

WASHINGTON LIBRARY ASSOCIATION

Financial Policy and Procedures

Approved April 5, 1995

Revised September, 2000

Revised April, 2001

Approved June 1, 2001

GENERAL

The Washington Library Association (WLA) is a 501C-4 Corporation which is a not for profit corporation. Its mission is to develop, improve, and promote library services throughout the State of Washington.

1. WLA recognizes a fiscal year beginning with August 1st and ending with July 31st of the following year.
2. As a Corporation, WLA is required to conduct its accounting practices on an accrual basis as established by the Internal Revenue Code Section 448.
3. WLA bases its accounting practices on Generally Accepted Accounting Principles (GAAP).
4. WLA prepares and files Internal Revenue Service (IRS) Form 990 on a yearly basis. This form is due within five months of the close of the Fiscal Year.
5. The Association President, Vice President, or the President's designee must sign all contracts and agreements. This restriction applies to all conference, committee, Interest Group actions, and to any other activities requiring a contract or binding agreement. The President or the Treasurer will sign all credit applications for WLA.
6. The WLA Board must adopt all rate and fee structures, e.g., WLA and WALE conference fees, *ALKI* subscriptions and advertising rates, and other publication prices, and other workshops or special projects, as recommended by the appropriate Association Board, Committee member(s), or Interest Group(s).
7. The Treasurer is authorized to pay approved bills of the Association. A report will be given at each WLA Board meeting. Also, the Treasurer will report to the President and Vice President between Board meetings and will prepare quarterly reports.
8. The Treasurer will maintain an electronic accounting system using a viable software program and the Association's chart of accounts.

MEMBERSHIP DUES

Membership dues generate the majority of revenue for the Washington Library Association. WLA will assess fair membership dues to sufficiently meet the operating needs of the Association. The dues structure will be reviewed as necessary by the Budget Committee and recommendations will be given to the WLA Board for adoption by the organization.

1. The Budget Committee will recommend changes in the dues for approval to the WLA Board.
2. Any changes in the dues structure must be made far enough in advance to allow the membership to reflect the change in their agency budgets.
3. The Association Coordinator will mail dues statements to all current members two months prior to the end of the calendar year.
4. Dues are payable on the first day of the calendar year. (By-laws Article IV)

CASH AND CASH RECEIPTS

The Washington Library Association will maintain an adequate cash receipting system that will document all cash transactions of the organization.

1. WLA will accept payment of dues and designated conference registration through the use of MasterCard/Visa. WLA incurs a relative percentage expense for each transaction, but will continue to offer this service as a benefit to its membership.
2. The Association Coordinator is responsible for billing and maintaining all accounts receivables for the organization. Accounts receivable include all conference and workshop billings for purchase orders and other outstanding fees due to the organization. A copy of the aged accounts receivable will be forwarded to the Treasurer on a monthly basis.
3. The Association Coordinator receives and deposits all cash for the Association, except for conference monies which are handled separately by a designated conference treasurer. A deposit slip with the detailed transactions is faxed to the Treasurer on the date of the deposit. The actual deposit slip is forwarded to the Treasurer for entry into the accounting system.
4. The Association Coordinator will immediately notify bankcard holders of any unauthorized bankcard transactions and arrange for payment.
5. The bank statements are mailed unopened to the Treasurer for reconciliation.
6. The Treasurer will arrange for a current WLA member or Board member in geographical proximity to reconcile the statements on a quarterly basis.
7. The Treasurer will contact (notify) each person who drafted a returned check and request payment by money order or some other form of cash to be paid within two weeks of notification.
8. Because the Association must report on an accrual basis, all outstanding accounts receivable must be reported to the Treasurer at the close of the fiscal year for preparation of the financial statements. This will also include any uncollected revenues from dues, conferences, or workshops.

CASH DISBURSEMENTS

The Washington Library Association Treasurer is responsible for the timely payment of all operating obligations.

1. The WLA Treasurer is responsible for maintaining ongoing operating obligations, including, but not limited to, payroll and payroll taxes, disbursements to vendors, reimbursements to members, and other expenses as directed in the WLA budget.
2. The WLA Treasurer is authorized to pay vouchers that have been verified by the President or IG Chair(s), or Continuing Education Coordinator. Supporting documentation must include original invoices and clear description of what payment is for.
3. The WLA Treasurer will maintain appropriate records that will substantiate disbursements and support the preparation of the financial statements. Records will include original voucher with original signature(s) and original invoice(s) or source document(s). The check number, date, amount disbursed, the word "PAID", and the Treasurer's initials will be recorded on the face of all vouchers or invoices for audit purposes.
4. Because the Association must report on an accrual basis, all outstanding invoices must be recorded and reported as accounts payable at the close of the fiscal year for preparation of the financial statements, including any outstanding invoices for conferences and workshops.

CHECKING, SAVINGS, AND INVESTMENT ACCOUNTS

1. In order to assist in disclosure of funds for the members' agencies, the Washington Library Association will maintain two separate funds: one for general operating supported by institutional dues and one for lobbying efforts supported by individual member dues.
2. Checking and savings accounts will be established as the need arises for the Association. Adequate record keeping will be maintained on the name, address, account number, and nature of specified accounts. This will be reflected in the year-end financial information.
3. The Association will maintain a revolving account for office expenditures. The amount is established by the WLA Board. Any deviations must be approved by the Board and reflected in the financial statements.
4. The Association Coordinator will maintain a Bulk Postage Account for the mailings of the Association. The amount is established by the WLA Board. A minimal amount is guaranteed for timely mailings, but it may be adjusted for seasonal mailings. Any deviations must be approved by the Board and reflected in the year-end financial information.
5. Conferences will also use bulk postage. It may not always be practical to require them to prepared mailings to the Association Coordinator for postage so allowance for this expenditure must be made by the Board.
6. Designated Conference Chairs are authorized to open a short-term, separate conference checking/savings account to manage conference funds. The WLA Treasurer will be an authorized signer on each account and will assist in establishing the account.
 - a. The monthly bank statement must be automatically mailed by the bank to the WLA Treasurer for reconciliation on a monthly basis.
 - b. The Conference Treasurer will submit a list of transactions within 10 days of the end of the month to assist in reconciliation.
 - c. Further fiscal procedures for conferences are outlined in the Board-approved "Conference Manual".
7. The Treasurer will monitor all cash accounts and current and project cash flow. The Treasurer will report these cash amounts to the President at Board meetings and on any other reporting schedule the President and the Treasurer may agree to establish.
 - a. Funds in excess of the immediate needs of the organization, as determined by the President and the Treasurer, shall be invested in a CD or other secured instrument.
8. The President and the Treasurer must be signators on all Association accounts. The exception is the conference, when the Board may allow the Conference Chair to be a signator for all conference expenditures. WLA requires an authorized signature on the checks to be disbursed.
9. All bank accounts will be reconciled quarterly by the President's designee.

BUDGET

The budget is a guideline for the fiscal activities and operations of the Washington Library Association. Law does not require it. The Association will make all attempts to live within the structure of the budget, while realizing that, at times, adjustments will be made. Deviations from the budget can be approved/authorized by motion of the Board or designated need as determined by the President. The Treasurer is authorized to pay all legal obligations of the Association. If these amounts exceed the budget, a notation is made on the financial records, and presented to the Board. The budget is a

guideline and a tool to allow the Board to make fiscally responsible decisions about the financial resources of WLA

1. The fiscal year runs from August 1st to July 31st of the following year.
2. The Budget Committee is composed of the President, who is the chair; Vice President/President-Elect; Treasurer, staff liaison to the Committee; Interest Group Coordinator; and Fiscal Impact Committee member.
3. Following the election of new Board officers, the new officers will also be invited to participate in the budget process.
4. The Budget Committee may meet in person, work over the phone, or use e-mail and/or fax to prepare documents.
5. The Treasurer will notify all IG and Committee chairs of the format and deadline for submitting budget requests for their individual groups.
6. The budget will be approved by the WLA Board by June 30th.
7. WLA will utilize zero-based budgeting policies. This means that only specially designated accounts, such as IG allocations, will be held over from year to year. All other categories will begin the new fiscal year with a new budget. The Association intends to maintain a balanced budget. Therefore, the budget will reflect revenues equal to or exceeding expenses to be presented to the WLA Board for adoption. Any projected use of the fund balance must be submitted to the Budget Committee. The Fiscal Impact Committee can also be consulted for discussion and justification to the Board.

ASSOCIATION EMPLOYEES

The Washington Library Association has the authority to hire employees as deemed necessary to carry out the tasks of the Association. The Board shall approve each position, including classification, percentage of time and associated benefits. The President will draft the contracts by June 30th for implementation on August 1st or on the first day of the new fiscal year. The Association retains the option of determining the type of employee: salaried, hourly, exempt, non-exempt, ad-hoc (project oriented), or independent contractor based on the needs of the organization, the "Fair Labor Standards Act", and IRS guidelines. Depending upon the type of employment, appropriate payroll taxes, W2/941 reporting or 1099 reporting will be maintained. The President, with the approval of the Board, may present optional benefit packages and/or bonus programs based on the fiscal health of the organization. Specific benefits will be outlined in the contract each year. The President will discuss with the Treasurer any projected changes that will affect the budget.

1. Current paid positions include Association Coordinator, Web Master, *ALKI* Editor, and *Link* Editor.
2. Pay periods will be monthly. The pay period is from the first working day of the month through the last working day of the month. Payroll will be distributed by the third working day of the close of the pay period. Documentation for payroll will vary with each type of employee and will be reflected in the individual contracts.
 - a. Hourly employees will submit time cards by the last working day of the month.
 - b. Salaried employees, Fair Labor Exempt, will not submit time cards due to their exemption. Work and percentage will be outlined in individual contracts.
 - c. Ad-hoc or project oriented employees will be paid after the production of their product in the next scheduled payroll.
 - d. Independent contractors must meet IRS regulations and will be paid on a negotiated contract basis. All independent contractors must submit a

- W9. A corresponding 1099 will be completed by WLA at the end of the calendar year.
3. All employees are subject to payroll taxes and benefits as determined by local, state, and/or federal regulations—to include FICA (Medicare and social security) and labor and industry. WLA also pays its corresponding amounts to these benefits.
 4. Reimbursement of expenses will be outlined in each individual employee contract. The employee will be recognized for expenses authorized and incurred in the carrying out of Association business. Expenses may include mileage, copy charges, miscellaneous office supplies, and conference registration and travel. An expense report with all original receipts and mileage for authorized expenditures will be submitted at the end of each month to the Treasurer for reimbursement. The Association recognizes that the IRS requires additional documentation on the reimbursement of some expenses. IRS regulations may make reimbursements of certain items taxable to the employee. In this case, independent contractors are also considered “employees” and subject to the same IRS guidelines.

ASSOCIATION OPERATIONAL EXPENSES

ASSOCIATION POSTAGE

1. The Washington Library Association will maintain the following postage accounts in the budget.
These can be paid through the Revolving Fund or Bulk Postage
 - a. Operational postage,
 - b. Interest Group or Workshop mailings,
 - c. “Olympia Report” mailing for legislative bulletins.
2. Bulk Mailing Fund at the Post Office—a base of \$500 is maintained for WLA mailings. Other bulk mailing arrangements can be made for conference mailings.
3. *ALKI* and *Link* are mailed using professional service(s).

OFFICE SUPPLIES

1. The Association will purchase office supplies necessary to operate the Association’s business office.

ELECTRONIC EQUIPMENT/COMPUTERS/CAPITAL PURCHASES AND/OR LEASES

1. The Association will provide and maintain office equipment, e.g. calculators, pencil sharpeners, fax machines, copy machines, and computers and software necessary to do the work of the Association Coordinator.
2. The Association Coordinator and the Treasurer shall maintain similar software for compatibility.
3. The Association will provide the Association Coordinator and the Treasurer with a computer and peripherals necessary to produce the work of the Association.

BOARD AND OTHER POSITION REIMBURSEMENTS

1. All Washington Library Association officers as defined by the By-laws, any Committee Chair, Interest Group Chair, or other person requested by the President or the Board to attend a WLA Board meeting is authorized for reimbursement for transportation and lodging expenses for attendance at the meeting. If the Board meeting is prior to the annual conference, travel and lodging for the night prior to the beginning of the conference will not be reimbursed.

2. Mileage reimbursement is the IRS rate at the time the mileage was accrued.
3. Reimbursement is made for meals when authorized in advance by the President.
4. WLA recognizes any payment for meals may be subject to IRS regulations, which may result in tax liabilities for the officers.
5. Expenses for travel to/from and lodging at the annual conference are not authorized for reimbursement.
6. Reimbursement will be made for reasonable expenses associated with the carrying out of the duties of the office to the extent budgeted. This may include, but is not limited, to phone and fax charges, copying costs, and office supplies.

SPECIAL BOARD POSITIONS

ALA Councilor:

1. Expenses for travel, lodging, meals, registration, and miscellaneous expenses for attendance at the ALA Mid-Winter Conference and the ALA Annual Conference will be reimbursed.
2. WLA recognizes the IRS regulations for travel and requires documentation for all expenses. In this instance the IRS recognizes this position the same as an "employee", and certain reimbursements may have tax reporting liability. Any reimbursed expenses that fall in this category will be reported on Form 1099.
3. The Treasurer will inform the ALA Councilor about IRS expectations.

PNLA Representative:

1. The PNLA Representative's expenses for travel, lodging, meals, registration, and miscellaneous expenses for attendance at the PNLA Conference and one PNLA Board meeting are authorized for reimbursement.
2. During election year, when there is an incoming and outgoing PNLA officer, both officers may be reimbursed for attending the final PNLA conference, to assist with the transition of duties.
3. WLA recognizes the IRS regulations for travel and requires documentation for all expenses. In this instance, the IRS recognizes this position the same as an "employee", and certain reimbursements may have tax reporting liability. Any reimbursed expenses that fall in this category will be reported on Form 1099.
4. The Treasurer will inform the PNLA Representative about IRS expectations.

COMMITTEES

Expenditures must be within the approved budget and authorized by the Committee Chair on the standard Association voucher. (See Vouchers. See WLA Board Meetings.)

INTEREST GROUPS

Interest Group allocations are based on individual dues dedicated to that Interest Group. (See WLA Board Meetings.)

INTEREST GROUP COUNCIL OR CONTINUING EDUCATION COUNCIL SPECIAL PROJECTS

1. WLA Board-authorized projects which require multiple years to plan and complete will be re-budgeted each year.
2. The IG Coordinator/Continuing Education Council will allocate the monies for IG/Continuing Education special projects within the overall IG/Continuing Education Projects allocation established by the Board
3. The IG Coordinator/CE Council will review fees charged for activities and report to the Board.

4. The IG Coordinator/CE Coordinator will report on funded activities/projects to the Board.
5. If advance payment is needed to get a budgeted project started, a voucher signed by the IG/CE Coordinator must be sent to the Treasurer for the President's approval.
6. Interest Groups will retain fifty percent of the net profits generated on a workshop or conference. The funds will be restricted by the Association for a period of two years. The time period may be extended if the IG petitions the Board and outlines a plan for the funds. At the end of the two years of the plan, the proceeds will revert to the operating funds of the Association.
7. The Association expects that workshops sponsored by IGs or the Continuing Education Council will not have a negative budget impact on the Association.

CONFERENCE

All fees for the Conference must be approved by the WLA Board.

1. Meal expenditures for WLA award winners at the awards presentation, Conference registration for the scholarship winner, MasterCard/Visa charges for credit card registrations (with the exception of joint conferences), and travel, meals, and the fee for the Parliamentarian will be paid by the Association rather than by the Conference.
2. The cost of a meal (business luncheon or evening banquet) will be paid by the Association for the PNLA and WLMA President or designated representatives at conferences.
3. The Association recognizes that certain reimbursements, including scholarship winners and certain meal reimbursements may be subject to IRS tax reporting regulations.
4. Additional Conference procedures are outlined in the "WLA Conference Manual".

SCHOLARSHIP

1. Every year, WLA offers a scholarship(s) for eligible participants who are enrolled in an accredited library school(s).
2. The scholarship recipient is responsible for informing the WLA Treasurer and Association Coordinator of the best way to fund the tuition.
3. The Association recognizes that certain reimbursements, including some scholarship awards, may be subject to IRS tax reporting regulations.

HONORIA FOR WLA MEMBERS

1. Generally, no honoraria are paid to WLA members for WLA-sponsored programs.
2. A registration fee may be waived by the WLA Board or its designee, the Conference Chair, when the member is responsible for presenting a major part of the program. This precludes a registration fee waiver for panelists who are not required to prepare a presentation.
3. Expenses, i.e. travel and lodging, may be paid to a speaker who is also a WLA member. Meals may be paid for by the Conference, approved by the Conference Chair.

BIANNUAL AUDIT/AUDITOR

1. The Treasurer of the Association, in conjunction with the President, shall retain a CPA firm to perform the biannual audit of the records of the Association.
2. The audit shall coincide with the end of the fiscal year in which the term of the Association Treasurer expires.

3. The outgoing Treasurer will work closely with the incoming Treasurer to transition the close of the financial records from the election of the officers until the close of the fiscal year on July 31st.
4. The Treasurer will maintain regular contact with the CPA firm to ensure the integrity of the reporting documents.
5. The Treasurer will compile the information for the CPA firm to prepare the Form 990 on an annual basis. (This report is due within five months after the close of the fiscal year.)
6. The treasurer may choose to have the CPA firm oversee or prepare other required reporting documents as deemed necessary. These may include, but are not limited to the Form 990, 941 reporting, labor and Industry, Unemployment Insurance, Department of Revenue, Public Disclosure, W2, 1099s, and any other required documents.