

## 2012 Financial Review

Date: March 18, 2013

A draft of this Financial Review was prepared by Gordy Molitor, Treasurer, and Bruce Barney, Secretary, with the assistance of Claire Carlson, Executive Director. The report is based upon a review of the following CY 2012 documents:

- a. Monthly bank statements and reconciliations
- b. Debit card transactions on bank statements
- c. List of all checks on bank statements
- d. Profit/loss statements
- e. Board meeting minutes
- f. Receipts and expense reports for reimbursed expenses

The draft Review was discussed and finalized at the March 18, 2013 Board meeting.

### 1. **Check signing authority and spending limits -**

Claire reported that the only authorized check signers on record at One Pacific Coast Bank are the President and Executive Director. Checks over \$1,000 are supposed to be signed by two signatories.

#### Recommendation:

- The Board approved a motion to add the Treasurer as a signatory and to increase the level after which two signatures are required to \$2,500.

### 2. **Bank account statements -**

Financial transactions were entered into QuickBooks by staff (Imogen most of the year and Claire for the last month). Monthly bank statements were reconciled by the Treasurer (Kacia). During monthly reconciliation, the Treasurer reviewed all individual transactions, including debit card payments, checks written and ATM cash withdrawals (which were extremely rare). Recurring expenses, such as telephone and web hosting, were paid via the Solar Oregon debit card.

#### Recommendation:

- The new Treasurer should continue this practice.

### 1. **Staff/board expense reports -**

The Solar Oregon board adopted an expense reimbursement policy on July 13, 2011. Reimbursed expenses appear to be consistent with that policy. Reimbursements in 2012 were well documented with itemized expense reports and original receipts. Claire reported that she had reviewed and approved all staff expense reports prior to reimbursement. The Treasurer reviewed all reimbursed expenses as part of each monthly reconciliation. Either the Treasurer or President approves the ED's expenses.

#### Recommendation:

- The Request for Reimbursement form will be amended to add lines for the signature of the person requesting the reimbursement and the person authorizing the reimbursement as well as space for noting the project and funding source that is to be charged. In this way documentation will show

that a staff person requested the reimbursement and another staff person or board member approved it.

## 2. **Debit card -**

The ED has the only debit card, which is used for many expenses including: (i) online payment of one-time expenses (i.e. conference registration), (ii) online payment of recurring expenses (i.e. internet service), (iii) retail transactions for office supplies, food for business meetings/workshops, travel reservations (i.e. hotel, airfare, rental car). The debit card is also used to make bank deposits at the ATM (see “Deposits” section below). No concerns were expressed about any of the 2012 debit card transactions.

### Recommendation:

- Starting in 2013, instead of filing them in a separate file, debit card receipts will be attached to the monthly bank statement to assist in reconciliation of the account and locating the receipts.

## 3. **Deposits -**

The protocol for deposits is as follows: Claire opens the mail, approves checks/invoices for deposit/payment, and provides those checks/invoices to the Bookkeeper to record and process in QuickBooks. Claire then makes bank deposits via the ATM (using the debit card in the ATM). After Imogen was laid off, Claire recorded and processed deposits and payments for the month of December.

### Recommendation:

- When the new bookkeeper is hired we should revert to the usual way of making deposits.

## 1. **Cash -**

Cash is often collected at events where only one staff person is present. The committee felt this was reasonable given the size of the events and Solar Oregon’s limited staff resources. When cash is collected for a membership, a receipt is provided. When cash is collected as a donation at the door (i.e. \$5 suggested donation to attend Solar Drinks), a receipt is not provided. The cash box is stocked with \$100 before each event. When the box returns, Claire removes the cash in excess of \$100 and gives it to Imogen to record in QuickBooks. Claire deposits the cash via the ATM. The committee had no concerns about cash transactions, but had some recommendations to improve transparency.

## 2. **Board Actions -**

From the 2012 board minutes, the following financial-related actions were noted:

- Reviewed financial reports at all meetings, February, April, July, November and December
- Approved the 2012 annual budget at February, 2012 meeting
- Approved an additional line item to the budget for a reserve of 8% of the projected income at the February meeting. This money was not set aside in 2012.
- Reviewed general liability and D&O insurance levels at the February and July meetings
- Approved a new anti-discrimination policy at the April
- Reviewed the 2011 ESOR financial review report at the July meeting

### Recommendation:

- A line item for Reserves will be set up on the budget and accounting. Later in the year, the Board will decide how much should be set aside for reserves.

1. **Profit/loss statements -**

The 2012 profit/loss statements were reviewed.

Recommendation:

- Future profit and loss statements will include two additional columns for the annual budget and a percentage of year-to-date expenses against the budget.

Finalized and Submitted,  
Gordy Molitor  
Treasurer