

AUDITING COMMITTEE *(possible updated version July 2020)*

MEMBERSHIP:

Committee consists of two members that audit the SDLA books **on the years that a professional audit is not done**. Members serve two year overlapping terms.

Function:

- Maintain the continuation of this committee for the purpose of conducting an annual internal audit and filing the correct forms in a timely manner. **The audit committee should contact the EST and arrange to audit the books between March 1st and March 31st.**
- Check with the EST to make sure the books are submitted for a professional audit every 3 years **or when the EST changes.**

DUTIES:

The Auditing Committee serves immediately after its appointment and audits the books for the period ending December 31 of the current year. Audits are conducted on a 3-year cycle; two years by the volunteer committee and the third year by a professional or when the Executive Secretary/Treasurer position changes.

PROCEDURE:

Committee duties:

- 1) **Bank statements for the general fund checking account and end-of year statements of interest earned should be checked to verify the account balances**
- 2) **The books should be checked to verify income and expenditures for the year under audit.**
- 3) **The committee verifies that the interest earned on the Certificates of Deposit is recorded as income. The interest may be left with the CD.**
- 4) **The audit committee reports a summary to the president of findings and recommendations when the audit is completed. This report is completed prior to the annual meeting.**

EST duties:

- 1) **The Executive Secretary/Treasurer shall submit a year-end budget report to the Board no later than the spring meeting and the board approves the end of the year budget.**
- 2) **EST will work with the audit committee to get necessary paperwork to them.**
- 3) **The Executive Secretary/Treasurer shall submit the yearend report and supporting documents for audit and tax return (990EZ).**
- 4) **The EST submits the tax return (990EZ) to the president for signature or files an extension by May 15th.**
- 5) **The interest earned on the Certificates of Deposit is recorded as income and may be left with the CD.**