



## **DRAFT Financial Best Practices**

**Dated: August 2020**

Since 2012, APWA has performed the accounting duties on behalf of the chapter. In late 2018, APWA initiated a chapter-wide financial accounting program using Quickbooks Online in an effort to synchronize all monthly reports produced by the chapters and to facilitate timely submission of year-end reports to APWA in order to meet IRS requirements. In March 2019, the chapter resumed the financial duties. The duties are carried out by the Chapter Administrator with oversight by the Chapter Secretary/Treasurer and Vice President.

### **Financial Goals**

1. Chapter Operating Balance. It is the goal of the chapter to maintain an operating balance between \$150,000 (minimum) up to \$225,000.
2. Chapter Bank Account. Established in 2018, the chapter's checking and credit card accounts are through US Bank. The minimum checking account balance needs to remain at \$10,000 in order to waive the monthly fee. The chapter will maintain a \$25,000 checking account balance before it considers the need to draw funds from its Merrill Lynch account.
3. Chapter Credit Cards. The chapter's Mastercard credit cards are through US Bank. The President, Vice President and Secretary/Treasurer are the credit card holders on behalf of the Chapter. As of 2020, the limit for each card is \$5,000. In December of each year, the Secretary/Treasurer-elect will apply for a credit card and the outgoing President's card will be terminated.
4. Chapter Membership Fees. APWA allows chapters to assign chapter membership fees to raise funds. Chapter dues are not collected by the local chapters. APWA administers the membership dues and returns a portion of the fees in rebates to the local chapter. The maximum allowable level of chapter dues is 25% of APWA dues. Minnesota is at the maximum 25% allowable level and cannot increase membership fees to raise additional revenue. The dues and rebates schedules are as follows:
  - Dues – This is any chapter dues charged to members. Full members' dues paid back to the chapter on a quarterly basis.
  - Rebates – This is a payment from APWA based on the number of members in the chapter. Paid out semi-annually:
    - Q1/Q2 – February/March after 1099's submittal.
    - Q3/Q4 – September/October after FY end reporting and PWX
  - Member Types – Student members, Individual and Agency members, and Corporate members
    - Rate for each member type is \$10.90.
5. Student Chapter Membership Fees. As approved by APWA, the chapter can pay Student Chapter members' renewal fees (after they have paid the initial \$25 membership fee) up through graduation. (See Nov. 22, 2013 Fall Conference General Business Meeting Minutes.)
6. W9s. Annually, download APWA's W9 from [www.apwa.net](http://www.apwa.net) for the chapter's records.
7. Independent Contractor W9s. APWA recommends the chapter request independent contractors' W9s if payments are over \$600.

8. **Contracts**. All contracts with a \$10,000 or greater value must be submitted to National for review prior to the contract being signed. All contracts of \$5,000 - \$9,999 value must be submitted to National to be kept on file in the Minnesota Chapter's records. All contracts for chapter administrator services must be submitted to National for review. In addition, all contracts for renewal need to be reviewed by APWA national. Contracts should be submitted to Diana Forbes, APWA Director of Meetings, [dforbes@apwa.net](mailto:dforbes@apwa.net).

The following is the schedule of routine accounting duties:

**A. Day-to-Day Accounting Duties**

1. Receive, code, and file invoices, receipts, and disbursements accordingly.
2. Forward copies of deposits, payments and reimbursements to Secretary/Treasurer and Vice President.
3. Prepare and send checks for disbursement. **NOTE:** *Checks in the amount of \$5,000 or more require two officers' signatures (President, Vice President or Secretary/Treasurer).*
4. Deposit monies into checking account.
5. Maintain and balance checking and PayPal accounts.
6. Maintain Deposit and Expense Report.
7. Code check and deposit entries in Quickbooks.

**B. Monthly Accounting Duties**

1. Balance and pay monthly credit card statements.
2. Run Merrill Lynch statements from ML website for use in preparing financial reports for Secretary/Treasurer's review and Executive Committee meetings.
3. Run financial reports from Quickbooks for Secretary/Treasurer's review and Executive Committee meetings.
4. Prepare final Deposit and Expense Report for the Executive Committee meetings.
5. Balance US Bank monthly statements.
6. Transfer funds from PayPal account to US Bank account to maintain a zero-monthly balance.

**C. Quarterly Accounting Duties**

1. Check-in with Audit Committee Chair and Chapter Secretary/Treasurer.

**D. Annual Accounting Duties**

1. Scholarships. After approval, prepare scholarship checks for signature.
2. Education Programs
  - a. UUCIS – receive, code and deposit tuition payments, and process expense payments.
  - b. Public Works Certification Program – if requested, process reimbursement for the transfer cost for transcripts of students who started the program at NHCC.
3. Annual Chapter Events
  - a. PWX Chapter Dinner
    - i. Receive payments, code, and deposit in bank account.
    - ii. Maintain and record payment method (check or PayPal) on spreadsheet.
  - b. Annual Golf Outing (as needed)
    - i. Collect funds raised for scholarship program and deposit in bank.
  - c. Sponsorship Program
    - i. Receive payments, code, and deposit in bank account.
    - ii. Maintain and record payment method (check or PayPal) on spreadsheet.

4. APWA Audit Reports (work with Secretary/Treasurer)
  - a. Prepare semi-annual audit reports – due August 1.
  - b. Prepare annual audit reports for Audit Committee to review prior to submitting to APWA.
  - c. Process 1099 reports (information due to APWA by January 15).
5. Annual Budget
  - a. The chapter budget is on a fiscal cycle (July 1-June 30).
  - b. Assist Secretary/Treasurer in preparing draft budgets.
  - c. Submit annual budget to APWA by July 31.

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