



American Institute of Aeronautics and Astronautics Committee & Section Funding Document May 2023

This manual was prepared by the AIAA Council of Directors to assist Technical Committee Chairs, Integration and Outreach Committee Chairs, Committee Treasurers, and Section Offices in effective financial management of their committee or section.

Version	Date	Description
V1	5/31/2023	Initial version

COMMITTEE & SECTION FUNDING DOCUMENT

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Purpose: This document is meant to provide detailed information to chairs on what committee custodial and section funding can be used for, and how to comply with necessary financial processes.

1 Committee Custodial Accounts

AIAA headquarters offers a service to committees to manage their funds through the use of custodial accounts. Custodial accounts are held as subaccounts within the Institute’s bank accounts and must adhere to all rules and regulations as required by general accepted accounting principles and the IRS. There are no administrative fees charged to these accounts and these services are offered only to committees or groups that do not have their own tax id. All activity within a custodial account will be included in the Institute’s annual audit, audited financial statements, and 990.

1.1 If a committee would like to open a custodial account, they should contact their AIAA Staff liaison.

1.2 Funding for the custodial account can be attained by:

1.2.1 Participating in a pre-Forum workshop or other Continuing Education products.

1.2.1.1 A signed agreement between AIAA and the Committee is required.

1.2.1.2 Contact Continuing Education staff for additional information.

1.2.2 Individual or corporate contributions.

1.2.2.1 An individual or corporation may send money to the committee for its use by writing a check to AIAA and including the Committee Name in the memo line. Committees should check with AIAA Sales staff before approaching current AIAA Corporate Members.

1.2.2.2 Contributions are limited to \$5000 per person or organization per calendar year.

2 Use of Custodial Funds

2.1 Custodial account funding may be used to pay invoices or reimburse committee members for reasonable expenses related to the mission or operation of the committee.

2.1.1 Committees may not provide funding if it is of personal benefit to any member or close relative of a member of the committee.

2.1.1.1 Personal benefit includes:

2.1.1.1.1 Airfare, hotel accommodation, or registration for committee members or their families.

2.1.1.1.2 Purchasing laptops, tablet computers, cell phones, or other personal equipment for committee members.

2.1.1.1.3 Reimbursements for cell phone, internet, or other personal subscription services. This does not include hosting fees, domain fees, or other services necessary to maintain a committee website.

2.1.2 Custodial account funding can purchase equipment to facilitate events or meeting participation (meeting owl, projector, popup banner, etc.), only after providing the staff liaison and Director/Chief with a chain of custody document and updating it in the event of any changes.

2.1.2.1 Equipment does not include laptops, tablet computers, cell phones, or portable speakers. If specialized equipment is needed at an AIAA event, ask your staff liaison about rentals.

2.1.3 Committees may choose to order catering at in-person committee meetings, or to host public events for the committee and targeted groups (authors, students, etc.) but cannot reimburse committee members for private meals.

2.1.4 Detailed receipts or invoices and chair approval are required to release custodial funding. Please email your AIAA Staff liaison to request payment.

3 Section Bank Accounts

3.1 Regions and Sections are required to open a bank account to manage regional/sectional finances for its activities.

3.2 At least two individuals must have their names on the bank account to ensure that the section has access to the bank account at all times. It's recommended the individuals with their names on the account are the Section Chair and Section Treasurer, but at a minimum two section officers must be listed. After section officer elections or officer turnover, it is the responsibility of the section to make sure the appropriate individuals are removed and/or added to the section bank account to ensure account access.

- If a region or section does not have the ability to open a bank account, they must reach out to their AIAA Staff liaison.

4 Tax Status and EIN

- 4.1 A region and section qualify as a tax-exempt organization under the AIAA tax umbrella. Each region or section should apply for an Employer Identification Number (EIN) to receive tax-exempt status at the IRS website.
- 4.2 If your committee has an EIN, the following section also applies.

5 IRS 990-N

- 5.1 Regions and Sections are required to file an IRS 990 form, which all tax-exempt organizations must file. This form ensures transparency among small non-profits and that the IRS and potential donors can access up-to-date information on your organization.
- 5.2 If gross receipts are \$50,000 or less, small tax-exempt organizations are eligible to file electronically using the simple Form 990-N. Gross receipts are total amounts received from all sources during its annual accounting period.
- 5.3 Form 990 is due the 15th day of the fifth month following the end of the organization's fiscal year.
- 5.4 There's no penalty for filing the 990-N late, however, failure to file for 3 years will result in an automatic loss of tax-exempt status, which is difficult to reinstate.

6 Audit-Budget Report

- 6.1 Sections are required to complete an annual Audit-Budget Report. This report reviews the section finances from the section's activity year (June 1-May 31).
- 6.2 The purpose of the report is to ensure that all section resources are accounted for and provide an aid in budgeting for the coming year.
- 6.3 In addition to filling out the report, the section must submit the first and last bank statement of their fiscal year (June 1-May 31).
- 6.4 The Audit-Budget Report is typically due on June 30 of each year.
- 6.5 After the Audit-Budget Reports are due, it is reviewed by the AIAA staff liaison and the appropriate Regional Deputy Director of Finance. Any issues or concerns will be addressed directly with the section.
- 6.6 AIAA Staff offers a webinar to overview the Audit-Budget Report each year in the Spring before it is due to ensure section officers understand how to fill out the report.

7 Closing Region/Section Bank Accounts

- 7.1 If a region or section goes through decharter, the bank account must be closed by the individuals on the account and the funding must be transferred to AIAA National, as stated in the AIAA Section Bylaws Document.

8 Miscellaneous

- 8.1 Keep detailed receipts for all transactions, regardless of the amount.
- 8.2 For reimbursements of expenses, if \$600 or more in reimbursement (e.g., speaker's travel), you must provide receipts or you will need to issue a 1099 Form and it will count as income.
- 8.3 Please refer to Section 2.1.1 and 2.1.3 of what a section can and cannot spend their section finances on.