Feb. 17, 2019
OSBA Board Meeting—Treasurer’s Report

Finance Committee Report

Policies and Procedures
Committee members are Kathi Hinckley-Vaughn, Don Crock, and Bob Hooker. Committee members and the Treasurer will review needed policies and procedures for OSBA. As the Committee and Treasurer work toward the audit we will interact with the CPA to tweak any policies per Generally Accepted Accounting Principles (GAAP). The Committee will review proposed drafts of policies via email. Final review will be by the CPA conducting the audit; then the policies and procedures will be submitted to the Board for review and approval once the CPA has provided input.

The plan has been developed and policies divided into three groups for the Finance Committee’s Review/Comment:

REVIEW GROUP A--Policies and procedures to be addressed
Round one: Jan. 30, 2019 to Feb. 9th
Round two: Feb. 11- Feb. 16th
Round three (Final Draft): Feb. 18
Policies to review: even for those policies now in practice, please review them for typos, clarity, etc.

1. Reimbursement: Travel expenses (in use)
2. Personal contribution (in-kind) – in use and part of the reimbursement form
3. Affiliate Application process - initially done; adjusted as needed SEE ATTACHED
4. Photo waiver/release form (in use) for newsletter and website
5. Confidentiality
6. Privacy
7. Document and Destruction Policy
8. Equal Employment and Non-discrimination policy
9. Anti-harassment
10. Substance abuse
11. Performance review
12. Email signature policy

REVIEW GROUP B--Policies and procedures to be addressed
Round one: Feb. 19-Feb. 23
Round two: Feb. 25-March 3
Round three (Final Draft): March 4
Policies to review:

13. Audit Policy
14. JOB HANDBOOK
15. Disciplinary issues: termination, grievances
16. Nepotism
17. Personal appearance
18. Internet / Computer Acceptable Use
19. Whistle-blower policy
20. Investment/Certificates of Deposit: asset mix, asset quality, diversification, cash flow, risk management
21. Reserves
22. Acceptance of gifts
23. Standard Speaker Contract

REVIEW GROUP C---Policies and procedures to be addressed
Round one: March 5-March 11
Round two: March 13-March 17
Round three (Final Draft): March 19
Policies to review:

25. Signing of checks
26. Endowment management
27. Use of credit cards
28. Request for checks/Approval to pay invoices
29. Deposits
30. Paypal
31. Conflict of Interest
32. State Fair Vendor Form
33. Conference Vendor Form
34. Standard OSBA Program/Project Proposal Form
36. Standard Operating Procedure for Treasurer

For clarification and continuing education, Board members must understand the language they use impacts OSBA.

"Being Paid" versus "Being Reimbursed"

Traveling Speakers are paid for their presentation per the signed contract with the speaker. They are reimbursed for travel expenses per the contract.

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Audit
Per the Board the CPA firm of Donavon and Klimzak was selected to conduct the 2018 audit. An Engagement Letter with the CPA firm has been signed by OSBA. I will ensure the documents are organized for the audit. The audit checklist is below since an actual financial audit is new to this Board, and there was confusion of what constitutes a financial audit, and the documents needed to conduct the audit.

The Nonprofit Audit Guide Getting Ready for the Audit Checklist
1. Assemble in one location all:
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   - □ Tax returns (990, 990-T)
   - □ Invoice and paid bills (receipts)
   - □ Receipts for credit card transactions

2. Have organized and readily available all:
   - □ Corporation or organizational documents
   - □ Policies related to financial management and controls
   - □ Tax exemption letters
   - □ Board or committee meeting minutes
   - □ Grant proposals, commitment letters and contracts with funding sources
   - □ Final reports submitted to funders
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Equipment maintenance agreements
Insurance policies (office contents, professional liability, etc.)

3. Reconcile all bank accounts

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   - Trial Balance (a report at the end of the accounting period that ensures debts equal credits)
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   - Expense account analyses requested by your auditor
   - Schedules of prepaid expenses for upcoming fiscal year
   - List of fixed asset additions and dispositions
   - Investment activities

For continuing education and Board understanding:
Audit -- 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."

Financial review -- 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.

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March 17, 2019
OSBA Executive Committee Meeting—Treasurer’s Report

Finance Committee Report

My full-time job and taking 2 days of vacation has caused me to get behind in my own schedule for the committee. The first round of policies has been reviewed twice by the committee. We have a new committee member, Kyle Kovacs from the Scioto Valley club who brings his experience of policies and procedures from the corporate world. I still plan to have this committee work completed by the end of March.

REVIEW GROUP A—Policies and procedures to be addressed

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**REVIEW GROUP B--Policies and procedures to be addressed**

49. Audit Policy
50. JOB HANDBOOK
51. Disciplinary issues: termination, grievances
52. Nepotism
53. Personal appearance
54. Internet / Computer Acceptable Use
55. Whistle-blower policy
56. Investment/Certificates of Deposit: asset mix, asset quality, diversification, cash flow, risk management
57. Reserves
58. Acceptance of gifts
59. Standard Contracts
60. OSBA Board nomination form

*Does the finance committee recommend besides the CPA reviewing all of the financial policies and procedures,(including contracts) that the Finance Committee ask the Board for funds to pay to have a nonprofit attorney review the financial polies, procedures, including contracts?*

**REVIEW GROUP C--Policies and procedures to be addressed**

61. Audits -- Ohio law [http://codes.ohio.gov/orc/1716](http://codes.ohio.gov/orc/1716)
62. Signing of checks
63. Endowment management
64. Use of credit cards
65. Request for checks/Approval to pay invoices
66. Deposits
67. Paypal
68. Conflict of Interest
69. State Fair Vendor Form
70. Conference Vendor Form
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**Stipend vs. honorarium**

(From Perkins Law at [https://www.ericperkinslaw.com/be-careful-not-to-convert-your-nonprofit-volunteers-into-employees/](https://www.ericperkinslaw.com/be-careful-not-to-convert-your-nonprofit-volunteers-into-employees/) )Nonprofit organizations often struggle recruiting and retaining volunteers, and they try valiantly to come up with creative ways to recognize and reward those individuals who generously contribute their time and talent to the organization. Nonprofits need to be careful that they do not inadvertently create employment relationships or trigger taxable events in this context. Let’s quickly tackle the fundamental questions of what is a “volunteer” and what sorts of volunteer rewards or incentives are OK under the law:

1. **What is a “Volunteer”?**
   According to the U.S. Department of Labor (“DOL”), a volunteer is a person who performs service for a nonprofit organization “without promise, expectation, or receipt of compensation.” Further, volunteer activity meets the following criteria:
   - The entity that benefits from the service is a nonprofit organization (including government agencies).
   - The activity is provided on something less than a full-time basis.
   - The services are not offered as the result of coercion (e.g. court-ordered community service).
The services are typically associated with volunteer work.
No regular employees have been displaced by the volunteer.
The volunteer does not expect to be compensated.

This definition is important because it affects the protections to which a worker, paid or unpaid, is entitled. True “volunteers” are not considered employees and, therefore, are not covered by the federal Fair Labor Standards Act or other employment laws. On the flip side of the coin, paid employees are not entitled to the protections offered by the federal Volunteer Protection Act.

2. **What Sort of Volunteer Awards or Stipends are Allowed?**

Nonprofits providing stipends to volunteers can be tricky business because by doing so, an organization risks inadvertently converting a “volunteer” into an “employee.” According to the DOL, **if a volunteer is paid a stipend of over $500 a year** or 20% more than what a typical employee would be paid for the same service, the volunteer must be classified as an employee of the organization.

Nonprofit organizations that do offer volunteer stipends should have proper accounting systems in place to ensure accurate reporting and compliance with applicable law. These rules apply equally to in-kind benefits as well, which must be assigned fair market value. Reimbursements for expenses incurred while volunteering may also be considered taxable income if the organization does not implement an accountable plan requiring that:

- any expenses being reimbursed are incurred for a nonprofit business purpose
- the volunteer adequately accounts for the expenses within a reasonable period of time—**no more 60 days** after the expense was incurred, and
- the volunteer returns any amounts received in excess of the actual expenses incurred within a reasonable period of time—no more than 120 days after receipt of the excess money.

Volunteer recognition gifts or stipends of limited value, fortunately, are considered a “de minimis benefit” and are not considered taxable income.

If your nonprofit organization decides to offer stipends to volunteers:

- Never pay more than a nominal 20% of what an employer would otherwise pay for the same service.
- Do not offer volunteers the same benefits that paid employees receive.
- **Make it clear if a volunteer receives more than $500 a year in compensation, they will be considered an employee and no longer be protected from liability claims by the Federal Volunteer Protection Act.**

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For transparency and honesty, OSBA Board members need to be clear in the words they use relative to financial activities. Using the wrong word can misrepresent the activities of OSBA, OSBA Board members, and OSBA Contracted personnel.

OSBA has been advised some new board members were offended by the questions on the Board nomination form. As the form notes, it is requested/required information for the IRS 990 filing documents, as well as the OSBA insurance company.

OSBA Nomination Form
What skills do you bring to the position? Click or tap here to enter text.

How can you apply your skills to help OSBA? Click or tap here to enter text.

Please list three references (preferably references from projects on which you worked / volunteered).

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<thead>
<tr>
<th>Full Name</th>
<th>Relationship</th>
<th>Phone</th>
<th>Company</th>
<th>Phone</th>
<th>Address</th>
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NON-PROFIT REQUIRED INFORMATION

The following must be completed due to the IRS 990 tax filing for OSBA and Standards of Excellence for nonprofits.

Are you related to a current OSBA Board member? YES ☐ NO ☐ If YES, list their name(s) Click or tap here to enter text.

Do you currently provide any contracted services to OSBA? Click or tap here to enter text.

If YES, list the contracted service(s): Click or tap here to enter text.

Will you sign and comply with a conflict of interest policy while serving as a Board member of OSBA? YES ☐ or NO ☐
<table>
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<tr>
<th>Question</th>
<th>Yes or No</th>
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<tr>
<td>Are you a citizen of the United States of America?</td>
<td>YES ☐</td>
</tr>
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<td>Are you under investigation/been convicted of a crime related to:</td>
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<tr>
<td>- Corruption</td>
<td>Choose an item ☐</td>
</tr>
<tr>
<td>- Irregular or unauthorized use of public resources</td>
<td>Choose an item ☐</td>
</tr>
<tr>
<td>- Substantial unauthorized or irregular use of, or substantial mismanagement of public resources</td>
<td>Choose an item ☐</td>
</tr>
<tr>
<td>- Conduct involving a substantial and specific risk of injury to public health, prejudice to public safety, or harm to the environment</td>
<td>Choose an item ☐</td>
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<td>As required by our Insurance:</td>
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<td>Have you given written notice under any insurance policy which might give rise to a claim?</td>
<td>YES ☐ or NO ☐</td>
</tr>
<tr>
<td>Are you cognizant of any act, error or omission which you have reason to suppose might afford valid grounds for any future claim?</td>
<td>YES ☐ or NO ☐</td>
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</tbody>
</table>

IF YOU ARE APPLYING FOR Heartland Apicultural Society (HAS) or Eastern Apicultural Society (EAS) Representative/Director

- You must be willing to serve on at least 1 committee during the year with HAS or EAS
- You must regularly submit meeting reports/minutes to the OSBA Board
- You may remit up to ½ of the costs to attend the yearly HAS or EAS Conference as the OSBA Rep. for HAS/EAS.

Audit

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This also will be presented until the Board and membership understand and use the correct terminology:
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Financial review--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 number of Affiliates have language in their Bylaws stating they will conduct an annual audit. Far too many Bee Club Bylaws and Constitutions state the nonprofit will conduct an annual audit. I am advising them via the Affiliate Newsletter they should amend their governing documents to correct terminology. Non-financial individuals are misunderstanding financial terms, and setting up the bee club for a very expensive process if they follow the definition of a “financial audit.”

- An annual audit will cost you $5,000+
- 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." An audit can cost $5,000+.
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A “financial reconciliation” is simply verifying that the checks, invoices and receipts all match, and that bank reconciliations for the fiscal period were completed and reviewed by the finance committee. If your organizational documents state an “audit” will be conducted, a member can demand the organization conduct an actual (and expensive) audit, for if you do not, you are in violation of your Bylaws and/or Constitution.

Know and understand the terminology presented in your governing documents to ensure the organization can and does meet the requirements as specified and approved by your membership. Bylaws and Constitutions should be reviewed every four years. Review your governing documents today. Do they say there is an “Audit Committee,” that will conduct an “audit?” If yes, amend your By Laws ASAP and educate your Board and members as to the correct financial terminology. Protect your organization, protect your Treasurer: county bee clubs are only conducting “financial reconciliations” at the end of each year, none of them are conducting a “financial audit.”

April 28, 2019
OSBA Board Meeting—Treasurer’s Report

- Finance Committee Report
  - Cost estimates for legal document review (see attachments)
- The first round of policies have been reviewed by the committee, and comments submitted. The committee is on the last round of review before the documents will go to
the attorney and/or CPA for final review. After any edits per the attorney and/or CPA are made, then the OSBA will review the final documents.

- The Finance Committee asks the OSBA Board for funds to pay to have a nonprofit attorney review the financial policies, procedures, including contracts? (see attached quotes for this work) To conserve funds, the finance committee would ask an attorney to review those policies developed by OSBA, and not policies adapted for OSBA from the National Council of Nonprofits, GuideStar, or similar nonprofit oversight organization. Sonny yes, Kelly 2nd, passed
  - Which attorney? Try one atty first, then maybe go to another if the first one is a dud! Remove Spitz removed from pilot program. Use Hanna Rasnick and Zacouer (Taggart). And split some documents. Motion- Nina, Joe: motion

- Audit
  - 990 documents for OSBA and the Affiliates were provided to the CPA to complete the annual returns; May 15 is the deadline with the State for those, then all 2018 records will go to the CPA for the audit.

- Affiliate Program
  - Affiliate Program Committee seeks committee members to learn the process, explain the program, and answer questions of Affiliates about nonprofit activities, forms, and program benefit processes.
  - We have 19 affiliates, and 3 waiting in the wings

Policies and procedures being developed/reviewed by OSBA Finance Committee

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OSBA Board member nomination form
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OSBA
Nomination Form

<table>
<thead>
<tr>
<th>APPLICANT INFORMATION</th>
<th>Last Name</th>
<th>First Name</th>
<th>M.I.</th>
<th>Date</th>
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<tr>
<td>Street Address</td>
<td>Click or tap here to enter text.</td>
<td>Apartment/Unit #</td>
<td>Click or tap here to enter text.</td>
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**Position Applied for**: Click or tap here to enter text.

**Are you a member of a local beekeeping association**

<table>
<thead>
<tr>
<th>YES ☐</th>
<th>NO ☐</th>
</tr>
</thead>
</table>

**Have you held a leadership role in your local beekeeping organization?**

<table>
<thead>
<tr>
<th>YES ☐</th>
<th>NO ☐</th>
</tr>
</thead>
</table>

**If yes, what club**

Click or tap here to enter text.

**What position?**

Click or tap here to enter text.

**How many years have you been a beekeeper?**

Click or tap here to enter text.

**Why do you like beekeeping?**

Click or tap here to enter text.

**Why are you applying for this position with OSBA?**

Click or tap here to enter text.

**What skills do you bring to the position?**

Click or tap here to enter text.

**How can you apply your skills to help OSBA?**

Click or tap here to enter text.

**Please list three references (preferably references from projects on which you worked / volunteered):**

<table>
<thead>
<tr>
<th>Full Name</th>
<th>Click or tap here to enter text.</th>
<th>Relationship</th>
<th>Click or tap here to enter text.</th>
</tr>
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<tbody>
<tr>
<td>Company</td>
<td>Click or tap here to enter text.</td>
<td>Phone</td>
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<td>Address</td>
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<tr>
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<td>Click or tap here to enter text.</td>
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<tr>
<td>Address</td>
<td>Click or tap here to enter text.</td>
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<td></td>
</tr>
</tbody>
</table>
NON-PROFIT REQUIRED INFORMATION

The following must be completed due to the IRS 990 tax filing for OSBA and Standards of Excellence for nonprofits.

Are you related to a current OSBA Board member? YES ☐ NO ☐ If YES, list their name(s) Click or tap here to enter text.

Do you currently provide any contracted services to OSBA? Click or tap here to enter text.

If YES, list the contracted service(s): Click or tap here to enter text.

Will you sign and comply with a conflict of interest policy while serving as a Board member of OSBA? YES ☐ or NO ☐

Are you a citizen of the United States of America? YES ☐ or NO ☐

Are you under investigation/been convicted of a crime related to:

Choose an item: Corruption
Choose an item: Irregular or unauthorized use of public resources
Choose an item: Substantial unauthorized or irregular use of, or substantial mismanagement of public resources
Choose an item: Conduct involving a substantial and specific risk of injury to public health, prejudice to public safety, or harm to the environment.

As required by our Insurance:

Have you given written notice under any insurance policy which might give rise to a claim? YES ☐ or NO ☐

Are you cognizant of any act, error or omission which you have reason to suppose might afford valid grounds for any future claim? YES ☐ or NO ☐
<table>
<thead>
<tr>
<th><strong>IF YOU ARE APPLYING FOR</strong> Heartland Apicultural Society (HAS) or Eastern Apicultural Society (EAS) Representative/Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>You must be willing to serve on at least 1 committee during the year with HAS or EAS</td>
</tr>
<tr>
<td>You must regularly submit meeting reports/minutes to the OSBA Board</td>
</tr>
<tr>
<td>You may remit up to ½ of the costs to attend the yearly HAS or EAS Conference as the OSBA Rep. for HAS/EAS.</td>
</tr>
</tbody>
</table>

**Audit**

The information for the 2018 OSBA 990 has been delivered to the CPA to compile and submit.

The OSBA documents are organized for the audit. The audit checklist is below since an actual financial audit is new to this Board, and there was confusion of what constitutes a financial audit, and the documents needed to conduct the audit.

**The Nonprofit Audit Guide Getting Ready for the Audit Checklist**

1. Assemble in one location all:
   - Journals that detail the organization’s business transactions and affected accounts
   - Ledgers for the fiscal year being audited
   - Bank statements and canceled checks
   - Payroll records and tax returns showing withholding for employees
   - IRS Form 1099s for independent contractors and consultants
   - Tax returns (990, 990-T)
   - Invoice and paid bills (receipts)
   - Receipts for credit card transactions

2. Have organized and readily available all:
   - Corporation or organizational documents
   - Policies related to financial management and controls
   - Tax exemption letters
   - Board or committee meeting minutes
   - Grant proposals, commitment letters and contracts with funding sources
   - Final reports submitted to funders
   - Contracts with vendors
   - Leases
   - Equipment maintenance agreements
Insurance policies (office contents, professional liability, etc.)

3. Reconcile all bank accounts

4. Prepare:
   - Trial Balance (a report at the end of the accounting period that ensures debts equal credits)
   - Accounts receivable schedule
   - Accounts payable schedule
   - Depreciation schedules
   - Expense account analyses requested by your auditor
   - Schedules of prepaid expenses for upcoming fiscal year
   - List of fixed asset additions and dispositions
   - Investment activities

This also will be presented until the Board and membership understand and use the correct terminology:

Audit -- 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."

Financial review--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 number of Affiliates have language in their Bylaws stating they will conduct an annual audit. Far too many Bee Club Bylaws and Constitutions state the nonprofit will conduct an annual audit. I am advising them via the Affiliate Newsletter they should amend their governing documents to correct terminology. Non-financial individuals are misunderstanding financial terms, and setting up the bee club for a very expensive process if they follow the definition of a “financial audit.”

- An annual audit will cost you $5,000+
- 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." An audit can cost $5,000+.
- 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.

https://www.councilofnonprofits.org/nonprofit-audit-guide
“financial reconciliation” is simply verifying that the checks, invoices and receipts all match, and that bank reconciliations for the fiscal period were completed and reviewed by the finance committee. If your organizational documents state an “audit” will be conducted, a member can demand the organization conduct an actual (and expensive) audit, for if you do not, you are in violation of your Bylaws and/or Constitution.

Know and understand the terminology presented in your governing documents to ensure the organization can and does meet the requirements as specified and approved by your membership. Bylaws and Constitutions should be reviewed every four years. Review your governing documents today. Do they say there is an “Audit Committee,” that will conduct an “audit?” If yes, amend your By Laws ASAP and educate your Board and members as to the correct financial terminology. Protect your organization, protect your Treasurer: county bee clubs are only conducting “financial reconciliations” at the end of each year, none of them are conducting a “financial audit.”

May 19, 2019
OSBA Executive Committee Meeting—Treasurer’s Report

Treasurer

- Financial Report is attached
  - Due to one person stating the financial report is “too difficult” to understand, I have now added one tab that is the simple Profit and Loss Statement ONLY from Quickbooks
  - Anyone is welcome to contact the OSBA Treasurer to walk through the OSBA budget and financial reports so they can fully understand the reports and the financial status of OSBA. My full contact information is in my email signature (which is included in this report).

- IRS 990’s
  - Filed with the IRS and Ohio Attorney General prior to the May 15th deadline
  - Posted to the OSBA website http://www.ohiostatebeekeepers.org/about-osba/annual-reports/

- Bookkeeper per the Board approved budget
  - To begin work after the audit
  - Trial run for six months to determine a full year’s estimate for work needed to replace most of the 20-30 hours per week of data entry by the OSBA volunteer Treasurer

- Lifetime memberships
  - Per the Board practice from 2014, the Lifetime member dues are transferred from the main checking to the savings account. These dues are set aside for a “rainy
day,” and are meant to support OSBA across the Lifetime of these members as well. However, this level of funds in savings is too accessible, and these funds would be better managed, and safer, if placed into a Certificate of Deposit. I would propose keeping in savings no more than $5,000 for unforeseen emergencies (such as a weather related event at the annual conference, fire damage of the trailer used to store State Fair supplies, etc. (again an unforeseen emergency.) The balance of funds in savings at this time could be placed in a Certificate of Deposit, earn interest, and be protected from ease of theft, at the bank, or within OSBA. The amount proposed to move to a CD is $15,305.02.

• Remittance for OSBA activities
  ○ *Farm Science Review*- contract has been signed, payment for booth submitted, and documentation uploaded to dropbox. Chairperson and volunteers at the event are to follow the guidelines in the contract. I previously sent to Peggy the FSR packet detailing the guidelines.
  ○ Lithopolis- payment has been made, and all documentation uploaded to the dropbox. The Chair of that committee will need to review the file, design the ad and get it sent in on time.
  ○ *Ohio Pollinator Habitat Initiative event*- at the Ohio Expo Center in Columbus, Aug. 22, 2019-all day, cost for vendors is $85—*does OSBA want to participate?* For more information see [http://rightofway.erc.uic.edu/event/2019-ohio-pollinator-habitat-initiative-symposium/](http://rightofway.erc.uic.edu/event/2019-ohio-pollinator-habitat-initiative-symposium/)

• Audit
  ○ Documents have been delivered. Four boxes of records were provided to the CPA containing the CPA requested documents.
  ○ It took the OSBA Treasurer nearly 30 hours to compile the needed documentation.
  ○ Once the audit is complete the CPA would be pleased to attend a Board conference call and explain the process and the report.
  ○ For audits and even the compilation of the taxes it is important to have the final Board approved Board meeting minutes for the year and to date to submit to the CPA per their request.

  The audit checklist is below since an actual financial audit is new to this Board, and there was confusion of what constitutes a financial audit, and the documents needed to conduct the audit.

  **The Nonprofit Audit Guide Getting Ready for the Audit Checklist**

  1. Assemble in one location all:
     □ Journals that detail the organization’s business transactions and affected accounts
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- Expense account analyses requested by your auditor
- Schedules of prepaid expenses for upcoming fiscal year
- List of fixed asset additions and dispositions
- Investment activities

The following information will be presented for the Board and membership to understand and use the correct terminology:

**Audit** -- 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."

**Financial review** -- 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.

Affiliates and other clubs who have asked OSBA to review their By Laws have language in their Bylaws stating they will conduct an annual audit, have been advised of the ramifications of the terminology. Recently, Scioto Valley Beekeepers was advised to correct their By Laws and end of year financial process, as they continue to erroneously use the word "audit."

Non-financial individuals are misunderstanding financial terms, and setting up the bee club for a very expensive process if they follow the definition of a "financial audit."
An annual audit will cost you $5,000+.

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." An audit can cost $5,000+.

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. 

https://www.councilofnonprofits.org/nonprofit-audit-guide

A “financial reconciliation” is simply verifying that the checks, invoices and receipts all match, and that bank reconciliations for the fiscal period were completed and reviewed by the finance committee. If your organizational documents state an “audit” will be conducted, a member can demand the organization conduct an actual (and expensive) audit, for if you do not, you are in violation of your Bylaws and/or Constitution. You can lose your nonprofit status if you do not adhere to your governing documents.

Know and understand the terminology presented in your governing documents to ensure the organization can and does meet the requirements as specified and approved by your membership. Bylaws and Constitutions should be reviewed every four years. Review your governing documents today. Do they say there is an “Audit Committee,” that will conduct an “audit?” If yes, amend your By Laws ASAP and educate your Board and members as to the correct financial terminology. Protect your organization, protect your Treasurer: county bee clubs are only conducting “financial reconciliations” at the end of each year, none of them are conducting a “financial audit.”

Finance Committee Report

Committee members: Don Crock, Kathi Hinckley-Vaughn, Bob Hooker, Kyle Kovacs, Michele Colopy, Terry Lieberman-Smith

The OSBA Board voted at the April 28, 2019 Board meeting to divide the review of Finance Committee policies between two attorneys (Hanna Rasnick, and Zacouer (Taggart)). All attorneys have been contacted. The draft policies will be divided and sent to the two attorneys this week. The CPA is also reviewing the draft policies and procedures, as well as the SOP for the Treasurer (as this type of document was requested as part of the audit.)

Please note: The following information will continue to be provided for the education of the Board so Board members learn to use the correct terminology. For clarification and continuing education, Board members must understand the language they use impacts OSBA.

"Being Paid” versus “Being Reimbursed"
Traveling Speakers are paid for their presentation per the signed contract with the speaker. They are reimbursed for travel expenses per the contract.

Conference Speakers are paid for their presentation(s) per the signed contract with the speaker. They are reimbursed for travel expenses per the contract.

Special classes / workshops funded by OSBA may contract with speakers for a presentation, and therefore pay a speaker per a signed contract. They are reimbursed for travel expenses per the contract.

OSBA Board members are reimbursed for travel expenses based on a board approved budget for travel reimbursements for a verifiable OSBA activity.

Reimbursement for mileage is not payment for being a Board member. Reimbursement for valid, budget/Board approved expenses is allowable per the OSBA Board, and nonprofit standards of excellence.

Stipend vs. honorarium

Nonprofit organizations often struggle recruiting and retaining volunteers, and they try valiantly to come up with creative ways to recognize and reward those individuals who generously contribute their time and talent to the organization. Nonprofits need to be careful that they do not inadvertently create employment relationships or trigger taxable events in this context. Let’s quickly tackle the fundamental questions of what is a “volunteer” and what sorts of volunteer rewards or incentives are OK under the law:

1. **What is a “Volunteer”?**
   According to the U.S. Department of Labor (“DOL”), a volunteer is a person who performs service for a nonprofit organization “without promise, expectation, or receipt of compensation.” Further, volunteer activity meets the following criteria:
   - The entity that benefits from the service is a nonprofit organization (including government agencies).
   - The activity is provided on something less than a full-time basis.
   - The services are not offered as the result of coercion (e.g. court-ordered community service).
   - The services are typically associated with volunteer work.
   - No regular employees have been displaced by the volunteer.
   - The volunteer does not expect to be compensated.

   This definition is important because it affects the protections to which a worker, paid or unpaid, is entitled. True “volunteers” are not considered employees and, therefore, are not covered by the federal Fair Labor Standards Act or other employment laws. On the flip side of the coin, paid employees are not entitled to the protections offered by the federal Volunteer Protection Act.

2. **What Sort of Volunteer Awards or Stipends are Allowed?**
Nonprofits providing stipends to volunteers can be tricky business because by doing so, an organization risks inadvertently converting a “volunteer” into an “employee.” According to the DOL, if a volunteer is paid a stipend of over $500 a year or 20% more than what a typical employee would be paid for the same service, the volunteer must be classified as an employee of the organization.

Nonprofit organizations that do offer volunteer stipends should have proper accounting systems in place to ensure accurate reporting and compliance with applicable law. These rules apply equally to in-kind benefits as well, which must be assigned fair market value. Reimbursements for expenses incurred while volunteering may also be considered taxable income if the organization does not implement an accountable plan requiring that:
- any expenses being reimbursed are incurred for a nonprofit business purpose
- the volunteer adequately accounts for the expenses within a reasonable period of time—no more 60 days after the expense was incurred, and
- the volunteer returns any amounts received in excess of the actual expenses incurred within a reasonable period of time—no more than 120 days after receipt of the excess money.

Volunteer recognition gifts or stipends of limited value, fortunately, are considered a “de minimis benefit” and are not considered taxable income.

If your nonprofit organization decides to offer stipends to volunteers:
- Never pay more than a nominal 20% of what an employer would otherwise pay for the same service.
- Do not offer volunteers the same benefits that paid employees receive.
- Make it clear if a volunteer receives more than $500 a year in compensation, they will be considered an employee and no longer be protected from liability claims by the Federal Volunteer Protection Act.

An honorarium is typically a small payment made on a special or non-routine basis to an individual who is not an employee of the organization, to recognize or acknowledge the contribution of gratuitous services to the organization. Honorarium still applies to Conference and class speakers/instructors. However, the finance committee and CPA need to determine if OSBA needs to cease using “honorarium” and use “stipend” for traveling speakers.

**OSBA Mistake vs. IRS SNAFU**

OSBA Treasurer- report addendum to Question raised at April 28, 2019 Board Meeting

The question was raised concerning one legal firm who previously assisted OSBA. That firm, Hanna and Rasnick, waived $1500 of legal fees when OSBA had an issue with the IRS. This information was provided to the 2016 and 2017 Board members during an OSBA Strategic Plan Meeting in a confidential presentation. Due to the recent “misinformed remark,” obviously a board member(s) who attended that meeting did not practice their duty of care and loyalty to OSBA, and that Board member provided misinformation to non-OSBA Board members. See attached for the presentation provided to the OSBA Board, including the word “confidential” with the concerns others would misconstrue the IRS SNAFU.
The question was stated “was that the $5,000 mistake by OSBA?” As mentioned at the Board meeting, OSBA Board members should be careful when speaking in “broad generalities” such as “many members and Board members” or stating a “$5,000 mistake.” Claiming OSBA made a “$5,000 mistake” is inaccurate, and may mislead new Board members and OSBA membership. There was no $5,000 mistake, made by OSBA, or even the IRS. In late 2017 the IRS made a mistake when they erroneously placed OSBA on the Auto-Revocation list.

However, OSBA had to prove to the IRS they were incorrect in placing OSBA on that list. OSBA sought the assistance of both an Attorney and a CPA. (See the attached timeline presented in the companion document). The Attorney waived part of their legal fee when the IRS admitted the IRS made a mistake. After many follow-up phone calls on the part of the OSBA Treasurer, IRS waived their penalties. OSBA paid the CPA for immediately completing the 2014 and 2015 990 Annual Reports that the previous OSBA Treasurer had not submitted. As OSBA Board members we are all expected to practice the duty of loyalty, care, and compliance, as well as protect the image and reputation of OSBA. Our choice of words have consequences.

- A financial reconciliation (comparing checks with invoices and reviewing bank statements) is not an “audit.”
- One person being disgruntled is not “many members.”
- The IRS erroneously placing OSBA on the Auto-Revocation list is not a $5,000 mistake by OSBA.

While the IRS assessed penalties to OSBA, you can read in the attached timeline document that all penalties were WAIVED by the IRS, with the legal assistance of the attorney, as the mistake was the fault of the IRS, and not OSBA. The Attorney (Hanna & Rasnick) who assisted OSBA in this crisis also WAIVED their $1500 cost to complete a new 1023 application, which was not needed once the IRS admitted their mistake. The cost of $2800 for the immediate compilation and completion of those Annual Reports was borne by the 2017 OSBA budget.

It is important for Board members to understand the words they choose impacts OSBA.

“Being Paid” versus “Being Reimbursed”
Stipend vs. honorarium
“OSBA Mistake” vs. IRS SNAFU

For transparency and honesty, OSBA Board members need to be clear in the words they use relative to financial activities. Using the wrong word can misrepresent the activities of OSBA, OSBA Board members, and OSBA Contracted personnel.

Thank you for your attention to this clarification. The OSBA Executive Committee in 2017 addressed this IRS SNAFU in a timely, responsible, professional manner in order to protect OSBA, its members, and affiliates. If you have any questions please contact: Michele Colopy, Treasurer, Tim Arheit, Secretary, or Terry Lieberman-Smith, President.

- Affiliate Program
Affiliate Program Committee seeks committee members to learn the process, explain the program, and answer questions of Affiliates about nonprofit activities, forms, and program benefit processes.

We have 20 affiliates

- Maumee Valley-NEW
- Fairfield County-NEW
- Portage County renewed
- Guernsey Noble renewed
- Ashtabula renewed
- Greater Grand Lake renewed
- Greene County renewed
- Guernsey County renewed
- Harrison County renewed
- Lake County renewed
- Medina County renewed
- Miami Valley renewed
- Richland County renewed
- Sandusky renewed
- Scioto renewed
- Tuscarawas renewed
- Warren County renewed
- Geauga renewed (Secy of State filing is being completed by OSBA for them)

- Black Swamp renewed
- Trumbull County Beekeepers (OSBA completed the Secy of State filing for them)

PROSPECTIVE NEW AFFILIATES: Knox County, Jefferson County

Support of Local Clubs

- Checks for OSBA member dues in local clubs were sent the weekend of May 11-12, 2019. Still waiting to hear from seven local clubs. Too many clubs do not have a member form, mailing address, or the amount of annual dues on their website or Facebook page.

- Two OSBA Board members were confused about the OSBA support of local clubs, thinking OSBA paid the dues of each OSBA Board member in all of the clubs. One club even had it in their By Laws that OSBA would pay dues for the OSBA Regional Director from/for their club. I advised the Affiliate to remove that language from their By Laws as that implies OSBA is paying a Board member as a Board member. So, the clarification below was sent with each payment of club dues to each local club. This was also sent to the entire Board for clarification, see email below.
Expressing OSBA Support for Local Ohio Beekeeping Associations

In 2016 the OSBA Board approved a “show of support” for local Ohio beekeeping associations by annually remitting the amount equal to one (1) individual membership in local Ohio bee clubs.

1. The remittance is to show OSBA support of the work of the local clubs.
2. The remittance will be paid after the OSBA Affiliates have paid their Affiliate fee for the year, so the single membership OSBA remits is not counted in the Affiliate fee.
3. The remittance allows OSBA to be on the mailing list of local clubs.
   a. The email address provided to local clubs will be that of treasurer@ohiostatebeekeepers.org
   b. Upon receipt of any local club communications, the OSBA Treasurer will forward the information to the OSBA Newsletter Editor.
4. The remittance allows an OSBA Board member, Regional Director, or Regional Representative to attend local club meetings, to represent OSBA at the meeting, advising local clubs about OSBA activities, programs, services, and state issues.
   a. OSBA Board members, Regional Directors, or Regional Representatives are not permitted to vote on any local club business.
5. The remittance does NOT permit OSBA Board members, Regional Directors, or Regional Representatives to vote on any local club business or governance.
6. If an OSBA Board member, Regional Director, or Regional Representative wishes to participate in the governance, voting, and/or management of a local beekeeping association the OSBA Board member, Regional Director, or Regional Representative must purchase their own individual and personal membership in the local beekeeping association.
7. The OSBA remittance equal to one (1) membership in a local club is not to be considered the membership of any individual OSBA Board member, Regional Director, or Regional representative in the local club.
8. By remitting this “show of support” OSBA will not intervene in local beekeeping association governance, voting, and/or management of any local beekeeping association.

-------- Original Message --------

Subject:[OSBA-Board] Expressing OSBA Support for Local Ohio Beekeeping Associations
Date:2019-05-13 12:00
From:OSBA Treasurer <treasurer@ohiostatebeekeepers.org>
   To:osba-board@googlegroups.com
Reply-To:osba-board@googlegroups.com

Dear OSBA Board:
Per the OSBA Budget, 29 local clubs will be receiving dues remittance by OSBA. I am still waiting for a few clubs to provide their dues amount and mailing address.

This support by OSBA to local clubs is NOT meant as "dues payment" of any individual OSBA Board member at local clubs. To clear up any confusion about this OSBA support of local clubs, which started in 2016, each club will receive the information below with the dues payment.

**Expressing OSBA Support for Local Ohio Beekeeping Associations**

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8. By remitting this “show of support” OSBA will not intervene in local beekeeping association governance, voting, and/or management of any local beekeeping association.

OSBA hopes this clarifies this support of local clubs for the local clubs, and for OSBA Board members.

Thank you for your reading, awareness, and understanding of this OSBA support of local clubs.

Michele Colopy
Treasurer
The Ohio State Beekeepers Association, Inc. (OSBA)
Budget

- Our 2019 budget is based on OSBA EARNING as much as it spends in order to conduct our budgeted programs and services. When a program does not earn what is budgeted, than it decreases the OSBA programs and services. All for-profit and nonprofit budgets must balance, so they must include an income and expense side that equals.
  - For example: Understanding changes in the budget for future planning:
    - See examples

In kind report

- See attached for most recent

Reimbursement report

- See attached

Speakers and Instructors

- See attached

Transparency, consideration, and reports to serve the mission of OSBA

- OSBA Board members should be careful when speaking in "broad generalities” that “many members and Board members” have concerns with OSBA about any issue.
- The meeting notes, officer and committee reports of the OSBA Executive Committee should be posted on the OSBA website as soon as possible after each meeting.
- In order to make the OSBA Secretary’s job easier, and posting of minutes onto the website timely, all Officers, Committee Chairs, and Project Leaders should submit a written report in WORD for each OSBA Board Meeting for review by the OSBA Board prior to the meeting, and for ease in the Secretary’s compilation of meeting minutes.
- The CPA-auditor stated if Board members do not want to complete reimbursement forms, in-kind forms, etc. with applicable documentation they are not being transparent.
- OSBA needs to post the meeting minutes and reports for all OSBA meetings for transparency and honesty. By posting the Executive Committee reports as well as the Board Reports it will show the Executive Committee is providing the full Board with the same information.
It is imperative that OSBA be aware of activities Board and committee members are enacting on behalf of OSBA. If a Board member would depart or have a health/personal crisis, OSBA must continue to move forward on every project. Reports by Board and committee members are vital to the current status of any program. I have continually advised the OSBA President of the Finance Committee activities, status of the work, the audit process, tax filings, etc. If a crisis would occur another OSBA Board member is aware of the most recent status with projects I am leading, and could readily move forward with a project.

Therefore, Board reports need to provide detail so fellow Board members know the status, contact information, income, expenses, meeting dates, appointments, etc. in case of a fellow Board members’ crisis. As a Board member I am unclear as to who has volunteered for Lithopolis, Farm Science Review, etc. What are the dates of the event, dates of volunteer shifts, which volunteers are working which shifts, what educational materials will be available at these events, will opening cash be needed for the events (is OSBA selling anything at these events?), who is the contact person for each event, when were they contacted, what was the result of the contact, etc.? OSBA needs these details in case of an emergency, out of consideration for fellow board members, and most importantly for the continuity of OSBA and service to its mission. For transparency and honesty detailed written reports are important for OSBA.

Addendum to April 28, 2019 OSBA Treasurer Report (slides provided to OSBA Board)

Slide 1
It is very important for the Board to realize the following information depicts the duty of care, loyalty, and compliance practiced by the Executive Committee. I will be explaining an IRS SNAFU that occurred late in 2017. Nothing has changed for OSBA, except additional policy and financial controls. As OSBA Board members we expect you all to practice your duty to loyalty, care, and compliance, as well as protect the image and reputation of OSBA.
- With the Change in Federal Administration this year
- With the submission of OSBA’s first full 990 report in April for 2016
- Due to being unable to locate the OSBA copies of the 2014 & 2015 990-N filings
- And IRS could not find our 2014 & 2015 filings due to the changes at the Federal level
- Aug. 21, 2017 we received this notice
The Ohio Attorney General stated to us, “you are not the only group this has happened to.”

An attorney stated to us, “this is not the first time this has happened with the IRS.”

A CPA stated, “this happens more often than you think.”
OSBA response was immediate
CPA was secured to complete 990s for 2014 & 2015
Attorney was secured to complete a new 1023 for group exemption as we did not want to wait 30-45 days for the IRS to decide on our appeal
All within 30 days of the IRS notice
By Oct. 4, 2017

By Oct. 4, 2017, forty-four days after the initial notice, OSBA received a letter from the IRS stating they “erroneously placed” OSBA on the Auto-Revocation list.
For nonprofits with GROSS receipts of $50,000 or less

In previous years OSBA needed to only file online the 990-N postcard as our gross receipts were less than $50,000. When filed an email is sent confirming the 990N submission. Those emails were not maintained by the previous Treasurer. And the IRS was unable to find their copies of the OSBA 990-N from 2013-2015.
A full 990 annual report to the IRS is:

- 30 plus pages
- includes a Schedule A, B, D, O, and Board list
- depending on our activities may require a Form 4562, and Supporting Statements.

As a State Association the OSBA 990 provides detailed financial information concerning our education, member services, and operations. A 990-N filing will no longer suffice for OSBA. Additionally, now that OSBA holds a Group Exemption for the Affiliates, a full 990 must be filed for the Affiliates by OSBA. With the advent of the Affiliate program, OSBA must file two separate 990 Annual Reports to the IRS: one for OSBA, and one for just the Affiliates.
Due to the immediate need to resolve the issue:

- OSBA remitted to the IRS $3,850 for the renewal application of our nonprofit group exemption.
- Those monies were refunded when IRS discovered their error.
- Due to the immediate need for completion of the 990s for 2014 & 2015 a CPA expense was incurred for $2,800.
- Due to the immediate need for 1023 completion and professional contact with IRS, attorney fees incurred $1,347. (Waived the $1,500 cost for a completed 1023 when it was not needed.)
- IRS wanted to charge us $5,288.84 in penalties for the tardy 2014 and 2015 990s. With the attorney’s help a letter seeking a waiver for this first time offense, and in a phone conversation between the OSBA Treasurer and the IRS, the waiver was approved 11-22-17.

| Total Business registration and accounting expenses incurred | $4,147 |

While the IRS assessed penalties to OSBA, you can read above that all penalties were WAIVED by the IRS, as the mistake was theirs, and not OSBA. The Attorney (Hanna & Rasnick) who assisted OSBA in this crisis also WAIVED their $1,500 cost to complete a new 1023 application, which was not needed once the IRS admitted their mistake. OSBA’s previous Treasurer should have completed 990’s for 2014 and 2015, but the cost of $2,800 for the immediate compilation and completion of those Annual Reports was borne by the 2017 OSBA budget.
It is important that we understand the changes to policies that come from this snafu. OSBA never lost its nonprofit status, nor was there any “financial mistake” on the part of the current OSBA Treasurer. The IRS screwed up concerning our status, the previous OSBA Treasurer did not retain copies of IRS records, and OSBA had no policies to protect the organization from such a snafu. The current OSBA Treasurer and Finance Committee have been developing policies for document retention, document filings, reimbursements, invoices, grant funding, etc. guided by the Standards of Excellence for nonprofit organizations, and Generally Accepted Accounting Principles.
The OSBA Board has to be responsible and aware of our due diligence for ourselves, our members, and the mission of OSBA.

From August 21 through Nov. 22 of 2017 the Executive Committee in 2017 addressed this IRS Snafu in a timely, responsible, professional manner in order to protect OSBA, its members, and affiliates. If you have any questions please contact: Michele Colopy, Treasurer, Tim Arheit, Secretary, or Terry Lieberman-Smith, President.

End of slides
OSBA Annual Conference, Nov. 2, 2019
Tolles Career and Technical Center, 7877 U.S. 42, Plain City, Ohio 43064

Affiliate Benefits
- Nonprofit status through the OSBA group exemption
- Annual reports to the IRS and Ohio Attorney General
- Directors and Officers Insurance for your Board
- Property and Liability Insurance for your bee club
- Website hosting
- Monthly OSBA Affiliate Newsletter
- OSBA Pollinator Oasis Seed packet fundraiser
- Tech Soup membership
- Discounted OSBA Traveling Speaker fees
- Affiliate club discounts to special OSBA workshops
- Fiscal sponsor for bee clubs on grant funded projects

OSBA Programs & Services
Traveling Speaker Program
- Monitoring for Sustainability
- Overwintering Nucs
- Introduction to Grants
- Small Scale Queen Rearing for the Single Apiary

Contact president@ohiostatebeekeepers.org to schedule a presentation.

Apiary Diagnostic Manual
Apiary Diagnostic Kit complimentary to new beekeepers who meet grant guidelines (until supplies last)
*OSBA Apiary Diagnostic Kit is available for purchase through Betterbee

Beekeeping Education DVD
4-H Beekeeping
Welcome Boxes for local Club Beginning Beekeeping Classes
Affiliate Program
Ohio Bee Research Grant
Beekeeping Library Grant for Underserved Populations
OSBA Pavilion at the State Fair
Quarterly Newsletter
Master Beekeeper Program
Annual State Conference
Specialty Classes/Workshops
State Advocacy for Ohio’s Beekeepers
Website and Facebook pages
New Club Handbook
Field Day Guide
Zoning Ordinance
Speaker Resource List

Visit the OSBA website for more information
www.ohiostatebeekeepers.org

End of Treasurer report
June 16, 2019
OSBA Executive Committee Meeting—Treasurer’s Report

Treasurer

- Financial Report is attached
  - Due to one person stating the financial report is “too difficult” to understand, I have now added one tab that is the simple Profit and Loss Statement ONLY from Quickbooks.
  - Anyone is welcome to contact the OSBA Treasurer to walk through the OSBA budget and financial reports so they can fully understand the reports and the financial status of OSBA. My full contact information is:
    - Michele Colopy
      Treasurer
      The Ohio State Beekeepers Association, Inc. (OSBA)
      1624 Idlewood Ave.
      Akron, OH 44313
      OSBA phone: 567-703-6722
      Direct contact: 832-727-9492 (my work phone)
      treasurer@ohiostatebeekeepers.org
      www.ohiostatebeekeepers.org

- IRS 990’s
  - Filed with the IRS and Ohio Attorney General prior to the May 15th deadline
  - Posted to the OSBA website http://www.ohiostatebeekeepers.org/about-osba/annual-reports/

- Bookkeeper per the Board approved budget
  - To begin work after the audit
  - Trial run for six months to determine a full year’s estimate for work needed to replace most of the 20-30 hours per week of data entry, AP/AR by the OSBA volunteer Treasurer

- Lifetime memberships
  - Per the Board practice from 2014, the Lifetime member dues are transferred from the main checking to the savings account. These dues are set aside for a “rainy day,” and are meant to support OSBA across the Lifetime of these members. These funds would be better managed, and safer, if placed into a Certificate of Deposit. I would propose keeping in savings no more than $5,000 for unforeseen emergencies (such as a weather related event at the annual conference, fire damage of the trailer used to store State Fair supplies, etc. (again an unforeseen emergency.) The balance of funds in savings was placed in a Certificate of Deposit, to earn interest, and be protected from ease of theft, at the bank, or within OSBA. The amount moved to a new CD = $15,705.38
    - You will see the CD’s listed on the Balance sheet.
• Remittance for OSBA activities
  o Farm Science Review- contract has been signed, payment for booth submitted, and documentation uploaded to dropbox. Chairperson and volunteers at the event are to follow the guidelines in the contract. The Treasurer sent to the Vice President the FSR packet detailing the guidelines.
  o Lithopolis- payment has been made, and all documentation uploaded to the dropbox. The Chair of that committee will need to review the file, design the ad and get it sent in on time.
  o Ohio Pollinator Habitat Initiative event- at the Ohio Expo Center in Columbus, Aug. 22, 2019-all day, cost for vendors is $85—does OSBA want to participate? At the Executive Cmte. Meeting the OSBA Vice President stated she would look into this further and present the details to the OSBA Board. For more information see http://rightofway.erv.uic.edu/event/2019-ohio-pollinator-habitat-initiative-symposium/

• Audit
  o Documents have been delivered. Four boxes of records were provided to the CPA containing the CPA requested documents May 13, 2019.
  o It took the OSBA Treasurer nearly 30 hours to compile the needed documentation.
  o Once the audit is complete the CPA would be pleased to attend a Board conference call and explain the process and the report.
  o For audits and even the compilation of the taxes it is important to have the final Board approved Board meeting minutes for the year and to date to submit to the CPA per their request.

The audit checklist is below since an actual financial audit is new to this Board, and there was confusion of what constitutes a financial audit, and the documents needed to conduct the audit.

The Nonprofit Audit Guide Getting Ready for the Audit Checklist
1. Assemble in one location all:
   □ Journals that detail the organization’s business transactions and affected accounts
   □ Ledgers for the fiscal year being audited
   □ Bank statements and canceled checks
   □ Payroll records and tax returns showing withholding for employees
   □ IRS Form 1099s for independent contractors and consultants
   □ Tax returns (990, 990-T)
   □ Invoice and paid bills (receipts)
   □ Receipts for credit card transactions

2. Have organized and readily available all:
   □ Corporation or organizational documents
   □ Policies related to financial management and controls
Tax exemption letters
Board or committee meeting minutes
Grant proposals, commitment letters and contracts with funding sources
Final reports submitted to funders
Contracts with vendors
Leases
Equipment maintenance agreements
Insurance policies (office contents, professional liability, etc.)

3. Reconcile all bank accounts

4. Prepare:
- Trial Balance (a report at the end of the accounting period that ensures debts equal credits)
- Accounts receivable schedule
- Accounts payable schedule
- Depreciation schedules
- Expense account analyses requested by your auditor
- Schedules of prepaid expenses for upcoming fiscal year
- List of fixed asset additions and dispositions
- Investment activities

The following information will be presented for the Board and membership to understand and use the correct terminology:

**Audit** -- 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."

**Financial review** -- 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.

Affiliates and other clubs who have asked OSBA to review their By Laws have language in their Bylaws stating they will conduct an annual audit, have been advised of the ramifications of the terminology. Scioto Valley Beekeepers and Black Swamp Beekeepers were advised to correct their By Laws and end of year financial process, as they continue to erroneously use the word “audit.”

Non-financial individuals are misunderstanding financial terms, and setting up the bee club for a very expensive process if they follow the definition of a “financial audit.”

- An annual audit will cost you $5,000+
- 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." An audit can cost $5,000+.

- 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. [https://www.councilofnonprofits.org/nonprofit-audit-guide](https://www.councilofnonprofits.org/nonprofit-audit-guide)

A “financial reconciliation” is simply verifying that the checks, invoices and receipts all match, and that bank reconciliations for the fiscal period were completed and reviewed by the finance committee. If your organizational documents state an “audit” will be conducted, a member can demand the organization conduct an actual (and expensive) audit, for if you do not, you are in violation of your Bylaws and/or Constitution. You can lose your nonprofit status if you do not adhere to your governing documents.

Know and understand the terminology presented in your governing documents to ensure the organization can and does meet the requirements as specified and approved by your membership. Bylaws and Constitutions should be reviewed every four years. Review your governing documents today. Do they say there is an “Audit Committee,” that will conduct an “audit?” If yes, amend your By Laws ASAP and educate your Board and members as to the correct financial terminology. Protect your organization, protect your Treasurer: county bee clubs are only conducting “financial reconciliations” at the end of each year, none of them are conducting a “financial audit.”

**Finance Committee Report**

Committee members: Don Crock, Kathi Hinckley-Vaughn, Bob Hooker, Kyle Kovacs, Michele Colopy, Terry Lieberman-Smith

The OSBA Board voted at the April 28, 2019 Board meeting to divide the review of Finance Committee policies between two attorneys (Hanna Rasnick, and Zacouer (Taggart)). The CPA is also reviewing the draft policies and procedures, as well as the SOP for the Treasurer (as this type of document was requested as part of the audit.)

Please note: The following information will continue to be provided for the education of the Board so Board members learn to use the correct terminology. For clarification and continuing education, Board members must understand the language they use impacts OSBA.

"Being Paid” versus “Being Reimbursed"

Traveling Speakers are paid for their presentation per the signed contract with the speaker. They are reimbursed for travel expenses per the contract.

Conference Speakers are paid for their presentation(s) per the signed contract with the speaker. They are reimbursed for travel expenses per the contract.
Special classes / workshops funded by OSBA may contract with speakers for a presentation, and therefore pay a speaker per a signed contract. They are reimbursed for travel expenses per the contract.

OSBA Board members are reimbursed for travel expenses based on a board approved budget for travel reimbursements for a verifiable OSBA activity.

Reimbursement for mileage is not payment for being a Board member. Reimbursement for valid, budget/Board approved expenses is allowable per the OSBA Board, and nonprofit standards of excellence.

**Stipend vs. honorarium**

(From Perkins Law at [https://www.ericperkinslaw.com/be-careful-not-to-convert-your-nonprofit-volunteers-into-employees](https://www.ericperkinslaw.com/be-careful-not-to-convert-your-nonprofit-volunteers-into-employees))

Nonprofit organizations often struggle recruiting and retaining volunteers, and they try valiantly to come up with creative ways to recognize and reward those individuals who generously contribute their time and talent to the organization. Nonprofits need to be careful that they do not inadvertently create employment relationships or trigger taxable events in this context. Let’s quickly tackle the fundamental questions of what is a “volunteer” and what sorts of volunteer rewards or incentives are OK under the law:

1. **What is a “Volunteer”?**
   According to the U.S. Department of Labor (“DOL”), a volunteer is a person who performs service for a nonprofit organization “without promise, expectation, or receipt of compensation.” Further, volunteer activity meets the following criteria:
   - The entity that benefits from the service is a nonprofit organization (including government agencies).
   - The activity is provided on something less than a full-time basis.
   - The services are not offered as the result of coercion (e.g. court-ordered community service).
   - The services are typically associated with volunteer work.
   - No regular employees have been displaced by the volunteer.
   - The volunteer does not expect to be compensated.

   This definition is important because it affects the protections to which a worker, paid or unpaid, is entitled. True “volunteers” are not considered employees and, therefore, are not covered by the federal Fair Labor Standards Act or other employment laws. On the flip side of the coin, paid employees are not entitled to the protections offered by the federal Volunteer Protection Act.

2. **What Sort of Volunteer Awards or Stipends are Allowed?**
   Nonprofits providing stipends to volunteers can be tricky business because by doing so, an organization risks inadvertently converting a “volunteer” into an “employee.” According to the DOL, if a volunteer is paid a stipend of over $500 a year or 20% more than what a typical employee would be paid for the same service, the volunteer must be classified as an employee of the organization.
Nonprofit organizations that do offer volunteer stipends should have proper accounting systems in place to ensure accurate reporting and compliance with applicable law. These rules apply equally to in-kind benefits as well, which must be assigned fair market value. Reimbursements for expenses incurred while volunteering may also be considered taxable income if the organization does not implement an accountable plan requiring that:
- any expenses being reimbursed are incurred for a nonprofit business purpose
- the volunteer adequately accounts for the expenses within a reasonable period of time—no more 60 days after the expense was incurred, and
- the volunteer returns any amounts received in excess of the actual expenses incurred within a reasonable period of time—no more than 120 days after receipt of the excess money.

Volunteer recognition gifts or stipends of limited value, fortunately, are considered a “de minimis benefit” and are not considered taxable income.

If your nonprofit organization decides to offer stipends to volunteers:
- Never pay more than a nominal 20% of what an employer would otherwise pay for the same service.
- Do not offer volunteers the same benefits that paid employees receive.
- Make it clear if a volunteer receives more than $500 a year in compensation, they will be considered an employee and no longer be protected from liability claims by the Federal Volunteer Protection Act.

An honorarium is typically a small payment made on a special or non-routine basis to an individual who is not an employee of the organization, to recognize or acknowledge the contribution of gratuitous services to the organization. Honorarium still applies to conference and class speakers/instructors. However, the finance committee and CPA need to determine if OSBA needs to cease using “honorarium” and use “stipend” for traveling speakers.

**OSBA Mistake vs. IRS SNAFU**

**OSBA Treasurer- report addendum to Question raised at April 28, 2019 Board Meeting**

The question was raised concerning one legal firm who previously assisted OSBA. That firm, Hanna and Rasnick, waived $1500 of legal fees when OSBA had an issue with the IRS. This information was provided to the 2016 and 2017 Board members during an OSBA Strategic Plan Meeting in a confidential presentation. Due to the recent “misinformed remark,” obviously a board member(s) who attended that meeting did not practice their duty of care and loyalty to OSBA, and that Board member provided misinformation to non-OSBA Board members. See attached for the presentation provided to the OSBA Board, including the word “confidential” with the concerns others would misconstrue the IRS SNAFU.

The question was stated “was that the $5,000 mistake by OSBA?” As mentioned at the Board meeting, OSBA Board members should be careful when speaking in “broad generalities” such as “many members and Board members” or stating a “$5,000 mistake.” Claiming OSBA made a “$5,000 mistake” is inaccurate, and may mislead new Board members and OSBA membership. There was no $5,000 mistake, made by OSBA, or even the IRS. In late 2017 the IRS made a mistake when they erroneously placed OSBA on the Auto-Revocation list.
However, OSBA had to prove to the IRS they were incorrect in placing OSBA on that list. OSBA sought the assistance of both an Attorney and a CPA. (See the attached timeline presented in the companion document). The Attorney waived part of their legal fee when the IRS admitted the IRS made a mistake. After many follow-up phone calls on the part of the OSBA Treasurer, IRS waived their penalties. OSBA paid the CPA for immediately completing the 2014 and 2015 990 Annual Reports that the previous OSBA Treasurer had not submitted. As OSBA Board members we are all expected to practice the duty of loyalty, care, and compliance, as well as protect the image and reputation of OSBA. Our choice of words have consequences.

- A financial reconciliation (comparing checks with invoices and reviewing bank statements) is not an “audit.”
- One person being disgruntled is not “many members.”
- The IRS erroneously placing OSBA on the Auto-Revocation list is not a $5,000 mistake by OSBA.

While the IRS assessed penalties to OSBA, you can read in the attached timeline document that all penalties were WAIVED by the IRS, with the legal assistance of the attorney, as the mistake was the fault of the IRS, not OSBA. The Attorney (Hanna & Rasnick) who assisted OSBA in this crisis also WAIVED their $1500 cost to complete a new 1023 application, which was not needed once the IRS admitted their mistake. The cost of $2800 for the immediate compilation and completion of those Annual Reports was borne by the 2017 OSBA budget.

It is important for Board members to understand the words they choose impacts OSBA.

“Being Paid” versus “Being Reimbursed”
Stipend vs. honorarium
“OSBA Mistake” vs. IRS SNAFU

For transparency and honesty, OSBA Board members need to be clear in the words they use relative to financial activities. Using the wrong word can misrepresent the activities of OSBA, OSBA Board members, and OSBA Contracted personnel.

Thank you for your attention to this clarification. The OSBA Executive Committee in 2017 addressed this IRS SNAFU in a timely, responsible, professional manner in order to protect OSBA, its members, and affiliates. If you have any questions please contact: Michele Colopy, Treasurer, Tim Arheit, Secretary, or Terry Lieberman-Smith, President.

- Affiliate Program
  - Affiliate Program Committee seeks committee members to learn the process, explain the program, and answer questions of Affiliates about nonprofit activities, forms, and program benefit processes.
  - We have 20 affiliates
    - Maumee Valley-NEW
    - Fairfield County- NEW
    - Portage County renewed
• Guernsey Noble renewed
• Ashtabula renewed
• Greater Grand Lake renewed
• Greene County renewed
• Guernsey County renewed
• Harrison County renewed
• Lake County renewed
• Medina County renewed
• Miami Valley renewed
• Richland County renewed
• Sandusky renewed
• Scioto renewed
• Tuscarawas renewed
• Warren County renewed
• Geauga renewed (Secy of State filing was completed by OSBA for them, and was filed)
  • Black Swamp renewed
  • Trumbull County Beekeepers (OSBA completed the Secy of State filing for them)

• PROSPECTIVE NEW AFFILIATES: Knox County, Jefferson County

• Support of Local Clubs
  o Checks for OSBA member dues in local clubs were sent the weekend of May 11-12, 2019. Still waiting to hear from six local clubs. See the attached list for the clubs to which OSBA has paid dues. Too many clubs do not have a member form, mailing address, or the amount of annual dues on their website or Facebook page.
  o Two OSBA Board members were confused about the OSBA support of local clubs, thinking OSBA paid the dues of each OSBA Board member in all of the clubs. One club even had it in their By Laws that OSBA would pay dues for the OSBA Regional Director from their club. The Affiliate was advised to remove that language from their By Laws as that implies OSBA is paying a Board member as a Board member. So, the clarification below was sent with each payment of club dues to each local club. This was also sent to the entire Board for clarification, see email below.

Expressing OSBA Support for Local Ohio Beekeeping Associations

In 2016 the OSBA Board approved a “show of support” for local Ohio beekeeping associations by annually remitting the amount equal to one (1) individual membership in local Ohio bee clubs.
9. The remittance is to show OSBA support of the work of the local clubs.
10. The remittance will be paid after the OSBA Affiliates have paid their Affiliate fee for the year, so the single membership OSBA remits is not counted in the Affiliate fee.
11. The remittance allows OSBA to be on the mailing list of local clubs.
   a. The email address provided to local clubs will be that of treasurer@ohiostatebeekeepers.org
   b. Upon receipt of any local club communications, the OSBA Treasurer will forward the information to the OSBA Newsletter Editor.
12. The remittance allows an OSBA Board member, Regional Director, or Regional Representative to attend local club meetings, to represent OSBA at the meeting, advising local clubs about OSBA activities, programs, services, and state issues.
   a. OSBA Board members, Regional Directors, or Regional Representatives are not permitted to vote on any local club business.
13. The remittance does NOT permit OSBA Board members, Regional Directors, or Regional Representatives to vote on any local club business or governance.
14. If an OSBA Board member, Regional Director, or Regional Representative wishes to participate in the governance, voting, and/or management of a local beekeeping association the OSBA Board member, Regional Director, or Regional Representative must purchase their own individual and personal membership in the local beekeeping association.
15. The OSBA remittance equal to one (1) membership in a local club is not to be considered the membership of any individual OSBA Board member, Regional Director, or Regional representative in the local club.
16. By remitting this “show of support” OSBA will not intervene in local beekeeping association governance, voting, and/or management of any local beekeeping association.

-------- Original Message --------

Subject:[OSBA-Board] Expressing OSBA Support for Local Ohio Beekeeping Associations
Date:2019-05-13 12:00
From:OSBA Treasurer <treasurer@ohiostatebeekeepers.org>
To:osba-board@googlegroups.com
Reply-To:osba-board@googlegroups.com

Dear OSBA Board:

Per the OSBA Budget, 29 local clubs will be receiving dues remittance by OSBA. I am still waiting for a few clubs to provide their dues amount and mailing address.

This support by OSBA to local clubs is NOT meant as "dues payment" of any individual OSBA Board member at local clubs. To clear up any confusion about this OSBA support of local clubs, which started in 2016, each club will receive the information below with the dues payment.
Expressing OSBA Support for Local Ohio Beekeeping Associations

In 2016 the OSBA Board approved a “show of support” for local Ohio beekeeping associations by annually remitting the amount equal to one (1) individual membership in local Ohio bee clubs.

9. The remittance is to show OSBA support of the work of the local clubs.
10. The remittance will be paid after the OSBA Affiliates have paid their Affiliate fee for the year, so the single membership OSBA remits is not counted in the Affiliate fee.
11. The remittance allows OSBA to be on the mailing list of local clubs.
   1. The email address provided to local clubs will be that of treasurer@ohiostatebeekeepers.org
   2. Upon receipt of any local club communications, the OSBA Treasurer will forward the information to the OSBA Newsletter Editor.
12. The remittance allows an OSBA Board member, Regional Director, or Regional Representative to attend local club meetings, to represent OSBA at the meeting, advising local clubs about OSBA activities, programs, services, and state issues.
   1. OSBA Board members, Regional Directors, or Regional Representatives are not permitted to vote on any local club business.
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15. The OSBA remittance equal to one (1) membership in a local club is not to be considered the membership of any individual OSBA Board member, Regional Director, or Regional representative in the local club.
16. By remitting this “show of support” OSBA will not intervene in local beekeeping association governance, voting, and/or management of any local beekeeping association.

OSBA hopes this clarifies this support of local clubs for the local clubs, and for OSBA Board members.

Thank you for your reading, awareness, and understanding of this OSBA support of local clubs.

Michele Colopy
Treasurer
The Ohio State Beekeepers Association, Inc. (OSBA)
1624 Idlewood Ave.
Akron, OH 44313
OSBA phone: 567-703-6722
Direct contact: 832-727-9492 (my work phone)
treasurer@ohiostatebeekeepers.org
www.ohiostatebeekeepers.org

"Connecting Beekeepers Across Ohio"
Budget

- Our 2019 budget is based on OSBA EARNING as much as it spends in order to conduct our budgeted programs and services. When a program does not earn what is budgeted, than it decreases the OSBA programs and services. All for-profit and nonprofit budgets must balance, so they must include an income and expense side that equals.

- For example: Understanding changes in the OSBA budget for future planning
  - See examples

In kind report

- See attached for most recent

As was presented at the Executive Committee meeting:

- In-kind donation of volunteer time is not tax deductible on your own taxes per the IRS.
- OSBA, as a nonprofit, requires the reporting of in-kind donated time, mileage, supplies, etc. showing ongoing individual Board member/committee member/volunteer support of OSBA activities to prospective grant funders.
- In-kind volunteer hours and support of Board members, committee members, and general OSBA volunteers is reported on the IRS 990 annual report on page 7 of the 990 per the IRS directions.
- In-kind donated time that is validated by a commercial quote/estimate provides validity to the volunteer time for a specific task. The IRS still does not acknowledge time donated, even if a quote of commercial service is provided. That quote or estimate simply is of value to the organization and future grant funders to show the level of commitment by OSBA volunteers.
- The in-kind donations are not tax deductible to OSBA on the 990 as we are a tax exempt organization.
- Without the in-kind reports OSBA is unable to verify the support and work of Board members.
- Per the CPA who compiled the OSBA 990s for 2014-2018, and the CPA conducting the 2018 audit, the in-kind report must be filed with applicable supporting documents to validate the in-kind donation (map to verify mileage, volunteer sign-up for OSBA tables at events, and/or flyer/contract for events/club meetings, etc.) for transparency.

For transparency, complete in-kind reports must be filed with the OSBA Treasurer in order to record in-kind donations which are in support of OSBA.

- SEE SAMPLE REIMBURSEMENT FORMS COMPLETED AND WITH APPLICABLE ATTACHMENTS
- Reimbursement report
  - See attached

- Speakers and Instructors
  - See attached

- Pollinator Activities in June
  - Krohn’s Conservatory contacted the OSBA Treasurer to send them brochures for their June 4 Pollinator Day activity. OSBA provided: the OSBA member brochure, License Plate flyer, and Oasis Seed Mix brochure.
  - The OSBA Treasurer reviewed HoneyFest documents for Affiliate Miami Valley Beekeepers, and secured the required certificate of insurance for them to have a table at the local event.

**Transparency, consideration, and reports to serve the mission of OSBA**
- OSBA Board members should be careful when speaking in “broad generalities” that “many members and Board members” have concerns with OSBA about any issue.
- The meeting notes, officer and committee reports of the OSBA Executive Committee should be posted on the OSBA website as soon as possible after each meeting.
- In order to make the OSBA Secretary’s job easier, and posting of minutes onto the website timely, all Officers, Committee Chairs, and Project Leaders should submit a written report in WORD for each OSBA Board Meeting for review by the OSBA Board prior to the meeting, and for ease in the Secretary’s compilation of meeting minutes.
- The CPA-auditor stated if Board members do not want to complete reimbursement forms, in-kind forms, etc. with applicable documentation they are not being transparent.
- OSBA needs to post the meeting minutes and reports for all OSBA meetings for transparency and honesty. By posting the Executive Committee reports as well as the Board Reports it will show the Executive Committee is providing the full Board with the same information.

*It is imperative that OSBA be aware of activities Board and committee members are enacting on behalf of OSBA. If a Board member would depart or have a health/personal crisis, OSBA must continue to move forward on every project. Reports by Board and committee members are vital to the current status of any program. The OSBA Treasurer has continually advised the OSBA President of the Finance Committee activities, status of the work, the audit process, tax filings, etc. If a crisis would occur another OSBA Board member is aware of the most recent status with projects the Treasurer is leading, and could readily move forward with a project.*

Therefore, Board reports need to provide detail so fellow Board members know the status, contact information, income, expenses, meeting dates, appointments, etc. in case of a fellow
Board members’ crisis. Each event, program, committee report needs to provide the following details for transparency, and recognition of volunteers’ work for OSBA:

- What are the date(s) of the event(s)
- List the dates of volunteer shifts
- Which volunteers are working which shifts (also in case a volunteer wants to trade shifts with another volunteer)
- What educational materials will be available at these events
- Will opening cash be needed for the events (is OSBA selling anything at these events?)
- Who is the contact person for each event
- When were they contacted, what was the result of the contact, etc.?

OSBA needs these details in case of an emergency, out of consideration for fellow board members, and most importantly for the continuity of OSBA and service to its mission. For transparency and honesty, detailed written reports are important for OSBA.

Addendum to April 28, 2019 OSBA Treasurer Report (slides provided to OSBA Board)

Slide 1

- Confidential
- Responsible
- Transparent

It is very important for the Board to realize the following information depicts the duty of care, loyalty, and compliance practiced by the Executive Committee. I will be explaining an IRS SNAFU that occurred late in 2017. Nothing has changed for OSBA, except additional policy and
financial controls. As OSBA Board members we expect you all to practice your duty to loyalty, care, and compliance, as well as protect the image and reputation of OSBA.
With the Change in Federal Administration this year

With the submission of OSBA’s first full 990 report in April for 2016

Due to being unable to locate the OSBA copies of the 2014 & 2015 990-N filings

And IRS could not find our 2014 & 2015 filings due to the changes at the Federal level

Aug. 21, 2017 we received this notice
The Ohio Attorney General stated to us, “you are not the only group this has happened to.”

An attorney stated to us, “this is not the first time this has happened with the IRS.”

A CPA stated, “this happens more often than you think.”
OSBA response was immediate
CPA was secured to complete 990s for 2014 & 2015
Attorney was secured to complete a new 1023 for group exemption as we did not want to wait 30-45 days for the IRS to decide on our appeal
All within 30 days of the IRS notice
By Oct. 4, 2017

By Oct. 4, 2017, forty-four days after the initial notice, OSBA received a letter from the IRS stating they “erroneously placed” OSBA on the Auto-Revocation list.
In previous years OSBA needed to only file online the 990-N postcard as our gross receipts were less than $50,000. When filed an email is sent confirming the 990N submission. Those emails were not maintained by the previous Treasurer. And the IRS was unable to find their copies of the OSBA 990-N from 2013-2015.
A full 990 annual report to the IRS is:

- 30 plus pages
- includes a Schedule A, B, D, O, and Board list
- depending on our activities may require a Form 4562, and Supporting Statements.

As a State Association the OSBA 990 provides detailed financial information concerning our education, member services, and operations. A 990-N filing will no longer suffice for OSBA. Additionally, now that OSBA holds a Group Exemption for the Affiliates, a full 990 must be filed for the Affiliates by OSBA. With the advent of the Affiliate program, OSBA must file two separate 990 Annual Reports to the IRS: one for OSBA, and one for just the Affiliates.
Due to the immediate need to resolve the issue:

- OSBA remitted to the IRS $3,850 for the renewal application of our nonprofit group exemption.
- Those monies were refunded when IRS discovered their error.
- Due to the immediate need for completion of the 990s for 2014 & 2015 a CPA expense was incurred for $2,800.
- Due to the immediate need for 1023 completion and professional contact with IRS, attorney fees incurred $1,347. (Waived the $1500 cost for a completed 1023 when it was not needed.)
- IRS wanted to charge us $5,288.84 in penalties for the tardy 2014 and 2015 990s. With the attorney’s help a letter seeking a waiver for this first time offense, and in a phone conversation between the OSBA Treasurer and the IRS, the waiver was approved 11-22-17.

Total Business registration and accounting expenses incurred $4,147

While the IRS assessed penalties to OSBA, you can read above that all penalties were WAIVED by the IRS, as the mistake was theirs, and not OSBA. The Attorney (Hanna & Rasnick) who assisted OSBA in this crisis also WAIVED their $1500 cost to complete a new 1023 application, which was not needed once the IRS admitted their mistake. OSBA’s previous Treasurer should have completed 990’s for 2014 and 2015, but the cost of $2800 for the immediate compilation and completion of those Annual Reports was borne by the 2017 OSBA budget.
All future 990s will be done by a CPA
We are seeking bids on this service
Copies must be kept of all financial records.

Confidential & Responsible
Practicing our Duty of
Care, Loyalty, Compliance,
& Maintain Accounts

It is important that we understand the changes to policies that come from this snafu. OSBA never lost its nonprofit status, nor was there any “financial mistake” on the part of the current OSBA Treasurer. The IRS screwed up concerning our status, the previous OSBA Treasurer did not retain copies of IRS records, and OSBA had no policies to protect the organization from such a snafu. The current OSBA Treasurer and Finance Committee have been developing policies for document retention, document filings, reimbursements, invoices, grant funding, etc. guided by the Standards of Excellence for nonprofit organizations, and Generally Accepted Accounting Principles.
The OSBA Board has to be responsible and aware of our due diligence for ourselves, our members, and the mission of OSBA.

From August 21 through Nov. 22 of 2017 the Executive Committee in 2017 addressed this IRS Snafu in a timely, responsible, professional manner in order to protect OSBA, its members, and affiliates. If you have any questions please contact: Michele Colopy, Treasurer, Tim Arheit, Secretary, or Terry Lieberman-Smith, President.

End of slides
### OSBA Annual Conference, Nov. 2, 2019
Tolles Career and Technical Center, 7877 U.S. 42, Plain City, Ohio 43064

#### Affiliate Benefits
- Nonprofit status through the OSBA group exemption
- Annual reports to the IRS and Ohio Attorney General
- Directors and Officers Insurance for your Board
- Property and Liability Insurance for your bee club
- Website hosting
- Monthly OSBA Affiliate Newsletter
- OSBA Pollinator Oasis Seed packet fundraiser
- Tech Soup membership
- Discounted OSBA Traveling Speaker fees
- Affiliate club discounts to special OSBA workshops
- Fiscal sponsor for bee clubs on grant funded projects

#### OSBA Programs & Services
- **Traveling Speaker Program**
  - Monitoring for Sustainability
  - Overwintering Nucs
  - Introduction to Grants
  - Small Scale Queen Rearing for the Single Apiary
- Contact [president@ohiostatebeekeepers.org](mailto:president@ohiostatebeekeepers.org) to schedule a presentation.

- **Apiary Diagnostic Manual**
- Apiary Diagnostic Kit complimentary to new beekeepers who meet grant guidelines (until supplies last)
- *OSBA Apiary Diagnostic Kit is available for purchase through Betterbee*
- **Beekeeping Education DVD**
- **4-H Beekeeping**
- **Welcome Boxes for local Club Beginning Beekeeping Classes**
- **Affiliate Program**
- **Ohio Bee Research Grant**
- **Beekeeping Library Grant for Underserved Populations**
- **OSBA Pavilion at the State Fair**
- **Quarterly Newsletter**
- **Master Beekeeper Program**
- **Annual State Conference**
- **Specialty Classes/Workshops**
- **State Advocacy for Ohio’s Beekeepers**
- **Website and Facebook pages**
- **New Club Handbook**
- **Field Day Guide**
- **Zoning Ordinance**
- **Speaker Resource List**

Visit the OSBA website for more information [www.ohiostatebeekeepers.org](http://www.ohiostatebeekeepers.org)

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End of Treasurer report
**July 21, 2019**

OSBA Executive Committee Meeting—*Treasurer’s Report*

**Treasurer**
- Financial Report is attached
  - *Anyone is welcome to contact the OSBA Treasurer to walk through the OSBA budget and financial reports so they can fully understand the reports and the financial status of OSBA.*
  - *Insurance:*
    - *Nominees and bonding (Tim, also include anyone who has higher access to Paypal—so the webmaster)*
    - *State Fair*

July 9, 2019

OSBA Executive Committee:

**Bonding of Treasurer (and other officers authorized to sign checks/use the debit card)**

For discussion at the OSBA Executive Committee meeting, July 21, 2019. I am sending this information to the Chair of the Nominating Committee as well, so he is advised of this additional activity/requirement by the OSBA insurer.

Per the first nominating committee meeting, I was tasked with contacting the OSBA insurance agent to determine the process of “bonding” for the treasurer and any officers who would have check signing/debit card use authorization.

During the annual renewal of the OSBA insurance, and/or when officers change, the insurance company will ask for the officers’ information and the insurance underwriters will conduct their own review to determine if all persons in contact with the OSBA funds can be bonded. If the insurance review finds an OSBA person(s) is unable to be bonded they will advise us.

Andy Cupp at Hummel and Plum Insurance (see email below) advised securing a background check of all prospective board officers who would have contact/access with OSBA funds *during the nomination process.*

OSBA does not want to embarrass any prospective volunteer, so, per the insurance company, it would be best to conduct the background check during the nominating process. Per the insurance underwriting, it appears that if an individual running for treasurer and other officer positions that would have access to OSBA funds as an officer or committee member refuses to have a background check, then:

- Treasurer nominee could not run for the Treasurer position;
- Other officers or committee members possibly could run, but would then have their access to OSBA funds restricted;
• Or, other officers or committee members could not run for any position that typically has access to OSBA funds.

Per the insurance company, OSBA volunteers who have access to the OSBA funds must be able to be bonded. If the underwriter’s review would determine an elected OSBA Board member cannot be bonded, then that elected Board member may have to step down from their position, or have access to funds restricted, and the reason(s) would have to be explained to the Board and possibly the OSBA membership; causing embarrassment to all parties.

The insurance agent’s suggestion to conduct background checks during the nomination process, alleviates any embarrassment of prospective candidates, and ensures candidates can be bonded and fulfill their duties as elected representatives of OSBA.

-------- Original Message --------

Subject: RE: question, please reply ASAP
Date: 2019-07-09 10:29
From: “Andy Cupp” <andy_cupp@hummel-plum.com>
To: <treasurer@ohiostatebeekeepers.org>

Michele:

The Insurance Company does require you to have a certificate of insurance and a vendor agreement from all vendors who you deal with.

The Insurance Company would also require you to make sure any person who is or might be a treasurer be bondable. They will require an application to be completed and will check the Individuals financials to verify they can be bonded.

Andy

From: OSBA Treasurer [mailto:treasurer@ohiostatebeekeepers.org]
Sent: Tuesday, July 09, 2019 8:37 AM
To: Andy Cupp <andy_cupp@hummel-plum.com>
Subject: question, please reply ASAP

Dear Andy,
We discussed previously, if our conference venue seeks OSBA's certificate of insurance, then OSBA should secure certificates of insurance from each vendor who pays us to have a table at our conference. We are doing this.

We pay for a pavilion tent at the Ohio State Fair, and have to provide the state fair board with a certificate of insurance. As the OSBA insurer, do you want us to secure certificates of insurance and vendor agreement forms from those vendors who pay to have a table at the OSBA state fair pavilion?

--

Michele Colopy
Treasurer
The Ohio State Beekeepers Association, Inc. (OSBA)
1624 Idlewood Ave.
Akron, OH 44313
OSBA phone: 567-703-6722
Direct contact: 832-727-9492 (my work phone)
treasurer@ohiostatebeekeepers.org
www.ohiostatebeekeepers.org

"Connecting Beekeepers Across Ohio"

Dear David Crawford and Nina Bagley:

Re: State Fair vendors and Circa Seeds

Circa Seeds was emailed a contract by the committee. The OSBA Treasurer has also called Circa Seeds seeking their input or to answer any questions concerning the proposed contract with them, with no reply by Circa Seeds.

The State Fair is three weeks away, and OSBA, per our insurance company (see email below), requires contracts with all vendors, and certificates of insurance from all of the vendors.

The State Fair Committee needs to follow-up to secure the Circa Seeds contract, and vendor certificates of insurance. The insurance certificate holder section should contain the following:

OSBA State Fair Pavilion
Ohio Expositions Commission
717 East 17th St.
Columbus, OH 43211
------ Original Message ------

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The Ohio State Beekeepers Association, Inc. (OSBA)  
1624 Idlewood Ave.  
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OSBA phone: 567-703-6722  
Direct contact: 832-727-9492 (my work phone)  
treasurer@ohiostatebeekeepers.org  
www.ohiostatebeekeepers.org
- Bookkeeper per the Board approved budget
  - Meeting with the bookkeeper the week of July 22
  - Trial run for six months to determine a full year’s estimate for work needed to replace most of the 20-30 hours per week of data entry by the OSBA volunteer Treasurer

- OSBA Table activities
  - At the Bee Culture event I helped Allyson set up the table and I saw the signage at the table was handwritten on envelopes. That is an unprofessional appearance. Price signs need to be made on the computer and make the best appearance for OSBA, and customized for each event.
  - Farm Science Review - contract has been signed, payment for booth submitted, and documentation uploaded to dropbox. Chairperson and volunteers at the event are to follow the guidelines in the contract. I previously sent to the Vice President the FSR packet detailing the guidelines.
  - Lithopolis - payment has been made, and all documentation uploaded to the dropbox. The Chair of that committee will need to review the file, design the ad and get it sent in on time. The Board also requested details of the volunteer activities for FSR and Lithopolis.
    - The following questions for responsible planning, financial oversight, and transparency need answered:
      - What are the shifts? "All day" is unhealthy in the summer heat.
      - When is the lunch break?
      - Who is setting up? Who is breaking it all down?
      - Who is seeking mileage reimbursement and how does all of this impact the budget?
      - Lithopolis budget is $1000 minus the $250 fee we have already paid.
      - FSR budget is $1700 minus $430 we have already paid.
      - What is the cost of the marketing materials for each site?
      - If volunteers do not bring their own food, what is the cost of the food to feed the volunteers?
      - So, which volunteers need hotels? What is that cost? Are people driving down each day? That is not cost effective; hotels would be cheaper than mileage.

- Ohio Pollinator Habitat Initiative event - at the Ohio Expo Center in Columbus, Aug. 22, 2019—all day, cost for vendors is $85—does OSBA want to participate? At the Executive Cmte. Meeting in March the OSBA Vice President stated she
would look into this farther and present the details to the OSBA Board. For more information see [http://rightofway.erc.uic.edu/event/2019-ohio-pollinator-habitat-initiative-symposium/](http://rightofway.erc.uic.edu/event/2019-ohio-pollinator-habitat-initiative-symposium/)

- Audit
  - Audit is nearly complete; management letter has been sent in per the CPA; the OSBA Treasurer has met with the CPA. No issues were found. The CPA advised simply expensing any equipment less than $1,000 and not listing it as an asset for depreciation. The tablet and tablet stand were fully depreciated in a journal entry per the CPA. The CPA provided the journal entry format to show where two CD’s were rolled into one CD. That journal entry per the CPA has been made. The audit should be complete by the end of July. 21 audit reports will be printed and mailed to each OSBA Board member, and a PDF provided so it can be placed on the OSBA website.
  - The CPA did state for the future: Conference speakers’ and single/special class instructors receive an “honorarium” for their one time speaking fee at an annual conference or workshop. Traveling speakers receive “stipends” as they are conducting a recurring, scheduled by OSBA, presentation by OSBA, as an independent contractor under contract with OSBA.
  - Does the Board want to have the CPA who conducted the audit on a conference call with Board members to answer any questions?

**Finance Committee Report**

Committee members: Don Crock, Kathi Hinckley-Vaughn, Bob Hooker, Kyle Kovacs, Michele Colopy, Terry Lieberman-Smith

Once the audit is complete, and the CPA provides input on financial policies and procedures, the finance committee will then be scheduled to meet again to complete its work.

- Affiliate Program
  - Affiliate Program Committee seeks committee members to learn the process, explain the program, and answer questions of Affiliates about nonprofit activities, forms, and program benefit processes.
  - We have 20 affiliates
    - Maumee Valley-NEW
    - Fairfield County-NEW
    - Portage County renewed
    - Guernsey Noble renewed
    - Ashtabula renewed
    - Greater Grand Lake renewed
    - Greene County renewed
- Guernsey County renewed
- Harrison County renewed
- Lake County renewed
- Medina County renewed
- Miami Valley renewed
- Richland County renewed
- Sandusky renewed
- Scioto renewed
- Tuscarawas renewed
- Warren County renewed
- Geauga renewed
- Black Swamp renewed
- Trumbull County Beekeepers

**PROSPECTIVE NEW AFFILIATES: Knox County, Jefferson County, NW Beekeepers, Pollinator Sanctuary in Defiance County**

**Affiliate Benefits**
- Nonprofit status through the OSBA group exemption
- Annual reports to the IRS and Ohio Attorney General
- Directors and Officers Insurance for your Board
- Property and Liability Insurance for your bee club
- Website hosting
- Monthly OSBA Affiliate Newsletter
- OSBA Pollinator Oasis Seed packet fundraiser
- Tech Soup membership
- Discounted OSBA Traveling Speaker fees
- Affiliate club discounts to special OSBA workshops
- Fiscal sponsor for bee clubs on grant funded projects

I have heard that the Affiliate Program “needs a complete overhaul.” Tim and Terry were instrumental in starting the program; I simply added benefits beyond the initial nonprofit umbrella for local clubs. Has anyone else heard any or have any suggestions for changes/improvements/expansion of affiliate benefits?

Tim--WOULD IT BE WORTH IT TO AT SOME POINT TO GIVE GUIDANCE ON HOW TO MAKE THE PROGRAM UNDERSTANDABLE? A SURVEY ASKING WHAT DO YOU MEAN BY RE-VAMPING, IS AN OFFERING UNNECESSARY, WHAT ELSE CAN WE OFFER,?—SEND TO AFFILIATES—DRAFT QUESTIONS.

- Budget
  - Our 2019 budget is based on OSBA EARNING as much as it spends in order to conduct our budgeted programs and services. When a program does **not** earn what is budgeted, than it decreases the OSBA programs and
services. All for-profit and nonprofit budgets must balance, so they must include an income and expense side that equals.

- For example: Understanding changes in the budget for future planning
  - See examples from the May Board meeting

  - In kind report
    - The Vice President’s in-kind donations decreased by more than half from the initial filing due to a number of items invalid: having been actually reimbursed, activities were for her personally paid presentations (no double-dipping), and the activity was not approved by OSBA. See attached
    - In-kind donation of time is not tax deductible on your own taxes.
    - OSBA needs the report of in-kind donated time, mileage, supplies, etc. to show the Board’s support of OSBA activities to prospective grant funders.
    - Without the in-kind reports OSBA is unable to verify the support and work of Board members. Hours and support of Board and committee members is reported on the IRS 990 annual reported on page 7 of the 990.
    - Per the CPA, the in-kind report must be filed with applicable supporting documents to validate the in-kind donation.

- Pollinator Activities in June
  - Nine Ohio honey product and OSBA info. baskets were given away at Pollinator Palooza in Columbus, paid for by Pollinator Stewardship Council. One of the baskets was featured on New Day Cleveland TV show.

Transparency, consideration, and reports to serve the mission of OSBA

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Ohio State Beekeepers Association  
1624 Idlewood Ave.  
Akron, OH 44313  
www.ohiostatebeekeepers.org

OSBA Board member reimbursement request and activity update 2019

PLEASE PRINT OR TYPE  

Today’s date: 6-14-2019

YOUR NAME: Peggy Garnes

ACTIVITY REPORT Year to date 2019

YOUR ADDRESS to mail the reimbursement check: N/A
January 2019

NHL-1. 2. 3 -Honey Judging Class- work on promotion on facebook, webpage; Continued to research candidates for Western Reserve area rep position – submitted Greg Bokan as possible rep to Mike Dosek

Met with Medina Juvenile Detention Center regarding underserved grant paperwork and gave presentation to group of detainees (7.6 miles)

DNQ-1-8/12 ABF meeting in SC  Spoke with ABF, Margaret Reed and Mike Kleim (1344 miles)

DNQ-1-14 MCBA board meeting – discussed 4H, Seed packets and affiliate costs (13 miles)

1-16  Met with Jim Thompson and Bruce Schneider on HJ Class (53.8 miles)

1-28  Spoke with Glenn Turner regarding ongoing issues with testing for Master Beekeeping Classes

1-30  Met w/John Grafton - HJ Class (57.2 miles)

February 2019

DNQ-2-12 MCBA Beginner Classes (both classes Sat/Tues) – ADK, seeds, best management brochures, fall conference and use of OSBA website (13 miles)

12 Greater Grand Lakes – promoting HJ Class (35 people) (314 miles)

17 Columbiana Mahoning County Beekeepers Association Mtg-promoting HJ Class, Affiliate program, traveling speaker, Pavilion at Fair and fielding questions from Build A Better Bee Club program (160 miles)

21 Athens Beekeepers – promoting HJ Class, Affiliate program and traveling speakers (15 people) (346 miles)

March 2019

DNQ-4.5 1&2 Tri-Cty Workshop – volunteered at table with Jamie, Terry ((57.8 miles)

DNQ-3-8&9 Honey Judging Classes (212 miles)

3-16 OSBA Planning Meeting (196 miles)

April 2019

NHL-4.2 Called venues for Pollinator Week

DNQ-4-10 Pollinator/Beekeeping Talk at Richfield Preserve (43.8 miles)
I am submitting this report to show where and what I have done the first six months of this year on behalf of OSBA and how I have represented OSBA. Since I belong to 6 clubs plus my home club, the treasurer pointed out most of these travels and visits cannot be listed or reimbursed in any way. I’m ok with that…

I DO NOT WANT OR REQUEST ANY REIMBURSEMENTS. (I am a volunteer for OSBA)

I will donate 2,000 miles “in-kind” to OSBA.

Respectfully Submitted,

Peggy Garnes
Vice President, OSBA

Commented [O15]: You were paid for this presentation and you cannot double-dip even with in kind mileage for this activity on an OSBA report. I am assuming this is Maumee Valley (and not Miami Valley Beekeepers).

Commented [O16]: No hours listed, unable to assign an in kind value.

Commented [O17]: Who was contacted, and what was the follow-up? Was this the High School or Junior High? This was not reported in her VP Executive Committee report.

Commented [O18]: You were paid to give a presentation to this group, and this again would be double-dipping on the mileage. No matter if this group paid you mileage or not to speak; you were personally paid to speak to this group.

Commented [O19]: Activities such as a publicized Market Day at Tractor Supply must be approved by OSBA prior to any public event. Marketing materials need to be approved and targeted for events. OSBA received no detailed report on said event.

Commented [O20]: Choice of language is concerning. Why did this group not want you to talk? Did you not contact them ahead of time to ask for time on their agenda? Did you stay for the whole meeting, and if yes, where is the formal report?

Commented [O21]: Each Board member’s actions, written and verbal, reflect upon OSBA and all OSBA members. Board members cannot double dip on even in kind mileage when they are personally paid by another group.

Commented [O22]: The mileage for this activity was reimbursed and cannot be claimed as an in kind donation. Additionally, the formal table report shows the volunteer activity for this event.

Commented [O23]: You requested reimbursement for the mileage to this activity, so it cannot be claimed as an in kind donation. The table report for this activity is the report for this program.

Commented [O24]: No table or other written report was submitted for this activity. What volunteers were involved, what was discussed, was this part of Pollinator week (which...)

Commented [O25]: This report is not the standard one all Board members must submit. This report does not provide important details such as the number of people at the...

Commented [O26]: Therefore, per review your total in kind mileage for OSBA equals 1147.6 miles for a value of $286.90.
# Ohio State Beekeepers Association
## Balance Sheet
**As of July 14, 2019**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Total</th>
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<tbody>
<tr>
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<tr>
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<td>4-H Program</td>
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<td>ADK-OSBA Revenue</td>
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<td>Total ADK-OSBA Revenue</td>
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<td>Book supplies for Traveling Speaker topics</td>
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<td>Total Traveling Speaker Cost Share</td>
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<td>Total Conference-Vendors</td>
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<td><strong>DVD- Educational Program</strong></td>
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<td>DVD Event Income</td>
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<td>Bank and PayPal Fees</td>
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<td>EAS /HAS Representative Support</td>
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| Operations                                             |     |
| Insurance - Liability, Directors & Officers            |     |
| Directors & Officers Insurance                         | 3,936.00 |
| Property and Liability insur.                          | 509.00 |
| **Total Insurance - Liability, Directors & Officers**  | **4,445.00** |
| Postage, Mailing Service                              | 95.28 |
| Printing and Copying                                  | 281.96 |
| Strategic Planning                                    | 165.86 |
| Supplies                                               | 482.78 |
| **Total Operations**                                   | **5,470.88** |
| Other Types of Expenses                                |     |
| Transfer to OSBA Debit Card                            | 959.58 |
| **Total Other Types of Expenses**                      | **959.58** |

| **Total Expense- OPERATIONS**                          | **14,684.99** |

| Expense-RESEARCH                                       |     |
| Grants from OSBA                                       |     |
| Ohio State University Research                         | 3,000.00 |
| **Total Grants from OSBA**                             | **3,000.00** |
| **Total Expense-RESEARCH**                             | **3,000.00** |
| New Club Start-up                                      | 115.50 |
| **Total Expenses**                                     | **33,261.61** |
| Net Operating Income                                   |     |
|                                                     | **7,984.74** |
### Affiliate Benefits

- Nonprofit status through the OSBA group exemption
- Annual reports to the IRS and Ohio Attorney General
- Directors and Officers Insurance for your Board
- Property and Liability Insurance for your bee club
- Website hosting
- Monthly OSBA Affiliate Newsletter
- OSBA Pollinator Oasis Seed packet fundraiser
- Tech Soup membership
- Discounted OSBA Traveling Speaker fees
- Affiliate club discounts to special OSBA workshops
- Fiscal sponsor for bee clubs on grant funded projects

### OSBA Programs & Services

**Traveling Speaker Program**
- Monitoring for Sustainability
- Overwintering Nucs
- Introduction to Grants
- Small Scale Queen Rearing for the Single Apiary

Contact [president@ohiostatebeekeepers.org](mailto:president@ohiostatebeekeepers.org) to schedule a presentation.

**Apiary Diagnostic Manual**

Apiary Diagnostic Kit complimentary to new beekeepers who meet grant guidelines (until supplies last)

*OSBA Apiary Diagnostic Kit is available for purchase through Betterbee

**Beekeeping Education DVD**

4-H Beekeeping

**Welcome Boxes for local Club Beginning Beekeeping Classes**

**Affiliate Program**

**Ohio Bee Research Grant**

**Beekeeping Library Grant for Underserved Populations**

**OSBA Pavilion at the State Fair**

**Quarterly Newsletter**

**Master Beekeeper Program**

**Annual State Conference**

**Specialty Classes/Workshops**

**State Advocacy for Ohio’s Beekeepers**

**Website and Facebook pages**

**New Club Handbook**

**Field Day Guide**

**Visit the OSBA website for more information**

[www.ohiostatebeekeepers.org](http://www.ohiostatebeekeepers.org)
End of Treasurer report

August 18, 2019
OSBA Board Meeting—Treasurer’s Report

Treasurer

- Financial Report is attached
  - Anyone is welcome to contact the OSBA Treasurer to walk through the OSBA budget and financial reports so they can fully understand the reports and the financial status of OSBA.
  - Insurance:
    - Nominees and bonding – anyone who is listed to sign checks or Administrative access to Paypal; OSBA will pay for the cost of background checks
    - Write-in candidates must undergo applicable background check before their election is confirmed

July 9, 2019
OSBA Executive Committee:

Bonding of Treasurer (and other officers authorized to sign checks/use the debit card)

For discussion at the OSBA Executive Committee meeting, July 21, 2019. I am sending this information to the Chair of the Nominating Committee as well, so he is advised of this additional activity/requirement by the OSBA insurer.

Per the first nominating committee meeting, I was tasked with contacting the OSBA insurance agent to determine the process of “bonding” for the treasurer and any officers who would have check signing/debit card use authorization.

During the annual renewal of the OSBA insurance, and/or when officers change, the insurance company will ask for the officers’ information and the insurance underwriters will conduct their own review to determine if all persons in contact with the OSBA funds can be bonded. If the insurance review finds an OSBA person(s) is unable to be bonded they will advise us.

Andy Cupp at Hummel and Plum Insurance (see email below) advised securing a background check of all prospective board officers who would have contact/access with OSBA funds during the nomination process.

OSBA does not want to embarrass any prospective volunteer, so, per the insurance company, it would be best to conduct the background check during the nominating process. Per the insurance underwriting, it appears that if an individual running for treasurer and other officer...
positions that would have access to OSBA funds as an officer or committee member refuses to have a background check, then:

- Treasurer nominee could not run for the Treasurer position;
- Other officers or committee members possibly could run, but would then have their access to OSBA funds restricted;
- Or, other officers or committee members could not run for any position that typically has access to OSBA funds.

Per the insurance company, OSBA volunteers who have access to the OSBA funds must be able to be bonded. If the underwriter’s review would determine an elected OSBA Board member cannot be bonded, then that elected Board member may have to step down from their position, or have access to funds restricted, and the reason(s) would have to be explained to the Board and possibly the OSBA membership; causing embarrassment to all parties.

The insurance agent’s suggestion to conduct background checks during the nomination process, alleviates any embarrassment of prospective candidates, and ensures candidates can be bonded and fulfill their duties as elected representatives of OSBA.

**State Fair, Certificates of Insurance, and Vendor agreements**

Per the OSBA Insurance (for the conference and state fair), OSBA is to secure vendor agreements/contracts and certificates of insurance for all vendors who purchase table space and/or provide items to sell at OSBA sponsored events.

Since last March/April OSBA has requested a partnership agreement with Circa Plants, per our insurance. The OSBA Fair committee has forwarded the Treasurer’s emails seeking a contract with Circa Seeds, the OSBA Treasurer left two phone messages with Circa Plants. Circa Plants did provide their Certificate of Insurance, but never provided a signed partnership agreement. See the State Fair email chain concerning Circa Plants. Circa Plants has not signed the actual partnership agreement, as they are a different vendor than any other vendor at the State Fair. OSBA continued to seek the partnership agreement. You can see our outreach in the email chain of communication by OSBA.

August 3rd the OSBA President was given the standard state fair vendor form for Circa Plants. However, none of the days were marked as to when Circa Plants was in attendance, so this contract would imply Circa Plants owes us for the table space for all of the days. This contract states nothing about “sharing proceeds” as we have in the past. This vendor form has now confused the audit trail as to what we are to remit to Circa Plants.

For transparency, fairness, and honesty it is important to have complete paperwork for all vendors to OSBA sponsored events. Circa Plants’ product was at the State Fair, without a contract. When exceptions are made, when actions are not transparent, and activities conflict with the Boards’ duty of care, compliance, loyalty, and fiduciary responsibility to OSBA it reflects poorly upon OSBA and all Board members.
We have no contract with Circa Plants, except verbal precedent, which was superseded when a contract was submitted to them, yet not signed. They then submitted the standard contract which is based on completely different remuneration, and does not mention “sharing proceeds.” Yet, Circa Plants was allowed to provide seeds for OSBA volunteers to sell at the Fair Pavilion anyway.

The treasurer does not want it to appear as if “monkey business” is occurring by remitting thousands of dollars to a vendor who did not sign a contract, even though it was requested (and could have been negotiated) months before the State Fair occurred. Forms, invoices, contracts must match the amount of a check, per appropriate audit paperwork. The Board needs to determine how much we will pay Circa Plants, and a voice vote of all Board members is needed so they understand that the Board is making the decision to remit thousands of dollars to a vendor at the State Fair with no applicable, corresponding signed paperwork for the OSBA audit trail.

Therefore, for transparency and the OSBA Board’s fiduciary responsibility I would like a roll call vote from the Board to decide if we award funds to a vendor, who did not follow the procedures all of the other vendors were asked to follow, and to remit funds without a contract.

-------- Original Message --------
Subject: RE: question, please reply ASAP
Date: 2019-07-09 10:29
From: "Andy Cupp" <andy_cupp@hummel-plum.com>
To: <treasurer@ohiostatebeekeepers.org>

Michele:
The Insurance Company does require you to have a certificate of insurance and a vendor agreement from all vendors who you deal with.
The Insurance Company would also require you to make sure any person who is or might be a treasurer be bondable. They will require an application to be completed and will check the Individuals financials to verify they can be bonded.
Andy

From: OSBA Treasurer [mailto:treasurer@ohiostatebeekeepers.org]
Sent: Tuesday, July 09, 2019 8:37 AM
To: Andy Cupp <andy_cupp@hummel-plum.com>
Subject: question, please reply ASAP

Dear Andy,
We discussed previously, if our conference venue seeks OSBA’s certificate of insurance, then OSBA should secure certificates of insurance from each vendor who pays us to have a table at our conference. We are doing this.
We pay for a pavilion tent at the Ohio State Fair, and have to provide the state fair board with a certificate of insurance. As the OSBA insurer, do you want us to secure certificates of insurance and vendor agreement forms from those vendors who pay to have a table at the OSBA state fair pavilion?
--
Michele Colopy
Treasurer
The Ohio State Beekeepers Association, Inc. (OSBA)
1624 Idlewood Ave.
Akron, OH 44313
OSBA phone: 567-703-6722
Direct contact: 832-727-9492 (my work phone)
treasurer@ohiostatebeekeepers.org
www.ohiostatebeekeepers.org

"Connecting Beekeepers Across Ohio"

Dear David Crawford and Nina Bagley:

Re: State Fair vendors and Circa Seeds

Circa Seeds was emailed a contract by the committee. The OSBA Treasurer has also called Circa Seeds seeking their input or to answer any questions concerning the proposed contract with them, with no reply by Circa Seeds.

The State Fair is three weeks away, and OSBA, per our insurance company (see email below), requires contracts with all vendors, and certificates of insurance from all of the vendors.

The State Fair Committee needs to follow-up to secure the Circa Seeds contract, and vendor certificates of insurance. The insurance certificate holder section should contain the following:

OSBA State Fair Pavilion
Ohio Expositions Commission
717 East 17th St.
Columbus, OH 43211

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To: treasurer@ohiostatebeekeepers.org

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pavilion?

--
Michele Colopy
Treasurer
The Ohio State Beekeepers Association, Inc. (OSBA)
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Direct contact: 832-727-9492 (my work phone)
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"Connecting Beekeepers Across Ohio"

- Audit trail for State Fair
  
  Daily cash and deposit sheets were sent to David Crawford in a timely manner, and the
  Fair Committee did not use them, so we do not have an appropriate audit trail for the revenue at
  the state fair.

- Bookkeeper per the Board approved budget
  - Met with the bookkeeper the week of July 29
  - Trial run has begun for August-December to determine a full year’s estimate for
    work needed to replace most of the 20-30 hours per week of data entry and other
    Treasurer activities by the OSBA volunteer Treasurer. The bookkeeper is a
    certified Quickbooks expert and is with the firm that has completed the OSBA 990
    and Affiliate 990 reports.

- OSBA Table activities
  - Signage at event tables needs to look professional—no handwritten signs on
    envelopes.
Farm Science Review- contract has been signed, payment for booth submitted, and documentation uploaded to dropbox. Chairperson and volunteers at the event are to follow the guidelines in the contract. I previously sent to the Vice President the FSR packet detailing the guidelines.

Lithopolis- payment has been made, and all documentation uploaded to the dropbox. The Chair of that committee will need to review the file, design the ad and get it sent in on time. The Board also requested details of the volunteer activities for FSR and Lithopolis.

It is imperative that OSBA be aware of activities Board and committee members are enacting on behalf of OSBA. If a Board member would depart or have a health/personal crisis, OSBA must continue to move forward on every project. Reports by Board and committee members are vital to the current status of any program.

Therefore, Board reports need to provide detail so fellow Board members know the status, contact information, income, expenses, meeting dates, appointments, etc. in case of a fellow Board members’ crisis. Each event, program, committee report needs to provide the following details for transparency, and recognition of volunteers’ work for OSBA:

- What are the date(s) of the event(s)
- List the dates and hours of volunteer shifts
- Which volunteers are working which shifts
- What educational materials will be available at these events
- Will opening cash be needed for the events (is OSBA selling anything at these events?)
- Who is the contact person for each event
- When were they contacted, what was the result of the contact, etc.?
- When is the lunch break?
- Who is setting up? Who is breaking it all down?
- Who is seeking mileage reimbursement and how does all of this impact the budget?
- Lithopolis budget is $1000 minus the $250 fee we have already paid.
- FSR budget is $1700 minus $430 we have already paid.
- What is the cost of the marketing materials for each site?
- If volunteers do not bring their own food, what is the cost of the food to feed the volunteers?
- So, which volunteers need hotels? What is that cost? Are people driving down each day? That is not cost effective; hotels would be cheaper than mileage.

OSBA needs these details in case of an emergency, out of consideration for fellow board members, and most importantly for the continuity of OSBA and
Audit

Attached you will find the 2018 Audit Report from Donovan, Klimczak & Company, CPA. A hardcopy of this report was mailed to you and should be in your US mail box early this week.

The OSBA Board will hold a conference call with CPA, Dave Komer Sunday, August 25, at 7:30 p.m. to answer any questions concerning the audit. Please review the audit report and come prepared with any questions for the CPA.

The audit “found” only one item: OSBA needs to depreciate any equipment less than $1,000 within the year it is purchased. A journal entry was made to depreciate the tablet and tablet stand that was purchased to provide paypal payments at OSBA event tables. I had asked the CPA to provide to me the journal entry format to combine two Certificates of Deposit into one certificate of deposit. Two certificates were rolled into one with a longer term, higher interest rate, and additional Lifetime member dues were added to the Certificate of Deposit.

The audit report did state one weakness and that was OSBA not having a complete internal control system such that the Treasurer could provide the financial report WITH footnotes in preparation of the audit. A professional CPA or Bookkeeper (Quickbooks expert) would resolve that weakness. Per the arrangement with the OSBA Board, August-Dec. of 2019 a certified Quickbooks expert at a CPA firm will be taking some of the workload off of the OSBA Treasurer, learning how OSBA functions, and therein provide the solution to the Audit's comment for a financial report WITH footnotes at year end. At the beginning of December the bookkeeper will be able to provide OSBA with a quality estimate of the cost to continue to maintain the daily accounting of OSBA for an entire year.

An audit must be conducted of the 2019 accounting records. The CPA is being secured now so OSBA can get into their work queue sooner this time (projected completion date of 2019 audit would be April 15, 2020).

In order for consistency, quality, transparency, and responsibility, I will continue to fulfill the duties of Treasurer until Dec. 31, 2019 at midnight. Per the By Laws the new Treasurer will assume their duties Jan. 1, 2020.

Per the Board, those policies adapted from the Natl Council of Nonprofits or similar national guidance organizations did not need to be sent to an attorney for review. The Board approved sending the contracts to two separate attorneys for review of contracts created by OSBA for use by OSBA. As the CPA has completed their review of the contracts from the accounting perspective, the contracts are now with the two attorneys.
The attorneys are:

Dallas W. Johnson, Legal Administrator ($200 per hour) of HANNA RASNICK
EVANCHAN PALMISANO HOBSON & FOX, LLC

Wayne A. Zacour ($235 per hour) of Taggart Law Firm, LPA

The CPA and the OSBA Treasurer agreed that "honorarium" is the term to be used for remitting a payment for services for one time speakers for special workshops or the annual conference. However, "stipend" was to be used to define the remittance for services for contracted Traveling Speakers who present an OSBA created educational topic, are assigned the date and place of their contracted presentations, and may give the same or a prepared number of topic presentations across a year on behalf of Ohio State Beekeepers Association.

The attorneys were asked to reply with their comments concerning the OSBA contracts by August 14. I would then compile all of the OSBA Finance Committee comments, the CPA's comments, and the attorney's comments into final OSBA policies and contracts for the OSBA Finance Committee to review. The OSBA Finance Committee will review and comment upon the final draft. The final financial policies and contracts will be submitted to the OSBA Executive Committee in September, and then the documents will go to the full Board (in October.)

Summary of schedule:
August 14- deadline for comments on contracts from two attorneys
August 25 @ 7:30 p.m.- conference call with Audit CPA
August 31- OSBA Treasurer to send to OSBA Finance Committee final draft of contracts, policies, and procedures
Sept. 4 or Sept. 7- conference call with OSBA Finance Committee to review draft of contracts, policies, and procedures; Treasurer to make any changes per committee (but NO changes to attorney comments)
Sept. 15- Final draft presented to OSBA Executive Committee
Oct. 20- Final documents presented to OSBA Board

Finance Committee Report
Committee members: Don Crock, Kathi Hinckley-Vaughn, Bob Hooker, Kyle Kovacs, Michele Colopy, Terry Lieberman-Smith

The 2018 audit has been completed. Copies of the audit report have been mailed to the OSBA Board. A PDF is attached for you to review. We will hold a conference call with the audit CPA and the OSBA Board, and you are welcome to attend as well, August 25 at 7:30 p.m. (Call-in info will be sent to you closer to the date).

The audit "found" only one item: OSBA needs to depreciate any equipment less than $1,000 within the year it is purchased. A journal entry was made to depreciate the tablet and tablet stand
that was purchased to provide paypal payments at OSBA event tables. I had asked the CPA to provide to me the journal entry format to combine two Certificates of Deposit into one certificate of deposit. Two certificates were rolled into one with a longer term, higher interest rate, and additional Lifetime member dues were added to the Certificate of Deposit.

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The attorneys were asked to reply with their comments concerning the OSBA contracts by August 14. I would then compile all of your comments, the attorney’s comments into final OSBA policies and contracts for your review. I would like us to hold a conference call then to
discuss the final changes and make any adjustments. Wherein I will submit the final policies and contracts to the OSBA Executive Committee, and then the documents go to the full Board (hopefully in October.) And our work will be done!

**Summary of schedule:**
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- Sept. 15- Final draft presented to OSBA Executive Committee
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- **Affiliate Program**
  - Affiliate Program Committee seeks committee members to learn the process, explain the program, and answer questions of Affiliates about nonprofit activities, forms, and program benefit processes.
  - **We have 20 affiliates**
    - Maumee Valley-NEW
    - Fairfield County- NEW
    - Portage County renewed
    - Guernsey Noble renewed
    - Ashtabula renewed
    - Greater Grand Lake renewed
    - Greene County renewed
    - Guernsey County renewed
    - Harrison County renewed
    - Lake County renewed
    - Medina County renewed
    - Miami Valley renewed
    - Richland County renewed
    - Sandusky renewed
    - Scioto renewed
    - Tuscarawas renewed
    - Warren County renewed
    - Geauga renewed
    - Black Swamp renewed
    - Trumbull County Beekeepers

- **PROSPECTIVE NEW AFFILIATES:** Knox County, Jefferson County, NW Beekeepers, Pollinator Sanctuary in Defiance County
• **Affiliate Benefits**
  - Nonprofit status through the OSBA group exemption
  - Annual reports to the IRS and Ohio Attorney General
  - Directors and Officers Insurance for your Board
  - Property and Liability Insurance for your bee club
  - Website hosting
  - Monthly OSBA Affiliate Newsletter
  - OSBA Pollinator Oasis Seed packet fundraiser
  - Tech Soup membership
  - Discounted OSBA Traveling Speaker fees
  - Affiliate club discounts to special OSBA workshops
  - Fiscal sponsor for bee clubs on grant funded projects

*I have heard that the Affiliate Program “needs a complete overhaul.” Tim and Terry were instrumental in starting the program; I simply added benefits beyond the initial nonprofit umbrella for local clubs. A survey has been sent to the Affiliates seeking their input on the program and how we can best serve them. Results are expected August 15. Results will be presented at the Board meeting.*

- **Budget**
  - Our 2019 budget is based on OSBA EARNING as much as it spends in order to conduct our budgeted programs and services. When a program does not earn what is budgeted, than it decreases the OSBA programs and services. All for-profit and nonprofit budgets must balance, so they must include an income and expense side that equals.
  - For example: Understanding changes in the budget for future planning
    - See examples from the May Board meeting

- **In kind report**
  - The Vice President’s in-kind donations decreased by more than half from the initial filing due to a number of items invalid: having been actually reimbursed, activities were for her personally paid presentations (no double-dipping), and the activity was not approved by OSBA. **See the document at the end of the report**
  - In-kind donation of time is not tax deductible on your own taxes.
  - OSBA needs the report of in-kind donated time, mileage, supplies, etc. to show the Board’s support of OSBA activities to prospective grant funders.
  - Without the in-kind reports OSBA is unable to verify the support and work of Board members. Hours and support of Board and committee members is reported on the IRS 990 annual reported on page 7 of the 990.
  - Per the CPA, the in-kind report must be filed with applicable supporting documents to validate the in-kind donation.
Pollinator Activities in June
  Nine Ohio honey product and OSBA info. baskets were given away at Pollinator Palooza in Columbus, paid for by Pollinator Stewardship Council. One of the baskets was featured on New Day Cleveland TV show.

Proposal - ABF/EAS/HAS OSBA State Delegate/Representative
In February of this year, I provided a written report of the ABF State delegate luncheon on the ABF Annual Conference. In that report I provided a list of ABF’s expectations for State delegates. The current committee tasked to create the OSBA job description for the ABF State delegate, as well as the EAS and HAS State Representative from OSBA has not met since its formation in March. I expanded upon the information provided to this Board last February, gathered the necessary information from the EAS By Laws, and ABF Bylaws and drafted the OSBA State Delegate/Representative job description. It was included in your Board packet for your review so it could be discussed at this meeting.

The guidelines for the EAS, and ABF delegates are per their governing documents, so the OSBA Board cannot make any changes to another entities governing documents. The Board has had a week to review this proposed job description. It is important that OSBA have representation in our regional and national beekeeping associations, to learn from these groups, and to share that knowledge and experience with Ohio beekeepers.

SEE BELOW

Job Description for
OSBA Representative / Delegate to
American Beekeeping Federation (ABF), Heartland Apicultural Society (HAS), and Eastern Apicultural Society (EAS)

This is an annually renewed position by OSBA. Representatives / Delegates are to learn from their role as a Representative /Delegate, and to share their educational experience with the OSBA Board, and Ohio beekeepers.

Process:
  * OSBA members in good standing may complete an application to be considered as the OSBA Representative or Delegate to ABF, HAS, and EAS.
The OSBA Nominations Committee will review all applications; interview the applicants via telephone and/or in person, and provide written recommendation to the OSBA Board for a Representative/Delegate to ABF/HAS/EAS.

One applicant will be appointed by the OSBA Board for each of the entities (ABF, HAS, EAS).

Limitations:

- One individual may not serve as a Representative or Delegate to more than one association (ABF, HAS, EAS) at the same time.
- The positions for Representative and Delegate to EAS, HAS, and ABF are renewed annually via an open application process. The Nominating Committee should seek nominations in the third quarter of each year.
- There is a lifetime limit of three years for each position.

Expectations of each Representative/Delegate to ABF/HAS/EAS:

- Serve on at least one committee as the OSBA Representative for ABF, EAS, or HAS;
- Participate on regular conference calls – schedule to be determined by EAS, HAS, and ABF for the Delegates/Representatives; Provide written updates to the board about the meetings;
- Volunteer at the respective conference for ABF, HAS, or EAS as a member of their committee;
- Attend conference workshop sessions and provide a written report of each session for publication in the OSBA Newsletter.
- For ABF the Delegate must be willing to sell raffle tickets for the Honey Queen Program during the Conference.
- For the EAS Representative, an auction basket representing Ohio hive products must be compiled (paid for by OSBA) and with the approval of the OSBA Executive Committee;
- Other duties per ABF/HAS/EAS Representative/Delegate job descriptions (see attached)

Compensation:

For an OSBA Delegate or Representative to receive partial financial support to attend these conferences, the OSBA Board needs to ensure our Delegates are learning from their role as a Delegate, sharing their educational experience with Ohio beekeepers, provide support to the regional/national group, and are a quality Representative for Ohio beekeepers. Partial support of the expenses incurred by the OSBA Delegate/Representative is determined by the OSBA Board annually, and typically remits no more than half of the cost to attend the annual conference with restrictions on per diem expenses, and special event tickets, etc.

Removal of a Representative/Delegate:

OSBA will remove an OSBA Representative/Delegate to ABF, HAS, EAS per the following:

- Failure to meet the responsibilities listed in this job description
- Request of ABF/HAS/EAS Board to remove the OSBA Representative/Delegate
- Misrepresentation of OSBA or inappropriate behavior during ABF/HAS/EAS conference calls, board meetings, conferences, and any related activities of ABF/HAS/EAS.

**Resignation:**
An OSBA appointed ABF/HAS/EAS Representative/Delegate may resign in writing at any time during their term, stating the reason for resignation, the effective date, that they have also notified ABF/HAS/EAS respectively. The OSBA Board may request a refund of any financial support provided to the OSBA Representative/Delegate during their term upon their resignation.

**Background of ABF/HAS/EAS:**

*American Beekeeping Federation [https://www.abfnet.org/]*
The American Beekeeping Federation (ABF) will act on behalf of the beekeeping industry on issues affecting the interests and the economic viability of the various sectors of the industry.

- The resolutions supported and passed by the membership will serve as policy for the official actions of the ABF.
- The ABF will maintain an organization that is normally proactive rather than reactive in handling industry issues.
- The resolutions and decisions of the ABF will be based upon the best facts and information available.
- The issues outcome will be directed toward maintaining an industry that is self-supporting with a minimum of government involvement.
- The deliberations of an official body of the ABF will recognize and consider the impact of its decisions on the industry as a whole.
- The ABF will serve as an information source to its members on those issues affecting the industry.

**American Beekeeping Federation State Delegates: (from the ABF Chairperson for the State Delegates)**

- Each state having ABF members may appoint a State Delegate to serve as a liaison between ABF and its state association and local clubs.
- State Delegates are responsible for communicating ABF’s legislative initiatives to the state association and local clubs and for providing access to state legislators.
- Each State Delegate also acts as a membership coordinator to ensure ABF's membership campaigns are communicated to the state association and local clubs.
- There are 48 state Delegates to ABF. State Delegates are expected to sell Sweepstakes tickets for the Honey Queen Program at the annual ABF conference.
- Delegates are expected to serve on ABF committees, participate in regular State Delegate conference calls, and volunteer for ABF at the ABF Annual Conference.
- State Delegates elected by their fellow State Delegates to represent the States on the ABF Board must also participate in ABF Board meeting Conference calls, and attend the two in-person meetings during the year.

*See the Bylaws information and job description from ABF for their State Delegates below.*
From the ABF Bylaws

Article V – State Delegates Assembly

Section 1. Any state having at least one (1) ABF member is entitled to one (1) Delegate to the Annual ABF Delegates Assembly. Any state from which the total ABF dues equals or exceeds five (5) times the current commercial dues level or from which the ABF members total fifteen (15) or more, is entitled to two (2) Delegates. Any state from which total ABF dues equals or exceeds thirty-five (35) times the current commercial dues level or from which the ABF members total seventy-five (75) or more is entitled to three Delegates.

Section 2. Delegates shall be qualified in writing by the State Beekeepers Association of the state represented. In the absence of official qualification, or when the designated Delegate is not present, an ABF member of that state may be seated as a Delegate from that state by a vote of two-thirds (2/3rds) of the Delegates assembled. Once seated, a Delegate shall serve until a successor is named. For a person to qualify as a Delegate, the ABF membership dues of such person must have been paid for the year preceding such qualification.

Section 3. The President, Vice President, immediate Past President, members of the Executive Committee, and members of the Board of Directors shall be members ex officio of the State Delegates Assembly, with the right to vote.

Section 4. It shall be the duty of the Annual State Delegates Assembly to 1) receive from the ABF such information as may benefit the several state associations and to be the Representatives of the ABF to such regional, state and local associations as they may be connected; 2) convey information and formal resolutions from the several states to the ABF; 3) elect four (4) members to the Board of Directors of the ABF; and 4) elect four (4) members of the Nominating Committee.

Section 5. Election Procedures. Quorum for the State Delegates Assembly shall be 40 ABF members. In the event there is not a quorum, the election may proceed, however, the lack of quorum shall be reported at the annual business meeting prior to certification. Elections for the ABF Board of Directors by the State Delegates Assembly shall be certified by the membership at the annual business meeting. The State Delegates Assembly shall elect four (4) members from among its number of State Delegates to serve two-year terms on the ABF Board of Directors. Each year the Assembly shall elect two (2) Directors as follows: Each Delegate present may nominate two candidates. On the first ballot, each Delegate present may vote for two of the nominees. The four (4) candidates receiving the highest number of votes shall be eligible for the second ballot. On the second ballot, each Delegate present may vote for two of the nominees. The two (2) candidates receiving the highest number of votes shall be considered elected. The candidate receiving the next highest number of votes shall be considered the Alternate for the following year for all the Directors elected from the State Delegates Assembly. The number of votes cast for any candidate must be kept secret.
Roles and Responsibilities for ABF State Delegates *(from the ABF Chairperson for the State Delegates)*

1. Within a week or two of new elections in your state: notify American Beekeeping Federation (ABF) at info@abfnet.org of the newly elected officers and contact information to include address, phone and email

2. From a state or local beekeepers association, send ABF what is effecting you at a local or state level and any help you might need from ABF

3. Share information received from ABF about specific events and programs within your state and local associations

4. Attend the bi-monthly calls for State Delegates.

5. Send at least one representative within your state association to the ABF Annual Conference

6. If you are the designated representative of your state association, then come to the State Delegates meeting at the ABF Annual Conference. (please send your name into ABF at msausaman@abfnet.org by November 15th)

7. Send information of your state events to Melissa Romsdahl mromsdahl@abfnet.org.

8. Promote ABF within your state and local associations

9. Bring suggestions to the membership committee on how to get more members to join

10. If you have a great local or state story, ABF would love to put it in ABF E-Buzz or ABF News. Contact Molly Sausaman at msausaman@abfnet.org for information and schedule of deadlines

11. If you would like to serve within an ABF committee, let Molly Sausaman know at msausaman@abfnet.org

12. If you have a topic for a webinar or would like to present a webinar, please contact Molly Sausaman at msausaman@abfnet.org

**Heartland Apicultural Society** [http://www.heartlandbees.org/](http://www.heartlandbees.org/)

Heartland Apicultural Society Inc. was founded in 2001 with a grant from Eastern Apicultural Society. Donations and fees collected by Heartland Apicultural Society support conference hosting costs; the board of directors and support staff are all volunteers. Donations to Heartland Apicultural Society may qualify as deductible charitable contributions.
Tom Webster, Kentucky State University researcher, Greg Hunt with Purdue University Entomology, and Zachary Huang with Michigan State University Entomology founded Heartland Apicultural Society in 2001. The purpose of the organization was to bring the latest scientific-based beekeeping research, basic beekeeping classes and advanced beekeeping classes to beekeepers. Since Heartland Apicultural Society was founded, annual conferences have been held at rotating locations. **Their job description is being forwarded to us.**

**Eastern Apicultural Society:** [http://www.easternapiculture.org/](http://www.easternapiculture.org/)

The Eastern Apicultural Society of North America, Inc. (EAS) is an international nonprofit educational organization founded in 1955 for the promotion of bee culture, education of beekeepers, certification of Master Beekeepers and excellence in bee research. EAS is the largest noncommercial beekeeping organization in the United States and one of the largest in the world.

Every summer EAS conducts its Annual Conference consisting of lectures, workshops, vendor displays, short courses for beginning and advanced beekeepers, Master Beekeeper examinations and an annual business meeting in one of its 26 member states or provinces in the eastern U.S. and Canada. Over 400 people generally attend the conference each year. EAS publishes its newsletter, *The EAS Journal*, four times a year; sponsors awards to deserving bee researchers and graduate students; and offers research grants for applied research projects.

From EAS By Laws: [https://www.easternapiculture.org/about-eas/eas-bylaws.html](https://www.easternapiculture.org/about-eas/eas-bylaws.html)

**Section 2.2 Initial Term of Directors.**

In order to assure that the terms of the majority of the board of directors will not expire at once, the directors' terms for the following states in the EAS region shall expire as follows:

a. Terms of directors from the following states/provinces shall expire in 2005, and every fourth year thereafter - Ontario, Pennsylvania, Virginia, Ohio, Quebec, South Carolina, Georgia, Master Beekeeper.

**SECTION 2.7 Voting by Proxy.**

Any state/provincial association whose director is absent at a Board meeting is entitled to a vote at any meeting of the Board by proxy. The proxy director must have provided authorization in writing signed by the state/provincial association president or the director granting the proxy. Such written authorization must specify any limitation placed on the voting rights granted to the proxy. The proxy statement must be filed with the Society Secretary prior to the beginning of any Board meeting and announced at the beginning of the Board meeting.

**SECTION 3.2 Regular Meetings.**
The Board of Directors will hold at least two regularly scheduled meetings during each year. One of the two meetings will be held in conjunction with the annual conference.

SECTION 3.4 Annual Meeting.
The annual meeting of the board is essentially the same as a regular board meeting, except that it shall be held prior to the General Membership Business Meeting. This is done so as to allow issues of importance to the membership as a whole to be presented to the general membership for consideration and vote.

ARTICLE 5 COMMITTEES
SECTION 5.1 Types and Appointments.
The Society shall have two (2) types of committees, Standing and Ad Hoc. Volunteers for committee positions may be accepted from the Board members, however, the Chairman retains authority for all committee appointments, except for the Executive Committee whose members are all elected. The Chairman appoints each committee chairman except the Finance Committee Chairman who is the elected Treasurer and the Executive Committee which is chaired by the Chairman. The Chairman may appoint a scholar from the general membership to serve on the Awards Committee to assist in evaluating Research Grant Proposals, and the other Awards. Each committee will have one or more members. Job descriptions, goals, purposes, guidelines and reporting requirements of all committees are defined in the Policy and Procedure Manual. Appointment to a committee will terminate at the end of the Board Member’s term of office or by arrangement with the Chairman.

SECTION 5.1.1 Standing Committees.

SECTION 5.1.1.1 Executive Committee.
The Officers of the Society serve as the Executive Committee. The Executive Committee shall have all of the powers and authority of the Board in the intervals between meetings of the Board.

SECTION 5.1.1.2 Finance Committee.
The Finance Committee will have at a minimum three members and be chaired by the Treasurer. The Finance committee shall be responsible for developing and reviewing fiscal procedures, ongoing fundraising and a budget for both EAS operations and the annual conference. All budgets and amendments to budgets will be presented to the Board for approval. One member of the Finance Committee will be designated recording secretary and keep minutes of each Finance Committee meeting.

SECTION 5.1.1.3 Awards Committee.
The Awards Committee will have as a minimum three members and is responsible for evaluating award nominees and selecting winners for the various awards given by EAS each year. A list of the awards and the criteria used to determine each winner may be found in the Procedures and Policy Manual. One member of the Awards Committee will be designated recording secretary and keep minutes of each Awards Committee meeting.
SECTION 5.1.1.4 Nominating Committee.
The Nominating Committee will have as a minimum two members and is responsible for seeking out qualified members to serve on the Board and placing the qualified member’s name in nomination before the Board Of Directors, and if accepted, then at the annual conference General Membership Business Meeting. The Nominating Committee is responsible for monitoring the expiration dates of the various Board members terms of office so that the orderly replacement of directors is maintained.

SECTION 5.1.1.5 Membership Committee.
The Membership Committee will have as a minimum three members (one being the Vice Chairman) and is responsible for presenting to the Board initiatives for approval to increase membership. Upon approval or modification by the Board, the Membership Committee will implement the initiative and report the results. The Vice Chairman shall act as recording Secretary.

SECTION 5.1.2 Ad Hoc Committees.
Ad Hoc Committees will be appointed from time to time by the Board to perform a specific task. All Ad Hoc Committees will receive from the Board a set of written instruction defining the scope of the committee’s task, any limitation placed on the task and when the task is to be completed. Ad Hoc Committees may vary in size from one to any number and remain in effect until the task is completed.

For the complete By Laws of EAS go to https://www.easternapiculture.org/about-eas/eas-bylaws.html
<table>
<thead>
<tr>
<th>Position Applied for</th>
<th>Click or tap here to enter text.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are you a member of a local beekeeping association</td>
<td>YES ☐ NO ☐ Have you held a leadership role in your local beekeeping organization? YES ☐ NO ☐</td>
</tr>
<tr>
<td>If yes, what club</td>
<td>Click or tap here to enter text. What position?</td>
</tr>
<tr>
<td>How many years have you been a beekeeper?</td>
<td>Click or tap here to enter text.</td>
</tr>
<tr>
<td>Why do you like beekeeping?</td>
<td>Click or tap here to enter text.</td>
</tr>
<tr>
<td>Why are you applying for this position with OSBA?</td>
<td>Click or tap here to enter text.</td>
</tr>
<tr>
<td>What skills do you bring to the position?</td>
<td>Click or tap here to enter text.</td>
</tr>
<tr>
<td>How can you apply your skills to help OSBA?</td>
<td>Click or tap here to enter text.</td>
</tr>
</tbody>
</table>

*Please list three references (preferably references from projects on which you worked / volunteered).*

<table>
<thead>
<tr>
<th>Full Name</th>
<th>Click or tap here to enter text.</th>
<th>Relationship</th>
<th>Click or tap here to enter text.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company</td>
<td>Click or tap here to enter text.</td>
<td>Phone</td>
<td>Click or tap here to enter text.</td>
</tr>
<tr>
<td>Address</td>
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<tr>
<td>Full Name</td>
<td>Click or tap here to enter text.</td>
<td>Relationship</td>
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<td>Company</td>
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<td>Company</td>
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<td>Address</td>
<td>Click or tap here to enter text.</td>
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</tbody>
</table>
**NON-PROFIT REQUIRED INFORMATION**

The following must be completed due to the IRS 990 tax filing for OSBA and Standards of Excellence for nonprofits.

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are you related to a current OSBA Board member?</td>
<td>☐</td>
<td>☐</td>
<td>If YES, list their name(s) [Click or tap here to enter text.]</td>
</tr>
<tr>
<td>Do you currently provide any contracted services to OSBA? [Click or tap here to enter text.]</td>
<td>☐</td>
<td>☐</td>
<td>If YES, list the contracted service(s): [Click or tap here to enter text.]</td>
</tr>
<tr>
<td>Will you sign and comply with a conflict of interest policy while serving as a Board member of OSBA?</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Are you a citizen of the United States of America?</td>
<td>☐</td>
<td>☐</td>
<td></td>
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<tr>
<td>Are you under investigation/been convicted of a crime related to:</td>
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<tr>
<td>Choose an item: Corruption</td>
<td></td>
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<tr>
<td>Choose an item: Irregular or unauthorized use of public resources</td>
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<tr>
<td>Choose an item: Substantial unauthorized or irregular use of, or substantial mismanagement of public resources</td>
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<tr>
<td>Choose an item: Conduct involving a substantial and specific risk of injury to public health, prejudice to public safety, or harm to the environment.</td>
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<tr>
<td>As required by our Insurance:</td>
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<tr>
<td>Have you given written notice under any insurance policy which might give rise to a claim?</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>Are you cognizant of any act, error or omission which you have reason to suppose might afford valid grounds for any future claim?</td>
<td>☐</td>
<td>☐</td>
<td></td>
</tr>
</tbody>
</table>

**IF YOU ARE APPLYING FOR Heartland Apicultural Society (HAS) or Eastern Apicultural Society (EAS) Representative/Director or American Beekeeping Federation State Delegate**
You must be willing to serve on at least 1 committee during the year with HAS or EAS or ABF
You must regularly submit meeting reports/minutes to the OSBA Board
You may remit up to ½ of the costs to attend the yearly HAS or EAS or ABF Conference

**Transparency, consideration, and reports to serve the mission of OSBA**

- OSBA Board members should be careful when speaking in “broad generalities” that “many members and Board members” have concerns with OSBA about any issue.
- The meeting notes, officer and committee reports of the OSBA Executive Committee should be posted on the OSBA website as soon as possible after each meeting.
- In order to make the OSBA Secretary’s job easier, and posting of minutes onto the website timely, all Officers, Committee Chairs, and Project Leaders should submit a written report in WORD for each OSBA Board Meeting for review by the OSBA Board prior to the meeting, and for ease in the Secretary’s compilation of meeting minutes.
- The CPA-auditor stated if Board members do not want to complete reimbursement forms, in-kind forms, etc. with applicable documentation they are not being transparent.
- OSBA needs to post the meeting minutes and reports for all OSBA meetings for transparency and honesty. By posting the Executive Committee reports as well as the Board Reports it will show the Executive Committee is providing the full Board with the same information.

It is imperative that OSBA be aware of activities Board and committee members are enacting on behalf of OSBA. If a Board member would depart or have a health/personal crisis, OSBA must continue to move forward on every project. Reports by Board and committee members are vital to the current status of any program.

Therefore, Board reports need to provide detail so fellow Board members know the status, contact information, income, expenses, meeting dates, appointments, etc. in case of a fellow Board members’ crisis. Each event, program, committee report needs to provide the following details for transparency, and recognition of volunteers’ work for OSBA:

- What are the date(s) of the event(s)
- List the dates of volunteer shifts
- Which volunteers are working which shifts
- What educational materials will be available at these events
- Will opening cash be needed for the events (is OSBA selling anything at these events?)
- Who is the contact person for each event
- When were they contacted, what was the result of the contact, etc.?
OSBA needs these details in case of an emergency, out of consideration for fellow board members, and most importantly for the continuity of OSBA and service to its mission. For transparency and honesty, detailed written reports are important for OSBA.

Ohio State Beekeepers Association  
1624 Idlewood Ave.  
Akron, OH 44313  
www.ohiostatebeekeepers.org

OSBA Board member reimbursement request and activity update 2019

PLEASE PRINT OR TYPE

Today’s date: 6-14-2019

YOUR NAME: Peggy Garnes

ACTIVITY REPORT Year to date 2019

YOUR ADDRESS to mail the reimbursement check: N/A

January 2019

NHL 1-2, 3 - Honey Judging Class- work on promotion on facebook, webpage; Continued to research candidates for Western Reserve area rep position – submitted Greg Bokan as possible rep to Mike Dosek

1-4 Met with Medina Juvenile Detention Center regarding underserved grant paperwork and gave presentation to group of detainees (7.6 miles)

DNQ 1-8/12 ABF meeting in SC Spoke with ABF, Margaret Reed and Mike Kleim (1344 miles)

DNQ 1-14 MCBA board meeting – discussed 4H, Seed packets and affiliate costs (13 miles)

1-16 Met with Jim Thompson and Bruce Schneider on HJ Class (53.8 miles)

1-28 Spoke with Glenn Turner regarding ongoing issues with testing for Master Beekeeping Classes

1-30 Met w/John Grafton - HJ Class (57.2 miles)

Commented [O28]: A number of items in this report Do Not Qualify (DNQ) as it would be “double-dipping” from personally paid presentations, or were not done with the foreknowledge of OSBA for message consistency.

NHL= No hours listed for the activity, so no in-kind assignment can be applied.

Commented [O29]: No hours listed for the activity

Commented [O30]: As no report was filed, who did you meet with, what is their interest in the underserved grant? What was the follow-up to this meeting.

Commented [O31]: Does not qualify. You were not the OSBA rep at the OSBA State Delegate lunch; nor did you provide a written report on the delegate lunch activities. Another OSBA officer attended the ABF activity, and they provided a report to OSBA.

Commented [O32]: Does not qualify as Board members cannot count toward in kind or cash reimbursement travel and activities at their local/home clubs.

Commented [O33]: Use of language is misleading—this individual was simply seeking his certificate.
February 2019

DNQ-2-2 MCBA Beginner Classes (both classes Sat/Tues) – ADK, seeds, best management brochures, fall conference and use of OSBA website (13 miles)

- 12 Greater Grand Lakes – promoting HJ Class (35 people) (314 miles)

- 17 Columbiana Mahoning County Beekeepers Association Mtg-promoting HJ Class, Affiliate program, traveling speaker, Pavilion at Fair and fielding questions from Build A Better Bee Club program (160 miles)

- 21 Athens Beekeepers – promoting HJ Class, Affiliate program and traveling speakers (15 people) (346 miles)

March 2019

DNQ-3-1&2 Tri-Cty Workshop – volunteered at table with Jamie, Terry ((57.8 miles)

DNQ-3-8&9 Honey Judging Classes (212 miles)

3-16 OSBA Planning Meeting (196 miles)

April 2019

NHL-4-2 Called venues for Pollinator Week

DNQ-4-10 Pollinator/Beekeeping Talk at Richfield Preserve (43.8 miles)

DNQ-4-16 Presentation at Maumi Valley – talked about OSBA prior to presentation per Roger (218 miles)

NHL-4-18 Phone call to Education Chair regarding brochures for upcoming Farm Science Review/called more venues for Pollinator week

- 26 Medina teaching staff on underserved grant information (13 miles)

May 2019

DNQ-5-16 Summit Cty meeting – talked about OSBA talking points prior to presentation (86.4 miles)

DNQ-5-18 Tractor Supply – Market Day handed out OSBA brochures to public and beekeepers (18 miles)

- 21 Richland Cty Meeting – didn’t want me to talk about OSBA prior to meeting (100 miles)

June 2019

DNQ-6-9 Detroit – talked about OSBA programs prior to presentation – interesting mirror projects (322 miles)

DNQ-6-19 Wright Pat for Pollinator Week w/Kelly Morse (322 miles)

Commented [O34]: Does not qualify as this is at your home club. It is misleading to place this on an OSBA Board report for in kind donation as it is implied “double-dipping.”

Commented [O35]: No formal OSBA Board report form was completed for this meeting. The formal report is attached to the OSBA Board reimbursement report, but it was not completed for this club meeting or any others in this report.

Commented [O36]: Again, no formal report was filed for this activity. Concerned you know little of the Affiliate program and BABBW workshop and a written report would have secured answers to those individuals’ questions. And you have not mentioned this or other activities on this report in your Executive Committee VP report.

Commented [O37]: You did not complete the formal report for this meeting.

Commented [O38]: You were a paid speaker at this event, so claiming mileage is “double-dipping.” As you declined to staff the OSBA table at the last minute, you cannot claim OSBA mileage even in kind mileage for this activity.

Commented [O39]: You were reimbursed mileage to the honey judging class—check # 3458 on March 20, 2019. You cannot claim this mileage as in kind when you were...

Commented [O40]: No hours listed, unable to assign an in kind value.

Commented [O41]: You were paid to give a presentation to this group, so you cannot also claim in kind mileage for OSBA.

Commented [O42]: You were paid for this presentation and you cannot double-dip even with in kind mileage for...

Commented [O43]: No hours listed, unable to assign an in kind value.

Commented [O44]: Who was contacted, and what was the follow-up? Was this the High School or Junior High?

Commented [O45]: You were paid to give a presentation to this group, and this again would be double-dipping on...

Commented [O46]: Activities such as a publicized Market Day at Tractor Supply must be approved by OSBA prior to any public event. Marketing materials need to be approved.

Commented [O47]: Choice of language is concerning. Why did this group not want you to talk? Did you not contact them ahead of time to ask for time on their agenda?

Commented [O48]: Each Board member’s actions, written and verbal, reflect upon OSBA and all OSBA members. Board members cannot double dip even in...

Commented [O49]: The mileage for this activity was reimbursed and cannot be claimed as an in kind donation.
I am submitting this report to show where and what I have done the first six months of this year on behalf of OSBA and how I have represented OSBA. Since I belong to 6 clubs plus my home club, the treasurer pointed out most of these travels and visits cannot be listed or reimbursed in any way. I’m ok with that…

**DO NOT WANT OR REQUEST ANY REIMBURSEMENTS. (I am a volunteer for OSBA)**

I will donate 2,000 miles “in-kind” to OSBA.

Respectfully Submitted,

Peggy Garnes

Vice President, OSBA
Affiliate Benefits

- Nonprofit status through the OSBA group exemption
- Annual reports to the IRS and Ohio Attorney General
- Directors and Officers Insurance for your Board
- Property and Liability Insurance for your bee club
- Website hosting
- Monthly OSBA Affiliate Newsletter
- OSBA Pollinator Oasis Seed packet fundraiser
- Tech Soup membership
- Discounted OSBA Traveling Speaker fees
- Affiliate club discounts to special OSBA workshops
- Fiscal sponsor for bee clubs on grant funded projects

OSBA Programs & Services

Traveling Speaker Program
- Monitoring for Sustainability
- Overwintering Nucs
- Introduction to Grants
- Small Scale Queen Rearing for the Single Apiary

Contact president@ohiostatebeekeepers.org to schedule a presentation.

Apiary Diagnostic Manual
Apiary Diagnostic Kit complimentary to new beekeepers who meet grant guidelines (until supplies last)
*OSBA Apiary Diagnostic Kit is available for purchase through Betterbee
Beekeeping Education DVD
4-H Beekeeping
Welcome Boxes for local Club Beginning Beekeeping Classes
Affiliate Program
Ohio Bee Research Grant
Beekeeping Library Grant for Underserved Populations
OSBA Pavilion at the State Fair
Quarterly Newsletter
Master Beekeeper Program
Annual State Conference
Specialty Classes/Workshops
State Advocacy for Ohio’s Beekeepers
Website and Facebook pages
New Club Handbook
Field Day Guide
Zoning Ordinance
Speaker Resource List

Visit the OSBA website for more information www.ohiostatebeekeepers.org

End of Treasurer report
OSBA Finance Committee meeting

Agenda
Sat., Sept., 7, 2019
7:00 p.m.

Committee members: Bob Hooker, Don Crock, Kyle Kovacs, Kathi Hinckley-Vaughn, Michele Colopy, Terry Lieberman-Smith

1. Process- for transparency
All committee meetings are recorded to aid in taking notes of the meetings.
All meeting notes will be posted to the OSBA website on a Finance Committee page
Email chain for all Finance Committee emails will be compiled in chronological order
and placed on the OSBA Finance Committee webpage
Final policies and procedures will be posted on the OSBA website for ease of Board
members and members locating the policies and procedures, and for transparency

2. Review Audit
3. Review Audit questions
4. Review Attorney comments to OSBA contracts- Dallas; Taggart
5. Proposed schedule for review of each group of policies and procedures
   Sept. 7- conference call with OSBA Finance Committee to review draft of contracts,
policies, and procedures; Treasurer to make any changes per committee (but NO changes to
attorney comments)
     ✓ Sept. 15- Group A with notes back to cmte; deadline back to me Sept. 22
     Sept. 22- Group B with notes back to cmte; deadline back to me Sept. 29
     Sept. 29- Group C with notes back to committee- deadline back to me Oct. 6
     Oct. 7- final draft of all back to cmte; Final comments to me by Oct. 12
     Oct. 12- Final draft presented to OSBA Executive Committee
     Oct. 20- Final documents presented to OSBA Board

Meeting notes were taken directly in the documents being reviewed. See also the email chain for
committee input on specific topics.
Financial report (see attached)

- As reported in every Treasurer report . . . Anyone is welcome to contact the OSBA Treasurer to walk through the OSBA budget and financial reports so they can fully understand the reports and the financial status of OSBA. The questions at the audit showed Board members still did not know the difference between and audit and the monthly Profit and Loss reports, as well as the details provided in the Treasurer reports after each event/class/project.
- Note the correction to the Treasurer’s In Kind report. Mileage for Akron Bee ordinance work has been removed, as it does not qualify under OSBA. Apologies for my error.

Bookkeeper per the Board approved budget

- Trial run has begun for August-December to determine a full year’s estimate for work needed to replace most of the 20-30 hours per week of data entry and other Treasurer activities by the OSBA volunteer Treasurer. The bookkeeper is a certified Quickbooks expert and is with W3 Global, the firm that has completed the OSBA 990 and Affiliate 990 reports.
- Having a professional bookkeeper with a W3 Global, also corrects the one weakness found in the audit; having a professional be able to provide journal entries, footnotes, and review of the accounting. (also see “Audit” below)

Audit

The CPA (Dave Komer with Donavon & Klimczak) who conducted the audit held a conference call with the OSBA Board to answer any questions. Additional information was sent to the OSBA Board clarifying incorrect questions of Board members pertaining to the audit compilation, and verifying the OSBA Treasurer records are, as Dave Komer, CPA stated, “All information was detailed, and Michele did an excellent job organizing the documents. The books are in excellent shape.” The audit documents have been posted to the OSBA website for transparency.

The audit report did state one weakness and that was OSBA not having a complete internal control system such that the Treasurer could provide the financial report WITH footnotes in preparation of the audit. A professional CPA or Bookkeeper (Quickbooks expert) would resolve that weakness. Per the arrangement with the OSBA Board, August-Dec. of 2019 a certified Quickbooks expert at a CPA firm, W3 Global, will be taking some of the workload off of the OSBA Treasurer, learning how OSBA functions, and therein provide the solution to the Audit’s comment for a financial report WITH footnotes at year end. At the beginning of December the bookkeeper will be able to provide OSBA with a quality estimate of the cost to continue to maintain the daily accounting of OSBA for an entire year.

An audit must be conducted of the 2019 accounting records. As reported at the OSBA full Board meeting in August, the CPA (Dave Komer with Donavon & Klimczak) has been secured now so
OSBA can get into their work queue sooner this time (projected completion date of 2019 audit would be April 15, 2020).

In order for consistency, quality, transparency, and responsibility, I will continue to fulfill the duties of Treasurer until Dec. 31, 2019 at midnight the end of the OSBA fiscal year. Per the By Laws the new Treasurer will assume their duties Jan. 1, 2020.

**OSBA Budget- income vs. expenses**

OSBA committees contributed their input to the OSBA annual budget for their specific committees, and the Board reviewed and approved the annual budget. The budget must balance so OSBA raises the income each year to cover the expenses. OSBA is not a foundation, nor should OSBA accrue funds just to build up a savings account. OSBA should have a contingency or rainy day fund, but budgets should balance; each year income should cover expenses in service to the mission and members of OSBA. The mission of OSBA is to serve its members. OSBA serves its members by providing services and programs to its members and the beekeepers of Ohio. Expenses are not high, they are part of the Board approved budget.

Years ago OSBA began safeguarding its lifetime member dues into Certificates of Deposit to protect those funds (dues for the lifetime of those members) for emergency use for OSBA. A responsible organization earns the income each year to support the program expenses each year. The “what-if” scenario I provided at a previous Board meeting shows examples of changes in revenue and how OSBA would be impacted.

**Event cash tracking**

The audit trail at the State Fair did not follow appropriate procedures for cash management, even though forms were provided to the committee. Two people should count the money at the beginning and end of the day. Opening cash for all events, per the Finance Committee policies, and out of respect for volunteers, should come from OSBA, not volunteers’ personal funds. *For transparency this needs to be stated, as this weakness will appear to an auditor.* The OSBA Treasurer works to ensure all volunteers are respectful of member funds, and are tracking OSBA monies appropriately such that the volunteers are protected from any appearance of malfeasance. When the volunteers refuse to use the very forms that would make their work easier, and help protect them and OSBA, they are not being transparent, and their actions would lead a reasonable person to question why they refuse to count the money at the beginning and end of the day, and provide the written documentation with and for the deposit record.

Lithopolis and Farm Science Review event chairperson has not sought opening cash. All Board members must follow the financial guidelines all of us are to follow for transparency, respect for fellow volunteers, and fiduciary responsibility. Pricing signs needed to have a professional appearance, and not be handwritten on the back of an envelope as they were at the Bee Culture event. Were new signs made and used? What items were sold at the tables, was an inventory
taken, as we will have to pay sales tax on items sold? What marketing materials were available at the table(s)? Copying information sheets from the Farm Bureau, or Honey Bee Health Coalition will not cost $280-$520-ish? What quotes, from what companies provided the estimates for educational materials?

Ms. Garnes publically states she has “integrity and the ability to work well with others,” and “effective communication skills.” The Board has yet to receive answers to basic planning questions for OSBA events that have been asked since May 2019. For transparency and effective communication OSBA needs to read in the Vice President’s reports, answers to the following questions for every event table and project under the Vice President’s responsibility:

- Are table pricing and informational signs created and uploaded to the OSBA Dropbox?
- What are the shifts? “All day” is unhealthy in the summer heat.
- When is the lunch break?
- Who is setting up? Who is breaking it all down?
- Who is seeking mileage reimbursement and how does all of this impact the budget?
- Lithopolis budget is $1000 minus the $250 fee we have already paid.
- FSR budget is $1700 minus $430 we have already paid.
- What is the cost of the marketing materials for each site?
- If volunteers do not bring their own food, what is the cost of the food to feed the volunteers?
- So, which volunteers need hotels? What is that cost? Are people driving down each day? That is not cost effective; hotels would be cheaper than mileage.
- Do we have emergency phone numbers for volunteers in case of an accident?

**Finance Committee- Contract Review**
Committee members: Don Crock, Kathi Hinckley-Vaughn, Bob Hooker, Kyle Kovacs, Michele Colopy, Terry Lieberman-Smith

Dallas Johnson at Hanna and Rasnick spent more time than estimated, and reduced his price to what he estimated to review the OSBA contracts ($1000). (The attorney’s comments are attached)

William Zacour of Taggart law firm charged less than $400, and had very minimal input. The comparison between the two attorneys reviewing the OSBA contract shows a drastic difference in attention to detail and customer service. (The attorney’s comments are attached)

The contracts are being reviewed by the OSBA Finance Committee. Contracts and final financial policies and procedures will be provided for the OSBA Board per the following schedule:

- Sept. 15- Group A with notes back to cmte; deadline back to me Sept. 22
- Sept. 22- Group B with notes back to cmte; deadline back to me Sept. 29
Most striking issue out of the contract review concerns sales tax. Sales tax at the state fair for seed sales is 7.5%. OSBA has never paid sales tax on seed sales at the State Fair. After a conversation with Alyssa at Circa Plants, she stated Circa Plants has paid the entire amount of the sales taxes on the seed sales at the OSBA Pavilion at the State Fair. I agree with the lawyer, and advised Alyssa that OSBA should have been paying half of that sales tax expense.

The Fair Committee needs to review and make a proposal of what to do about collecting and paying the sales tax on the Circa Seed inventory OSBA sells at the State Fair. The Fair Committee needs to review the seed sales, sales tax, process to collect, or process to have Circa sell the seeds themselves, etc. at the Fair and make a proposal to the Board for a solution. Alyssa at Circa Seeds said they would be glad to have their own staff sell the seeds at the State Fair OSBA Pavilion. She also stated they have lost all of their inventory at an outdoor event previously, but to inventory the seeds at their end would be difficult. Alyssa realizes the partnership agreement with OSBA is negotiable, and that the agreement is meant to protect all parties.

This year Circa Seeds was paid their half of the total in seed sales at the Fair. However, per the attorney, OSBA in 2020 and going forward should pay half of the sales tax cost of the seed sales in order to be fair with Circa Plants.

Below is additional information about sales tax in Ohio. The OSBA Treasurer, Finance Committee, and CPA are examining any past sales tax liabilities OSBA may have, and the process forward in regards to the collection of sales tax on items OSBA sells at any event, including the State Fair Pavilion.

Collected tax and tax liability include "sales tax."

from the state tax website their responses to FAQs . . .

Penalty for not collecting / paying tax

- An additional charge up to $50 or 10 percent of the tax required to be paid, whichever is greater, may be levied on every tax return not filed on time and/or when the tax liability is not paid in full.
- For not paying collected taxes, or not filing a tax return, a penalty up to 50 percent of the tax due may be assessed.
- A $50 fee is charged for every returned check. Interest may be due on any taxes found due and not paid in a timely manner.
Physical Location in Ohio - Every Ohio retailer (vendor) and certain service providers making taxable retail sales must obtain a vendor’s license, collect the proper amount of sales tax, file tax returns with payment of tax collected, and maintain complete records.

Out-of-State Sellers - An out-of-state seller that meets Ohio’s substantial nexus laws will be required to obtain a seller’s use tax license, collect tax on taxable sales made to consumers in this state, file tax returns with payment of tax collected, and maintain complete records.

- Please note – Out-of-state sellers are not required to collect and remit tax on taxable sales made through a marketplace, so long as the marketplace facilitator is collecting and remitting tax on your behalf. For additional information on marketplace facilitators, please click here.

Vendors are required to keep complete records of daily sales, tax charged and exemption certificates. All records of daily sales and tax charged must be retained for four years and must be open for inspection by agents of the Tax Commissioner. Blanket exemption certificates must be maintained for at least four years after the final sale is made to the purchaser who issued the certificate. The Tax Commissioner may allow the records to be destroyed early or may request that they be kept longer.

Restaurateurs and other food service operators, licensed under section 3732.03 of the Ohio Revised Code, are allowed to maintain records for only 14 days per calendar quarter. The specific dates for which records must be kept are determined by the Tax Commissioner four times a year.

Vendors will receive a letter from the Department of Taxation concerning their filing schedule (monthly, semiannually, or EFT) shortly after obtaining a vendor's license. Returns must be filed when due even if no sales are made and/or no tax is due. Filing schedules are set according to the vendor's anticipated tax liability or their business activity. The tax return must be filed and received by the Department of Taxation on or before the due date indicated on the return. Monthly returns are due on the 23rd of the month, following the reporting period of the prior month; semi-annual returns are due on Jan. 23 and July 23 for the previous six-month filing periods.

Sales tax returns are required to be filed electronically. For more information and a comparison of filing options, see Sales Tax Electronic Filing.

Sales tax must be charged on all retail sales unless the purchaser provides a properly completed exemption certificate stating the statutory reason for claiming exemption. The vendor must retain the certificate as proof of nontaxable sales. Exemption certificates are prescribed by the Tax Commissioner and can be obtained from a local printer or office supply store. Sample forms are available on our Web site by searching Tax Forms.

Exemption certificates are not needed when the item sold is never taxable, such as prescription drugs and food sold for off-premises consumption. Certificates are not needed when the purchaser is clearly identified on the invoice as an entity that is always exempt, such as the federal government, the State of Ohio, or any local government of this state.
If Ohio sales tax or seller’s use tax has been collected from customers but not remitted, there is no limitation to the lookback period. All tax collected must be paid. Tax collected but not remitted, is also subject to a 10% penalty. If the company should have collected Ohio sales tax or seller’s use tax on its Ohio sales, but did not, or if Ohio use tax is due on purchases, generally the lookback period to remit tax and interest is the 36 months leading up to the submission of the voluntary disclosure request. However, the lookback period may vary depending upon the date when the company began nexus-creating activities in Ohio or began making untaxed taxable purchases in Ohio.

In exchange for the company entering into voluntary disclosure, the division will agree to:

- Waive civil and criminal penalties (except for tax collected, but not remitted).¹
- Limit liabilities for sales and use tax to the voluntary disclosure period (except for sales tax collected, but not remitted).²
- Not disclose the company’s identity to other parties.

¹ Any amounts assessed prior to the date the taxpayer requests the voluntary disclosure are not eligible to have the civil or criminal penalties waived by the division.

² The Department may be required to disclose information regarding the company pursuant to its information sharing agreement with other states, the Federal Government and Canada, or as otherwise provided by law. Ohio Rev. Code 5703.21 and 5703.40.

- Allow the company to remain anonymous, if desired, until the signed agreement is returned.

The department reserves the right to examine records for the disclosure period. The department also reserves the right to void the agreement if the taxpayer fails to comply with the requirements of the voluntary disclosure program.


**Proposed:**

OSBA secures a Transient Vendor license which allows us to store for sale items in one place, and ship out the items purchased, or sell them at event tables. $25 annually for the transient vendor’s license. If we use the address on the IRS determination letter (330 Sunderland Rd., S., OSBA needs to ensure the use of this address will not impact Tim Arheit’s business.

In consultation with the CPA, OSBA Treasurer contacts the Ohio Tax Dept., and inquires how far back we need to go to become current with sales tax on OSBA sold items.

OSBA will remit the amount of sales tax owed for 2019, and those sale taxes in arrears.
Guidestar- nonprofit ranking

- Created and updated the OSBA profile on Guidestar (GuideStar is the most complete source of information about U.S. charities and other nonprofit organizations there is. Search our database of more than 1.8 million IRS-recognized organizations to find a charity to support, benchmark your own nonprofit’s performance, research the sector, and more.) OSBA is classified at the Gold Level due to our transparency and financial accountability. See https://www.guidestar.org/profile/31-1085405

Pollinator Stewardship Council Projects

Camp Manatoc
The Camp Manatoc Beekeeping and Habitat Project was led by the Pollinator Stewardship Council. OSBA collaborated by providing 2 woodenware kits. All other funding and management of the project was led by the staff of Pollinator Stewardship Council. OSBA Treasurer provided the OSBA Library Grant paperwork to Summit County Beekeepers in order to apply for the grant for Camp Manatoc. This project is solely managed by the Pollinator Stewardship Council. The care and mentorship of the bees is with Summit County Beekeepers, and Pollinator Stewardship Council has communicated such with Summit County Beekeepers mentor, John Irvine, and the staff at Camp Manatoc. OSBA’s has no other commitment to this project since the provision of the 2 sets of woodenware in 2018.

Akron Bee Ordinance
Pollinator Stewardship Council is taking the lead on the committee work on this as Pollinator Stewardship Council is a resident and property owner in the City of Akron. Pollinator Stewardship Council is in regular communication with the Summit County Beekeepers, and other individual beekeepers who reside in Akron, as this process is developed with City Council and the Summit Food Coalition. This is not an OSBA activity, but a Summit County Beekeepers and Pollinator Stewardship Council activity due to the nature of residency of the 2 groups involved. The OSBA Treasurer mistakenly included in kind mileage in a report to OSBA, and that has been stricken from the record (see attached).

Nomination form questions: input from the CPA (info provided to the OSBA Nominating Committee)

Nomination form insurance and financial background information questions:

The OSBA Treasurer inquired of the Auditing CPA if the questions on the OSBA Board nomination form should remain in order for transparency, fairness, and duty and care of OSBA. See the email exchange below for his answer that the questions should remain.
Dave,

Thank you for the clarification.

Just a reminder the OSBA Board has a scheduled conference call with you to review the 2018 audit:
Sunday, August 25 at 7:30 p.m.
Conference call number is: 605.472.5744
Access code: 732110

We record our meetings to support the Secretary with compilation of meeting minutes.

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Michele Colopy
Treasurer
The Ohio State Beekeepers Association, Inc. (OSBA)
1624 Idlewood Ave.
Akron, OH 44313
OSBA phone: 567-703-6722
Direct contact: 832-727-9492 (my work phone)
treasurer@ohiostatebeekeepers.org
www.ohiostatebeekeepers.org

"Connecting Beekeepers Across Ohio"

On 2019-08-19 07:38, Dave Komer wrote:

Michelle,

I do not see any issue with leaving this question on the form.

1. It makes perfect sense that the organization does not want an individual with this history. Not only from the point of view of possible impact on the public's perception but also from the potential that this individual might perpetrate actions against the organization for their own gain.

1. The fact that this question is there protects the organization due to ...

   a. If the answer falsely, any impact on the organization due to their actions can be buffered by the fact that they most likely lied when they completed the application.
b. If it is found that they have lied on the application, then the organization has the option to dismiss the individual immediately.

So, in short, keep the question.

David M. Komer
Certified Public Accountant
Donovan, Klimczak and Company
13550 Falling Water Road, Suite 201
Strongsville, OH 44136
440.238.5006 – Phone
440.238.6439 – Fax
216.798.6353 – Cell
dkomer@dkc-cpa.com

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From: OSBA Treasurer <treasurer@ohiostatebeekeepers.org>
Sent: Tuesday, August 13, 2019 2:13 PM
To: Dave Komer <dkomer@dkc-cpa.com>
Cc: president@ohiostatebeekeepers.org
Subject: Re: OSBA policy and forms question

Dear Dave,

Just a quick question on our Board member nomination forms that were in the policy and procedures packet I gave you for the audit.

In 2016 I came across a list of questions from the Unified Registration Statement for Board members (http://multistatefiling.org/urs_webv402.pdf), so to alleviate any issues, I had them placed on the OSBA Board nomination form. *Should we retain these questions on the Board nomination form?* (see below)

*Are you under investigation/been convicted of a crime related to:*
*Corruption*
*Irregular or unauthorized use of public resources*
*Substantial unauthorized or irregular use of, or substantial mismanagement of public resources Conduct involving a substantial and specific risk of injury to public health, prejudice to public safety, or harm to the environment.*

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Affiliate Program Report

- Affiliate Program
  - Affiliate Program Committee seeks committee members to learn the process, explain the program, and answer questions of Affiliates about nonprofit activities, forms, and program benefit processes.
  - OSBA has 22 affiliates

1. Northwest Ohio Beekeepers - NEW
2. Pollinator Sanctuary and Training Facility of Defiance County - NEW
3. Maumee Valley
4. Fairfield County
5. Portage County renewed
6. Guernsey Noble renewed
7. Ashtabula renewed
8. Greater Grand Lake renewed
9. Greene County renewed
10. Guernsey County renewed
11. Harrison County renewed
12. Lake County renewed
13. Medina County renewed
14. Miami Valley renewed
15. Richland County renewed
16. Sandusky renewed
17. Scioto renewed
18. Tuscarawas renewed
19. Warren County renewed
20. Geauga renewed
21. Black Swamp renewed
22. Trumbull County Beekeepers

Results of the Affiliate survey:
The OSBA Executive Committee and a few Board members continue to hear the “Affiliate program needs a lot of changes,” but none of those individuals ever state the exact changes that should be made. At the 8-18-19 Board meeting the Board asked for additional information pertaining to the Affiliate program. The information below was emailed to the Board 8-19-19; for the public record it is provided here.

<table>
<thead>
<tr>
<th>Income - MEMBER SERVICES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Affiliate Services</strong></td>
<td></td>
</tr>
<tr>
<td>Affiliate Member Fee</td>
<td>1,360.00</td>
</tr>
<tr>
<td>Affiliate- Directors &amp; Officers Insurance</td>
<td>776.20</td>
</tr>
<tr>
<td>Affiliate- Property &amp; Liability Insurance</td>
<td>776.30</td>
</tr>
<tr>
<td>Application Fee</td>
<td>125.00</td>
</tr>
<tr>
<td>Ohio Secretary of State Incorporation Filing for Affiliates</td>
<td>99.00</td>
</tr>
<tr>
<td><strong>Total Affiliate Services</strong></td>
<td>3,136.50</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expense - MEMBER SERVICES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Affiliate Program Expenses</strong></td>
<td></td>
</tr>
<tr>
<td>Affiliate Filing Fee to Secretary of State</td>
<td>99.00</td>
</tr>
<tr>
<td>Affiliate Program Expenses</td>
<td>13.00</td>
</tr>
<tr>
<td>OH Attorney General Annual Fee</td>
<td>250.00</td>
</tr>
<tr>
<td><strong>Total Affiliate Program Expenses</strong></td>
<td>362.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operations</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance - Liability, Directors &amp; Officers</td>
<td></td>
</tr>
</tbody>
</table>
Directors & Officers Insurance  
3,936.00

Property and Liability insur.  
509.00

**Total Insurance - Liability, Directors & Officers**  
4,445.00

**Affiliate 990 Tax Report Preparation**  
1,360.63

From the P & L report you will find the above line items relative to the Affiliate program. The benefits of supporting our local clubs is part of the mission of OSBA. As Tim stated at the Board meeting, the program costs need to be reviewed as the program has expanded.

The $80 affiliate fee paid for the IRS 990 filing $1360 in fees; $1360.63 in tax report expense

The affiliate insurance rate per member of $1.25 per club member = $ 1,552.50; cost of affiliate insurance $1,872.

Affiliates are asking for specific insurance coverage for their teaching bee yards, and that price is being examined by the insurance carrier. Only those affiliates that have a teaching bee yard will remit payment for that specific coverage, and it will be split amongst those specific clubs.


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**LAWriter® Ohio Laws and Rules**

**2915.092 Raffles - Illegal conduct of raffle - penalties.**

(A) Subject to division (A)(2) of this section, a charitable organization, a public school, a chartered nonpublic school, a community school, or a veteran's organization, fraternal organization, or sporting organization that is exempt from federal income taxation under subsection 501(c) and is described in subsection 501(c)(3), 501(c)(4), 501(c)(7), 501(c)(8), 501(c)(19), or 501(c)(20) of the Internal Revenue Code may conduct a raffle to raise money for the organization or school and does not need a license to conduct bingos in order to conduct a raffle drawing that is not for profit.

(B) If a charitable organization that is described in division (A)(1) of this section, but that is not also described in subsection 501(c)(2) of the Internal Revenue Code, conducts a raffle, the charitable organization shall distribute at least fifty per cent of the net profit from the raffle to a charitable purpose described in division (V) of section 2915.01 of the Revised Code or to a department or agency of the federal government, the state, or any political subdivision.

(C) Except as provided in division (A) or (B) of this section, no person shall conduct a raffle drawing that is for profit or a raffle drawing that is not for profit.

Amended by 125th General Assembly File No.126, H.B. 308, §1, eff. 6/1/2011.

Effective Date: 07-01-2003; 09-23-2004; 09-30-2004
The 2020 Board will have to propose increasing the Affiliate per member rate to cover the increase in insurance expenses.

For example 1242 members within the total Affiliates

<table>
<thead>
<tr>
<th>Rate per member</th>
<th>Total for members</th>
<th>Rate per member</th>
<th>Total for members</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.25 per member</td>
<td>$1,552.50</td>
<td>$2.00 per member</td>
<td>$2,484</td>
</tr>
<tr>
<td>$1.50 per member</td>
<td>$1,863.00</td>
<td>$2.25 per member</td>
<td>$2,794.50</td>
</tr>
<tr>
<td>$1.75 per member</td>
<td>$2,173.50</td>
<td>$2.50 per member</td>
<td>$3,105.00</td>
</tr>
</tbody>
</table>

And does the Board want the fee to cover the cost of a bookkeeper reviewing and approving the Affiliate applications if the future Treasurers do not want to review, respond to, and approve applications?

Membership dues across four years and increase of OSBA’s insurance across that time frame

Also from the P & L reports

<table>
<thead>
<tr>
<th>Year</th>
<th>Total member dues for OSBA (not including Affiliates)</th>
<th>Insurance expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$18,810</td>
<td>$1,550</td>
</tr>
<tr>
<td>2017</td>
<td>$21,710</td>
<td>$1,748 (updated carrier with current OSBA member numbers, and trailer insurance)</td>
</tr>
<tr>
<td>2018</td>
<td>$27,542</td>
<td>$3,659 (increase in membership; $39 Increase due to OSBA mbrs alone) (includes $1872 Number of affiliates)</td>
</tr>
<tr>
<td>2019</td>
<td>$15,135 (to date—we typically receive dues in conference Registrations)</td>
<td>$4,445 (includes addl. insurance to Cover OSBA equipment Stored at 4 member homes)</td>
</tr>
</tbody>
</table>
Slanderous claim from across State lines

Since Spring of 2018 I have been accused of “refusing to share the books” and trying to make a job out of the Treasurer work at OSBA. At the 2018 State Fair a “petition” was circulated, that was never shown to the entire Board, requesting an audit (see previous Board notes and reports on this issue). However, the majority of individuals seeking an audit did not understand the definition of an audit; nor the cost. The entire checkbook register from Quickbooks was copied and provided to the OSBA committee chair who started the petition at an OSBA event, and who accused me of “monkey business” with the OSBA financial records. Half-way through 2018 I ceased taking any valid expense reimbursements from OSBA, reporting any OSBA expenses I have personally incurred as in kind donations; and I continue that procedure across 2019.

The audit has been conducted showing no issues with the accounting; and a letter from the auditing CPA stating the financial policies I have implemented are thorough and necessary. The audit report and CPA letters have been posted to the OSBA website for complete transparency.

Slanderous statements have been and continue to be made concerning the OSBA Treasurer.

noun: slander
1. the action or crime of making a false spoken statement damaging to a person's reputation.
   Synonyms: defamation, defamation of character, character assassination, misrepresentation of character, calumny, libel; scandalmongering, malicious gossip, muckraking, smear campaigning, disparagement, denigration, derogation, aspersions, vilification, tradecensure, obloquy, backbiting, scurrility; lie, slur, smear, untruth, false accusation, false report, insult, slight; o a false and malicious spoken statement.

verb: slander; 3rd person present: slanders; past tense: slandered; past participle: slandered; gerund or present participle: slandering
1. make false and damaging statements about (someone).
Let this Treasurer report state, for the record, it is slanderous for OSBA Board members to state these lies about the financial accounting of OSBA records.

Under my tenure as Treasurer:

I have held two Treasurer sessions where Board members could come and review the Treasurer records and learn the process and details—only 7 of 21 Board members attended the two sessions:

OSBA spent nearly $1,000 copying financial records to provide to the developer of a petition at the State Fair (which again the entire Board was never presented with said petition) with the check book register and a financial review of records by an ad hoc committee of one Board member, and 2 non-Board members that showed no issues with the OSBA accounting. (see http://www.ohiostatebeekkeepers.org/wp-content/uploads/2018/10/2017-Audit-Chairman-Letter.pdf and http://www.ohiostatebeekkeepers.org/wp-content/uploads/2018/10/2017-OSBA-Audit-Committee-Report-10-30-18.pdf)

An audit of 2018 and the OSBA financial policies and procedures has been completed with no findings, and a review letter stating positive acceptance of the policies and procedures. (see attached letter)

When it is reported from attendees at a State Fair from a neighboring state that I “refuse to share the books with the Board” that is a slanderous remark. Members of this Board who are stating this lie are opening this Board for a legal action. For the record, again, the OSBA financial reports are on our website and fully accessible.

Ms. Garnes has stated in Board meetings and at the 2018 Treasurer sessions I will not “share copies of past conference receipts” as she thinks having those receipts will help her plan a conference. Ms. Garnes has been provided with the information about past vendors for the conference; she has been provided with checklists, and a conference planning schedule by the OSBA State Conference Coordinator. It is a lie that I, the OSBA Treasurer, am refusing to provide requested information; I have provided the requested information.

An audit of 2019, my last year as OSBA Treasurer, will be conducted by the 2020 Board per the governing documents of OSBA. Please note, and for the record, I will take legal action against the OSBA Board if they continue to spread lies, innuendo, and misinformation about my financial management of OSBA as Treasurer. The financial records of OSBA, Treasurer reports, the IRS 990 reports, and Audit reports are posted on the OSBA website for anyone to print and review for
transparency. Per the OSBA insurance carrier’s own questions for D & O insurance: Have you given written notice under any insurance policy which might give rise to a claim? Are you cognizant of any act, error or omission which you have any reason to suppose might afford valid grounds for any future claim? As a statement of fact: If the slanderous comments stating I “refuse to share the books with the Board,” continue it will be my duty to advise the insurance carrier of possible legal action for the slanderous comments about my tenure as Treasurer.

**Transparency, consideration, and reports to serve the mission of OSBA**

- OSBA Board members should be careful when speaking in “broad generalities” that “many members and Board members” have concerns with OSBA about any issue.
- The meeting notes, officer and committee reports of the OSBA Executive Committee should be posted on the OSBA website as soon as possible after each meeting.
- In order to make the OSBA Secretary’s job easier, and posting of minutes onto the website timely, all Officers, Committee Chairs, and Project Leaders should submit a written report in WORD for each OSBA Board Meeting for review by the OSBA Board prior to the meeting, and for ease in the Secretary’s compilation of meeting minutes.
- The CPA-auditor stated if Board members do not want to complete reimbursement forms, in-kind forms, etc. with applicable documentation they are not being transparent.
- OSBA needs to post the meeting minutes and reports for all OSBA meetings (full Board and Executive Committee) for transparency and honesty. By posting the Executive Committee reports as well as the Board Reports it will show the Executive Committee is providing the full Board with the same information.

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**OSBA Programs & Services**

- Traveling Speaker Program
- Monitoring for Sustainability
- Overwintering Nucs
- Introduction to Grants
- Small Scale Queen Rearing for the Single Apiary

Contact president@ohiostatebeekeepers.org to schedule a presentation.

- Apiary Diagnostic Manual
- Apiary Diagnostic Kit complimentary to new beekeepers who meet grant guidelines (until supplies last)
- OSBA Apiary Diagnostic Kit is available for purchase through Betterbee
- Beekeeping Education DVD
- 4-H Beekeeping
- Welcome Boxes for local Club Beginning Beekeeping Classes
- Affiliate Program
- Ohio Bee Research Grant
- Beekeeping Library Grant for Underserved Populations
- OSBA Pavilion at the State Fair
- Quarterly Newsletter
- Master Beekeeper Program
- Annual State Conference
- Specialty Classes/Workshops
- State Advocacy for Ohio’s Beekeepers
- Website and Facebook pages
- New Club Handbook
- Field Day Guide
- Zoning Ordinance

Visit the OSBA website for more information

www.ohiostatebeekeepers.org
**Oct. 20, 2019**
OSBA Board Meeting—Treasurer’s Report, Michele Colopy

**Topics:**
- Financial report
- Private inurement
- Grant Applications
- Bookkeeper per the Board approved budget
- Audit 2018, 2019
- OSBA Budget
- Event cash tracking
- Insurance coverage and alcohol at OSBA and Affiliate activities
- Finance Committee
  - Attorney review of contracts
  - Sales tax responsibilities
  - Proposed OSBA Financial Policies for Board Review
- Guidestar
- Non-OSBA led projects
- Nomination Form Questions
- Affiliate Program
  - Update
  - Survey
- Fiduciary responsibility

**Financial report (see attached)**
- As reported in every Treasurer report . . . Anyone is welcome to contact the OSBA Treasurer to walk through the OSBA budget and financial reports so they can fully understand the reports and the financial status of OSBA. The questions at the audit showed Board members still did not know the difference between and audit and the monthly Profit and Loss reports, as well as the details provided in the Treasurer reports after each event/class/project.
- Note the correction to the Treasurer’s In Kind report. Mileage for Akron Bee ordinance work has been removed, as it does not qualify under OSBA. Apologies for my error.

**Private Inurement**

When a nonprofit engages in any type of conduct that results in an improper benefit to an insider, one of three things can happen:

- nothing
- the IRS can impose monetary sanctions, or
- the IRS can revoke the nonprofit’s tax exemption.
The most common punishment for nonprofits guilty of private inurement is monetary sanctions--also called "intermediate sanctions." Revocation of a nonprofit's tax-exempt status is rare--as a practical matter, it is a death sentence for any nonprofit. [https://www.nolo.com/legal-encyclopedia/what-is-private-inurement.html](https://www.nolo.com/legal-encyclopedia/what-is-private-inurement.html)

Private benefit is a broad concept that applies whenever any individual, whether associated with the organization or not, reaps a benefit that is not within keeping of the exempt purpose of the organization. Private benefit does not have to be financial. The IRS does not see private benefit in absolute terms. It is allowable when it is insubstantial or incidental to the main service being provided. It is not acceptable when a service or a financial transaction is purposefully aimed to benefit an individual or a narrowly defined group rather than the public. [https://boardsource.org/resources/private-benefit-private-inurement-self-dealing/](https://boardsource.org/resources/private-benefit-private-inurement-self-dealing/)

How to avoid penalties

- Structure your organization so that it serves its tax-exempt purpose and not the needs and wants of any individuals.
- Make informed and prudent decisions.
- Create and update policies and procedures including vendor bidding process, financial practices, personnel practices, conflict of interest, board member compensation, and expense reimbursement.
- Remind staff and board members regularly of conflict-of-interest obligations and the need to fully disclose whenever they identify a potential conflict.
- Use valid data to set chief executive and other senior staff compensation and benefits package. Use data that relates to comparable positions (comparable may mean nonprofit and for-profit) obtained from objective and uninterested sources such as surveys, information from other organizations. Retain objective consulting on the issue whenever possible. Or, have the board or an authorized committee of the board review the data and agree on the compensation. Be familiar with Intermediate Sanctions regulations and avoid excess benefit transactions.
- Seek professional advice when there are questions. Don’t try to figure it out alone.

**IN SUMMARY:** All Board members attending the Conference and any OSBA sponsored program or event, must pay all registration fees, and/or lunch etc., as well as the annual member dues, otherwise it is viewed as private inurement/self-dealing/private benefit for being a board member, and in violation of ethical board membership.
Grant Applications to OSBA

- Beekeeping Library Grant- applications sent to Guernsey/Noble Beekeepers for a Zanesville High School collaboration; and to Trumbull County Beekeepers for a collaboration with the Correctional Institution in Leavettsburg.
- Research Grant for 2020- per the SOP for the Treasurer-notice of the available application was posted in the 4th Qtr. OSBA Newsletter and the application was forwarded to researchers at The Ohio State University and The University of Akron in mid-Sept.. Deadline for receipt of applications is Jan. 13, 2020.

Bookkeeper per the Board approved budget

- Trial run has begun for August- December to determine a full year’s estimate for work needed to replace most of the 20-30 hours per week of data entry and other Treasurer activities by the OSBA volunteer Treasurer. The bookkeeper is a certified Quickbooks expert and is with W3 Global, the firm that has completed the OSBA 990 and Affiliate 990 reports. This is an OSBA budgeted approved activity, listed in the OSBA budget for 2019, and the bookkeeper is an employee of W3 Global, CPAs, the company who has compiled our Annual 990 report.
- Having a professional bookkeeper with W3 Global, also corrects the one weakness found in the audit; having a professional be able to provide journal entries, footnotes, and review of the accounting. (also see “Audit” below)
- Archive financial and other documents. I received a box of OSBA records from 1970. The box contained musty documents, which I copied for the record (and longevity), then I scanned some select documents and asked Tim to post them to the website for all to see https://www.ohiostatebeekeepers.org/other-historical-documents/

Audit 2018 and 2019

The CPA (Dave Komer with Donavon & Klimczak) who conducted the audit held a conference call with the OSBA Board to answer any questions. Peggy and Nina misled the Board and the audit CPA stating the OSBA Treasurer completed Nina’s 1099 incorrectly. After the audit meeting I proved to the Board and Nina and Peggy that the 1099 was correct; Nina had forgotten she was paid 10% of the table rental of each vendor, and that was part of her stipend, and taxable. Board members need to ensure their comments are fact, instead of creating a lie that misleads the board and slanders others, as well as increasing another volunteer’s workload to provide again the facts, and to disprove the lies presented. Additional information was sent to the OSBA Board clarifying incorrect questions of Board members pertaining to the audit compilation, and verifying the OSBA Treasurer records are, as Dave Komer, CPA stated, “All information was detailed, and Michele did an excellent job organizing the documents. The books are in excellent shape.” The audit documents have been posted to the OSBA website for transparency.

The audit report did state one weakness and that was OSBA not having a complete internal control system such that the Treasurer could provide the financial report WITH footnotes in
preparation of the audit. *A professional CPA or Bookkeeper (Quickbooks expert) would resolve that weakness.* Per the arrangement with the OSBA Board, August-Dec. of 2019 a certified Quickbooks expert at a CPA firm, W3 Global, will be taking some of the workload off of the OSBA Treasurer, learning how OSBA functions, and *therein provide the solution to the Audit's comment for a financial report WITH footnotes at year end.* At the beginning of December the bookkeeper will be able to provide OSBA with a quality estimate of the cost to continue to maintain the daily accounting of OSBA for an entire year.

An audit must be conducted of the 2019 accounting records. As reported at the OSBA full Board meeting in August, the CPA (Dave Komer with Donavon & Klimczak) has been secured now so OSBA can get into their work queue sooner this time (projected completion date of 2019 audit would be April 15, 2020).

In order for consistency, quality, transparency, and responsibility, I will continue to fulfill the duties of Treasurer until Dec. 31, 2019 at midnight the end of the OSBA fiscal year. Per the By Laws the new Treasurer will assume their duties Jan. 1, 2020.

Budgetary responsibilities fall on the incoming Board. The 2020 Budget should be drafted and proposed by the incoming Treasurer, and reviewed and approved by the 2020 Board at the Strategic Plan Meeting.

At the December OSBA Strategic Planning meeting in December, it is of utmost priority for the Board members to have an educational session on how to read and understand the OSBA financial reports.

**OSBA Budget- income vs. expenses**
OSBA committees contributed their input to the OSBA annual budget for their specific committees, and the Board reviewed and approved the annual budget. The budget must balance so OSBA raises the income each year to cover the expenses. OSBA is not a foundation, nor should OSBA accrue funds just to build up a savings account. OSBA should have a contingency or rainy day fund, but budgets should balance; each year income should cover expenses in service to the mission and members of OSBA. The mission of OSBA is to serve its members. OSBA serves its members by providing services and programs to its members and the beekeepers of Ohio. Expenses are not high, they are part of the Board approved budget.

Years ago OSBA began safeguarding its lifetime member dues into Certificates of Deposit to protect those funds (dues for the lifetime of those members) for emergency use for OSBA. A responsible organization earns the income each year to support the program expenses each year. The “what-if” scenario I provided at a previous Board meeting shows examples of changes in revenue and how OSBA would be impacted.

**Event cash tracking**
The audit trail at the State Fair did not follow appropriate procedures for cash management, even though forms were provided to the committee. Two people should count the money at the
beginning and end of the day. Opening cash for all events, per the Finance Committee policies, and out of respect for volunteers, should come from OSBA, not volunteers’ personal funds. *For transparency this needs to be stated, as this weakness will appear to an auditor.* The OSBA Treasurer works to ensure all volunteers are respectful of member funds, and are tracking OSBA monies appropriately such that the volunteers are protected from any appearance of malfaeance. When the volunteers refuse to use the very forms that would make their work easier, and help protect them and OSBA, they are not being transparent, and their actions would lead a reasonable person to question why they refuse to count the money at the beginning and end of the day, and provide the written documentation with and for the deposit record.

All Board members must follow the financial guidelines all of us are to follow for transparency, respect for fellow volunteers, and fiduciary responsibility. Pricing signs needed to have a professional appearance, and not be handwritten on the back of an envelope as they were at the Bee Culture event. Were new signs made and used? What items were sold at the tables, was an inventory taken, as we will have to pay sales tax on items sold? What marketing materials were available at the table(s)? Copying information sheets from the Farm Bureau, or Honey Bee Health Coalition will not cost $280- $520-ish? What quotes, from what companies provided the estimates for educational materials?

Peggy did not tell us she was giving a talk at FSR; it was not promoted at FSR as being from OSBA, yet an OSBA volunteer helped her take an OSBA product to her presentation. So, it could appear as if OSBA paid for Peggy to give a personal presentation at FSR, and OSBA was not advised. Peggy had five passes to FSR, and had not reviewed the FSR documents provided to her in order to get the tickets to the volunteers prior to the event. She stated she was struggling to get Board volunteers, yet one volunteer was turned away for a second day, and was replaced with her spouse instead. FSR was an OSBA event for OSBA members to educate about beekeeping and pollination; OSBA was not providing free passes to spouses of board members to visit the event for free.

The Vice President publically states she has “integrity and the ability to work well with others,” and “effective communication skills.” The Board has never received answers to basic planning questions for OSBA events that have been asked since May 2019. For transparency and effective communication OSBA needed to read in the Vice President’s reports, answers to the following questions for every event table and project under the Vice President’s responsibility:

- Are table pricing and informational signs created and uploaded to the OSBA Dropbox?
- What are the shifts? "All day" is unhealthy in the summer heat.
- When is the lunch break?
- Who is setting up? Who is breaking it all down?
- Who is seeking mileage reimbursement and how does all of this impact the budget?
- Lithopolis budget is $1000 minus the $250 fee we have already paid.
- FSR budget is $1700 minus $430 we have already paid.
- What is the cost of the marketing materials for each site?
- If volunteers do not bring their own food, what is the cost of the food to feed the volunteers?
- So, which volunteers need hotels? What is that cost? Are people driving down each day? That is not cost effective; hotels would be cheaper than mileage.
- Do we have emergency phone numbers for volunteers in case of an accident?

The Vice President misrepresents the Treasurer actions, unnecessarily involving the entire Board in emails. Lithopolis and Farm Science Review event chairperson/OSBA VP has not sought opening cash. The VP’s management of Lithopolis and Farm Science Review shows she did not follow the budget; the Education Committee declined to do their scheduled task of creating/gathering appropriate marketing/educational materials for farmers, nor should it take the five months (from March) to secure appropriate education materials, your continued surprise of the use of table cash tracking forms, and your refusal to provide information about your event planning and cash management in a timely manner to the Board and table volunteers is at the forefront of the failure of these activities. In an email Sunday, Sept. 8, you misrepresented me taking the opening cash to the Bee Culture event as you are not allowed on their property ever. You got in touch with me too late requesting the opening cash for Lithopolis. Stating you do not want OSBA to spend $8 for certified mail to send a check for opening cash to you. It is an OSBA check, sent at the last minute due to a late request, so it is the Treasurer’s duty of care to send it via certified mail. You sent me an email on Sunday asking for an account number, when you already had it and you made the deposit and you never updated me with the fact you found the information provided to you previously. Peggy stated she mailed the Lithopolis paperwork Sunday, Sept. 8, yet the postmark on the envelope was a week later. The continual refusal to follow the policies and procedures for tracking OSBA cash at events, failure to practice the due diligence in copying documents to verify the process and protect OSBA funds, and the individual in charge of the event funds, leads the OSBA Treasurer to revoke all OSBA cash depositing privileges for the OSBA Vice President.

The continual inability to follow procedures and manage the OSBA funds responsibly for transparency and accountability requires the OSBA Treasurer to revoke the privilege of OSBA VP’s Ms. Garnes handling of any OSBA monies. This policy for the Treasurer to approve/revoke any OSBA Board/Committee member’s access to OSBA monies has been in place since 2016, and the Finance Committee has approved it as well.

The VP’s continued need to include the full Board on emails that are individual conversations foments dissent, and frustration within and about the Board. The Board waits months seeking answers to basic planning questions and never receives the information. She creates situations putting fellow volunteers in positions where policies and procedures, fairness, and honesty are challenged. The in-kind report the VP submitted early in the year, had to be corrected by the Treasurer due to ineligible activities. While the VP finally provided the mileage documentation, the VPs earlier report misled the Board in the VPs
OSBA activities. In doing that VP places the Treasurer in the position of correcting the VPs inaccurate report, for the accuracy, transparency and fiduciary responsibility required of OSBA and a GAAP accounting.

2016-2019 Table Reports including Lithopolis and Farm Science Review (see the end of this report)

Insurance

-------- Original Message --------

Subject: RE: alcohol at OSBA and OSBA Affiliate events

Date: 2019-09-24 11:21
From: "Andy Cupp" <andy_cupp@hummel-plum.com>
To: <treasurer@ohiostatebeekeepers.org>

Michele:

The policy does not provide coverage for liquor liability if the insured (OSBA or an affiliate) is in the business of making, selling or distributing an alcohol beverage. If you were holding an event at a venue which sold and served the beverage and something happened which caused OSBA to have a claim the policy would defend OSBA as long as it was not OSBA serving, selling or distributing the beverage.

If one of the subsidiaries actually made the Mead to sell then there would be no coverage. This would be the case even at an event where it wasn't for sale but was just a tasting.

Andy

From: OSBA Treasurer [mailto:treasurer@ohiostatebeekeepers.org]
Sent: Monday, September 23, 2019 2:51 PM
Dear Andy,

Does the OSBA insurance policy cover OSBA and our Affiliates if we serve alcohol (i.e. Mead which is made from honey) at our events (conference, state fair, or affiliate club programs) whether it is part of an event or even as a "mead tasting?"

Please provide a reply in writing for our records, and that we can convey to our Board and Affiliates.

Thank you,

--

Michele Colopy
Treasurer
The Ohio State Beekeepers Association, Inc. (OSBA)
1624 Idlewood Ave.
Akron, OH 44313
OSBA phone: 567-703-6722
Direct contact: 832-727-9492 (my work phone)
treasurer@ohiostatebeekeepers.org
www.ohiostatebeekeepers.org
"Connecting Beekeepers Across Ohio"

-------- Original Message --------

Subject: RE: OSBA conference vendor insurance
Date: 2019-09-24 11:35
From: "Andy Cupp" <andy_cupp@hummel-plum.com>
To: <treasurer@ohiostatebeekeepers.org>

Michele:
We do not have a form or any standard wording for this. If a vendor is at one of your events and someone is injured due to the vendors actions or product then you could be brought into the claim because it is your event. This is why you would want all your vendors to have their own insurance regardless of size or business volume.

Andy

From: OSBA Treasurer [mailto:treasurer@ohiostatebeekeepers.org]
Sent: Tuesday, September 24, 2019 10:05 AM
To: Andy Cupp <andy_cupp@hummel-plum.com>
Cc: darheit@busybrealty.com; president@ohiostatebeekeepers.org
Subject: OSBA conference vendor insurance

Dear Andy,

I have a few vendors to our state conference who do NOT have insurance. Do you have a form, or standard wording I can paste into OSBA letterhead, which acknowledges said vendor has no insurance so OSBA and the conference venue assume no liability for the vendor or their products?

Please reply ASAP as we are finalizing our vendors for our annual conference this week.

Thank you,

--

Michele Colopy
Treasurer
The Ohio State Beekeepers Association, Inc. (OSBA)
1624 Idlewood Ave.
Akron, OH 44313
OSBA phone: 567-703-6722
Direct contact: 832-727-9492 (my work phone)
treasurer@ohiostatebeekeepers.org
www.ohiostatebeekeepers.org

"Connecting Beekeepers Across Ohio"
Finance Committee

Attorney review of contracts
Sales tax responsibilities
Proposed OSBA Financial Policies for Board Review and Approval

**Finance Committee- Attorney Review of Contracts**
Committee members: Don Crock, Kathi Hinckley-Vaughn, Bob Hooker, Kyle Kovacs, Michele Colopy, Terry Lieberman-Smith

Dallas Johnson at Hanna and Rasnick, who helped OSBA IRS determination clarification, spent more time than estimated, and reduced his price to what he estimated to review the OSBA contracts ($1000). Provided 34 pages of comments across 52 pages.

William Zacour of Taggart law firm, the firm that 2 board members stated Tri-County has used, charged less than $400, and had very minimal input. The comparison between the two attorneys reviewing the OSBA contract shows a drastic difference in attention to detail and customer service. Provided 9 pages of minimal comments across 52 pages.

The contracts were reviewed by the OSBA Finance Committee. Contracts and final financial policies and procedures are provided to the OSBA Board per the following schedule:

- Sept. 15- Group A with notes back to cmte; deadline back to me Sept. 22
- Sept. 22- Group B with notes back to cmte; deadline back to me Sept. 29
- Sept. 29- Group C with notes back to committee- deadline back to me Oct. 6
- Oct. 7- final draft of all back to cmte; Final comments to me by Oct. 12
- Oct. 12-Final draft presented to OSBA Executive Committee; adjusted to the 14th due to work, and sent to the entire Board for the Board meeting
- Oct. 20- Final documents presented to OSBA Board

Most striking issue out of the contract review concerns sales tax. Sales tax at the state fair for seed sales is 7.5%. OSBA has never paid sales tax on seed sales at the State Fair. After a conversation with Alyssa at Circa Plants, she stated Circa Plants has paid the entire amount of the sales taxes on the seed sales at the OSBA Pavilion at the State Fair. I agree with the lawyer, and advised Alyssa that OSBA should have been paying half of that sales tax expense.

The Fair Committee needs to review and make a proposal of what to do about collecting and paying the sales tax on the Circa Seed inventory OSBA sells at the State Fair. The Fair Committee needs to review the seed sales, sales tax, process to collect, or process to have Circa sell the seeds themselves, etc. at the Fair and make a proposal to the Board for a solution. Alyssa at Circa Seeds said they would be glad to have their own staff sell the seeds at the State Fair OSBA Pavilion. She also stated they have lost all of their inventory at an outdoor event.
previously, but to inventory the seeds at their end would be difficult. Alyssa realizes the partnership agreement with OSBA is negotiable, and that the agreement is meant to protect all parties.

This year Circa Seeds was paid their half of the total in seed sales at the Fair. However, per the attorney, OSBA in 2020 and going forward should pay half of the sales tax cost of the seed sales in order to be fair with Circa Plants. But from the accounting perspective OSBA shows the total of seed sales received, so our tax liability is on the total monies OSBA receives through the deposits of seed sales at the Fair. Therefore, from the tax liability aspect OSBA is responsible for the entire amount of funds we receive relating to seed sales.

Sales Tax Responsibility
OSBA has “kicked this issue down the road” a number of times. I brought it up in 2018, but with the workload, and other issues taking precedent, it again got delayed. OSBA must continue to hire/seek the professional advice of CPA’s, attorneys, etc. and cease assuming or rationalizing decisions about fiduciary responsibility. While, OSBA is benefitting from lack of detail in pre-2016 financial reports, the sales tax liability still remains.

Below is additional information about sales tax in Ohio. The OSBA Treasurer, Finance Committee, and CPA are examining any past sales tax liabilities OSBA may have, and the process forward in regards to the collection of sales tax on items OSBA sells at any event, including the State Fair Pavilion.

Collected tax and tax liability include "sales tax."

from the state tax website their responses to FAQs . . .

Penalty for not collecting / paying tax

- An additional charge up to $50 or 10 percent of the tax required to be paid, whichever is greater, may be levied on every tax return not filed on time and/or when the tax liability is not paid in full.
- For not paying collected taxes, or not filing a tax return, a penalty up to 50 percent of the tax due may be assessed.
- A $50 fee is charged for every returned check. Interest may be due on any taxes found due and not paid in a timely manner.

Physical Location in Ohio - Every Ohio retailer (vendor) and certain service providers making taxable retail sales must obtain a vendor’s license, collect the proper amount of sales tax, file tax returns with payment of tax collected, and maintain complete records.

Out-of-State Sellers - An out-of-state seller that meets Ohio’s substantial nexus laws will be required to obtain a seller’s use tax license, collect tax on taxable sales made to consumers in this state, file tax returns with payment of tax collected, and maintain complete records.
• Please note – Out-of-state sellers are not required to collect and remit tax on taxable sales made through a marketplace, so long as the marketplace facilitator is collecting and remitting tax on your behalf. For additional information on marketplace facilitators, please click here.

Vendors are required to keep complete records of daily sales, tax charged and exemption certificates. All records of daily sales and tax charged must be retained for four years and must be open for inspection by agents of the Tax Commissioner. Blanket exemption certificates must be maintained for at least four years after the final sale is made to the purchaser who issued the certificate. The Tax Commissioner may allow the records to be destroyed early or may request that they be kept longer.

Restaurateurs and other food service operators, licensed under section 3732.03 of the Ohio Revised Code, are allowed to maintain records for only 14 days per calendar quarter. The specific dates for which records must be kept are determined by the Tax Commissioner four times a year.

Vendors will receive a letter from the Department of Taxation concerning their filing schedule (monthly, semiannually, or EFT) shortly after obtaining a vendor's license. Returns must be filed when due even if no sales are made and/or no tax is due. Filing schedules are set according to the vendor's anticipated tax liability or their business activity. The tax return must be filed and received by the Department of Taxation on or before the due date indicated on the return. Monthly returns are due on the 23rd of the month, following the reporting period of the prior month; semi-annual returns are due on Jan. 23 and July 23 for the previous six-month filing periods.

Sales tax returns are required to be filed electronically. For more information and a comparison of filing options, see Sales Tax Electronic Filing.

Sales tax must be charged on all retail sales unless the purchaser provides a properly completed exemption certificate stating the statutory reason for claiming exemption. The vendor must retain the certificate as proof of nontaxable sales. Exemption certificates are prescribed by the Tax Commissioner and can be obtained from a local printer or office supply store. Sample forms are available on our Web site by searching Tax Forms.

Exemption certificates are not needed when the item sold is never taxable, such as prescription drugs and food sold for off-premises consumption. Certificates are not needed when the purchaser is clearly identified on the invoice as an entity that is always exempt, such as the federal government, the State of Ohio, or any local government of this state.

If Ohio sales tax or seller’s use tax has been collected from customers but not remitted, there is no limitation to the lookback period. All tax collected must be paid. Tax collected but not remitted, is also subject to a 10% penalty. If the company should have collected Ohio sales tax or seller’s use tax on its Ohio sales, but did not, or if Ohio use tax is due on purchases, generally the lookback period to remit tax and interest is the 36 months leading up to the submission of the voluntary disclosure request. However, the lookback period may vary depending upon the date
when the company began nexus-creating activities in Ohio or began making untaxed taxable purchases in Ohio.

In exchange for the company entering into voluntary disclosure, the division will agree to:

- Waive civil and criminal penalties (except for tax collected, but not remitted).¹
- Limit liabilities for sales and use tax to the voluntary disclosure period (except for sales tax collected, but not remitted).²
- Not disclose the company’s identity to other parties.

¹ Any amounts assessed prior to the date the taxpayer requests the voluntary disclosure are not eligible to have the civil or criminal penalties waived by the division.

² The Department may be required to disclose information regarding the company pursuant to its information sharing agreement with other states, the Federal Government and Canada, or as otherwise provided by law. Ohio Rev. Code 5703.21 and 5703.40.

- Allow the company to remain anonymous, if desired, until the signed agreement is returned.

The department reserves the right to examine records for the disclosure period. The department also reserves the right to void the agreement if the taxpayer fails to comply with the requirements of the voluntary disclosure program.


**Proposed and update on sales tax:**

OSBA secures a Transient Vendor license which allows us to store for sale items in one place, and ship out the items purchased, or sell them at event tables. $25 is annual (Jan-Dec.) cost for the transient vendor’s license. We will use the address on the IRS determination letter as that is the location of the majority of OSBA warehoused items. At the Sept. 15 meeting of the Executive Committee it was approved for the OSBA Treasurer to secure an Ohio Vendor license, and to determine the amount of past sales taxes OSBA owes with the CPA.

In consultation with the CPA and a Sales Tax Attorney (at Buckingham, Doolittle law firm) the CPA spoke with, OSBA was advised:

1. Complete an online Voluntary Disclosure Agreement (VDA) form to self-disclose our sales tax liability for 2016-2019 to date; provide a month by month detail of sales of taxable items (window clings, books/Manuals, Apiary Diagnostic Kits (non-grant related), Save the Honey Bee Stickers, DVDs, tables OSBA rents to vendors, logowear, flower seeds.) The CPA and sales tax attorney agreed we need only report as far back as we have verifiable records to prove the sales tax liability; prior to 2016 the OSBA accounting did not break out sales details.
2. File an application for a Transient vendor’s license (this is an annual license and fee). This license process takes 60-90 days for the State to reply.
3. Wait for the Ohio Dept. of Sales Tax to advise us of taxes and fees we owe for 2016-2019; and how often they want us to remit our sales tax liability (monthly, quarterly, semi-annually, or annually).
4. If the tax liability issue does not receive a bill from the state before Dec. 31, 2019, this liability will need to be paid in 2020 in that budget year, and the sales taxes will need to be remitted per the State’s guidelines.
5. It would be unadvisable to cease all sales of these items as it generates an estimated $16K+ into the OSBA budget annually, these items serve the OSBA mission and our members, and it would raise a “red flag” to the Ohio Sales Tax Dept. of a declared liability for 2016-2019, and then “no liability.” *They would most certainly audit OSBA.*

Per the VDA submitted for the years 2016-2019:

<table>
<thead>
<tr>
<th>OSBA sales of taxable items</th>
<th>the OSBA Sales tax liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>$64,673.97</td>
<td>$4,365.49 (does not include fees/penalties)</td>
</tr>
</tbody>
</table>

**OSBA Contracts reviewed by Attorneys**

Finance Committee agreed to accept all changes suggested by the Attorney who provided the greatest detail (Dallas Johnson). No one on the Finance Committee is an attorney. The Finance Committee agreed it was prudent to accept the Attorney’s changes to all contracts. (See the document with the suggested changes; see the documents with the accepted changes).

**OSBA Policies and procedures reviewed by the CPA and the Finance Committee**

111. Reimbursement: Travel expenses  
112. Personal contribution (in-kind)  
113. Affiliate Application process  
114. Photo waiver/release form for newsletter and website  
115. Confidentiality  
116. Privacy (website related to be completed by the webmaster)  
117. Document and Destruction Policy  
118. Equal Employment and Non-discrimination policy  
119. Anti-harassment  
120. Substance abuse  
121. Performance review (to be completed by a proposed ad hoc Personnel Committee)  
122. Email signature policy  
123. Audit Policy  
124. JOB HANDBOOK- (to be completed by a proposed ad hoc Personnel Committee)  
125. Disciplinary issues: termination, grievances  
126. Nepotism
Proposed OSBA Financial Policies and Contracts for Board Review and Approval

Board must read the policies PRIOR to the meeting and bring their questions to the group. Having these policies helps to maintain our GOLD SEAL Guidestar Seal of Transparency, and meet Generally Accepted Accounting Principles.

Motion: The OSBA Finance Committee makes the motion to the OSBA Board to accept the CONTRACTS as reviewed and edited by the Attorney and here presented to the Board.

Motion: The Finance Committee makes the motion to the OSBA Board to review the financial policies and procedures PRIOR to the OSBA Strategic Plan Meeting, and to vote to approve the Finance Committee recommended OSBA Finance Policies and Procedures at the Strategic Plan Meeting in December 2019 which will be provided prior to the Strategic Plan meeting.

Motion: The Finance Committee makes the motion to the OSBA Board to create an ad hoc Personnel Committee to review, create, and propose to the OSBA Board in 2020 Personnel Policies that could not be addressed in the Finance Committee, but compliment and support the contracts developed by the Finance Committee. The specific policies for the Personnel Committee to review, create, and propose to the 2020 OSBA Board will be defined by the Finance Committee.

Guidestar- nonprofit ranking

• Created and updated the OSBA profile on Guidestar (GuideStar is the most complete source of information about U.S. charities and other nonprofit organizations there is. Search our database of more than 1.8 million IRS-recognized organizations to find a charity to support, benchmark your own nonprofit's performance, research the sector, and more.) OSBA is classified at the Gold Level due to our transparency and financial accountability. See https://www.guidestar.org/profile/31-1085405
Non-OSBA Led Projects
The Vice President asked for this information for the Sept. 15, 2019 OSBA Executive Committee meeting, so it is provided here as well. Projects managed by Pollinator Stewardship Council should not be reported to OSBA. While OSBA is a partner in the Camp Manatoc project providing the woodenware for the project, Pollinator Stewardship Council secured the funding for the project, managed the habitat installation, and secured the bees and beekeeping equipment. It was the Summit County Beekeepers Assn. that sought the Beekeeping Library in support of this project.

Camp Manatoc
The Camp Manatoc Beekeeping and Habitat Project was led by the Pollinator Stewardship Council. OSBA collaborated by providing 2 woodenware kits. All other funding and management of the project was led by the staff of Pollinator Stewardship Council. OSBA Treasurer provided the OSBA Library Grant paperwork to Summit County Beekeepers in order to apply for the grant for Camp Manatoc. This project is solely managed by the Pollinator Stewardship Council. The care and mentorship of the bees is with Summit County Beekeepers, and Pollinator Stewardship Council has communicated such with Summit County Beekeepers mentor, John Irvine, and the staff at Camp Manatoc. OSBA’s has no other commitment to this project since the provision of the 2 sets of woodenware in 2018.

Akron Bee Ordinance
Pollinator Stewardship Council is taking the lead on the committee work on this as Pollinator Stewardship Council is a resident and property owner in the City of Akron. Pollinator Stewardship Council is in regular communication with the Summit County Beekeepers, and other individual beekeepers who reside in Akron, as this process is developed with City Council and the Summit Food Coalition. This is not an OSBA activity, but a Summit County Beekeepers and Pollinator Stewardship Council activity due to the nature of residency of the 2 groups involved. The OSBA Treasurer mistakenly included in kind mileage in a report to OSBA, and that has been stricken from the record (see attached).

Nomination form questions: input from the CPA (info provided to the OSBA Nominating Committee)
Nomination form insurance and financial background information questions FOR THE OSBA RECORD:
The OSBA Treasurer inquired of the Auditing CPA if the questions on the OSBA Board nomination form should remain in order for transparency, fairness, and duty and care of OSBA. See the email exchange below for his answer that the questions should remain.
Dave,

Thank you for the clarification.

Just a reminder the OSBA Board has a scheduled conference call with you to review the 2018 audit:
Sunday, August 25 at 7:30 p.m.
Conference call number is: XXXXXXXX
Access code: XXXXXXXXXXXXX

We record our meetings to support the Secretary with compilation of meeting minutes.

---
Michele Colopy
Treasurer
The Ohio State Beekeepers Association, Inc. (OSBA)
1624 Idlewood Ave.
Akron, OH 44313
OSBA phone: 567-703-6722
Direct contact: 832-727-9492 (my work phone)
treasurer@ohiostatebeekeepers.org
www.ohiostatebeekeepers.org

"Connecting Beekeepers Across Ohio"

On 2019-08-19 07:38, Dave Komer wrote:

Michelle,

I do not see any issue with leaving this question on the form.

2. It makes perfect sense that the organization does not want an individual with this history. Not only from the point of view of possible impact on the public’s perception but also from the potential that this individual might perpetrate actions against the organization for their own gain.

2. The fact that this question is there protects the organization due to ...
c. If the answer falsely, any impact on the organization due to their actions can be buffered by the fact that they most likely lied when they completed the application.
d. If it is found that they have lied on the application, then the organization has the option to dismiss the individual immediately.

So, in short, keep the question.

David M. Komer  
Certified Public Accountant  
Donovan, Klimczak and Company  
13550 Falling Water Road, Suite 201  
Strongsville, OH 44136  
440.238.5006 – Phone  
440.238.6439 – Fax  
216.798.6353 – Cell  
dkomer@dkc-cpa.com

Notice: The information contained in this message is privileged and confidential, intended for the sole use of the addressee. It is not intended for transmission to, or receipt by, anyone other than the named addressee, or the agent responsible for delivering it to the intended recipient. It should not be copied or forwarded to any unauthorized persons. If you have received this communication in error, please delete it from your system without copying or forwarding it, and notify the sender of the error by reply email or by calling Donovan, Klimczak & Company at 330.836.9331.

From: OSBA Treasurer <treasurer@ohiostatebeekeepers.org>  
Sent: Tuesday, August 13, 2019 2:13 PM  
To: Dave Komer <dkomer@dkc-cpa.com>  
Cc: president@ohiostatebeekeepers.org  
Subject: Re: OSBA policy and forms question

Dear Dave,

Just a quick question on our Board member nomination forms that were in the policy and procedures packet I gave you for the audit.

In 2016 I came across a list of questions from the Unified Registration Statement for Board members (http://multistatefiling.org/urs_webv402.pdf), so to alleviate any issues, I had them placed on the OSBA Board nomination form. **Should we retain these questions on the Board nomination form?** (see below)

Are you under investigation/been convicted of a crime related to:
Corruption  
Irregular or unauthorized use of public resources  
Substantial unauthorized or irregular use of, or substantial mismanagement of public resources  
Conduct involving a substantial and specific risk of injury to public health, prejudice to public safety, or harm to the environment.
Affiliate Program Report

- Affiliate Program
  - Affiliate Program Committee seeks committee members to learn the process, explain the program, and answer questions of Affiliates about nonprofit activities, forms, and program benefit processes.
  - OSBA has 22 affiliates
  - Carroll County Beekeepers are in process of completing the Application

23. Northwest Ohio Beekeepers- NEW
24. Pollinator Sanctuary and Training Facility of Defiance County-NEW
25. Maumee Valley
26. Fairfield County
27. Portage County renewed
28. Guernsey Noble renewed
29. Ashtabula renewed
30. Greater Grand Lake renewed
31. Greene County renewed
32. Guernsey County renewed
33. Harrison County renewed
34. Lake County renewed
35. Medina County renewed
36. Miami Valley renewed
37. Richland County renewed
38. Sandusky renewed
39. Scioto renewed
40. Tuscarawas renewed
41. Warren County renewed
42. Geauga renewed
43. Black Swamp renewed
44. Trumbull County Beekeepers
**Results of the Affiliate survey:**

The OSBA Executive Committee and a few Board members continue to hear the “Affiliate program needs a lot of changes,” but none of those individuals ever state the exact changes that should be made. At the 8-18-19 Board meeting the Board asked for additional information pertaining to the Affiliate program. The information below was emailed to the Board 8-19-19; for the public record it is provided here.

### Income - MEMBER SERVICES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affiliate Services</td>
<td></td>
</tr>
<tr>
<td>Affiliate Member Fee</td>
<td>1,360.00</td>
</tr>
<tr>
<td>Affiliate- Directors &amp; Officers Insurance</td>
<td>776.20</td>
</tr>
<tr>
<td>Affiliate- Property &amp; Liability Insurance</td>
<td>776.30</td>
</tr>
<tr>
<td>Application Fee</td>
<td>125.00</td>
</tr>
<tr>
<td>Ohio Secretary of State Incorporation Filing for Affiliates</td>
<td>99.00</td>
</tr>
<tr>
<td><strong>Total Affiliate Services</strong></td>
<td><strong>3,136.50</strong></td>
</tr>
</tbody>
</table>

### Expense - MEMBER SERVICES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affiliate Program Expenses</td>
<td></td>
</tr>
<tr>
<td>Affiliate Filing Fee to Secretary of State</td>
<td>99.00</td>
</tr>
<tr>
<td>Affiliate Program Expenses</td>
<td>13.00</td>
</tr>
<tr>
<td>OH Attorney General Annual Fee</td>
<td>250.00</td>
</tr>
<tr>
<td><strong>Total Affiliate Program Expenses</strong></td>
<td><strong>362.00</strong></td>
</tr>
</tbody>
</table>

### Operations
Insurance - Liability, Directors & Officers

Directors & Officers Insurance 3,936.00

Property and Liability insur. 509.00

Total Insurance - Liability, Directors & Officers 4,445.00

Affiliate 990 Tax Report Preparation 1,360.63

From the P & L report you will find the above line items relative to the Affiliate program. The benefits of supporting our local clubs is part of the mission of OSBA. As Tim stated at the Board meeting, the program costs need to be reviewed as the program has expanded.

The $80 affiliate fee paid for the IRS 990 filing $1360 in fees; $1360.63 in tax report expense. The affiliate insurance rate per member of $1.25 per club member = $ 1,552.50; cost of affiliate insurance $1,872.

Affiliates are asking for specific insurance coverage for their teaching bee yards, and that price is being examined by the insurance carrier. Only those affiliates that have a teaching bee yard will remit payment for that specific coverage, and it will be split amongst those specific clubs.

The 2020 Board will have to propose increasing the Affiliate per member rate to cover the increase in insurance expenses.

**For example 1242 members within the total Affiliates**

<table>
<thead>
<tr>
<th>Rate per Member</th>
<th>Total for Members</th>
<th>Rate per Member</th>
<th>Total for Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.25</td>
<td>$1,552.50</td>
<td>$2.00</td>
<td>$2,484</td>
</tr>
<tr>
<td>$1.50</td>
<td>$1,863.00</td>
<td>$2.25</td>
<td>$2,794.50</td>
</tr>
<tr>
<td>$1.75</td>
<td>$2,173.50</td>
<td>$2.50</td>
<td>$3,105.00</td>
</tr>
</tbody>
</table>

And does the Board want the fee to cover the cost of a bookkeeper reviewing and approving the Affiliate applications if the future Treasurers do not want to review, respond to, and approve applications?

**Membership dues across four years and increase of OSBA’s insurance across that time frame**

**Also from the P & L reports**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total member dues for OSBA (not including Affiliates)</th>
<th>Insurance expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$18,810</td>
<td>$1,550</td>
</tr>
<tr>
<td>2017</td>
<td>$21,710</td>
<td>$1,748 (updated carrier with current numbers, and trailer insurance)</td>
</tr>
<tr>
<td>2018</td>
<td>$27,542</td>
<td>$3,659 (increase in membership; $39 Increase due to OSBA mbrs alone) (includes $1872 addl due to affiliates)</td>
</tr>
<tr>
<td>2019</td>
<td>$15,135 (to date - we typically receive dues in conference Registrations)</td>
<td>$4,445 (includes addl. Insurance to Cover OSBA equipment Stored at 4 member homes)</td>
</tr>
</tbody>
</table>
### OSBA Affiliates Use of Affiliate Services

Half of the Affiliates use the very services developed for their needs.

<table>
<thead>
<tr>
<th>Affiliate name</th>
<th>Benefit used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ashtabula</td>
<td>County Fair COI 2017, 2018, 2019, Bee club workshop, Two Traveling speaker presentations,</td>
</tr>
<tr>
<td>Black Swamp</td>
<td>Nonprofit validation with Defiance Foundation for grant, 2018 COI for project; 2019 room/land use COI for County Commissioners, AG Society, County Extension, Bee club workshop, Traveling speaker presentation,</td>
</tr>
<tr>
<td>Coshocton</td>
<td>Traveling speaker presentation,</td>
</tr>
<tr>
<td>Fairfield</td>
<td>Bee club workshop, Three Traveling speaker presentations,</td>
</tr>
<tr>
<td>Geauga</td>
<td>Nonprofit validation for Tech Soup, Guidestar for 2018; OSBA completed their Secy of State application, grant class, Bee club workshop, Two Traveling speaker presentations,</td>
</tr>
<tr>
<td>Greater Grand Lakes</td>
<td>2017 Kroger nonprofit validation, Bee club workshop, Two Traveling speaker presentations,</td>
</tr>
<tr>
<td>Greene</td>
<td>2018 nonprofit validation for Park Board and Board of Commissioners, Traveling speaker presentation,</td>
</tr>
<tr>
<td>Guernsey</td>
<td>2017 Bank account nonprofit validation, Two Traveling speaker presentations,</td>
</tr>
<tr>
<td>Lake</td>
<td>Traveling speaker presentation,</td>
</tr>
<tr>
<td>Maumee</td>
<td>Traveling speaker presentation,</td>
</tr>
<tr>
<td>Medina</td>
<td>2018, 2019 Bank account nonprofit validation; 2017 OSBA completed their Secy of State application; 2019 Metro Park nonprofit validation, grant class, device ready class, bee club workshop, Two Traveling speaker presentations,</td>
</tr>
<tr>
<td>Miami</td>
<td>2018 Paypal and 2019 Bank account nonprofit validation, COI for Kettering Parks 2019, Traveling speaker presentation,</td>
</tr>
</tbody>
</table>
Northwest  Two Traveling speaker presentations,  
Portage  Grant class, Traveling speaker presentation,  
Richland  Two Traveling speaker presentations,  
Sandusky  OSBA completed their Secy of State application, 2018; COI’s for 2018 Huron and Seneca County Fairs; COI’s for 2019 Huron, Seneca, Erie, Ottawa, and Sandusky County Fairs, grant class  
Trumbull  OSBA completed their Secy of State application 2019; 2019 Mosquito Creek Project nonprofit validation, Traveling speaker presentation,  
Warren  Nonprofit validation for 2019 Google; COI’s for Lebanon Church, Warren Park District, Warren County Fair, device ready class, Bee club workshop. Two Traveling speaker presentations,  

Info compiled 8-17-19

OSBA Affiliate Benefits

- Nonprofit status through the OSBA group exemption
- Annual reports to the IRS and Ohio Attorney General
- Directors and Officers Insurance for your Board
- Property and Liability Insurance for your bee club
- Website hosting
- Monthly OSBA Affiliate Newsletter
- OSBA Pollinator Oasis Seed packet fundraiser
- Tech Soup membership
- Discounted OSBA Traveling Speaker fees
- Affiliate club discounts to special OSBA workshops

Fiduciary Responsibility- Slanderous claim from across State lines

Since Spring of 2018 the OSBA Treasurer has been accused of “refusing to share the books” and trying to make a job out of the Treasurer work at OSBA for myself. At the 2018 State Fair a “petition” was circulated, that was never shown to the entire Board, requesting an audit (see previous Board notes and reports on this issue). However, the majority of individuals seeking an audit did not understand the definition of an audit; nor the cost. The entire checkbook register from Quickbooks was copied and provided to the OSBA committee chair who started the petition at an OSBA event, and who accused the OSBA Treasurer of “monkey business” with the OSBA financial records. Half-way through 2018 the OSBA Treasurer ceased taking any valid expense reimbursements from OSBA, reporting any
OSBA expenses personally incurred as in kind donations; and this procedure continues across 2019.

The audit has been conducted showing no issues with the accounting; and a letter from the auditing CPA stating the financial policies the OSBA Treasurer and the Finance Committee have implemented are thorough and necessary. The audit report and CPA letters have been posted to the OSBA website for complete transparency.

Slanderous statements have been and continue to be made concerning the OSBA Treasurer.

noun: slander
1. the action or crime of making a false spoken statement damaging to a person's reputation.
   Synonyms: defamation, defamation of character, character assassination, misrepresentation of character, calumny, libel; scandalmongering, malicious gossip, muckraking, smear campaigning, disparagement, denigration, derogation, aspersions, vilification, tradecement, obloquy, backbiting, scurrility; lie, slur, untruth, false accusation, false report, insult, slight; a false and malicious spoken statement.

verb: slander; 3rd person present: slanders; past tense: slandered; past participle: slandered; gerund or present participle: slandering
1. make false and damaging statements about (someone).
   Synonyms: defame, defame someone's character, blacken someone's name, give someone a bad name, tell lies about, speak ill/evil of, drag through the mud/mire, throw/sling/ﬂing mud at, sully someone's reputation, libel, smear, run a smear campaign against, cast aspersions on, spread scandal about, besmirch, tarnish, taint, misrepresent;

Let this Treasurer report to the full Board state, for the record, it is slanderous for OSBA Board members to state these lies about the financial accounting of OSBA records.

Under my tenure as Treasurer:
I have held two Treasurer sessions where Board members could come and review the Treasurer records and learn the process and details—only 7 of 21 Board members attended the two sessions;
OSBA spent nearly $1,000 copying financial records to provide to the developer of a petition at the State Fair (which again the entire Board was never presented with said petition) with the check book register and a financial review of records by an ad hoc committee of one Board member, and 2 non-Board members that showed no issues with the OSBA accounting. (see http://www.ohiostatebeekeepers.org/wp-content/uploads/2018/10/2017-Audit-Chairman-Letter.pdf and http://www.ohiostatebeekeepers.org/wp-content/uploads/2018/10/2017-OSBA-Audit-Committee-Report-10-30-18.pdf)
An audit of 2018 and the OSBA financial policies and procedures has been completed with no findings, and a review letter stating positive acceptance of the policies and procedures. (see previous letter sent to the Board from Donavon and Klimczak, CPAs)

When it is reported from attendees at a State Fair from a neighboring state that I “refuse to share the books with the Board” that is a slanderous remark. Members of this Board who are stating this lie are opening this Board for a legal action. *For the record, again, the OSBA financial reports are on our website and fully accessible.*

Ms. Garnes has stated in Board meetings and at the 2018 Treasurer sessions I will not “share copies of past conference receipts” (and she asked again at the Sept. 15 Executive Committee meeting) as she thinks having those receipts will help her plan a conference. Ms. Garnes has been provided with the information about past vendors for the conference; she has been provided with checklists, and a conference planning schedule by the OSBA State Conference Coordinator. It is a lie that I, the OSBA Treasurer, am refusing to provide requested information; I have provided all requested information.

An audit of 2019, my last year as OSBA Treasurer, will be conducted by the 2020 Board per the governing documents of OSBA. Please note, and for the record, I will take legal action against the OSBA Board if they continue to spread lies, innuendo, and misinformation about my financial management of OSBA as Treasurer. The financial records of OSBA, Treasurer reports, the IRS 990 reports, and Audit reports are posted on the OSBA website for anyone to print and review for transparency. Per the OSBA insurance carrier’s own questions for D & O insurance: *Have you given written notice under any insurance policy which might give rise to a claim? Are you cognizant of any act, error or omission which you have any reason to suppose might afford valid grounds for any future claim?* As a statement of fact: If the slanderous comments stating I “refuse to share the books with the Board,” continue it will be my duty to advise the insurance carrier of possible legal action for the slanderous comments about my tenure as Treasurer.

**Transparency, consideration, and reports to serve the mission of OSBA**

- *OSBA Board members should be careful when speaking in “broad generalities” that many members and Board members” have concerns with OSBA about any issue.*
- *The meeting notes, officer and committee reports of the OSBA Executive Committee should be posted on the OSBA website as soon as possible after each meeting.*
- *In order to make the OSBA Secretary’s job easier, and posting of minutes onto the website timely, all Officers, Committee Chairs, and Project Leaders should submit a written report in WORD for each OSBA Board Meeting for review by the OSBA Board prior to the meeting, and for ease in the Secretary’s compilation of meeting minutes.*
- *The CPA-auditor stated if Board members do not want to complete reimbursement forms, in-kind forms, etc. with applicable documentation they are not being transparent.*
OSBA needs to post the meeting minutes and reports for all OSBA meetings (full Board and Executive Committee) for transparency and honesty. By posting the Executive Committee reports as well as the Board Reports it will show the Executive Committee is providing the full Board with the same information.

<table>
<thead>
<tr>
<th>OSBA Programs &amp; Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traveling Speaker Program</td>
</tr>
<tr>
<td>- Monitoring for Sustainability</td>
</tr>
<tr>
<td>- Overwintering Nucs</td>
</tr>
<tr>
<td>- Introduction to Grants</td>
</tr>
<tr>
<td>- Small Scale Queen Rearing for the Single Apiary</td>
</tr>
<tr>
<td>Contact <a href="mailto:president@ohiostatebeekeepers.org">president@ohiostatebeekeepers.org</a> to schedule a presentation.</td>
</tr>
</tbody>
</table>

Apiary Diagnostic Manual
Apiary Diagnostic Kit complimentary to new beekeepers who meet grant guidelines (until supplies last)
*OSBA Apiary Diagnostic Kit is available for purchase through Betterbee
Beekeeping Education DVD
4-H Beekeeping
Welcome Boxes for local Club Beginning Beekeeping Classes
Affiliate Program
Ohio Bee Research Grant
Beekeeping Library Grant for Underserved Populations
OSBA Pavilion at the State Fair
Quarterly Newsletter
Master Beekeeper Program
Annual State Conference
Specialty Classes/Workshops
State Advocacy for Ohio’s Beekeepers
Website and Facebook pages
New Club Handbook
Field Day Guide
Visit the OSBA website for more information | www.ohiostatebeekeepers.org |
| Zoning Ordinance |
| Speaker Resource List |
OSBA Board member reimbursement request and activity update 2019

1- OSBA will send a monthly update to you of OSBA activities for OSBA Directors and Reps to share with their local clubs.
2- Please complete this form as you attend a club meeting, and submit the completed form the last day of each month.
3- Send the report to the Treasurer by the 15th of the following month in order to receive your reimbursement. Please attach copies of legible, applicable receipts.
4- Please print or type the information on this form and mail to address at top of letterhead or email it to treasurer@ohiostatebeekeepers.org

PLEASE PRINT OR TYPE

Today’s date: 7-31-19

YOUR NAME: Michele Colopy

YOUR ADDRESS to mail the reimbursement check: 1624 Idlewood Ave, Akron, OH 44313

**Mileage is reimbursed at 25 cents per mile. Please provide a mapquest or google map showing your mileage.**

<table>
<thead>
<tr>
<th>Date</th>
<th>Receipt name/ purpose of expense</th>
<th>In Kind</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-3-19</td>
<td>Mileage to Food Bank - bee ordinance mtg 7.6 mi</td>
<td>$1.90</td>
</tr>
<tr>
<td>6-5-19</td>
<td>Mileage to Food Bank - bee ordinance mtg 7.6 mi</td>
<td>$1.90</td>
</tr>
<tr>
<td>6-11-19</td>
<td>Mileage to Black Sw. BKA - Board mtg 358 mi</td>
<td>$89.50</td>
</tr>
<tr>
<td></td>
<td>Mileage in morning and afternoon to get table</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cash to Allyson M. for Bee Culture event- 74 mi</td>
<td>$18.50</td>
</tr>
<tr>
<td>6-26-19</td>
<td>Mileage to Food Bank - bee ordinance mtg 7.6 mi</td>
<td>$1.90</td>
</tr>
<tr>
<td>7-25-19</td>
<td>Mileage to Metroparks mtg- bee ordinance 6.6 mi</td>
<td>$1.65</td>
</tr>
<tr>
<td>7-31-19</td>
<td>Mileage to Food Bank - bee ordinance mtg 7.6 mi</td>
<td>$1.90</td>
</tr>
</tbody>
</table>

**TOTAL** $117.75

Please complete the back of this report as well. **DELETED ITEMS ARE NOT OSBA ACTIVITIES**
To keep our members updated on Board activities please provide the following to support the reimbursement:

General Regional Notes (i.e. beekeeping mgmt. issues, migratory bee issues, local ordinance/regulatory issues, input about OSBA and its programs, etc.)

Participated in Akron Bee Ordinance work sessions with Beth K. of Food Coalition and 2 City Councilmembers (Swirsky and Fusco).
Attended Black Swamp Beekeepers Board meeting per their invitation—grant issue/process.
Delivered opening cash to Allyson May for pollinator day event at Root Candles/Bee Culture in Medina (delivered cash in the morning, picked up the cash in the afternoon.
Met with Rick and Mike of Summit MetroParks re: Akron’s noxious weed ordinance as part of beekeeping and pollinator habitat draft ordinance.

DELETED ITEMS ARE NOT OSBA ACTIVITIES

End of Treasurer report for OSBA Board Oct. 20, 2019

Nov. 17, 2019
OSBA Executive Committee Meeting—Treasurer’s Report, Michele Colopy

Topics:
1. Financial report
2. Conference report
3. Fiduciary responsibility of the Board
4. Bookkeeper per the Board approved budget
5. Audit 2018, 2019
6. Private inurement - Board member reducing member dues for themself!
7. Grant Applications
8. OSBA Budget 2020
9. OSBA Insurance
10. Finance Committee

Financial report (see attached)
- As reported in every Treasurer report . . . Anyone is welcome to contact the OSBA Treasurer to walk through the OSBA budget and financial reports so they can fully understand the reports and the financial status of OSBA.
- Concerning the State Conference financial report: At the business meeting no one asked why expenses were higher this year than last year based on the pie chart. This was due to the audit, insurance, and attorney fees. However, at this time our income still exceeds expenses.
- Additionally, the lie that was spread by a board member during the conference that OSBA had “IRS troubles,” was inaccurate.

Conference Report
Report of Sales at Conference- RAFFLE
Event date: Nov. 2, 2019
Event title: OSBA Conference & Annual Meeting
Event venue: Tolles Career Center, Plain City, OH
OSBA volunteers: Dawn Arheit

<table>
<thead>
<tr>
<th>Opening cash</th>
<th>Closing cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>denomination</td>
<td>total</td>
</tr>
<tr>
<td>$1.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>$5.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>$10.00</td>
<td>$0</td>
</tr>
<tr>
<td>$20.00</td>
<td>$0</td>
</tr>
<tr>
<td>$50.00</td>
<td>$0</td>
</tr>
<tr>
<td>checks</td>
<td>$0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$100.00</td>
</tr>
</tbody>
</table>

Report of OSBA TABLE at Conference/ Event
Event date: Nov. 2, 2019
Event title: OSBA Fall Conference and Annual Meeting
Event venue: Tolles Career Center, Plain City, OH
OSBA volunteers: Kelly Morse, Peggy Garnes, Sonny Ward
Table attendance: 87

Opening cash Closing cash
<table>
<thead>
<tr>
<th>denomination</th>
<th>total</th>
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<td>$ 40.00</td>
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<td>$30.00</td>
<td>$ 70.00</td>
</tr>
<tr>
<td>$20.00</td>
<td>$ 0</td>
<td>$ 300.00</td>
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<tr>
<td>$50.00</td>
<td>$ 0</td>
<td>$ 50.00</td>
</tr>
<tr>
<td>checks</td>
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<tr>
<td>PayPal</td>
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<tr>
<td>TOTAL</td>
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<td>$ 751.00</td>
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Inventory

<table>
<thead>
<tr>
<th>Qty. at start</th>
<th>Qty. at end</th>
<th>Qty. disbursed</th>
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</thead>
<tbody>
<tr>
<td>SEEDS- $20 per pack</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>DVDs - $20 (at events)</td>
<td>56</td>
<td>3</td>
</tr>
<tr>
<td>MEMBERSHIP Form</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ADK Manuals-$20 (at events)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Window Clings $2 each</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Save the Honey Bee Stickers</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Master Beekeeper Applic.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other- Queen rearing books-$15</td>
<td>26</td>
<td></td>
</tr>
</tbody>
</table>

Checks

<table>
<thead>
<tr>
<th>Name</th>
<th>Amt.</th>
<th>Membership/Seeds/Cling/DVDs/Manual/etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maple Meadows</td>
<td>$ 25—Membership</td>
<td></td>
</tr>
<tr>
<td>Chris B.</td>
<td>$20- ?</td>
<td></td>
</tr>
<tr>
<td>Merle G.</td>
<td>$ 200 Lifetime member</td>
<td></td>
</tr>
<tr>
<td>Alice C.</td>
<td>$ 20.00 Membership</td>
<td></td>
</tr>
<tr>
<td>Dale O.</td>
<td>$ 15.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 280.00</td>
<td></td>
</tr>
</tbody>
</table>

PayPal charges

Name | Amt.
--- | ---

NO ENTRIES WERE PROVIDED EVEN THOUGH PAYPAL PAYMENTS WERE ACCEPTED

The OSBA Table at the Conference did not follow the funds tracking directions. Paypal charges were not recorded on paper. Membership forms were given to the Secretary, when they are to go to the Treasurer first. Thus, the uncategories income of $286 as there were no receipts for these funds, nor member forms. Member forms have been provided after this report, however again the forms do not state, per the funds tracking procedure, if a member payment is “cash, check, paypal.”

One membership was discounted inappropriately, and that person has been billed for the balance of their member dues.

$286 in uncategories income!! It will have to be placed under taxable income.
From *How to Accept Payment for OSBA Products* that was attached to the Table Report form at the OSBA Table.

1. Ask what form of payment they will provide (cash, check, Paypal)

   **Checks**- ensure the amount is correct for the membership level / Master Beekeeper level
   - Write the check number and amount on the membership form / Master applic.
   - Write a receipt for the payment and give the top copy to the customer.
   - Thank the customer!
   - Place the check and form under the drawer in the cash box

   **Cash**- ensure the amount is correct and/or make change as needed for the membership level / Master Beekeeper level
   - Write the word “CASH” and the amount on the membership form / Master applic.
   - Write a receipt for the payment and give the top copy to the customer.
   - Thank the customer!
   - Place the CASH in the drawer in the applicable slot and place the form under the drawer in the cash box

   **PayPal** Ask for the customer’s credit/debit card. Slide the card through the card reader (or enter the numbers manually)
   - Type in the total amount of the purchase.
   - Ensure the amount is correct for the membership level / Master Beekeeper level
   - Have the customer write their signature on the tablet for the purchase
   - You select “DONE”
   - Ask if the customer wants an email receipt
     - Type in the email of the customer if needed; have the customer double-check the email address you typed.
   - Write “Paypal” and the amount on the membership form / Master applic.
   - Thank the customer!
   - Place the member form / Master application under the drawer in the cash box.

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**Report of Sales at Conference - REGISTRATION (WALK INS)**

Event date: Nov. 2, 2019
Event title: OSBA Conference & Annual Meeting
Event venue: Tolles Career Center, Plain City, OH
OSBA volunteers: Michele Colopy, 3 Scouts
Total PAID walk ins: 94
Walk- In to be billed: Eliz. O., $35

Rate: $35 per person, $10 for a guest/child

<table>
<thead>
<tr>
<th>Opening cash denomination</th>
<th>total</th>
<th>Closing cash total</th>
</tr>
</thead>
<tbody>
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<td>$1.00</td>
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<td>$</td>
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<tr>
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<td>$575.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$100.00</td>
<td>$2465.00</td>
</tr>
</tbody>
</table>

Checks
Myers $35.00
Kurtz $35.00
Marmash $45.00
Johns $35.00
Dolder $35.00
Dreyer $35.00
Martin $35.00
Leiby $45.00
Young $45.00
Herston $55.00
Valpey $35.00
Goldberg $35.00
Akers $35.00
Olson $35.00
Blank $35.00

closing cash/checks $2465.00
- 100.00 opening cash
$2365.00

Report of Sales at Conference- LUNCH
Event date: Nov. 2, 2019
Event title: OSBA Conference & Annual Meeting
Event venue: Tolles Career Center, Plain City, OH
OSBA volunteers: Scout pack 138

<table>
<thead>
<tr>
<th>Opening cash denomination</th>
<th>total</th>
<th>Closing cash total</th>
</tr>
</thead>
<tbody>
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<tr>
<td>checks</td>
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<td>$0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$100.00</td>
<td>$215.00</td>
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</tbody>
</table>

Speakers: All checks for their services were provided Nov. 2 to each speaker, signing for their checks.

Honey Judges: Head judge and two assistants were paid the day of the event, signing for their checks.

Varroa Guides: Only one box remained that needed to be shipped (and billed to the club to Mike H.)

Online Registration process: This needs to be adjusted:

1. Ohio State Beekeepers Association needs to appear on the purchaser’s bank statement from Paypal. There were too many disputed charges, which were refunded. Then, OSBA had to contact the purchaser, and then invoice them for registration. OSBA does not get full Paypal fees refunded when this happens.

2. An automatic receipt needs to state clearly it is from OSBA and for the conference.

3. The cart needs to work for all purchases in one purchaser’s sitting. The majority of registrants had to pay individually for each item, as it is too difficult to see how to “go back” and add more to the “cart.” This adds greatly to the paperwork for the accounting entry, and archive files, when OSBA has one Paypal receipt for registration, another Paypal receipt for lunch, a third Paypal receipt for a guest registration, and a fourth Paypal receipt for guest lunch.

4. The online form needs a place to enter the guest’s name so it gets printed on the Paypal receipt so it can be entered in the accounting record. This is important data, and acts as a backup in case the website database would get corrupted.

5. The items purchased need to be separate line items that appear on the Paypal Receipt. One line should be for Registration, one line for lunch, one line for membership, one line for guest. Combing the purchases into one total makes the accounting difficult as the total has to be “unpacked” in order to enter specific and applicable purchase information.

6. OSBA must be specific in online purchases since we are now current with, and hold a sales tax license. Paypal line items for purchases is easier to track and audit for OSBA and for Sales Tax reporting.

Since spring of 2018 the OSBA Treasurer has been accused of “refusing to share the books” and trying to make a job for myself out of the Treasurer work at OSBA. At the 2018 State Fair a “petition” was circulated, that was never shown to the entire Board, requesting an audit (see previous Board notes and reports on this issue). However, the majority of individuals seeking an audit did not understand the definition of an audit; nor the cost. The entire checkbook register from Quickbooks was copied and provided to the OSBA committee chair who started the petition at an OSBA event, and who accused the OSBA Treasurer of “monkey business” with the OSBA financial records. Half-way through 2018 the OSBA Treasurer ceased taking any valid expense reimbursements from OSBA, reporting any OSBA expenses personally incurred as inkind donations; and this procedure continues across 2019.

The audit has been conducted showing no issues with the accounting; and a letter from the auditing CPA stating the financial policies the OSBA Treasurer and the Finance Committee have implemented are thorough and necessary. The audit report and CPA letters have been posted to the OSBA website for complete transparency.

At the Nov. 2, 2019 OSBA State Conference a Board member was telling OSBA Members that OSBA had “IRS issues.”

The OSBA Treasurer reported to the Finance Committee concerning this rumor/lie: “Please note, sadly, at the recent OSBA state Conference a Board member was telling OSBA members during the day that OSBA had “IRS issues.” OSBA does not have any outstanding/past financial issues of any kind. I have cleared up everything over the past 4 years that occurred before I was Treasurer. To continue to lie/spread rumors/mislead OSBA members is slanderous to the OSBA Treasurer, and the entire OSBA Board.

For an update on the Sales Tax responsibility issue: Per the CPA and Sales Tax Attorney, OSBA filed a Voluntary Disclosure Agreement (VDA) stating what we believed to be past sales taxes OSBA owed to Ohio. I also applied for a Transient Vendor’s license for OSBA with the State of Ohio. The Ohio Sales Tax Dept. has provided us with a Sales Tax license, and has informed OSBA they must file a sales tax report and make a payment every 6 months. OSBA only had to remit past sales tax for the last 36 months per the State for $3805.45, and the interest we owed the State on those funds is $235.19. There are no other penalties or fees.

The initial Sales Tax information was reported to the Board at the last Board meeting, and the State Sales Tax dept. was still reviewing our documents. *The above information* will be conveyed to the Exec. Cmte. in November, and to the full Board at the Dec. meeting. My Treasurer reports are posted on the OSBA website for everyone to review. Why these rumors and lies continue to be spread by Board members is extremely concerning, as it not only impacts my credibility as Treasurer, but the fiduciary responsibility of every Board member.”
Slanderous statements have been and continue to be made concerning the OSBA Treasurer.

noun: slander
1. the action or crime of making a false spoken statement damaging to a person's reputation.
   Synonyms: defamation, defamation of character, character assassination, misrepresentation of character, calumny, libel; scandalmongering, malicious gossip, muckraking, smear campaigning, disparagement, denigration, derogation, aspersions, vilification, tradecensure, obloquy, backbiting, scurrility; lie, slur, smear, untruth, false accusation, false report, insult, slight;
   o a false and malicious spoken statement.

verb: slander; 3rd person present: slanders; past tense: slandered; past participle: slandered; gerund or present participle: slandering
1. make false and damaging statements about (someone).
   Synonyms: defame, defame someone's character, blacken someone's name, give someone a bad name, tell lies about, speak ill/evil of, drag through the mud/mire, throw/sling/ fling mud at, sully someone's reputation, libel, smear, run a smear campaign against, cast aspersions on, spread scandal about, besmirch, tarnish, taint, misrepresent;

Let this Treasurer Report to the Board state, for the record, it is slanderous for OSBA Board members to state these lies about the financial accounting of OSBA records.

Under my tenure as Treasurer:
I have held two Treasurer sessions where Board members could come and review the Treasurer records and learn the process and details—only 7 of 21 Board members attended the two sessions;
OSBA spent nearly $1,000 copying financial records to provide to the developer of a petition at the State Fair (which again the entire Board was never presented with said petition) with the check book register and a financial review of records by an ad hoc committee of one Board member, and 2 non-Board members that showed no issues with the OSBA accounting. (see http://www.ohiostatebeekeepers.org/wp-content/uploads/2018/10/2017-Audit-Chairman-Letter.pdf and http://www.ohiostatebeekeepers.org/wp-content/uploads/2018/10/2017-OSBA-Audit-Committee-Report-10-30-18.pdf)

An audit of 2018 and the OSBA financial policies and procedures has been completed with no findings, and a review letter stating positive acceptance of the policies and procedures. (see previous letter sent to the Board from Donavon and Klimzcak, CPAs)

When it is reported from attendees at a State Fair from a neighboring state that I “refuse to share the books with the Board” that is a slanderous remark. Members of this Board
who are stating this lie are opening this Board for a legal action. *For the record, again, the OSBA financial reports are on our website and fully accessible.*

Ms. Garnes has stated in Board meetings and at the 2018 Treasurer sessions I will not “share copies of past conference receipts,” and I “refuse to share the books with the Board.” She asked again at the Sept. 15 Executive Committee meeting for receipt copies as she thinks having those receipts will help her plan a conference. Ms. Garnes has been provided with the information about past vendors for the conference; she has been provided with checklists, and a conference planning schedule by the OSBA State Conference Coordinator. It is a lie that I, the OSBA Treasurer, am refusing to provide requested information; I have provided all requested information.

It is a lie that OSBA has “IRS issues.”

An audit of 2019, my last year as OSBA Treasurer, will be conducted by the 2020 Board per the governing documents of OSBA. The auditing CPA is already contracted for this work so it can be completed within the first 4 months of 2020.

Please note, and for the record, I will take legal action against the OSBA Board if they continue to spread lies, innuendo, and misinformation about my financial management of OSBA as Treasurer. The financial records of OSBA, Treasurer reports, the IRS 990 reports, and Audit reports are posted on the OSBA website for anyone to read, print, and review for transparency. Per the OSBA insurance carrier’s own questions for D & O insurance: *Have you given written notice under any insurance policy which might give rise to a claim? Are you cognizant of any act, error or omission which you have any reason to suppose might afford valid grounds for any future claim?* As a statement of fact: I have advised the insurance company, per my duty of care, loyalty, compliance, and fiduciary responsibility, if the slanderous comments continue I will take legal action due to the slanderous comments about my tenure as OSBA Treasurer.

**Bookkeeper per the Board approved budget**

- Trial run has begun for August-December to determine a full year’s estimate for work needed to replace most of the 20-30 hours per week of data entry and other Treasurer activities by the OSBA volunteer Treasurer. The bookkeeper is a certified Quickbooks expert and is with W3 Global, the firm that has completed the OSBA 990 and Affiliate 990 reports. This is an OSBA budgeted approved activity, listed in the OSBA budget for 2019, and the bookkeeper is an employee of W3 Global, CPAs, the company who has compiled our Annual 990 report.
- Having a professional bookkeeper with W3 Global, also corrects the one weakness found in the audit; having a professional be able to provide journal entries, footnotes, and review of the accounting. (also see “Audit” below)
- An estimate of the cost for bookkeeping services by a professional will be provided for the Dec. 7th OSBA Strategic Planning Meeting.
Audit 2018 and 2019
The CPA (Dave Komer with Donavon & Klimczak) who conducted the audit held a conference call with the OSBA Board to answer any questions. Peggy and Nina misled the Board and the audit CPA stating the OSBA Treasurer completed Nina’s 1099 incorrectly. After the audit meeting I proved to the Board and Nina and Peggy that the 1099 was correct; Nina had forgotten she was paid 10% of the table rental of each vendor, and that was part of her stipend, and taxable. Board members need to ensure their comments are fact, instead of creating a lie that misleads the board and slanders others, as well as increasing another volunteer’s workload to provide again the facts, and to disprove the lies presented. Additional information was sent to the OSBA Board clarifying incorrect questions of Board members pertaining to the audit compilation, and verifying the OSBA Treasurer records are, as Dave Komer, CPA stated, “All information was detailed, and Michele did an excellent job organizing the documents. The books are in excellent shape.” The audit documents have been posted to the OSBA website for transparency.

The audit report did state one weakness and that was OSBA not having a complete internal control system such that the Treasurer could provide the financial report WITH footnotes in preparation of the audit. A professional CPA or Bookkeeper (Quickbooks expert) would resolve that weakness. Per the arrangement with the OSBA Board, August-Dec. of 2019 a certified Quickbooks expert at a CPA firm, W3 Global, will be taking some of the workload off of the OSBA Treasurer, learning how OSBA functions, and therein provide the solution to the Audit’s comment for a financial report WITH footnotes at year end. At the beginning of December the bookkeeper will be able to provide OSBA with a quality estimate of the cost to continue to maintain the daily accounting of OSBA for an entire year.

An audit must be conducted of the 2019 accounting records. As reported at the OSBA full Board meeting in August, the CPA (Dave Komer with Donavon & Klimczak) has been secured now so OSBA can get into their work queue sooner this time (projected completion date of 2019 audit would be April 15, 2020).

In order for consistency, quality, transparency, and responsibility, I will continue to fulfill the duties of Treasurer until Dec. 31, 2019 at midnight the end of the OSBA fiscal year. Per the By Laws the new Treasurer will assume their duties Jan. 1, 2020.

Budgetary responsibilities fall on the incoming Board. The 2020 Budget should be drafted and proposed by the incoming Treasurer, and reviewed and approved by the 2020 Board at the Strategic Plan Meeting.

At the December OSBA Strategic Planning meeting in December, it is of utmost priority for the Board members to have an educational session on how to read and understand the OSBA financial reports.

------- Original Message -------
OSBA Board:

Through transparency and detailed information I have continually provided the OSBA Board with the information they need to know, and understand, in order to act upon and to comply with the Board’s fiduciary responsibility by law, and to support a proactive, positive image of the financial management of the memberships’ money.

For transparency, I typically repeat what has been conveyed in the Executive Committee Board meetings, in the Treasurer’s reports to the full OSBA Board.

It is important for the entire Board to read the Treasurer’s documentation of financial facts so you are not misled, and you fully understand the financial issues impacting OSBA by the facts.

- For understanding of a financial audit please see every Treasurer report.
- For the OSBA Sales tax liability please see Sept. 2019 Treasurer report to Executive Committee based on findings during the attorney review of OSBA contracts; also see Oct. 2019 Treasurer report.

Please read the Treasurer Reports to review the facts, so you are informed Board members obligated to practice your fiduciary responsibilities as mandated by the State of Ohio.

https://www.ohiostatebeekeepers.org/about-osba/meeting-minutes/2019-meeting-minutes/

Thank you,

--

Michele Colopy
Treasurer
Private Inurement

Member dues and special discount to the Treasurer elect.— The dues are set by the governing documents and the very form soliciting the member dues. No other OSBA member paying the Family rate was given a “special discount” at the Conference. (see attached) except for the Treasurer-elect. For the treasurer-elect and a fellow board member to discount his dues at the conference is inappropriate. The treasurer elect will be billed the additional $5 and documentation of this will be attached to the initial payment from the Conference table.

It was inappropriate for one Board member to agree to a special discount in member dues for another Board member, especially for the Treasurer-elect. This arrangement placed both individuals in a problematic situation inappropriate for Board members and in conflict with Generally Accepted Accounting Principles. This issue is not about $5, it is about inappropriate, unfair, and private inurement of one board member facilitated by another board member.

Below is the copy of the Membership form completed by the Treasurer-elect at the OSBA State Conference Nov. 2, 2019 and accepted by another Board member at the OSBA table.
When a nonprofit engages in any type of conduct that results in an improper benefit to an insider, one of three things can happen:

- nothing
- the IRS can impose monetary sanctions, or
- the IRS can revoke the nonprofit’s tax exemption.

The most common punishment for nonprofits guilty of private inurement is monetary sanctions—an also called “intermediate sanctions.” Revocation of a nonprofit’s tax-exempt status is rare—as a
practical matter, it is a death sentence for any nonprofit.  https://www.nolo.com/legal-encyclopedia/what-is-private-inurement.html

Private benefit is a broad concept that applies whenever any individual, whether associated with the organization or not, reaps a benefit that is not within keeping of the exempt purpose of the organization. Private benefit does not have to be financial. The IRS does not see private benefit in absolute terms. It is allowable when it is insubstantial or incidental to the main service being provided. It is not acceptable when a service or a financial transaction is purposefully aimed to benefit an individual or a narrowly defined group rather than the public.
https://boardsource.org/resources/private-benefit-private-inurement-self-dealing/

How to avoid penalties

- Structure your organization so that it serves its tax-exempt purpose and not the needs and wants of any individuals.
- Make informed and prudent decisions.
- Create and update policies and procedures including vendor bidding process, financial practices, personnel practices, conflict of interest, board member compensation, and expense reimbursement.
- Remind staff and board members regularly of conflict-of-interest obligations and the need to fully disclose whenever they identify a potential conflict.
- Use valid data to set chief executive and other senior staff compensation and benefits package. Use data that relates to comparable positions (comparable may mean nonprofit and for-profit) obtained from objective and uninterested sources such as surveys, information from other organizations. Retain objective consulting on the issue whenever possible. Or, have the board or an authorized committee of the board review the data and agree on the compensation. Be familiar with Intermediate Sanctions regulations and avoid excess benefit transactions.
- Seek professional advice when there are questions. Don’t try to figure it out alone.

IN SUMMARY: All Board members attending the Conference and any OSBA sponsored program or event, must pay all registration fees, and/or lunch etc., as well as the annual member dues in full, otherwise it is viewed as private inurement/self-dealing/private benefit for being a board member, and in violation of ethical board membership.

Grant Applications to OSBA
- Beekeeping Library Grant- two libraries are still available.
- Research Grant for 2020- per the SOP for the Treasurer-notice of the available application was posted in the 4th Qtr. OSBA Newsletter and the application was
forwarded to researchers at The Ohio State University and The University of Akron in mid-Sept. Deadline for receipt of applications is Jan. 13, 2020. Any applications received will be reviewed by the Finance Committee and scored using the applicable rubric. To ensure fairness and transparency, no member of the Finance Committee reviewing any grant application should be connected with any grant applicant in any manner. If a Finance Committee member has any connection to a grant applicant, for transparency and fairness, and to remove any conflict of interest the committee member is to recuse themselves from the grant review.

**OSBA Fiduciary responsibilities of Committees, Budget for 2020**

Committees need to create their budgets for 2020.

Jan. 4, 2020 at 11 a.m. at Fifth Third Bank, 656 W. Market St., in Akron, OH 44303 is the date, time, and place where the bank account signatures will be adjusted. All applicable persons/officers who have completed the background check are eligible to be a check signer.

However, as previously reported and advised, the continual inability to follow procedures and manage the OSBA funds responsibly for transparency and accountability requires the OSBA Treasurer to revoke the privilege of OSBA officer Ms. Peggy Garnes handling of any OSBA monies. This policy for the Treasurer to approve/revoke any OSBA Board/Committee member’s access to OSBA monies has been in place since 2016, and the Finance Committee has approved it as well. For 2020 it will be the 2020 Board who will accept all responsibility to protect the OSBA member’s money, and determine who can have access to and be responsible for OSBA funds.

**OSBA and Affiliate Insurance**

- Increase in insurance coverage due to increased revenue in OSBA
- Bonding for Treasurer and President will be increased from $50K to $100K each due to OSBA’s increased revenue.
- Due to increased OSBA revenue, insurance carrier requires additional oversight/management policies and procedures that OSBA is practicing to reduce OSBA’s risk. Once approved by the Board, copies of the OSBA Financial Policies and Procedures and Treasurer SOP must be provided to the Insurance Agent.

**Finance Committee**
Committee members: Don Crock, Kathi Hinckley-Vaughn, Bob Hooker, Kyle Kovacs, Michele Colopy, Terry Lieberman-Smith

Proposed OSBA Financial Policies for Board Review. These documents will be sent to the Board with the entire packet of documents to be reviewed for the Strategic Planning Meeting as one complete packet.

Sales Tax Responsibility Update:

At the Sept. 15 meeting of the Executive Committee it was approved for the OSBA Treasurer to secure an Ohio Vendor license, and to determine the amount of past sales taxes OSBA owes with the CPA. OSBA secured a Transient Vendor license which allows us to store for sale items in one place, and ship out the items purchased, or sell them at event tables. $25 is annual (Jan-Dec.) cost for the transient vendor’s license. We are using the address on the IRS determination letter as that is the location of the majority of OSBA warehoused items.

In consultation with the CPA and a Sales Tax Attorney (at Buckingham, Doolittle law firm) the CPA spoke with, OSBA was advised:

6. Completed an online Voluntary Disclosure Agreement (VDA) form to self-disclose our sales tax liability for 2016-2019 to date; provided a month by month detail of sales of taxable items (window clings, books/Manuals, Apiary Diagnostic Kits (non-grant related), Save the Honey Bee Stickers, DVDs, tables OSBA rents to vendors, logowear, flower seeds.) The CPA and sales tax attorney agreed we need only report as far back as we have verifiable records to prove the sales tax liability; prior to 2016 the OSBA accounting did not break out sales details.
   a. The State advised we need only report on sales for the past 36 months.

7. Filed an application for a Transient vendor’s license (this is an annual license and fee). This license has been received, and OSBA is to submit reports every 6 months, and remit applicable payment.

8. Final payment of sales taxes owed for the last 36 months = $3805.45, and the interest = $235.19. The sales taxes and interest have been paid.

9. It would be unadvisable to cease all sales of these items as it generates an estimated $16K+ into the OSBA budget annually, these items serve the OSBA mission and our members, and it would raise a “red flag” to the Ohio Sales Tax Dept. of a declared liability for 2016-2019, and then “no liability.” They would most certainly audit OSBA.

OSBA Contracts, Policies and procedures reviewed by the Attorney, CPA and the Finance Committee

Finance Committee agreed to accept all changes suggested by the Attorney who provided the greatest detail (Dallas Johnson). No one on the Finance Committee is an attorney. The Finance Committee agreed it was prudent to accept the Attorney’s changes to all contracts.
Proposed OSBA Financial Policies and Contracts for Board Review and Approval

Board must read the policies PRIOR to the meeting and bring their questions to the group. Having these policies helps to maintain our GOLD SEAL Guidestar Seal of Transparency, and meet Generally Accepted Accounting Principles.

Motion passed by the Board Oct. 20, 2019: The OSBA Finance Committee makes the motion to the OSBA Board to accept the CONTRACTS as reviewed and edited by the Attorney and here presented to the Board.

Motion passed by the Board Oct. 20, 2019: The Finance Committee makes the motion to the OSBA Board to review the financial policies and procedures PRIOR to the OSBA Strategic Plan Meeting, and to vote to approve the Finance Committee recommended OSBA Finance Policies and Procedures at the Strategic Plan Meeting in December 2019 which will be provided prior to the Strategic Plan meeting.

Motion passed by the Board Oct. 20, 2019: The Finance Committee makes the motion to the OSBA Board to create an ad hoc Personnel Committee to review, create, and propose to the OSBA Board in 2020 Personnel Policies that could not be addressed in the Finance Committee, but compliment and support the contracts developed by the Finance Committee. The specific policies for the Personnel Committee to review, create, and propose to the 2020 OSBA Board will be defined by the Finance Committee.

Affiliate Program Report

- Affiliate Program
  - Affiliate Program Committee has one person interested in addressing the continuation of the Affiliate program. The program needs to have at least two people who know how to complete the forms, an understanding of the program, responding to questions of the Affiliates for insurance coverage, program benefits, how to connect the Affiliates to the benefits, and to respond in a timely manner to the Affiliates, and to the Secretary of State, Attorney General, IRS, and the CPA for audits and annual 990.
  - OSBA has 22 affiliates
  - OSBA Treasurer Colopy filed the Ohio Secretary of State filing for NW Ohio Beekeepers, and the Pollinator Sanctuary for these groups.

Results of the Affiliate survey:
The OSBA Executive Committee and a few Board members continue to hear the “Affiliate program needs a lot of changes,” but none of those individuals ever state the exact changes that should be made. At the 8-18-19 Board meeting the Board asked for additional information
The Affiliate program is serving OSBA members, fulfills the OSBA mission, and provides Affiliates with needed services. Due to the number of Affiliates the Annual fee should be increased from $80 to cover the additional Attorney General 990 annual registration fee due to the total combined income of all of the Affiliates in the Group Exemption 990. The OSBA Board will need to determine the cost increase. Due to the increased members, at this time the insurance coverage for OSBA and the Affiliates is based on a per member costs of $1.32 per member. However, as previously advised above, the OSBA insurance will be increasing due to the increase of income to OSBA. The amount of bond for the Treasurer and President each (or other applicable officer as the 2020 President should not have access to the OSBA funds due to an inability to follow procedures, and complete applicable forms to track OSBA monies.)

The 2020 Board will have to propose increasing the Affiliate per member rate to cover the increase in insurance expenses.

For example 1242 members within the total Affiliates (from previous Treasurer reports)

<table>
<thead>
<tr>
<th>$1.25 per member</th>
<th>$1,552.50</th>
<th>$ 2.00 per member</th>
<th>$ 2,484</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.50 per member</td>
<td>$ 1,863.00</td>
<td>$ 2.25 per member</td>
<td>$ 2,794.50</td>
</tr>
<tr>
<td>$1.75 per member</td>
<td>$ 2,173.50</td>
<td>$ 2.50 per member</td>
<td>$ 3,105.00</td>
</tr>
</tbody>
</table>

And does the Board want the fee to cover the cost of a bookkeeper reviewing and approving the Affiliate applications, and providing nonprofit advice if the future Treasurers, other officer, or committee do not want to review, respond to, and approve applications, or do not have responsible nonprofit training/education/experience?

<table>
<thead>
<tr>
<th>OSBA Affiliate Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Nonprofit status through the OSBA group exemption</td>
</tr>
<tr>
<td>• Annual reports to the IRS and Ohio Attorney General</td>
</tr>
<tr>
<td>• Directors and Officers Insurance for your Board</td>
</tr>
<tr>
<td>• Property and Liability Insurance for your bee club</td>
</tr>
<tr>
<td>• Website hosting</td>
</tr>
<tr>
<td>• Monthly OSBA Affiliate Newsletter</td>
</tr>
<tr>
<td>• OSBA Pollinator Oasis Seed packet fundraiser</td>
</tr>
<tr>
<td>• Tech Soup membership</td>
</tr>
<tr>
<td>• Discounted OSBA Traveling Speaker fees</td>
</tr>
<tr>
<td>• Affiliate club discounts to special OSBA workshops</td>
</tr>
</tbody>
</table>

Transparency, consideration, and reports to serve the mission of OSBA
OSBA Board members should be careful when speaking in “broad generalities” that “many members and Board members” have concerns with OSBA about any issue.

The meeting notes, officer and committee reports of the OSBA Executive Committee should be posted on the OSBA website as soon as possible after each meeting.

In order to make the OSBA Secretary’s job easier, and posting of minutes onto the website timely, all Officers, Committee Chairs, and Project Leaders should submit a detailed written report in WORD for each OSBA Board Meeting for review by the OSBA Board prior to the meeting, and for ease in the Secretary’s compilation of meeting minutes.

The CPA-auditor stated if Board members do not want to complete reimbursement forms, in-kind forms, etc. with applicable documentation they are not being transparent.

OSBA needs to post the meeting minutes and reports for all OSBA meetings (full Board and Executive Committee) for transparency and honesty. By posting the Executive Committee reports as well as the Board Reports it will show the Executive Committee is providing the full Board with the same information.

Per the Ohio Attorney General’s “Guide for Charity Board Members,” Board members have the Duty of Care to “Prepare for board meetings by reading and reviewing reports, minutes, and other materials distributed for the meeting.”

“Board members can be held liable for bad things they didn’t take steps to prevent or eliminate.”

https://www.501c3.org/how-to-protect-your-nonprofits-board-members/

End of Treasurer report for OSBA Board Nov. 10, 2019
OSBA Finance Committee meeting

Agenda
Sat., Sept., 7, 2019
7:00 p.m.

Committee members: Bob Hooker, Don Crock, Kyle Kovacs, Kathi Hinckley-Vaughn, Michele Colopy, Terry Lieberman-Smith

6. Process for transparency
   All committee meetings are recorded to aid in taking notes of the meetings.
   All meeting notes will be posted to the OSBA website on a Finance Committee page
   Email chain for all Finance Committee emails will be compiled in chronological order and placed on the OSBA Finance Committee webpage
   Final policies and procedures will be posted on the OSBA website for ease of Board members and members locating the policies and procedures, and for transparency

7. Review Audit
8. Review Audit questions
9. Review Attorney comments to OSBA contracts- Dallas; Taggart
10. Proposed schedule for review of each group of policies and procedures
    Sept. 7- conference call with OSBA Finance Committee to review draft of contracts, policies, and procedures; Treasurer to make any changes per committee (but NO changes to attorney comments)
    ✓ Sept. 15- Group A with notes back to cmte; deadline back to me Sept. 22
    Sept. 22- Group B with notes back to cmte; deadline back to me Sept. 29
    Sept. 29- Group C with notes back to committee- deadline back to me Oct. 6
    Oct. 7- final draft of all back to cmte; Final comments to me by Oct. 12
    Oct. 12- Final draft presented to OSBA Executive Committee
    Oct. 20- Final documents presented to OSBA Board