

# CSFPA CHAPTER TREASURERS RESPONSIBILITIES

## AUDIT:

Page 1

Operating Procedures, Part III Article 9, Section 5, F.

The CSFPA Executive Board shall have the right to audit, or have audited, the books and records of any chapter, by giving a minimum of five days advance notice and a statement as to the purpose of the inspection/audit, which shall be reasonably related to the interest(s) of the CSFPA.

Each chapter shall have an audit every year. This can be a simple audit by appointed members, but cannot be related to the President or Treasurer.

## CSFPA AUDIT INSTRUCTIONS

The fiscal year of each chapter is the same as the calendar year, January 1<sup>st</sup> through December 31<sup>st</sup>. An audit is then performed once a year after the close of the year. Do as much of the work as possible before the year end so that the final report is done in time for the January Board meeting.

The auditor checks cash receipts, cash disbursements and bank balances in logical steps, working from the financial statements-profit and loss (P&L) and balance sheet down to the source data and from source data up to the financial statements.

An Auditor is never expected to verify everything, but instead uses testing techniques to verify samples. If these tests prove almost 100% accuracy, the audit moves along quickly. If less than 95% accuracy is discovered, the auditor should spend more time on problem areas until satisfied that procedures are being followed. Notes and work papers should be created as the tests are performed.

Before beginning the audit, review bookkeeping instructions with the treasurer. The auditor should become familiar with the various forms and techniques used in each bookkeeping system.

- I. Audit the cash received by choosing two months out of the year.
  - A. for the first month chosen go down from the profit and loss to the source document..
    1. Calculate total cash received from the P&L.
    2. Identify the total on bank statements.
    3. Verify postings in the computer.
    4. Check deposits slips and back up appropriately filed.
  - B. For the second month chosen, go up from the deposit slips to the computer and bank statements to arrive at the P&L totals.
  
- II. Audit the cash disbursements by choosing two different months of the year.
  - A. For the first month chosen go down from the P&L to the source documents.
    1. Identify a category on the P&L to be verified, such as office expense, travel and lodging, ect.
    2. Verify the posting of checks in the computer to be sure totals are correct and checks are posted to the right category.
    3. Pull the canceled checks involved, list them by check number, and then verify that the

# CSFPA CHAPTER TREASURERS RESPONSIBILITIES

bank cleared them for the proper amount, that the signatures are correct according to by-law provisions and that the checks are endorsed by the proper paayee.

PAGE 2

B. For the second month chosen, go up from the incoces or Board directive, to the canceled checks, to the computer posting to the P&L.

III. Audit the bank balances by selecting two different months from the four already used.

A. Check the arithmetic on the bank reconciliation prepared by the treassurer.

B. Recalculate the bank balances by writing out the beginning balance per the prior

month

balance sheet, plus total monthly receipts less total monthly disbursements. If the treasurer has already completed this exercise, verify each number used.

C. Identify the reconciled balances as those used on the balance sheet.

D. Recheck any transfers made from one bank account to another.

After completion of the above, six of the eleven months have been tested in one form or another.

If all was found satisfactory, a quick verification of the December 31<sup>st</sup> bank balance will be sufficient. If more verification is required, do each of the audit tests detailed above on the December transactions.

The auditor should feel comfortable signing a statement such as 'I have audited the books

and records fo the CSFPA chapter XX for the year ending December 31<sup>st</sup> 20xx, and found them to be in order. Any questions should be directed to the treasurer, then to

the

Executive Board, as appropriate.

## Sample Budget

(NAME) Foster Parent Association Chapter #0 200X Budget

Projected Income:

Membership dues (25 [couples @ \\$35.00/couple](#))

\$875.00

(10 single members @ \$25.00/member)

250.00

(Includes State Association membership dues of \$15.00/per person)

Foster Family consolidated garage sale

900.00

Fund raising event (Bake Sale)

330.00

Donation from Mommunity Resources

900.00

Interest from bank accounts

121.00

Cash donations received for Christmas party for kids

1,800.00

Total Income

# CSFPA CHAPTER TREASURERS RESPONSIBILITIES

\$5176.00

Projected expenses:

State Association membership dues (60 members @ \$15.00/person)

900.00

Travel (Chapter President to attend CSFPA quarterly meetings)

780.00

Easter Party for foster families

300.00

Print and mail chapter newssletter (\$75/month for 10 months)

750.00

Sunshine/birthday cards messages, flowers, ect.

250.00

Foster family Christman party

2,000.00

Miscellaneous expenses

196.00

Total projected expenses

\$5176.00