

AMERICAN FEDERATION OF TEACHERS LOCAL 1904  
MONTCLAIR STATE UNIVERSITY  
REPORT OF AUDIT COMMITTEE  
Fiscal Year September 1, 2012 -August 31, 2013  
March 4, 2014

As in the 2012 financial review, the Committee examined financial records of the Local and found them in excellent order and a fair reflection of the financial condition of the Local. The amount of cash on hand is many multiples of the current liabilities, which are limited to a few credit card expenditures, and to payroll taxes. These latter are calculated, reported and transmitted electronically by Quickbooks payroll service as required to the appropriate government agencies. The Local also insures timely payment of American Express bills by electronic transmission of the amount due when credit card statements close monthly. There are no long term liabilities.

During our examination, we randomly selected various entries on the financial register and examined the paper trail to determine that a proper procedure was followed for approval and reconciliation. Among the items reviewed were check payments, American Express charges, and dues payments received from the University. All were found to be in order.

Financial controls: numbered vouchers detailing all expenses are approved in writing by at least two officers as part of the payment procedure. Expenses are first recorded independently by the office manager; thus, at least three pairs of eyes other than the individual incurring an expense review each expenditure.

The previous review committee recommended changing the fiscal year under which the Local operates (now September 1-August 30) to a calendar year basis, or some other starting date (e.g., July 1, which would be in accord with the university as a whole). This would facilitate calculation of taxes to be transmitted and calendar year reports to various government entities. This remains an open item, and while the Local's financial management does not appear to have been compromised in any way by following this schedule, we continue to recommend the change, in the interests of removing unnecessary complexity.

In sum, we find the Local's finances are well managed and the Local is in sound financial condition.

Members of Committee:

Jessica Brandt

Bob Browning

Viktor Turchyn

Bill Vincenti

