

Treasurer's Handbook



Subordinate/Community and Pomona Granges

These materials are the property of the Grange

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 the 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 office 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 office 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.
-

See inside of back cover for June through December

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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, Overseer, and Secretary 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* (See Appendix A) from the State 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 State and National Granges do not require two signatures, probably because historically Grange members did not live close to each other.

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.

In some Granges the GWA is a club that holds regular meetings and may sponsor fundraisers for the Grange or for its own projects. Section 4.15.5(b) of the State Grange By-Laws spells out how GWA money is to be handled.

All money earned by the club shall be reported at regular meetings of the Grange and shall be turned over to the Grange Secretary and shall be spent by vote of the members at regular meetings of the Grange, provided that the club may retain a sum not to exceed seventy five dollars (\$75.00) for incidental expenses. This sum may be spent by vote of club members at regular meetings and a report of such expenditures will be given at the next regular Grange meeting. With the consent of the Grange the club may raise money for some special projects – this money to be turned over to the Grange Secretary to be kept in a special fund for this purpose.

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.

- Since the IRS has given Granges a group exemption, the IRS lists the OREGON STATE GRANGE PATRONS OF HUSBANDRY as the organization's legal name. Each Grange has its own EIN (Employer Identification Number). Your Grange's name should be listed as the DBA (Doing Business As). Be prepared to present the IRS Exemption Letters (see *Appendix D*) and to point out the DBA.
- The officers listed on your incorporation record may not be current since your filing date undoubtedly does not coincide with your installation of officers. The Secretary of State's Corporate Division will allow you to update your officers between filings if you go to their office in Salem (255 Capitol Street NE, Suite 151). There is no charge, other than the cost of making the trip and parking.

If you are unable to convince the employee you are meeting with that your Grange is a legitimate subordinate of the Oregon State 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.

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 *Appendix B* 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.

Annual Internal Audit

According to the State Grange By-Laws (4.15.1) a Finance Committee is to be a standing committee of every Grange. Section 4.15.4 provides the duties of the committee:

The Finance Committee shall consist of three members, their duty shall be to inspect and audit all bills and accounts presented to the Grange. The Finance Committee is authorized to examine the Treasurer's books, the Secretary's books and vouchers and report the financial condition of the Grange each year. The Finance Committee shall produce a written audit report, to be filed with the Secretary.

Section 4.12.12 provides specifics about when the audit should take place:

At the close of the Grange fiscal year the books of the Secretary, Treasurer and all committees having financial records shall be audited by the Finance Committee. Failure to perform such audit shall void fidelity bond or surety.

You should give committee members full access to your records. The committee should 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 *Appendix C*) 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. Information on this insurance is provided by the State Grange office. 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.

Your Grange is a 501(c)8, which is tax exempt, but not a 501(c)3 charitable organization. Donations to a Grange are 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." There is no charge. However, failure to obtain permission can lead to hassles.

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.

All Subordinate/Community and Pomona Granges are required to list the State Grange as an "additional named insured" on their liability and/or property insurance.

IRS Tax Status

The IRS issued to the Oregon State Grange a blanket group exemption as a 501(c)(8) (See *Appendix D, IRS Group Exemption Letter*). 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). Your Grange's nine-digit EIN can be found in the Oregon State Grange Roster, next to your Grange's name and number. The number starts with 23- or 93-

IRS Electronic Postcard Filing and Other IRS Forms

All Oregon 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. The State Grange office will ask for a copy of the acceptance to be attached to the 2nd Quarterly Report.

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, the State Grange staff can assist you.

Incorporation

Each Grange needs to be incorporated through the Oregon Secretary of State Corporation Division, 255 Capitol Street NE, Suite 151, Salem OR 97301 -- 503-986-2200. Incorporation prevents the officers and members from being successfully sued individually, except in limited cases such as negligence. It does not prevent someone from suing the Grange itself. The Oregon State Grange attorney urges each Subordinate/Community and Pomona Grange to be incorporated to protect your membership.

If a Grange does not file by your due date, which varies from Grange to Grange, penalties are applied. Reinstatement can cost serious money. You can check the Secretary of State's Business Registry online for the date of your next renewal and whether the officers listed are current. If not, you should update them when you or someone from your Grange files the next annual report. Renewal can be done through their website, but requires payment by credit card.

Appendix A: Secretary's and Treasurer's Account Book

SECRETARY'S AND TREASURER'S ACCOUNT BOOK

..... Grange No., 19.....

SECRETARY'S RECEIPTS AND DISBURSEMENTS

Receipts since last meeting: (Enter in 1st column)

Dues: Receipts No.....to No.....Inclusive.....

Fees: Receipts No.....to No.....Inclusive.....

Other:.....

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TOTAL—(Extend in 2nd column).....

Received from the Secretary the amount of \$.....as shown above.

....., Treasurer

TREASURER'S WARRANT, RECEIPTS AND DISBURSEMENTS

Balance Forward from last meeting—(Enter in 2nd column).....

Total of Receipts of Secretary and Balance Forward—(Add 2nd column).....

Disbursements ordered this meeting:

| | Date Pd. | Ck. No. |
|-------------------------------|----------|---------|
| Treasurer's Record of Payment | | |
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State Grange Dues—(Enter 1st column).....

State Grange Fees.....

Others as per bills attached:.....

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Total Disbursements—(Extend in 2nd column and deduct).....

Treasurer's Balance to be Forwarded.....

The above disbursements approved in regular meeting and payment by Treasurer authorized.

SEAL

....., Master

....., Secretary

Appendix B: Examples of Treasurer's Reports

Grangerville Grange #979 Financial Report
 For the month of December

Central Bank Savings Account:

Beginning Bal as of 12/1/2015 \$ 989.70

RECEIPTS

| <u>Date</u> <u>From</u> | <u>For</u> | <u>Amount</u> |
|-------------------------|------------|---------------|
| 11/14/2015 WFB | Interest | \$ 0.01 |
| Total Receipts | | \$ 0.01 |

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

Total Disbursements \$ 140.00

Ending Balance: Account Balance as of 12/31/2015 \$ **849.71**

Funds Breakdown:

| | |
|----------------------|------------------|
| Dues Fund | \$ 70.00 |
| General Grange Funds | \$ 779.70 |
| TOTAL | \$ 849.70 |

Central Bank Checking Account

Balance Forward as of 12/1/2015 \$ 318.89

RECEIPTS

| <u>Date</u> <u>From</u> | <u>For</u> | <u>Amount</u> |
|-------------------------|------------|---------------|
| 15-Dec Savings | Dues Fund | \$ 140.00 |

Total Receipts \$ 140.00

Subtotal \$ 458.89

DISBURSEMENTS:

| <u>Date</u> <u>Check #</u> | <u>Paid to/For What</u> | <u>Amount</u> |
|----------------------------|-------------------------|---------------|
| 12/15/15 | 930 Oregon State Grange | \$ 140.00 |
| 12/15/15 | 931 PGE | \$ 66.22 |
| 12/15/15 | 932 Insurance | \$ 85.00 |
| Total bills | | \$ 291.22 |

Account Balance as of 12/31/2015 \$ **167.67**

Master: _____

Secretary: _____

GRANGE SEAL

Tri-County Pomona Grange No. 3
Treasurer's Report
October 24, 2015 to January 22, 2016

| | | |
|--|--------------|-------------------------|
| Beginning Checking Balance | | \$ 1,010.28 |
| RECEIPTS | | |
| OSG quarterly dues | \$ 33.40 | |
| Fair booth award money | \$ 200.00 | |
| Coin march from 10/24/2015 meeting | \$ 6.82 | |
| Check for scholarship | \$ 243.61 | |
| TOTAL RECEIPTS | | <u>\$ 483.83</u> |
| SUB-TOTAL, BEGINNING BALANCE AND RECEIPTS | | \$ 1,494.11 |
| DISBURSEMENTS | | |
| Scholarship to Sam Jones | \$ 243.61 | |
| Centerville Grange, 1st place fair booth winner | \$ 100.00 | |
| North Star Grange, 2nd place fair booth winner | \$ 75.00 | |
| Junior Grange, 3rd place fair booth winner Leedy | \$ 25.00 | |
| Grange, Peoples' Choice winner | \$ 20.00 | |
| Treasurer's report printing for meetings in 2015 | \$ 8.80 | |
| TOTAL DISBURSEMENTS | | <u>\$ 472.41</u> |
| Ending Checking Balance | | \$ 1,021.70 |
| | | |
| Junior Grange Savings | \$ 902.07 | |
| Relief Fund Savings | \$ 1,576.31 | |
| Reserved for hosting State Session 2018 | \$ 4,246.00 | |
| Scholarship Fund Savings | \$ 27.88 | |
| Investment Accounts | | |
| Junior Grange Investment | \$ 24,109.04 | |
| Scholarship Investment | \$ 11,555.86 | |
| TOTAL TREASURY BALANCE | | \$ 43,438.86 |

Appendix C: Audit Report

SUGGESTED PROCEDURES FOR SUBORDINATE/POMONA GRANGE AUDIT

The audit committee should gather the following information from the Secretary and Treasurer:

1. Bank Statements for the year for all accounts, including canceled check copies if available.
2. Check register and deposit records for all accounts.
3. Secretary-Treasurer's Account Book and/or other Treasurer record books.
4. Secretary's minutes for the audit period.

PROCEDURES BY AUDIT COMMITTEE

1. Review bank statements for the year, determine if Treasurer reconciles the bank statements monthly.
2. Determine if the ending balance in the Treasurer's checkbook register is correct by examining bank statements for checks that have not cleared the bank and deposits that were made after the date of the bank statement.
3. Compare deposits listed in the Treasurer's check register to those listed in the Secretary – Treasurer Account Book (if used), to the deposits listed on the bank account, and to the Secretary's minutes.
4. Compare the checks lists in the Treasurer's check register to the Secretary – Treasurer's Account Book (if used) and to the Secretary's minutes.
5. Scan the minutes of the meeting for motions that deal with finances and follow them up to see if actions of the Grange were followed.
6. If everything appears in order for all accounts, sign and date the books at the end of the audit period. If there are any suggestions include them in an audit report. Report to the Grange the results of the audit committee's work.

SUGGESTIONS FOR AUDIT REPORT

If the following has not been done, suggest doing so to the Grange.

1. Two signatures should be on each check.
2. All bills no matter how small should be paid by check.
3. Secretary-Treasurer's Account Book (available from the State Grange) should be used with one copy to be kept with the minutes and one with the Treasurer's records.
 - a. Secretary should fill out top portion with deposits received, turning over same to Treasurer and Treasurer should sign to acknowledge receiving.
 - b. Treasurer should list checks to be written, and Secretary should sign to acknowledge order to pay.
 - c. All money, either in or out should be noted on report at meeting received.
 - d. Master should review and sign at the end of the meeting.
4. All account information should be available to members at any meeting upon request.

Appendix C: Audit Report

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? _____ What Bank _____

Who has access _____

Who are the current signers on the Grange Financial Accounts?

Appendix D: IRS Exemption Letters

Internal Revenue Service

Date: November 21, 2005

OREGON STATE GRANGE PATRONS OF
HUSBANDRY
643 UNION ST NE
SALEM OR 97301

Department of the Treasury -
P. O. Box 2508
Cincinnati, OH 45201

Person to Contact:
Steve Brown 31-07422
Customer Service Specialist
Toll Free Telephone Number:
877-829-5500
Federal Identification Number:
93-0243395
Group Exemption Number:
0736

Dear Sir or Madam:

This is in response to your request of November 21, 2005 regarding a copy of your organization's group exemption letter.

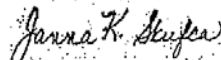
In November 1944 we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(8) of the Internal Revenue Code.

Based on the information supplied, we also recognized the subordinates named on the list your organization submitted as exempt from Federal income tax under 501(c)(8) of the Code.

Contributions or gifts by individuals, to domestic fraternal societies, orders, or associations, operating under the lodge system, used exclusively for 501(c)(3) purposes are deductible under section 170(c)(4) of the Code. If solicitations are made for non-501(c)(3) purposes the solicitation must include a statement indicating that these payments are not deductible as charitable contributions for federal income tax purposes. A penalty of \$1,000 per day up to a maximum penalty of \$10,000 annually may be assessed.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Janna K. Skufca, Director, TE/GE
Customer Account Services

Appendix D: IRS Exemption Letters



U. S. TREASURY DEPARTMENT
INTERNAL REVENUE SERVICE
WASHINGTON 25, D. C.

IN REPLY REFER TO
TIR:EO: 1
RWB

MAY 13 1963

Oregon State Grange of Patrons
of Husbandry
1313 S. E. 12th Street
Portland 14, Oregon

Date of original group ruling

November 2, 1944

Gentlemen:

Based upon the information presented, it is held that the new subordinate units whose names appear on the lists you recently submitted are exempt from Federal income tax as organizations described in section 501(c)(6) of the Internal Revenue Code. This supplements our ruling identified above. Any questions concerning taxes levied under other subtitles of the Code should be submitted to the appropriate District Director.

Your new subordinate units are not required to file Federal income tax returns so long as they retain their exempt status. Furthermore, your subordinate units are not required to file the annual information return, Form 990.

We have noted our records of any change in names, addresses, purposes, character or method of operation of pre-existing subordinate units or those which ceased to exist of which you currently notified us.

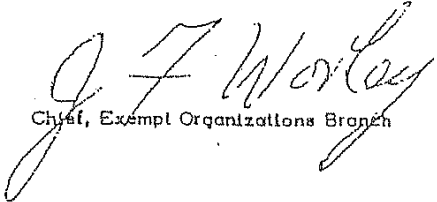
Next year, please send us the following information, not later than 45 days after the close of your annual accounting period:

1. Lists showing the names and mailing addresses of your new subordinate units and the names and addresses of any units which have ceased to exist or have changed their names or addresses. The names should be arranged in alphabetical or numerical order. In lieu of the lists referred to above you may furnish us with a copy of your published directory. Please send us one copy of the list or directory for this office and one copy for each district in which your subordinate units are located.
2. A statement signed by one of your principal officers stating whether or not the information upon which your original group ruling was based is applicable in all respect to the new subordinate units.
3. A statement if, at the close of the year, there were no changes in your roster.
4. A statement of any changes in the character, purposes or method of operation of your organization or those of your subordinate units.
5. Duplicate copies of amendments to charters or bylaws of your organization or those of your subordinate units.

Contributions made to you and your exempt subordinate units by individuals are deductible by such donors but only if to be used exclusively for the charitable purposes specified in section 170(c)(4) of the Code.

The various District Directors concerned by the changes in your roster are being notified.

Very truly yours,


Chief, Exempt Organizations Branch

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 office for dues and fees owed. and 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. The State Grange office 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 office 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 Oregon Secretary of State
- Property and liability insurance on the Grange hall

See inside of front cover for January through May.

Oregon State Grange

Address: 643 Union Street NE
Salem, OR 97301

Phone: 503-316-0106

Fax: 503-316-0109

Email: master@orgrange.org

Grange Bulletin: gbulletin@orgrange.org

Website: www.orgrange.org