

Best Practices: Synagogue • Auxiliary Finances



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While this is a best practice, it is always a best practice to consult with the counsel for your kehilla [congregation].

1. Synagogue auxiliaries may have their own bank accounts. If they use the synagogue's tax number, the synagogue has fiduciary responsibility for the accounts and **must** be permitted to review the books at least annually.
2. The fiduciary responsibility for review of the books **does not mean control** over the funds. The auxiliary has control of the funds, but should act fairly and responsibly to synagogue requests for support.
3. If the auxiliaries collect donations through the year which *are not accounted for* in the synagogue's bookkeeping system and end-of-year disclosure letter to members, the auxiliaries must produce letters substantiating donations made, per IRS publication 1771. "A charitable organization is required to provide a written disclosure to a donor who receives goods or services in exchange for a single payment in excess of \$75."
4. The auxiliary and synagogue should work together to find the most expeditious way for the letters from the synagogue and auxiliaries to be sent to the members no later than January 31.

See IRS publication 1771: Charitable Contributions: Substantiation and Disclosure Requirements
<http://www.irs.gov/pub/irs-pdf/p1771.pdf>

See IRS publication 526: Organizations That Qualify to Receive Deductible Contributions, *Types of Qualified Organizations*
http://www.irs.gov/publications/p526/aro2.html#en_US_2012_publink1000229643