The accounting and financial policies included in this manual were originally approved by the NC AWWA-WEA Board of Trustees 9/15/2004; and were previously revised 5/17/2006; 3/7/2013; 11/10/2013.

All members and others acting on behalf of the Association (or agents of the Association) are bound by the policies herein, and any deviation from established policy without prior approval of the Board of Trustees is prohibited.
ACCOUNTING & FINANCIAL POLICIES

Access to Records: In accordance with federal law, it is the policy of the NC AWWA-WEA to provide copies of the following records of the Association to any person appearing at the Association office during normal business hours of operation. Copies of these requested records will be provided by the end of the business day. Copies will be made available within 30 days to any person requesting these documents by mail. Requests must be made either in person or in writing (phone requests will not be honored). Copies of any of these documents will be made available at no charge to NC AWWA-WEA members and at a rate of $1.25 for the first page and $0.10 per page for additional pages for non-members. These copies will be mailed to members at no charge; however, non-members will be required to pay postage.

- IRS Form 990 – most recently filed
- Not-for-profit tax-exempt status letter from IRS
- Financial statements – balance sheet and income statement for most recent month

Bank Reconciliation: It is the policy of the NC AWWA-WEA to address bank statements to the Executive Director at the Association office. The Finance Coordinator will review the bank statements and will reconcile the accounts in Quick Books, which shall then be reviewed by the Executive Director. The Treasurer will also conduct a routine review all bank statements, reconciliations, all staff credit card invoices and credit card payments prior to each Board meeting. The Treasurer will then provide a financial summary report to the Board of Trustees at each Board meeting (every 2 months).

Basis of Accounting: NC AWWA-WEA will use the cash-based method of accounting that recognizes revenues when they are received and expenses when they are paid.

Capital Items: It is the policy of the NC AWWA-WEA to designate any item over $500 as a capital item.

Cash Management Policy: Separate checking and savings accounts will be maintained for NC AWWA and NC WEA.

At a minimum, NC AWWA will maintain:

1. A checking account in which all deposits will be made and which will be used to pay Association expenses, with a minimum balance maintained at $20,000;
2. Other accounts as directed by the Board of Trustees.

NC WEA will maintain accounts as directed by the Board of Trustees, and in accordance with the Management Agreement between NC Section AWWA and NC WEA.

Chart of Accounts: It is the policy of the NC AWWA-WEA to maintain a chart of accounts. All involved with accounting coding responsibilities or budgetary responsibilities will be issued a chart of accounts.

Check Disbursements: It is the policy of the NC AWWA-WEA to keep unused check supplies safeguarded under lock and key at the office of the Association. All check disbursements will require approved invoices or expense vouchers. The resulting checks will be signed by an authorized signer as described in “Check Signers”.

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Check Endorsement Policy: It is the policy of the NC AWWA-WEA to endorse all checks received with a stamp stating “Deposit Only”.

Check Signers: NC AWWA-WEA established a separate Signatory Policy on September 15, 2011.

Collection Procedures: It is the policy of the NC AWWA-WEA to invoice for services immediately following completion of service. If payment is not received according to schedule, the Treasurer may authorize the use of a collection agency. Attempts to collect payments will be noted and kept on file.

Contract Signing Authority: A separate Signatory Policy was approved September 15, 2011.

Control Over Checks and Cash: It is the policy of the NC AWWA-WEA that checks and cash will be deposited on a weekly basis. At close of business each day, all undeposited funds shall be secured in the office fire-proof safe.

CPA Firm – Audited Financial Statements: It is the policy of the NC AWWA-WEA to direct the Treasurer and the Executive Director to distribute the audited financial statements to the Board of Trustees and to organizations entitled to receive a copy such as AWWA and WEF. The decision to accept this financial review by the Accounting firm will be made annually at the March Board of Trustees meeting where the financial statement will be presented by the Accounting firm, the Treasurer, and the Executive Director.

CPA Firm – The Engagement Letter: It is the policy of the NC AWWA-WEA to review the draft of the CPA engagement letter before it is signed and ensure that it covers matters important to management. The letter will be reviewed by the Treasurer and the Executive Director and then signed and executed.

CPA Firm – The Management Letter: It is the policy of the NC AWWA-WEA to discuss the CPA management letter with representatives of the auditing firm and to direct volunteers, Executive Director, and Treasurer as to the appropriate action required to correct any deficiencies addressed.

CPA Firm – Selection of Firm: The Executive Committee shall recommend and the Board of Trustees shall then vote upon the selection of a CPA firm experienced in auditing not-for-profit organizations. Re-awarding the contract for auditing services to the existing firm is acceptable as long as its performance is satisfactory and its continued use is cost effective.

Credit Cards: It is the policy of the NC AWWA-WEA that the Association will establish credit card accounts and credit cards will be issued to the Executive Director and staff members as deemed necessary by the Executive Director. No individual credit card limit shall exceed $10,000 and the maximum total of available credit for all credit cards shall not exceed $30,000. The credit card account will be reviewed on a monthly basis by the Treasurer.

Fees and Rates: It is the policy of the NC AWWA-WEA to review all Conference / Seminar / School / Book and Membership fees, and reimbursement rates for Board and volunteer travel annually during the budget process. These fees must keep up with inflation and other changes in costs, revenues, and budgetary needs.

Finance, Budget, and Accounting Schedule: The Treasurer and the Executive Director shall establish an annual schedule for budget preparation and approval, budget review, fiscal year audit, training budget estimates, committee budgets, and appropriate other reports. Schedule is based on a fiscal year from January 1 to December 31.
June: YTD Actual Income/Expense reviewed
Budget Request forms and Committee Work Plan forms provided to Committees

July: Budget Request forms and Committee Work Plans received from Committees.
Initial Draft Budget prepared by staff.

August: Executive Committee review of initial Draft Budget
Staff amends as required.

September: Preliminary Budget reviewed by the Board at the September Board meeting.

November: Final Budget adopted by the Board at the first November Board meeting, and presented to the new Board at the second November Board meeting.

Financial Statement Preparation and Distribution: It is the policy of the NC AWWA-WEA for the Executive Director and the Treasurer to prepare the financial reports every two months for review by the Board of Trustees at their bi-monthly meetings. These reports shall include a Balance Sheet and Profit/Loss statements.

Fiscal Year: The fiscal year shall be from January 1 to December 31.

Independent Contractors: It is the policy of the NC AWWA-WEA to evaluate criteria established by the IRS when assigning individual employee or independent contractor status. Individuals qualifying as independent contractors will sign a contract and will be issued IRS Form 1099 for completion, prior to any payment being made.

Insurance: It is the policy of the NC AWWA-WEA to have an independent insurance consultant review the Associations insurance policies annually to ensure coverage and limitations adequately meet the needs of the Association and members.

While AWWA National provides insurance coverage for Sections in many areas, it is the practice and policy of the NC AWWA-WEA Board of Trustees to secure separate insurance through an independent insurance company to provide coverage, including but not limited to:

1) Commercial general liability
2) Property insurance
3) Employee health, employee life, employee accidental death, employee long-term disability,
4) Directors and Officers Liability
5) Workers’ compensation
6) Cyber liability

Investment Plan For Reserve Funds:

NC AWWA-WEA established a separate Reserve Fund Policy on November 15, 2009

Any and all interest income earned from investments may be used as current fiscal year operating funds. The budget will reflect such anticipated revenues.

The Executive Committee shall review investment opportunities on an annual basis.
**Loans Prohibited:** It is the policy of the NC AWWA-WEA to prohibit loans to members under all circumstances.

**Purchasing Authority:** All items purchased by the Association must be approved as part of the approved annual budget. If an item is not included in the approved budget then it must be presented to Executive Director and Treasurer for approval. If this item will affect the approved budget then the Board of Trustees must approve an adjustment to the budget.

**Records Retention and Destruction:** NC AWWA-WEA established a separate Record and Retention Policy in February 2011. It is the policy of the NC AWWA-WEA to retain records as required by law and to destroy them in conformance with the Records Retention Policy.

**Refunds:** It is the policy of the NC AWWA-WEA to publish the Association’s Refund Policy on all order forms. No refunds will be allowed for dues. Full refunds for Conference / Seminars / Schools / Books, less a processing fee, will be granted if the customer or member requests the refund in writing prior to the stated deadline. Refunds issued will reduce the corresponding revenue account accordingly.

**Reserve Funds:** NC AWWA-WEA established a separate Reserve Fund Policy on November 15, 2009.

**Software:** Quick Books shall be the base software for financial management.

**Travel Policy:**

The purpose of this travel policy is to assist members of the Board of Trustees and any authorized volunteers to attend AWWA and WEF meetings as approved by the Board and to control expenses for the Association. Individuals requesting reimbursement are required to provide information to justify reimbursement.

a. In cases where travel by a member is approved by the Board of Trustees the member may, by written request (Travel Reimbursement Request Form), be reimbursed as follows:

**Meals:** Reimbursement for cost of meals not furnished by the event shall be reimbursed at cost, including tax and tip, providing that receipts are provided reflecting the total for which reimbursement is sought. No reimbursement of costs of alcoholic beverages will be provided. If no receipt is provided, a total of $6 will be reimbursed for breakfast meals, $10 for lunch meals and $15 for dinner meals.

**Lodging:** Association will reimburse the member the total cost of the room. Receipts are required.

**Travel:** Total cost of coach or second-class airfare plus necessary taxi or rental car expense.

If a member desires to use a private automobile in lieu of airfare and taxi, the member may do so and be reimbursed at the current state of North Carolina per mile rate for private automobile, provided that the total cost of private automobile does not exceed that cost which would have been incurred by using the plane and taxi. Receipts are required.
Registration:  Association will reimburse the member’s conference registration fee as applicable.

b.  In recognition of their service to the Association the following members of the Board of Trustees may attend the AWWA and WEF National Conventions as per the following schedule and reimbursement shall be as outlined in Section (a) above:

Chair:  Choice of either AWWA or WEF.
Chair-Elect:  Either AWWA or WEF – whichever is not selected by the Chair.
Secretary:  Either AWWA or WEF – should endeavor to alternate meetings.
Treasurer:  Either AWWA or WEF – should endeavor to alternate meetings.
AWWA Directors:  AWWA (to also include AWWA Mid-Winter Board meeting)
WEF Directors:  WEF

c.  Special Regional AWWA or WEF meetings are scheduled annually.  Where distance will permit, any member of the Board of Trustees may attend either the RMSO or the WEFMAX meeting, with reimbursement available as outlined in Section (a).

The expenditure of funds must be approved by the Board through the approved annual budget.

See attached Travel Reimbursement Request Form.

d.  Committee Chair Travel:  Any Committee Chair desiring to attend any AWWA or WEF event shall include a request for such travel in the Annual Committee Budget Request and shall detail reason for and benefits of such travel in the Committee’s Annual Work Plan.
TRAVEL REIMBURSEMENT REQUEST FORM

DATE OF REQUEST:
____________________________________________________________________________
NAME:
__________________________________________________________________________________
EVENT DESCRIPTION:
__________________________________________________________________________________

FOR MEALS NOT PROVIDED AT EVENT (Reimbursement will be provided at current Board approved rate)

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SUBTOTAL
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Make check payable to:
_____________________________________________________________________________________

Mail check to:
_____________________________________________________________________________________

_____________________________________________________________________________________

________________________________________________          ________________________________  
Signature         Date

Office Use:

Request Received: _____________________ Approved by: _____________________

Check #: _____________________________  Check date: __________________________
NC AWWA-WEA COMMITTEE EXPENSE / PAYMENT REQUEST

DATE OF REQUEST: _________________ REQUESTED BY: ________________________________

COMMITTEE: _________________________________________________________________________

AMOUNT OF REQUEST: ________________________________________________________________

DATE DUE: ___________________________________________________________________________

** PLEASE ATTACHED BILL, RECEIPT, OR OTHER DOCUMENTATION **

MAKE PAYMENT TO: __________________________________________________________________

MAILING ADDRESS: ___________________________________________________________________

CITY: ___________________________ STATE: ___________ ZIP: __________________________

DESCRIPTION OF EXPENSE / PURPOSE: _________________________________________________

_____________________________________________________________________________________

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COMMITTEE CHAIR APPROVAL - SIGNATURE: __________________________________________

DATE SENT TO NC AWWA-WEA OFFICE: ________________________________________________

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NC AWWA-WEA OFFICE USE:

DATE RECEIVED: _____________________________________________________________________

CHECK NUMBER: _____________________________________________________________________

CHECK AMOUNT: _____________________________________________________________________

PAID TO: ___________________________________________________________________________

DATE MAILED: _______________________________________________________________________

COMMENTS: __________________________________________________________________________

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