

### INTRODUCTION

The requirement that lodges complete and file Form D18 on an annual basis is not only a Sons of Norway bylaw requirement but also a requirement under state and federal law. A Fraternal Benefit Society, tax exempt under 501(c)(8) of the Internal Revenue Code, must operate on a lodge system where the local and district lodges are chartered by the parent lodge, Sons of Norway. As a result, Sons of Norway is required to exercise general oversight over the chartered lodges. As part of the oversight requirement, the Internal Revenue Service requires that Sons of Norway obtain and review the financial information of its lodges on an annual basis. In addition, the Model Fraternal Code, adopted by all states, also requires that Sons of Norway oversee the financial status of its chartered lodges. Sons of Norway Form D18 is used for this purpose and has been for many years. The information is kept with strict confidentiality and is not shared with third parties. Again, the sole purpose for the completion of Form D18 is to comply with Sons of Norway's oversight responsibilities.

If your lodge has an interest in real estate, the separate building corporation or association that holds title to the real estate is required to complete Sons of Norway Form D18. Even though the property is not held in title by the lodge, the oversight responsibility extends to the building corporation because of the lodge's economic and governance interest in the real estate.

Sons of Norway requires 100% compliance with the filing of Form D18. To avoid penalties, all filings must occur on a timely basis.

The preferred method is to complete and submit the D18 online. Entering your member number will be used in place of your signature, so there is no need for printing or mailing your D18.

You can also download a fillable PDF. Upon completion the treasurer and president will approve, sign, and send to the Audit Committee for review. The Audit Committee Chair will review, approve, and send the form to headquarters.

**Please visit [www.sofn.com/d18](http://www.sofn.com/d18) to complete your D18.**

### INCOME STATEMENT

#### 1. Receipts

- a. Sales** This amount should include funds that are received from sales. Examples include, but are not limited to: sales of office equipment that is owned by the association, and sales of other items that are not part of the building or the land the building occupies.
- b. Rental Income** This amount should include funds that are received for rental of the building. Examples include, but are not limited to: rent from tenants, and rent for special events put on by other organizations.
- c. Interest and Dividends** This amount should include interest from checking and savings accounts, and interest and dividends from investment accounts.
- d. Other** This amount should include all receipts that are not covered by 1a-1c. Please provide a description of these receipts for clarification.

**2. Total Receipts** Add lines 1a. through 1d.

#### 3. Disbursements

- a. Utilities/Taxes** This amount should include expenditures for utilities and taxes. Examples include, but are not limited to: water bills, sewer bills, trash bills, and property bills.
- b. Maintenance Expenses** This amount should include expenditures for maintenance. Examples include, but are not limited to: repairs of the building and property, and expenses to maintain and operate the building.

# D18 BUILDING ASSOCIATION FINANCIAL STATEMENT

## INSTRUCTIONS



- c. Salary Expenses** This amount should include expenditures for the salaries and benefits paid to employees who maintain the property and building.
- d. Depreciation** This amount would include the deprecation that is recorded on all fixed assets. Fixed assets that would have depreciation include, but are not limited to: furniture, equipment, buildings, and building fixtures.
- e. Other** This amount should include expenditures for the property and building that are not included in 3a-3d above. Examples include, but are not limited to: insurance, liens on the property, legal fees, deed expenses, and real estate fees.

**4. Total Disbursements** Add lines 3a. through 3e.

**5. Net Gain (Loss)** Line 2 minus line 4.

### BALANCE SHEET

- 6. Cash on Hand and in Bank** The amount should include the balances from checking and savings accounts, if applicable.
- 7. Investments** This amount should include, but is not limited to: money market account balances, certificate of deposit balances, mutual fund account balances, and stocks and bonds account balances.
- 8. Real Estate** This amount should include the original purchase price of the building.
- 9. Furniture and Equipment** The amount should include, but is not limited to: computers, tables, chairs, and desks owned by the association.
- 10. Other** This amount should include, but is not limited to: prepaid expenses, and accounts receivable.
- 11. Total Assets** Add lines 6 through 10.
- 12. Mortgage of Loan, if any** This amount should include the current balance of the mortgage.
- 13. Other** This amount should include, but is not limited to: accounts payable, taxes payable, and notes payable, etc.
- 14. Total Liabilities** Add lines 12 and 13.
- 15. Net Worth** Line 11 minus line 14.
- 16. Net Worth Prior Year-end** Enter the amount from line 15 of the prior year D18.
- 17. Net Increase(Decrease)** Line 15 minus line 16.

If there is a major deviation in any of the numbers compared with the previous year, please explain.