

January 5, 2018

Audit of Columbus Chapter, USNA Alumni Association Checking Account

Summary: An audit was conducted of the checking account for the Columbus Chapter of the USNA Alumni Association on January 5, 2018. The chapter's treasurer, Chris Rosen, and president, Tony Konecny, provided relevant information and details to facilitate the completion of the audit. The scope of the audit covered August 17, 2017 to the present when a new, non-profit checking account was opened for the chapter. Previous records and transaction history were too fragmentary to be included in the review.

Key Findings:

1. The decision made to open a new "non-profit" account on August 18th, 2017 was a sound one. Keeping chapter funds in a personal checking account could be interpreted by some as representing a conflict of interest.
2. The decision to convert to electronic statements was both financially and security prudent. Most financial institutions now charge for the printing and sending of paper statements. Also paper statements, transaction history, and account numbers could present a potential data/information security issue for whoever maintains the account. A one-time charge of \$22.03 was incurred during the transition from paper to electronic statements.
3. The transaction history from August to December 2017 adequately reflected credits and debits flowing into and out of the account. However, for more complex transactions (i.e., multiple deposits in a single transaction, or multiple liabilities paid under a single check), clearer accounting would come from using a more detailed or itemized history of those transactions.
4. As a reminder, financial records should normally be kept for a minimum of three years according to current IRS guidelines. However, the treasurer should refrain from holding onto paper documents, such as deposited checks that show personal and financial data of members, etc. If those documents are retained, I would recommend blacking out sensitive information, such as routing and account number data.
5. Recommend that an IRS Form 990-EZ be submitted for TY-2017.

Overall: The checking account for the Columbus chapter appears to be well maintained. Funds are being used appropriately and are in the best interests of the chapter, its members, and the Naval Academy Alumni Association. Improvement recommendations are minor in nature, and would mainly help to provide clearer account history and security.

Respectfully,

Todd Forney (electronic signature)

Todd Forney

USNA Class of 1986