

Springer Middle School Family Association, Inc.
Executive Board Reorganization Meeting
Tuesday, June 25, 2019 - 6:00PM

MINUTES

- I. **Call to order** (*Jason Heller*) -at 6:00pm in attendance - *Dr. Woodson, Jason Heller, Kathy Heller, Pleshette Moore, Greg Xenakes, Jason Hale*
- II. **SFA Final 2018-2019 Financial Report / Budget Overview** (*Pleshette Moore*) - see attached
 - A. *Review of financial records from Jason Hale - see attached*
- III. **New Business** (*Jason Heller*)
 - A. 2019-2020 Committee Chair / Liaison Appointments:
 1. Fundraising Committee Chairperson - Lisa Fabris
 2. Membership Committee Chairperson - Amanda Decapua Carla to
 3. Family Engagement Committee Chairperson - Traci Lake
 4. Staff Appreciation Committee Chairperson - Danielle Arnone
 5. 8th Grade Dance Committee Chairperson - open
 6. Nominating Committee Chairperson - open
 7. Teacher Liaison - Greg Xenakes
 8. Motion to approve all committee chairs by Dr. Woodson, seconded by Pleshette Moore
 - B. 2019-2020 Membership Rates - \$10 for individual and \$15 for family. Motion by Kathy Heller, seconded by Greg Xenakes
 - C. 2019-2020 Membership Meeting Schedule - see attached -Motion by Kathy Heller, seconded by Greg Xenakes
 1. This year we will post minutes from meeting on facebook group for people that are unable to attend meetings
 - D. 2019-2020 Budget Proposal - see attached - Motion by Dr.Woodson, seconded by Pleshette Moore
 - E. Joe Corbi's Fundraiser Schedule - sale to run 9/13- 9/30, submit order by 10/4, delivery the week of 10/27.
 - F. Long term project ideas - outdoor classroom, mascot costume, AED tower, long distance jump pit, shot put pit, refurbishment of baseball and softball fields (sloping and causing flooding) Jason needs to reach out to John Reid regarding fields, AED fields
- IV. **Adjournment - at 7:42 Motion by Greg Xenakes, second by Dr. Woodson**

UPCOMING DATES OF IMPORTANCE:

- July 11 - 6:00PM - New Student Orientation (setup at 4:30)
- August 13 - 6:00PM - New Student Orientation (setup at 4:30)
- August 21 - 4:00PM - 6th Grade Fun Day (setup at 3:00)

Attachments:

Financial report
Finance review report
Meeting schedule
Approved budget

Respectfully Submitted,
Kathleen Heller, Secretary

Audit Report for Spring Middle School Family Association - June 2019
Prepared at the request of President Jason Heller and the Board of Directors
by Jason Hale

The following structure was used: Area of Review, STANDARD, FINDINGS, NOTES.

STANDARD reflect generally accepted accounting practices for non-profits.
FINDINGS are what I found from my interviews with the Treasurer and past-Treasurer.
NOTES are my observations and additional information related to the Area of Review.

This was not a comprehensive audit of all the financial records and is not intended to provide an opinion as to the financial condition of the organization. This document is intended for the Board and should not be utilized to obtain financing. For purposes of this review, a sample of transactions were reviewed and validated. Receipts were obtained, and signatures representing approvals or other authorizations were accepted as valid. The information within this report is to provide feedback recommendations for stronger procedures and internal controls.

Thank you for letting me provide my insights!

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Matching Expenditures to Invoices

1. STANDARD: Each expenditure should be matched with a receipt or invoice that shows where, when, and what. A separate notation should exist saying why the expenditure was made and to which account an expense will be charged.

FINDING: This area can be strengthened. In most instances, invoices and other expenditure backup was provided in the binder. There was some missing backup for non-cash transactions. I was unable to determine how much and/or how often transactions are entered into Quickbooks. All transactions should be entered into Quickbooks within 24 hours. This will ensure timely record keeping and tracking of all expenditures.

NOTES: Manual recording of expenditures and revenues provides too great of a risk for error. The volume and frequency of transaction call for a review of the online bank statements and Quickbooks multiple times per week to ensure accuracy. This will also ensure that any missing documentation can be gathered. In cases where documentation is unavailable, a written attestation should be included to explain why the expenditure was made and reason for there not being documentation. This should be signed off on by another member of the board to ensure transparency.

2. STANDARD: Approval authority should be clear (who authorized the expenditure) and upon what basis.

FINDING: Approval authority for small organizations is often informal and relies upon the working relationship between the Treasurer, President, and other members of the Board. Decisions regarding the appropriateness of each expenditure often relies upon the informed judgement of the Treasurer. I found no instances where questionable purchases occurred.

NOTES: It is essential that the same person who requests transaction does not also approve them. This includes requests for checks. There should always be two different individuals aware of all transactions.

Record Management

1. STANDARD: All financial information should be stored reliably, securely and in an organized manner. All relevant information, such as bank statements, cancelled checks, invoices, cash receipts, and cash register tapes (or adding machine tapes if used to record cash received at events) should be stored at least through the end of each reporting period. Having this information stored and readily accessible helps resolve any issues or discrepancies that arise.

FINDING: This area can be strengthened. A majority of the financial information was manually assembled and available in a three ring binder. Manual record keeping for an organization with this much activity is not recommended. All information should be entered into QuickBooks on a timely basis, preferably with 24 hours. Because the information is manually recorded, a review of general ledger transactions and other reports were not available. An up to date balance sheet, income statement, general ledger and bank reconciliation should be available at all times.

NOTES: Utilization of Quickbooks online would allow for viewable access by multiple board members. It is essential that only the Treasurer record transactions. The recording of transactions should take place no later than 24 hours after they occur to ensure timely and accurate reporting.

2. STANDARD: Accounting information should be available to several key members of the Administrative Committee / Board of Directors in addition to the Treasurer (example: Vice-Treasurer and President). These additional individuals should have (at least) read access to the information and the ability to draw unique reports from the data.

FINDING: This area can be strengthened. Because Quickbooks is not used, only the Treasurer has access to information other than the online bank statements.

NOTE: Online versions of Quickbooks permit multiple individuals within an organization to have report level access to the information and access levels may be assigned by a primary control individual. Individuals with read-only access do not have all transaction-level data. An online version would remain updated and would belong to the organization.

Cash Management

1. STANDARD: Cash and cash-equivalents (gift cards, freebies from vendors, debit & credit cards) need to be carefully recorded and their use carefully supervised.

FINDING: This area can be strengthened.

(1) The utilization of debit/credit cards comes with it an increased need for timely reporting. It is essential to follow the process by which an expenditure is preauthorized and substantial backup is maintained and provided to the Treasurer in a timely manner to be entered into QuickBooks. Such cards are difficult to manage, as the banks assume no liability for inappropriate procurement by authorized individuals using such cards, and in cases where family members or others have taken and used such cards without permission, organizations are often hesitant to prosecute.

(2) The receipt of gift cards, freebies from vendors or local businesses, and other cash-equivalents must be treated as cash, accounted for as income to the organization, and receipts must be provided to donors. A record of the disbursement of such cash-equivalents must be kept and available for audit purposes by the IRS.

2. STANDARD: Use of cash control devices (including cash boxes, cash registers, adding machines, etc.) and credit card readers require users and supervisors to be trained and supervisors to be able to control the transaction flow.

FINDING: Cash management at events are often (perhaps usually) managed by informal volunteers selected on the spot. The criteria for selection of cash management individuals is based mostly upon their willingness and friendliness, and it is hoped that the small scale of the cash transactions and the use of whole dollar amounts mitigates the additional cash management risk.

NOTE1: The use of volunteers is a key to the organizations mission: getting more parents involved in parent-child-teacher interactions. Supervisors need to be able to manage the flow of transactions to keep the additional risk to a manageable level.

NOTE2: Use of credit or debit card readers, peer-to-peer payment systems (such as: Square Cash, Venmo, PayPal, Apple Pay, Android Pay, Samsung Pay, Google Wallet), etc., provides convenience to those attending events and lowers cash management risk. The cost of such systems is reasonable relative to the risk; attendees should be encouraged to use these payment methods rather than cash.

Budgets

1. STANDARD: Each expenditure should link to the approved budget. Each revenue source should be linked to the budget.

FINDING: Based on the size of the organization and the fact that it was recently formed a direct link for each revenue and expenditures could not be linked to a specific budget. The utilization of QuickBooks will ensure that all transactions are appropriately categorized.

Internal Controls

1. STANDARD: Internal controls are those provisions that help to protect against fraud, theft, and other internal accounting issues. They are the procedures the organization uses to ensure its assets are protected and its information is accurate. Internal controls must be clearly understood by everyone involved, transparent, and available for review as circumstances evolve.

FINDING: This area can be strengthened. Currently no Financial Policies Manual exists. The Treasurer and Board should develop and approve an manual.

2. STANDARD: Separate accounting duties should be assigned to the extent reasonable and possible. For example, it is best to not allow the same person to both handle cash and do the bookkeeping, as this makes it easier to explain away missing cash.

FINDING: This area can be strengthened. As with many small organizations, it is difficult for the Springer Middle School FAMILY ASSOCIATION to attract people needed to serve as back-ups to existing positions,

and the role of back-up then falls to the President or other assigned Board member. However, it is essential that a back-up process exists, as the due diligence required of non-profit Board Members requires effective cash management and financial controls to safeguard the charitable contributions made by the public. The utilization of the Debit Card is effective in limiting the flow of cash.

3. STANDARD: Incoming administrative and subcommittee officers need to be trained and the information (files, contact lists, reports) from outgoing officers needs to be transferred.

FINDING: This area can be strengthened. Transfer of the knowledge, files, and contact information of vendors and other strategic partners relevant to each position is often left to chance as no formal "end of term" report or formal hand-over meeting is held.

4. STANDARD: Checkbook, cash, inventory and other reconciliations should be timely made.

FINDING: This area can be strengthened. I was unable to determine the timing of bank reconciliations and outstanding revenues and expenditures on a monthly basis. Cash and checkbook reconciliations should be performed on a timely basis. The utilization of QuickBooks will allow for reconciliations to be performed whenever needed.

Tax Exemption Documents

1. STANDARD: The following documents should be available for use at every meeting: Articles of Incorporation, Bylaws and the minutes of past meetings. In general, exempt organizations must make available for public inspection certain annual returns (Form 990 filings) and a Determination Letter by IRS of 501(c)3 status (if received). The organization must provide copies of such returns and applications to individuals who request them.

FINDING: A copy of the Bylaws and the Determination Letter by the IRS of 501(c)3 are available.

Springer Middle School Family Association, Inc.

BUDGET OVERVIEW: 2019-2020 SCHOOL YEAR - FY20 P&L

July 2019 - June 2020

	TOTAL
Income	
8th Grade Dance Income	3,000.00
Card Processing Fee Offset	25.00
Donations	300.00
Amazon Smile Donation	150.00
Box Tops	250.00
Restaurant Nights	1,000.00
Total Donations	1,700.00
Joe Corbi's Income	8,000.00
Membership	2,000.00
Snack Shack Income	3,000.00
Spirit Wear Income	5,000.00
Total Income	\$22,725.00
GROSS PROFIT	\$22,725.00
Expenses	
8th Grade Dance Expense	2,900.00
Joe Corbi's Expense	6,500.00
Mini Grants Awarded	5,000.00
Operating Expenses	
Insurance	385.00
Office & Admin Expenses	250.00
Other Business Expenses	100.00
Square Fees	60.00
Taxes & Licenses	30.00
Total Operating Expenses	825.00
Snack Shack Expense	1,500.00
Spirit Wear Expense	4,000.00
Staff Appreciation Expense	2,000.00
Total Expenses	\$22,725.00
NET OPERATING INCOME	\$0.00
NET INCOME	\$0.00

*****PROPOSED*****

2019-2020 SFA Membership Meeting Schedule

All meetings will be held at 6:30PM in the library unless otherwise noted

Thursday, September 12, 2019

Thursday, October 10, 2019

Thursday, November 14, 2019

Thursday, December 12, 2019

Thursday, January 9, 2020

Thursday, February 13, 2020

Thursday, March 12, 2020

Thursday, April 9, 2020 (*nominations*)

Thursday, May 14, 2020 (*elections*)