

Walker Lake Shores Landowners Association

FINANCE COMMITTEE REPORT for June 18, 2022 BOD meeting

MEMBERS: Carol Gillen (Chair), John Carroll, Lena Fullem, Dan Murphy, and John Schwenkler

MAY 24, 2022 COMMITTEE MEETING, Members in attendance: Carol, Dan, John C, and John S

- I. BANK STATEMENTS: April bank statements were emailed to the committee members on May 23, 2022. Acknowledgement followed by Dan, John C, and John S by email – no issues or concerns at this time.
- II. AUDITOR SEARCH, DUE DILIGENCE: John Rolando had volunteered to look into an alternate auditor, to exercise due diligence for next year's services. He reported back at the May 21 BOD meeting:
 - 1) current fees are low.
 - 2) many would not take an account of our size (too small)
 - 3) there is no requirement to change auditors (no specified period, ie: every 3 or 5 years).
- III. FUNDRAISING CONTROLS: Given the interest and the need for fundraising activities, and our recent history of failing to manage social income and expense, controls should be developed and implemented.
 - A. The Program Committee Event/Program Financial Report that was developed in 2018 is discussed (see attached) and recommended to be used for each fundraising function. There are 2 versions – 1 includes a cash receipts section with 2 signature verification of funds.
 - B. The guidance created will likely need to continue to evolve to new fundraising opportunities, but this a solid start for what is currently before us.

ACTION ITEM, the following Fundraising Guidance is recommended for board endorsement.

FUNDRAISING GUIDANCE:

- 1) *Fundraising can be a valuable tool to upgrade our facilities, especially for member only assets because membership is optional for most property owners, and fundraising can help to keep dues and assessments low.*
- 2) *Fundraising campaigns should be project or goal specific (like pickleball lines, for example).*
- 3) *Messaging should be targeted. Running that by the office is recommended prior to publication. If necessary, the messaging will be taken to the board or our accountants for approval or input.*
- 4) *Methods of collection of funds:*

A. Pledge drive - recruit pledges until the goal is met, then turn over to Kathy for collection either by check or via Paylease (ACH is the most cost effective Paylease method).

OR

B. Request that checks be sent to the office. Note the purpose in the memo field. The checks could be held for a month or so to ensure that the goal is met.

C. By either method, funds collected are earmarked to the targeted goal/project.

D. Go Fund Me is not recommended since a portion of the proceeds would be lost to pay for the service, and to prevent sharing the WLLA account information with a 3rd party provider.

5) If the goal is not met, the funds would be returned to the individual donors, if the fundraising project could not meet its target.

6) Funds collected should always be deposited to WLLA's bank account.

A. Funds collected on behalf of WLLA should never be deposited into a personal account.

B. Maintains transparency

C. Maintains the audit trail in WLLA accounts only, so that personal assets are not subjected to our audit procedures, and so that WLLA is not entangled in an individual's audit.

D. Trust is not a financial control.

E. Protects both the Association and the individuals who fundraise.

F. Income is reportable. Directing to our account keeps all income cleanly under WLLA's EIN.

IV. E-STATEMENTS & VIEW-ONLY USERS: There is an opportunity with Wayne Bank to create multiple view-only users (able to view statements, but not create transactions). We would like to recommend that the office and the finance committee members be named as view only users. WLLA will need to switch to e-statements to be able to enable view-only users.

A. Finance committee members can be more assured of the veracity of the documents they are viewing as they are direct (not scanned reproductions).

B. The office and the Treasurer are benefitted by access to statements earlier in the month which in turn should benefit the Board with earlier access to the monthly reports. Currently, often times, depending on how the month falls, statements are being reconciled just 1 week prior to the meeting due to the delay of mailed statements.

ACTION ITEM, board authorization for the Treasurer to make the election for e-statements with Wayne Bank and view-only user access for the office and for each Finance Committee member.

The next regularly scheduled meeting of the Finance Committee will be held on Tuesday, June 28, 2022, at 7:00 pm via Zoom.