

December 31, 2012

**To the Board Members of
Nebraska Chapter ASTD**

During the review, I became aware of several matters that are opportunities for strengthening operating efficiency. My comments and suggestions are summarized below:

Chart of Accounts

The chart of accounts used in 2010 was different than the chart of accounts used in 2011, making it difficult to compare the two years. I would recommend that the Nebraska Chapter ASTD develop a working chart of accounts for the organization and use it consistently each year.

Beginning and Ending Balances

The ending balances of the checking and savings accounts on the 2010 tax return were \$5,926 and \$51,682, respectively. In 2011, the opening balance of the checking account was entered as \$4,733 which was the bank balance instead of the book balance. The book balance is the term used at the end of an accounting period for the amount of money available adjusted for deposits in transit and checks that have not yet cleared. The actual book balance for December 31, 2010 should have been as follows:

\$ 4,733.33	Bank Balance
<u>1,302.52</u>	Three checks written in 2010, but not cleared until 2011
\$ 3,430.81	Book Balance

Netting of Expenses

As a general rule, expenses should not be netted off to income items. Some expenses such as a refund of dues may seem appropriate going against due income, but the payment of National dues was shown as a negative in an income account. I would recommend that all income be reported to income accounts and all expenses be reported to expenses accounts.

Quickbooks versus Quicken

In 2010 you were using Quickbooks for your accounting software. In 2011 you changed to Quicken. Quicken is designed to be used as a personal finance software, but Quickbooks is geared more for a business entity. I would recommend using Quickbooks for your accounting records.

IRS Code Section

I noticed during the review that we have been filing your Form 990-EZ tax return as a tax exempt entity under IRS Section 501(c)(6), but on your website in the 2012 Bylaws, Article I, Section D. Purpose, the Chapter is identified as a Section 501(c)(3). I would recommend that we determine which code section is correct and review the bylaws for consistency.