

The Ohio State Beekeepers Association

Financial Audit

Conducted By : Ron Hoopes

Date : January, 9, 2012

Location : Home of Carmen Conrad

Purpose: Annual Audit and Change in Officer

This audit was conducted due to the transfer of the office of treasurer of The Ohio State Beekeepers Association (OSBA) from Carmen Conrad to David Crawford following the annual election held on November 5, 2011 at the annual fall meeting of OSBA in Reynoldsburg, OH.

This audit will also serve as an annual audit since none has been completed since 2007.

Two accounts were audited, the OSBA checking and CD accounts.

Checking Account # 7280482543, Fifth Third Bank

The most recent checking account statement, 12-29-2011, showed a balance of \$34,746.70.

The OSBA checkbook register has a balance of \$34,556.70.

| | |
|---------------------------------------|--------------------|
| The difference from the bank balance, | \$34,746.70 |
| and the checkbook register, | <u>\$34,556.70</u> |
| | \$ 190.00 |

Three outstanding checks:

| | |
|--|--------------|
| # 2154 to Dr. Tew, dated 10/31/2007 | \$ 100.00 |
| #2360 to James Reichert dated 11/20/2011 | 40.00 |
| #2369 to Barb Blotcher dated 12/01/2011 | <u>50.00</u> |

These checks total \$ 190.00 which then balances the account.

Suggestion: Confer with Dr Tew to void the outstanding check so that a new check may be written or the funds are returned to the OSBA account.

Tracking forms for spending authority are used for all checks written. However, the account is not set up with the bank to receive photocopies of checks written. Therefore, a review of the signed spending authority forms were reviewed and matched all entries in the checking register but the actual checks could not be reviewed. (see recommendation #6)

It was observed that at no time did the spending authority exceed the authority given in the OSBA Constitution.

CD Account # 386103360, Union Savings Bank

| | |
|-----------------|--------------------------|
| | Balance \$5923.60 |
| Less Encumbered | JT Fund <u>\$2654.52</u> |
| OSBA Funds | \$3269.08 |

Total OSBA funds this date, which is the CD plus the checking is \$37,825.78

Inventory Items: No inventory is available for the physical property of OSBA.

Summary:

The "books" of The Ohio State Beekeepers are in good order. Carmen Conrad, past treasurer, is to be congratulated for her efficiency.

However, some issues with internal control should be addressed as well as other recommendations which will make the audit of the funds more transparent.

1. These controls include a Budget Committee and an Audit Committee.
2. The books of the treasurer should receive an annual audit. It is suggested this audit be conducted by the Audit Committee prior to the annual fall meeting and a report made of such audit at the meeting.
3. The checking account is holding funds in excess of the needs for normal operation of the association. The Budget Committee should determine the necessary operating funds and place the remainder into the savings account or CD or a combination of the two. This savings account should require two signatures before allowing any withdrawal.
4. Due to the recent influx of monies into the OSBA treasury it may prove beneficial to explore the possibility of obtaining a 501c3, Federal Tax Exemption.

5. A method of accounting for all dues collected should be established. It is noted that collecting funds at the annual meetings proves difficult for one or two persons at the registration table. Perhaps more staff at the registration table or consider pre-registration for the attendees. At the present time a receipt book is not being used which then makes it difficult to audit the dues collection process. A numbered receipt book or other control method should be used to record paid dues.

6. Change the checking account by paying a fee to the bank so that copies of checks cashed will be received by the treasurer. This record will aid the Audit Committee.

7. Consider, by the Budget Committee, a spending authority for the president of the association. The constitution does have a \$1500 spending authority for the BOD but no authority is set for the president when there is a need. An interpretation of this could be that the president must ask the BOD for any necessary spending.

8. A review of OSBA payment to speakers at events does not appear to be consistent. The budget committee should set this amount so that the cost of planning an event can be better calculated.

9 A control method for the physical inventory of property belonging to OSBA needs to be established and copies maintained by both the secretary and president. Current property belonging to OSBA that is known is a power point projector and a sound system. Control methods should be established so if these items are loaned they can be accounted for. These items should be marked in some way to show ownership by OSBA.

10. Implement a Competitive Bid system for any purchase beyond an amount to be set by the Budget Committee. That is, some items are so trivial and urgently needed that bidding would not be necessary. However, some larger purchases, if bid, may save the association monies.

Respectively Submitted

Ron Hoopes
Ad Hoc Internal Auditor
Past President, OSBA
Life Member, OSBA

January 9, 2012

Date