

Monthly Wisconsin Lake Org Chats

Monthly chats, tentative topics include...

- Organizational Capacity (Jan. 2025)
- Communicating Effectively Using Email (Feb. 2025)
- Annual Meetings (March 2025)
- Budgets & Priorities (April 2025)
- Finances (May 2025)
- Committees
- Lake District Boundaries
- Insurance
- Membership
- and more! (what are your ideas?)

Goal: Introduce important & timely topics to the lake organization community in Wisconsin in a fun and engaging way while pointing the way to additional resources.



Episode 5: Handling Finances

Eric Olson, Director

Extension Lakes,

University of Wisconsin-Stevens Point

Sara Windjue, Leadership and Capacity
Development Specialist

Extension Lakes,

University of Wisconsin-Stevens Point

Nicole Dunbar, Accounting Services Manager
KerberRose

David Minch, Shareholder
KerberRose

Peter Jensen, Eagle Spring Lake Management
District, Waukesha County

Dave Quady, Sand Lake Association,
Rusk County



Extension Lakes
College of Natural Resources
University of Wisconsin-Stevens Point

Why are we doing an episode on finances?

- Many questions around best practices and legalities of financial decisions
- Most lake organizations rely on volunteers with limited experience in finances
- Must follow the law to protect the organization and the people



Differences between Associations and Districts

Associations

Funded by membership dues, donations, fundraisers, grants

Can be hard to predict how income will vary from one year to the next

Variations in income can translate to variations in programming and a roller-coaster effect

Districts

Funded primarily with taxes and mandatory special charges, as well as grants and donations

Budget amounts subject to annual approval from taxpayers & residents

Should lead to more predictability compared to lake associations



Filing Organizational Taxes

Associations (nonprofits): Informational returns

- Federal - due 5 ½ months after year-end & have to be e-filed
 - 990-N: GR normally \leq \$50,000
 - 990-EZ: GR < \$200,000 **AND** total assets < \$500,000
 - 990 - GR \geq \$200,000 **OR** total assets \geq \$500,000
- Wisconsin - due by 12/31 after year-end
 - Solicit or receive \$25,000 or more **AND/OR** have any paid employees
 - Form 1943, Form 1952, Form 308

Districts (local governments): No informational or income tax returns, no need to file *unless you have employees*



Payroll

- Year-round staff
 - Administrative
 - Commissioners
- Seasonal staff
 - Clean Boats, Clean Waters inspectors
 - Harvester operator
- Forms
 - W-4
 - I-9
 - State Tax Withholding
 - Direct Deposit
- Records
- External services
- Stay current on payroll laws/changes
 - payroll.org
 - Subscribe to newsletters from the DOR, DWD, IRS
- Is the seasonal help covered by a grant?
- New Hire Reporting
 - [Home - Wisconsin New Hire Reporting Center](#)
- 941 Quarterly Filings
 - *Subject to significant interest and penalties for late and missed payments!*
- WT-7 Filing - Annually for WI
- Software



Accepting Donations (both cash and non-cash) Applies to both Districts and Associations

- From individuals
- From businesses
- Donations vs. sponsorships
- Donations
 - Cash
 - Non-Cash
 - Property - Appraised/Trade-in Value
 - Stock - FMV date of donation
 - In-kind donation policy
 - Not-for-profits able to decline donations based on policy



Borrowing Money

Why might organizations borrow money?

Associations:

- Loans from banks
- Loans from individuals

Districts:

- Loans from banks
- Loans from Board of Commissioners of Public Lands (BCPL)

- If term of loan is greater than one year, districts could levy for debt service payments.
- Possible audit requirement



Grants

Funding Source - Public or Private

- DNR (state)
- EPA (federal)
- Foundations
- Corporations
- Special Interest Groups

Is the grant cost-sharing?

- Plans to cover costs up-front and for your overall share

Requirements

- Does the grant require specific financial reporting?
- What support/information needs to be provided to receive the grant?
- What needs to be retained, and for how long, after the grant is disbursed?
- Know before you submit!



Saving Money/Investing

Understand applicable state statutes

- Chapter 34 - Public Deposits
- Chapter 219 - Investments

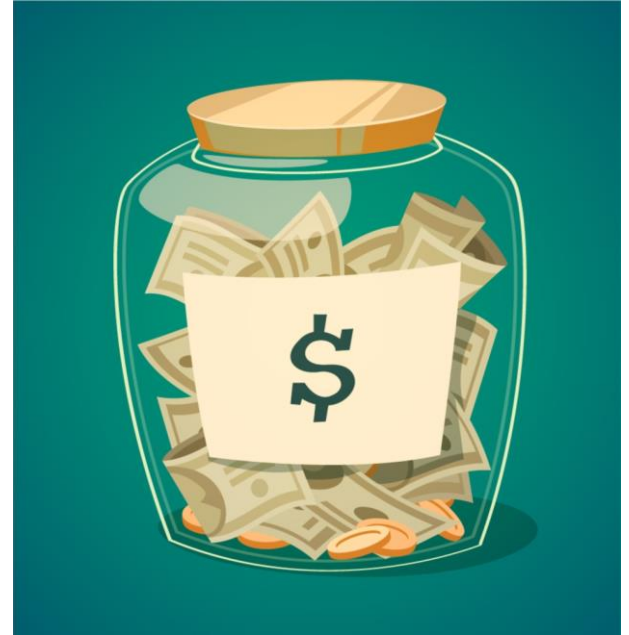
State of Wisconsin Local Government Investment Pool (LGIP)

- Chapter 25.5

Understand applicable internal policies

- Bylaws
- Investment Policy

Risk vs. Reward



Emergency Funding

Unexpected Events

- Equipment Breakdowns or Repairs
- Emergency Repairs to a Dam or Structure
- Disasters or other emergencies



Policies and Procedures

- Insuring your money
- Bonding
- Internal controls & Tracking Money
 - Tone at the top
 - Documented procedures
 - Segregation of duties - when able and applicable
 - Trust, but verify!
 - Spreadsheets to Software- some tips to keep in mind
- Safeguards



Audits

- Know if and when an audit is required
- Internal “audits”
 - Verification of cash tie-out
 - Support for revenues and expenses
- Agreed upon procedures



Coming next month...

Using Committees Appropriately and Effectively

Please let us know what you think of these monthly lake org video chats. We appreciate your feedback and thank you for your time.

[Monthly Lake Organization Video Chats](#)

