

October 2023



October Resources

Consider membership in the *Nonprofit Association of Washington (NAWA)*. NAWA has excellent resources for members. If membership is not in your budget, sign up for their newsletter.

<https://nonprofitwa.org/>

[Techsoup](#) offers discounts to nonprofits for hardware, software, and web-based subscriptions, as well as training courses and technical help. Don't buy anything tech-related without checking for a discount.



Reservation information for local reader boards:

McDonald's reader board (\$15/day)

Email:

shskeyclub@yahoo.com to check availability

Terry's Corner reader board (\$15/day)

<https://freedomparkassociati.on.com/index.php/shop/>

SCAF reader board (Free)

Just ask! director@s-caf.org

www.s-caf.org
360-629-6878



Nonprofit Newsletter

Internal Controls by Julie Vess

Internal Controls. How many of you know what that means or how it may impact our organizations?

Unfortunately, this has come to the forefront of the non-profit industry due to leaders taking advantage of minimal financial safeguards in place. In Washington, an Executive Director was charged with embezzling millions from a nonprofit in Seattle, and a Business Manager took funds from two different organizations:

[Finance director of 2 Seattle nonprofits sentenced for embezzlement](#)

[KUOW - Former Seattle nonprofit exec admits stealing millions for gambling, clothes, and travel](#)

These cases came to my attention when I received a phone call at Lincoln Hill Retirement Community from one of our grantors. He was interested in knowing what kind of financial policies/internal controls we had to protect their grant funds. I believe that these kinds of situations will happen more often, and grantors will start to ask for a copy of our financial policies and what kind of internal controls we have in place.

With all that said, how does that relate to you and your organization? Let me share a direct experience. When I started with one of our other local non-profits, we were so small. I was serving in the Executive Director position, bookkeeping, answering phones, etc. We finally got to the point where we were able to hire a 2nd employee. We worked together with volunteers to get the day-to-day activities done, such as making deposits, etc. We made sure several people "touched" the transactions. We had the best of intentions. One night we had a fundraiser that went very late. The other employee and I decided that I would just take the proceeds of that fundraiser and put it in my car, take it over to the office, lock it up, and we would deal with it the next day.

We came in the next day, counted the funds raised and let our donors, volunteers, and board know what we made at that event. Unfortunately, we had a volunteer reach out to say they felt something was wrong; they felt the event should have made more money.

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Additional Internal Control Information:

[Council of Non-Profits](#)
[Vault Consulting](#)
[Non-Profit Accounting Basics](#)
[Altruic](#)
[NP Crowd](#)



Lunch and Learn Workshop:

Insurance Basics for Leaders
Tuesday, November 14,
11:30am-12:30pm
Please RSVP by Nov 6th on the
[SCAF Website](#)



How to be an Authentic Leader

- 1) Self Awareness - Notice your own shortcomings
- 2) Core Values - Know your core values
- 3) Wellness - Ensure you are valuing your health, sleep, and diet
- 4) Vulnerability - Share honestly with employees (but don't get too personal, AKA inappropriate)
- 5) Listen - Create a space for others ideas. Give credit and acknowledge powerful contributions.

Internal Controls (Continued)

They started to inquire about what we had done with the money after the event. This person contacted the board, asked for an investigation, and challenged my integrity. It was horrible. I had no way to prove my innocence. After an investigation and talking to all those involved, the board decided to trust my integrity, and that is when we started talking about internal controls and how to make sure we never dealt with that again.

We have several local non-profits that are going through reorganization and this is a great opportunity to put some of these safeguards in place.

Some of you are saying, "I'm the only person." Please look at how you can incorporate a board member or volunteer to help you "touch" those financial transactions so that you can make sure no one's integrity is in question.

A couple of quick financial best practices:

At least two people should review and sign off the payroll and if you write checks, another person signs the paychecks (hopefully not a staff member).

All expense invoices should be authorized by one person and the payment should be cut by another, and hopefully, a 3rd to sign the check. Also, many of us are starting to use online bill pay. Please make sure that one person authorizes the payment on the invoice, another person sets up the payment, and another person, preferably the board treasurer, reviews the bank statement.

All funds at a fundraiser should be counted after the event with multiple people acknowledging the funds. Credit card donations can cause additional difficulties and should be addressed to protect the donor's information. As an organization grows, it is in the best interest that the Executive Director be out of the majority of the day-to-day financial procedures.

I've included some additional resources on the top left of this page. Your CPA would also be a great resource to ask about implementing internal controls.

Please feel free to contact the Stanwood-Camano Area Foundation (SCAF) for resources regarding these and other issues affecting your non-profit. We are here to support you and your organization in any way we can.



Contact Natalie for conference/meeting room reservations - free for nonprofits.