



## TREASURY AND ACCOUNTING

### 1.0 General Setup

The TAAA accounting is performed using QuickBooks 2017 configured for Non Profits. Although the standard program is not capable of handling accounting for the various fund accounts needed for the typical Non Profit divisions and programs, we are able to use a work around of using the sub account 'class' to group the TAAA programs, and account for both reserved and unreserved fund accounts in this manner. This allows for reporting of activities meeting our needs for Program information and accounting.

QuickBooks is installed on the computers being used by the President, Treasurer and outside Accountants. The Treasurer has administrative rights for QuickBooks and establishes USER names and password access for those designated to use QuickBooks.

The data file for QuickBooks contains both the TAAA accounting information, but also the security restrictions which will allow only those with proper permissions to view and/or interact with the data.

The data file for TAAA is stored in a cloud based storage folder in order for each of the users to be able to utilize the latest information. TAAA in 2014 designated Microsoft's Onedrive cloud storage system as the storage location. The Treasurer or Accountants send a url link to each user which they can use to access the file each time it is needed.

QuickBooks screen is organized with menus at the left, top and below the top of the screen. The activities outlined here are organized to follow step by step through these menus and the windows they open, to lead the user to the proper field to address.

### 2.0 Important Dates

- 2.1 Cochise County Tax Exemption Affidavit form 82514A – March 1 (notary required)
- 2.2 Fiscal Year - July 1 through June 30
- 2.3 Quarterly report of those members who have paid Astro League in page 13 months reported to Astro League Coordinator
- 2.4 Yearly payment of Astro League dues collected from members to Astro League in June.
- 2.5 Arizona Corporation Annual Report filing – October 28
- 2.6 Federal Tax 990 report due – 15<sup>th</sup> of the 5<sup>th</sup> month following fiscal year – November 15
- 2.7 Arizona Tax Form 99 due – November 15

### 3.0 Revenues – Unrestricted and Restricted



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Revenues can come to TAAA by check, cash, through our PayPal account on-line, or through PayPal by our acceptance of a credit card. In some cases, documentation such as an application for membership or a letter explaining a donation, will also be received. Revenues can also be received as a result of an invoice created and sent to a customer or donor. The accounting procedure is somewhat different.

Any customer who tenders cash should receive a 'cash receipt' from the numerically printed TAAA Cash Receipt books.

Any cash or checks received for sales, donations or memberships should be promptly listed on a deposit slip, deposited in the TAAA bank account. The deposit receipt with the documentation should then be forwarded to the Treasurer.

Each week the PayPal account and the Bank account should be reviewed for new receipts, and those receipts recorded appropriately in the TAAA accounts via QB. At the end of each month, the Bank statement should be reviewed and reconciled with the cash balance now showing in QB with any discrepancies promptly addressed.

### 3.1 Customers

QuickBooks retains a list of 'customers' which are a list of members and donors. These contain the key information needed for various functions.

If a transaction is for a new member or donor, a new record can be created. From the main menu of QB

Customers in the left side pane or top of screen

New Customer & Job from the menu bar at top of Customer Information window

New Customer - Fill out the customer form in window

OK- to save

3.2 **Memberships** and related revenues – Members pay to join or renew either on-line using the TAAA website through PayPal, by mail, or in person at the TAAA monthly meetings. At the meetings they pay using cash, checks and via credit card using our merchant services system. There are number of membership types and discounts. These funds are deposited or otherwise transferred to our bank account. These various receipts are recorded in QB and later QB is reconciled with the funds in the TAAA checking account.

For a new member, a 'customer' record will need to first be created as above.

There are number of alternative ways to enter receipts of funds. The recommended steps in QB are:



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### Customers (Top Menu)

Enter Sales Receipts (Opens the Receipt window. Be sure 'Print Later' is not checked)

Customer Job - Select from Drop Down menu

Class – the account receiving the funds from drop down.

Address – Check to see if it is correct

Select Payment Type – Cash, Check, Credit, e-check

Check No.

Bank – Name of bank if not shown already.

New Member As Of – enter date if the new member

Payment Amount

Click on Item in the body of the window's register – select type of receipt such as Individual Membership, Senior Membership. Many selections will automatically populate the remaining fields. Sometimes, with payments from PayPal, there will be an incremental fee amount which can be charged to 'Donations' as a line on the register.

Save

This routine creates an asset in QB as un-deposited cash. IF the checks, cash or PayPal balances have been deposited, the entries need to be amended to note this before month end in the process of reconciliation with the checking account statement.

### **DOUBLE CHECK THIS PROCESS**

That process is as follows:

Banking (in the top menu)

Make Deposits (opens a window)

Select Account for 'Deposit To'

Click 'OK'

Date of Deposit (at top of window)

Payment method (which account to deposit – i.e. CAC Operating, Bus

Checking)

Save

At the time of a membership renewal, members may also pay Astronomy League Member dues, and in some instances, new or renewal subscriptions to Sky and Telescope or Astronomy magazine. These funds (class 900) are 'Restricted' and must be recorded as dedicated for use for their designated purpose. The Item with these descriptions properly selected, automatically accounts for these amounts in QB.

As these transactions are being entered, a journal entry is being created of 'un-deposited cash' which is later to be reconciled with the checking account deposits.

### **3.3 Donations**



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Donations which do not need receipts or invoices can be entered as sales receipts just like memberships. Care needs to be taken when recording the proper Item for donations since these can be given to be used for general purposes by TAAA, unrestricted in their use, or specifically donated for a designated purpose, and thus must be accounted for in a restricted account.

For those donors who request a letter, or donations cash over \$250 TAAA must send acknowledgement of the receipt. TAAA has a standard format of acknowledgement in word processing. The standard process is careful not to show a value for a non cash donated asset on the letter in accordance with tax practice. Only a description of the asset is shown. Dollar donations of course acknowledge the dollar amount of the contribution.

### 3.4 Invoicing

There are situations, such as services rendered by Astronomy Services, for which an invoice is created. This can be created and printed from QuickBooks, but the practice is presently for the invoice to be created and sent by the Astronomy Services group, and the details subsequently recorded in QB.

### 3.5 Accounts Receivables

There are some expenses for which an invoice is created for services rendered or pledges of donations obtained. When the funds are received they are processed:

Customers (in the Top menu)

Receive Payments – Opens the Customer Payment window.

Received From – Select customer from drop down

Payment Amount - enter amount

Date

Click button for type of payment received.

Reference – Enter their check number

(There should have been a list of invoices for the customer appearing at the bottom of this Customer Payment window)

Check – mark the invoice line to which this payment is to be applied.

Save

There are situations where a customer may remit more than the invoice due. QB will ask whether to create a credit for the customer with the overage, or to apply the overage to another account such as 'donations'.

There are situation where a customer remits a partial payment, which will leave the invoice open for the remaining balance.



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### 3.6 Making Bank Deposits

- 3.6.1 All funds received by TAAA must be deposited in the bank account promptly. The funds should be listed on a deposit slip from the checkbook, or one manually filled out from the blank slips at the bank, or with the help of the bank teller. Receipt for the deposit should be attached to the membership forms, donation correspondence etc. and filed with the TAAA records.
- 3.6.2 The checks received by TAAA may be deposited by mobile application. The application is launched on the mobile phone, a photo of the front and back of the check is taken and the deposit submitted. If successful, the check should be marked mobile deposit, and attached to the membership form, donation correspondence it is associated with and filed with the TAAA records.

### 3.7 Processing Credit Cards

- 3.7.1 TAAA Accept credit cards using the PayPal Here merchant system. The system allows the scanning of cards or entry of card details remotely using a mobile phone or iPad. During the process, some limited information is captured and available from the PayPal web site. Following these transactions, a written summary should be forwarded to the Accountant or Treasurer by the TAAA sales agent informing them of the name, amount, item, and date of the transaction.
- 3.7.2 Periodically during the month, prior to the month end, the treasurer will access the PayPal account, and transfer the funds to the TAAA bank account, notifying bookkeeping.
- 3.7.3 With confirmation of the amounts, the transactions will be entered in Quick Books recording both the amount of credit, as well as the amount of any fees paid for the transaction to PayPal.

## 4.0 Managing Expenses

### 4.1 Recording Bills paid via paper check or online

#### Banking (Top menu)

Write Checks (Ctl W) – This brings up a ‘check’ style window to fill out. (Be sure ‘Print Later’ is not checked in this window’s menu) Tab to:

Bank Account – chose bank account to charge the expense (CAC, General etc.)

NO. – Check number from TAAA checkbook if applicable

Date – that will be on the check or ACH

Pay to the Order Of – drop down menu of vendors and customers

\$ - Fill in the amount of the check – then Tab for the amount to be written out.

Address - change if necessary.

Memo – allows comments on the expense

Account – this is below in the Expenses register part of window

– Select the expense account from drop down menu to charge the expense.



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Class – select from drop down the funds account to charge the expense to –  
301 General Operating, 311 CAC Operating etc.

### 4.2 Paying Bills

Recurring bills are set up in the online bank system with vendors' names for easy regular set up for payment. Although the system can take up to a week for a vendor to receive the bank generated check, it is convenient and a central location for processing payments. Certain other regular expenses such as internet and electric utilities for the CAC site have been set up on auto pay via the utility web sites. This is due to the short due dates for these payments and the importance of insuring these payments are made before due dates.

### 4.3 Reimbursement for member expenses.

Members regularly pay TAAA expenses from personal funds. As long as these expenses have been authorized by board action or through the board budgeting process, reimbursement is acceptable. Upon receipt of documentation supporting the expenditures, a check is cut made out to the member.

## 5.0 Managing Bank Accounts

### 5.1 Transferring funds between accounts

5.1.1 Before month end the funds accumulated in the PayPal account must be transferred to the Bank account in order to complete the balancing of the checkbook. Paypal account is used for remote acceptance of Credit Cards, Sign on to each Paypal account. Select Withdraw funds. Transfer to bank the balance.

5.1.2 During the month funds accumulated by MemberPlanet from members for various payments of membership, subscriptions and donations are automatically transferred to the TAAA bank account. Following the end of the month. The details of that transfer should be printed from the MemberPlanet system and forwarded to bookkeeping for detailing in QuickBooks, and the summary of the payments during the immediately previous month should likewise be transmitted to bookkeeping.

### 5.2 Handling returned Checks

It is the practice to collect that actual amount of the returned check fee from the payee.

### 5.3 Reconciling accounts

At the end of each month, the bank statement for the previous month should be obtained either on line or through the mail to compare with the QuickBooks records and reconcile the two records.

In QuickBooks,

Banking (Top Menu)



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### Reconcile –

Account – Select 10000 TAAA Checking

Statement Date

Ending Balance - In this window input in Ending Balance from statement.

Service Charge – enter amount and date of any fees charged

Interest Earned – enter amount and date of any interest earned

Select Continue

A register of Checks and Deposits will be displayed. Check to the left of each QB entry which appears on the bank statement.

Reconcile Now

### 5.4 Managing the accounts with restricted and unrestricted funds commingled.

- 5.4.1 It is general practice to maintain as few bank accounts as necessary. However, if the funds have been received from donors, it is important that these funds be handled in accordance with the directives of those donors. As such, Quickbooks accounts are set up to account for the various uses of funds. For major capital projects, accounts are established based on the board directed efforts, and funds raised along those lines with funds then accounted and reported in these restricted categories.

### 5.5 Reserve Account Policy (board Adopted 2015)

#### 5.6 POLICY - CASH RESERVES

- 5.6.1 The purpose of the reserves policy for TAAA is to give visibility to the levels of the unrestricted operating funds within TAAA, enhancing the financial management of the organization, to ensure the mission, programs, and ongoing operations are financially well supported.
- 5.6.2 The unrestricted funds available to operations are divided into three levels, each funded and each utilized under particular financial circumstances. The first level is the Operating Account, the second the Reserve Fund and the third, the Tucson Astronomy Endowment.
- 5.6.3 Operating Account - The Operating Account is defined as the first source of cash funds for the ongoing operations of TAAA. Funds for day to day operations are drawn from this account. Any unrestricted deposits received by TAAA are credited to this account unless otherwise indicated by a donor, or by the Cash Reserves Policy.
- 5.6.4 The Reserve Fund (“Reserve”) is intended to provide an internal source of funds for unusual situations when the Operating account has or will be temporarily depleted such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses above and beyond the funds normally held in the TAAA Operating account. The Reserve may also be used for one-time, nonrecurring expenses that will build long-term capacity, such as staff development,



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special events or investment in infrastructure as directed by the Board of Directors.

5.6.5 Tucson Astronomy Endowment - The Tucson Astronomy Endowment ("Endowment") is a reserve account intended as TAAA's longer term source of operating funds. These funds represent the accumulation of funds above the level of day to day expenses foreseen for a number of years to come. Regularly, each year, 5% of the principle balance of the Endowment will be distributed to the Operating Account. Further, the Board of Directors or its designee may evaluate situations whereby TAAA may wish to support efforts or initiatives outside of normal operations utilize the longer term funds of the Endowment

5.7 Neither the Reserve nor the Endowment are intended to replace a permanent loss of operating funds or eliminate an ongoing budget gap. It is the intention of TAAA for the Operating Reserves to be used and replenished within a reasonably short period of time.

5.8 Funding of the Reserve and Endowment - At such time as the level of cash in the Operating Accounts the end of the fiscal year exceeds the average of the previous 2 years (current and previous years') of operating expenses, the cash in excess of this level will be to be contributed to the Operating Reserve unless otherwise directed by the Board of Directors. The calculation of average operating expenses includes all recurring, predictable expenses such as utilities, rents, insurance, printing, postage, and ongoing professional services. Excluded are expenses related to purchase of apparel and other goods for resale, one time fees or professional services. Depreciation and other non-cash expenses are not included in the calculation.

5.9 The Reserve serves a dynamic role and will be reviewed and may be adjusted throughout the year by the Board in response to internal and external changes and projections of financial results.

### 5.10 Endowment

When the level of cash in the Operating Account is fully funded, and the Reserve the end of the fiscal year exceeds the average of the previous 2 years of operating expenses, the cash in excess of this level will be to be contributed to the Endowment unless otherwise directed by the Board of Directors.

5.11 In addition to contributions from the Reserve, unrestricted general donations to TAAA may be deposited to the Endowment if instructed by a donor.

5.12 The Operating Reserve and the Endowment will be regularly funded with surplus unrestricted operating funds. The Board of Directors may from time to time direct





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that a specific source of revenue be set aside for the Endowment. Examples may include one-time gifts or bequests, special grants, or special appeals.

### 5.13 Accounting for Reserves

5.13.1 The Reserve Fund will be recorded in the financial records as an unrestricted Board-Designated operating reserve. The funds will be held and available in cash or cash equivalent accounts. Operating reserves may be commingled with the general cash and investment accounts of the organization.

5.13.2 The Tucson Astronomy Endowment will be recorded in the financial records as an unrestricted Board-Designated Quasi Endowment. The Endowment may be funded in cash or cash equivalent funds, or investments approved by the Board of Directors. These funds may be commingled with the general cash and investment accounts of the organization.

### 5.14 Use of the Reserves

5.14.1 The Reserves will be utilized when the Treasurer, President or Board identify the financial need for access to the funds and confirm that the use is consistent with the purpose of the reserves as described in this Policy. This requires analysis of the reason for the shortfall, the availability of any other sources of funds before using reserves, and evaluation of the time period that the funds will be required and will be replenished.

5.14.2 Authority for use of Reserves is delegated to the President in consultation with the Treasurer. The use of Operating Reserves will be reported to the Board of Directors at their next scheduled meeting, accompanied by a description of the analysis and determination of the use of funds and plans for replenishment to restore the Operating Reserve fund to the target minimum amount. The President must receive prior approval from the Board of Directors if the Operating Reserves will take longer than 12 months to replenish.

### 5.15 Use of the Tucson Astronomy Endowment

5.15.1 The board has established a fund of cash, securities, or other assets to provide long term funds for the maintenance of TAAA. The board-designated endowment, which results from an internal designation, does not contain funds which are donor-restricted. From an accounting perspective these can be used as any other unrestricted assets.

5.15.2 The Endowment fund may be invested in income producing securities.

5.15.3 The Board of Directors has determined that five percent (5%) of the principal balance of the Endowment will be distributed at the end of each fiscal year to fund the Operating account. If the Operating account is fully funded, this excess will be distributed to the Reserve. If the Reserve is fully funded, this excess will remain in the Endowment



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5.15.4 Authority for use of the Endowment is reserved by the Board of Directors. At time to time, the Board of Directors or their designees may determine other instances and circumstance for distributions one time or regular distributions from the account.

### 5.16 Cash Management and Investment Policies – Draft 2015 March.

5.16.1 The duly elected Treasurer shall be responsible for ensuring that all investments meet and conform to these Cash Management and Investment Policies.

5.16.1.1 Authorized signatures of any Association bank or investment accounts shall be named under a member dishonesty, forgery and 'alterations' insurance policy.

5.16.1.2 100% of the association's endowment funds shall be invested at all times where practical and possible.

5.16.1.3 The TAAAA funds shall be kept in accounts that do not charge a service or accounting fee if at all possible.

5.16.1.4 Bank and account statements shall be sent to the TAAA treasurer on a monthly basis, and made available to the board upon request.

5.16.2 Investment Objectives – The investment objectives of the association are to preserve its invested principal while producing income on a low risk basis.

5.16.3 The TAAA tolerance for risk is low. The Association funds will be invested with banks and institutions where

5.16.3.1 100% of the principal is insured by the US Government or an agency thereof or

5.16.3.2 100% of the principal is backed directly by the US Government.

5.16.3.3 The Association will not invest in commodity funds, derivative products, accounts or securities where the investment would directly or indirectly benefit a member of the Board of Directors.

### 5.17 Tracking Petty Cash

There is a small amount of Petty Cash necessary for the making of change during the monthly meetings. Both the member desk and apparel desk accept cash. An effort to convert payments to credit card payments has been somewhat successful and well received by members. Reluctance of the staff to utilize the technology still needs to be overcome. A sum of about \$200 has been more than sufficient to transactions during the meeting.

## 6.0 Budgets

### 6.1 Rules for the budget



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- 6.1.1 The draft of the coming year budget is prepared by the president and treasurer for review by the board in April of each year.
- 6.1.2 The board reviews the budget and makes entries, changes, and suggestions with the objective of a balanced budget for each year.

### 6.2 Creating the P&L Budget by Program/Class

- 6.2.1 As part of the monthly reporting, a P&L is prepared with comparisons to the budget beginning halfway through the fiscal year as it becomes relevant.

## 7.0 Producing Reports

### 7.1 Monthly Reports

For the purposes of the board meeting, four reports are generated each month. These reports are in formats memorized in the Quickbooks program. Be sure to double check the period for each report generated shown toward the top of the report is the correct period.

From the QuickBooks main screen top menu select

Reports

Profit & Loss by Class (detail for the leaders to see spending in their areas of responsibility)

Memorized Reports

Monthly Budget vs. Actual

Monthly Statement of Financial Position

Monthly Statement of Income & Expenses

Print each report to a PDF File

Distribute the reports as attachments to an email to the Board and Leaders.

The reports are posted to the board storage site by the Secretary as part of his report.

### Subscriptions

The treasurer prepares reports to enable the Astro League coordinator to report members who have paid for subscriptions in the past 13 months. Additionally, each July the Treasurer remits the balance of subscription funds collected during the year to Astro League.

### 7.2 Annual Reports

For the purposes of the board meeting, four reports are generated each meeting following the June 30 fiscal year end. These reports are in formats memorized in the QB program. Be sure to double check the period for each report generated shown toward the top of the report is the correct period.

From the QuickBooks main screen top menu select

Reports



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### Memorized Reports

Yearly Statement of Financial Position

Yearly Statement of Profit & Loss

### 7.3 Asset Reports

For the purpose of sound control and proper reporting for insurance coverage, the TAAA assets should be physically audited no less than once a year. QB can generate a list of assets

#### Reports

##### List

##### Fixed Asset Listing

The assets are located in three primary locations – CAC, Timpa and at the UofA Meeting Room. Assets may also be in the possession of TAAA members. The Directors of TIMPA and CAC should be instructed to physically control the assets at their location. Annually the Assets at each location and on loan should be confirmed to in the place they were recorded or signed out to.

### 8.0 Capitalization - Definition and Threshold

Capital purchases comprise furniture, fixtures, equipment, software, leasehold improvements, etc. that meets two criteria:

7.3.1 1) a useful life of more than one year, and

7.3.2 2) cost more than a certain amount.

The ORG Board of Directors has established \$ 1000 as the threshold amount for capitalization.

#### 8.0 Checking account detail

#### 9.0 Standard Financial Reports

#### 10.0 Year End Activities

#### 11.0 Reconciliations

#### 12.0 Depreciation

#### 13.0 Year-end Reports

#### 14.0 Asset Verification

#### 15.0 Audit

15.1 For the purposes of assuring proper financial controls the board may authorize a compilation, a review or an audit of the financial statements of TAAA. Each of these levels of outside accounting inspection involves increasingly careful scrutiny of the financial results and examination of the processes of preparing the books of the association. Certain fundraising activities may require one of these levels of accounting examination. The costs



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for each of these examinations by an accounting firm are approximately \$1000, \$2500, and upwards of \$5000 respectively

15.2 For current levels of fundraising required by TAAA, the internal preparation of TAAA financial reports and sharing of our IRS 990 report has been sufficient.

### 16.0 Tax Reporting

16.1 IRS Form 990 - TAAA as a 501(c)3 tax exempt organization is required to file a form 990 information report in order to maintain its tax exempt status. The form 990 is filed with the IRS, and the IRS then makes these reports public. A history of the previous TAAA filings can readily be found on the internet. The Treasurer is responsible for insuring the 990 is completed and filed.

16.1.1 The 990 is due to be filed on the 15<sup>th</sup> day of the 5<sup>th</sup> month following the TAAA fiscal year. The fiscal year end is currently June 30 and 990 due by November 15.

16.1.2 The current year's 990 form can be found at the IRS web site searching for 990. The form requires details about TAAA's income sources, and an itemization of the expenses of TAAA broken down by program. The structure of the QB classes is helpful in allocating these revenues and expenses.

16.1.3 For much of the decade of 2010 TAAA has had the benefit of using a member CPA to prepare the 990. Previous to that, the treasurer, using the previous 990 and the results shown on our books prepared the multipage report.

16.1.4 The assembled 990 is presented to the board for approval and submitted under an officer's signature. In recent years the accountant prepared form has been submitted to the IRS electronically by the accountant following board approval.

16.2 Arizona form 90 – each year, after preparation of the IRS 990, the State form which mirrors the state, must be prepared and submitted. The form 90 has been prepared by the same account as prepared the IRS 990 for the past few years. Following board approval, the AZ form 90 must be signed by an officer, and mailed to the State.

### 17.0 Bank Account Controls

17.1 Check Writing – Only the President and Treasurer have check writing authority. Care should be taken to insure the bank authorities are kept up to date after new officer elections.

17.2 Electronic Disbursement Controls - Only the President and Treasurer have authority to disburse funds from the bank account electronically. Generally recurring expenses such as electric utilities have been set up with the address and account numbers registered online with TAAA bank. This enables quick dispatch of the process of writing checks, but the bank internal process of issuing the check at times takes up to 5 days.

17.3 Acceptance, control and depositing of cash.



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Cash is routinely accepted from members and the public at the TAAA general meeting and TAAA sponsored events by TAAA staff. Best practice would be receipts given for cash received and two person verification of cash received. General practice is for apparel receipts to be verified at the general meeting to be verified by the treasure at the end of the meeting.

All receipts including cash should be deposited promptly into the TAAA bank account following each event.

17.4 Bank Statements – TAAA does not receive bank statements by mail. Instead the statements are available on line to authorized persons to view or download.

17.5 Mobile Banking – The bank offers a mobile banking application. With this system, a mobile phone can be used to deposit checks and pay bills.

17.5.1 You must properly endorse the back of the check with your signature and “For Deposit Only. Sign on to the Chase application. Once you're in the Chase Mobile® App, choose "Deposits" from the drop down menu and follow the prompts to enter the details of the check and photograph the front and back of the endorsed check before submitting. You will receive confirmation that the deposit was submitted. You may submit deposits at any time and may include one check in a single deposit.

17.5.2 Mobile Payments – The Bank provides an online service that allows you to send money to any vendor you establish by means of a check, and receive funds from virtually anyone with an email address who is enrolled in the bank’s program.

### 18.0 Insurance

18.1 TAAA maintains a number of forms of insurance. TAAA has enlisted the services of the Koty-Leavitt Agency of Tucson since 2000 to help with our insurance needs.

In order to address the liabilities inherent in members performing outreach, attending sponsored events at remote sites, the general publish attending sponsored events and the like, TAAA maintains a general liability. The aggregate limit in 2014 was \$2,000,000.

This general liability policy is extended to our partners in certain circumstances, naming them as additional insureds. This protects them in the event of a claim resulting from our activities. We have named the Tucson International Modelplex Association (TIMPA), the City of Tucson (Owner of the TIMPA site), and Pima County as additional insureds in the past. The level of insurance required by the County and City required us to add an additional \$1 Million umbrella to our policy for an additional cost. Customers of Astronomy Services at times also request being added to our policy. The insurance company charges us \$20 to \$30 for each additional insured named and thus we have made a blanket endorsement arrangement whereby we can add multiple insureds throughout the year for a flat fee.



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TAAA holds property at each of its locations from books to telescopes to observatories. The property in 2014 was primarily held at CAC and thus this account class bears the cost of the property coverage, and the liability costs are shared across both CAC and TAAA generally.

In order to attract qualified and quality candidate to the board, it is also necessary to provide a proper level of Director and Officers liability coverage for TAAA.