

# CHAPTER FINANCE POLICIES

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## 1. OVERVIEW

Engineers Without Borders USA (EWB-USA) is a non-profit organization with 501(c)(3) status. As such, the financial records of the organization must follow generally accepted accounting principles and must satisfy an annual audit. Most importantly, our financial records must be able to satisfy the scrutiny of the range of EWB-USA supporters and sponsors on whom we rely for our sustainability.

All funds must be deposited into a 501(c)(3) designated bank account to be considered tax exempt. **Only EWB-USA (and not the individual chapters or individual persons) is able to open such an account.**

We have a professional accounting staff to ensure this compliance while providing individualized reporting for each chapter.

### 1.1 Exception for Certain University Chapters

An exception to the above will be made for university chapters that are required to hold their funds with their university or 501(c)(3) designated university foundation. In this case, the university is responsible for all financial reporting obligations, taking into account all chapter funds and expenses.

Fundraising appeals by the university chapter must specify that funds raised are held and accounted for by the university and not by EWB-USA. As there is only one EWB-USA (headquartered in Denver, CO), an account set up by the university must not use any form of the EWB (or Engineers Without Borders) name as their designated account name for the chapter.

If a chapter does run its financial activity through its university, the chapter treasurer should forward a letter from the university's accounting team to [accounting@ewb-usa.org](mailto:accounting@ewb-usa.org) indicating the nature of the account(s) and the contact information within that department.

## 2. RECORD KEEPING AND FINANCIAL REPORTING

The EWB-USA fiscal year starts January 1 and ends December 31.

EWB-USA tracks the income and expense transactions and the balance of funds held on behalf of that chapter. Chapter funds are those funds which have been designated by a donor to be used for the activity of the chapter. These funds can be spent on chapter or project expenses in accordance with Appendix A, Chapter Fund Expense Guidelines.

The EWB-USA Accounting team will provide [financial reports](#) to the chapters at the close of every month. These may be accessed under the "Finance" tab in Volunteer Village 2-3 weeks

following the end of the month in which the transactions occurred. Gift details are reflected in the financial report.

Treasurers should use these reports to help manage the finances of their chapter. We would expect treasurers to reconcile these reports to their own records, identify any discrepancies, and report those discrepancies back to the EWB-USA Accounting team through Chatter in Volunteer Village.

### **3. USE OF EWB-USA TAX EXEMPT STATUS**

EWB-USA has been granted a sales tax exemption by the State of Colorado. As such, purchases in the normal conduct of our charitable activities are exempt from state and certain local sales taxes in Colorado.

Each state has its own regulations as to the treatment of charitable organizations for sales tax purposes. Some states will grant reciprocal status to Colorado nonprofit organizations, some will require EWB-USA to apply for a sales tax exemption in their particular state, and some will not grant sales tax exemptions at all.

Applications to state authorities for sales tax exemption rely on our federal tax exempt status and therefore chapters cannot apply in their own name in their own state. If a chapter or region has a need for an exemption (for example a significant purchase or substantial ongoing expenditure) they should contact the EWB-USA Accounting team to secure sales tax exemption for that purpose.

### **4. DUES, FEES, AND COST ALLOCATIONS**

#### **4.1 Member Dues**

EWB-USA offers annual membership which expires one year from the date of joining/renewing.

Membership is \$35 annually.

#### **4.2 Joint ASCE members**

Through EWB-USA's partnership with the American Society of Civil Engineers (ASCE), members of ASCE can become joint members of EWB-USA. When you join/renew your ASCE membership you can add on an EWB-USA membership for \$35.

#### **4.3 Program Fee**

[Program fees](#) have been established to ensure programs meet or exceed the International Community Program's project process requirements. The program fee will be charged on an

annual basis for each program and chapters may receive up to a 50% reduction for this fee as an incentive for programs to meet EWB-USA and community expectations.

## **5. DEPOSITING MONEY**

Money may be collected by way of check, money order, or credit card.

### **5.1 Checks**

All check donations should be sent directly to the EWB-USA HQ to be processed. Per IRS guidelines, a donor may not claim a deduction for any contribution unless the donor maintains a record of the contribution in the form of written communication from the charity (such as a receipt or a letter). Only EWB-USA HQ can provide a receipt letter to a donor.

#### **EWB-USA HQ Mailing Address:**

EWB-USA  
1031 33rd Street, Suite 210  
Denver, CO 80205

- Checks should be made out to “EWB-USA.”
- Checks must NEVER be cashed by a chapter.
- Checks must be sent immediately to EWB-USA to be processed.
- Donors should fill out the [Donate by Mail](#) form and send both the check and form to EWB-USA.
- If a chapter is sending EWB-USA more than one check at a time, a [Donor Information Sheet](#) must be used.

### **5.2 Credit Cards**

Classy (EWB-USA’s online giving platform) will take your online fundraising capabilities to new levels! Your chapter's donation page is already set up for you. Find your Classy page [HERE](#). There is no need to make any changes to the page unless you want to personalize it further for your chapter. All online donations made through Classy will receive an automatic tax acknowledgement letter from EWB-USA.

### **5.3 Wire Transfer**

Funds may be sent by wire, ACH, or international transfer; all transfer options are available for selection in Volunteer Village as explained in section 6.1. In certain circumstances, the EWB-USA Accounting team will provide account details on request if funds need to be wired in. Please note that when making ACH payments, check with your bank, as the routing number is different than the routing number tied to your account number.

## **6. SPENDING MONEY**

### **6.1 General Principles**

Available chapter funds can be disbursed for expenses through the following four methods:

- EWB-USA can pay a vendor directly from an invoice;
- A member may pay for an expense and then be reimbursed by attaching receipts;
- A member may request a cash advance and follow up with receipts;
- EWB-USA can issue a credit card to the chapter for their use.

All requests for payment should be entered in the Expense Request or Advance Request under the “Finance” tab in Volunteer Village. The expense will be charged against the appropriate chapter or project.

### **6.2 Authorized Signatures**

Approvals by two chapter officers will be required for any disbursement of funds within Volunteer Village. When funds are disbursed by project expenses, the approval from the project lead is also required.

### **6.3 Acceptable Expenses**

We must always respect the intent of the donor when spending their contributions.

We are not permitted to channel funds to other 501(c)(3) organizations where EWB-USA is not involved as a project partner or where such organizations do not share our mission and vision.

EWB-USA will only pay project related expenses for approved EWB-USA projects. All expenses MUST be directly related to the EWB-USA project and must be part of the approved design. EWB-USA will not pay for any non-approved EWB-USA project expenses. EWB-USA will not pay for the purchase of land or contributions that should otherwise be made by the community or local partners. EWB-USA will not pay any travel costs for unapproved travel team members. EWB-USA will pay for purchases made in the U.S. for expenses related to the project. This also specifically excludes the costs of fundraising for the project, gifts and alcoholic beverages. For more information see Appendix A, Chapter Fund Expense Guidelines.

### **6.4 Receipts**

Chapters and members are expected to use their best efforts to collect original receipts for all expenditures. This policy is important in order for EWB-USA to demonstrate to donors, auditors and other stakeholders that funds are being spent appropriately.

However, it is acknowledged that an original receipt may not be practical in all cases, particularly where traveling overseas. The following policy applies to receipts.

- Receipts or invoices are needed for EVERY disbursement, no exceptions. EWB-USA provides [a Receipt Form](#) to help when receipts are not available. These forms must have the project lead and a chapter officer sign off on these receipts. Receipts, invoices or receipt forms should be scanned and uploaded into Volunteer Village in alignment with the expense request process.

Where original receipts are not provided for multiple expenses within a chapter's expense reimbursement form, EWB-USA HQ will need to be satisfied that members are using their best efforts to collect receipts before reimbursement can take place.

## **6.5 Cash Advance**

A cash advance is an advance of funds prior to a chapter or project expense being incurred. The chapter must have sufficient funds in order for a cash advance to be made.

A member may apply for a cash advance for 75% of expected costs in accordance with the following procedures:

- Checks and wire transfers are prepared around the 1<sup>st</sup> and 15<sup>th</sup> of the month. Completed reports should be filled out and submitted in Volunteer Village 7 working days prior for check requests and 3 working days prior for wire requests to allow sufficient time for processing.
- We pay out 75% of your request for cash advances. Your chapter will need to reconcile your cash advance within 2 weeks after your travel team has returned from their trip or 60 days after the request has been executed. We do not automatically pay the 25% of your request once the reconciliation has been approved. If further funds are needed, a member may apply for another cash advance. There is a \$250 penalty charged to the chapter if a reconciliation report has not been submitted in the 60 days after the request has been processed.

It may be convenient for the cash advance to be sent to a Non-Governmental Organization (NGO) partner in the project country, depending on the chapter's relationship with that NGO.

The entire amount of the cash advance must be reconciled as follows:

- Receipts are required for the entire amount of the cash advance, or excess funds must be repaid.
- The treasurer should submit a reconciliation report, from the approved cash advance report in Volunteer Village, with all receipts and notes attached.
- Cash advances should be reconciled within two weeks after the travel team has returned from their trip. At 60 days after the project trip, the chapter will be charged a \$250 non-refundable fee.

Until the cash advance is completely reconciled, no further reimbursements or cash advances for that project will be approved and EWB-USA may take other steps to insure repayment as are deemed appropriate.

## 6.6 Chapter Credit Card

EWB-USA will issue a credit card to a professional chapter or student chapter faculty advisor upon request. The card can be used for any chapter or project expenses. The treasurer must submit a credit card receipt report in Volunteer Village and the funds will be taken from the EWB-USA chapter account as designated by the chapter officers to make payments

Terms and Conditions:

- The credit card has a \$500 limit but there is an ability to temporarily increase the limit when needed, for example, purchasing airline tickets or any large expenses related to a project or event. Temporary increases are only good for 30 days.
- To increase your credit limit, your chapter officer must log into Volunteer Village and fill out a report for the temporary request.
- To qualify, chapters must keep enough money to cover expenses in their chapter account at all times.
- If credit card receipts are not uploaded within 30 days from the purchase date the chapter's credit card will be cancelled.

## 7. CONTACTS

The mailing address for the EWB-USA Accounting team is:

Engineers Without Borders USA  
1031 33<sup>rd</sup> Street, Suite 210  
Denver, CO 80205

The general office telephone number is (303) 772-2723 and the fax number is (303) 772-2699.

For questions arising from these **Finance Policies and for the submission of forms** please contact the EWB-USA Accounting team:

Chief Financial Officer – 720-204-3205 - [accounting@ewb-usa.org](mailto:accounting@ewb-usa.org)  
Accounts Payable – 720-204-3210 - [accounts.payable@ewb-usa.org](mailto:accounts.payable@ewb-usa.org)

## Appendix A

### Chapter General Fund Expense Guidelines

EWB-USA chapter general funds are funds which donors have designated for support of the chapter's activities, including the support of EWB-USA projects with which the chapter is involved. EWB-USA requires a receipt or an invoice to approve any disbursement.

Chapter funds can be used to support an EWB-USA project with which the chapter is involved. EWB-USA will only pay project related expenses for approved EWB-USA projects. All expenses MUST be directly related to the EWB-USA project and must be part of the approved design. EWB-USA will not pay for any non-approved EWB-USA project expenses.

Receipts or invoices are needed for EVERY disbursement, no exceptions. EWB-USA provides [a Receipt Form](#) to help when receipts are not available. These forms must have the project lead and a chapter officer sign off on these receipts. Receipts, invoices or receipt forms should be scanned and uploaded into Volunteer Village in alignment with the expense request process.

Notes:

*(1) Funds raised before 7/2016 for past restricted program fund must follow the expense guidelines for Material and Labor, and Team Logistics. Disbursements will not be made for non project related expenses.*

*(2) While your specific item might not be on this list, you may use this list as a guideline for project-related expenses appropriate for reimbursement. Please respect that this money was donated by individuals, groups, foundations or corporations in good faith that it would be used to assist communities in need. If you are not comfortable telling your donor that you spent their money on an item, please do not ask for reimbursement for it.*

	What EWB-USA <u>will</u> pay from project funds	What EWB-USA <u>will not</u> pay from project funds
<b>Materials &amp; Labor</b>	<ul style="list-style-type: none"><li>• Supplies/materials related to the approved EWB-USA projects.</li><li>• Tools related to the EWB-USA project. All tools subsequently owned by the chapter and/or community.</li><li>• Video/media equipment that will be reimbursed through chapter funds. All equipment subsequently owned by the chapter.</li></ul>	<ul style="list-style-type: none"><li>• EWB-USA member time</li><li>• Materials not related to approved EWB-USA project</li><li>• Personal Flashlights or reading material</li><li>• Everyday clothing</li><li>• Personal luggage</li><li>• We will not reimburse for any non-approved EWB-USA project</li><li>• Purchase of land or contribution that should otherwise be made by the community or local partners</li></ul>



	<ul style="list-style-type: none"> <li>• Local labor related to the approved EWB-USA projects.</li> <li>• Specialized labor skills that are not readily available in a community.</li> <li>• Protective clothing (i.e. goggles, gloves, hard hats).</li> </ul>	
<b>Travel Team Logistics</b>	<ul style="list-style-type: none"> <li>• Economy class Airline Tickets to and from an approved EWB-USA project <ul style="list-style-type: none"> <li>• All airfare expenses must be directly related to the project</li> <li>• Visas for country where project is located</li> <li>• Extra baggage if related to the project</li> </ul> </li> </ul> <p><b>**If volunteer is traveling to other countries unrelated to project, s/he can be reimbursed only for the cost of flying to host country directly</b></p> <ul style="list-style-type: none"> <li>• Bus/Rental Vehicles for Group Transportation <ul style="list-style-type: none"> <li>• These costs should be reasonable (i.e. a van to transport multiple people to the project site, trucks used to transport materials, or train tickets). Funds cannot be used for safari trips, tours, etc.</li> </ul> </li> <li>• Double Hotel occupancy/Lodging. Some exceptions apply.</li> <li>• Water Filters/Bottled Water</li> <li>• Satellite phones and SIM cards</li> <li>• Recommended First Aid Kit items</li> <li>• Meals (this includes all foods purchased)</li> <li>• Transportation to and from airport and parking at airport up to \$100 per travel team.</li> </ul>	<ul style="list-style-type: none"> <li>• Travel costs for unapproved travel team members</li> <li>• Personal Alcohol or illegal drugs</li> <li>• Transportation for non-project related activities (i.e. safaris)</li> <li>• Costs for non-project related activities (i.e. safaris)</li> <li>• Phone or internet fees not directly related to the EWB-USA project</li> <li>• Toiletries (i.e. shampoo, sunscreen, etc)</li> <li>• Gas mileage to the airport</li> <li>• Health related expenses except those specifically mentioned under reimbursable items (i.e. doctor's visits, prescriptions, vaccinations.. This should be covered through the travel insurance)</li> <li>• Private health insurance</li> <li>• Sleeping bags and sleeping pads</li> <li>• Gifts for host community</li> <li>• Fundraising events for the project</li> <li>• Purchase of land</li> <li>• Contributions that should otherwise be made by the community or local partners</li> </ul>

	<p>Receipts needed. Not including gas mileage.</p> <ul style="list-style-type: none"> <li>• Taxis in the country if absolutely needed</li> <li>• Internet fees if they are related to the project</li> <li>• Mosquito netting. Preferably purchased in the country. Reimbursable from chapter funds and the chapter owns for future projects</li> <li>• Reasonable local rate for meals</li> </ul>	
<b>Non Related Project Expenses</b>	<ul style="list-style-type: none"> <li>• Attending a conference or training event, including registration, travel, and accommodations.</li> <li>• Reasonable fundraising and marketing expenses, such as event insurance, thank you notes, flyers, and printing expenses.</li> <li>• Chapter meeting expenses, such as providing refreshments.</li> <li>• Durable supplies that can be used across programs, such as water testing kits or surveying equipment.</li> <li>• Website hosting (chapters are strongly encouraged to utilize free options prior to paying for a service.)</li> </ul>	<ul style="list-style-type: none"> <li>• Alcoholic beverages</li> <li>• Making a donation to a community, individuals in a community, and non related program partner NGOs</li> <li>• Purchasing gifts for the community or community members.</li> </ul>

**\* Please note that different processes and best practices may apply for Community Engineering Corps. Those participating in domestic projects should contact [cecinfo@ewb-usa.org](mailto:cecinfo@ewb-usa.org) for information and support.**