



**WHEREAS**, the Ohio Water Environment Association (OWEA) is a 501(c)(3) Organization and a Member Association (MA) of the Water Environment Federation (WEF); and

**WHEREAS**, OWEA is required to keep records for taxes, payroll, insurance, and income tax reporting in accordance with requirements of the Internal Revenue Service for nonprofit organizations;

**WHEREAS**, OWEA requires its financial records to be auditable, accurate, consistent, clear, easy to understand by all Board Members.

**THEREFORE**, OWEA has adopted the following policy regarding financial management:

### **POLICY AND PROCEDURE**

#### **Fiscal Year**

The OWEA fiscal year is January 1 through December 31. The OWEA tax filing deadline is May 15<sup>th</sup> of each year. Extensions (up to two) can be applied for, to allow reporting up to November 15<sup>th</sup> of the year.

#### **Taxes**

OWEA is liable for reporting financial information as a 501 (c) (3) non-profit organization. IRS reports are 990 and 990T.

Past practice has been for OWEA to hire an accounting firm to prepare the tax filing forms. The accountant should be selected by a bid proposal and have experience with like or similar organizations to OWEA. Tax filings shall be signed and submitted by the Secretary-Treasurer.

Required information for tax reporting may include but not be limited to the following:

- QuickBooks file with all accounts payable and accounts receivable as of December 31 included. Information from the four sections are also required.
- Board minutes for the subject year.
- List of board members for the subject year with contact information (including email).
- Bank reconciliation and bank statements for all accounts as of December 31 from the previous year and January 31 of the next year.
- Investment statements for the year.
- Invoices for any fixed asset purchases made during the year.
- Attendance information related to workshops and annual conference.
- A copy of the Buckeye Bulletins for the year in question.



The tax reporting forms will be retained at the OWEA office. The Secretary-Treasurer may keep as copy as well.

### **Auditing**

Financial audits can be internal and external. OWEA has required that an auditing committee be comprised of appointed members. The audit committee should conduct a review of financial information and practices by March 31<sup>st</sup>. The committee will meet with the Executive Manager and Secretary-Treasurer to conduct the review the books. Materials to be reviewed are bank and investment statements, QuickBooks reports, of credit card transactions and payments to officers and staff.

An external audit is conducted by an accredited accounting firm. Audits can be performed on three levels of complexity with corresponding costs. It is recommended that the OWEA conduct a basic review audit every two years, an intermediate at three, basic at four and a full audit at five year intervals. A full audit shall be conducted whenever the Executive Manager or Secretary-Treasurer changes.

### **Payroll**

OWEA currently employs one full time staff (Executive Manager) and one part-time employee for up to 20 hours of work per week. The EM is salary and part time is hourly. It is recommended that payroll processing be contracted out to a payroll processing company.

Currently, OWEA uses SmallBiz Payroll, a division of Paychex . The web site is [www.smallbizpayroll.com](http://www.smallbizpayroll.com) ; phone is 866-668-5050. OWEA's company ID is 24-5154. The Secretary-Treasurer is the contact for OWEA and handles all payroll processing. Payroll periods are the 1<sup>st</sup> to the 15<sup>th</sup> and the 16<sup>th</sup> to the last day of each month. Checks are issued on the 5<sup>th</sup> and 20<sup>th</sup> of the month by direct deposit.

The EM will report the part-time employee's hours to the ST by the 1st and 16<sup>th</sup>, respectively. The ST will process the payroll and submit payroll statements and electronic pay checks to the EM.

### **Insurance**

OWEA will maintain insurance to protect the organization and its sections. Insurance policies at this time include:

- Inland Boat and Marine - this policy covers the property and materials of OWEA
- Employee Dishonesty – this policy covers the employees and officers in case of loss of funds through theft. Coverage includes the EM and ST. Any other officer who handles OWEA



funds should be included in the coverage. Coverage should be listed by positions. Not specific names.

- Director and Officers Insurance – this policy protects the board and the decisions made by the board.
- Wilo pump – to cover the pump that was purchased.

Insurance policies should be reviewed every three years to ensure appropriate and adequate coverage. Policies should be revised whenever a major change or purchase occurs (such as buildings, vehicles, equipment, etc.).

The OWEA may consider purchasing event insurance as necessary.

### **Executive Committee Oversight**

The OWEA Executive Committee shall appoint an additional officer, other than the Secretary – Treasurer to provide financial oversight of records and actions. Preferably, this person shall be either the President Elect or Vice President, but can be another Board member