

DATE: March 26, 1998

TO: Gerry Gix, Audit Committee Chair

FROM: Jack Wright, DCMG Pres

RE: Interim Audit

According to the bylaws for the Douglas County Chapter of the Oregon Master Gardener Association, an interim audit is required before new officers take office (Article III, Section II).

Your direction is to make a basic audit of the chapter books using generally accepted procedures to be presented to the chapter at large at the June chapter meeting. I will also expect a progress report at the meeting in May.

Dolores Simmons and Roger Sawyer will be available to provide you with any information you may require.

If you have any questions or concerns, please feel free to contact me at any time.

To : Jack Wright, President, DCMGA

From: Gerard Gix, Auditor

Date: June 16, 1998

Subject: Results of Preliminary Financial Audit

Per your instructions, a preliminary financial audit was conducted for the 1998 year to date computer records of the Douglas County Master Gardeners Association. The findings, recommendations and comments are summarized below.

FINDINGS

- 1) The computer records and the monthly treasurer's reports accurately reflect the financial condition of the DCMGA.
- 2) The May Treasurer's Report clarifies that transfers from savings are credit items, not income. Also that transfers from the savings are debit items,(shown in parentheses), from the money market account.

RECOMMENDATIONS

Based on my two terms as an elected treasurer of a non profit organization, please consider the following:

- 1) Unbonded non professional treasurers need more detail guidelines than the description of the position in the By-laws. This is for the protection of the DCMGA as well as to help a newly elected treasurer. Nationally each year a few persons who handle money borrow some to cover personal debt and when detected can not repay. These guideline should include at least the following:
 - a) Methods for authorizing and documenting all expenses.
 - b) A fixed mailing address for all financial records (bank statements, preprinted checks, statements for charged items, et cetera). Home addresses cause trouble during change of officers.
 - c) A schedule for the change of bank signatures.
 - d) An acknowledgment letter signed by both the old and the new treasurer that the records are complete and acceptable.
- 2) All documentation submitted to the treasurer for payment should show the following:
 - a) The name and address of the vendor to be paid.
 - b) The submitter other than the treasurer
 - c) How authorized, (approved annual budget, minutes of meeting and date)
 - d) nature of expense and account or accounts to be charged where known.
- 3) The treasurer should issue a receipt for all cash receipts, and keep a copy in the records.
 - a) There should be a written policy for a petty cash fund .
 - b) The bank deposit slips should agree with the cash receipts and petty cash records.
- 4) In order to maximize bank interest. Income should be deposited within a week of receipt, and invoices or statements paid after the payment date for interest if figured on a monthly basis. Fortunately most banks now pay interest on the average daily balance.

COMMENTS

The project accounting method allows for an accounting of the net gain from a fund raising event. General budget expenses should be prorated by projects wherever possible.