



International Governing Council

Executive Committee

President

Lisa Harrison, SR/WA, R/W-URAC, R/W-RAC, R/W-NAC
Pinnacle Consulting Management Group, Inc.

President-Elect

Lee Hamre, SR/WA, R/W-URAC, R/W-RAC
H.C. Peck & Associates, Inc.

Vice President

Wayne Goss, SR/WA, R/W-NAC
City of Shreveport

Treasurer

Mary Anne Marr, SR/WA
Consumers Energy Co.

Secretary

Jerry Colburn, SR/WA, R/W-RAC
Overland, Pacific & Cutler, Inc.

Executive Vice President

Mark A. Rieck
International Right of Way Association

General Counsel

Eric Finn, Esq.
Barriston LLP

Region Chairs

Region 1

Vivian Howell, SR/WA, R/W-RAC, R/W-NAC
Los Angeles World of Airports

Region 2

Georgia Snodgrass, SR/WA, R/W-NAC, R/W-AMC
San Antonio River Authority

Region 3

Mike Murray, SR/WA, R/W-NAC
Basin Electric Power Coop

Region 4

Richard Pino
Peterson LaChance Regan Pino, LLC

Region 5

Jeffrey Jones, SR/WA, R/W-URAC, R/W-NAC, R/W-RAC
Hubbell, Roth and Clark, Inc.

Region 6

Sharen Carnell Willis, SR/WA
Mississippi Department of Transportation

Region 7

Kerri Wittman, SR/WA
Pierce County Public Works

Region 8

Murray LeGris
Natural Resources Canada

Region 9

Michael Anders, SR/WA
H.C. Peck & Associates, Inc.

Region 10

Brodie Allen, SR/WA
Evolve Surface Strategies, Inc.

August 14, 2013

Dear Chapter Presidents:

Re: Conformity with IRS Requirements

As you may be aware, the IRWA is considered by the Internal Revenue Service in the United States to be an income tax exempt organization. As such, we are required to conform to all of its requirements in order to maintain our exempt status. As a result of a recent audit by the IRS, IRWA chapters are required to strengthen their internal accounting and administrative controls. The Association was advised to “establish a record keeping system with substantial checks and balances” and to perform “periodic in-house audits”.

Accordingly, we have established procedures to comply with this direction and we would ask you all, as Chapter Presidents, to ensure that your chapter is complying with the following requirements:

1. All checks exceeding \$600 must have two signatures. If that is not feasible, then the Chapter President must approve the issuance of such checks in writing, based on his/her review of supporting documents, and Chapter Treasurer sign it. Monthly financial statements, monthly bank reconciliations, and the financial package provided to the Headquarters for the preparation of Group Return must also be signed by the Chapter President and Treasurer.
2. All chapter transactions must be recorded on a contemporaneous basis. This means that all transactions must be recorded within two weeks of transaction dates.
3. Chapter presidents must log into QuickBooks Online (QBO) periodically, **but not less than once a month**, to review chapter transactions for reasonableness, timeliness, and completeness. They must keep a note of their review; including dates, questions asked of the Chapter Treasurer, and responses received. Chapter Presidents must inform their board of any significant non-compliance, or apparent weaknesses in their chapters' procedures and processes.
4. Chapters are prohibited from obtaining credit card(s) for their chapters, and must cancel them if they currently use credit cards.

To ensure that chapters are complying with these requirements, the IRWA CFO will do the following:

- a. Select a chapter to review their QBO transactions, every other month.
- b. Make unannounced visits to two chapters during each fiscal year.
- c. Review completed and signed bank reconciliations for reasonableness of expenditures, payees, revenue amounts, and sources in line with expectations.

The Association files a Group Return with the IRS for all chapters. It is an IRS procedural requirement, in allowing this, that all chapters use "the same tax year as the central organization." Those chapters that have not amended their bylaws to bring them into conformity with the Association's fiscal year of July 1 to June 30 should do so immediately.

The foregoing is a direction from the International Executive Committee pursuant to Article VIII, Section 3 of the International Bylaws and it is the responsibility of the chapter executive board, acting through the chapter secretary, to comply with all of the requirements as set out herein.



Lisa Harrison
President



Eric R. Finn
General Counsel

CC: Chapter Officers