

MULSA Meeting
 Meeting on: Oct 11, 2012
 Treasurer's Report submitted: Oct. 10, 2012

Checking balance:	\$1,137.43 (10-10-2012)
Credit Union balance:	\$100 (10-10-2012)
Savings account (0.05%)	\$5,134.08 (10-10-2012)
CD #1:	\$0.00 (10-10-2012)
CD#2:	\$2,514.88 (10-10-2012)
<u>New Covenant Balanced Income Fund:</u>	<u>\$13,842.94 (10-10-2012)</u>
Total balance:	\$22,729.33 (10-10-2012)

Income:

9-28-12 Savings Interest	\$0.10
10-5-12 Mutual fund dividend	\$44.13
Total income.....	\$44.23

Expenses:

#1387 Ruth Feldkamp New Staff Tea	\$12.07
#1388 University of Missouri for staff lounge	\$371.54
#1389 Tammy Green for New Staff Tea	\$42.17
Total expenses	\$425.78

Bold check numbers are checks that have not been cashed.

Certificate of Deposit with Tiger Credit Union

Issue Date	04/04/12
Term:	2-year
Principal Amount:	\$2,514.88
Maturity Date:	04/03/2014
Rate :	1.16%

New Covenant Fund (Balanced Income fund- Ncbix) as of Oct. 10, 2012:

Number of shares = 703.759 (Recent dividend bought 2.232 shares)
 Price per share = \$19.67
 Value= \$13,842.94

Notes:

I met with Bob Almony last month and he had some suggestions how we should approach the audit process. See below for my notes from that meeting.

Auditing firm:

Bob sees no reason why MULSA should spend \$250 (a non-certified accountant might cost less) to hire a firm to check a few entries in the checkbook to see if there is supporting proof showing that the money was actually paid to the person named in the financial reports. However it is up to the board to decide whether MULSA would want to hire a firm for the first time and then do internal annual audits after that first time. However Bob did say that he can understand how some people might be really worried about a lawsuit that it might be worth hiring a firm for the first audit.

If the Board wishes to hire an accounting firm, I should not have any role in selecting that firm. Bob said any accounting firm will work and that the accountant does not have to be a certified accountant. Laura, the former manager at Tiger Credit Union, recommended Baer & Edington. MULSA would not want to hire a firm that deals with larger corporations or wealthy individuals such as Don Landers or Williams-Keepers. Also **no** MULSA Board members should have any family members or relationship with the selected accounting firm. The only firm I have ties with is with Don Landers.

The Board would need to vote whether MULSA should hire a firm for that first audit and would need to select that firm.

Internal audit:

Bob gave me a detailed checklist of audit procedures that any not-for-profit group can follow. This is the procedure followed by Bob's church. The MULSA Board should find two volunteers to serve on the Auditing Board. These two volunteers should do annual audits and it should take no more than a couple of hours with the few checks MULSA writes each year. Bob suggested that the Board asks Kathy Peters (She has an accounting background) and Hunter Kevil (He has a MBA degree) to be the auditors. Of course anyone on the Board may help with the audit if Hunter and Kathy are not available. I would need to be available to answer any questions and provide any documentation that might be needed. Among the documents I might provide are bank statements, monthly reports, Excel spreadsheet, and the check register. The auditors would look at my Excel spreadsheet or my monthly financial reports against the carbon copy of our bank checks and against the receipts. The auditors do not need to examine the deposits, but they should examine the bank statements and look for big changes in the amount MULSA has in the CD and in the various accounts. Also the auditors would need to examine only about 10% of the checks I write. Therefore, they would need to look at only the larger checks. When looking at the receipts, the auditors need to check the date on the receipts and be sure that they are on or before the date of the event. MULSA can throw out the receipts following each annual audit and can throw out the bank statements after five years. The annual audit report is optional.

Bob Thought this first audit should cover my entire term as Treasurer which I think started with the 2008-2009 fiscal year. After this first time, then the audits should be done annually.

The Board would need to vote on who these two volunteers should be and whether the audit should be done at the end of the calendar year or the fiscal year. Board would need to vote on how many years this audit should cover.

Bob suggested that the Board approve whether I can reimburse anyone who does not provide a receipt. I think I wrote only one check without getting a receipt in the four years I have been treasurer. That person provided a copy of the price tag.

CD:

I cashed the Commerce Bank CD last month and the \$2,536.44 is now in the savings account. Laura suggested that MULSA should get the five year CD. If MULSA does not withdraw the money early, then MULSA would come out ahead with the much higher interest rate. There is a 90 day penalty for early withdrawal. I attached a chart showing how much interest MULSA would be making, and I made it easy to see what the 90 day penalty would be. The Tiger Credit Union pays 1.31% APY on a 5-year CD.

I looked into getting a 5-year CD with an online bank, and found that DiscoverBank pays 1.23% on a 5-year CD for a business account.

Then I started looking at MULSA's income and expenses for 2011 and for 2012. I realize now that a 5-year CD probably would not work because MULSA's book sales are sharply lower in 2012. The most recent Ellis book sale check for the 3rd Quarter was \$290.92. In 2011, MULSA got \$1,171.92 in the 3rd quarter and \$877.91 in the 4th quarter. The MULSA board and members would have to undergo several fund raising projects to make up for this shortfall in book sales income or go aggressively to each department and ask for book donations.

The 2011 income was \$6,960.56 while the income so far in 2012 has been \$3,259.60. The expenses for 2011 were \$5,070.21 while 2011 expenses so far have been \$4,438.00.

The big expenses in 2011 were for the lunch at the annual celebration of service (\$1,115.00) and for the Thanksgiving Dinner (\$766.01)

In 2012, the biggest expenses were the celebration lunch (\$590) and the cabinets for the staff lounge (\$1,645.20).

In light of this new information on sharply lower income, I am requesting that the Board vote on whether we should get a 1-year CD (interest rate is 0.60%) as previously discussed or keep the \$2,500 in the savings/money market account at Tiger Credit Union. The Savings interest rate is 0.15% while the money market is 0.30% for balances between \$5,000-\$9,999.

Mutual fund update:

The fund paid a dividend of \$44.13 that was reinvested to buy 2.232 shares at \$19.77 per share. Now MULSA owns 703.759 shares.

Bank update:

Jack needs to get a new credit/debit card from Tiger Credit Union so Sandy can arrange to have Amazon book sale payments sent to the new checking account at Tiger CU. Then Jack can close the Commerce Bank account once all the checks have been cleared.

#1387: Schnucks: Biglow tea – 6-pack \$3.18, country time pink lemonade tub (2) \$5.00, fruit sampler \$3.89

#1388: Jack Batterson paid Ellen Blair for the electrician work on moving outlets in staff lounge (room 29). \$338 of this bill was for labor.

#1389: Walmart: GV cookies (5) at \$1.98 each, GV pecan cookies (3) at \$1.68 each, Pina Calada (3) at \$2.48 each, cookies (2) at \$0.98 ea, cookies (4) at \$2.98 ea, and cookies (2) at \$1.98 ea.

Jack Batterson – Oct. 10, 2012