Report from District 35 Audit Committee

Thomas F. Rozga, DTM – Chairman,

Harvey Hoernke, DTM & Justin Gottfried, DTM

Mid-Year Audit – February 12, 2018

The District is now using the Concur Expense Reporting system for reimbursement processing.

This system enables to Finance Manager improved controls of all District funds. The system includes an auditor function which streamlines the audit function.

In reviewing the 2017 Fall Conference report we were happy to see the event was close to breakeven, with a small profit. This is how the event should be run.

Overall, District revenues are down, per the budget, but expenses are significantly down. We expect the expenses to get closer to budget during the remainder of the year.

Item #1 – Ensure that all expenses are tax exempt. Do not reimburse sales tax for any expense. We are tax exempt and should use our Wisconsin Tax Exempt Number for all purchases. The Finance Manager is aware of this issue and is taking appropriate steps to control the situation.

Item #2 – Approvals over $500 require an additional approval. The entries in Concur had an email attachment giving approval or a voucher added with the appropriate approval. This was an audit issue, from the last audit and the Finance Manager has taken appropriate steps to address the issue.

Item #3 – We could not find any reference to check number 2290. We are not sure if it was voided or outstanding, but no reference to it.

Overall, the committee would like to compliment the District Finance Manager, Jason Feucht, for his excellent job of record keeping and accuracy of the reports. The presentation of documents is well organized and made for a more efficient audit .

TOASTMASTERS INTERNATIONAL

Audit Committee Guidelines

District #: 35

Circle one: **Mid-year Audit** or **Year-end Audit**

PROCEDURES TO BE COMPLETED	**COMPLETED BY:**
A. Organization	
1. Obtain all supporting documents for the Mid-year or Year-End Profit & Loss Statement from the finance manager, and sort the documents in the following manner: • Stack #1: Sort Profit and Loss Statements, bank statements and district reserve statements into separate groups, organize in chronological order and place in one stack. • Stack #2: Sort all other supporting documents in the order they appear on the Receipt Register and Payment Register. Receipt supporting documents should be placed behind the Receipt Register, and payment supporting documents should be placed behind the Payment Register.	
B. Substantiating Transactions	
2. To ensure that all transactions are adequately supported, perform the following procedures: • Trace and match all transactions on the **Receipt Register and Payment Register** to their respective supporting documentation. • Place a check mark (√) on the **Receipt Register and Payment Register** next to each transaction that has supporting documents. The only transactions that should not be check marked are the ones missing supporting documents. • For the transactions missing supporting documents, contact the finance manager and ask if such documents exist. If they do, request copies.	
C. Policy Review	

PROCEDURES TO BE COMPLETED	**COMPLETED BY:**
3. To ensure that transactions were executed within the company policies, perform the following procedures: • Review **all cancelled checks** and verify that they were signed by both the district director and finance manager (checks made payable to the district director or finance manager should be signed or approved in writing by the program quality director or the club growth director). • Review **all reimbursement requests** and verify that they were approved by the district director. Ensure that all expenses on the request have adequate documentation (receipts or other supporting materials). Copies of credit card and/or bank statements are not valid receipts or documentation. • Identify **all payments in excess of USD $500** and verify that each expense was properly approved by the district director and at least the program quality director or the club growth director. Any individual expense in excess of USD $500 must be authorized in advance; there should be approval included in the supporting documentation and some indication of when the expense was approved (an email approving the expense is acceptable). • Review all **Debit Card** transactions to ensure that all payments made by the district director were authorized in advance in writing by the finance manager and either the program quality director or the club growth director. Payments made by the finance manager must be authorized in advance by the district director and either the program quality director or the club growth director. • Identify **Other District Expenses** (gifts, flowers, expressions of sympathy, etc.) to ensure they are not lavish or excessive and that they support the mission of the district. Tokens of appreciation are allowed up to $25. Donations are not permitted in lieu of flowers or to any charitable fund. • Review all meal expense reimbursements for District Leader August and Mid-year trainings to ensure the district director, program quality director, and club growth director were reimbursed for their meals purchased, up to $30 a day with supporting receipts. (Meal expenses are NOT covered by a per diem.)	

Thomas F. Rogers, DTM — 2/12/2018

Audit committee member signature — Date

Austin R. McDaniel, DTM — 2/12/2018

Audit committee member signature — Date

Harvey Hoernke DTM — 2-12-2018

Audit committee member signature — Date

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Certification for
December
2017-2018

DISTRICT 35

INSTRUCTIONS:
1. Complete all sections on the Narrative tab.
2. Fill in the white cells below with the appropriate information and print out this page.
3. Obtain related signature below. **Electronic signatures are not acceptable.**
4. Distribute monthly reports per Toastmasters International protocol 8.4, to the district governor and lieutenant governors within 30 days after the end of the month.
5. Quarter reports due to World Headquarters:
   * September Report: **October 31**
   * December (Audit) Report: **February 15**
   * March Report: **April 30**
   * June (Audit) Report: **August 31**

6. Submit approved narratives and certification page to World Headquarters by email or fax:
   * Scan and email the PDF to **DistrictFinancialReports@toastmasters.org**
   * Or fax to (949) 589-3456

NOTE: This certification form must be complete for the report to be accepted by World Headquarters. Reserve funds will not be released until World Headquarters receives the completed report.

In Base Currency	**USD**
Monthly Net Income/(Loss)	(1,723.86)
Year to Date Net Income/(Loss)	(2,783.02)
Total Available Funds	29,277.66

1. We, the undersigned, certify that all district financial records have been made available to the audit committee for inspection and that any unpaid bills or other outstanding obligations for the 2017-2018 term have been reported to the audit committee and included in accruals section of this audit. We further certify that there are no other outstanding district obligations incurred for the 2017-2018 term.

Dated this Third day of February

Keith H Cunningham
District Director (for the year audited)

District Finance Manager (for the year audited)

Complete only for the Mid-year Report and Year-end Report:

2. We, the undersigned members of the Audit Committee have examined the records of District 35 for the 2017-2018 term in accordance with the Audit Committee Guidelines* and believe that this report properly reflects the operation for that term.

Dated this 12 day of FEBRUARY

Thomas F. Rogge, DTM
Chairman

Anita A Lattried, DTM
Member

Harvey Haencke DTM
Member

* Audit Committee Guidelines are available at the District Finance Corner: www.toastmasters.org/AuditGuide

NOTE: Audit committee members cannot be members of the district executive committee (e.g., district director, program quality director, club growth director, immediate past district director, secretary, finance manager, public relations officer, division directors, area directors).

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TOASTMASTERS INTERNATIONAL
Narratives for
December
2017-2018

DISTRICT 35

In the following white cells, include a brief narrative (description/explanation) of the monthly income, revenues and expenses associated with each category of the Treasurer's Report. Explain if the monthly activities aligned or did not align with the district budget and the District Success Plan. A separate sheet may be used. For each of the four Quarter Reports, **all sections of this narrative page must be completed in order for the report to be accepted by World Headquarters.** The questions in the boxes are to help you formulate narratives. Delete the questions, and replace them with your narratives.

Membership Revenue

YTD Budgeted Revenue $23,060.00 actual Revenue $22,682.23 Variance under of budgeted revenue by $377.77

Conference Net Income/(Loss)

Fall Conference was November 4.
YTD Budgeted Revenue was $9,250.00 actual Revenue was $8,461.65 Variance under budgeed revenue by $788.35
YTD Budgeted expenses $9,650 actual expenses $7,852.03 Variance under budget by $1,797.97.

While a smaller event than in the past the Fall Conference was financially sucessfull.
Revenue $8,461.65 - Expenses $7,852.03 = Income $609.62

Fundraising Net Income/(Loss)

No Fundraising is planned nor budgeted.

TLI Net Income/(Loss)

YTD budgeted expenses $1,712.00 actual expenses $1,153.80. Variance under budget by $558.20.

Our last TLI occurred in September. Division Directors did a great job controlling costs by combining events and maximizing planned subsidy where possible.

District Store Net Income/(Loss)

District 35 leverages the Toastmasters International Store and has not had its own store for several years.

Other Revenue

No other revenue was expected however Speech contest Revenue of $5 was paid to the district via Eventbright. Also some old logo items were sold resultng in $18 of other revenue.

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Marketing

YTD budgeted expenses $10,350.00 actual expenses $3,407.33. Variance under budget by $6,942.67.

Most expenses are for building new clubs & Membership growth incentives, spending on incentives such as Toastmasters football has been slower than planned. We expect this to pick up as the year goes on.

Communications and Public Relations

YTD budgeted expenses $912.00 actual expenses $247.10 Variance under budget by $664.90

Education and Training

YTD budgeted expenses $2,250.00 actual expenses $2,105.41. Variance under budget by $144.59.

Most expenses are for training the DEC.

Division Directors are doing an excellent job maximizing the budget availabble for the meetings they are hosting.

Speech contests

YTD budgeted expenses $2,180.00 actual expenses $1,314.51. Variance under budget by $865.49.

Area & Division directors did an excellent job maximizing the budget available by running joint contests and charging a small fee to contest attendees to offset food and beverage costs.

Administration

YTD budgeted expenses $1,750.00 actual expenses $1,418.31. Variance under budget by $331.69.

AV Running over budget by $326.98 however is offset by less spending elsewhere. Spending is to continue expanding District Technology Capabilities.

Travel

YTD budgeted expenses $19,249.00 actual expenses $16,415.43. Variance under budget by $2,833.57.

Mileage for Pathways Guides was less than planned. This mileage will pick up YTD as The rollout of Pathways gets closer.

We are a geographically diverse District and are not able to reimburse as much mileage over the course of the year as we would like, because of this we expect to potentially need to cut off reimbursements for mileage due to budgetary constraints.

Other Expenses

YTD actual expenses $35.98. No Other Expenses are planned nor budgeted this year.

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