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FBAR-related Suggestion for Clubs

IMPORTANT NOTICE: FAWCO [Tax & Banking Disclaimer](#)

For the following reasons:

- the severe penalties which the IRS can impose for failure to file an FBAR (listed in the section below: [ATTN Club Officers - Including Club Accounts on any required Foreign Bank and Financial Account \(FBAR\) Filings](#));
- the transitional nature of our Clubs with a new Board every year; and,
- for most Clubs their officers one-year terms is not a calendar year, and this will mean both the outgoing and incoming signatory officers will need to include the Club's foreign financial account(s) on two calendar years FBAR filings

To also help future Boards remember this filing requirement, the below - or other - Club administration policies might be considered:

- Treasurer's Handbook, financial controls and/or guidelines document (passed on to each new Treasurer) - Include information about this requirement; and, as an "sample", also have Part IV of the [FinCEN Report 114](#) completed with the Club's account(s) information (except for inserting for each Club account the maximum account value/highest balance for the reporting year, and the filer's title/Club position)
- To- Do List - Add this FBAR report requirement to any Club/Board To-Do List
For example, if the Club has a month-by-month What-To-Do-When-List (also for the relevant month, its things to do may be read at that month's Board meeting)
 - on the to-do list for the Month of January - ADD e.g.
Treasurer - For FBAR filings due June 30 - if they are U.S. Persons - provide those who are (or were) signatories on the Club's financial accounts (current and previous Club Year) - e.g. Treasurer, Asst. Treasurer, President - the "sample" of FBAR Part IV, and also adding to it the maximum value/highest balance of each Club account for the past calendar year; and, remind these Club signatories to also include this Club account(s) info on their individual FBARs just adding at the bottom their Club title, e.g. Treasurer, Past Treasurer
 - on the to-do list for the Month of May - ADD, e.g.
President/Treasurer - For FBAR filings, remind signatory officers (above) of the June 30 deadline.

Note: With the Summer break/hiatu, most Club Years end May 31, and the month of May may also be their Board's transition meeting attended by both outgoing and incoming officers ... so a good time to cover this.
- Archives - For each year, for the Club's files, obtain a copy of each filing officer's FBAR (only Pg. 1, Filer Information, and the page(s) for Part IV signatory accounts which reports the Club's account(s) info), along with a copy of their confirmation e-mails from BSA/FinCEN including a Receipt No., as well as a BSA Identifier No.



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Maintain these copies of the filed FBAR documentation in the Club's/Treasurer's records for at least 5 years from June 30th of the year following the calendar year reported.

- Nominating Committee/Chair (Volunteer Coordinator) - When the Club is preparing a new Board slate/nominations for its membership to vote on at their Annual General Meeting (or when the Board later needs to vote to fill a Board vacancy) - BEFORE any incoming signatory officer accepts their nomination - if they are a U.S. Person, they should be made aware of this individual FBAR filing requirement including the Club's financial account(s).

ATTN Club Officers - Including Club Accounts on any required Foreign Bank and Financial Account (FBAR) Filings

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See also [Foreign Bank and Financial Accounts Report \(FBAR\) - Due June 30](#).

Because of the severe penalties which the IRS can impose for failure to file an FBAR (shown below), those officers who are (or were) signers on their Club's foreign (non-U.S) bank and financial accounts (e.g. current and past Treasurers, Presidents, etc.) - and who are U.S. Persons (citizens or green card holders) - also need to know for the FBAR filing year, the following:

- the balance(s) of their Club's account(s) need(s) to also be included when they calculate their \$10,000 (equivalent) filing threshold for those foreign financial accounts which they have a financial interest in or signature authority over;
- if they meet the reporting threshold required to file an FBAR, on their individual FBAR report they will need to also include in [Part IV on Pg. 4](#) their Club's financial account information and balance(s), i.e. for each foreign account its highest balance during the reporting year; and,
- to remember that, even though they may only have a 1-year term of office, they likely will need to include their Club's accounts in 2 years of their FBARs, i.e. most Club's officers are installed mid-year to the next mid-year.

Applicable Reporting Years: For delinquent or amended FBARs, 6 years back (not including the current year).

Penalties for failure to file an FBAR (or include all foreign accounts): (if the IRS identifies and contacts the U.S. Person before delinquent FBARs submitted)

- the civil penalty is \$10,000 for each non-willful violation
- if the violation is found to be willful, the penalty is the greater of \$100,000 or 50% of the amount in the account for each violation

and each year someone did not file is a separation violation

Also excerpted from answer to FAQ#6 on IRS.gov, [Offshore Voluntary Disclosure Program Frequently Asked Questions and Answers](#) page, "Willfully failing to file an FBAR and willfully filing a false FBAR are both violations that are subject to criminal penalties under 31 U.S.C. § 5322. ... Failing to file an FBAR subjects a person to a prison



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term of up to ten years and criminal penalties of up to \$500,000.

More Info: For more information, and answers to questions, see IRS.gov and bsaeiling.fincen.treas.gov.

Also feel free to contact us at ustaxbanking@fawco.org. And, in confidence, do also let us know if you have a story to share, e.g. an IRS experience.

We also have a running comprehensive Q&A article - Understanding the FBAR and Your Reporting Requirements - which includes FAQs on Basic Filing Info (Who, What, When); Technical (doing it electronically); Compliance; and, Assistance.

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