

- The Native Plant Society of Texas operates as one legal entity under a single Employer Identification Number (EIN) and for sales tax purposes.
- Chapters do not file separate IRS or Texas Comptroller reports.
- Chapters are responsible for accurate, timely reporting of their financial activity to the State Office.

In short: Chapters report upward. The State Office files outward.

Treasurer Role

As a Chapter Treasurer, you are entrusted with:

- Managing chapter funds responsibly
- Keeping accurate records
- Reporting monthly financial activity to the State Office

You are not expected to interpret tax law independently. When in doubt, contact the State Office.

Reporting Frequency

All chapters must submit monthly financial reports.

- Due date: 15th of the following month
- Basis: Cleared bank activity that matches the accompanying bank statement.
- Purpose: Enables timely compliance with sales tax and annual IRS filings

Monthly reporting replaces prior references to quarterly reporting for operational purposes.

Monthly Treasurer Checklist

Every Month:

- Save the bank statement as a PDF
- Categorize all income and expenses on the transaction register
- Complete the Monthly Report by filling out the form and uploading your:
 - Bank Statement
 - Transaction Register
 - Relevant W9's
 - Expense Receipts (via email)
- Submit by the 15th

That's it.

How to Classify Money Coming In

A. Donations

- Funds received by the chapter with no goods or services exchanged
- Report as Donations & Grants

B. Sales

If anything is exchanged for money (plants, signs, merchandise, tickets, etc.), it is a sale regardless of whether the item is sold at cost, below cost, or at a profit.

- Sales tax must be collected, except on:
 - The two designated Texas tax-free days per year.
- Using the term "reimbursement" does not override sales tax law.

C. Grants

- Restricted to specific purposes
- Must be documented
- Contact the State Office before applying/accepting

D. State Income Received by Chapter

Examples: membership dues, symposium registrations

- Deposit
- Forward funds to State Office
- Record the deposit transaction, the state will record the transaction on their side

Sales Tax

Policy

- NPSOT is exempt from paying sales tax on purchases
- NPSOT is not exempt from collecting sales tax on sales

Guidelines

- Chapters may participate in two tax-free days per calendar year
- All other sales are taxable
- Sales may be recorded as tax-included pricing
 - Pricing must be consistent for tax-free sales and tax-included pricing
- All sales tax must be forwarded to the State Office

The State Office calculates and remits sales tax to the Texas Comptroller.

Purchases & Exemptions

Purchases for Society Use

- Use Texas Sales and Use Tax Exemption Certification (Form 01-339)
- No exemption number is required

Purchases for Resale

- Use Texas Sales and Use Tax Resale Certificate
- Texas Sales Tax Permit Number required

Money Going Out

Expenses

- Should align with chapter-approved budget
- Require receipts to be reported monthly

Reimbursements

- Reimbursements are repayment of documented expenses
- Reimbursements are not sales
- Reimbursements do not generate sales tax

Unrelated Business Income (UBI)

Unrelated Business Income (UBI) is money a nonprofit earns from activities that look like running a business and are not closely related to the Society's mission.

The IRS allows nonprofits to earn some UBI, but it must remain secondary to mission-driven work. It must not dominate chapter time, energy, or resources. Chapters must not operate regular commercial activities without consultation with the State Office.

Important exemption: Income generated from activities carried out primarily by volunteers is generally excluded from UBI under IRS rules. This exemption applies only when substantially all of the labor is donated and not compensated. If paid staff or contractors are used in a meaningful way, the exemption may no longer apply.

How the IRS Determines UBI

Income is considered UBI only if all three of the following are true:

1. **Trade or business**
Goods or services are sold in exchange for payment
2. **Regularly carried on**
The activity occurs frequently or continuously
3. **Not substantially related to the mission**
The activity itself does not advance education, conservation, or outreach

If any one of these is *not* true, the income is not UBI.

Treasurer Guidance

Chapters should regularly ask:

“Does this activity support our mission or does it feel like running a business?”

When in doubt, ask the State Office.

Record Retention

The organization must retain:

- Bank statements
- Expense Receipts
- Financial reports

Retention period: 7 years

Retention will be managed by the State Office, provided Chapters complete their monthly financial reports including: bank statement, transaction registers, W9's, and expense receipts.

Corrections & Retroactive Fixes

Mistakes happen.

- Late reports may be submitted
- Corrections are allowed and encouraged
- Contact the State Office for assistance

Prompt correction protects both the chapter and the Society.

Support & Contact

The State Office is here to support compliance and consistency.

- Email: accounts@npsot.org
- Phone: 830-997-9272