

NASA Alumni League, Florida Chapter, Board of Directors Meeting
Radisson at the Port, October 21, 2014
Unapproved Minutes, 10/21/2014

1. Call to Order: The meeting was called to order by the President Al Koller at 10:45 AM. The Agenda is Attachment 1.

Directors present: Catherine Alexander, Roselle Hanson, Jim Johnson (T), Al Koller (P), Dick Lyon, Marilynn Nelson, Rich Nelson (VP), Yvonne Parker, Norm Perry, Bill Riddle, David Schechter (S), Bob Sieck; Chuck Taylor (ex-officio)

Directors Absent: George English, Lin Giesler, and Manny Virata

General Announcements: none

Review of Agenda: Agenda accepted with no changes

2. Minutes: A motion was made/seconded/ passed unanimously to approve the minutes of the September 16, 2014, Board Meeting as distributed.

3. Financial Reports: (1) Copies of the Financial Report dated October 21, 2014 were submitted by email: As of September 30, 2014, the Checking Account balance was \$1,508.97; the Savings Account balance was \$8,887.43. (2) A motion was made/seconded/passed to accept the Report for the record. Copies will be emailed to the members of the Board in lieu of being included with the minutes.

4. Old Business:

Status and votes by email: Special recognition for members: A majority of Board had approved co-sponsoring a Recognition of Ike Rigell with and at Space Walk of Fame on October 27, 2014, including a \$250 contribution. This email decision was confirmed by the Board at the meeting. **CLOSED.**

Approve Revised Budget: (1) A motion to approve \$100 to Suzanne Jamieson for luncheon registration expenses (without receipts) was made/seconded/passed. (2) A motion to approve the revised 2014-15 Budget was made/seconded/passed. (3) A motion to provide a one-year regular membership to Sam Haddad as additional compensation for the entertainment at our December luncheon was m/s/p. **CLOSED.**

Application for State exemption from sales tax: No update, waiting on the State to process. **OPEN.**

Program Speakers for this year: (1) Program Chair Rich Nelson reported that he and Roselle Hanson had been able to arrange for speakers for the remaining scheduled meetings. The schedule is Attachment #2. (2) The President reminded the Board that the November meeting will be at the KSCVC. The meal charge will be \$16.00. BNC will provide speaker, A/V equipment, parking, and admission. Additional specifics and admission paper work will be provided by email. (3) The President announced that the NASA Administrator has committed to hosting a briefing for the NAL FL members (and a guest) at the KSCVC on December 4, 2014, in conjunction with the Orion capsule launch. Members would be invited to attend either or both the 7:30 AM launch and the 3:00 PM briefing. **CLOSED.**

Membership Directory: In response to a request from the President, a motion to approve \$75.00 to publish a Member Directory was made/seconded/passed. The publishing date may depend on the approval of the By-Laws. **CLOSED.**

Improving Communications: The President reported that he has been testing both Constant Contact and Robly as communications tools. A motion to approve payment for both during this evaluation period, which will end at his determination, was made/seconded/passed. **CLOSED.**

Status of Radisson Contract: A committee (Norm Perry, Bill Riddle, and Roselle Hanson) is working on the issues related to where the League will hold its meetings. In addition to the Radisson, Delaware North (DNC) has expressed interest. Before settling on a venue, or multiple venues, the President expressed the desire to wait until after November meeting hosted by DNC at the KSCVC. One question raised concerns the willingness of the League members to travel to other venues, like the KSCVC.

OPEN.

Informal Financial Audit: The Board reviewed “The Report on the Review of Financial Records and Practices, 2013-14”. The report had been authored by the ad hoc Financial Audit Committee (Al Koller, Catherine Alexander, and Yvonne Parker) and distributed electronically before this meeting. Only minor suggestions for changes were proposed in the report. A motion to accept the report was made/seconded/passed. The report is Attachment 3. **OPEN.**

5. New Business:

By Laws Review: The Board briefly discussed proposed changes to the By-Laws as distributed electronically before this meeting by the ad hoc By-Laws Committee (Enoch Moser, Bill Riddle, and Al Koller). Further discussion will be held at the next meeting or by email. **OPEN.**

Nominations Committee Report: The Nominations Committee (Chuck Taylor, Yvonne Parker, and Enoch Moser) placed in nomination for Officers for 2014-15: President Al Koller, Vice President Rich Nelson, Treasurer Jim Johnson, Secretary David Schechter. Motion to approve the slate was made/seconded/passed. **CLOSED.**

6. Items from the Floor:

The President requested and a motion to grant authorization to distribute the Annual Report to the Active Members was made/seconded/passed. **CLOSED.**

7. Next Board meeting: If possible, required actions will be sent by email and the November meeting will not be held. If required, Tuesday, November 19, 2014, at 10:45 AM at KSC Visitor Center. **TBD.**

8. Adjourn: The meeting was adjourned by the President at 11:30 AM.

Submitted by David Schechter, Secretary

Agenda, NALFL Board Meeting, October 21, 2014
Radisson Resort at the Port, Cape Canaveral, 10:45 a.m. EDT

- 1. General Announcements; Review of Agenda**
 - 2. Minutes from the 09-16-2014 meeting (Schechter)**
 - 3. Financial Report as of September 30, 2014 (Johnson)**
 - 4. Old Business: Open actions from prior meetings and email votes**
 - **Special recognition for members (Koller) and email voting: Recognition Lunch at SWOF (Koller/Schechter)**
 - **Revised budget for next year (Johnson)**
 - **Application for state exemption of consumer sales taxes (Koller)**
 - **Plans for next month and the coming year (R. Nelson, Roselle)**
 - **Membership status; Member Directory (Giesler, Schechter, Koller)**
 - **Improving Communications – Telspan, Constant Contact, Electronic Files**
 - **Status of Radisson Contract; Options for DNC (Koller)**
 - **Informal Financial Audit (Koller, Alexander, Parker, Johnson)**
 - 5. New Business:**
 - **Bylaws Review (Moser, Riddle, Koller)**
 - **Nomination Committee Report; Vote on Board Officers (Taylor)**
 - 6. Items from the Floor**
 - 7. Next Board Meeting – TBD**
 - 8. Adjourn**
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Attachment 2

2014-2015 Programs for the NASA Alumni League (NAL) Luncheons

September 16th- Greg Johnson, President and Director, Center for the Advancement of Science in Space (CASIS)

October 21st- Scott Colloredo, Director of Center Planning and Development Directorate, KSC

November 18th- Special luncheon at the KSC Visitor Complex; speaker- Therrin Protze, DNC COO

December 16th- Holiday Social; no speaker- music to be provided by Mr. Sam Haddad

January 20th- Scott Wilson, Manager of Production Operations for the Orion Program and Offline Processing and Infrastructure Development, KSC

February 17th- Amanda Mitskevich, Program Manager Launch Services Program (LSP), KSC

March 17th- Mr. Cabana, Center Director of KSC

April 21st- Robotics Pink team

May 19th- Jon Cowart, Deputy Partner Manager, Commercial Crew Program, KSC

June-16th- Cheryl Hurst, Director of Education and External Relations, KSC

Attachment 3

To: The Board of Directors, NASA Alumni League, Florida Chapter

Date: October 19, 2014

Subject: Report on the Review of Financial Records and Practices, 2013-2014

The NALFL Audit Committee, appointed by the Board on September 16, met on September 23 to review physical records and discuss findings in preparation for a formal report to be submitted to the Board. The following report resulted from that review and is provided for the record:

Following discussion of recordkeeping and practices with Treasurer Jim Johnson, the Audit Committee developed a checklist and then reviewed the available physical records to (1) assess control processes, (2) evaluate procedures for the activities involved in all aspects of the financial management system, and (3) compare bank statements against physical records to assure currency and accuracy of all systems and actions.

The physical audit included hands-on review of the following records for months selected on a random basis:

- ✓ Collections recorded by event for cash, checks, and PayPal
- ✓ Deposit slips against collection forms and bank statements
- ✓ Treasurer's Reports checked against selected receipts and bank statements
- Copies of checks to assure proper signatures and invoices for backup
- ✓ Disbursement records by check and electronic payments, checked via bank statements
- ✓ Bills and invoices for approvals and reconciliations with bank statements
- ✓ Data on 50/50 collections and payments for Board approved scholarships/grants
- ✓ Payment records to assure proper receipts and tracking of Board approved expenditures
- ✓ Monthly financial statements to the Board reconciled with bank records and backup data

In accomplishing its review, the Committee used the checklist to compile observations and recommendations. Financial records were selected for the months of September, 2013 and March, 2014. Copies of bank statements and online PayPal information were annotated to indicate which entries were selected for review, and notes were made where comments were needed. Working copies of these documents have been retained for the record and are available for review upon request.

The audit committee considered a year-end reconciliation of records in consultation with the treasurer using the NALHQ Report for the 2013 year but concluded that differences between the closing dates for treasury reports and bank statements did not support this process, and suggestions for improvement are noted. There were no outstanding questions, and a copy of the completed checklist and supporting documentation are appended for the record.

The financial records maintained by the NALFL are materially accurate. The control systems implemented in all areas appear to be adequate and appropriate for the size and complexity of operations. Records management and procedures in place have resulted in suitable controls and adequate records in all areas of operation, with only three exceptions that can be corrected as noted in the following recommendations.

1. Expenditures: Most expenditures are made by check, with data entered into a ledger for each transaction. Copies of checks are not retained. It is recommended that checks with

carbonless copies be used to retain copies of checks, strengthening the tracking of expenditures. Expenditures made via PayPal provide an adequate record for tracking.

2. Disbursement signatures: Although the bylaws require two signatures on all checks, the bank (Launch Federal Credit Union) screens for a single, authorized signature. It is recommended that the bylaws, Article VII, Section 3, be changed to reflect the current practice.
3. Account reconciliation: Monthly account reconciliation is done by the Treasurer and reflected in the Treasury Report submitted to the Board. The data cutoff is set to support the Board's monthly meeting, but it does not match the month end bank statement, making reconciliation after the fact difficult. Three actions are recommended to strengthen this area:
 - o Use a month-end data cutoff for the main report, allowing direct comparison between bank statements and the Treasury Report. Include added information of "work in process" with a later cutoff to provide current information for the monthly Board meeting with data combined for an overall summary.
 - o Stipulate a fiscal year in the bylaws. The IRS report is based on calendar year; the NASA year is based on the federal fiscal year (October-September); our membership year matches the Florida fiscal year (July-June).
 - o Conduct an end-of-calendar-year annual review to reconcile the starting and ending balances of the bank account on those dates for the previous year with the data provided to League DC Headquarters for reporting to IRS.

Given the size of operations and the nature of the activities being conducted, the Audit Committee concludes that our examination, made in accordance with the guidelines included in the checklist, shows that the procedures practiced by NALFL meet accepted standards. Making changes such as those recommended in this report will eliminate the current minor weaknesses in the data and strengthen the reconciliation process.


Albert Koller


Catherine Alexander


Yvonne Parker

NALFL AUDIT PROGRAM PROCEDURES CHECKLIST – 2014

For Audit of Records for the 2013 year and for 2014 through August

I. REVIEW INTERNAL CONTROLS AND PREPARE A WRITTEN MEMO DOCUMENTING:

A. Receipts and deposit procedures

1. Who is responsible for receiving income? *Income is provided from fees for events, member dues, 50/50 drawings, and scholarship contributions. Funds are received via event registrations on site (cash and check); by mail via P. O. Box 423 (check); and by PayPal via online payments (electronic payments). They are received by Jim Johnson (Treasurer), Suzanne Jamieson (Registration Chair), Bev Merrilees or her designee (50/50 Chair), and Lin Giesler (Membership Chair - member dues and scholarship contributions).*
2. Who is responsible for making deposits? *The Treasurer is the sole depositor.*
3. Are all receipts deposited intact? *Yes – they are combined and retained until banked by the Treasurer.*
4. Who maintains the records? *The Treasurer maintains the financial records and treasury reports; The Membership Chair manages a listing of current paid members; and the Secretary (David Schechter) maintains the master database and provides sorted subsets for specific uses (membership cards, website notices).*
5. How is incoming mail handled? Is mail opened by person independent of cash receipt procedures and cash disbursement procedures? *No. Mail is received via P. O. Box, by email, and by direct submission at events. Depending on where the mail is received, it may be split, scanned, and emailed or received directly and processed. Mail is opened by the President (Al Koller - email and P. O. Box), the Treasurer (email, P. O. Box, and events); the Membership Chair (email and events), and the Registration Chair (email and events).*
6. Are controls over cash and online activities sufficient? *Yes. Receipt of funds, counting, summations, and record-keeping are often joint activities wherein Johnson, Jamieson, Koller, Merrilees, and Giesler all participate at different times and in different ways.*

B. Disbursement procedures

1. Who signs checks and how many signatures are required? *The Treasurer is the primary signatory and the President serves as backup. Only one signature has been required, although two are authorized and required in the Bylaws. The bank (Launch Federal Credit Union) does not review for more than one authorized signature.*
2. Are checks secured physically when not in use? *Yes, the Treasurer maintains the only checkbook and retains it in his home.*
3. Are bills and invoices approved for payment and properly maintained on file? *Yes. The annual budget is Board approved; individual items are reported verbally and documented on a monthly basis. Changes to the budget are Board approved in advance.*
4. Who prepares checks and maintains invoice files? *The Treasurer.*
5. Is there an accounting journal that is posted at least monthly? *Yes, using a custom spreadsheet designed by the Treasurer and built around the annual budget with planned vs. actual expenditures noted on a monthly basis. This becomes the basis for the monthly Treasury Report to the Board.*
6. Are all bank accounts reconciled monthly independently of those who write checks or receive and deposit cash receipts? *No; however, bank statements are reconciled monthly by the Treasurer with results provided monthly to the Board via the Treasury Report. An annual report is submitted to League Headquarters to comply with IRS reporting requirements for the 501(c) 3 non-profit tax exemption. It is recommended that monthly treasury reports be timed to coincide with bank*

statements and an annual reconciliation be performed starting in January 2015.

7. Are satisfactory records maintained? ***Yes – monthly Treasury Reports are provided to the Board and verbally explained as needed by the Treasurer.***

8. Are all special funds properly accounted for? ***Yes – 50/50 cash is counted separately by the 50/50 Chair and provided to the Treasurer for deposit in the savings account. Scholarships are identified in the annual budget approved by the Board and paid via checks by the Treasurer.***

9. Are monthly reports (financial statements) presented to the Board for approval and made a part of the minutes? ***Yes; 100% of the time.***

II. AUDIT CASH ON HAND AND IN BANK RECORDS (Note: Bank Statements, PayPal Reports, Monthly Treasurer's Reports, Annual Report to HQ, and Board Minutes are needed to do these reviews)

A. Review bank reconciliations. Bank reconciliations should be signed or initialed by the person preparing them, and signed or initialed by the person reviewing. ***A review is made by the treasurer monthly and the results are shared with the Board but not currently validated by a third party. For calendar year 2015 it is recommended that an annual reconciliation be performed using bank statements for that year and the annual report submitted to League Headquarters to comply with IRS reporting requirements for the 501(c)3 non-profit tax exemption.***

1. See that the year-end reconciliation ties to actual bank statements and to the annual report included in Board minutes and submitted to League Corporate Office. ***In work as noted above.***

2. Verify that all bank accounts have been reconciled monthly. ***Currently the bank account is not reconciled because the Treasurer uses a cash accounting approach to include income and expenditure totals as close to the Board meeting date as possible. Board meetings are held mid-month, resulting in differences between end of month bank statements and actual balances at meeting time. Information from the bank statement is used along with added data to prepare the monthly Treasury Report to the Board. To that extent, the Treasurer reconciles income and expenditures to date. This approach results in differences in actual balances at month end and those at the time of the meeting as noted above. It is recommended that month-end balances be reported with changes noted in a separate description in the Treasury Report so that monthly reconciliation with the bank statement can be achieved. A reconciliation of the 2015 annual report is recommended.***

3. Verify that all checking accounts and savings accounts are included in financial reports to the Board. ***Yes, verified. The monthly Treasury Reports are thorough and adequate for proper control.***

4. Review reconciling items on year-end reconciliations carefully, and trace to succeeding months bank statement any significant or unusual items. ***A year-end reconciliation for the 2015 calendar year is recommended.***

B. Verify that online transactions and bank statements are reconciled on a routine basis. ***Verified. PayPal funds are transferred monthly to the bank checking account (only) and reported monthly to the Board as part of the Treasury Report.***

C. Verify that the amount shown on the annual financial statement as beginning cash (January 1st cash balance) agrees with the prior year's annual statement ending cash balance (December 31st cash balance). ***A year-end reconciliation for the 2015 calendar year is recommended.***

D. Year end bank reconciliation should be checked for mathematical accuracy. ***A year-end reconciliation for the 2015 calendar year is recommended.***

III. AUDIT RECEIPTS (Note: Receipts/Deposit slips, Ledgers, and PayPal Reports are needed for this).

A. All receipts should be traced to validated deposit slips on a test basis (some for each

month). **Yes; verified.**

B. Online receipts should be traced to individual payment records on a test basis. **Yes; verified.**

C. Membership fees should be verified by tracing one month's collections to the individual payment records. **Yes; verified.**

D. Scholarship income (including the 50/50) should be reviewed for correctness. **Yes; verified.**

E. All revenues should be compared to budgeted amounts and variance should be explained. **All areas except the PayPal charges (usually \$2 or less each) were reconciled. The differences between the bank statement closing date and the Treasury Report date of submission made it difficult to reconcile those charges to the penny. The recommended change to match the reporting data to the month-end bank statement will resolve this issue.**

F. A sample of bank deposits should be selected at random and reviewed for reasonableness. **Yes; verified.**

G. Based upon internal audit committee's knowledge of activities, note and examine any other journal of receipts that may be unique to the chapter. **Only one unusual charge was found. It was a \$15.17 charge listed on the PayPal account and was found to be a legitimate payment to GoDaddy for the Headquarters Domain Name. Resolved.**

IV. REVIEW DISBURSEMENTS (Note: Budgets, copies of checks, bank statements needed)

A. Compare expenses to budget and explain variances. **Yes; verified.**

B. Select a sample of several checks for each month and examine paid invoice, canceled check, and entry for disbursements. **Yes; verified.**

C. For sample selected in item B, check for authorized signatures, proper endorsements, and expense classification. **Yes; verified.**

D. Trace sample of online transfers (e.g., PayPal account withdrawals to deposit in checking account). **Yes; verified.**

V. EXAMINE MINUTES (Minutes are needed for this)

A. Review Board minutes for authorization of financial transactions, e.g., allocation of funding. **Yes; verified.**

B. Review Board minutes for indication that monthly reports were reviewed. **Yes; verified.**

VI. GENERAL OVERVIEW (Copies of deposit slips, receipts, minutes, and ledgers are needed)

A. Check mathematical accuracy of the cash receipts and disbursements journals for at least two (2) months. **Yes; verified for September 2013 and March 2014.**

B. Determine that monthly totals are used in preparing monthly and annual financial statements. **Verified for the monthly statements. An annual reconciliation is recommended.**

C. Determine mathematical accuracy of at least two monthly financial statements. Trace the totals on the bank statements to the Treasury Reports. **Yes; verified.**

D. Determine that budget was approved by the Board. **Yes; verified.**

E. Prepare a list of observations, discrepancies, and comments. Discuss with Board and prepare a report, signed by all members of the Audit Committee, to be filed as a formal report with any recommendations and responses by September 1 each year. **See the summary report.**

Summary of required documents to submit with audit of financial statements, by October 1.

1. Report of Findings, with signatures of all audit committee members. It should contain:

- Report on the adequacy of internal controls and any recommendations made to Board.
- Proof of reconciliation of receipt and disbursement activities with financial statements.
- List of observations, discrepancies and comments and any Board responses to report.
- Copy of Financial Statements for the year, including an ending Balance Sheet and Income Statement, with any other documents relevant to this audit that were reviewed and should be included. **The report of findings will be provided separately with this annotated checklist along with supporting documents as attachments.**