

2013 Treasurers Training Notes

Section Financial Statements

Section Financial Statements are produced by the bar's accounting department each month. These results will reflect what the treasurers have sent to us, so please be prompt in processing and sending your cash receipts and payment requests to us. Our goal is to have the financial reports published by 7th business day after end of month, except for the months of December and January when publication is delayed. The December & prior year results will be published around the first week of February in the following year.

Section treasurers will receive an email notification on the day these financial results are published to the website. Often we will include other tips and newsworthy items for treasurers in these messages so please read the emails carefully.

Financial Statements are published on the bar website at <http://www.osbar.org/sections/financials.html>

The financial statements are published in "pdf" format so they can easily be printed. Treasurers can locate their particular section report in the "bookmarks" pane to the left of the report.

Detail transactions are listed on a separate sheet on the page following your financial statement. Transaction detail is provided for the reporting month only. To find previous month detail transactions, please refer to the financial statement for the month in question. Several years financial statements and transaction details are available at this location on the bar website.

OREGON STATE BAR
Workers' Compensation - 830
For the Eleven Months Ending November 30, 2006

Description	November 2006	YTD 2006	Budget 2006	% of Budget	November Pr Yr	YTD Pr Yr
REVENUES						
Annual Event		\$28,820	\$27,000	106.7%		\$27,305
Membership Fees		8,975	9,000	99.7%	100	9,025
Registrations - Conferences/Seminars	100	2,800	3,000	93.3%	100	3,900
Total Revenue	100	40,595	39,000	104.1%	200	40,230
EXPENSES						
Annual Meeting		27,085	25,000	108.3%		24,056
Committee - Executive		1,521	2,000	81.1%	212	1,495
Conferences / Seminars	1,567	1,642	5,000	32.8%	278	3,544
Contributions - Campaign for Equal Justice			1,000	0.0%		
OSB Support Services Assessment	16	1,472	1,424	103.4%	16	1,444
Telephone - Conference Calling	50	357	500	71.4%	41	327
Miscellaneous Expense			500	0.0%		
Total Expense	1,633	32,177	35,424	90.8%	547	30,866
Net Revenue (Expense)	(1,533)	8,418	3,576		(347)	
Beginning Fund Balance		11,586				
Ending Fund Balance		20,004				
Section Member Count	4	368	360			

Once the section is displayed on the screen, **print only** the SELECTED or current page as desired. (Otherwise you will print the entire collection for all sections.)

Reading the Section Financial Statement

The section financial statement reports the following columns from left to right:

Account/Activity **Description**

Monthly activity for the current year

Year-to-date (YTD) activity for the current year

Annual budget for the current year

Percentage of budget used year-to-date

Monthly activity for the **same month last year** (PR YR = Prior Year)

Year-to-date activity at **the same time last year** (PR YR = Prior Year)

The rows displayed in your section financial statement are the same as those in the budget submitted for that year. Additional rows may appear if amounts have been spent in an account even when the budget is zero for that account.

Revenues – this area shows money received by the section. Primarily this is section member dues and registration or event income. All cash received and submitted to the bar for deposit in the current period or year will be reflected in this section of the report. For example: The "Conferences/Seminars" row in this section reflects registration INCOME for conferences & seminars. **Please note:** all section member dues are collected by the bar and directly recorded to the section.

Expenses – this area shows all payments and expenses directly charged to the section for the current period or year. For example: the Conferences/Seminars row in this part of the report reflects conference/seminars EXPENSE, such as catering or room rental.

Net Revenue (Expense) is the difference between section revenue and section expense. A positive figure in the YTD column is usually desirable, but not required.

Beginning Fund Balance – this amount was the section's fund balance account as of January 1 of the reporting year. It is the section's accumulated surplus or reserve from prior years.

Ending Fund Balance – is calculated by adding the year-to-date Net Revenue or subtracting the year-to-date Net Expense from the beginning fund balance. **The Ending Fund Balance should never be zero or negative. A zero or negative fund balance implies that the section is financially insolvent.**

Account numbers and how amounts get recorded to these rows

All payments and cash received by the section and sent to the bar require "accounting codes" or "account numbers" which are to be supplied by the treasurer. These account numbers represent the rows in the section budget and the rows in the section financial statement. An example of an account number is: 844-4565-000. The first three digits is the section number. The example is Administrative Law, section # 844. The second set of four digits is the actual code, in this case the 4565 means Conference/Seminar income. The last three digits are "project codes" typically zeros, but can be used if special "sub categories" are necessary.

So it is **very important for the treasurer to indicate the account number** where the money needs to be recorded. Please consult the section account number list rather than relying on memory or past copies for these account numbers. Select the account number with the description that most accurately reflects the nature of the income or expense. Ideally, the account number you select would align with the account number in the section budget for the activity.

A list of your section account numbers has been distributed with this packet for your convenience. It is also available on-line on the Section Information – Treasurers Tools page.

If you would like a new account number to be setup so you can track a new or unbudgeted activity, we can accommodate this easily. Please call Michelle Peterson or e-mail mpeterson@osbar.org.

Contracts

Oregon State Bar sections are part of the Oregon State Bar. Contracts for services to sections are obligations of the OSB. **Section members are not authorized to obligate the OSB by contracts. Firms are not authorized to engage in services on behalf of the OSB.**

- Contracts MUST be reviewed by OSB General Counsel and executed by OSB Executive Director or her designee. Section attorneys or firms are not authorized to execute Oregon State Bar or OSB section contracts. Contract reviews are typically turned around within a day or two of when we receive the draft.
- Contracts must be between the Oregon State Bar (or Oregon State Bar – *section name spelled out*) and the venue or provider of services. Section volunteers may be named as event contacts but should not be parties to the contract. Most vendors we deal with are accustomed to this.
- Contract address must be the Oregon State Bar address: PO Box 231935, Tigard Oregon 97281-1935. (We will send the treasurer electronic copies of invoices for these events for approval.)
- Payments for these events, including the initial deposit, must come directly from the Oregon State Bar.
- The bar has numerous “direct bill” accounts setup with Oregon hotels, conference venues and restaurants. Do not setup any “direct bill” accounts with third parties on behalf of OSB sections. To get a deposit paid by OSB, please complete a check request and attach a copy of the contract and submit this to the OSB accounting department.

Direct payment by OSB for section expenses

It is very important for record keeping purposes, that OSB pay directly for all expenses to the extent possible.

- **Firms are not to pay** for section expenses and bill the bar. The OSB has numerous “direct bill” accounts setup with Oregon vendors who will invoice the bar for section expenses.
- Please do not use personal or firm credit cards to pay for section expenses other than your personal travel or other nominal items.
- Please do not pay for speakers travel arrangements, unless it is your own travel. Speakers will be reimbursed for their travel, based on the sections’ agreement with the speakers.

Failure to follow this may create problems for annual IRS 1099 reporting.

Vendor Invoice Payments

All section receipts and disbursements must be made to/from the Oregon State Bar checking account. Under no circumstances should a section maintain a separate checking account. Nor should your firm pay a section invoice on behalf of the bar.

Treasurers may submit documents to the bar electronically, in a “pdf” format via e-mail. All payment requests made electronically should be addressed to: accountspayable@osbar.org
Please be sure your document is complete before sending.

Vendor Invoices – To mitigate the problem of delay in payment to vendors such as printers, caterers, editors, etc., vendors must be instructed to send the invoice to the bar's Accounts Payable department (no staff name please) and to state on the invoice the name of the section. The bar will forward the invoice to the current section treasurer (electronically) for approval and monitor the document's return.

To process a vendor invoice, please complete a **Section Check Request** form, **now available on-line in the Treasurer's Tools area** on the bar's Section Information page.

Here is the location: <http://www.osbar.org/sections/index.html#tools> The on-line version of this form allows the treasurer to type the information directly into the form and print it for signatures. (A sample is provided in this packet.) The total on the vendor invoice must be allocated to at least one section account number. A list of section account numbers is attached. These align with the section financial statement rows. You may allocate a vendor invoice to multiple accounts as is appropriate. For example, an invoice from a hotel for your annual meeting event may include expenses for facility rent, catering and printing charges. **The objective is to allocate the vendor expense(s) to the account(s) where the section originally budgeted the dollars for that activity.**

Attach the vendor invoice to the Section Check Request and forward this to the bar's Accounts Payable for payment. Treasurers must approve all Section Check Requests and provide the section account code where you want the expense charged.

Section Check Request Checklist

Please check that you have all the following before you submit your section check request to the bar:

- ✓ Complete official name and address of vendor, no acronyms please. If paying an individual, please supply their first name, middle initial and last name. (Do not use this form for member expense reimbursements.)
- ✓ Description of business purpose
- ✓ Attached invoice – this is required (except for contributions.)
- ✓ Section account number(s)-refer to your section budget or account number list for these
- ✓ Section Treasurer approval

Member Expense Reimbursements

If the section permits, section committee members may be reimbursed for their expenses, including mileage at the current IRS rate, when acting in their official capacities for the section. A sample "Expense Reimbursement Report" form can be found in this packet. (The OJD expense form is not the bar's form and **is not** a replacement.) The member requesting the reimbursement must sign on the bottom of this form. **If the treasurer is seeking reimbursement, the Section Approval must be signed by the section chair.** Otherwise, the section treasurer will approve all expense reimbursement requests. Please do NOT use a Section Check request together with an Expense Reimbursement form. Only the Expense Reimbursement form is necessary.

Below is an **Expense Reimbursement Report checklist** of the information required on this form. Please be sure the expense form has all of this information before you approve it and send it to us for processing.

- ✓ **Name, address, Section and bar number**
- ✓ **Business Purpose**
- ✓ **Dates (across top) and detailed amounts (down the columns) that match the receipts**
- ✓ **DETAIL receipts showing what was purchased. Receipts are required.**
Please note: A summary credit card charge slip or copy of your credit card statement is NOT sufficient because there is no detail. Individual meals without receipts may be reimbursed within the per meal limits published by the IRS. These limits are shown on the back of the expense reimbursement forms.
- ✓ **Total mileage times the IRS mileage rate in effect. (The on-line forms reflect this rate which is .555/mile for 2012 travel.)**
- ✓ **Total amount of reimbursement requested**
- ✓ **Section account coding with amounts. Total coded must match the total Expense Reimbursement report.**
- ✓ **Signature of the member requesting the reimbursement**
- ✓ **Approval by the section treasurer or section chair.**

Please refer to the Bar Leader Handbook for detailed discussion of eligible expenses.

The bar must receive approved expense reimbursement reports no later than 30 days after the expense has been incurred.

Alcoholic Beverages: Per Bar Bylaw (7.501(e)) bar or section funds must not be used to pay the cost of alcoholic beverages (and related gratuities). **We interpret this literally** and will not pay a vendor invoice or expense reimbursement request that includes alcoholic beverages. Please make the necessary arrangements for your attendees to pay for alcoholic beverages (and gratuities on same) separately so these do not appear on the receipts, catering invoice or restaurant bill.

Alternatively, the section may solicit sponsors for a reception to host the alcohol. The sponsorship revenue can be collected by the section, deposited by the bar and then those funds can be used to pay for the cost of the hosted bar event. Please do not promise sponsors a refund if the cost of the event exceeds the sponsorship revenue. Generally, sponsors are willing to help because they receive recognition for being sponsors. Sponsorship revenue intended to cover alcohol must be collected IN ADVANCE of an event where alcohol will be served.

Direct Charges to the section

There are some expenses that will be charged directly to the section by the bar. These are described below. Rather than process a section check request payable to OSB, the accounting department will make an internal transfer (a.k.a. "journal entry") to record these charges.

OSB services for graphic design, printing done by the bar print vendors, mailing and postage, seminar registration services and MCLE accreditation fees. These are services that the section members requested from the bar, so treasurers are generally aware that these charges are in process. The bar will provide documentation to treasurers upon request for these charges.

Telephone Conference Call charges – The bar will charge the section directly for monthly telephone conference calling charges. We will send the detail report substantiating these monthly charges to the treasurer upon request. The current rate for conference call services is .025/minute per caller connected.

OSB Support Services Assessment – this charge is a flat rate fee, currently set at \$6.50 per section member annually. It represents about 50% of the actual cost of all the administrative support for all sections. The section is charged this administrative fee for every new section member enrolled. Consequently, January of each year will show the biggest fee total since this is the month where most members enroll in sections.

Handling Cash Received

There will be occasions where the section collects money from attendees, e.g. luncheon CLEs and seminars. This money must be accounted for and then forwarded to the bar's accounting department to be recorded and deposited. Please use the Cash Received Form for this purpose. This form is available on the bar's website in Excel and Word. The Excel version will sum the dollars for you.

Please DO NOT mail CASH to the bar. If you have collected currency and coin you may replace this cash with a personal or firm check for the same amount as the total cash. Please remember, though, that the names of the individuals paying must still be listed on the cash received form.

The Treasurer will total this form and provide the accounting code for this total.

Sections are not authorized to **collect credit card information** or otherwise process credit card payments unless the OSB CLE Seminars staff is handling the registration. In this case, the bar has the appropriate procedures to ensure that credit card payments are handled securely. **On-line seminar registration** with credit card is available to sections that purchase seminar registration services from the bar's CLE Seminars department.

Please note: it is not appropriate to process section revenues (cash received) or section expenses (payments to vendors for section events) **through a firm** (other than currency & coin that cannot be mailed.) Section cash receipts must be forwarded to the bar for deposit and vendor payments made by the bar for section expenses.

Budgeting and Long Range Plan

Annually, in late September, section treasurers will be sent materials and instructions for preparation of the budget for the following year. These materials are delivered by email. It is the responsibility of the section's **CURRENT year treasurer to prepare the** budget for the following year. The **deadline** for submitting an approved section budget to the bar is **December 2nd**.

However, **if the section decides to increase its Section Dues rate, the budget must be submitted to the bar by October 15th of the year**, with the notice of the intention to raise the section dues. The Board of Governors must approve these rate changes, thus the earlier deadline.

The Long Range Plan form is designed to communicate the section's plan for the following year. Generally, large section fund balance accumulations without a future need are discouraged. The Long Range Plan form lets the bar understand why a section may choose to accumulate a large fund balance over time. The Long Range Plan should be determined before the section budget. If a future event is planned, the budget will be impacted by the related expenses.

A budget worksheet file, with complete instructions, will be provided that shows historical totals for section revenues and expenses, year-to-date actual totals and the current year's budget. Section membership history is also provided. Currently this worksheet is provided in an Excel spreadsheet file that includes formulas for some of the routine calculations. This file, accompanied by a Word document containing instructions is delivered to the treasurer via e-mail, whenever possible. The budget process is intended to be totally paperless.

This information, combined with plans for the following year, should give the treasurer most of the data necessary to calculate a budget for the year following.

Section long range plans and budgets must be **approved** by the section executive committee and submitted to the bar accounting department no later than December 1. As mentioned earlier, if the section plans to increase its dues, the due date is accelerated to October 15th.

Please honor these deadlines. Your budgets must be received and processed timely. If we do not receive your section budget timely, it may prevent us from issuing any payments for your section until the budget has been received.

The bar Controller is always available to assist treasurers with budget preparation. Please contact Michelle Peterson at 503.431.6305 or mpeterson@osbar.org for assistance.

Budget timeline summary for 2013

9/27/2013 Budget preparation materials delivered to treasurers
10/15/2013 IF section is raising dues rate, budget is due 10/15
12/02/2013 Approved section budgets are due – please honor this deadline and plan your executive committee meeting in advance to meet this.

Where to find forms

Samples of all forms discussed in this document are attached in the pages following. Electronic versions of these are also available online at <http://www.osbar.org/sections> under the caption called "**Treasurers Tools**".

Additionally, all treasurers who have provided e-mail addresses to the bar will receive electronic versions of these forms in late January following the Bar Leader Conference event.

Where to send your documents

Section Check Requests and Expense Reimbursement Reports in pdf format

should be sent **via e-mail** to: accountspayable@osbar.org

Section Check Requests and Expense Reimbursement Reports on paper should be mailed to:

Accounts Payable
Oregon State Bar
PO Box 231935
Tigard, OR 97281-1935

Checks Received and the completed Cash Received form should be mailed to:

Accounting Department
Oregon State Bar
PO Box 231935
Tigard, OR 97281-1935

Please do not send currency or coin by mail.

Budgets and Long Range Plan forms –please send these electronically in the Excel spreadsheet provided to you for this purpose. Please send these via e-mail to mpeterson@osbar.org

For assistance

First stop- visit the **Treasurers Tools** at: <http://www.osbar.org/sections/index.html#tools>
All forms and a copy of this training handout are available here.

List of your section budgets and account numbers can be found at

<http://www.osbar.org/docs/sections/financials/resources>

Please be sure to find YOUR section in the bookmark window before using these lists.

Requesting payments to vendors or for expense reimbursements – contact Susan Skurdahl at 503.431.6307 or e-mail: accountspayable@osbar.org

Handling cash and checks – contact Michelle Peterson, Controller at 503.431.6305 or e-mail: mpeterson@osbar.org

Budget assistance – contact Michelle Peterson, Controller at 503.431.6305 or e-mail: mpeterson@osbar.org

Section dues and section membership enrollment questions – contact Cathi Pittman at 503.431.6302 or e-mail: cpittman@osbar.org

Oregon State Bar

Section Check Request

This form requires signatures and attachments so must be printed after completion on-line. Checks will be mailed directly to payee, so please attach any desired enclosures and return this completed form with attachments to: Oregon State Bar, Accounts Payable, PO Box 231935, Tigard OR 97281-1935 or by e-mail to: accountspayable@osbar.org

Name of Section:

Please issue check as follows:	Invoice #	Invoice Date:	
Full Name of Payee or Vendor:	Vendor # (leave blank)	Amount \$	

Address, City, State and Zipcode

Payment Information

Payment Description

Business Purpose

Special Instructions to Accounting

Account codes and Treasurer Approval

Section Account number(s) for this expense:	\$ Amount	Remarks
- -		
- -		
- -		
- -		

Treasurer's Approval - Required	Chair's Approval - if applicable
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Accounting Use Only

Accounting Approval	CFO Approval
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Accounting notes:

Possible new 1099 - Request W-9 - Y/N

Section funds shall not be used to pay the cost of alcoholic beverages

Rev 1/20/2010

Expense Reimbursement Report

Submit to: Accounts Payable, P.O. Box 231935, Tigard OR 97281-1935

Section Members: Treasurers must approve section expense reimbursements

Name: _____ **Section:** _____ **Bar #:** _____

Mailing Address:	Detailed description of business expenses or activity for each day below:

Date:	/ /	/ /	/ /	/ /	/ /	Totals:
Breakfast						-
Lunch						-
Dinner						-
Lodging						-
Airfare/Car Rental						-
Taxi & Local Fare						-
Parking						-
Misc (Specify)						-
						-
Totals	-	-	-	-	-	-

Mileage Reimbursement

Date	Travel to/from:	Mileage	Remarks
Total Mileage		-	0.51 /mi

Accounting Distribution

Account #	Amount	Totals	
		Total Expenses	-
		Less Advance	
		Total Reimbursement	-
		or Amount due to OSB	-
		Approval Signatures:	Date:
		Section/Dept approval:	
		Accounting:	
		CFO:	

Signature of requestor (required for payment): _____ **Date:** _____

Attach necessary receipts/documentation. See policy below for guidelines.
 The Section Treasurer's personal or firm expenses must be approved by the Section Chair. Rev 1/11/2011

Oregon State Bar Expense Reimbursement Policy

1. General Policy

- a. This policy applies to participation at conferences and meetings or other official Bar business as member of a specified Board, section or as an employee of the Oregon State Bar.
- b. Members of the Board of Governors, Board of Bar Examiners, State Professional Responsibility Board, and Disciplinary Board shall be reimbursed for their expenses in accordance with this policy when acting in their official capacities. Expenses of board or committee members or employees shall not be reimbursed when attending meetings or conferences in a non-official capacity of the bar.
- c. Expenses of spouses or guests shall not be reimbursed except for: (1) specifically budgeted conferences and meetings; (2) bar-sponsored functions where their attendance is specifically expected; and (3) as otherwise approved by the Board of Governors.
- d. Requests for expense reimbursement **must be received by the bar not later than 30 days** after the expense is incurred. If an expense reimbursement form is not submitted within 30 days after the meeting, it must include justification as to why it was not timely submitted. If this requirement is not met, reimbursement will not be paid.
- e. **Supporting documentation**, e.g. receipt or ticket, **is required** for air, bus, taxi, train, rental car transportation, parking and lodging. **Credit card bills cannot be accepted** in lieu of receipts. **Documentation must show details of purchase.**

2. Out-of-State Travel

- a. Out-of-state travel for Board members shall be reimbursed for those persons and meetings set forth in the bar's annual budget or as otherwise approved by the Board of Governors.
- b. Employees must obtain approval of the Executive Director prior to traveling out of state.

3. Reimbursable Expenses While on Official Business

- a. Transportation
 - (1) Use of personal automobile shall be reimbursed at the allowable IRS rate.
 - (2) Actual cost of air coach fare.
 - (3) Actual cost for taxi, bus, or other public transportation.
 - (4) Actual cost of car rental at economy car rate when other transportation is not readily available.
 - (5) Actual cost of parking (receipt must be attached or note parking was paid through a meter).
- b. Lodging - Actual cost for a moderately priced double occupancy room, except when the location of the meeting or conference requires other arrangements. Lodging of members or employees at personally-owned residences, vacation homes or timeshare condos are not reimbursable. Fees for pet, fitness center, resort usage and special cleaning are not reimbursable.

c. Meals

- (1) reimbursement for **meals without receipts** shall be made at actual cost within the limits of the following schedule:

	In Oregon	Out-of-state
<u>Total per day</u>	<u>\$66.00</u>	<u>\$71.00</u>
Breakfast	\$11.00	\$12.00
Lunch	\$16.00	\$18.00
Dinner	\$34.00	\$36.00
Incidentals	\$ 5.00	\$ 5.00

- (2) In the event that the meals exceed the maximum limits, **DETAILED RECEIPTS** must be submitted with explanation in order to receive reimbursement and must be approved by the Chief Financial Officer or the Executive Director.

- (3) Meals purchased for members of the bar or other persons in the course of official bar business shall be reimbursed at actual cost with submission of detailed receipts, the names of attendees and a description of the business purpose of the event.

- (4) Official dinners, meetings or banquets of the Oregon State Bar at which eligible persons and their spouses/guests are specifically expected to attend shall usually be paid for by the Bar and, if not, shall be eligible for reimbursement.

d. Miscellaneous

- (1) Telephone, postage, office expense, registration fees, and other legitimate business expense items shall be reimbursed at actual cost with submission of DETAILED RECEIPTS and explanation of purpose of expense.

- (2) Gift and gift card purchases must be accompanied by detailed receipts indicating the business purpose of the gift, and the name of gift recipient(s).

- (3) Personal expense items shall not be reimbursed by the Oregon State Bar.

e. Non-Reimbursable Expenses

- (1) Alcoholic beverages: bar funds (including funds of sections) shall not be used to pay the cost of alcoholic beverages.
- (2) Movie rentals and other entertainment related fees will not be reimbursed.
- (3) Lodging of members at their own residences, vacation homes or timeshare condos are not reimbursable.
- (4) Fees for pet, fitness center, resort usage and special cleaning are not reimbursable.
- (5) Fees resulting from parking or traffic tickets are not reimbursable.

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