



Annual Division Audit – Checkbook

In accordance with Article IV, Section 2 of the Model Constitution, all Divisions must audit their Financial Records for an annual period beginning on April 1 and ending on March 31. The objectives of an audit are to:

1. confirm that all assets (i.e. cash, equipment, furniture) of the Division are properly protected and accounted for.
2. ensure that all funds owed to the Division are received by the Division; all funds disbursed by the Division were for proper and approved expenses; and that all financial transactions of the Division have been properly recorded.
3. determine if the budget adopted by the Division is properly adhered to; and the financial reports prepared by the Division accurately reflect its activities for the past fiscal year and its current fiscal condition.
4. to ensure that the Division membership is kept informed and aware of how Division funds are used and accounted for.

The audit is to be conducted by a committee of at least three Division members appointed by the council no later than April of each year. Only one member of this committee may be either currently serving as a steward or officer and/or have served as such during the audit period, although there is no requirement that they be part of the committee, a Divisions Treasurer can never be part of the Committee that performs this Audit. Although not a committee member, a treasurer will be available to answer any questions from the committee. The purpose of the rule of "only one steward or officer" is to provide a greater degree of independence and objectivity in the performance of the audit. A Division may not compensate the audit committee for its services, though expenses encountered by the members while performing the audit may be reimbursed.

In order to conduct this audit, the Division must provide the audit committee the following information:

1. copies of bank statements, deposit slips, stop payment confirmation from the bank, and any other correspondence received from the bank.
2. copies of all Journal Register Reports, the Division checkbook, and all copies of bills and expense vouchers documenting the expenditures.
3. per capita payment reports.
4. the reconciliations of the account(s) from April 1 of the previous year through March 31 of the current year.
5. all correspondence pertaining to the Division's finances including meeting minutes.

6. a copy of prior year's Division Audit Report.

7. a copy of the approved budget for the fiscal year being audited.

Before commencing the Audit, please note the following regulations regarding Division expenditures.

1. all checks should be signed by two authorized council officers.
2. no checks should be issued to cash.
3. no checks should be for political contributions or tickets to political fund-raisers.
4. no checks should be issued to refund dues or fees to the membership.
5. no checks should be made payable to members for honorariums.
6. no checks should be issued for salaries or per diems.
7. no checks should be issued in double reimbursement of expenses billed to other entities of PEF.
8. no checks should be issued in payment of legal fees.
9. no checks should ever be signed by any authorized person unless the check is completely filled out. Blank checks should never be signed.

When reviewing the Division's quarterly Journal Register Reports and checkbook, **be careful to account for the numerical sequence of all checks.** Copies of all void checks should be kept with the bank reconciliation for the appropriate month for this purpose. Any checks that were reported lost or stolen by the payee should be evidenced by a confirmation of stop payment from the bank.

The following is an Audit report form, which is to be used and completed by the audit committee. It is designed to provide a comprehensive review of a Division's finances. You will note that the responses to all questions must be made. If a question is not applicable to your Division, this should be indicated in the space provided. A completed audit report must be submitted to the Divisions Finance Office by the date specified in the communication that was sent to your treasurer with this report. If this report is late, the deposit of your Division's quarterly funding will be withheld until the report is submitted. If this report is delinquent ninety days or more, your Division's quarterly funding will be penalized.

If this report is not filled out properly and completely, it will be returned for proper completion and will be recorded as pending.



NYS Public Employees Federation Annual Report of Division Audit Committee

Division# _____ Division Name _____

Covering Fiscal Year _____

The questions below are related to the operating guidelines established by the PEF Executive Board and included in each Division Constitution. **Explain any questions answered no.**

1. Have copies of all approved motions regarding division finance been furnished to the Audit Committee?

Yes No

2. In the space provided add any additional comments, observations, or recommendations as they pertain to the operation of council or division meetings and the operation of the council or division as a whole within the guidelines and policies of PEF as defined in the Division Constitution, and the Constitution and bylaws of PEF.

3. Have all monthly bank statements, for the fiscal year just ended been reconciled to division books and records by the division treasurer, and have any and all differences between the bank statements and division records been properly resolved and adjusted on the division books? If no, explain.

Yes No

4. Does the division own any equipment (office furniture, laptops, etc.)?

Yes No

If no, skip to question 5.

If you answered yes in question 4, was the equipment inventory form provided to the audit committee?

Yes No

5. Has the division obtained funding other than the quarterly per capita provided by PEF headquarters (eg. fund-raisers, donations)? If yes, please indicate the source.

Yes No

6. Was the division budget adopted for the fiscal year just ended provided to the Audit Committee?

If not, explain.

Yes No

7. Does the division conduct events where a portion of the cost of admission to is paid to the Division by those attending the events? If yes, were these monies deposited in the Division account and accounted for on the quarterly report?

Yes No

8. Does the total in each expense category on your audit work sheet agree with the amount shown for each expense category on the quarterly journal register reports? If not, explain.

Yes No

9. Has the audit of the division records found any indication that recommended policies and/or procedures are not being followed by the division? If yes, please explain below.

Yes No

10. Has the audit of the division records found an indication that the division membership and/or PEF headquarters are not being kept properly informed of the division's financial activities? If yes, explain.

Yes No

11. Has the previous year's audit report been presented to the membership (at a division meeting, via email, or by other appropriate means)?

Yes No

12. Are all expenses relevant to the divisions spending?

Yes No

Please sign and date the report below and forward along with the meeting minutes containing the names of the members who were elected and approved as part of the divisions audit committee.

NYS Public Employees Federation
Divisions Finance Office
P.O. Box 12414
Albany, New York 12212

or Email Divisions@pef.org

Print Name	Signature	Position Held (Indicate member, officer, or steward)	Date Signed
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

You have completed the audit of your division. The Audit Committee is encouraged to make any suggestions or recommendations that they feel are relevant to either the operation or finances of the Division, or the improvement of the audit procedure. You may also submit any concerns confidentially to PEF Internal Auditor, Mike Fratangelo at MFRatangelo@pef.org.



Instructions to Completing Exhibit A

First, the title area should be completed by indicating your division number, your division name, and year-end being audited.

A. Section "A" Cash On Hand 4/1/ ... in this area you will need to do the following:

1. Enter Bank of America in the "Bank Name" area. Next to this enter the reconciled balance of this account as of **April 1** of the previous year.

Note that this amount should be the same as the amount recorded ending balance on your March bank statement. If there are checks that were not cashed prior to the end of the fiscal year, please note them in the space provided.

B. Section "B" Cash Receipts ... In this area you will need to do the following:

1. Enter the total per capita amounts that PEF issued your division during each quarterly period. Note that only per capita payments that were deposited in your division's account should be recorded in this area. Add these amounts together and enter your total in the "Total" column next to this information.
2. If your division received cash other than its per capita, it should list the sources and amounts on a separate sheet and attach it to this report. A total of the other funds received should be taken and recorded in the "Total" column of the "Other Cash Receipts" line. If your division did not receive funds from other sources, leave blank. If your division did not receive funds from other sources, write none in this area.
3. Now add the amounts in the "Total" column of section "B" and record the answer in the "Total Cash Receipts" area.

C. Section "C" Total Funds Available for Fiscal Year ... In this area you will record the total obtained after adding the "Total Cash on Hand at Beginning of Fiscal

Year" of section "A" to "Total Cash Receipts" area of section "B".

D. Section "D" Cash Disbursements ... In this area you will need to do the following:

1. Review and categorize the expenditures of each quarterly period recorded on the Journal Register Reports, according to the description from the annual report prepared by the treasurer. Keep in mind the following:
 - a. Each expenditure should be consistent with the budget adopted by the division including any voted amendments evidenced in the minutes of the division and/or council meetings.
 - b. Each expenditure should be consistent with the guidelines established by PEF and the Division Constitution for allowable expenditures.
2. When all expenditures have been reviewed and properly allocated, total the categories for each quarterly period.
3. Record the various category titles in the "Description" column of Section "C". In the next four columns record the corresponding category totals under the appropriate quarterly reports.
4. Total each category line and record the amount in the "Total" column. Total the column for each quarterly period and record the amount on the last line of the column. Also, total the "Total" column and record the answer on the last line.

E. Section "E" Total Cash On Hand ... In this area you will record the total obtained after subtracting the total expenses, which is the amount recorded on the last line of the "Total" column in the "Total Expense" row of section "D", from the amount recorded in Section "C" in the "Total Funds Available For Fiscal Year" area.

1. If the total cash on hand (E) does not match the ending bank balance as of 3/31 verify that all checks written were cashed prior to the end of the fiscal year.

