

## End of Year Financial Reconciliation for Beekeeping Associations

*The Ohio State Beekeepers Association, Inc. is not a licensed attorney or Certified Public Accountant. OSBA is providing this information to its Affiliates as a reference. Affiliates are not required to conduct a financial review or audit unless their revenue meets specific thresholds of donors who may require a specific level of financial analysis. Refer to your own governing documents as to the annual financial requirements for your beekeeping association. Please see additional information at the end of this report form.*

### Financial Reconciliation Report of the NAME OF BEEKEEPING ASSOCIATION DATE OF REPORT

1. Names of the financial reconciliation participants:
  
  
2. Was the Treasurer present to answer any questions?      YES      NO  
Name of the Treasurer
  
  
3. Names of Board officers that have check signing privileges (include the Treasurer):
  
  
  
  
  
4. What is the name and address of the bank where the club funds are maintained?  
Name  
Address
  
  
5. Are two years of financial records presented for financial review?      YES      NO  
    a. Is only one year of financial records presented for review?      YES      NO
  
  
6. Are copies of the Treasurer's Board meeting reports part of these records?      YES      NO  
    a. Does the Treasurer provide financial reports at each Board meeting?      YES      NO  
    b. Does the Treasurer provide a financial report to the Board at regular/special meetings?  
        YES      NO

7. Is the club's annual budget part of these records?    YES    NO
8. Are the monthly bank statements part of these records?    YES    NO
9. Are the bank statements reconciled each month?    YES    NO
10. Do checks match invoices/receipts?    YES    NO
- a. List checks /invoices/receipts for which there are questions/concerns:
- i.
- ii.
- iii.
- iv.
- v.
11. How can the issues listed in #10 above be resolved?
12. Review deposits:
- a. Do they match with the bank?    YES    NO
- b. Are they defined as to their purpose in the club's records?
- i. For example, are member dues recorded as member dues; bee class registration recorded a bee class registration, etc.?
13. Were donations recorded appropriately?    YES    NO
- a. Did the club receive any single donation of \$250 or more?    YES    NO
- i. Did the Treasurer write a thank you note acknowledging the donation to the donor for charitable donation tax purposes?    YES    NO
1. Is there a copy of said thank you note in the Treasurer's files?
- YES    NO
2. Please note: As an Affiliate the Treasurer must provide a copy of that donation, donation thank you note in their OSBA Affiliate End of the Year financial report.
14. Do the Club's expenses match the Club's Budget?    YES    NO
15. Were any expenses higher or lower than the budgeted amount?    YES    NO
- a. If YES, please explain:

16. Was any income higher or lower than the budget?    YES    NO  
a. If YES, please explain:

17. Did the club pay any individual a total of \$600 or more for any service during the year?  
YES    NO  
a. If YES, did the club have that individual complete a W-9?    YES    NO  
b. IF YES, is the completed W-9 in the Treasurer's files?    YES    NO  
c. If YES, the Treasurer is required to complete a 1099 and mail it to the individual who was paid \$600 plus during the year, and mail copies of the 1099 to the IRS by the January deadline. (Please check IRS guidelines for W-9's and 1099's as dates and filing requirements may change  
d. W-9 info- <https://www.irs.gov/forms-pubs/about-form-w-9>  
e. 1099 form info <https://www.irs.gov/forms-pubs/about-form-1099>

18. Does the beekeeping association have policies and procedures for the club's financial management and for the Treasurer:
- |   |     |    |
|---|-----|----|
| a. Treasurer list of duties/job description?    | YES | NO |
| b. Reimbursement policy?                        | YES | NO |
| c. Deposit policy?                              | YES | NO |
| d. Annual Budget?                               | YES | NO |
| e. Transfer of Treasurer duties post elections? | YES | NO |
| f. Invoice payment policy?                      | YES | NO |
| g. Finance Committee?                           | YES | NO |

19. Do the Treasurer and the Board understand their responsibilities per the OSBA Affiliate program end of year requirements and annual renewal?    YES    NO  
a. End of year report to be filed with the OSBA per the Group Exemption requirements  
b. Renewal Application filed by February each year to remain as an OSBA Affiliate

- c. You may submit this report along with the end of year financial report form OSBA has provided for Affiliates.

20. Does the Board post regular financial reports in the member newsletter or on the club website for financial transparency to the membership?      YES      NO

21. Are there any policies, procedures, or issues that need to be corrected for the next calendar year to ensure quality financial management of the beekeeping organization, and the safety, security, and transparency of the Board and Treasurer? (Please define any needed changes; then it is the responsibility of the Board and Treasurer to address these concerns.)

*This financial reconciliation was completed (date \_\_\_\_\_ ) by:*

Name _____	Signature _____

Place this document in the Treasurer’s records for this year with these files. You may choose to provide this report to the membership in the next club newsletter or post it to the club website.

### **End of Year Financial Reconciliation for Beekeeping Associations**

Many Bylaws have adopted the “canned requirement” to conduct an annual audit of the organization’s financial records, which is unrealistic and unnecessary for the majority of nonprofits.

“An independent audit is an examination of the financial records, accounts, business transactions, accounting practices, and internal controls of a charitable nonprofit by an "independent" auditor. "Independent" refers to the fact that the auditor/CPA is not an employee of the nonprofits but instead is retained through a contract for services, and hence is "independent."

"Audits rarely detect fraud, but auditors can provide nonprofits with information, tools, and strategies to better protect against such occurrences."

The cost of an independent audit varies, but it is not unusual for an independent audit to cost \$10,000, even for a small nonprofit. (<https://www.councilofnonprofits.org/nonprofit-audit-guide/what-is-independent-audit> )

“The objective of a financial "review" conducted by an independent auditor is to examine the nonprofit's financial statements and determine whether the financial statements are consistent with generally accepted accounting principles. A review shares the goals of an audit, however, a review is not conducted with the same level of investigation or analysis as an independent audit. . . . They review for material issues and obvious deviations from GAAP. But they won't go in and test unique individual transactions in the same way as in an audit. A review provides some assurance, but does not independently validate transactions."

A [financial] “compilation differs significantly from a review or an independent audit of financial statements. A compilation is literally a compilation of financial records into a format required by accounting standards. When this work is performed by an auditor it is referred to as a “compilation” and accounting standards require the auditor to assess whether the records are free from obvious errors.”

<https://www.councilofnonprofits.org/nonprofit-audit-guide/what-is-a-review>

In Ohio, there is no state law requiring a nonprofit to conduct an audit ([Ohio Rev. Code § 1716.04](#))

Therefore, it will be important for your Finance Committee to recommend to their Board to replace the word “audit” with a more realistic process. Most local beekeeping associations with less than \$150,000 in annual revenue have never conducted an audit, and in reality have been for years conducting simply a “financial reconciliation.”

At the Build A Better Bee Club Workshop it was discussed that the majority of bee clubs were conducting the following annually:

- The treasurer provides the financial records to a committee to review at the end of the year.

- The committee reviews each check written, each receipt, and each invoice for consistency, validity to the budget, and timely payment.
- The committee ensures the bank statement reconciliations were completed, and the end of the year funds match the bank statement for the bee club.

These activities are a “financial reconciliation,” not an audit. If your club is conducting a simple financial reconciliation (*not a formal accounting term*), then that process should be listed in your Bylaws. If you continue to have the word “audit” in your Bylaws, eventually a “concerned” club/board member can and will force the bee club to spend \$5000+ on an actual audit. Your Bylaws are a governing document, but it should reflect the reality, cost, and activity of the exact type of end of year / annual financial examination the bee club will conduct.

If your beekeeping association is conducting a “financial reconciliation” annually, a suggested format was provided above to provide assistance to OSBA Affiliates.

If you have any questions about end of the year financial reconciliations, financial reviews, and/or an audit please consult a Certified Public Accountant (CPA) in your area.

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Mail in Options:

Forms – OSBA Vice-President - Tom Rathbun, 4865 County Road 175, Clyde, Ohio 43410  
Payment – OSBA Treasurer – Rod Pritchard, 955 Murnan Rd., Galloway, OH 43119

Thank you,  
Tom Rathbun  
OSBA Affiliate Program Chairman