

Tidewater EMS Council, Inc.  
**Audit and Finance Committee**  
**MINUTES – JUNE 8, 2011**

*Present*

Kent Weber, Chair  
Wayne Shank  
Jim Chandler

*Absent*

Amy Silva

1. Mr. Weber called the meeting to order at the Council office at 10:00 am. A **motion** passed to approve the minutes of February 9, 2011 as written. He noted that Amy Silva has apparently changed employers and the only contact info we have for her now is through the Isle of Wight Rescue Squad. Mr. Chandler left a message there for her to contact the office and there has been no contact.
2. Review current TEMS financial management practices – Members reviewed the flow of incoming payments through the front desk to deposit, and the process of incoming invoices through payment. Various internal controls such as treasurer and executive director review of the bank statements, electronic reconciliation of bank statements with QuickBooks, incoming check and cash log entries by front desk staff and verification against deposits by the executive director, invoice approval by a program manager, check preparation by the bookkeeper, invoice and check review and approval by the executive director, checks and invoices presented to and signed by the treasurer or another officer, the treasurer’s check number log, and separate financial agreements with the Eastern Shore EMS Council and Tidewater Regional Technical Rescue Team specifying approval process for payments related to those programs. In addition, monthly financial statements are presented for review to the Audit and Finance Committee and quarterly to the Board of Directors, and financial statements are audited by an independent CPA annually with the CPA presenting the audit report and management recommendations to the Board. The council also maintains “employee theft” insurance coverage.

Mr. Shank felt the council’s financial practices were solid, especially for a small organization, but noted two areas could be a risk: individually issued credit cards and checkbooks. Mr. Chandler outlined the current credit card policy. Credit cards are issued to three employees including him, and each is responsible to collect receipts for all expenditures and to present them to the bookkeeper with accounting information when monthly statements arrive. He will provide a written copy of the full policy for the committee to review prior to the next meeting. Regarding checks, the treasurer’s check number log was discussed and locked storage was discussed along with the process to review check images by the executive director upon receipt of unopened bank statements.

Electronic fund transfers were discussed. It was noted the Commonwealth currently requires EFT for larger payments and credit card payments for smaller transactions. It was recommended we pursue EFT with other major funders like the Hampton Roads Planning District Commission and Eastern Virginia Medical School. Such electronic transfers would also help satisfy the need for timely deposits which has been a previous audit recommendation.

Members discussed and suggested establishing a list of anticipated contract payments, and for the accounts receivable function to monitor timely receipt of these payments in addition to all other receivables.

Members discussed the idea of a bank placing a check reader in the office to allow for remote check deposits. Farmers Bank in Suffolk is one of the banks the council has approached about providing a mortgage on a new building. Each of the banks approached about this want us to move our primary accounts to them, and remote check deposit was a method suggested by Farmers Bank to reduce travel to Suffolk for routine deposits. The idea of remote deposit seemed like a good one to the committee regardless of the bank location to help ensure timely deposits.

3. Review financial statement format and content – Members discussed providing a simplified set of financial reports to the board as a matter of regular distribution, but the committee will continue to receive the more detailed reports. Mr. Chandler will prepare versions of the standard, detailed report and a new simplified, summary report for the Board’s upcoming meeting. Mr. Weber will ask the Board about their preferences. Distribution frequency was discussed. It was agreed the committee will continue to receive the detailed reports monthly, and he will ask the Board if they prefer monthly or quarterly distribution. It was agreed to add a budget variation column to the report. The need for a cover letter to summarize any significant variations to income and expenses was discussed. Mr. Weber and Mr. Chandler will work on this together.
4. Determine future meeting topics – it was agreed to look at other risk management areas such as insurance coverage at a future meeting, and to reassess the financial report formats and distribution.
5. With no additional business, the meeting adjourned at 11:15 am.

Minutes prepared by Jim Chandler