

**To:** NCNMLG Board and Members  
**From:** Leah Anderson, Treasurer  
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**Subject:** **Treasurer's Annual Report FY 2000/2001**

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*The figures provided in this annual report do not include monies from the coupon accounts. The income generated by the coupon accounts has not been used during this fiscal year, or in the past, for the operating expenses of the Chapter. The coupon manager is responsible for the accounting and reporting of the activities of the coupon funds.*

Totals provided in the annual reports from some offices and committees will not necessarily correspond to the Treasurer's totals. This is due to the timing of payments/receipts made by the committees which may, in some cases, overlap two different fiscal years.

**Financial Overview for FY 2000/2001**

**General Treasury**

	<u>June 1</u>	<u>May 31</u>
Checking Account Balance	\$2,262.90	\$9,456.69
Money Market Account Balance	\$7,177.47	\$12,358.61
<b>Total Available Funds</b>	<b>\$9,440.37</b>	<b>\$21,815.30</b>

**Income/Expenses (including Joint Meeting)**

	<u>Actual</u>	<u>Budgeted</u>	<u>Variance</u>
Income	\$66,067.48	\$59,360.00	\$6707.48
Expenses	\$53,692.55	\$58,852.63	\$5160.08

**FY 2000/2001 Operating Profit      \$12,374.93**

**Chapter Programs/CE Courses**

	<u>Income</u>	<u>Expenses</u>	<u>Profit/Loss</u>
Grant Writing CE	\$420.00	\$136.00	\$284.00
Proving Your Worth CE	\$1,825.00	\$1299.61	\$525.39
<i>Includes \$1000 underwriting by PSRML.</i>			
XML CE	\$1305.00	\$1015.96	\$289.04
<i>\$60 in additional income will appear on next fiscal year.</i>			
October Program	\$304.00	\$0.00	\$304.00
<i>An anonymous donor kindly paid for the food and beverages for this program.</i>			
Joint Meeting	\$58,383.50	\$44,586.41	\$13,797.09

## **Activities for the Year**

Attached are six documents detailing the finances for the year. Two of the documents are Excel ledgers showing the Chapter's income and expenses. These show who or what company was paid for what service throughout the year. The ledgers are organized to show which committee/officer incurred the expense/income, and how that expense/income was allocated to the appropriate categories. Two other documents are ledgers created in Quicken showing the exact same income and expenses. Quicken's ledgers, however, do not show the breakdown by Office/Committee.

The fifth document summarizes the income/expenses of each office and committee. The final profit/loss for the Chapter's major income sources – programs, CE courses, membership dues, and the union list, are also provided.

The final document summarizes income/expenses by reportable category. These are categories that MLA requires for federal tax purposes. Categories include such activities as travel expenses; newsletter costs; directory costs; mailing costs; insurance and accounting fees.

Throughout the course of the year, the Treasurer endeavored to make all payments and reimbursements in a timely manner. In addition, the Treasurer attended all meetings, in person or by telephone conference call, except for the August 2000 meeting. A report detailing the financial status of the Chapter was presented to the Board and membership at each meeting. The Treasurer's reports were also reproduced in the newsletter and on the Chapter's website. The Treasurer has forwarded to the Archivist original copies of all Board reports and this annual report.

In September 2000, the Treasurer discussed the issue of financial audits with the Board. In the interest of cost containment, it was agreed that professional audits by a CPA each year was unnecessary. The Treasurer should find a member volunteer to look over the books each year, and that a professional audit occur once every five years or so. It was also agreed, however, that the Chapter's state taxes (form 199) should be prepared by a CPA to ensure accurate reporting.

In October 2000, the Treasurer outlined the proposed budget for the Chapter. Cost containment measures were in place. The Treasurer reported hiring Mandel & King to complete the California tax return for Exempt Organizations (form 199) for fiscal years 1998/1999 and 1999/2000.

Also at this meeting, the Board enacted a new deadline for reimbursement of expenses incurred during a particularly fiscal year. July 15<sup>th</sup> was agreed as the final deadline for reimbursements relating to FY 2000/2001. The Board also asked the Treasurer to use an accrual method of accounting to allow all expenses/income derived from the current fiscal year to be a part of the final year end financial statement.

Lastly at the October meeting, a discussion took place about the fact that the Chapter follows an academic fiscal year (May-June) while MLA follows a calendar fiscal year. This impacts the variety of taxes that the Chapter must file. All tax reports except one that are filed at the state and federal level are based on a calendar year. It was finally decided that this issue could be addressed by the next Treasurer.

In the December 2000 meeting, the Treasurer recommended that the books be converted into Quicken from Excel once again. An important piece of financial information, a balance sheet, is not maintained in Excel. It would also be cumbersome to do so in Excel but simple in an application such as Quicken. The Board agreed to purchase Quicken.

At the General Business meeting at the Joint Meeting in February 2001, the Treasurer presented the Chapter's financial health to the membership. She also moved to raise the membership dues from \$15 to \$25, and presented arguments to support her motion derived from the financial analysis she prepared for the membership in the previous fiscal year (specifically April 2000). The motion to increase dues to \$25 was approved by all members present at the meeting.

The Joint Meeting showed a profit of over \$10,000 this fiscal year. These funds will greatly improve the Chapter's financial status over the coming three years until the next Joint Meeting. Due to the upcoming MLA conference in San Diego in 2002, NCNMLG and MLGSCA agreed to not have a Joint meeting in 2002. MLGSCA will host the Joint Meeting in 2003; NCNMLG will host in 2004.

### **Recommendations**

- The next Treasurer should further investigate the issue of changing the fiscal year and/or switching from a cash accounting system to an accrual system. It is the recommendation of this outgoing Treasurer that the Chapter stay with a cash system.
- A new "request for expense reimbursement" form needs to be created. This form will be used by officers and committee members who need to be reimbursed for expenses incurred on the Chapter's behalf. This form should be posted in electronic format on the Chapter's website.
- The budget forecast form may need to be modified to suit the needs of the incoming Treasurer who will be using Quicken to establish a budget.
- The new Treasurer should be the member to perform the audit of the FY2000/2001 books. This would serve two purposes: 1) familiarize the Treasurer with procedures; 2) fulfill the bylaws requirement of having an audit performed each year. The outgoing Treasurer feels that it would be unnecessary to have an additional member perform the overview for FY2000/2001. However, after the first year of the new Treasurer's tenure, a different Chapter member will need to perform the audit of that fiscal year.
- The audit of FY2000/2001 must be performed before the California state tax return (Form 199) is completed and filed.

Respectfully submitted,

Leah H. Anderson  
Treasurer