

FINANCIAL POLICIES AND PROCEDURES

POLICY NUMBER: FP-104
SUBJECT: LOCAL SECTION FINANCES
EFFECTIVE DATE: April 24, 1991
REVISION DATE: 4/18/95; 1/18/97; 5/6/98; 4/16/00; 1/18/03; 1/15/05
APPROVED BY: CWEA Board of Directors

POLICY

1. It is the policy of the CWEA Board of Directors that Local Sections shall be self-supporting with respect to income and expenses and that Local Section finances will be handled at the Local Section level consistent with the Local Section's abilities and the needs of CWEA for adequate financial management.
2. It is the policy of the CWEA Board of Directors that Local Sections may operate financially either out of the CWEA account or out of a separate bank account. Local Sections shall be limited to not more than a total of three accounts where a maximum of one may be a checking account, a maximum of two may be savings accounts, and a maximum of two may be certificates of deposit. Each separate bank account requires the specific approval of the CWEA Board of Directors.
3. It is the policy of the CWEA Board of Directors that Local Sections shall meet the financial reporting requirements in order to retain Board approval for separate bank account(s). Failure to meet the financial reporting requirements after June 30, 1998, will result in loss of CWEA Board of Directors approval for the separate bank account(s) and consolidation of the Local Section account(s) into the CWEA account.
4. If the Local Section has a committee of its own, for which a separate bank account is to be established, the Local Section shall follow the same procedure for obtaining CWEA Board authorization as for any other Local Section account, and shall be responsible for providing the same documentation as for any other Local Section account.

PROCEDURES

A. Applicable to All Local Sections

1. The Fiscal Year shall be from July 1 through June 30.
2. Local Sections are required to follow and enforce the financial policies and procedures of the Association.
3. The Board of Directors reserves the right to request documentation and backup information from the Local Section as it determines necessary to assure financial responsibility.
4. Upon dissolution of the Local Section, all funds remaining in either the CWEA account the separate bank account, or the certificate of deposit shall be transferred to CWEA for its unrestricted use.

B. Applicable to Local Sections with Separate Bank Accounts

1. Local Sections are limited to three separate accounts: checking; savings, and certificate of deposit. A request for each new account shall be submitted to the CWEA Board of Directors for approval.

- a. All accounts shall have at least two section Directors or officers authorized to sign checks. A minimum of two signatures shall be required on each check.
- b. The Executive Director shall be included as signatory on all Local Section Accounts. All accounts held by the Local Section shall have the same signatories.
- c. If funds are placed in a certificate of deposit, they shall be limited to no more than a one-year term to ensure that funds are liquid, and that future Local Section Boards of Directors retain flexibility.
- d. A duplicate bank or investment fund statement shall be sent to the Executive Director from the appropriate financial institution for each account.

2. The minimum financial reporting requirements shall be:

- Annual Reports
 - o An annual reserve fund report shall be submitted to the Executive Director, or staff designated by the Executive Director, by April 30 specifying the purpose(s) for which reserve funds are allocated.
 - o A budget, on forms provided by the Executive Director, or staff designated by the Executive Director, or on a reasonable facsimile, for the following fiscal year to the Executive Director by April 30. The statement format is a single page for each separate bank account, showing beginning balance; income by source; expenses by source, and the ending balance.
 - o An annual statement, including beginning and ending reserves, shall be submitted to the Executive Director, or staff designated by the Executive Director, by August 1 for the Fiscal Year ending June 30.
- Situational Reports
 - o Oral report of any and all financial problems, liabilities, and/or deficits that might impact the Association's finances to the Executive Director, or staff designated by the Executive Director, as soon as possible.
 - o Oral report of the issuance of any check in excess of \$5000 to the Executive Director, or staff designated by the Executive Director, within 24 hours.
 - o Written report of name(s) of person(s) responsible for making deposits; writing checks; receiving bank statements; reconciling and keeping records to the Executive Director, or staff designated by the Executive Director, immediately following any change (e.g. installation of officers).
- Monthly Reports
 - o Detailed financial reports shall be submitted to the Executive Director, or staff designated by the Executive Director, by the end of the following month that include:
 - copies of reconciled bank statement(s) for each account
 - copies of balance sheet or ledger (summary income and expense statement)
 - copy of Budget Variance Report
 - copies of check register
 - copies of receipts for all cash received and for all cash disbursed
 - copies of invoices for goods and services
 - Copies of information covering Local Section Activities including:

- Meeting Notices
- Agendas and minutes from Local Section Board Meetings
- Newsletter
- All correspondence with CWEA logo

3. The Executive Director, or staff designated by the Executive Director, will prepare a monthly report showing Local Section compliance with the financial reporting requirements. The report will be distributed to the Executive Committee, Executive Committee, Operations Committee, and Board of Directors. The Executive Director shall formally notify in writing any Local Section President and Treasurer when any of their financial reports are more than thirty (30) days overdue. Local Section shall be given a period of thirty (30) days to bring its financial reporting completely up to date. Failure to act within the thirty (30) day period shall be the basis for permanent implementation of the "Redwood Empire Section Model" detailed in Number 4, below, so that CWEA staff can complete reports for the Local Section. Failure to provide the material needed to fulfill the reporting requirements within thirty days, or subsequent failure to provide the material within 14 days of the end of any month, shall be deemed sufficient reason for automatic revocation of CWEA Board of Directors approval of its local bank account(s). The Executive Director shall immediately establish a unique account within CWEA and he/she shall transfer any and all funds into the CWEA account. Local Sections who lose Board of Directors approval for their separate bank accounts shall wait a minimum of two years before requesting the Board's approval for separate bank accounts.

4. Local Sections with approved separate bank accounts may elect to use the services of the CWEA Staff to service their accounts. This is known as the "Redwood Empire Section Model." Any Local Section electing to use the services of the CWEA Staff, or required to utilize this method as a result of failure to complete reporting requirements, shall provide the material within 14 days of the end of any month. The Local Sections selecting or required to use this method, shall submit the following financial information.

- Annual Reports
 - o A proposed budget, on forms provided by the Executive Director, or staff designated by the Executive Director, or on a reasonable facsimile, for the following fiscal year to the Executive Director by April 30. The statement format is a single page for each bank account, showing beginning and ending balances; income by source; expenses by source and an ending balance.
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 - Copies of information covering Local Section Activities including:

- Meeting Notices
- Agendas and minutes from Local Section Board Meetings
- Newsletter
- All correspondence with CWEA logo

The CWEA Staff will perform the required reconciliation and balances and it will provide monthly reports to the Local Section President and Treasurer:

- Income and expense statement
- Account balance sheets
- Account reconciliation report
- Budget variance report

C. Applicable to Local Sections Operating Out of the CWEA Account

1. Each Local Section will be assigned an individual code of accounts by the CWEA Staff in order to provide for tracking their funds. Balances transferred into the CWEA account, including reserves, will be for the sole use of the originating Local Section.
2. The Executive Director shall establish an Impressed Account (an account with a set limit on the funds available irrespective of the funds in the account) and he/she will establish the level of the available funds with the concurrence of the CWEA Treasurer. The Local Section may request differing amounts to cover special events and Executive Director is authorized to increase the Impressed Account amount to cover those expenses on a one-time basis up to the total balance in the Local Section account.
3. The Local Section may not expend funds from the CWEA Account until it has submitted and received approval of an Annual Section Budget. The Local Section shall submit an annual budget to the CWEA Executive Director by April 30 for the following Fiscal Year.
4. The Executive Director will issue checks to the Local Section President for use in the financial operation of the Local Section.
5. The available funds within the Impressed Account shall be replenished only upon receipt of the following information from the Local Section.
 - deposit slip(s) showing deposit to CWEA account
 - copies of check register
 - copies of receipts for cash received and cash disbursed
 - copies of invoices for goods and services
 - copies of information covering Local Section Activities including:
 - Meeting Notices
 - Agendas and minutes from Local Section Board Meetings
 - Newsletter
 - All correspondence with CWEA logo
6. The Executive Director will provide the following information to the Local Section within two weeks of receipt of required information.
 - Notification of replenishment of account
 - Income and expense statement
 - Account balance sheet
 - Budget variance report

D. Procedure for Obtaining CWEA Board of Directors Authorization for New Separate Bank Account(s)

1. Prepare and submit memo to CWEA Finance Committee and CWEA Board of Directors that demonstrates the Local Section's compelling need for a separate account, their ability to support this financial arrangement, and the Local Sections commitment to following policies and procedures.
2. The Finance Committee will review and recommend action at the next CWEA Board of Directors meeting. The Finance Committee will base its review on the demonstrated necessity of establishing an additional separate bank account.
3. The CWEA Board of Directors will act on the request.

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JAN 26 2010

ENVIRONMENTAL SVCS DIV

601 Wythe Street, Alexandria, Virginia 22314-1994 | p 703.684.2400 | f 703.684.2492 | www.wef.org

January 22, 2010

Gayle Tupper
WEF Delegate
East Bay Municipal Util Dist
PO Box 24055
375 11th St MS 702
Oakland, CA 94607-4246

Dear Gayle:

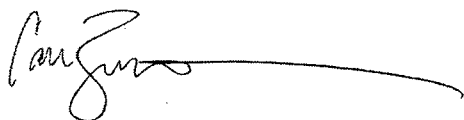
Subject: Utility Partnership Program at WEFTEC 2010®

As a WEF Member Association leader, you recognize the importance of education and career development. You also know that being a WEF member gives you access to the tools to enhance these goals. With the current economic situation, it is more important than ever for water and wastewater professionals to maintain continuing education requirements and to rely on the Water Environment Federation and Member Associations for the latest in education, regulation updates and emerging technologies in the water and wastewater field.

In response, WEFTEC is continuing its highly successful Utility Partnership Program.™ In these tough times, WEF is aggressively working to ensure that any utility wishing to participate in WEFTEC can do so despite their shrinking budgets. Utility participation is critical to the success of WEFTEC, and to the future of the water quality industry. Please assist us in reaching out to your local utilities to encourage participation in the Utility Partnership Program for WEFTEC 2010.

Please contact me directly to discuss your interest in participating in this utility outreach program. I can be reached at 703-684-2400 x7500 or via email at utilitypartnership@wef.org. We look forward to seeing you at WEFTEC 2010 in New Orleans!

Best Regards,



Cari Zimmerman
Marketing Manager, Association Development
Water Environment Federation

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Reno, NV

EXECUTIVE DIRECTOR
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Alexandria, VA

1. Prepare and submit memo to CWEA Finance Committee and CWEA Board of Directors that demonstrates the Local Section's compelling need for a separate account, their ability to support this financial arrangement, and the Local Sections commitment to following policies and procedures.
2. The Finance Committee will review and recommend action at the next CWEA Board of Directors meeting. The Finance Committee will base its review on the demonstrated necessity of establishing an additional separate bank account.
3. The CWEA Board of Directors will act on the request.