

To: Local League Presidents and Treasurers:

Let's talk Accrual Accounts!

At the State level, in addition to our 501(c)4 incorporation, we are also incorporated as the League of Women Voters of Florida Education Fund (LWVFEF). This tax-exempt organization is a 501(c)3 and provides a tax deduction for the donor and exempts us from paying sales tax. Its primary purpose is to provide educational information. All Local Leagues (LLs) are 501(c)4. Unless your Local League has applied for and received a 501(c)3 tax-exempt status, you are NOT tax-exempt as it pertains to donations.

In order to allow LLs to benefit from donations that ARE tax-deductible for the donor, LWVFEF has established an ACCRUAL ACCOUNT for your LL. LWVFEF allows LLs to deposit funds into their Accrual Accounts and, through a grant process, allows the LLs to access these funds.

It is important for LLs to report the account balance in their Accrual Account to the Local League Board and membership. It is YOUR money! These funds are often overlooked when the Treasurer submits his/her report(s) as the account is actually "held" by the LWVFEF. Local Leagues don't receive the bank statement for these accounts and are not required to do much to maintain these accounts as the State Treasurer does the record keeping. While we would suggest the Local League Treasurer keep a ledger of Accrual Account activities, showing the deposits and noting when grants are requested and withdrawals are made, there has not been a requirement to do so. It would be a good practice, however, in that you can then balance your ledger to that of the LWVFEF's report.

The State Treasurer keeps very detailed records for your Accrual Account; the balance of the account is provided to you with the quarterly PMP invoice in the upper left hand corner. Since you receive the balance quarterly, it would be a good idea to get in the habit of balancing your records to this number and then reporting that figure to your Board and membership at your next Local League meeting.

If you have any questions or need clarification, please do not hesitate to contact me at 954-629-8209 or via email at [wolterms@me.com](mailto:wolterms@me.com).

Thank you,  
Margaret Wolter  
LWVFEF Accrual Accounts Chair