



The American Scientific Glassblowers Society

October 11, 2002

Assistant Treasurer's Report

As Assistant Treasurer to the Board of Directors, I am submitting this report in reference to the recent embezzlement within the American Scientific Glassblowing Society. I also herein offer a breakdown of accounting procedures to enable people to understand how the financial side of the Society is run. I also offer my recommendations to prevent the possibility of a reoccurrence of embezzlement in the future.

One of my concerns when I was Treasurer was that financial amounts were given out at the board meetings about Fusion that did not reflect what was presented in our quarterly reports. I talked to every President and many board members about this dilemma and was always told that the money would be coming in. After the embezzlement issue became publicized, I was asked to provide a report detailing the dates on which I spoke with people, and which specific people I spoke to. While going through my files, I realized that 1) the list of names and dates would be overwhelming and that 2) the requested report appeared to be ripe territory for finger pointing. We all were fooled by our National Office!

I have talked with many board members since Jim, Amy and I sent out the letter, and I have found that many do not understand what the treasurer's job entails. Because this job is central to the current issue, I would like to back up and let you all know how our accounting is done.

When I took over as Treasurer, we had ten accounts throughout the country and throughout a number of different banks. To reduce the possibility of confusion, I moved our accounts to one bank and reduced our checking and saving accounts to one each.

I continued the procedure of adding accounting numbers to everything in our organization in order to clarify where money was coming in and where it was going out. This way, the bookkeeper was able to place things in the proper category.

The Treasurer writes checks with the account number referring to the area from which money is taken. All receipts are kept on file. The Treasurer is also signs the tax returns and the 1099 for the National Office.

The Bookkeeper takes reports from the National Office, canceled checks, and bank statements, and compiles a quarterly report to send to the Treasurer to finalize. All of the quarterly reports are to the penny.

The National Office is responsible for receiving checks and depositing them into our accounts. The Treasurer only sees the financial amounts that the National Office presents.

The Treasurer's quarterly report is presented to the Board, to be checked one more time by the chairs and board members.

With this system we can see exactly where the money is coming in and where it is going out. During my time as Treasurer, I could see that we were not going to survive with the money we were bringing in, so I focused on curbing spending and trying to keep to a budget. The problem was that a separate account was set up with our name that was never accounted for. Money sent to the National Office was placed into this account and was never reported to the Treasurer.

Having said all this, I propose the following recommendations to help prevent future embezzlement.

1. Members should take a bigger part in the leadership of the Society. It appears now that only those people in the inner crowd are given positions of power. If we tap into our membership by placing ads in Fusion, we may come up with some new faces who have more expertise to offer these positions. The most important jobs in our organization should not be handed off to people who do not have the proper experience.
2. The Treasurer should be the only person presenting financial reports to the Board. This would provide the Board with one accurate account of the finances.
3. Every person elected to a position should immediately receive a document detailing the duties and responsibilities accompanying the position. (Perhaps it could be required that the person accepting the position sign off on this document, so that everyone knows that there is an understanding of obligation.)
4. Every chair and board member should be held accountable for their responsibilities. The quarterly reports clearly detail the movement of money through out accounts. If the chair of a particular committee does not agree with what is reported about that committee's finances, the chair should be responsible for pointing out the discrepancy.

A procedure should be established for following up on these discrepancies and reporting them to the Board.

6. Board training is also a good idea. (For example, the food co-op to which I belong requires prospective Board members to go through training before taking a position on the Board. That way, all Board members understand the Treasurer's report, how to make motions, etc.)

7. Although we are getting better with our budget, now that we have a good accountability of funds, we need to establish a budget for the yearly symposium. This is one of our biggest expenses, and requires attention. I recommend the establishment of a limit on spending by the symposium chair. In the event that the chair needs to exceed this limit, approval from the Treasurer and President should be required.

Love Sally