



# Audit and Finance Committee

May 2023

## Committee Members

Tracy Rutherford, Virginia Tech  
Mike Retallick, Iowa State University  
Mike Spiess, California State University, Chico

## Review Period

The committee reviewed the prior fiscal year. This year was abbreviated due to the change in fiscal year and covered from 9/1/2021 to 6/30/2022.

## Review Process

The Committee met five times by zoom. For most meetings the Treasurer, Assistant Treasurer, and the Association Manager were participants. The Committee reviewed the current financial policies and practices of AAAE. The following documents were gathered and reviewed:

- Accountant's (Oles) annual report
- IRS 990 tax return
- The Statement of Position (Quickbooks)
- Treasurer's Reports
- The Statement of Activity (9/1-6/30, QuickBooks)
- Detailed transactions (QuickBooks)
- Wild Apricot transactions (conference registration and membership system)
- Bank statements (PNC bank)

The accountant's report, the 990, and QuickBooks reports were compared for agreement. QuickBooks reports were matched to bank statements. Wild Apricot report was compared to QuickBooks accounting. Regional accounting was reviewed. Detailed transactions were reviewed for correct postings and appropriateness.

## Findings/Recommendations

This was the first year the Committee attempted a thorough review. A procedure was developed and tested. Upon review the Committee found that reports balanced, and transactions were reasonable. No unusual activity was found. AAAE bookkeeping is accurate and appropriate for a non-profit corporation. AAAE is in compliance with the reporting requirements of a 501(c)(3) corporation to the federal government and the state of Texas.

The Committee made several policy and procedure recommendations to the Board for their consideration. They included: Committee Budget Process Policy, Contract Policy, Signing Authority Policy, Expenses over \$5000 Policy, Audit and Finance Committee Appointment Process, Minimum (account) Balance Policy, Association Manager Bonding, Access to Online Accounting Systems (QuickBooks, Banking), Digital Archive (of financial records), Treasurer's Duties, Treasurer reporting to the Board, Projects and Stipend Procedure, and development and maintenance of an AAE Financial Procedures Manual. Some of these recommendations are formal acknowledgement of existing practice. The rationale is that formal policies will guide future Treasurers and Association Managers.

The Committee drafted a Financial Procedures and Policy document to guide AAE in financial matters. This document is designed to be a "living" guide and should be regularly updated as needed. It speaks to:

- The roles of the Treasurer, Association Manager, and the Committee.
- Common procedures used for posting various transactions.
- The various systems used by AAE.
- The Committee review procedure.
- How to read common financial reports.
- An activity timeline.

The intended audience of this guide is not only those directly involved with the financial transactions of AAE, but also the Regional Presidents, and the Board in general.

Respectfully submitted,



Michael Spiess, chair