



STATE CITIZENS' PARTICIPATION COMMITTEE

La Paz Keene, Calif. 93531

805-822-5571

SCPC NOTICE 8-76-1

TO: "UFW of America, AFL-CIO YES on 14 Committee" Campaign
Director and Cost Center Directors (for action)
SCPC Board of Directors (for information)

FROM: Mack C. Lyons
State Citizens' Participation Committee Executive Director

DATE OF ISSUE: 23 August, 1976

EFFECTIVE DATE: 1 August, 1976

EXPIRATION DATE: 15 January, 1977

SUBJECT: "UFW of America, AFL-CIO YES on 14 Committee" (YES on 14 Campaign)

Purpose

To provide all concerned with direction in sufficient detail to assure:

1. Accurate and timely accounting for our management purposes; and
2. Accurate records, with a proper audit trail as needed to prepare and submit, on time, the various "Proposition 9" reports relative to our YES on 14 Campaign.

Background

We have started our campaign to alert the voters of California of the vital need for their YES vote on Proposition 14, on November 2, 1976, and to communicate to them that Proposition 14 is essential to guarantee farm workers the opportunity to exercise their right to vote, in secret ballot elections in the fields; and that experience has proven that the existing law, while providing the right to vote, does not assure that ballots will be printed or elections actually held.

In running our YES on 14 Campaign it is essential that we fully comply with both the letter and spirit of the "Proposition 9" reporting requirements of the State of California.

SCPC 8-76-1

The following actions have already been taken:

1. The SCPC Bank Account has been opened.
2. Income from qualifying the Initiative has been deposited in the SCPC account.
3. Money raised from mass mailings from April to August 3, 1976, has been deposited in the SCPC account (income after August 4 goes to the SCPC lock box for deposit in the SCPC account).

Much of the information that follows may be repetitious to many of you, but PLEASE read and comply carefully. It is critically important to the success of the YES on 14 Campaign that accurate records are kept and that all of our books and records are in order so that we can easily comply with the detailed requirements of "Proposition 9" when reports are due in September, October and January to the California State government.

Some points that you might have been overlooking in the past in filling out expense vouchers include:

You ABSOLUTELY MUST fill out the complete name and address of each person or business to whom checks are written. We can keep track of this information for "Proposition 9" reporting in the computer ONLY IF YOU GIVE THE COMPUTER THE INFORMATION ON THE VOUCHERS. It only takes you a second to do it when you write the voucher. It would take days and a lot of headaches and risks to have to go back and attempt to gather the information later, when we are preparing the report to the government.

On income it is always important to know who gives us contributions so we can go back to the same people in the future for more help; BUT IT IS EVEN MORE IMPORTANT DURING THIS CAMPAIGN. We have to report the name and address and occupation and employer of ALL CONTRIBUTORS WHO GIVE MORE THAN \$50 during the whole Initiative campaign (April through November). The computer can keep track of each donor and each contribution so that we can tell when a person has accumulated donations of \$50 or more, but ONLY IF YOU FILL OUT THE RECEIPTS AND CODE CHECKS SO THAT THE COMPUTER IS GIVEN THE INFORMATION TO KEEP TRACK OF. This would be almost impossible to go back and gather later, so PLEASE be sure the donor's name and address appears on the check and that the code is completely filled out on each check and cash receipt.

Scope and Application

The policies and procedures detailed in this Notice are to be closely followed by all persons connected with the Farm Workers movement. The details of the Notice essentially apply to activities within California; no changes are made to policies and procedures now in effect outside California.

Policy

Mack Lyons, SCPC Executive Director, is responsible for budget review, funds disbursed, financial accounting, auditing and "Proposition 9"

reporting. Marshall Ganz, YES on 14 Campaign Director, is responsible for and in charge of the entire program planning and execution.

All detail questions relative to these accounting policies and procedures from within the YES on 14 Campaign organization will be funneled to Marshall Ganz of the YES on 14 Campaign Administration Division who, if need be, will contact Mack Lyons.

All detail questions, relative to either program or these accounting policies and procedures, from within the UFW Contract Administration Department will be funneled to Eliseo Medina, Contract Administration Department Head, who, if need be, will contact Marshall Ganz on program or Mack Lyons on financial management.

- All money raised for the Initiative/Proposition 14 after August 4, 1976, will be processed through the YES on 14 Campaign (State Citizens' Participation Committee) lock box.
- All TG materials used in the campaign in California will be bought by SCPC and all income from their sale will be processed through the YES on 14 Campaign lock box.
- SCPC will purchase the entire California boycott inventory of TG currently on hand.
- Contract Administration Department is to appropriately code and process funds, UFW or SCPC, in accordance with the purpose for which they are raised.
- Except for Initiative or Proposition 14 mass mailings from La Paz, funds raised outside California are to be for the UFW Union to support ongoing Union operations, unless specifically designated for the YES on 14 Campaign.
- All "Proposition 9" reports/reporting questions will go to the respective Division and Department Head and then, if need be, to Mack Lyons.
- An accountant (Paul Hammond) will circuit ride the Campaign Organization and Accounting Division as an internal auditor reporting to Mack Lyons. His function will be to test/assure the timeliness, accuracy and adequacy of the financial management process both for internal management and "Proposition 9" reporting purposes.
- On campaign staffing arrangements involving personnel now with Boycott Department, Nick Jones gives leave of absence permission. Money will normally be advanced for travel, with adjustment made when the travel expense report is submitted.
- Campaign budget is made and updated by Marshall Ganz and submitted to Mack Lyons for review and approval action.

-In kind donations, of goods and services must be reported under "Proposition 9" along with cash contributions. Specific instructions will be distributed.

OUTLINE OF PROCEDURES

- I. Objectives
- II. Income
 - A. Types of Income
 - B. Explanation of Lock Box
 - C. Preparation of Deposits
 - 1. Checks - coding
 - 2. Cash - receipts and coding
 - 3. Batching and mailing to the lock box daily
 - D. Occupation and Employer Information
- III. Payments
 - A. Bank Accounts
 - 1. General
 - 2. Checks
 - 3. Closing bank accounts
 - B. Voucher Procedures
 - 1. General
 - 2. Filling out the voucher
 - 3. Batching the vouchers
 - 4. Filling out the transmittal slip
- IV. Link to Data Processing
 - A. Income
 - B. Expenses
- V. Reports
 - A. Management Reports
 - 1. For SCPC
 - 2. For YES on 14 Campaign
 - B. "Proposition 9" Reports
 - 1. Timing
 - 2. Content
 - 3. Use
 - 4. Audit
- VI. Non-monetary contributions

I. OBJECTIVES

- A. To control cash; To make sure that all cash and each check received is deposited and reported properly; To make sure that all disbursements are properly authorized and reported.
- B. To collect data for financial management.
- C. To collect data for "Proposition 9" reporting.

II. INCOME

A. Types of Income

- 1. Contributions at the cost center level: Sales (El Taller Grafico; El Malcriado), collections, personal donations.
- 2. Mass mailing - sent to La Paz.
- 3. Other donations sent direct from the donor to La Paz.

Important Notes:

- a. The entity code for all donations for the YES on 14 Campaign will be thirteen (13).
- b. Under no circumstances can anything but the budget check from La Paz be deposited into your checking account. All donations, refunds, reimbursements--ALL MONEY FOR PROPOSITION 14 EXCEPT YOUR BUDGET CHECK MUST BE MAILED TO THE SCPC LOCK BOX.

B. Explanation of the lock box

The lock box is a service provided by our bank. All money collected by our cost centers is sent directly from them to a post office box in Los Angeles. The bank collects the deposits from the post office box and credits our bank account. The bank also runs the donations through its computer system and then sends our Computer Department tapes which provide us with valuable information, including:

- 1. Proof of the deposit.
- 2. Which cost centers sent in the money and the amount of deposits that each cost center is credited with.
- 3. The name and address of each person who has given money.
- 4. The type of donation that each person gave and the amount of each donation.

This information helps us to keep the movement's financial records accurate and up to date. It also enables us to provide valuable statistical reports to the various departments in the movement. The names and addresses of the donors can be made into mailing lists and used for future campaigns and fund raising efforts.

C. Preparation of Deposits before they are sent to the lock box (Checks, money orders, cash)

In order for the computer to provide us with statistical reports, a fifteen (15) digit code number must be applied to each donation. Be sure that the name and address of each donor is printed clearly on the face of each check. In the case of a cash or money order donation, make sure that the name and address is filled in completely on the cash receipt.

1. Checks - Coding

Checks must be coded with the entire fifteen (15) digit number.

- a. The YES on 14 Campaign will be coded as entity "13." (For NON-Proposition 14 receipts, use your normal entity codes.)
- b. The second two digits are the department of your cost center.
- c. The next three digits are the number of your cost center (i.e., Alameda, San Diego, etc.)
- d. The last eight digits are found in the 4000 (Income) section of your code book. Please use only that section. Codes in the 1000, 2000, 3000 and 5000 series of the code book do not apply to Income.

An example of the entire fifteen (15) digit code: A personal donation to the YES on 14 Campaign to the office in Los Angeles would be coded Entity 13 (SCPC) - Department ___ - Cost Center ___ - Account Detail 4300 0100 (personal donation.)

13 _ / _ _ / _ _ _ _ / _ _ _ _ /

2. Cash Receipts and Coding

The same codes will be used on your cash receipts for any cash or money order donations received. Please try to make up a cash receipt for each donation, but if you have a table for El Taller Grafico, a collection taken at a rally, or something of this nature, one cash receipt for the total amount is acceptable. You should indicate in parenthesis

on the receipt the approximate number of donors included in the collection. ****REMEMBER**** no one individual can give more than \$50 in cash; if they are willing to give more, have them write a check. Since you will be attaching yellow copies of the cash receipts to the money order, the money order need not be coded, but is to be annotated with the number of receipt copies attached.

The cash receipts should be used as follows:

- a. Each receipt is pre-numbered in advance. Be sure that the first two digits are "13" - YES on 14 Campaign.
- b. Fill out each section of the receipt completely. Make sure that the entire fifteen (15) digit code and the complete name and address of each donor has been filled in. (For rally or table collections, the cost center name should be entered in the name block; the location of the event should be entered in the address block; and the approximate number of people at the event in the city block. (Example: Oakland Newman Hall Rally, 300 people).
- c. You are making three copies when you are writing the receipts, so be sure to press firmly.
- d. Legibility and neatness are very important so numbers and names written on cash receipts and checks can be read. All information must be clearly readable so that the key punchers at the bank can punch the correct information. The bank's key punchers are not familiar with our needs, so do not take anything for granted. They will punch everything as they see it. If the information is sloppy and incorrect, then our records will be the same.
- e. When the receipt has been completely filled in,
 1. Give the white copy of the receipt to the donor
 2. Keep the pink copy of the receipt for your files
 3. Clip the money or money order to the yellow copy and put it with the rest of the cash donations. (The cash must be turned into a money order and sent to the lock box. **DO NOT SEND CASH TO THE LOCK BOX.**

Take all of the cash to the Post Office or the bank and purchase a money order for the total amount of the cash. Do not buy money orders out of cash donations. (Pay for them out of petty cash and obtain receipt). The cash receipts and amount of the money order must balance.

Attach the yellow cash receipt to the corresponding money order; (i.e., if five separate persons each made a \$10 donation, a separate receipt must be filled out for each one. You would turn the five \$10 bills into a money order of \$50. This money order would be attached to the five (5) yellow cash receipt copies.

On checks with more than one breakdown and money orders with several receipts, make sure that breakdowns add to the total amount of the checks or money orders.

3. Batching and Mailing to the Lock Box Daily

a. Gather all of the checks and money orders (receipts attached) together.

b. For each daily batch sent to the lock box, fill out a transmittal slip as follows (By blank #):

1. Entity (#1 on your Transmittal slip) is always "13" for YES on 14 Campaign receipts.
2. Cost Center (#2) is your three (3) digit code.
3. Batch number (#3) should be filled in only when you are sending in more than one batch. (Batches must not exceed 50 items.)
4. Period ending (#4) is the date that you are sending in the deposit.
5. How many items enclosed (#6) is to be the number of checks and money orders that you are sending in. Do not count notes or anything else other than checks or money orders in your total of items.
6. The total amount of money being deposited is filled into the box provided on the transmittal slip. Be sure that you fill in the total correctly in case there are any discrepancies in the actual deposit that the bank receives.

c. Sending the deposit to the Lock Box

1. After all of the information has been filled in on the transmittal slip, then separate the white copy of the transmittal slip from the yellow copy.
2. Attach the white copy of your transmittal slip to the batch of checks and money orders. Send each batch to the U.C.B. Lock Box:

UNITED FARM WORKERS OF AMERICA, AFL-CIO
State Citizens' Participation Committee
P.O. Box 80796
Worldway Postal Center
Los Angeles, CA 90080

3. Send the yellow transmittal copy to Central Accounting in La Paz. We will match up the actual deposit that you are credited with from the bank with what you say was deposited. We will send the yellow copy back to you after the deposit has been made and verified.

D. Occupation and Employer Information

For each contributor who gives \$50 or more, cumulative for the campaign, we are required to report name, address, date and amount of each contribution, occupation, and employer. Much of this information is provided by our computer records. A great deal of time was spent in the last month contacting our donors from the qualifying campaign for the following information:

Occupation
Employer (or business address if self-employed)

If you can get the information when the contribution comes in, please do so, and send it immediately to SCPC in La Paz. If you don't get the information with the contribution, you will have to get it before the report is filed.

III. PAYMENTS

A. Bank accounts:

1. General

Each YES on 14 Campaign cost center is to have a YES on 14 Campaign checking account for payment of campaign expenses. No new bank accounts are to be opened without processing through Accounting Division. Each field office which desires to incur any YES on 14 Campaign expenses (e.g. leaflets, radio spots, money to put on a fund raiser) will submit a request to Contract Administration Department.

Under NO circumstances can anything except the budget checks from SCPC La Paz be deposited into your checking account. Any donations, refunds, reimbursements, or checks from La Paz written to an individual must not be deposited into your checking account. Do not deposit checks from another cost center for expenses of personnel transferred from one cost center to another. In the event you must make payment for expenses for personnel transferred to another cost center, make the check to the person.

2. Checks

- a. All checks must be signed by authorized signers, after the cost center director has reviewed and approved

supporting vouchers. (See later description of vouchers.)

- b. Payee: In order to keep accurate records of where money is being spent, checks must be made payable to your creditors; e.g. Rent - make payable to your landlord. Utilities - make payable to "X" Company. It is Union policy that checks are never made out to "cash." Checks written to your creditors will eliminate the problem and the checks will provide a better and easier way of accounting for money spent. In the case of volunteer benefits (personal reimbursement), food, gas and oil, etc., make checks payable to each volunteer who is spending or receiving the money. The receipts from these expenses should be stapled to the corresponding vouchers. Everyone is accountable for the money they receive.
- c. Do not write any checks to another cost center.
- d. NEVER sign a check before the payee and amount is filled in. If persons authorized to sign checks move, leave, are transferred, or . . ., SCPC La Paz will make decisions of who will be authorized to sign. NEVER under any circumstances, presign checks to leave for use after you leave.
- e. Any individual dealing with signing checks, depositing funds, must be a part of the YES on 14 Campaign staff.
- f. Each cost center must have its own checking account. Do not use one of the staff's personal checking accounts.
- g. Be very careful that very few checks are voided. Checks cost money. Do not throw away voided checks.
- h. Send each voided check to La Paz. Also, advise La Paz of any checks that have had a stop payment made or have been lost.
- i. It is very important you use your checks in numerical order ALWAYS.
- j. Be sure to notify us as soon as you make a "STOP PAYMENT" order. Otherwise, check may be cashed and we have no way of knowing. We should be notified even when you feel sure payment will not be reported. Send us check number and as much other information as possible.

- k. Central Accounting in La Paz will make periodic reports to each cost center regarding the status of their accounts. We will advise you of what the balance of your account is, and also of any service charges on your account. The appearance of your name on the authorization card gives you the authority to sign checks and to deposit budget checks from SCPC La Paz. It does not give you authority to secure information from the bank.

3. Closing a bank account

- a. The account will be closed from La Paz. We will reconcile the account to make sure that everything is in order.
- b. You will be directed on how to send all of your records to SCPC La Paz.
- c. If any checks that were written on the old account should be returned to you by the bank (bounce), do not write a new check until you have discussed it with the Department Head first.

IF YOU HAVE ANY PROBLEMS WITH YOUR ACCOUNT, PLEASE CONTACT YOUR DEPARTMENT HEAD IMMEDIATELY. IF YOU ARE NOT SURE ABOUT CERTAIN PROCEDURES, DO NOT GUESS AT THEM. MAKE SURE THAT YOUR COST CENTER IS WORKING TOGETHER WITH YOUR DEPARTMENT HEAD.

B. Voucher Procedures:

1. General

- a. Vouchers should be mailed in daily. All vouchers must be cleared each Saturday night and mailed immediately to Central Accounting in batches of no more than 50 vouchers. In addition, at the end of each month, all remaining vouchers for that month must be mailed in on the last day of that month. The reason for this is not only to keep the work flow to Data Processing consistent, but also to enable processing timely reports for both management decision making and "Proposition 9" reporting purposes.
- b. Receipts (or copy of billing as applicable) for the expense should be placed behind each voucher. If you are missing receipts, annotate this information on the voucher, send in the voucher with that day's batch and send in the receipts as soon as you have them, WITH THE CHECK NUMBER WRITTEN ON THE RECEIPT.

- c. The approval signature on the voucher must be that of the director of your cost center.
- d. Vouchers must be made out prior to the check since this is the actual means of approval and the best means the director has for knowing the validity of the payment.
- e. Pink copies of the vouchers are to be retained by your office; white and yellow copies are to remain intact when sent to Central Accounting. Do not separate them.
- f. Do not use income codes for any of your expenses. The 5000 series in your codebook is for expense. The 4000 series is for income and should not be used for anything except income.
- g. One check, one voucher--for every check that is written, a voucher must be made out. You can include five different expense coded items due the same payee on one voucher. If you run out of space on the voucher, do not use another voucher as a continuation. Please write another check and another voucher.
- h. Anticipate your need for vouchers. It takes time to process a voucher order. The excuse that you ran out of vouchers and are therefore holding up the processing of the expenses for the entire Union will not be accepted. PLAN AHEAD.

2. Filling out the voucher:

- a. YES on 14 Campaign expenses must be shown on YES on 14 vouchers, the first two digits on which are "13."
- b. The voucher date (#1) is the date on which you are filling out the voucher.
- c. Operations (#2) will always be the Department from which the check is being written.
- d. Cost Center (#3) will always be the cost center from which the check is being written.
- e. Description (#4)--give a short but accurate description of what the check is being written for.

Abbreviations that may be used as part of the description:

P/T - Parking and tolls	F/A - family assistance for _____
T/P - Time payment for _____	P/R - personal reimbursement
G/O - Gas and oil	F/D - food
MCR - Minor car repair	

- f. Payee name and complete address (#5): whoever is receiving the check. ("Proposition 9" requires us to report cumulative payments to each payee. Our computer will use the first letters in the payee names to sort our payments, so please be consistent. e.g. DO NOT use "Bob Jones" on one check and "Robert Jones" on the next.)
- g. Dr. total (#6): make sure that the entire code has been filled in. Counting the first two (2) digits in the voucher number, there should be fifteen (15) numbers in the code. Also, make sure that the breakdown of the codes totals the amount of the check.
- h. CR total (#7): do not fill in this section.
- i. Amount of check (#8): the amount which the check is to be written for.
- j. Check number (#9): self explanatory.
- k. Check date (#10): The date that the check was written. It is very important that the check date be filled in.
- l. Breakdown of codes: If any check is made out for more than one expense, breakdown the expenses as far as possible and account for each breakdown to the penny. Code each voucher to the actual expense; i.e., break down utilities to whatever the bill was for:

Dr. Gas	17.83	5290 0200 (office gas)
Dr. Electric	6.25	5290 0400 (office electric)
Dr. Total	24.08	

Make sure the total of the breakdown amount adds exactly to what the check was written for.

- m. Travel expenses: 5204 0100 is the code used for food expenses incurred during a trip. Please break down all travel expenses to their respective codes and do not use the food code for a total of all travel expenses.
- n. Expenses must be coded to their exact expense. Do not code an expense to a different code simply because you have budget money left in that area but not in the area where the money was spent. We need actual expenses in order for us to be able to budget correctly and also to keep an accurate record of what money is being used for.

3. Batching the vouchers

When the vouchers have been filled out, and have been approved, and the corresponding checks have been made out:

- a. At the end of each day, review your vouchers to be sure that nothing was missed.
- b. Arrange them in order by check number.
- c. Attach all expense receipts to their corresponding vouchers. Make sure that each receipt has been identified with a check number in case they should become separated.
- d. Gather them together into batches of no more than fifty (50) vouchers. (Most cost centers will send in a lot less than this depending on their size).
- e. Fill out a Transmittal Slip and enclose it with your finished vouchers.

4. Filling out the Transmittal Slip

- a. Transmittal slip number: Be sure that the transmittal slip number begins with the YES on 14 Campaign entity number "13" as the first two digits.
- b. Entity (#1): Be sure that it matches the first two numbers of the transmittal slip number.
- c. Cost Center (#2): Your cost center number.
- d. Batch (#3): Fill in this section only if you are sending in more than one batch.
- e. Period Ending (#4): The latest check date of your vouchers in this batch.
- f. How many items enclosed (#6): The number of vouchers that have been enclosed with this batch. Include only the vouchers in your count of items.
- g. By (#7): This is to be the name of the person who has put the batch together.
- h. Amount (\$.): This is the total of all of the vouchers enclosed in this batch.

IV. LINK TO DATA PROCESSING

A. Income

A computer tape, which contains all of the information gathered from the checks and money orders (cash receipts) which were sent to the lock box, is sent to La Paz by the bank. The bank sends reports (listing names, addresses, check numbers, type of donations, source of donations) and tapes to La Paz daily. The reports are reviewed in Central Accounting, corrected if necessary, and filed for use in posting to our books and reconciling our bank account. The tapes are sent to Data Processing where they are processed, edited, and stored on our master file for use when statistical reports are needed.

B. Expenses

The vouchers that have been sent to La Paz by the various cost centers in the movement are gathered together in Central Accounting. The vouchers for each separate entity are routed to the bookkeeper assigned to handle books for the respective entity. Each bookkeeper is responsible for reviewing each voucher to be certain that they have been filled out completely and correctly, and are written legibly.

The white copy of the voucher is separated from the yellow copy and is filed in Central Accounting. The yellow copy is sent to Data Processing, where the information is keypunched off of the voucher and onto the computer. The information is processed through the computer, edited by Data Processing and Central Accounting, corrected, and then stored on the master file for use when statistical reports are needed.

The statistical reports for Income and Expenses are sent to Financial Management daily where the summary report totals are posted daily to the books.

V. REPORTS

A. Management Reports

1. For SCPC

Accounting is to provide weekly reports to the SCPC Executive Director on:

- a) All expenditures (for the week and campaign to date) broken down by cost center, by line item on the budget.
- b) Summary breakdown of all funds received (for the week and campaign to date) by cost center (or other identity, as appropriate) by account detail.

2. For YES on 14 Campaign Director

All expenditures (for the week and campaign to date) broken down by cost center, by line item on the budget.

B. "Proposition 9" Reports

1. Timing

"Proposition 9" reports are due on September 28 (a Tuesday) and October 26 (a Tuesday) with information processed through the previous Saturday.

2. Content

Our "Proposition 9" report is comprised of six sections:

- a. Monetary contributions--cash and checks, with name, address, occupation, employer, date and amount of each contribution, and cumulative cash and non-cash contributions (including qualifying) if cumulative exceeds \$50.
- b. Loans--name and address of lender, occupation, employer, interest rate, amount; also detail on repayments, loans forgiven, and amounts paid by a third party.
- c. Non-monetary contributions--description of goods or services, fair market value, name, address, occupation, employer, and cumulative cash and non-cash contributions, if cumulative exceeds \$50.
- d. Pledges--name and address, occupation, employer, amount pledged, amount paid, and cumulative pledge unpaid.
- e. Payments--vendor name, address, description of items purchased, and cumulative amount for reporting period.
- f. Accrued expenses--for expenses incurred but not paid, vendor name, address, description of items purchased, and amount due.

Based on funds collected and spent during the qualifying, we are preparing for many thousands of contributions, of which several thousand may exceed the \$50 reporting threshold; we are also preparing for several thousand checks being written to perhaps a thousand different vendors. With this volume of transactions, our computer is essential to our ability to produce the reports on time. The reliability of the output is dependent upon YOU, who provide prompt and accurate input.

3. Use

The "Proposition 9" report is a public document which will be filed in Los Angeles, San Francisco, and Sacramento. We can be sure that our report will be closely scrutinized. We want to make sure that we are above criticism, so we will make a complete, accurate report ON TIME!

4. Audit

We know that our report will be audited following the campaign. In order to have a complete "audit trail," the files of properly authorized vouchers with supporting receipts for expenses must be complete. Again, it depends upon each of you.

Central Accounting will retain the following data needed to back up our reports for the audit:

- (1) Cancelled checks
- (2) Vouchers
- (3) Receipts - attached as support to vouchers
- (4) Bank statements and memos
- (5) Deposit slips
- (6) Computer printouts of receipts (income) and payments.
- (7) Computer tapes - master files stored in DP

VI. NON-MONETARY CONTRIBUTIONS

In-kind donations, of goods and services, must be reported under "Proposition 9" along with cash contributions. As with cash, if they exceed \$50 cumulative for the campaign from any one donor, we must report name, address, occupation, and employer information.

CAUTION: Our normal financial reporting system is designed to handle cash, so this requires special concern and reporting procedures, especially in view of the volume of non-monetary contributions we normally receive. Due to the problems of definition and valuation in this area, an unintentional violation of reporting requirements could occur if we are not extremely careful. If you have any doubts about interpretation, consult your supervisor. KEEP ALERT.

* * * * *

There will be a tremendous amount of work and effort necessary to win passage of Proposition 14. With everyone understanding the importance of each step that goes into the whole process, we can win the Initiative and also keep the kind of records that an auditor will want to see after the November election. All that this will require, in terms of accounting, is your taking care, each time you receive income or make an expenditure, to fill out everything completely and follow these procedures to the letter. It might make the work seem a little easier if you realize, each time you code a check, write a receipt or write a voucher, that the extra amount of care that you are taking will help both in winning the Proposition 14 campaign and meeting the reporting requirements of the California Fair Political Practices Act (Proposition 9).



Mack C. Lyons
Executive Director