NLA Auditing Committee
NLA Annual Business Meeting
December 10, 2020

Eric Jones, Jodene Glaesemann, and Devra Dragos served as the Auditing Committee for 2020. The committee met February 17th to review the materials provided by the Treasurer and the Executive Director. After receiving additional documentation and responses to some questions, the following issues were noted and recommendations were made for the Treasurer and Executive Director.

**Issues with Income reporting**

- Documentation provided for PayPal income does not indicate what payment is for—membership, spring meetings, conference, etc.
- Membership dues from July 12 through December 31, 2019 were not recorded as income because the funds had not been transferred from PayPal.
- Interest for money market account was not recorded as income.
- July 14, 2019 transfer of PayPal funds—Matt indicates $180 of total is for TSRT Spring Meeting; however, Ginger’s report only shows $165 in credit card payments (note that on TSRT’s worksheet the proper amount for the total payments by check and credit card is recorded). Matt indicates $1,200 for General Fund Donations; however, Ginger’s report shows $1,220. That leaves $7,117.85 for dues instead of the $7,122.85 that Matt shows plus the $399.95 that PayPal deducted for dues should be included to show how much was earned by dues—the fees should then be deducted under the line for credit card fees.
- Deposit 18/19-14 lists $50 check from Billie Cotterman for Scholarship Silent Auction as voided because it was paid through PayPal; credit card payment can be found through PayPal or Square (app used at Silent Auction) *(note—Executive Director identified payment through PayPal which had previously been credited as membership dues).* Cash should be recorded on separate sheet—itemized and signed by person giving to Executive Director or Treasurer and by person receiving cash.
- No documentation in Deposit book for extraneous deposits in account such as ALA/NLA joint memberships, Amazon Smile, EFT payments of dues (Gothenburg), etc.

**Issues with General Fund Expense reporting**

- Fees deducted from accounts for payments received by credit card not recorded as an expense.
  - Affinipay account should have been closed after PayPal set up—have been charged $19.95-$20.75 per month for having account with no activity
- Check 2801—Hover expense recorded under Internet Site Coordinator but should be Web Site expense
- EFT 1-19-19—transfer of $1,000 to Conference checking account; not reported in Financial Report to the full board—not noted as being reported to the Board as required; copies of emails show approval of transfer by Executive Committee
  - Listed as Conference Expenses does not have a line in the budget report; moved it to Contingencies
- EFT 1/21/19—Sales tax payment to Department of Revenue; $218.49 in sales tax not collected from SCYP/Golden Sower; $84.83 not recorded against Scholarship Committee Raffle
• Checks 2811, 2817, 2822, 2845—payments of two or three invoices to Remboldt, Ludtke—2nd and 3rd invoices show previous invoices overdue; no indication of why they were not paid on time
• Check 2813—no documentation to show approval by Executive Committee of charge for postcards to promote new web site; cost not reported in Board minutes—exceeds budget line for Web Site
• Check 2814—documentation says this check was “maybe” deposited in Conference account and is shown as Conference Expense in Fund Distribution (check was meant for NLC not NLA); if was originally deposited in Conference account, it should be taken out of the Conference account—need 2018 books to verify
• Check 2815—receipts not complete for meals; flight receipt includes side trip to Oregon—not broken out to show just Omaha to Seattle and back expense
• 4-2-19 transfer “SOS Nonprofit WEB 20192195212 Nonprofit” $23 shows on bank statement—no documentation
• Check 2820—invoice for ALA Membership is dated 4/16/19 but not paid until 6/20/19—no indication of why payment was late
• 5-30-19—Credit card payment to Iowa Library Association for booth to be shared by Golden Sower & Sections/RTs at conference; form says approved by Executive Committee but no documentation showing discussion; not reported to board; listed as Conference Expense which does not have a budget line, and, therefore not recorded in Annual Report—moved to Contingency line
• Check 2823—why doesn’t Creative Association Management invoice monthly? This check covers six months.
• Check 2828—preconference registration for three members of Diversity Committee, form says approved by Executive Committee though no documentation included; board was not notified; listed under Conference expense though paid from General Fund, since there is no budget line for this, it does not show on Annual Report. Moved to Contingency. The grant payment is currently listed under Conference Expense in Fund Distribution which does not show on Annual Report, but the income from the donation does show on the Annual Report.
• Check 2833—payment of grant from anonymous donor who paid funds through donations to the General Fund. Should have separate lines indicating funds received for grant and funds expended for grant.
• Check 2835—conference scholarships (are these from the Becky Sims funds?) listed as Conference expenses and, therefore, not included in Annual Report
• 9/22/19 Allocations—in future, list names of Section & RT members, not just numbers to allow for cross-checking; moved amounts to proper quarters for C&U, S&I and all RT
• Check 2840—charity fundraising items, we don’t have an expense line for items bought to sell at the silent auction, should list as debit against Nixon Scholarship funds received
• Check 2843—had to go to the Conference schedule to find the preconference was co-sponsored by NLA Intellectual Freedom RT—no documentation in the books
• Check 2844—what budget line is a 2019 Small Library NLA Conference Grant supposed to come out of?
• Check 2848—mailing expenses reimbursement—assuming at least part of this relates to email attached to check 2840 which means it is a silent auction expense—is all of it? One receipt from USPS, one from UPS.
  o Scholarship Committee went way over budget without board approval
• Check 2851—Scholarship fund donations transferred to Lincoln Community Foundation: amount based on Matt’s recording of $1795 taken in from 11/5/18 to 12/6/19 plus $150 from TSRT on 10/7/19. Other funds still need to be transferred to Scholarship account at LCF.

Issues with NLA Credit Cards
• On January 1, 2020, annual card fees were charged for Joe Pittman, Christa Porter, and Matt Kovar. The card for Christa should have been cancelled two years ago. The Executive Director card and the Treasurer card should be updated to reflect the current incumbents.

Notes on Section and Round Table Accounts
• C&U
  o Put $500 back into their beginning balance because check #2598 dated 3/22/16 to Jennifer Thoegersen never cleared the bank.
• TSRT
  o Spring Meeting—registration spreadsheet shows Alyssa Rogers paid by check but no check was ever received. So with two checks totaling $30 and $165 in credit card payments, Spring Meeting income should be changed from $210 to $195 on the TSRT worksheet.

Budget for 2020
• NLA Website—should reflect Star Chapter cost of $1,800 ($150/month), Hover cost of $51.17 for domain name and seven forward only mailboxes.

Recommendations from the Auditing Committee
• Checking account statements should be balanced monthly.
• The Committee again highlights the need for documentation:
  o All expense reimbursements need to have complete receipts
  o Expenses approved by the Executive Committee that exceed the budget need to be reported to the full board and emails/minutes included with expense documentation
  o Credit card income needs documentation to show what it is for
  o All income received electronically (ALA/NLA joint memberships, Amazon Smile, EFT payments of dues, etc.) should be documented in the Income workbook
  o Cash received should be recorded on separate sheet—itemized and signed by person giving to Executive Director or Treasurer and by person receiving cash
• The Treasurer and Executive Director should work together to identify, document, and transfer funds from the credit card payment account to general account on a regular basis; at least quarterly when activity is low; monthly or twice monthly when Conference income is being received.
• The Treasurer and Executive Director should work together to identify and pay Section and Round Table allocations on a quarterly basis.
• Transfer of funds received for the Nixon Scholarship Fund and NLA Legacy Fund should be made to the Lincoln Community Foundation and Nebraska Community Foundation at least quarterly if not when funds are received.
• Whatever problem there was with invoices should be solved so that payments for lobbyist are made on time.
• Treasurer, Executive Director, and Scholarship Committee should document items sold including whether donated or purchased, winning bid (amount and name), and payment method.
• Executive Director should use NLA credit card to pay for NLA expenses rather than requesting reimbursement for payment with personal card.
• When giving gifts or gift cards, Sections/Round Tables/NLA member in charge should name person item given to when requesting reimbursement. Optionally, a form could be created for the recipient to sign as proof they received item (required by some libraries including Lincoln City Libraries).

In September, an Auditing Committee Handbook was completed and submitted for posting on the NLA web site for future committee members.

Respectfully submitted,
Devra Dragos
Chair