



# Accounting Policy and Procedures Manual

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## Checking Accounts

**Opening a bank account** – Any new bank accounts to be opened for the WI Elks Association, Inc. (the Association) must be approved by the Board of Directors.

**Check Signers** - All checks require two signatures. The Association has three approved check signers: The Secretary, the Treasurer, and the Chairperson of the Board. The Chairperson's signature would only be needed should one of the other two not be available to sign a check.

**Request for fund disbursements** – All requests for fund disbursements should be forwarded to the Association Secretary. The Secretary will create a voucher and then periodically submit all vouchers and their backup electronically to the Association President, President-elect, Treasurer and the Chairperson of the Board. All vouchers need to be approved by the Secretary, the President and the Chairperson of the Board. Before approving, the Chairperson should make sure that all disbursements are within the approved budget amount. All three approvers need to email all others their approval.

Once the Treasurer has received all three approvals, he should make sure that the Association has cash sufficient to pay the expenditure, and then he will enter the disbursements information into the association's copy of QuickBooks, and then print out a check. The Treasurer will sign each check, and then forward the checks to the Secretary for their signature. The Secretary will then disburse the checks to the appropriate vendors/payees.

It is the Board policy that all vendors be paid with a physical check, with the exception of Association credit card bills. Credit card bills can be set up for automatic withdrawal for payment, but the purchases need to be vouchered and approved before the date the automatic payment is scheduled to be withdrawn. The Treasurer is the person designated to set up the automatic payment schedule for Association credit card payments.

**Deposits of funds** – As per the Bylaws, the Secretary should receive all monies paid to the Association, record the receipt, and then turn same funds over to the Treasurer for deposit into the Association bank accounts.

**Bank Reconciliations** – The Treasurer will print a copy of the monthly bank statement at least monthly, and then reconcile the QuickBooks account to the bank statement. If any outstanding checks are near their stale date of 180 days, the Treasurer should try and contact either the payee, or the committee chair that requested the fund disbursement. The status of the outstanding checks needs to be determined, and potentially a stop payment with the bank and reissue of the check for the payee.

**Stop Payment Requests** – If the Treasurer thinks a stop payment is needed, they will get approval from the Chairperson of the Board. Once approval is obtained, the Treasurer will call the bank with the information required to issue the stop payment. Because of the high fees involved with the stop payments, smaller checks (<\$200) do not need stop payments to be reissued. The cost of the stop payment to be borne by the committee who originally asked for the initial disbursement.

Should a reissue be needed, the Treasurer should inform the Chairperson of the Board and also the Secretary.

## **Annual Accounting**

The Secretary is in charge of creating a system to record the annual revenues and expenses of the charitable and administrative accounts of the Association. On an interim basis, the Secretary will forward a copy of the books of the Association to the Treasurer, so that the Treasurer may reconcile the Secretary's copy to his own register balance. The Treasurer should inform the Secretary of any adjustments needed to his records. A final reconciliation should be done before each of the conferences and conventions, such that both the Secretary and Treasurer present to the Audit Committee balances that are in agreement with each other.

## **1099's**

The Treasurer is in charge of issuing any 1099's needed. If needed, they should be mailed to the recipients by January 31 of each year, and the government copies should be mailed to the government by February 28<sup>th</sup> of each year. Should the Treasurer notice a vendor/payee that could potentially need a 1099, the treasurer should send the vendor/payee a form W-9. The W-9 will provide the information necessary to help the Treasurer determine if the vendor should receive a 1099.

## **Scholarship Deferrals**

Occasionally, a student receiving a scholarship award will ask for that award to be deferred. The Association will honor that request for one year. If the student isn't prepared to receive that scholarship the following year, the scholarship will be forfeit. The Treasurer should make sure that the Chairperson of each scholarship committee is aware of these rules, and the Chairpersons' need to make sure the students asking for deferment also are aware of this rule.

## **Expense Reimbursements**

Association officers that have expense allowance accounts need to report their expenses on an annual basis, after the association year is completed. The Treasurer will supply to the officers, after their installation, with a form and instructions regarding keeping track of their mileage and other expenses. The Association allows a mileage rate equal to the maximum allowed by the IRS. The Treasurer will inform the officers what the current rate is, and also update the officers when the rate changes. The officers should keep track of their expenses, and submit the record to the Secretary. If the total of the officer's reimbursements are \$600 (or more) greater than the expenses they submit, the Treasurer will issue the officer a 1099 for the excess. The Treasurer will be looking at the Association's fiscal year when determining which reimbursements and expenses are to be taken into account for this calculation.

## **Annual tax returns**

The Association year end is March 31. By August 15<sup>th</sup> of each year, a form 990 needs to be prepared and sent into the IRS. The Treasurer is in charge of this process. The Treasurer also needs to send a copy of the completed form 990 to the Chairperson of the Board and also the Audit Committee Chairperson. The information for the 990 should be prepared, not only with the results of the charitable and administrative information compiled by the Secretary, but needs to also include association funds that aren't accounted for in those financials, such as the Grand Lodge Attendance Committee expenses for the year, and their funds held in their checking account at 3/31, also needed are the funds held in the individual National Service Veterans Representative's checking accounts as of 3/31.

The Grand Lodge Attendance Committee uses QuickBooks for their accounting. To get the information needed to complete the tax return, the Treasurer needs to ask the Grand Lodge Attendance Committee Chairperson for a copy of the balance sheet as of March 31, and an income statement for the year ended 3/31.

The National Service Veterans Representatives keep individual checkbooks. There are 14 hospitals to account for. The Treasurer will need to email/call each representative to get their checkbook balance as of 3/31 of each year. These checkbooks each use the Associations Federal ID number, and should be set up in the name of the Association. They should not be set up in the name of the individual representative.

## **Investment Account**

The Association keeps a Raymond James investment account to hold excess administrative funds, to be used to balance the administrative budget when needed. The broker the Association has placed in charge of investment decisions is Form Wealth, of Lake Geneva, WI. The broker makes all investment buy and sell decisions. Online access to the account is entrusted to the Treasurer and also the Chairperson of the Board of Directors. The Treasurer is required, at each Association convention or conference, to make a report of the investment account activity and balances, since the prior convention or conference. Occasionally, as authorized by the budget, administrative funds will need to be transferred from the Raymond James investment account to the general checking account. The Treasurer, by email, with a copy to the Chairperson of the Board, will instruct the broker when a transfer is needed, not to exceed the annual total allowed by the budget. The timing of the transfer is left to the discretion of the Treasurer, who is most familiar with the cash flow needs of the Association. Should a transfer be needed that would be in excess of the annual amount approved in the budget, the Chairperson of the Board of Directors will poll the members of the Board, and a majority will need to vote in the affirmative to allow said transfer to take place.

## **Audit Committee Review of the Association Books**

Per the bi-laws of the Association, the Audit Committee should be reviewing the books of the Secretary and Treasurer, and all other committees that have funds. Further, the Audit Committee should also be auditing the books of the WI Elks Major Project, Inc.

For the audit of the Association books, the secretary needs to bring to each convention/conference the accounting of the Association on a fiscal year-to-date basis, all balances in the Associations bank and investment accounts, and all vouchers (and information needed to show the purpose of the voucher) created since the prior convention/conference.

The Treasurer needs to bring to each convention/conference the bank reconciliations and bank statements that tie out to the Secretary's listing of funds on hand that he presents to the Audit Committee. The Treasurer also needs to bring the latest monthly statement from the Association investment account, the balance of which should reconcile to the balance the Secretary presents to the Audit Committee.

## **Insurance**

The Association holds the following insurance policies: Directors and Officers, and casualty insurance for the drug awareness trailers. For the Directors and Officers policy - the WI Elks Benevolent Fund, Inc. and the WI Elks State Major Project, Inc. are included on the policy. The Association pays the entire policy, and the Secretary will bill the other two entities for their portions. The Board of Directors is charged with making sure the Association policies are appropriate and have adequate coverage. At least annually, the policies should be reviewed by the Board of Directors.

## **Budget Process**

The Board of Directors is in charge of the budget process. Ahead of the spring convention, the committee chairpersons should be informed by the Secretary that any budget requests should be forwarded before the spring convention to the Secretary and the Chairperson of the Board. The Secretary should bring to the spring convention a computer and Excel software to help with the budget process. The Board will look at the committee budget requests, along with the estimated income for the coming year, and prepare a balanced budget for both the administrative and charitable funds of the Association.

The Chairperson of the Board will present the balanced budget to the general membership at the spring convention, for their approval. Throughout the fiscal year, the Chairperson of the Board should be mindful, when approving disbursements, of the constraints placed by the budget on committee expenses, and should not exceed these amounts.

## **Credit Cards**

With Board approval, the Association may issue a credit card in the name of the Association and an Association member. The Association credit card should not be used for personal purchases, and if by accident a personal purchase is made with an Association credit card, the holder should reimburse the Association within 30 days. The holder needs to submit for the normal approval process, all purchases made with the Association credit card.