

Pacific Southwestern Region of the Embroidery Guild of America

Viva Las Stitchers Seminar

October 27-31, 2021

Las Vegas, Nevada

Audit Findings and Recommendations

Revenue

Findings: One attendee's two checks were returned. The attendee replaced the checks at the seminar. The National policy on returned checks was not followed. Two EGA members paid nonEGA fees, but the members put the fee on their forms. One person's payment for registration fees and kit fees was incorrectly posted in the Database. The Venmo account used was a personal account and on one occasion, a personal expense was charged to the seminar and on one occasion, seminar revenue was transferred to the personal account. Both errors were discovered and corrected by the Seminar Chair and the Treasurer. One of the deposits was missing backup for \$55 and one of the deposits was missing a check, but had two of another check. The kit fees for one class were incorrect in the seminar packet (\$40 instead of \$110). The two deposits made after the seminar did not have backup to identify each deposit separately. Copies of checks were the primary form of backup for deposits. Deposits from Fundraising presales were mailed to the Seminar Chair and deposits of all revenue in the Merchandise room were given to the Seminar Treasurer. None of these deposits were accompanied by a detailed deposit form.

Recommendations: Follow the National policy on returned checks. Review Registration forms and correct inconsistencies within 30 days of receipt. Do not use personal accounts for seminar business**. Have two persons review fees listed in the Seminar packet. Adapt the PSR Deposit Form for the seminar and use for all deposits.

**** Seminar chair note: The Venmo account, which was a personal account was used because it was recommended that we have another option for people to pay and Venmo is most commonly used. In order to open a Venmo account, a cell phone number is required and the same cell phone number cannot be used for more than one account. Therefore, in order to have Venmo as a payment option, I had to use my personal account. Notes on each money transfer allowed for tracking of which was a seminar expense and which was a personal expense.**

Expense

Findings: There did not appear to be an established policy on what amounts needed to be approved by the RD. Some expenses at the start and end of the seminar were missing backup. Some receipts did not clearly identify the expense category or the reason for the expense. The teacher contracts with Priscilla and Chelsea were not signed by the RD.

Travel expenses for two teachers were supported by an email statement by the teachers. There did not appear to be any independent verification done. There were discrepancies between the final class list and the number of students in the Teacher payment spreadsheet. The discrepancies were explained. One teacher's kit fees did not agree to the proposal, but the teacher reviewed and accepted the calculation before the check was written. The initial deposit on the venue made by PSR was not recorded on the Seminar's expenses although it was listed in the contract and final invoice. Refund requests to the Treasurer were emails from the Chair and did not show how the refund was calculated. Two seminar cancellations appeared not to have been paid. (Emails were sent to the two). There appeared to be no record of discussion of the addition of facilities' costs associated with the final contract by the Advisory Committee and/or by the Region Board and Chapters.

Recommendations: Establish a clear policy on what amounts have to be approved by the different levels of authority. More care should be taken when transferring and accepting documents. Persons submitting receipts should always keep copies until the seminar audit is complete. Adapt the PSR Reimbursement Request Form for the seminar and all expense reimbursement requests. Require all debit card receipts on the seminar bank account to describe the reason for the expense. The RD must sign all contracts. Teacher travel should be supported by an invoice or some other verification of the amount where a teacher is using travel awards. A Final class list should be compiled by the Seminar Chair and double checked by another person. Last minute cancellations and the related kit status should be noted on the Final class list. Fees on the Teacher Payment calculation should be agreed to the contract by at least two persons. The Seminar Treasurer and the Region Treasurer should keep a running list of payments made by the Region on behalf of the Seminar and that list should be agreed to on both sides while doing the final accounting for the seminar. Requests to the Treasurer for refunds should include support for the amount. The Cancelled Registration spreadsheet should add a column for refund amount, date and check number and should periodically be sent to the Treasurer for review. Significant cost changes in contracts should be discussed by the Region Board and Chapters.

Budget

Findings: There was not enough documentation of the budget process to determine the reasonableness of the budgeted amounts. The Budget was prepared in the Fall of 2019 and never officially updated and presented to Region officers. The Budget was not updated between when Teacher contracts were signed and seminar registration opened. Teacher fees in the contracts were double the budgeted amount. Budgeted Registration fees should have at least covered Food & Beverage costs and Teacher costs, but only covered Food & Beverage costs. It appears that the Budget relied on a Region subsidy of \$10,000 and Net Fundraising of \$10,000 to offset higher registration fees. Actual Registration fees were higher than budgeted and would have raised an additional \$5k if the attendees had chosen the number of days of classes that were budgeted.

Recommendations: The Budget should be prepared by or with the help of persons with seminar experience. The Budget calculations should be documented enough for a reasonably knowledgeable person to determine its adequacy. A Budget should not rely on Region subsidies and Fundraising revenue to offset Registration fees. The Budget should be updated in accordance with National Guidelines. The updated Budget should be presented and discussed before any significant event such as opening registration, signing contracts and or amendments.

General

Findings: A copy of the National Guidelines including the Finance section was not given to the Seminar Treasurer. Double-entry bookkeeping was not used. Neither the Chair nor either Treasurer signed the Letter of Agreement for Financial Responsibility required. Quarterly Reports from the opening of the bank account to one year before the seminar and Monthly Reports during the year prior to the seminar were not prepared except for 3 reports. It was stated that the report requirement was not known by the Treasurer.

Recommendations: The National Region Seminar Guidelines ("Guidelines") should be distributed to all persons connected to the Seminar, whether Chairs, Treasurers, Advisory Committee members or Region Officers. All such persons should sign an acknowledgement of receiving and reading the Guidelines. The Guidelines should be followed especially as to Accounting, Budgeting, Reporting and Oversight. The Seminar Advisory Committee's job description should be rewritten as necessary to emphasize their oversight responsibilities. The current Region Director has the ultimate responsibility for the Seminar, not the Advisory Committee nor a previous Region Director.