



*American Values.
Hometown Roots.*

Treasurer's Handbook

Subordinate/Community Granges

These materials are the property of the Grange

Edited and Revised by Joseph Stefenoni
Director of Membership & Leadership Development
National Grange of the Order of Patrons of Husbandry

Table of Contents

Seasons of a Treasurer 1

Duties of the Treasurer..... 3

Protect Yourself..... 3

Basic Internal Controls 3

Custody of Assets..... 3

 Bank Cards and Online Banking..... 4

 If Something Happens to You..... 4

Separation of Duties 4

 Avoid Conflicts of Interest..... 4

 Two People Involved in Every Transaction..... 4

 Two Signatures on Checks 5

 Multiple Signers on Accounts 5

 Authorizations for Payments and Transactions 5

 Fundraisers..... 6

 Opening a New Account 6

 Handling Cash 6

Transparency 7

 Bills and Accounts / Treasurer’s Report 7

 Annual Internal Audit 8

Bonding 8

Keeping Important Records 8

Donations..... 8

Legal Protection 9

 Insurance 9

 IRS Tax Status..... 9

 Tax ID Number 9

 IRS Electronic Postcard Filing and Other IRS Forms 9

Appendix 1 11

Sample Treasurer’s Reports..... 11

Appendix 2 15

Treasurer’s Orders 15

<i>Appendix 3</i>	19
<i>Annual Audit Report Template</i>	19
<i>Appendix 4</i>	23
<i>Bonding Information</i>	23

Thank you for taking on the important and rewarding duties of Treasurer of your Grange.

Below is a calendar of deadlines and filings. It continues on the inside of the back cover. Add other items that are specific to your Grange so that future Treasurers can continue your good work uninterrupted.

Work closely with the Secretary of your Grange to make sure that your responsibilities to the State Grange and other entities are met.

Seasons of a Treasurer

January

- Keep a list of members who have paid dues and make sure that your list matches that of the Secretary.
- When the Quarterly Report for the 4th quarter is read and adopted at your Grange meeting, write a check to the State Grange for dues and fees owed.
- Encourage your Grange to purchase bonding insurance.
- Reconcile all bank and investment accounts.
-

February

- Work closely with the Secretary to see that those who haven't paid dues are notified.
- Reconcile all bank and investment accounts.
-

March

- Reconcile all bank and investment accounts.
-

April

- When the Quarterly Report for the 1st quarter is read and adopted at your Grange meeting, write a check to the State Grange for dues and fees owed.
- Reconcile all bank and investment accounts.
-

May

- Make sure that someone files the IRS 990-N e-Postcard (or 990 or 990-EZ form) between May 1 and September 15. The State Grange office can help.
- Reconcile all bank and investment accounts.
-

June

- Reconcile all bank and investment accounts.
-

July

- When the Quarterly Report for the 2nd quarter is read and adopted at your Grange meeting, write a check to the State Grange for dues and fees owed.
- Double check with that the Secretary sends the IRS acceptance of your 990-N e-Postcard
- Reconcile all bank and investment accounts.
-

August

- Reconcile all bank and investment accounts.
-

September

- Make sure that someone files your IRS 990-N e-Postcard (or 990 or 990-EZ form) no later than September 15. Your State Grange can help.
- Reconcile all bank and investment accounts.
-

October

- When the Quarterly Report for the 3rd quarter is read and adopted at your Grange meeting, write a check to the State Grange for dues and fees owed.
- Reconcile all bank and investment accounts.
-

November

- Reconcile all bank and investment accounts.
-

December

- Make your Treasurer's books available to the Audit committee.
- Reconcile all bank and investment accounts.
-

Add these to the month they come due

- Incorporation fee and filing with the Secretary of State
- Property and liability insurance on the Grange hall

Duties of the Treasurer

- According to the Installation of Officers, the Treasurer should “have your accounts always correct and in order for examination and the funds safely secured and ready for needed payments.” This means that you need to keep all records ready for inspection by any authorized person.
- Pay bills when approved by the Grange.
- Report the complete financial condition of the Grange at every meeting.
- Grange law requires that the Treasurer be bonded (insured).

Protect Yourself

Money can cause ill will among members. Therefore, you need to protect yourself from heartache and avoid the possibility of having your financial practices being called into question.

Honest individuals do make mistakes. Poor recordkeeping or documentation can lead to legitimate questions. However, strict procedures need to be followed to detect errors or abuse so they can be corrected or stopped as quickly as possible.

The Treasurer is responsible for making deposits, writing checks for authorized expenditures, and preparing a report for each meeting. Since the money belongs to your Grange, it is important that the management of funds is transparent to its members.

Basic Internal Controls

The goal of internal controls for non-profit organizations is to create practices and procedures that serve as “checks and balances,” reducing the risk of misappropriation of funds.

- All cash and the means of transferring it – checks, bank account numbers, passwords, petty cash, the debit card number, and even the card itself – should be secured as much as possible. For more information, see *Custody of Assets*.
- Avoid conflicts of interest. Have more than one person involved in every transaction that involves cash, accounts, assets, and liabilities. For more information, see *Separation of Duties*.
- Financial records need to be accurate and up to date. Transactions and balances need to be reported at every meeting. For more information, see *Transparency*.
- Insist that your Grange have an annual internal audit. For more information, see *Annual Internal Audit* under *Transparency*.
- Have your Grange purchase bonding insurance. For more information, see *Bonding*.
- Retain bank statements, check registers, and supporting documentation. For more information, see *Keeping Important Records*.

Custody of Assets

Make sure that the check book, cash box, keys to the safety deposit box, and any other assets are stored in a secure place.

Keep all unused checks in a locked cabinet or closet.

Share passwords with one other unrelated person (such as the Master, Overseer, or Secretary).

Use pre-numbered checks or use accounting software that prints checks with the next sequential number. You must account for every check number.

Many Granges have continued to pay an annual fee on their safety deposit box even though they no longer have access to it because nobody knows the whereabouts of the key. The cost of having the box drilled can be high, but failure to have it done means that they continue to pay the fee without knowing what is in the box.

Bank Cards and Online Banking

Many banks are now automatically issuing debit or check cards for accounts. These cards can be handy for depositing checks when the bank is not open. However, it is easy to confuse the Grange's card with your personal card. Do not carry the Grange card unless you are headed to the bank to make a deposit for the Grange.

Online banking can be used to view account balances, download transaction history, and print copies of checks and statements. However, password access needs to be controlled because after a member logs in, various transactions can be performed including transferring funds between accounts.

Avoid the use of a credit card. If used, make sure that someone other than the member with access to the card reconciles the monthly statement just like a bank statement.

If Something Happens to You

In your home keep Grange assets and records together and label them as the property of the Grange. Should you be hospitalized or incapacitated, your children or heirs need to know to turn them over to a Grange member who will be performing your functions.

Separation of Duties

Avoid Conflicts of Interest

According to the Installation Ceremony, the Executive Committee is "authorized, between regular meetings of your Grange, in time of emergency or need, to act for and in the name of the Grange itself." This means that if the building is damaged in a storm or a pipe bursts, the Executive Committee may need to make decisions that involve significant expenditures.

The Installation charge also says that the Executive Committee is "responsible for the custody of the invested funds of your Grange." This means that the three elected members plus the Master and possibly other officers may be called upon make decisions regarding investments. As the Treasurer you may be asked to provide information or give your opinion, but you do not have a vote. After the decision you may be asked to open an account and report the earnings.

The Treasurer should not hold another office that gives you a position on the Executive Committee. If your Grange elected you "Secretary-Treasurer," you should abstain from voting on questions that involve financial matters. Of course, if the decision is made by a vote of the Grange, you will have a vote just as any other member.

Two People Involved in Every Transaction

The Grange Secretary should receive all mail including dues, rent payments, bills, and bank statements.

You can purchase a Secretary's and Treasurer's Account Book from the National Grange or create a similarly formatted document on your computer. The Secretary records receipts and disbursements on the top half of the form. When the Secretary turns checks and bills over to the

Treasurer, two people have been involved with these transactions. Completing the Secretary's and Treasurer's Account Book documents this transfer.

Two Signatures on Checks

The internal controls of most non-profit organizations specify having two signatures on checks. This practice is designed to prevent one person from having sole authority for writing checks on the nonprofit's behalf. Some organizations limit this requirement to checks over a certain amount.

Check the By-Laws of your Grange to see if two signatures are required. The By-laws of the National Granges do not require two signatures.

If your Granges requires two signatures, you should observe these conditions:

- Signers should not be related to each other or reside in the same household.
- Never have the second signer sign a check on which the payee is blank.
- If a check payee is a family member of a signer, use an alternate signer.

Note: Requiring two signatures is an internal control. Your bank will process the check whether it is signed by one or two persons.

Multiple Signers on Accounts

Whether your Grange requires two signers or not, you should have multiple signers on your accounts so that if something happens to you, others can carry on the business of the organization. Typically, the Master and Secretary are named signers on accounts.

After election of officers, make sure to update the signers on all accounts. It is easy to let this slide and before you know it you will encounter problems because a signer has moved or passed away.

Authorizations for Payments and Transactions

Ideally the Grange votes to approve expenses or reimbursement for them prior to expenditures. For example, the curtain committee does their research, determines that it would be better to buy new curtains than to make them, and recommends purchasing them from a particular source. Their report would include the model number, size, fabric, quantity, and price. If the Grange adopts the committee report, someone is authorized to buy the curtains. The Treasurer could write a check to send with the member who will make the purchase or that member may charge them and then be reimbursed.

Your Grange probably does not want to wait for a vote before purchasing coffee and toilet tissue so may designate someone to monitor the supply of these items and replenish them.

Some Granges have authorized their Treasurer to pay utilities as invoices are received so that the Grange avoids late fees. If your Grange has done this, these bills should be included on the report of Bills and Accounts.

On the Secretary's and Treasurer's Account Book form, the Treasurer lists the bills but does not write checks until ordered by the Grange to pay them.

All payments should be made by check. Note the reason for the payment on the check memo line. Should your Grange authorize you to use online payments, be sure to retain paper statements.

Some Granges have authorized their Treasurer to transfer money between their savings and checking accounts and vice versa as needed. If your Grange has not done so and you believe that a transfer of funds is needed, you should get the approval of the Executive Committee.

Fundraisers

If you are having a fundraising dinner, the Grange needs a motion to allow the committee to spend up to a certain amount on expenses (food, publicity, decorations, etc.) prior to the event. After the event the committee report should include the:

- Number of dinners served and total income from dinners sold.
- Number of raffle tickets sold and total income.
- Amount raised from leftovers sold to Grange members.
- Expenses with receipts listed by category: food, publicity, decorations, etc.

After discussion, the Grange adopts the committee's report and then the Treasurer can reimburse the members who have assumed these expenses.

The Treasurer should reimburse members for pre-approved expenses only if the member presents a detailed receipt.

Other committees of the Grange may decide to raise money for a project (for example, a new stove) or to donate to a charity. The Grange needs vote on this proposal. If the members approve, the money raised needs to be turned in to the Grange Secretary and included in the report of Bills and Accounts. When enough money has been raised, someone on the committee needs to make motion for the Treasurer to write a check.

The money a committee is raising should be held in a "restricted fund" because the motion was to spend the money on something specific or donate it to a certain cause. However, the Grange has a right to change its collective mind. Another member can make a motion to spend the money raised for another purpose and if a majority of members present agree, the restriction would be lifted.

Such "restricted funds" do not need to be held in a separate account. There's no reason to open separate bank accounts for every purpose members propose. In fact, new banking regulations make it difficult to open new accounts. So the money can be added to your general checking account, and Treasurer tracks the balance of each fund on a monthly basis.

Opening a New Account

Some Granges have recently encountered problems when attempting to open a new account due to new banking regulations. The financial institution asked for either their IRS 990-N filing or their incorporation record.

If you are unable to convince the employee you are meeting with that your Grange is a legitimate subordinate of your State Grange and the National Grange, ask to speak to the manager. If the manager thinks your Grange is opening the account to engage in money laundering, you probably want to take your business elsewhere.

Handling Cash

After a fundraiser or a coin march, have at least two people count the cash, record the total, and sign it.

When you run short of eggs or other ingredients needed for your fundraiser, it is tempting to send someone to the nearest store with a \$20 bill taken from the cash box. Never pay bills with cash taken out of receipts of an event.

Checks may not be made out to "cash."

Transparency

Bills and Accounts / Treasurer's Report

For the Bills and Accounts / Treasurer's Report order of business, the Treasurer prepares a written report. Copies may be distributed to members or made available at the Treasurer's station. Two example of Treasurer's report formats are included at the end of this handbook.

The Secretary's and Treasurer's Account Book provides an easy to use form or you can create a similarly formatted document on your computer. The report should list all receipts and disbursements since the last meeting. You may also want to provide balances of savings accounts, CDs, and investments. See *Sample Treasurer's Reports* in Appendix 1 for examples.

The procedure for preparing the report is:

- The Secretary receives all correspondence, including checks for rent and dues and bills for utilities and other expenses. The Secretary records receipts on the top half of the form.
- The Secretary turns over the receipts to the Treasurer. The Treasurer signs the top half of the form acknowledging receipt of the money.
- If the Secretary mails checks to you between meetings, he/she should make a copy for his/her records. Upon receipt, the Treasurer should endorse checks with "For Deposit Only" with the name of the Grange and the account number.
- The Secretary lists bills on the lower half of the form, but the Treasurer does not write checks until ordered by the Grange to pay them unless the Grange previously voted that the Treasurer is to pay utilities as received. If that's the case, the bills should still be included on the report form.
- Historically the Secretary reads the report because listing checks and invoices received is part of the minutes. Now in many Granges the Treasurer's Report includes more than the transactions since the last meeting. Members want to know the balance of not only the checking account but also the savings, CD, investment accounts, and the status of loan repayment.
- After the Grange adopts the report, the Treasurer writes checks for bills and records the check numbers.
- The Secretary lists all receipts and bills in the minutes.

When you receive funds from the Secretary, you should complete a **Treasurer's Receipt** as a record of your receipt of those funds. This will be useful when it comes time for the annual audit. A sheet of six order blanks is in Appendix 2 at the end of this handbook, the image below is an example. A book of Treasurer's Receipts can also be purchased from the National Grange.

_____ Grange, No. _____	
\$ _____	on this date _____
Received of _____	Secretary,
_____ Dollars,	
being Grange Funds.	
No. _____	_____ Treasurer

Annual Internal Audit

Grange law requires that an annual audit be conducted by each Grange. Some Granges delegate this task to the Executive Committee, in some the Master/President appoints a Finance Committee and some Granges hire an outside firm to audit their books.

When conducting an internal audit, compare the Treasurer's books with the minutes to make sure that all bills that were authorized have been paid. There may be good reasons why not, but it is the committee's responsibility to ask the questions. For example, your scholarship may not have been awarded because the recipient hasn't yet registered for classes.

The Secretary should retain the Finance Committee's written Audit Report see *Audit Report* as part of the permanent records of your Grange.

If you are a newly elected Treasurer, you should not accept the Grange books until they have been audited.

Bonding

Bonding insurance covers the loss of Grange funds. Every Grange is required by the National Grange Digest to bond its Treasurer and Secretary in such an amount as the Executive Committee of your Grange determines appropriate. The Executive Committee can also insure other officers.

A bonding policy is available from the National Grange that covers all officers and members. The premium, determined by the amount of coverage, is due each January. Check with your insurance company to compare prices.

Keeping Important Records

You and the Secretary will be expected to keep documents for your Grange. If possible find a safe place to store them at your Grange hall so that others can access them when necessary. Retain these documents for **seven years**.

- Bank statements, check registers, and supporting documentation (receipts, invoices, and canceled checks)
- IRS 990-N receipts
- Investment records: bonds and notes
- Rental agreements
- Contracts
- Grant records
- An inventory of Grange property

Donations

Members as well as non-member Grange supporters in your community may offer to donate money, goods, or property to your Grange. Their intent is in all likelihood to obtain a tax write-off for the value of their donation.

Most Granges do not qualify as a 501(c)3 charitable organization which makes donations to a Grange usually not tax deductible. Check with a tax consultant to be sure.

Some Granges have set up their own Foundation, which is a 501(c)3 for money that has been bestowed to them for a specific purpose like a scholarship or sponsoring a 4-H club. Money donated to a Foundation needs to be kept separate from other Grange accounts. If you set up a

Foundation, your Grange needs to notify the National Grange to get permission to use the trademarked name "Grange." However, failure to obtain permission can lead to hassles.

The Grange Foundation which operates from Washington, DC can handle charitable donations to your Grange for a small administrative fee. Check with your State Grange to see if they have a 501(c)(3) charitable foundation.

Legal Protection

The items in this section may or may not be the responsibility of the Treasurer. They may be traditionally handled by the Secretary, Master, or Executive Committee. They are included here because you need to make sure that someone in your Grange has taken care of insurance, the IRS, and the Secretary of State's Corporate Division.

Insurance

The property of the Grange should be insured against loss as it is normally the single greatest asset of your Grange. Depending upon the age and condition of your hall, it will be insured for replacement cost or actual cash value (ACV). Fire, wind and other losses are covered by the general policy, but things such as earthquakes and floods must be insured specifically or through other sources.

Liability insurance protects the Grange when someone is bodily injured or their property is damaged on Grange property, due to the Grange's negligence. Liability coverage also protects the Grange if a member who is working on the hall is hurt. Having a liability policy may prevent legal problems when someone is hurt on Grange property.

IRS Tax Status

The IRS issued to the National Grange a blanket group exemption as a 501(c)(5). This letter recognizes Granges as being exempt from federal income tax.

Tax ID Number

Each Subordinate/Community, Pomona, and Junior Grange is issued a federal tax ID number, also called an EIN (Employer Identification Number).

IRS Electronic Postcard Filing and Other IRS Forms

All Granges are required to file with the IRS. Most are able to file the 990-N e-Postcard electronically, attesting the Grange's income was under \$50,000. This filing can ONLY be done online, but can be completed by anyone your Grange designates who has Internet access and an email account.

For most Granges the filing window is from May 1 to September 15 for the previous tax year. Keep copies of the email "Login ID Activation Notice" and "Form 990-N E-filing Receipt - IRS Status: Accepted." These will not come from the IRS, but from their contractor.

Granges with an annual gross income greater than \$50,000 must file a 990 or 990-EZ tax form.

Failure to file the required 990 forms in the allotted time will result in loss of your Grange's tax exempt status, and by extension, jeopardizes the exempt status of all Granges in Oregon. If you need help, contact your State Grange to assist you.

[This page is left intentionally blank]

Appendix 1

Sample Treasurer's Reports

[This page is left intentionally blank]

Sample Treasurer's Report A

Community Grange #1

Financial Report

For the month of December 2019

Wells Fargo Savings Account:

Beginning Balance as of 12/1/2015 \$ 1,000.00

RECEIPTS

<u>Date</u>	<u>From</u>	<u>For</u>	<u>Amount</u>
11/14/15	WFB	Interest	\$ 0.01

Total Receipts \$ 0.01

DISBURSEMENTS

<u>Date</u>	<u>Check #</u>	<u>Paid to/For What</u>	<u>Amount</u>
11/14/15	transfer	Dues 3rd QTR	\$ 140.00

Total Disbursements \$ 140.00

Ending Balance: Account Balance as of 12/31/2015 \$ **860.01**

Funds Breakdown:

Dues Funds	\$ 70.00
General Grange Funds	\$ 779.70
TOTAL	<u>\$ 849.70</u>

Wells Fargo Checking Account:

Beginning Balance as of 12/1/2015 \$ 467.25

RECEIPTS

<u>Date</u>	<u>From</u>	<u>For</u>	<u>Amount</u>
11/14/15	Savings	Dues Funds	\$ 140.00

Total Receipts \$ 0.01

DISBURSEMENTS

<u>Date</u>	<u>Check #</u>	<u>Paid to/For What</u>	<u>Amount</u>
12/15/15	930	State Grange	\$ 140.00
12/15/15	931	Pacific Utilities	\$ 66.26
12/15/15	932	Insurance	\$ 85.00
		Total Disbursements	\$ 291.26

Ending Balance: Account Balance as of 12/31/2015 \$ **315.99**

Master: _____

[SEAL]

Secretary: _____

Sample Treasurer's Report B

Community Grange #1
Treasurer's Report
July 10, 2019 to August 6, 2019

Beginning Checking Balance		\$ 1,649.48
RECEIPTS		
Members Dues	\$ 153.00	
Application Fees	\$ 30.00	
Fair Booth Award Money	\$ 543.00	
Quarterly Dinner	\$ 350.00	
TOTAL RECEIPTS		<u>\$ 1,076.00</u>
SUB-TOTAL, BEGINNING BALANCE AND RECEIPTS		\$ 2,725.48
DISBURSEMENTS		
Scholarship	\$ 250.00	
Green Mountain Grange, 1st Place Fair Booth	\$ 100.00	
Fredonia Grange, 2nd Place Fair Booth	\$ 75.00	
Potomac Grange, 3rd Place Fair Booth	\$ 50.00	
Materials Printing	\$ 36.48	
TOTAL DISBURSEMENTS		<u>\$ 511.48</u>
Ending Checking Balance		\$ 2,214.00
Funds Balances:		
Junior Grange Savings	\$ 346.48	
Building Fund	\$ 1,564.56	
State Convention Expense Fund	\$ 648.46	
Scholarship Fund	\$ 1,500.00	
Investment Accounts		
Junior Grange Investment	\$ 22,349.67	
Scholarship Investment	\$ 26,794.28	
TOTAL TREASURY BALANCE		\$ 55,417.45

Master: _____

[SEAL]

Secretary: _____

Appendix 2

Treasurer's Orders

[This page is left intentionally blank]

_____ Grange, No. _____
\$ _____ on this date _____
Received of _____ Secretary,
_____ Dollars,
being Grange Funds.
No. _____ Treasurer

_____ Grange, No. _____
\$ _____ on this date _____
Received of _____ Secretary,
_____ Dollars,
being Grange Funds.
No. _____ Treasurer

_____ Grange, No. _____
\$ _____ on this date _____
Received of _____ Secretary,
_____ Dollars,
being Grange Funds.
No. _____ Treasurer

_____ Grange, No. _____
\$ _____ on this date _____
Received of _____ Secretary,
_____ Dollars,
being Grange Funds.
No. _____ Treasurer

_____ Grange, No. _____
\$ _____ on this date _____
Received of _____ Secretary,
_____ Dollars,
being Grange Funds.
No. _____ Treasurer

_____ Grange, No. _____
\$ _____ on this date _____
Received of _____ Secretary,
_____ Dollars,
being Grange Funds.
No. _____ Treasurer

[This page is left intentionally blank]

Appendix 3

Annual Audit Report

Template

[This page is left intentionally blank]

AUDIT REPORT

To be retained with the records of the Secretary and Treasurer

We, the undersigned Audit Committee of _____

Grange # _____ have examined the Secretary and Treasurer's records for the period of _____ to _____ and have found them to be in satisfactory condition. Any suggestions or exceptions are listed below.

Dated this _____ day _____ of 20 _____ .

Audit Committee: _____

Beginning Balance (all accounts): _____

Total Receipts (all accounts): _____

Total Disbursements (all accounts): _____

Ending Balance (all accounts): _____

(Above ending balance should balance to individual accounts listed below)

Ending Balance – Checking: _____

Ending Balance – Savings: _____

Ending Balance – Other: _____

(list if more than one)

Does this Grange have a safety deposit box? Y/N What Bank _____

Who has access? _____

Who are the current signers on the Grange Financial Accounts?

[This page is left intentionally blank]

Appendix 4

Bonding Information

[This page is left intentionally blank]

Bonding

Each Grange is required by the National Grange Digest of Laws to bond the Secretary and Treasurer. Any officer or member who handles money for the Grange should also be bonded. Bonding insurance covers the loss of Grange funds. A bonding policy is available from the National Grange that covers all officer and members. A Grange should also check with its insurance agent to compare the National premium costs with what the agent can provide.

The table below details the amount of coverage and the annual premium for bonding offered through the National Grange.

NATIONAL GRANGE BOND PROGRAM 2019 COVERAGE RATES

For bond coverage effective January 1, 2019 – December 31, 2019

Community Grange Coverage Level Basic \$5,000 coverage = \$50 premium	Total Premium
\$5,000	\$50
\$7,500	\$59
\$10,000	\$67
\$12,500	\$72
\$15,000	\$77
\$25,000	\$99
\$30,000	\$106
\$40,000	\$121
\$50,000	\$136
\$75,000	\$168
\$100,000	\$189

* For Granges requesting coverage of \$200,000 or greater, additional information will be needed to complete your enrollment. Please contact your State Grange for details.