

## **IAMSLIC Treasury Task Force Report and Recommendations (July 24, 2014)**

Submitted by: Dave Baca (Chair), Sandra Abbott-Stout, Barbara Butler, Kristen LaBonte, Sally Taylor, Eleanor Uhlinger, Steve Watkins

### **Executive Summary**

The Treasury Task Force was originally established in 2013 by Maria Kalentsits (Past President) to address issues raised about the financial processes of the Association. The membership and charge were refreshed in 2014 by Sally Taylor (President), and the group began its work in earnest in April, 2014.

The task force has made a number of recommendations, some of which require approval by the Executive Board, and others which are procedural and can be implemented by the appropriate individuals or committees. For convenience, the key recommendations requiring attention of the Board have been summarized below as part of the Executive Summary.

#### ***Recommendations requiring changes to the Bylaws***

- Operate with a fiscal year of October 1 to September 30. (1ai)
- Reduce the time for the Treasurer to produce the annual fiscal report from 60 days to 30 days following the end of the fiscal year. (1aii)
- Distribute the Annual Fiscal Report to the membership via the website. (1aiii)
- Task the Bylaws Committee with updating the Bylaws accordingly. (1aiv)

#### ***Recommendations requiring action or approval by the Executive Board***

- The Treasurer and one other IAMSLIC Officer based in the USA will have signing authority on bank accounts. The Past Treasurer will have signing authority until the annual handover is complete. (2bi, 2bii)
- Establish and maintain banking accounts for Main, Conference and regional groups with duly elected boards. Set up Aquatic Commons account for future donations. (2ci, 2cii, 2ciii, 2civ)
- Implement the web-based accounting software QuickBooks. Cost is approximately \$300 per year. Reimburse Dave Baca for QB costs incurred thus far (approximately \$150). (3ai, 3aii)
- Use RegOnline for membership renewals paid by credit card and change the service fee to reflect the true cost of RegOnline fees. Explore using the RegOnline membership program. (4bi, 4bii, 4biii)
- Use RegOnline for every IAMSLIC annual conference unless it is not possible to do so or there is a more suitable local alternative. Assign a back-up person for Eleanor to share the workload. Calculate RegOnline fees into the cost of conference registration. Encourage regional groups to use RegOnline with the condition they appoint someone to assist Eleanor. (5ai, 5aii, 5aiv, 5aviii)
- Create templates for regional group proposed budgets and regional group financial statements, and a form for member reimbursements (6ai, 6aii, 6aiii)
- Create standardized application forms for project proposals and travel support, a template letter for grant awards, and a form for member reimbursements. (7bi, 7bii, 7biii, 7biv)

## Issues, Discussion and Recommendations

### Background

The Treasury Task Force was originally established in 2013 by Maria Kalentsits (Past President) to address issues raised about the financial processes of the Association. The membership and charge were refreshed in 2014 by Sally Taylor (President), and the group began its work in earnest in April.

The members of the task force are: Dave Baca (Chair), Sandra Abbott-Stout (Former treasurer), Barbara Butler (Membership database manager), Kristen LaBonte (Interim treasurer and membership database manager), Sally Taylor (President), Eleanor Uhlinger (RegOnline), Steve Watkins (Membership database).

The charge of the task force is available on the web site at:

<http://www.iamslc.org/people/committees-taskforces/treasury-task-force>

The task force discussed the following issues via email and at several online meetings (April 22, April 24, May 7, June 12, June 25, July 3 2014) to document processes and procedures, and to make recommendations to the Executive Board.

### 1. Investigate changing the fiscal year to better meet the requirements outlined in the bylaws

#### *a. What is our fiscal year going to be?*

IAMSLIC has been operating with a fiscal year October 1 to September 30 despite having amended the Bylaws in 2007 to coincide with the membership year January 1 to December 31. It is our understanding that we never updated the Fiscal Year with the IRS or the Bylaws with the State of Oregon. Given the discrepancy, we had an opportunity to review the fiscal year. The task force examined three options (October 1 to September 30, January 1 to December 31, July 1 to June 30). Although each time period has advantages and disadvantages, we recommend keeping our fiscal year October 1 to September 30.

#### Considerations

- Near the end of September, there is a low level of activity on the account related to membership renewals and regional group allocations, and most conference income (registrations and sponsorships) will have been received.
- There may still be activity on the account related to conference expenses but if we implement an accounting system, generating interim reports will be easier.
- The time period coincides with the Executive Board meeting. The President can prepare the annual budget for discussion at the meeting.
- The time period coincides with the Treasurer's term of office which simplifies the handover to a new Treasurer.

In addition, the task group advises that the Annual Fiscal Report could be submitted to the Executive Board for approval within 30 days (instead of 60 days) and distributed to the membership via the website instead of waiting until the next business meeting.

#### RECOMMENDATIONS

- i. Operate with a fiscal year of October 1 to September 30.
- ii. Reduce the time for the Treasurer to produce the annual fiscal report from 60 days to 30 days following the end of the fiscal year.
- iii. Distribute the Annual Fiscal Report to the membership via the website.
- iv. Task the Bylaws Committee with updating the Bylaws accordingly.
- v. File the revised Bylaws with the State of Oregon.

#### Relevant sections of IAMSLIC Bylaws Article XIII

- Section 2: Fiscal Period. The Fiscal Period of the Association shall be from 1 January through 31 December.
- Section 3: Budget. The President shall submit the Association's annual budget for review and approval to the Board prior to the Annual Business Meeting.
- Section 4: Annual Fiscal Report. The Treasurer shall submit an Annual fiscal report to the Board within sixty (60) days following the end of the fiscal year just completed. Upon approval by the Board, the report shall be made available to the membership at the next Annual Business Meeting.

## 2. Review and determine need for existing and future bank accounts and signing authorities.

### ***a. What banking accounts currently exist?***

- Main
- Conference
- Cyamus
- SAIL
- Three market rate savings accounts originally set up to keep Wells Fargo accounts free (\$150 transferred back and forth)
- MoneyGram money transfer account

### ***b. Who should have signing authority?***

#### RECOMMENDATIONS

- i. The Treasurer and one other IAMSLIC Officer based in the USA will have signing authority.
- ii. The past Treasurer will have signing authority until the handover is complete.

**c. Do we need separate WF accounts for all our activities?**

RECOMMENDATIONS

- i. Keep Main, Conference and Cyamus (as long as they maintain duly elected board) accounts.
- ii. Close SAIL account and use QB for accounting.
- iii. Close the three market rate savings accounts.
- iv. Set up a separate bank account for the Aquatic Commons (eventually). AC Board is currently investigating options.

**d. How do we make payments?**

- Bill Pay
- Debit Card
- Check
- Wire Transfer
- MoneyGram (can be cheaper than wire transfers through bank)

**3. Investigate and develop accounting mechanisms and processes for increasing efficiency and transparency, and improving accounting reporting.**

**a. Do we want to use QuickBooks (QB)?**

QuickBooks is standard accounting software that offers several advantages over Excel for tracking income and expenses.

- It is web-based which means it can be viewable to others.
- There is reporting functionality. These reports can be customized.
- All transactions can be coded making it easier to run reports on specific transactions (e.g. conference activity, administrative costs, etc.).
- It will be easier to track encumbered funds (e.g. funds held in the main account for the regional groups).

RECOMMENDATIONS

- i. Implement the web-based accounting software QuickBooks. Cost is approximately \$300 per year.
- ii. Reimburse Dave Baca for QB costs incurred thus far (approximately \$150).
- iii. Create a list of commonly used “codes” to assist the Treasurer with categorizing transactions.

**4. Review and improve membership financial processes, documentation and reporting.**

**a. How are we going to account for 1, 2 and 3 year memberships? Can we modify membership database to track # years or should we account in QB?**

Although it may be helpful in predicting the annual budget, the process to track 1, 2 and 3-year memberships in either the membership database or QB would be complicated and not worth the effort. Members have been able to renew for multiple years for a long time; it is the *discounted* three-year renewal that is new. The membership database does provide the current year's renewals. One way to predict future income is to count the number of upcoming renewals.

As this was a good opportunity to review how funds are allocated to the regional groups, Steve, Barb, Sally and Kristen LaBonte have prepared an alternate proposed model based on a flat rate per member (versus a percentage plus on occasion a stipend). The proposal will be presented to the Executive Board at the same time as this report.

**b. What are the current methods for receiving money from members? What are current processes to ensure checks and balances?**

Credit cards (via RegOnline)

- IAMSLIC does not have a master credit card account associated with our Wells Fargo bank accounts.
- RegOnline is web-based software from Active Network Inc. used to manage event registration, payments and reporting. IAMSLIC has been using RegOnline since the mid-1990's for annual conference events and has also adapted the software to allow membership renewals that are paid by credit card. Other renewals go through the membership database and are paid through mechanisms described further below.
- The task force investigated using DreamHost (web hosting service) for credit card payments but decided RegOnline is better suited for our purposes.
- As one of the early adopters of the software IAMSLIC is "grandfathered" in at reduced costs than new subscribers. RegOnline charges several fees: event set up (\$85.50 one time per event); plus a 5% average fee for credit card fees\*; plus a \$2.25 per transaction fee. Members currently pay \$5 to cover fees in the "membership renewal" option. We are breaking even or losing money per transaction. This amount should be changed to reflect the true cost of the service fee. (\*Visa and Mastercard are accepted cards. Eleanor will only accept American Express, Diners Club and Discover if requested and with her assistance because these credit card fees are higher).
- The existing RegOnline membership renewal event was adapted from the Portland conference. RegOnline now offers a separate Membership program that may be more appropriate for managing renewals by credit card. The one-time set-up cost is \$500; plus credit card fees; plus \$3.60 per transaction.

- On a monthly basis, Eleanor receives a check from RegOnline that she sends to the Treasurer. She sends a monthly RegOnline report to the Treasurer and membership database managers (Barb and Kristen).
- Barb receives daily emails from RegOnline as people renew membership by credit card. She updates the membership database as soon as possible then emails periodic updates to Treasurer.

#### Bank transfers

- Members are invoiced \$15 to cover transfer fee (typically \$15 or \$16). Some transfers may include multiple memberships in order to pay the transfer fee only once.
- Members are asked to notify membership database managers so they can look out for payment. If there has been no notification, the membership database manager (Barb) uses clues like the organization or country to determine the member, and on occasion will enlist the help of someone from the regional group to confirm.

#### Checks and money orders (from individuals, organizations or journal subscription agents)

- Members send checks to membership database manager (Kristen). Her correct address appears on the invoice, renewal notices and website. Occasionally payments are sent to a previous membership database manager by mistake; a reminder to update the address could be sent to these individuals as needed.
- Kristen receives checks and updates the membership database before sending checks with list of payments to Treasurer.

#### Cash

- Members occasionally pay cash at conferences to avoid transfer fees.
- Payment could go to Treasurer or membership database manager who keeps cash and writes personal check to IAMSLIC. Both the Treasurer and membership database manager need to know of the renewal.

#### Other methods

- Western Union is not advertised but can be used at the discretion of the Treasurer if there is no other payment method available to the member.

#### Receipts

- We ask that you use your cancelled checks, RegOnline statements, or bank transfer statements as your receipts.
- If necessary, there is an option (checkbox) to request a receipt on the renewal form. Receipts are mailed by the membership database manager.

#### RECOMMENDATIONS

- i. Continue to use RegOnline for membership renewals paid by credit card.

- ii. Change the service fee for membership renewals paid by credit card from a \$5 flat rate to the actual fee charged by RegOnline (i.e. 5% average fee for credit card fees plus a \$2.25 per transaction fee).
- iii. Remove conference proceedings as an option but retain donation to Guin fund.
- iv. Explore using the RegOnline Membership program.
- v. Investigate the capabilities of using RegOnline for managing membership database information.
- vi. Membership database manager (Barb) to generate a list of payments by credit card from the membership database, match it against the RegOnline report and send to Treasurer on a monthly basis.
- vii. Membership database manager (Barb) to generate a list of payments by bank transfer from the membership database and send to Treasurer on a monthly basis.
- viii. Explore banking options with a more international bank that permits free or cheaper wire transfers.
- ix. For check deposits, retain existing process whereby the membership database manager receives checks and updates the membership database, and then sends checks to the Treasurer for deposit. While it is possible for the membership database manager to deposit checks directly using an ATM card or via phone, the task force thought it was important that the Treasurer be responsible for depositing all checks for the organization.

## **5. Review and improve IAMSLIC conference financial processes, documentation and reporting.**

### ***a. Can we use RegOnline for every conference?***

RegOnline is web-based software from Active Network Inc. used to manage event registration, payments and reporting. It can be used in most countries. Events can be created in local time zones and most local currencies. IAMSLIC has used RegOnline for many years (a recent exception was Zanzibar which has a secure currency that can only be exchanged within the country). We are grandfathered in at reduced rates.

We've previously offered an option to renew membership on the conference registration event. Though convenient for members, combining membership renewal and conference registration on the same form offers no savings to the member and complicates the accounting for the conference host. We suggest removing the option to renew membership but provide a link to the membership renewal form.

#### RegOnline fees

- One-time set-up fee for each event ("conference") is \$85.50.
- RegOnline fee for each registrant is credit card fee (5-6% of total paid to credit card company)
- Plus \$2.25 per transaction.

- Approximately 80% of conference attendees pay by credit card (Visa is 3x more popular than MasterCard). Eleanor will only accept American Express, Diners Club and Discover if requested and with her assistance since fees are high.
- Other methods of payment are by check, cash and transferred funds (e.g. grants from main IAMSLIC account).
- Although we discussed adding a service fee only to registrations paid by credit card, laws in 10 US states (including California where Active is headquartered) prevent “payment method discrimination”. As a result, we must charge the same service fee across all registrations. Ideally these fees should be included in the conference registration fee. For 2014, these fees will be on top of registration as a non-refundable service fee.

Eleanor is the account owner so monthly checks from RegOnline are sent to her in US dollars. These are mailed to the IAMSLIC Treasurer who deposits them into the IAMSLIC conference account. The Treasurer can then wire funds to the conference host in another country as needed. Depending on the country, it may be possible for the conference host to have an ATM card and withdraw funds from the IAMSLIC conference account to make payments.

#### RECOMMENDATIONS

- i. RegOnline should be used for every IAMSLIC conference unless it is not possible to do so or there is a more suitable local alternative (e.g. hosting institution offers a full conference service that will manage registration).
  - ii. Assign a back-up person for Eleanor (who manages RegOnline) to share the workload.
  - iii. For the conference event, remove the option for membership renewal but provide a link to that event. Continue to include an option to donate to the Guin fund.
  - iv. RegOnline fees should be calculated into the cost of conference registration (for example, a conference registration of \$350 should be \$375).
  - v. Monthly checks from RegOnline are mailed to the IAMSLIC Treasurer for deposit into the IAMSLIC conference account.
  - vi. Personal checks from registrants are mailed to the IAMSLIC Treasurer for deposit into the IAMSLIC conference account. The Treasurer informs the RegOnline manager of the receipt of funds who then updates the RegOnline database.
  - vii. Where possible, the conference host is provided with an ATM card for the IAMSLIC conference account in order to make payments locally. Otherwise the Treasurer can wire funds to a local conference account.
  - viii. Encourage regional groups to use RegOnline for their meetings. They could pay set-up fee of \$85.50 and then the service fee and per transaction fee will be charged to each registrant. Setting up an event is a significant amount of work. Planning must be done in advance, and a regional group member must assist Eleanor.
- b. Is there a way to have all conference income and expenses go through WF account (for better accounting)?***



## RECOMMENDATIONS

- i. Income from registration and sponsorships should be deposited into the IAMSLIC conference account whenever possible.
- ii. Payments should be made directly from the IAMSLIC conference account whenever possible (or from the main account and reimbursed from the conference account).
- iii. After the conference, the host produces a financial report showing all income and expenditures associated with the conference.
- iv. Guin donations and conference profits are then “paid back” to the main account.

### ***c. Should non-member conference registration include complimentary membership to IAMSLIC?***

In discussing conference financial processes, task force members recalled that in the past, non-member conference registration included a one-year complimentary membership to IAMSLIC as a way to recruit new members.

## RECOMMENDATION

- i. Non-member conference registration should include a one-year complimentary membership to IAMSLIC.
- ii. Eleanor will give the new member contact information to the membership database manager. The manager will send the new member the brochure and membership form to fill out and return.

## **6. Review and improve regional group financial processes, documentation and reporting.**

IAMSLIC regional groups receive an annual allocation of funds based on the numbers of current members in the census taken February 1. Funds are typically used to support regional meetings, travel support for members, or projects. Regional groups may decide to carry over funds to use for future activities.

- AFRIAMSLIC, EURASLIC, Latin American Regional Group, Pacific Islands Regional Group and SAIL write a financial plan and submit it to the IAMSLIC Executive Board for approval. Funds remain in the main IAMSLIC account until required by the regional group. Members are reimbursed for expenses by the IAMSLIC Treasury, or advanced funds if necessary.
- Cyamus maintains its own treasury and therefore is not required to submit a financial plan to the IAMSLIC Executive Board. The allocated amount is transferred to the Cyamus account and is managed by their Board.
- All regional groups (including Cyamus) submit a financial report as part of the annual report.

### ***a. Can we create templates for regional groups to use for reporting?***

Templates will standardize and streamline the reporting process for regional group representatives.

## RECOMMENDATIONS

- i. Create a template for regional group financial plans (to be renamed “Proposed Budget”) that itemizes funds carried over from previous years, this year’s allocation, planned expenses, and any anticipated remaining funds to carry over into the following year.
- ii. Create a template for the financial statement in the regional group annual reports that itemizes total allocation, actual expenses and remaining funds to be carried over.
- iii. Create a form to be used by members when submitting receipts to the IAMSLIC Treasurer for reimbursement.

### ***b. Can we use QB (accounts payable) to better track encumbered funds?***

Regional groups have the option of carrying over unspent funds into future fiscal years. These are encumbered funds and can be tracked in QuickBooks as “accounts payable” making it easier for regional group representatives to know how much money they have and for budgeting by the Association.

## **7. Review and improve granting financial processes, documentation and reporting.**

IAMSLIC grants for travel support and project-related funding are now administered primarily by the Regional Groups; however, IAMSLIC still offers the following grants to members:

- Project-related funding or travel support to members not affiliated with a regional group (funded by allocation of membership dues)
- Travel support for members from low or middle-income countries to attend the annual conference (funded by Guin donations and augmented with conference profits)
- Travel support for Officers and Proceedings Editor to attend the annual business meeting of the Association (funded by a portion of membership dues).

### ***a. What is the current application process?***

Travel and project grants

- IAMSLIC Executive Board issues a call for proposals once per year (Spring). Grant proposals are accepted from members not affiliated with a regional group (project proposals or travel support requests), and from members seeking support from the Guin Fund to attend the annual IAMSLIC conference.
- Applicants submit proposals following guidelines on the website at: <http://www.iamslc.org/activities/grants> . A standardized application form would improve the submission process.
- A small group (President, President-Elect, Junior President Elect) reviews the applications and decides how to award the funds. For travel funding, they consider the applicant’s level of involvement in the conference (e.g. presenting a paper) or in other IAMSLIC activities (e.g. committees). They may prioritize support for members in the region to attend the

conference. They may work with the conference host and other organizations to identify other sources of funding for applicants.

- In situations where an institution pays for one individual membership, only the contact person is eligible for a grant. However, the member rate for conference registration may be extended to all employees at the institution.
- Successful recipients are notified of their grants via email from the President. A standardized letter with relevant information would be preferable.
- Project grant recipients are responsible for providing a written, final report (including a project summary and evaluation) to the Executive Board and for presenting the project at the next Annual Conference.
- Travel grant recipients are responsible for presenting a paper or poster at the IAMSLIC conference and submitting their paper to the IAMSLIC Proceedings Editor by the deadline.

#### Officer and Proceedings Editor grants

- The President establishes the maximum amount that can be spent on travel. According to the Bylaws, currently the total amount is not to exceed 30% of revenue derived from membership dues during that fiscal year. This amount could change depending on the status of a proposal to reduce travel support to Officers.
- The President asks the Presidents-Elect, Treasurer, Secretary and Proceedings Editor how much funding they require and allocates funds as required.

#### ***b. How do members receive grants? How do we reimburse members?***

Generally IAMSLIC pays the travel costs directly or reimburses the grant recipient at the conference. Travel advances are given occasionally but can be problematic if the member is not able to attend the conference.

Payments are made by the Treasurer in the following ways:

- Transfer between IAMSLIC accounts – useful if grant is equal to conference registration
- Debit card – pay part or all of hotel bill at the conference
- Checks – paid to recipients with US bank accounts
- Cash – fine for small amounts of money
- Wire transfers – for significant amounts of funds (e.g. airfares)

#### RECOMMENDATIONS

- i. Create a standardized application form for project proposals.
- ii. Create a standardized application form for travel support. In addition to the fields listed on the grants webpage, add the following items:
  - Checkbox to indicate the person has a current IAMSLIC membership
  - Checkbox to give permission to share application with other funding bodies
  - Question regarding the level of support they already have (e.g. from institution)

- iii. Create a template letter for awarding the grant. Include information about reimbursement (e.g. the need to submit receipts to Treasurer, reporting requirements).
- iv. Create a form to be used by members when submitting receipts to the IAMSLIC Treasurer for reimbursement.

**8. Create Treasurer's Manual outlining policies and procedures, including details on how Treasury interacts with Conference and Membership (captured above)**

**a. What do we know about tax filing so far? (from discussion and Lenora's Google Doc)**

- We are registered with the IRS, the Oregon Secretary of State and the Department of Justice.
- IAMSLIC was registered with the Oregon Secretary of State on November 5, 1979 (Registry number is 140555-11). See:  
[http://egov.sos.state.or.us/br/pkg\\_web\\_name\\_srch\\_inq.show\\_detl?p\\_be\\_rsn=665789&p\\_s\\_rce=BR\\_INQ&p\\_print=TRUE](http://egov.sos.state.or.us/br/pkg_web_name_srch_inq.show_detl?p_be_rsn=665789&p_s_rce=BR_INQ&p_print=TRUE)
- We file a CT-12 with the State of Oregon.
- We file a 990N with the IRS.

IRS requirements

- In order to file a tax e-Postcard (990N) with the IRS, total gross receipts must be \$50,000 or less.  
"An organization's [gross receipts](#) are considered to be \$50,000 or less if the organization: Is at least 3 years old and averaged \$50,000 or less in gross receipts for the immediately preceding 3 tax years (including the year for which calculations are being made)."  
<http://www.irs.gov/Charities-&-Non-Profits/Annual-Electronic-Filing-Requirement-for-Small-Exempt-Organizations-Form-990-N-%28e-Postcard%29>
- In 2010, the IRS rules changed to \$50,000 in gross receipts for all accounts associated with the EIN (employer identification number/tax id). Since the EIN is used for all IAMSLIC accounts, the need to manage the conference separately is no longer necessary.
- The e-Postcard is due every year by the 15th day of the 5th month after the close of your tax year. (May 15). If the due date falls on a Saturday, Sunday, or legal holiday, the due date is the next business day. You cannot file the e-Postcard until after your tax year ends.
- Completing the e-Postcard requires the eight items listed below:
  - Employer identification number (EIN), also known as a Taxpayer Identification Number (TIN).
  - Tax year
  - Legal name and mailing address (use current treasurer's mailing address)
  - Any other names the organization uses (include regional group names)
  - Name and address of a principal officer (President, secretary, treasurer)
  - Web site address if the organization has one ([www.iamslc.org](http://www.iamslc.org))

- Confirmation that the organization's annual gross receipts are \$50,000 or less for tax years ending on or after December 31, 2010).
- If applicable, a statement that the organization has terminated or is terminating (going out of business)
- Gross Receipts are the total amounts the organization received from all sources during its annual tax year (including short years) without subtracting any costs or expenses.
- Gross receipts when acting as an agent. If a local chapter of a section collects money for a parent group and sends those funds on without asserting any right to use the funds or otherwise deriving any benefit from them, the local chapters does not include those monies in its gross receipts. The parent group reports them instead.

RECOMMENDATION:

- i. Correct information on file with the IRS, Oregon Secretary of State and Department of Justice, i.e. correct name of the Association (IRS may not have Aquatic), contact information for Treasurer and others. This could wait until we file next year.
- b. *How do we account for RegOnline fees and payments?***
  - RegOnline fees and payments are all income and need to be reported as income to the IRS & Oregon; however, they will be offset by expenses as "administrative costs."
  - Using QuickBooks it would be possible to report gross income, transaction fees, credit card fees, and the net deposit from RegOnline.