



## Financial (Revenue & Expenses) Standard Operating Procedures For the Interstate Council on Water Policy

Final —Board Approved 9/10/2020

Although the Executive Director (ED) for the Interstate Council on Water Policy is responsible for managing the day-to-day monetary activities of the organization, the responsibility for oversight and adherence to financial practices of governmental non-profits is the responsibility of the Treasurer, an elected member of the Board of Directors. who in turn offer direction and have high-level oversight responsibilities. This Standard Operating Procedures (SOP) document describes the duties and responsibilities related to the financial practices and well-being of the organization. Due to the small number of transactions made by the ICWP, the Board requested this SOP document be developed and if adhered to by all parties (ED, Treasurer, Board) it was felt that annual audits would not be necessary and the expense could be saved.

The fiscal year of the ICWP is from July 1 to June 30, in accordance with the By-Laws. An annual budget will be developed by the ED for review and approval by the Board prior to June 30 of each year. Any significant variances from the budgeted expenditures or revenue opportunities will be brought before the Board for their consideration and modification to that year's budget as appropriate. Modifications of up to 10% (no greater than \$5,000 change), of each line item may be approved by the Treasurer, upon request of the ED. Modifications larger than this amount require full Board approval. A quarterly report will be developed by the ED early in October, January, April and July, and presented to the Board, recapping the activities of the previous quarter by budgeted line item. Explanations will be provided for any significant variances.

The following table describes in more detail the activities of the ED, Treasurer and Board members related to the finances of the ICWP. Retention times for fiscal related documents are detailed in the table as well:

<u>Financial Topic Areas</u>	<u>Executive Director (ED) Responsibilities</u>	<u>Treasurer's Responsibilities</u>	<u>Board Responsibilities</u>	<u>Notes</u>
<b>Organizational Revenue and Expenses</b>				
ED Contract Fee	Consultant ED Fee will be established in contract between ED's LLC and ICWP board of Directors	Make recommendations to full Board on any necessary changes to Consultant ED contract. Negotiate annual or bi-annual contract along with current BoD Chair	Review and Approve ED Contract	Should ICWP decide to change to an employee relationship with the ED, this section would need updated
	ED will supply a monthly invoice for the consultant fee and any reimbursable expenses incurred during the month. Supply to the Treasurer by the 5th of each month.	Review each Month's invoice and assure that documentation accompanies reimbursable expenses. If documentation is missing, request from ED. If not sufficient in the Treasurer's opinion, can either deny payment or pass along decision to Executive Committee. Forward on to the Executive Committee for their review. Pay invoice promptly after receiving approval for payment (payment within 5 days of receipt from ED).	Executive Committee: Review Treasurer's payment recommendation and offer prompt approval or comment	

ED /reimbursable Expenses	Request for reimbursement to be submitted with appropriate documentation/receipts along with monthly contract fee. Mileage and per diem paid at the federal rate for the travel location	Verify documentation and reimbursability, in accordance with ED contract and Board approved travel for ED on ICWP business		
	Non-routine ED expenses should be disclosed to the Treasurer prior to or within 48 hours as appropriate to the size and "unexpectedness" of the expense	Request purpose, confirm appropriateness and offer guidance on reimbursability		
ICWP Dues Income	Send invoices. Receive checks and deposit them. Follow up on delinquent payments. Make recommendations to Board for dues to pursue or waive.	Verify that deposits are made in the W-F account corresponding to the "dues received" list shown on each month's Treasurer's report	Offer guidance and direction on membership dues to pursue and waivers/introductory rates	Dues checks received by the ED are scanned and a copy kept for any future audit of revenues received.
	Make recommendations to the Board regarding increases or decreases to annual membership dues	Provide support to ED in crafting recommendations for annual dues	Make recommendation to membership for decisions related to changes to annual dues	
Other Income	Maintain list of prospective consulting firms and research/law institutes to pursue for membership.		Aid the ED in marketing of ICWP to prospective consulting firms. Encourage firms to join at higher level of sustaining partner.	

<b>Expenses</b>				
Roundtable and Annual Meeting Expenses	Organize Roundtable and Annual Meeting in accordance with adopted budget	Review and support contractual agreements and expense proposals (for rooms, meals, etc.)	Chair: Work jointly with the ED to determine location and venue for Annual Meeting. Board: Provide guidance on registration rates and other expenses	
	ED will notify the Treasure prior to any large deposits or payments being made to the debit card for meeting expenses.			
	Incidental expenses and reimburseables are expected to be covered by the ED and reported as part of monthly invoice or charged directly to the W-F debit card as appropriate	Treasurer tracks incidental expenses and verifies documentation for reimbursables		
Other Budgeted or Routine Expenses, including ED Contingency Spending	Any spending in accordance with the approved budget can be requested for reimbursement with monthly invoice	Review to assure in line with budgeted amounts		
Expenses Not Anticipated in Annual Budget	Verify and document the reason the amount was not budgeted for	Review needs with ED and then present to Board if expenses are warranted	Provide oversight and if become routine, examine the annual budgeting process	

<b>Banking &amp; Record Keeping/Retention</b>				
Treasurer's Report	Develop monthly reflecting the EOM account values and show any out of the ordinary expenses or revenues	Present the financial update during the monthly Board calls	Review the Treasurer's report for any abnormalities	
Wells-Fargo Account	Monitor ICWP account's activity. Verify direct deposits made for dues or other purposes. Keep debit card for hotel deposits and other larger purchases.	Maintain access to electronic banking and verify the ICWP business account at least monthly to reconcile with the Treasurer's report assembled by the ED		When using mobile deposits for dues or other checks, keep the original checks until deposits have completely cleared and funds are released. Then shred original checks.
Pay-Pal (PP)	Access at least monthly to report the current balance on the Treasurer's Report. After meeting registrations have been received, transfer all but around \$2,000 to the W-F account. Track meeting registrations and corresponding credit card receipts in PP	Have the ability to log-in to the PP account in case of absence or unforeseen incapacitation of ED.		

Deluxe Electronic Checks	Maintain access to account and use when debit card payment is not feasible	Maintain access to account and utilize to pay contract fee and reimbursements to the ED		
IRS--Form 990	Prepare ICWP's form 990 by the IRS deadline each year. Prepare 1099's as necessary for any contractors supplying work to ICWP and to ED's LLC	Review Form 990 and maintain at least 7 year's history of 990's		
Records Retention	Maintain copies of receipts, deposits and statements for seven (7) years. Registrations from Annual and Roundtable meetings will be kept in Gravity Forms on website.			
	ED will share to the Google Drive end of year permanent records within 2 months of the close of the fiscal year.	Retain backup records for seven (7) years		A Google Share drive will be associated with <a href="mailto:infoicwp@gmail.com">infoicwp@gmail.com</a> for sharing permanent records. Treasurer and ED will have access to share drive.

Adopted by the ICWP Board of Directors on 10 September, 2020