

Audit of SGA Funds Released

Audit Explained

To: Student Body, Elon College
 From: Special Committee on SGA Audit
 Re: Audit of SGA Financial Records

In August, 1969, Dr. Danieleley received a petition signed by more than 20 students requesting a complete report and audit of Student Government finances. A committee was appointed to make a study of the SGA records for the 1968-69 fiscal year and 1969-70 to date. The Executive Committee of the Board of Trustees agreed that the college would not participate in the collection of SGA fees until after the committee completed its work and a report was available which would answer student questions regarding specific expenditures which had become the subject of gossip and accusation.

Mr. Roy Apple, a local Certified Public Accountant, was hired to make an audit of the books. He submitted his report to the Committee on September 8. His statements showed the annual receipts and disbursements insofar as the records and available information made such a

presentation possible. He found that very few treasurer's reports had been made, or, if made, could not be located. The ones that were made available were informative only to a limited degree. There was no comparison with the budget; no year-to-year data; no regular accountability for either receipt or disbursements of funds--either checking account funds or petty cash funds; no consistency of form or continuity of data; and no report of unpaid debts. He found that there was no orderly transfer of the treasurer's responsibilities and records -- the only recognizable step in such a transfer was the execution of a new signature card at the bank where the Association checking account was maintained. The poor quality of the basic record-keeping system contributed to the deficiencies. His report showed that funds collected by the SGA were held in the SGA office for an indefinite period of time -- often without security, before being deposited in the bank. The Association received funds from other sources such as newspaper ads and sales of tickets to

certain events which it sponsored. Those funds were accounted for in a manner just as inadequate as for student government fees. The funds lost their identity, in the present system, when they became intermingled with other funds.

The basic monthly telephone cost was approximately \$40; the bills paid during the period of Mr. Apple's examination often amounted to twice that amount because of long distance calls being made. Some effort had been made to identify the person making the toll calls and some collections had been obtained. None of the invoices or receipts presented to Mr. Apple gave evidence that the payment of the bill was authorized by the Association President.

Mr. Apple stated that his examination was not made in accordance with generally accepted auditing standards inasmuch as he used data of uncertain reliability and which he was unable to verify satisfactorily.

Based on Mr. Apple's report, the committee recommended on September 8 that the SGA fees be collected on registration day but that the money be held in a special deposit until the committee could complete its report and recommendations. Outstanding bills on hand as

of September 5, however, were approved for payment.

The Committee has finalized its study. We are submitting for publication statements prepared by Mr. Roy Apple; a detailed list of expenditures for the fiscal year 1968-69 and a statement of revenue and expenditures for the period May 7, 1969 to date prepared by the committee; and recommendations for the improvement of the financial records and control of the SGA funds and for the operations of the SGA.

These recommenda-

tions are made to promote operational efficiency, to improve the maintenance and control of SGA funds, to encourage adherence to prescribed policies, and to ensure the student that the SGA money will be handled properly in the future.

Janie E. Council
 Chairman, Special Committee on SGA Audit

Committee members:
 Cary Allred
 William E. Butler
 Morrow Miller
 Bill Walker

Committee Recommendations

The Committee recommends that --

The Student Government Association hire the services of a Certified Public Accountant to set up an accounting system to be used by the SGA and to draw up proper procedures for the handling of SGA funds. This shall be the adopted system for the Association treasurers in future years. Included in this system it is recommended that a Petty Cash Fund be established (not to exceed \$100) to be used for small expenditures, this fund to be replenished when the supply of currency and coin get low.

There should be co-signatures on all SGA checks--the treasurer should sign all checks and either the President or the Vice-President of the SGA be the co-signer.

All official purchasing for committees should be done by the SGA treasurer.

Class money (which was deposited with the SGA during the 1968-69 school year) be returned to each class treasurer and in the future be kept in the class treasury.

The Coffee House and the Campus Crier have their own formalized budget.

The chairman of each committee submit a monthly bill to the SGA treasurer for travel expense (allowance of 8¢ per mile)

The Business Manager of the Veritas school paper submit a monthly bill to the SGA treasurer for travel expenses (allowance of 8¢ per mile)

Senate must approve all single expenditures exceeding \$100.

A midyear audit be taken at the end of the fall semester.

The officers of the Student Government Association and appropriate personnel be bonded.

RECOMMENDATIONS TO BE CONSIDERED FOR THE IMPROVEMENT OF THE OPERATIONS OF THE STUDENT GOVERNMENT ASSOCIATION:

SGA have Extension 367 as the only existing operating telephone. This will eliminate illegal use of the telephone. It will also save the Association approximately \$450 a year in telephone service charges and a considerable amount in personal long distance calls.

The Student Government offices be used only for official student-business transactions.

SGA purchase 100 folding chairs for Student Government use - this will cut down on chair rental expense.

All Student Government committees take advantage of the school services, such as: photography, campus bookstore, audio visual aids, etc.

All SGA equipment used by any committee be checked out at the beginning of the year and checked in at the end of the year.

The SGA office secretary be paid on a monthly basis. Also a job description of the secretary's duties be drawn up.

The secretary of the Honor Court be paid on a monthly basis.

The outgoing SGA treasurer should act as ex-officio until graduation.

Consolidation of the Liberal Arts Forum and the Lyceum Committees.

Formalized Plan of Budget

Formalized Plan of Budget

Personal Services:
 Salaries

(Candidates subject to Senate Approval)

Supplies and Expense:

- Audit
- Concerts
- Dances
- Film Purchases and Rental
- Flowers
- Laundry and Dry Cleaning
- Maintenance
- Membership
- Printing and Stationery
- Publicity
- Receptions and Other Open Entertainment
- Remembrances
- Repairs
- Social Security Expense
- Speakers (Honoraria and Subsistence)
- Supplies and Other Expense (Non-personal and non-entertainment - closed)
- Telephone and Telegraph
- Travel - Buses
- Uniforms

(President and Chairman may use discretion in transferring unused balances within this bracket of object classifications).

Restricted:

Gifts (To be given only to speakers whose services are gratis)

Entertainment - Closed

Personal:

Tux Rentals

Equipment

(Increases subject to approval by Senate, only. President and Committee Chairman may transfer unexpended balances out to other Supplies and Expense and Equipment categories.)

The Committee recommends that the budget for the LIBERAL ARTS FORUM be as follows:

LIBERAL ARTS FORUM:

Open Entertainment (Receptions -- Available to all students)

Speakers:

Honoraria

Hosting Expense:

Local transportation (per mile basis)

Student Chairman of the Liberal Arts Forum; faculty adviser of Liberal Arts Forum; speaker (and wife); representative from the appropriate department of the speaker's field

Travel and Subsistence

Restricted:

Gifts (To be given only to speakers whose services are gratis)

Entertainment - Closed -0-

Personal:

Tux Rentals -0-