

Chapter 10 Outline

Four Critical Areas in CVB Financial Management
 Nondistribution of Earnings
 Primary IRS Classifications of CVBs
 Disclosure of Information Issues
 IRS Filing Requirements and Forms
Cost Allocation Procedures
 Natural versus Functional Reporting
 Direct versus Indirect Reporting
CVB Financial Statements
 Internal Financial Statements
 Chart of Accounts
 Audited Financial Statements
Appendix A: Fiduciary Responsibility and CVB Liability
Appendix B: The Importance of Implementing Policies and Procedures for CVBs

Competencies

1. Explain the difference between the two classifications of not-for-profit organizations, and describe the advantages and disadvantages to each. (pp. 174–175)
2. Explain the requirements for CVB disclosure of information. (pp. 175–176)
3. Explain the requirements for filing information and tax returns with the IRS. (pp. 176–179)
4. Explain the difference between direct and indirect costs for a CVB. (pp. 179–180)
5. Describe the elements and preparation of internal and audited financial documents. (pp. 180–185)