

## SEMARC Audit Format

The following outlines the procedure for completing the yearly review of the club's financial condition reported by the treasurer as required in Article one section five of the By-Laws. The auditing committee will use a random sampling methodology for this review. The committee will review the bank signature card to ensure the current president, trustee and treasurer are the signees. This review should be completed in the first quarter of each year and presented to the Board of Directors when completed.

Records maintained by the treasurer are; Record of Membership, Bank Statements, Record of Deposit, Record of Expenditures, Record of Special Funds, Monthly financial reports to membership, Check Register and Checkbook, Filings with the Secretary of State of Minnesota and Filings with the U.S. Internal Revenue Service.

The committee shall review the year's bank statements checking the beginning balance for January and ending balance for December against the treasurer's reported balances to ensure they reconcile. The committee will also select three deposits and expenditures at random for detailed review.

Each selected deposit from the bank statement will be compared to entries in the treasurer's record of deposits for reconciliation. They shall also be reconciled with the treasurer's monthly report to members.

Each selected expense from the bank statement will be compared to the check register for reconciliation. Depending on the type of expense there should be an expense voucher with itemized expenses and proof of payment or direct club billing statement for each expense in the treasurer's records and should be verified. Each expense will be categorized and shown on the Treasurer's monthly report and should be verified. Any new items purchased for club inventory should be verified that it was added to the Trustee's inventory list.

The committee shall select three members at random and check their membership application for a record of method and amount of donation made for dues and other disbursements to club accounts. These recorded funds should be reconciled with the Treasurer's record of deposit where it shows the disbursement into the club's accounts. These funds are reported on the Treasurer's monthly report in the appropriate account.

At the completion of the review a short report of the committee findings and any recommendations shall be delivered to the Board of Directors at their next scheduled meeting. After review and action by the Board of Directors a record shall be made by the secretary of receiving the report and the report filed in the permanent records of the Treasurer.

Prepared by: Richard L Roberts and approved by the Board of Directors on April 13, 2021

CC: SEMARC Board of Directors