

**CALIFORNIA STATE FEDERATION EXECUTIVE BOARD
POLICY NO. 6(E)
AUDIT COMMITTEE**

I. Article II, Section 2. (5) of the Federation By-Laws outlines the basic duties of this Committee. Executive Board Guideline No. 6, "Policy for Standing Committees" and these **Policies** provide more detail. Chair and each Committee member should become thoroughly familiar with these directives.

II. DUTIES & RESPONSIBILITIES (CHAIR):

- A. Responsible for compliance with and implementation of this **Policy**.
- B. Provide Committee members with a copy of these **Policies** and all data furnished by the Federation Treasurer during the year.
- C. Keep the Federation President informed as to the Committee's activities and recommendations.
- D. Brief Federation officers and DVPs on any resolution relating to fiscal matters of the Federation that is to be considered at the State Convention.
- E. Ensure that committee members meet on the morning of the day the convention convenes, unless specifically authorized by the CSFC President to arrive and meet a day or earlier. Those so authorized must submit an Expense Report (CSFC Form 15) through the Chair, with a receipt for reimbursement. The code for this expense is 506K under State Convention.
- F. Ensure that the Federation Treasurer has filed Federal and State Income Tax forms or will file no later than the deadlines established by law.**

III. DUTIES & RESPONSIBILITIES (COMMITTEE MEMBERS):

- A. Examine and review all reports furnished by the Federation Treasurer including:
 - 1. Quarterly Financial Report
 - 2. Statement covering the Fiscal Year (12 month), which is presented to the Convention.
 - 3. The Fiscal Year Report covering April 1 through March 31 should be a complete Audit Report.
 - a. It does not need to be made by the entire Committee assembled.
 - b. The Fiscal Year Report will be submitted by May 1st each year to the Federation President and to the Federation Secretary for publication to Federation Officers and the Chapters.
 - c. This report shall bear the Audit Committee's verification statement and any recommendations for consideration by the

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4. The Fiscal Year Report should be divided into two parts:
 - a. A statement of the Audit Procedures used to verify the correctness of the report; and
 - b. Recommendation of the Committee, additional data, reports of data deleted and other suggestions to the Executive Board, or suggested additions or deletions in the Treasurer's books.
 - c. A copy of this report shall be published in the Federation Publication.

B. Basic Audit procedures to be followed:

1. Reconcile the Treasurer's Report with the books. If not, the Treasurer must furnish the Committee with the necessary figures for reconciliation.
2. After reconciliation, the Committee should work directly with the books.
3. The requirements of the Federation Constitution & By-Laws and other applicable directives to the Treasurer must be checked to assure compliance.
4. Reconcile bank statements with the books or check the Treasurer's reconciliation.
5. Check the names entered on the books as the legal recipient of the check with the endorser of the check
6. Check amounts of vouchers against checks issued.
7. Check receipt of funds from National for field operations fund.
8. Check chapter size against dues received from chapter and the Convention Report of the Chapters' voting strength.