



*American Values.  
Hometown Roots.*

**WASHINGTON STATE GRANGE**

**TREASURER HANDBOOK**

**AND FINANCIAL GUIDE**

These materials are the property of the Grange

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Adapted to meet Requirements and Procedures of the  
Washington State Grange  
2020

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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.
- For those Granges with a fiscal year ending December 31, make sure someone files the IRS 990-N e-Postcard (or 990 or 990-EZ form) between January 1 and May 15. The State Grange Office will send you a letter and will file for you with your permission.
- Encourage your Grange to purchase bonding insurance. Grange Law required each Grange to provide bonding insurance for their Secretary and Treasurer.
- Reconcile all bank and investment accounts.

#### February

- Work closely with the Secretary to see that those who have not paid dues are notified with a second dues notice.
- Reconcile all bank and investment accounts.

#### March

- Reconcile all bank and investment accounts.
- When the invoice is received, write a check for your 1<sup>st</sup> quarter dues to the WA State Grange.
- Property Tax Exemptions and renewals are due to the Washington State Department of Revenue no later than March 31, annually.

#### April

- Reconcile all bank and investment accounts.

#### May

- For those Granges with a fiscal year ending April 30, 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 will send you a letter and will file for you with our permission.
- Reconcile all bank and investment accounts.

#### June

- Reconcile all bank and investment accounts.
- When the invoice is received, write a check for your 2<sup>nd</sup> quarter dues to the WA State Grange

#### July

- Reconcile all bank and investment accounts.

## August

- Reconcile all bank and investment accounts.

## September

- When the invoice is received, write a check for your 3<sup>rd</sup> quarter dues to the WA State Grange
- Reconcile all bank and investment accounts.

## October

- Check with your Grange Secretary to see that the Annual Dues Questionnaire is returned to the State Grange Office.
- Reconcile all bank and investment accounts.

## November

- Reconcile all bank and investment accounts.

## December

- Make your Treasurer's books available to the Audit committee.
- When the invoice is received, write a check for your 4<sup>th</sup> quarter dues to the WA State Grange
- Reconcile all bank and investment accounts.

Add these to the month they come due

- Property and liability insurance on the Grange hall
- Return the Annual Grange Audit Report to the State Grange Office at the completion of your annual audit.
- Pay all bills upon approval of your Grange at a regular meeting.

## **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 numbers, and even the card itself – should be secured as much as possible. For more information, see sections on Bank Cards/Online Banking and Custody of Assets.
- Avoid conflicts of interest. Have at least two people involved in every transaction that involves cash, accounts, assets, and liabilities. Both parties shall initial acceptance of the final amount received. 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**

The Washington State Grange discourages the use of debit cards for all Subordinate and Pomona Granges. If a Subordinate or Pomona Grange wishes to utilize a debit card, the use of the debit card must be authorized by a vote of that Grange’s membership at a regular meeting and that the vote be recorded in the minutes of the Grange meeting. The authorization of debit card use shall be renewed annually at a regular meeting of the Grange.

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 to 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 may purchase a Secretary’s and Treasurer’s Account Book from the State or 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 will document 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. The By-Laws of the State National Granges do not require two signatures.

If your Grange 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 or the amount 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 documentation.



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 to 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 a 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. 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 990N 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. The Cash Balance Sheet and Raffle Balance Sheet are excellent tools to assist in your cash handling and accountability.

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 examples 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 other 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. Rather than the full account number, some financial institutions ask you to list the last four digits of your account number as well.
- 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. A shorter form stating the audit has been completed is to be forwarded to the State Grange Office.

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 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.

The Washington State Grange Foundation can handle charitable donations, such as hall improvements, grants, and educational programs to your Grange for a small administrative fee. Check with your State Grange Office for the processes necessary to utilize this service.

## **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 other pertinent issues.

### **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.

The Washington State Grange will send a letter in January to each Grange asking if you would be filing the postcard or if you want the State Grange Office to file for you. There will be a questionnaire that must be completed and returned to the State Grange Office.

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 may result in loss of your Grange's tax exempt status. If you fail to file and lose your tax exempt status, reinstatement is a lengthy process and will cost your Grange upwards of \$700. If you need help, do not hesitate to contact the State Grange Office to assist you.

**SAMPLES/TEMPLATES  
OF TREASURER  
REPORTS AND FORMS**

# SAMPLE TREASURER REPORT

**AUDIT REPORT**

To Be Sent to State Grange Headquarters whenever your Grange completes their  
annual audit

We, the undersigned Audit Committee of \_\_\_\_\_ Grange  
# \_\_\_\_\_, have examined the Secretary and Treasurer's records for the period  
from the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ to the \_\_\_\_\_ day of  
\_\_\_\_\_, 20\_\_ and have found them to be in satisfactory condition.  
Any suggestions or exceptions are listed below.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

Audit Committee:

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Suggestions and Exceptions:



**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 from the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ to the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ 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:      Checking:  
   Savings:  
   Other Accounts: (Please list)

This information is important to have written down, for your Grange's benefit:

Does this Grange have a Safety Deposit Box(es)?

If yes, at what bank?

Who has access? (Please list)

Who are the current signers on the Grange Financial accounts?

# DAILY CASH BALANCE SHEET

DATE \_\_\_\_\_

**CHECKS:**


**TOTALS**

\$ \_\_\_\_\_

**CASH BILLS:**

100'S	
50'S	
20'S	
10'S	
5'S	
2'S	
1'S	

\$ \_\_\_\_\_

**CASH COIN:**

DOLLARS	
HALVES	
QUARTERS	
DIMES	
NICKELS	
PENNIES	

\$ \_\_\_\_\_

TOTAL CASH COUNTED (add three totals above)	\$ _____
LESS STARTING CASH	\$ _____
TOTAL TO DEPOSIT	\$ _____
TOTAL FROM CASH REGISTER, TAPE, ETC	\$ _____
SUBTRACT OVERRINGS, REFUNDS, ETC.	\$ _____
TOTAL SALES	\$ _____
OVER/SHORT	\$ _____

SIGNATURE \_\_\_\_\_

DATE \_\_\_\_\_

SIGNATURE \_\_\_\_\_

DATE \_\_\_\_\_

**RAFFLE BALANCE SHEET**

DATE \_\_\_\_\_

STAPLE ENDING  
TICKET HERE

ENDING  
TICKET NUMBER \_\_\_\_\_

LESS

STAPLE BEGINNING  
TICKET HERE

BEGINNING  
TICKET NUMBER \_\_\_\_\_

EQUALS

SUB-TOTAL \_\_\_\_\_

MINUS 1

TOTAL SOLD \_\_\_\_\_ \*

CASH \_\_\_\_\_

CHECKS \_\_\_\_\_

TOTAL AMOUNT TURNED  
IN \_\_\_\_\_ \*

VERIFIED BY:

SIGNATURE \_\_\_\_\_

DATE \_\_\_\_\_

SIGNATURE \_\_\_\_\_

DATE \_\_\_\_\_

\* THESE TWO AMOUNTS SHOULD BE EQUAL.

## 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 2020 COVERAGE RATES

<b>Pomona Coverage Level</b>	<b>Total Premium</b>
<b>Basic \$ 2,500 coverage = \$42 premium</b>	
\$ 2,500	\$ 42
\$ 5,000	\$ 50
\$ 7,500	\$ 59
\$ 10,000	\$ 67
\$ 12,500	\$ 72
\$ 15,000	\$ 77
\$ 25,000	\$ 99

<b>Community Grange Coverage Level</b>	<b>Total Premium</b>
<b>Basic \$ 5,000 coverage = \$50 premium</b>	
\$ 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 office for details.

