

TRUSTEES

INSTRUCTIONS FOR AUDITING AUXILIARY BOOKS

Doing an audit is a simple process if the steps are followed as listed below. The duties of the Trustees are very important! Auxiliary Presidents please see that each Trustee receives a copy of this information!! **Please refer to the National Bylaws, Section 814, Page 88.**

RECORDS NECESSARY FOR AN AUDIT:

Secretary:

Minute Book

Treasurer:

Treasurer's Book

Copy of previous Audit

Membership Book

Malta Withdrawals & Receipts reports

Receipt Book

Deposit Slips

All bills, cancelled checks, bank statements and checkbook.

If any of the above items are not on hand at the time of the Audit, it should be canceled and done at such time as all items are on hand.

The Trustee whose term of office expires at the next regular election (1 yr Trustee) serves as the Chairman of the Trustees and shall call the audit. The three (3) elected Trustees shall audit the books **within thirty (30) days of the end of the quarterly period.** The Secretary, Treasurer and the President should be present to assist with the audit but their presence is not mandatory. It is important to know that the **Trustees do the actual work, not the Treasurer, as the Trustees are checking the Treasurer's figures. Trustees should never change any figures in the books; all such changes must be made by the Treasurer.**

Audit Procedure:

Receipts:

1. Check the receipts (let one check the Treasurer's book and the Minute book, one check the membership record book against the names on the Malta withdrawals, and one check the receipt book). Each one should check each item with a check mark in colored pencil.
2. As each receipt is checked, the amount should be written down by one

- Trustee on a scratch pad. Add these to get the total receipts for the period.
3. Check the deposit slips against the receipts of each meeting. All money received should be banked **immediately** after each meeting. Deposit slip can be checked to see if this is done.
 4. Verify that receipts have gone into the correct fund.

Disbursements:

5. Check the disbursements (let one read and check disbursements from the ledger and check the minute book at the same time). One Trustee checks the bills, returned checks, money order stubs or memoranda of payment. The simplest and easiest way to keep returned checks is to tape each check to its respective stub in the check book.
6. As each disbursement is checked by each of the Trustees, the amount should be written down on a scratch pad and then added to get the total disbursements for the period.
7. Check the National and Department dues account against the dues receipts, the membership book, the Membership listing and against the amount of dues sent to Department each month.
8. Verify that funds have been withdrawn from correct fund.
9. Check all reports of Chairmen handling Auxiliary funds against bills presented for correct balances.

Complete Report

10. Fill out the report of Audit. You will note the Audit report form has columns for the various funds, i.e., General Fund, National and Department Dues, Relief Fund, Restricted Cancer Insurance Fund and other funds. Balance from last report is indicated in the proper column. Show total receipts in the respective columns and the grand total in the proper column; show total disbursements since last audit, deduct from the grand total and this will give you the balance on hand in each fund. Total these balances together to obtain the total of all funds. This figure should be the same as the total of all funds in the Treasurer's Cash Book.
11. Check the balance with the Secretary's Minutes Book, Treasurer's ledger and check book. Reconcile the Auxiliary records to the bank statement by adding any outstanding deposits and deducting the total of all outstanding checks from the bank balance. Any bank service charge must be shown as a disbursement in the books. If everything is correct, all books will balance. If they do not, there is an error somewhere and further checking will be necessary.
12. Each Trustee shall sign the statement of audit. At the same time of the audit, each Trustee shall sign the reverse side of the last receipt stub, the reverse side of the last check stub, the Secretary's Minute

Book (all pages that are pasted or taped in), the Treasurer's Ledger and the bank statement

Report of Audit.

13. The Chairman of the Trustees, or some other Trustee if the Chairman is not present, shall read the report of the audit at the next regular business meeting of the Auxiliary under Committee reports and may move for the acceptance of the report.
14. Three copies of the Audit must be made, one is to be turned over to the Secretary after it has been accepted by the Auxiliary to be copied into the Minutes of the Meeting (these accepted Audit reports shall be kept in a special file by the Secretary to be used at each subsequent audit). One copy is to be retained in the file of the Chairman of the Trustees for future reference and one copy shall be sent to the Department Treasurer. After it has been accepted by the Auxiliary.

AUDIT REPORT GUIDELINES

Trustees have an important role in carrying out their duties. Trustees must be present for all audits.

1. Audits must be properly executed according to the National Bylaws.
2. Audit reports must be completed in their entirety.
3. Audits must be conducted by at least two (2) elected Trustees.
4. Audits must be conducted by the Trustees; **NOT THE TREASURER.**
5. Audits must be correct - if incorrect, Trustees are to find errors. Corrections must be made before submitting to the Department Office.
6. Treasurer's books are not corrected by anyone but the Treasurer. Treasurer's work sheet should be corrected before transferring figures to the ledger.
7. **Due dates** of the audit must be observed for completing the audit. If impossible, notify the Department President and request permission for a later date. If the audit is completed but cannot be approved until the next month, notify the Department Office.

NOTE: It is the duty of Trustee #1 to call the audit and see that the completed audit is mailed to the Department Office. He / she should also remind the Treasurer to apply for the bond for the new fiscal year for both the President and the Treasurer no later than August 15th. If it can be done in July so that the bond is present for the Auxiliary inspection, that is all the better. If you can also remind the Treasurer that the 990N and the 199N are to be filed in July or August as soon as the audit for the period ending June 30, has been completed, this will greatly assist the Auxiliary in meeting its filing obligations in a timely manner. Copies of these filings are to be sent to the Department Office.