

## **II EXAMINATION POLICY/PROCEDURE**

The District financial records shall be examined at least annually.

### **A. Criteria for selection of Examiner by District Treasurer**

- 1) Must be a qualified person in the accounting field.
- 2) May be an Altrusan from any local club with the exception of the current Treasurer's club.
- 3) When an Altrusan is not available, any examiner may be selected.

### **B. Approval by the Board of Directors**

- 1) The proposed examiner and qualifications shall be submitted to the Governor two weeks prior to the mid-year (January) Board meeting.
- 2) A fee as budgeted will be paid to the examiner for the annual exam.

### **C. Information to be submitted to the examiner**

- 1) The records to be examined are as follows:
  - a) Copy of current year's budget
  - b) Copy of prior year's examination
  - c) Copy of monthly financial statements
  - d) Expense vouchers
  - e) Checkbook
  - f) Subsidiary accounts, i.e.: membership records, etc.
  - g) All journals and general ledger
  - h) Bank statements – bank reconciliation and deposit slips
  - i) Tax return file
- 2) A transmittal letter shall accompany the records to be examined, signed and dated by the Treasurer or Governor; one copy to the examiner, original to remain in the Treasurer's files.
- 3) A return receipt to be given to the examiner when records are returned.

### **D. Examination procedure and checklist for examiner**

- 1) Reconcile year ending bank statement
- 2) Pick ten (10) clubs at random
  - a) Verify dues report with annual membership form
  - b) Verify dues paid through deposits (number of members vs amount of money received)

- 3) Verify any two (2) months cash disbursements
- 4) Check for Conference surplus or deficit
- 5) Verify interest income, Conference fees/Fund Balances
- 6) Follow through from General Ledger to annual financial reports
  - a) Prepare a balance sheet
  - b) Include any other examination procedures as the examiner deems necessary

**E Accounting Practices**

The District Treasurer shall use cash basis accounting. (Revised April 2010)