



The WICT  
**Network**

**Empowering Women**  
in Media, Entertainment and Technology

# **Financial Responsibilities for The WICT Network Chapters**

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## Introduction

The WICT Network HQ developed this guide to address questions that may arise in your role as it pertains to chapter financial responsibilities. This document covers a range of topics, and includes best practices and links to templates. All templates referenced in this document can be found in the [Chapter Leaders Group in the Chapter Leader Resource Directory](#).

Feel free to contact The WICT Network at [chapters@wict.org](mailto:chapters@wict.org) if you have any questions.

**Please note:** *International chapters should review the specific requirements for their country.*

## **1. Purpose and Responsibilities of the Treasurer**

Every chapter of The WICT Network needs a treasurer to manage and supervise all financial aspects of the chapter. The treasurer's responsibilities include the following:

- Serving on the executive committee of the board.
- Assisting in developing the chapter budget.
- Assisting with planning chapter programs and activities.
- Providing timely financial information to the chapter board.
- Tracking and recording all financial transactions (including sponsorship and fundraising monies, donations, receipts, disbursements, etc.).
- Keeping the chapter compliant with rules and regulations, including:
  - Reporting to government agencies, if necessary.
  - Reporting to The WICT Network Global.

### **Initial Tasks as Treasurer**

- Ensure the books have been reviewed before accepting them.
- Ensure the proper and complete transition of files and records, including the permanent records from the outgoing treasurer. Ask about any missing records immediately.
- Become familiar with the duties outlined and any references to finances and budget in chapter bylaws.
- Work with the outgoing treasurer to secure the signatures of new officers authorized to sign checks, and filing the signature cards with the bank.
- Study this guide and relevant areas of IRS.gov.

## **2. Required Financial Reporting**

### **Monthly Written Report**

- Prepare and present a written treasurer's report every month.
- Submit copies to the secretary and president and retain a copy for your records.
- Chapter bylaws should include the treasurer's responsibility to report regularly to the chapter board.

### **Annual Financial Review *(Recommended)***

A financial review involves examining financial records and transactions to ensure that receipts have been properly accounted for, and expenditures have been properly authorized and recorded. It provides reasonable assurance that an organization's financial statements are free of material misstatement.

- At the close of the calendar year, it is recommended that the treasurer close the financial records and prepare an annual financial summary report covering the entire fiscal year. A review form will be provided by The WICT Network Global and is available on the Chapter Leader Resource Directory.
- This report is for information only and is not officially adopted.
- The executive committee should create an internal financial review committee to oversee the annual process.

- It is recommended that the financial review be completed by two or more volunteers that **do not** have day-to-day access or input to any financial matters of the chapter; however, a professional firm can be utilized.

### **Materials to Submit to Reviewer**

- A copy of the last financial review report, if available
- Checkbook and canceled checks
- Bank statements and deposit receipts
- Treasurer's book or ledger
- The annual financial summary
- Itemized statements and receipts of bills paid
- Check requests
- Copies of board, executive committee, and chapter minutes that would include an adopted budget, as well as any approved amendments
- Current bylaws

### **Financial Review Procedures**

- Start the financial review with the records posted after the last review.
- Check to see if the amount shown on the bank statement corresponds to the starting balance recorded in the checkbook and ledger.
- Complete a sample test of transactions. The size of this sample should be based on the size of the chapter.
  - If mistakes are found, the sample should be broadened to take in more transactions. It may be deemed necessary to review all the transactions of the chapter.
  - The chapter should consider retaining the services of an external auditor if nearly all of the transactions are reviewed due to errors or concerns regarding accuracy.

### **Chapter Audit**

If the chapter undergoes an audit, the reports should be given to the auditor or audit committee during the annual review process. A financial review typically occurs annually at the end of the fiscal year and before a new treasurer takes office.

## **3. The WICT Network Dues**

### **Membership Rebates**

- All members of The WICT Network designate a primary chapter upon joining and renewing, and chapters receive dues rebates for their members.
- 15% of membership dues are returned back to The WICT Network chapters three times per year, either electronically or in the form of a rebate check in April, July and November. When rebate payments are processed, an email will be sent to the treasurer and president.
- Chapters who meet 110% of their goal will receive an extra percentage increase rebate, which is calculated retroactively on all members that year and included in the final amount in November.

### **The WICT Network Dues Payments**

- All member dues invoices and payments will be processed in US currency through The WICT Network HQ office.
  - The WICT Network accepts wires and credit card payments ONLY. No international checks are accepted.
- All member applications collected by the chapter should be sent to:

The WICT Network Membership  
2000 K Street, NW, Suite 350  
Washington, DC 20006

## **4. Chapter Budget**

### **Developing the Budget**

Each chapter's bylaws should state which board members are responsible for developing the annual budget. Effective budgeting includes consideration of the chapters stated goals and planned activities, as well as the financial needs to achieve these.

The budget should show the allocated expenditures for the year's activities, as well as the funds on hand and the anticipated receipts. Expenditures should equal receipts.

A sample budget can be found on the Chapter Leader Resource Directory in the Model Chapter Business Plan folder.

- Review the previous year's budget and treasurer's reports to determine how well that budget met the chapter's needs.
- Determine the projected financial requirements, taking into consideration the funds needed for the approved programs, projects and any leadership development.
- Determine the sources of funds to meet these requirements.

### **Approving the Budget**

After the budget has been drafted, it should be presented to chapter board or executive committee for consideration and then approval.

The budget is presented item by item to allow for discussion and amendment of each section. Funds should not be spent until the budget is approved and funds have been released by a quorum during a board meeting.

The approved budget should be sent to The WICT Network Global by **December 31** of each year.

### **Amending the Budget**

Since the budget is only an estimate of the planned expenditures for the year, it may be necessary to amend it. The budget may be amended by a vote of the chapter board or executive committee during a board meeting.

The approval process to adopt an amended budget item should be detailed in the chapter bylaws.

## **Approval of Expenditures**

The adoption of the budget authorizes the treasurer to pay for routine expenses covered in the budget (if such authority is given to the treasurer in The WICT Network chapter bylaws). If the bylaws do not provide this authority, the treasurer shall pay bills only when the board/executive committee votes to approve the expense.

All expenditures must be reported to the board/executive committee and included in the monthly treasurer's report. This report should display how the amounts expended to date compare with corresponding items in the approved budget.

Any additional expenditure not included in the budget must be approved by the board or the executive committee as determined in the bylaws.

## **Restricted Funds**

The IRS has strict rules on restricted funds.

- When money is raised for a specific purpose, (scholarship, events, etc.), the money raised must be spent on that purpose. It does not matter if it is one year, five years, or 25 years from now.
- If the chapter wishes to use the restricted funds for an alternate purpose, the donors must be notified and given the option to have their donation refunded to them.
- If you promote that money raised is going towards additional purposes, the collected funds are not restricted.

## **Excess Funds**

- There is no ruling from the IRS or The WICT Network Global that limits the amount of money that chapters may carry over to the next budget year.
- Every chapter should try to reserve sufficient funds for leadership training for new board members, programs, etc.
- Funds not spent in one budget year should be included in the following year's budget.

## **5. Internal Controls**

Internal controls should be the cornerstone of all your financial transactions, including any e-commerce in which your chapter participates. Most online banking transactions only require one person to manage, and subsequently the risk of fraud increases due to lack of checks and balances. Ensure that you adhere to the following internal controls to mitigate risk.

### **Effective Internal Controls**

- Policies and procedures should be in writing.
- Workflow should enforce proper separation of duties:
  - The person who reviews invoices should not have the authority to approve payments.
  - The person who can approve payments should not be able to write checks or enter invoices into the accounting records.

- The person who reviews bank statements and reconciliations should not have access to authorize or pay invoices.
- Review internal control policies and procedures annually.
- Ensure proper training for chapter treasurers or anyone with authority to handle chapter funds.

If you believe that fraud has occurred, which generally involves stolen or misappropriated assets like cash, property, or equipment, you should contact The WICT Network Global immediately.

## 6. Banking

### Bank Accounts

- All chapters of The WICT Network must establish a bank account.
- Opening a bank account requires that the chapter provide the bank with an IRS Employer Identification Number (EIN).
  - Each domestic chapter is issued an EIN when it is created.
  - All chapter EINs can be found on page 8.
  - **Do not** use an individual's Social Security number to open an account.

### Savings Accounts

In planning the budget, it is not uncommon for chapters to have contingency savings accounts or other interest-bearing accounts for the following reasons:

- Efficient management of funds (funds earn interest until they are expended)
- Reserve to carry on existing programs
- Monies to finance unexpected (but approved) projects or programs

### Emergency Reserve Fund

An emergency reserve fund is considered an integral part of each chapter's planning and budget process. The emergency reserve fund is intended to serve as a means to retain financial stability in the chapter. As a rule, a healthy reserve is between one-half to one full year's average expenditures.

## 7. Online Banking

### Recommended Account Controls

- There should be no more than two individuals as administrators of the account (typically the treasurer and president).
- Set user access levels by roles and responsibility.
  - Review user access regularly.
- Remove user IDs as soon as a person resigns his or her position.
- Set up alerts to notify persons of account activity.
- Allow read-only access to individuals who should be monitoring the bank account.

## 8. Credit Cards and Debit Cards

The WICT Network Global allows chapters the use of credit cards and ATM/debit cards issued in the chapter name. The WICT Network chapters must have strong internal controls in place to mitigate possible risks while also maintaining accurate record-keeping.

### Best Practices

- Have a credit card policy and/or procedures in place. These policies and/or procedures will state by whom and for what the credit card can be used, as well as cardholder responsibilities.
  - ***See a sample credit card policy on the Chapter Leader Resource Directory in the Finance folder.***
- Do not apply for your chapter credit cards by using an individual's Social Security number. Instead, use your chapter's employer identification number (EIN).
- If a chapter is unable to have a credit card issued under its EIN, then a chapter member may use their own credit card to pay for a pre-approved chapter expense, and they should submit receipts via an expense report through the chapter to receive reimbursement.
  - Under no circumstance should a chapter directly pay a personal credit card bill that is registered to an individual member.
- Get a credit card that will allow limits by user. Limits should be set by the board of directors.
- Set up an approval process to make sure all credit card receipts are received and all charges have been approved.
- Make sure that all expense reports are signed and dated by the cardholder as well as the designated approver.
- Make sure there is a process in place to destroy or deactivate cards of volunteers who leave the board.
- Assign a person who does not have access to The WICT Network chapter card to review receipts and reconcile them to the credit card/bank statements.

## 9. Document Storage

The WICT Network chapters are encouraged to use a cloud-based document storing system such as Google Drive or Dropbox. This is a convenient way to ensure chapter stability in creating a permanent location for historical information.

### Benefits

- Access to data files anywhere you have Internet access.
- User access can be limited to designated files.
- Future chapter leaders have access to chapter historical information (budgets, financial summaries, IRS 990 information, etc.).

Please note that Google Drive is GDPR compliant and offers this [help document](#), which includes information about backups, compliance and more. They also have their GDPR resources outlined [here](#).

Dropbox is also GDPR compliant and you can access their help resource [here](#). They also offer more information about their security and backups [here](#).

## 10. Insurance

The WICT Network Global covers both Directors & Officer and General Liability insurance for all of its domestic chapters.

### **Directors and Officers (D&O) Liability**

This provides protection for claims arising out of the wrongful acts of directors and officers (in making policy and managing the affairs of the chapter) that do not fall under the definition of physical injury. Examples of D&O liability claims include:

- Discrimination based on age, sex, race, national origin, disability, etc.
- Breach of contract, e.g., contract disputes with members, vendors, suppliers, or service providers.

### **General Liability**

For certain events, the venue may request that chapters provide proof liability insurance. If your chapter needs a specific certificate of insurance, please send your specific request to [selectaccount@walterry.com](mailto:selectaccount@walterry.com). Be sure to include the name and address of the party requesting the proof of insurance.

- For example, if an event is being hosted at a certain venue, that venue may request the proof of insurance. Please send the name, address of the venue, date of event and a short description to [selectaccount@walterry.com](mailto:selectaccount@walterry.com) requesting a certificate of insurance.

### **Special Athletic Events**

To ensure adequate coverage, chapters should report any special athletic events anticipated or planned during the year to The WICT Network Global by **July 9**. These special events can include golf outings, fun runs or walks, building a house for charity, etc.

## **11. Federal and State Requirements**

### **501(c)(3)**

All domestic chapters are classified as tax-exempt 501(c)(3) under the Internal Revenue Code. This means that chapters are able to accept contributions and provide donors with tax receipts. Sample Chapter Sponsor Acknowledgement Letter and Chapter Table or Ticket Acknowledgment Letter templates can be found on The Chapter Leader Resource Directory.

### **Chapter Federal Tax ID Numbers**

Each domestic chapter has its own Federal Tax Identification Number as identified below.

1	Carolinas	36-3550716
2	Europe	N/A
3	Florida	36-3550529
4	Great Lakes	36-3550720
5	Greater Chicago	36-3550524
6	Latin America	N/A
7	Greater Memphis - Jackson	82-0703101
8	Greater Ohio	36-3550519
9	Greater Philadelphia	36-3550550
10	Greater Pittsburgh	47-5465088
11	Greater Texas	36-3550525
12	Heartland	36-3550714
13	Midwest	36-3987506
14	New England	36-3550526
15	New York	36-3550710
16	Northern California	36-3550543
17	Pacific Northwest	36-3550537
18	Rocky Mountain	36-3550542
19	Southeast	36-3550523
20	Southern California	36-3550531
21	Southwest	36-3987504
22	Virginia	26-0583554
23	United Kingdom	N/A
24	Washington DC/Baltimore	36-3550533

### **Form W-9**

Chapters use this form to provide their tax identification number to entities that will pay them income during the tax year. Each The WICT Network domestic chapter has a Form W-9 that can be found on the Chapter Leader Resource Directory in the Finance folder.

### **IRS Determination Letter**

From time to time, a chapter may have to provide proof of its nonprofit status that qualifies it for tax exemption. A copy of the letter can be found on the Chapter Leader Resource Directory in the Finance folder.

## Group 990 Filing

On an annual basis, The WICT Network Global's tax preparers will ask chapters to submit information to use in the filing of the group tax return. The WICT Network tax preparers will need a completed financial summary for the previous year and basic information on the chapter. This information must be submitted to The WICT Network Global by **March 31** each year. The forms and instructions can be found on the Chapter Leader Resource Directory in the Finance folder.

## Form 1099

In general, if the chapter has paid a **vendor or individual** over \$600 for their services in any given year, that vendor or individual should receive a 1099 from the chapter. The chapter should request a W-9 prior to issuing payment for their services.

Here are some scenarios for who should receive a 1099:

- Individuals who submit a W-9 with their **Social Security** number, if the chapter paid them over \$600 for their services.
- Individuals who submit a W-9 as an **LLC company** with a Federal Tax ID number, if the chapter paid them over \$600 for their services.

**Please note:** If a **corporation** submits the W-9 with a Federal Tax ID number – they should not receive a 1099, even if the chapter paid them over \$600 for their services.

The link to the 1099 Misc. guidelines can be found here: <https://www.irs.gov/uac/About-Form-1099MISC>.

## Sarbanes-Oxley Act

The WICT Network Global requires that all domestic chapters implement three policies as required by the Sarbanes-Oxley Act:

- Whistleblower Policy
- Document Retention and Destruction Policy
- Conflict of Interest Policy

These policies can be found on the Chapter Leader Resource Directory.

## **12. Sponsorship and Fundraising**

Sponsors and contributors often assume that any payment they make to The WICT Network in conjunction with a fundraising event is tax-deductible. However, rules and limitations exist for the deductibility of such payments.

IRS regulations state that charities must provide a written disclosure statement to a donor for a contribution of more than \$75. This type of contribution is a payment made partly as a contribution and partly in exchange for goods and/or services. The disclosure statement must disclose the amount of the payment and give a description and good faith estimate of the value of the goods and/or services received in exchange for a portion of the payment.

### **Charitable Contributions of Cash**

A donor claiming a monetary charitable contribution deduction of any amount cannot take the income tax deduction unless he or she has a cancelled check, bank record, or acknowledgement from the charitable organization.

The acknowledgement correspondence must include:

- The name of the chapter;
- The amount of money received;
- The date of the contribution;
- A statement as to whether any goods or services were received in return for the contribution;
- A description of the goods or services received, with the fair market value of same; and
- It must be received by the donor prior to the due date of the donor's tax return.

Sample acknowledgement letters can be found on the Chapter Leader Resource Directory.

Chapters should always include the following language on any registration or payment form:

*The WICT Network: [Chapter Name] is a non-profit organization as defined by Section 501(c)(3) of the IRS Code. Donations to The WICT Network: [Chapter Name] are tax deductible to the full extent allowed by law. Please consult your tax advisor. The WICT Network: [Chapter Name]'s Tax ID number is 00-0000000.*

### **13. Raffles – Games of Chance**

Many chapters hold raffles, bingos, casino nights, auctions or other games of chance at their events.

Please [click here](#) to view an IRS publication that addresses what non-profits need to do when they run a raffle.

The IRS has the same recordkeeping requirements for raffles as they do for a lottery. Local governments may also have laws regarding raffles. In some states and localities they are illegal, but even when allowed they often require separate recordkeeping and reporting to the local government. Be sure to check your local and state laws for any implications, including special registration requirements and disclosures before proceeding with these activities.

Generally non-profits are well-served to go with a silent auction or sales approach to fundraising as there are fewer administrative burdens and reduced tax liability for the winners.

If a prize is worth more than \$600, your chapter must report it as income on a Form W-9 and submit it to the IRS for the raffle winner. Further, if the prize is over \$600 the non-profit must withhold taxes of 25 – 28%. Check IRS guidelines in your state.