

WASHINGTON LIBRARY ASSOCIATION

Financial Policies and Procedures

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GENERAL

The Washington Library Association (WLA) is a 501(c)(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 January 1st and ending with December 31st.
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 review all contracts and agreements. Upon approval, the Executive Director shall sign all contracts and agreements.
6. The WLA Board must adopt all rate and fee structures, e.g., *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), Division(s) or Section(s). This is done through adoption of the annual budgets or by special session.
7. The Executive Director is authorized to pay approved bills of the Association. A Financial report will be given at each WLA Board meeting. The Treasurer and President receive monthly financial reports that are generated by the WLA Bookkeeper, and which will be submitted by the Treasurer for acceptance by the Board.

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 Finance Committee, or by another committee as directed by the President or Board, and recommendations will be given to the WLA Board for adoption by the organization.

1. The Finance, or other Committee as directed, 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 WLA Office will send dues statements to all current individual members and institutional members no later than one month prior to the end of the join/renewal date.
4. Dues are due by the anniversary of the join/renewal date. (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 credit cards. WLA incurs a relative percentage expense for each transaction, but will continue to offer this service as a convenience to its membership.

2. The WLA Office 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 WLA Office receives and deposits all cash for the Association,
4. The bank statements are mailed to the WLA Office for reconciliation.

CASH DISBURSEMENTS

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

1. The WLA Office is responsible for maintaining ongoing operating obligations, including, but not limited to, management fee payment, disbursements to vendors, reimbursements to members, and other expenses as directed in the WLA budget.
2. The WLA Office is authorized to pay vouchers that are submitted by the Treasurer, President, Division Chair(s) or Section Chair(s). Supporting documentation must include original invoices or expense reports and clear description of what payment is for.
3. The WLA Office 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). A copy of the check voucher will be attached to each invoice/check request, or expense report.
4. Once a month, the reconciled check vouchers are submitted to the Treasurer for Review. The Treasurer's initials will be recorded on the face of all check vouchers for audit purposes or in the case of online review, the Treasurer will file an email response.
5. 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.
6. The WLA Office will seek Board pre-approval for any unbudgeted expense item above \$1,000.

CHECKING, SAVINGS, CREDIT AND INVESTMENT ACCOUNTS

1. Checking, savings and credit card 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.
2. The WLA Executive Director and WLA Treasurer will monitor all cash accounts, current assets and commitments, and cash flow. The WLA Executive Director will report these amounts on the monthly financial statements which are distributed to the Treasurer and President and 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 Finance Committee, shall be invested in WLA's Investment account, per current Board-approved Investment Guidelines
3. The Executive Director, President and the Treasurer must be signators on all Association accounts.
4. All bank accounts will be reconciled monthly by the WLA Office.

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 by motion of the Board. The Executive Director 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 January 1st to December 31st.
2. The Finance Committee, which develops the annual budget, is composed of the Treasurer, who is the chair; President, Vice President/President-Elect; Executive Director who is staff liaison to the Committee; Division/Section Coordinator; and one additional off-board 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 Finance Committee may meet in person, work online, over the phone, or use e-mail and/or fax to prepare documents.
5. The Treasurer will notify all Division, Section 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 November 30th.
7. WLA will utilize zero-based budgeting policies. All 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 Finance Committee and approved by the Board.

ASSOCIATION MANAGEMENT

The Washington Library Association has the authority to hire employees or an association management company, and to contract for other services 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, or elect to hire an association management company at an agreed upon monthly management fee. The President, and/or others as assigned, will draft the contracts by June 30th for implementation on January 1st, 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. The Executive Director is authorized to sign, on behalf of WLA, contracts that are approved by the Board.
2. Current paid positions include Executive Director, *ALKI* Editor, Conference Program Coordinator, and Legislative Lobbyist/Consultant(s).
3. 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.

Reimbursement of expenses will be outlined in each individual 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 Executive Director and/or Treasurer for review and approval. 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

OFFICE SUPPLIES

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

BOARD AND OTHER POSITION REIMBURSEMENTS

1. All Washington Library Association officers as defined by the By-laws, any Committee Chair, Division or Section Chair, or other person requested by the President or the Board to attend a WLA Board meeting may be authorized for reimbursement for transportation and lodging expenses for attendance at the meeting, either as specified within the budget, or by prior approval by the President. 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. Any authorized mileage and meal reimbursements are at the amount set forth by the Washington State per diem chart at the time the mileage was accrued.
3. WLA recognizes any payment for meals may be subject to IRS regulations, which may result in tax liabilities for the officers.
4. Expenses for travel to/from and lodging at the annual conference are not authorized for reimbursement.
5. 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 copying costs, and office supplies.

SPECIAL FUNDING FOR BOARD POSITIONS

Any board position may submit a budget request for consideration. The following positions are normally funded pending budget approval of specific stipend amounts. 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:

President:

Expenses for travel, lodging, meals, registration, and miscellaneous expenses for attendance at WLA and other conferences in will be reimbursed, in alignment with priorities set by the Board and President in timely discussions, and within approved budget amounts.

ALA Councilor:

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.

PNLA Representative:

Expenses for travel, lodging, meals, registration, and miscellaneous expenses for attendance at the PNLA Conference and one PNLA Board meeting are authorized for reimbursement.

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.)

DIVISIONS AND SECTIONS

Expenditures must be within the approved budget or as otherwise authorized by the Board.

DIVISION, SECTION OR COMMITTEE SPECIAL PROJECTS

1. WLA Board-authorized projects which require multiple years to plan and complete will be re-budgeted each year.
2. The Division/Section/Committee will allocate the monies for special projects within the overall Division/Section/Committee projects allocation established by the Board
3. The Division/Section Coordinator/Committee will review fees charged for activities and report to the Board.
4. The Division/Section Coordinator/Committee Chair 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 Division/Section/Committee Chair must be sent to the Treasurer for approval.
6. Interest Groups will retain fifty percent of the net profits generated by a workshop or conference. The funds are maintained in restricted accounts for each Interest Group.
7. The Association expects that workshops sponsored by Divisions/Sections or other committees 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(s), and travel, meals, will be paid by the Association. The cost of a meal (business luncheon or evening banquet) will be paid by the Association for specially designated representatives at conferences (ALA/PNLA President, etc).
2. The Association recognizes that certain reimbursements, including scholarship winners and certain meal reimbursements may be subject to IRS tax reporting regulations.

SCHOLARSHIP

1. As able, 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 Executive Director 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 unless it is a special event, such as a pre-conference session or keynote speech, or as otherwise authorized by the Board.
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(s).

AUDIT/AUDITOR/INTERNAL REVIEW

1. WLA may from time to time conduct an external audit in keeping with best practices for nonprofit associations.
2. The audit or review shall be conducted within six months after the end of the fiscal year.
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.
4. The WLA Office 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.)
5. The Treasurer may choose to have a 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.