



Douglas County
Democrats

Making A Difference

Douglas County Democrats
Internal Audit Report
Financial Records Final Review for
January 1, 2019 – December 31, 2020
Completed August 8, 2021

I. Background

1) DCDP Bylaws and Rules

The current Rules of the Douglas County Democratic Party (DCDP) State:

Audit and Accountability Committee:

a) Composition: This committee shall be composed of at least four members appointed by the Chair. The DCDP Chair shall appoint the Chair of the Audit/Accountability Committee within 30 days of the biennial organizational meeting.

2021 Audit Team Members include: Myles Foster, Mark Jones, Linda Thomas, and Dianne Bailey, Chair. Linda had to resign in June due to health reasons. Duties of this team did not include "Accountability" when members were appointed.

b) Audit Duties: This committee shall perform an audit of the Treasurer's accounts for the previous two-year term within ninety days of its appointment, and shall submit the audit for approval by the Executive Committee and ratification by the Central Committee.

The Audit Team requested and was granted an extension to July, 26 2021.

c) Accountability Duties: The committee shall review any complaints of misconduct by elected or public officials, party officers, or candidates and, if appropriate, investigate such complaints and make a recommendation for further action to the Executive Committee or state party.

Does not apply to the current team appointed to do the Audit. DCDP Chair may decide to reassign duties after the Audit is complete.

The following are recommended changes to the DCDP rules describing the duties of the Treasurer and Deputy Treasurer. These suggested rule changes attempt to further separate the roles of a Treasurer as Banker and a Deputy Treasurer as Bookkeeper.

Treasurer:

- The Treasurer shall be responsible for banking. Banking tasks include: receiving, processing (includes scanning each check), and depositing checks made out to the Douglas County Democratic Party. The Treasurer may designate any responsible DCDP member to make a deposit.
 - The Treasurer shall visit the Parker PO Box about two times per month to retrieve BRES with donations and other incoming mail. Visits will be more frequent during busy times. (This could be handled by a different EC member who lives in the Parker area. Mail containing donations needs to be processed immediately by authorized person.)
- The Treasurer and DCDP Chair shall be a signatory on all DCDP Bank Accounts.
- The Treasurer and DCDP Chair shall each be the holder of a DCDP Debit Card. Credit Cards are not allowed.
- The Treasurer and DCDP Chair shall be the holder of the DCDP check book and are authorized to make payments via check, debit card, or bill pay for items approved in the budget or at a DCDP Executive or Central Committee meeting.
- With the approval of the Executive Committee, the Treasurer has the authority to change banks.
- The Treasurer prepares and presents the Treasurer's report to Executive and Central Committee Members for approval.
- ~~Has custody of the funds of the DCDP.~~
- ~~Makes all payments mandated by the DCDP Central and Executive Committees.~~
- ~~Provides written accounts of receipts and disbursements at each meeting of the DCDP Central and Executive Committees.~~
- ~~Prepares and files all financial reports required under State and Federal election laws. [this conflicts with the duties of the deputy treasurer.]~~

- **Along with the other members of the Finance Committee**, the Treasurer participates in the **writing preparation** of each year's **the annual** budget.
 - Presents next year's proposed budget to the Executive Committee in November.
 - Holds final Executive Committee discussion of the proposed budget in December.
 - Presents revised proposed budget to the Executive Committee in January for approval.
 - Presents approved budget to the Central Committee in February for discussion and ratification.
 - **In the absence or vacancy of the Deputy Treasurer, the Treasurer shall be responsible for bookkeeping tasks until the Deputy Treasurer returns or the vacancy is filled.**
 - **The Treasurer and Deputy Treasurer both** serves on the DCDP Finance Committee.
 - **Both the Treasurer and the Deputy Treasurer shall be responsible for maintaining electronic records in the cloud.** Current cloud storage is provided by *Drop Box*.
- ~~Is~~ **Both the Treasurer and Deputy Treasurer shall be** bonded for not less than \$20,000 when the sustained balance of combined DCDP bank accounts exceeds \$10,000, the premium for which shall be paid for by the DCDP.

Deputy Treasurer: **The Deputy Treasurer shall be in charge of bookkeeping. Bookkeeping tasks include:**

- **Collecting** and **entering** ~~detailed~~ transactional data into the DCDP bookkeeping database program (currently ACCESS). **Donor data is are** obtained from **credit card processing company (Act Blue) account login statements, and check images.** ~~bank information, and other sources such as~~ **Expense data are obtained from receipts, bank statements, or bank transaction reports.** ~~from other EC members.~~
- Performs monthly bank **and credit card statement** reconciliations **using the bookkeeping database.**
- ~~c) Prepares monthly Treasurer reports for finance committee and executive committee approval.~~
- Compiles data from ~~our~~ **the bookkeeping** database and uploads to Secretary of State **Tracer-campaign finance reporting system (TRACER)** reporting, and files timely **Tracer-finance** reports.
- ~~e) Provides and updates payment information as needed for DCDP expenditures.~~
- **Keeps all donor and payee information current.**
- Assists Fundraising Chair with Income and Expenditures timing and recording for fundraising events.
- ~~Checks Parker PO Box about two times per month, more during busy times. (This could be handled by a different EC member who lives in the Parker area.)~~
- ~~Sits on the Finance Committee and works closely with the Treasurer to maintain the financial records of the DCDP.~~
- Coordinates the DCDP advocacy program. **[What is this?]**
- **Provides the reports needed for the Finance Committee Members (including the Deputy Treasurer) to prepare the annual budget.**
- The Deputy Treasurer shall perform such tasks as assigned by the Treasurer necessary to carry out the duties of the Treasurer.
- In the event of **the absence or** a vacancy ~~for~~ **of the** Treasurer, the Deputy Treasurer shall ~~have the responsibility for carrying out the functions of the Treasurer~~ attend meetings, **provide reports**, and exercise the authority of the Treasurer until the **Treasurer returns or the** vacancy is filled, ~~as provided for elsewhere in these rules.~~
- ~~In the absence of the Treasurer, the Deputy Treasurer shall attend meetings and exercise the authority of the Treasurer.~~
- ~~Works with the Treasurer on budgeting and planning.~~

2) Supplemental Support Documentation

- ACCESS Transactions vs SOS Downloads

- DCDP Audit – Bank vs Treasurer Report
- Elaine Flournoy Contributions 2020
- Sara Salter Contributions 2020
- Tim Courington Contributions 2020
- Dianne Bailey Contributions 2020
- 2020 Dinner Ticket Refund Verification

II. Audit Scope – Transaction Analysis

This internal audit review covers bank reconciliations, deposits, and withdrawals. It addresses reports to the Central and Executive Committees using Treasurer Reports as the official record for each month's financial transactions. It reviews reports to the Secretary of State, a sampling of contributions received and of document filing in the record keeping system. We used the 2016-2017 audit report as a model for our review.

Since the last Audit (2015-2016), an entirely new bookkeeping system has been created and implemented. A program was developed by Angie Hicks using MS ACCESS to record donations and expenses. This program was specifically designed to 1) produce the monthly Treasurer reports for Exec Committee meetings and 2) produce the upload spreadsheet to add records to the SOS database using TRACER.

As a result, some of the scope has changed.

1) Bank Reconciliations (Name)

Each month's closing balances in the bank statements should agree with the next month's opening balances. These balances should be consistent across all manually kept, electronic and bank produced check registers and reconciliation reports.

The committee reviewed:

- Information recorded in the ACCESS database,
- Bank statements
- ACCESS/Bank reconciliation reports.

2) Bank Deposits (Mark Jones)

The committee will reconcile a sampling of deposits recorded manually and relevant documentation against the monthly bank statement and the ACCESS database.

The committee required:

- Bank statements,
- Documentation of deposit slips, check copies, cash register receipts, [Not available for 2019]
- ACCESS/Act Blue reconciliation reports.

3) Bank Withdrawals (All)

The committee will reconcile a sampling of expenditures against supporting invoices and receipts.

The committee required:

- Invoices, paid receipts and check/bill pay copies, (Myles Foster)
- Information in ACCESS, (Mark Jones)
- Bank statement.
- Executive Committee minutes for authorization of expenditures outside the budget. (Dianne Bailey)

4) Reports to the Central and Executive Committees (Mark Jones)

The Treasurer is expected to provide written accounts of receipts and disbursements at each meeting of the Central and Executive Committees.

The Committee reviewed:

- A complete listing of ALL 2019-2020 **Treasurer Reports** comparing opening and closing balances to the opening and closing balances on the bank statements (See *DCDP Audit – Bank vs Treasurer Report*)
- Contents of reports to ensure that all receipts and disbursements reported were consistent with banking and recorded data,
- Executive **meeting minutes** to ensure minutes reflect authorizations and acceptance of balances (Dianne Bailey)

5) Reports to Secretary of State (Dianne Bailey)

The Treasurer is required to prepare and file all financial reports required under State and Federal election laws. The Committee reviewed:

- A sampling of reports to ensure timely delivery and reporting periods are correct, and
- Contents of reports to ensure that all receipts and disbursements reported are consistent with banking and ACCESS data.

6) Evaluate and Document a Sampling of Contributions Received (Dianne Bailey)

The State of Colorado has established specific guidelines for the receipt of contributions and corporations. There are also guidelines for the receipt of in-kind contributions. The Committee reviewed:

- A sampling of contributions to verify that they do not exceed state limits (See *ACCESS transactions vs SOS Downloads*)
- A sampling of contributions to ensure that none are received from corporations,
- A sampling of contributions, specifically to determine if in-kind contributions are received, correctly valued, and recorded.

7) Evaluate and Document Filing used in Record keeping (Dianne Bailey)

- Ensure files are kept in an orderly and easily accessible manner, in the cloud
- Ensure all documentation is kept to maintain proper backup in the event of an outside audit, and
- Determine whether certain records have security issues, e.g., BREs with credit card information.

III. Transaction Analysis Findings

1) Bank Reconciliations Against ACCESS

RESULTS: There are no *direct* transaction reconciliation reports in ACCESS. See Results from Bank Deposits and Withdrawals.

Recommended Action:

Either develop a reconciliation process in ACCESS or change to or add a bookkeeping system that supports *direct* reconciliations for Act Blue contributions and bank transactions.

2) Bank Deposits

RESULTS: Using the Act Blue files provided in Dropbox, Mark was able to confirm that all contributions donated through Act Blue were recorded in the ACCESS files. There was, however, one discrepancy which should be noted: The date in Act Blue is the Act Blue transaction date. The date in ACCESS appears to be the date that the Act Blue data was entered into ACCESS. This was not a big problem in reconciliation since I had other identical data to use in matching the entries. However, technically, this could cause a "timing" issue in recognition [reconciliation] of revenue. For example, if an Act Blue file of April contributions is not entered into Access until May, the reports generated by DCDP would possibly understate April revenue and overstate May revenue. This could also cause issues in reconciling to the bank.

An "easy" fix would be to use the Act Blue transaction date in ACCESS as well. This would assume timely posting to Access in order to meet month-end reporting schedules.

Copying the Drop Box contents was problematic. Mark used a tedious process of moving between spreadsheets, using written clues of what to look for. Mark would know what month he was dealing with, so for each Act Blue sheet he would make a note like: "Smith 25," "Langdon 35," "Jones 50," etc. Then he would find them in ACCESS which also flows by month. It worked, but was very manual.

Regarding Wells Fargo statements for January and November 2020, Mark could not establish a link between non-Act Blue deposits appearing on those Wells Fargo statements and the ACCESS file.

Compare Act Blue to Bank Statements: Since the Audit Committee was not presented with any deposit slips or bank deposit receipts, knowing what AB checks were in a deposit becomes guess work unless the date of deposit for the AB check is recorded in ACCESS.

Recommended Actions:

Separate Accounts in ACCESS (or QuickBooks) allows for the reconciliation of Act Blue payments to Act Blue Checks, then Bank deposits reconcile Act Blue Checks to their deposit date. Act Blue Donations posted in TRACER need to be posted against the date the donation was made in Act Blue, regardless of when the check from Act Blue was received. Separate Act Blue and bank reconciliations keep all the accounting records straight. See more comments under Item 4.

If ACCESS is going to continue to be used, a deposit date linking all individual donations and Act Blue Check IDs to the Deposit, along with cash and other check donations in that deposit needs to be in ACCESS, as well as a reconciliation check marks. These should match a Deposit Slip and/or bank receipt.

3) Bank Withdrawals

RESULTS: According to Mark, all outflows shown on the Wells Fargo statements for January, 2020, and November, 2020, are accurately reflected as Expenses in the ACCESS file.

- Specific Refund Receipt Audit: 2020 Dinner Ticket Refund Verification

Myles reports that he found the checks listed and they cleared Wells Fargo in August 2020. He also found reference to the refunds to Michelle Leuenberge and Angie Hicks in the Tracer Refund report for this period. The only possibly corresponding entry Myles found in TRACER was in the TRACER Expense Report 072620 - 100820.xlsx, amount for \$2,250.00 on 8/10/2020 listed as Advertising but does not list a Payee.

Mark found the \$2,250.00 in the 2020 ACCESS Expenditures File. It was posted as 7/25/2020, but was **physically out of order**, appearing with August entries. The vendor appears as Colorado Democratic Party. However, the "expenditure type" of 08 appears to be in error as the **08 code appears to be for advertising** in other ACCESS entries. But **all entries for the CDP are coded 08** as well. Mark did not find checks 1713 or 1714 in the ACCESS Expenditures File nor as a reversing-type entry in the 2020 ACCESS Contributions File. If the 2 checks of \$250 each made it to the TRACER Refund Report, it was by other means.

Correction: Actually, Code 08 is a Fundraising Expenses; Code 01 is Advertising (see TRACER Codes in Recommended Actions); regardless Code 08 is not correct.

Approving Spending at Exec Committee Meetings – Dianne performed a check of the both the 2019 and 2020 Minutes and did not find any specific expenditure allocation that was then paid.

Recommended Actions:

Make sure documentation for expenses, refunds, withdrawals are placed in Drop Box.

When collecting money to purchase *Group Discounted Tickets to the CDP Obama Dinner*, the contribution is added to TRACER as a regular contribution from an individual with an “earmark” that it is for a group CDP ticket. When the Expense Check to the CDP is posted in TRACER, the expense code is 04 - *Contribution*, as the DCDP is making a contribution to the CDP for tickets. When collecting money for the DCDP Clinton/Carter Dinner, these are posted in TRACER as individual contributions with an “earmark” that contribution is for the C/C Dinner. Then DCDP dinner expenses are posted against Fundraising Expense.

TRACER Expenditure Codes

exExpenditureType (type of expenditure) Code	Import Code
Advertising	01
Bank fees	02
Consultant and Professional Services	03
Contributions	04
Employee Services	05
Entertainment	06
Food, Beverages, and Meals	07
Fundraising Expenses	08
Gifts	09
Office Equipment and Supplies	10
Rent and Utilities	11
Telephone	12
Travel and Lodging	13
Miscellaneous	14
Other	15

Expenses - Need more information on what money was spent for in the Explanation Column in ACCESS and TRACER Export file, especially for Miscellaneous Expenditure Type. ACCESS Expense 102819 - 060420 download file.

Date	Disbursement Type	Expenditure Type	Payee	...	Amount	Elec Comm	Explanation
2/25/20	Monetary (Itemized)	Rent & Utilities	SOUTH VALLEY HIGHWAY	...	\$1,500.00	No	
2/24/20	Monetary (Itemized)	Bank Fees	SQUARE	...	\$6.80	No	
2/21/20	Monetary (Itemized)	Bank Fees	ACT BLUE	...	\$124.70	No	
2/21/20	Monetary (Itemized)	Miscellaneous	SUNDANCE PRINTING COMPANY	...	\$77.14	No	
2/21/20	Monetary (Itemized)	Miscellaneous	SUNDANCE PRINTING COMPANY	...	\$247.32	No	
2/21/20	Monetary (Itemized)	Miscellaneous	SUNDANCE PRINTING COMPANY	...	\$653.76	No	
2/19/20	Monetary (Itemized)	Rent & Utilities	GO DADDY	...	\$21.17	No	
2/19/20	Monetary (Itemized)	Fundraising Expenses	BARRETT ROTHE	...	\$1.60	No	

4) Exec Committee Treasurer Reports and Minutes

RESULTS:

- A comparison of Bank opening and closing values revealed a few discrepancies where most could be explained by new requirements from the SOS. (See the *DCDP Audit – Bank vs Treasurer Report* support document and the *Supplemental Statements* section in this document.)

- July minutes filed under August EC Meeting.
- Found in July minutes:
 - “ACTION: Angie will put the lease and extension on Dropbox.”
 - Did not find this.

“The Young Dems made \$100 with all the in-kind donations [from their BBQ].” Wells Fargo statements for January, 2020, and November, 2020

- Wells Fargo statements for January, 2020, and November, 2020
 - - September minutes filed under September EC Meeting. **August Minutes Missing.**
 - October minutes filed under October EC Meeting.
 - November minutes filed under November EC Meeting.
 - December minutes filed under December EC Meeting.
- 2020 Minutes:
 - Found in April minutes: “\$15,000 has been paid and it’s non-refundable except for coronavirus circumstances.”
 - Found in June minutes: “No [Treasurer’s] report this month due to transition from Angie to Shelley/Denise.”
 - Both May and June Treasurer’s Reports were approved at the July EC meeting.
 - Found in August minutes: “Lisa put a motion to support [HootSuite] with \$320, seconded by Lyndsay. Passed with unanimous approval.”
 - No payment to “HootSuite” was found in ACCESS 2020 Expense Transaction list. A payment to the CDP for \$250 was found on August 16. Payments to ClickBid were also found in August.
 - Found in August minutes: “July- no [Treasurer’s] report this month due to closing out the event.”
 - Both July and August Treasurer’s Reports were approved at the September EC meeting.
 - Found in September minutes: “Dana asked for \$2000 to put towards a buy-in to the media plan.... Other ideas were discussed but, ultimately, we went with the idea above.”
 - Records of this expenditure going out could not be identified.
 - Found in September 2020 ACCESS Contribution list: \$80 earmarked for YDs.
 - \$80 was shown added to the YD Budget in the September Treasurer’s Report.
 - Found in November minutes: “[Treasurer’s Report] Not available due to election.”
 - Both October and November Treasurer’s Reports were approved at the December EC meeting.
 - All 2020 EC minutes were filed under the month of the EC meeting and NOT with the month where EC minutes were approved.

Recommended Actions:

Overall, the minutes along with the Treasurer reports are GOOD. Keep up the good work on minutes and files in Drop Box.

While there did seem to be some payments going out for non-budgeted items, approvals for these payments were not found in the minutes.

The Audit committee would like to see more details in the ACCESS Contribution and Expense Transactions *Notes Column* linking the donation to the event where cash/in kind donation was collected, like the YD BBQ. Even donations collected via Act Blue can be linked to an event given the date of the donation.

5) Reports to the Secretary of State

RESULTS: See the *ACCESS Transactions vs. SOS Downloads* report. This report compiles data from the ACCESS Contribution Transaction List and compares it to the ACCESS Download spreadsheets and then checks to see what is in the SOS database for three donors in the year 2020. The entire year of records is checked to see if any went over the SOS limit for donations. Note that the only way to confirm that a Donor has gone over the limit is to pull the Donor’s entire record from the SOS website and add up all “party” donations. These would be donations to any county, the CDP, or district, like CD4. None of the Donors that were checked went over the limit for 2020.

One date discrepancy was found between the ACCESS Contribution list and the Download files.

One confusing item is the Contribution Aggregate in the Download files. Dianne added the 2020 Total Donation column (orange) to the *ACCESS Transactions vs. SOS Downloads* report. This is the incremental aggregate value that should be appearing in the Download files, if this number is actually being loaded to the SOS database. The only time that the aggregate appears on the SOS website is when a contribution is being added to the database, so it is not known how the SOS tracks this number. But the number is obviously not correct in ACCESS.

Recommended Action:

Over all, transaction data going to the SOS is GOOD. See Contributions for more comments. Each year, a person’s aggregate total starts over with zero on January 1.

6) Contributions

RESULTS:

- See samples of 2020 Contribution reports from Tim Courington, Dianne Bailey, Elaine Flournoy, and Sara Salter.
- 03/03/2020 - Found donation from AFT (American Federation of Teachers)
- Anonymous Donor: This kind of Contribution Reporting is NOT ALLOWED. At a single event occurring on 1/11/20, the party may accept only \$100 in cash donations from “unknown” sources. The “donor name” should be the name of the Event and not “Anonymous.” Unknown donor cash amounts over \$100 need to be forwarded to a charity. (See CPF manual.)

1/11/20	Monetary (Non-Itemized)	ANONYMOUS DONOR		NA	\$10.00	\$336.00
1/11/20	Monetary (Non-Itemized)	ANONYMOUS DONOR		NA	\$10.00	\$336.00
1/11/20	Monetary (Non-Itemized)	ANONYMOUS DONOR		NA	\$10.00	\$336.00
1/11/20	Monetary (Non-Itemized)	ANONYMOUS DONOR		NA	\$10.00	\$336.00
1/11/20	Monetary (Non-Itemized)	ANONYMOUS DONOR		NA	\$10.00	\$336.00
1/11/20	Monetary (Non-Itemized)	ANONYMOUS DONOR		NA	\$10.00	\$336.00
1/11/20	Monetary (Non-Itemized)	ANONYMOUS DONOR		NA	\$10.00	\$336.00
1/11/20	Monetary (Non-Itemized)	ANONYMOUS DONOR		NA	\$10.00	\$336.00
1/11/20	Monetary (Non-Itemized)	ANONYMOUS DONOR		NA	\$10.00	\$336.00
1/11/20	Monetary (Non-Itemized)	ANONYMOUS DONOR		NA	\$10.00	\$336.00
1/11/20	Monetary (Non-Itemized)	ANONYMOUS DONOR		NA	\$10.00	\$336.00
1/11/20	Monetary (Non-Itemized)	ANONYMOUS DONOR		NA	\$10.00	\$336.00
1/11/20	Monetary (Non-Itemized)	ANONYMOUS DONOR		NA	\$10.00	\$336.00
1/11/20	Monetary (Non-Itemized)	ANONYMOUS DONOR		NA	\$10.00	\$336.00
1/11/20	Monetary (Non-Itemized)	ANONYMOUS DONOR		NA	\$10.00	\$336.00
1/11/20	Monetary (Non-Itemized)	ANONYMOUS DONOR		NA	\$10.00	\$336.00

1/11/20	Monetary (Non-Itemized)	ANONYMOUS DONOR	NA	\$10.00	\$336.00
1/11/20	Monetary (Non-Itemized)	ANONYMOUS DONOR	NA	\$15.00	\$336.00
1/11/20	Monetary (Non-Itemized)	ANONYMOUS DONOR	NA	\$15.00	\$336.00
1/11/20	Monetary (Non-Itemized)	ANONYMOUS DONOR	NA	\$15.00	\$336.00
1/11/20	Monetary (Non-Itemized)	ANONYMOUS DONOR	NA	\$15.00	\$336.00
1/11/20	Monetary (Non-Itemized)	ANONYMOUS DONOR	NA	\$15.00	\$336.00
1/11/20	Monetary (Non-Itemized)	ANONYMOUS DONOR	NA	\$15.00	\$336.00
1/11/20	Monetary (Non-Itemized)	ANONYMOUS DONOR	NA	\$15.00	\$336.00
1/11/20	Monetary (Non-Itemized)	ANONYMOUS DONOR	NA	\$15.00	\$336.00
1/11/20	Monetary (Non-Itemized)	ANONYMOUS DONOR	NA	\$15.00	\$336.00
1/11/20	Monetary (Non-Itemized)	ANONYMOUS DONOR	NA	\$15.00	\$336.00
1/11/20	Monetary (Non-Itemized)	ANONYMOUS DONOR	NA	\$16.00	\$336.00

RESULTS: In Kind Contributions

In-Kind Contributions are recorded in TRACER as Non-Monetary Contributions. Non-Monetary Contributions may be posted in TRACER with or without a corresponding Non-Monetary Expense, depending on whether the Party needs to track who or where the source of the In-Kind Contribution, if not just the donor. For example, Silent Auction items come from the donor. However, In-Kind contributions of food or coffee for an event should probably be tracked as both a contribution and an expense, for proper EVENT recordkeeping.

Evidence in TRACER and ACCESS indicate that Silent Auction items and purchases from the last live Fundraising dinner were posted correctly with fairly good notations in the Explanation Column.

6	Monetary Itemized Contributions of \$20 or More [C.R.S. 1-45-108(1) (a)] (Please list on Schedule "A")	\$50,421.62
7	Total Monetary Non-Itemized Contributions (19.99 and Less) and Non-Aggregated Receipts	\$642.32
8	Loans Received (Please list on Schedule "C")	\$0.00
9	Total Other Receipts (Interest, Dividends, etc.)	\$0.00
10	Returned Contributions (to donor) (Please list on Schedule "D")	\$0.00
11	Total Monetary Contributions (Total of lines 6 - 10)	\$51,063.94
12	Total Non-Monetary Contributions (From Statement of Non-Monetary Contributions)	\$5,045.71
13	Total Contributions (Line 11 + line 12)	\$56,109.65
14	Monetary Itemized Expenditures of \$20 or More [C.R.S. 1-45-108(1) (a)] (Please list on Schedule "B")	\$48,040.34
15	Total Monetary Non-Itemized Expenditures (Expenditures of \$19.99 and Less)	\$0.00
16	Loan Repayments Made (Please list on Schedule "C")	\$0.00
17	Returned Expenditures (from recipient) (Please list on Schedule "D")	\$0.00
18	Total Monetary Expenditures (Total of lines 14 - 17)	\$48,040.34
19	Total Non-Monetary Expenditures (From Statement of Non-Monetary Expenditures)	\$0.00
20	Total Expenditures (Line 18 + line 19)	\$48,040.34

Date	Type	Contributor	Address	Employer/Occupati	Amount	Aggregate	Correctio	Explanation
5/28/19	Monetary (Itemized)	DEVITA PASCHELL	9345 CATTAIL CT	NOT EMPLOYED	\$81.00	\$81.00		AUCTION ITEM
5/2/19	Monetary (Itemized)	TIM HICKS	10540 HUMBOLDT PEAK WAY	FIS GLOBAL	\$450.00	\$450.00		AUCTION ITEM
4/28/19	Monetary (Itemized)	CHARLES BUCKNAM	12460 NORTH THIRD STREET	AU	\$250.00	\$250.00		AUCTION ITEMS
4/27/19	Non-Monetary (Itemized)	AMY LONG	19668 E ELK CREEK DRIVE	SELF	\$61.00	\$103.77		SILENT AUCTION
4/27/19	Non-Monetary (Itemized)	CHARLES BUCKNAM	12460 NORTH THIRD STREET	AU	\$50.00	\$50.00		SILENT AUCTION
4/27/19	Non-Monetary (Itemized)	DARIREN WILSON	4351 CANYONBROOK DR		\$45.00	\$45.00		SILENT AUCTION
4/27/19	Non-Monetary (Itemized)	HEADLINER VOCALS	8200 S COLORADO BLVD STE A		\$100.00	\$100.00		SILENT AUCTION LESSONS
4/27/19	Non-Monetary (Itemized)	JENNIFER MITKOWSKI	10108 SILVER MAPLE CR	PARKER FAMILY CARE	\$50.00	\$288.54	\$190.00	SILENT AUCTION
4/27/19	Non-Monetary (Itemized)	JOYCE LONG	7277 MEADOW VIEW	RETIRED	\$60.00	\$60.00		SILENT AUCTION
4/27/19	Non-Monetary (Itemized)	LAURA REEVES	100 PLOWBURST	RETIRED	\$46.00	\$119.54		SILENT AUCTION ITEM
4/27/19	Non-Monetary (Itemized)	LYNDEY QUIST	18140 TENNY SIN LN	NOT EMPLOYED	\$200.00	\$200.00		SILENT AUCTION
4/27/19	Non-Monetary (Itemized)	STACIE PENAR	1232 PENROSE PL	NOT EMPLOYED	\$30.00	\$200.08		SILENT AUCTION
4/27/19	Non-Monetary (Itemized)	STACIE PENAR	1232 PENROSE PL	NOT EMPLOYED	\$103.00	\$200.08		SILENT AUCTION
4/27/19	Monetary (Itemized)	STANLEY SUNDERWIRTH	11093 HERMITAGE RUN	RETIRED	\$2,250.00	\$2,250.00		AUCTION ITEM
4/27/19	Non-Monetary (Itemized)	STEVEN BERGER	10855 PHEASANT RUN	SELF	\$20.00	\$20.00		SILENT AUCTION
4/27/19	Non-Monetary (Itemized)	THERESE STAFFORD	10184 PARK MEADOWS DRIVE	UNITED AIRLINES	\$30.00	\$30.00		SILENT AUCTION
4/27/19	Non-Monetary (Itemized)	TIM HICKS	10540 HUMBOLDT PEAK WAY	FIS GLOBAL	\$55.00	\$55.00		SILENT AUCTION

Contributor	Covered Org	City, State	Type	Amount	Date	Recipient Name	In Kind?	Major
JENNIFER MITKOWSKI	No	HIGHLANDS RANCH, CO	Monetary (Itemized)	\$30.00	06/22/2019	COLORADO DEMOCRATIC PARTY	No	No View
JENNIFER MITKOWSKI	No	HIGHLANDS RANCH, CO	Monetary (Itemized)	\$25.00	09/08/2019	DOUGLAS COUNTY PARENTS	No	No View
JENNIFER MITKOWSKI	No	HIGHLANDS RANCH, CO	Monetary (Itemized)	\$216.00	07/15/2019	JENNIFER FOR HD43	No	No View
JENNIFER MITKOWSKI	No	HIGHLANDS RANCH, CO	Monetary (Itemized)	\$50.00	07/29/2019	JENNIFER FOR HD43	No	No View
JENNIFER MITKOWSKI	No	HIGHLANDS RANCH, CO	Non-Monetary (Itemized)	\$50.00	04/27/2019	DOUGLAS COUNTY DEMOCRATIC PARTY	Yes	No View
JENNIFER MITKOWSKI	No	HIGHLANDS RANCH, CO	Monetary (Itemized)	\$20.00	02/02/2019	DOUGLAS COUNTY DEMOCRATIC PARTY	No	No View
JENNIFER MITKOWSKI	No	HIGHLANDS RANCH, CO	Monetary (Itemized)	\$120.00	03/06/2019	DOUGLAS COUNTY DEMOCRATIC PARTY	No	No View

Recommended Actions:

If ACCESS was specifically created to load data to SOS TRACER for a specific purpose to provide aggregate totals with each new contribution, it is falling short. Double check with the SOS to see if aggregate totals are actually needed given that: 1) a complete contribution report for each donor is required to determine if limits have been exceeded, and 2) manual entries of contributions automatically re-total the donor's aggregate, so why wouldn't an upload file trigger the same automatic response from the system?

Each year, a person's aggregate total starts over with zero on January 1.

The Explanation data in ACCESS and TRACER can be used as sort or filter criteria, Try to be consistent in when using adding data to this field.

7) Documentation Filing

RESULTS: Electronic financial folders for the years 2019-2020 were not organized well. Dianne rebuilt the folders. Also, much of the data needed to perform an Audit was missing from the electronic files for the years 2019 and 2020 such as Act Blue Statements, TRACER Transaction Reports, copies of the SOS Financial Reports, bank statements, check images, receipt images, deposit slip images. After loading missing data, only one Treasurer's report was missing from July 2019.

Recommended Action:

Add documents and images to Drop Box as part of the Treasurer's ongoing data processing workflow.

IV. Audit Scope – Process Analysis Questionnaire

Answers were provided by Deputy Treasurer, Denise Bouley, only.

Background - Subsequent to the last audit date:

- Have there been changes in the individuals responsible for treasury/bookkeeping functions? If so, please provide the names of all prior and current individuals and their responsibilities.
 - *From late May, 2020 through present Shelley Becker, Treasurer and Denise Bouley, Assistant Treasurer have been responsible for all treasury and bookkeeping functions.*
 - *Prior to that date Angie Hicks was Treasurer and Shelley Becker was assistant treasurer. I do not know the date Angie and Shelley came on board or who preceded Shelley.*
- Have there been changes in the systems or bookkeeping practices used? Please provide details.
 - *I'm not sure what practices were used before I came on board. I continued to use the ACCESS program that Angie had set up for recording transactions.*
- Have there been any concerns raised about any process or transaction?
 - *I am not aware of any concerns raised. Shelley and I were not fans of ACCESS, but we continued to use it.*
 - *A note about this, I've heard that Angie did a good job of getting records in order, and I'm sure she spent much time developing the ACCESS database.*
 - *I am sure it worked well for her, as it was her preferred platform. It did not fit well with my skillset, but I battled through it. I was not able to use it with the same efficiency that she did.*

Provide bank account reconciliations dated from 12/31/2018 to 03/31/2021

I will see what I can track down. The reconciled balances are on each month's Treasurer's report, but reconciliation cannot be done in ACCESS. I will see if I have saved my manual workpapers. As I learned more about what was going on I adapted my processes to make them more efficient for me. Angie had used a report out of ACCESS for her reconciliations but it didn't account for outstanding checks and deposits in the way I wanted them accounted for, so I did not use the same report.

Provide step-by-step instructions for all processes in connection with treasury and bookkeeping.

- Receipt of check/cash
 - *Checks received at PO box. Denise checked mail and made bank deposits. Only a few a year are received, and most are small contributions. There was at least one larger check (low thousands) that was a reimbursed deposit for an event cancelled by COVID.*
 - *Act Blue checks received at Shelley's address.*
 - *These are the bulk of our contributions received. Shelley would deposit them. Denise would reconcile them to the Act Blue reports (Denise downloaded) and reconcile the bank.*
 - *Cash received*
 - *My recollection is the only cash received between May and December was for Biden yard signs. This was received at the homes of pickup points, given in envelopes to Denise or Shelley who deposited it.*
- Bank Deposits
 - *Denise or Shelley made deposits as described above. Denise usually went to bank to deposit, however, if it was not convenient, she sometimes made mobile deposits. There was one time the mobile deposit was erroneously made into personal account and had to be transferred. Wells Fargo would not allow separate logins for personal and business accounts (problematic!) and I didn't realize the deposit went to the default account (personal). This was corrected as soon as I discovered it, and only happened once. Denise made no ATM deposits.*
- Receipt of invoices
 - *PO Box—Rent, insurance, a few others came there. Denise picked them up. They were monthly or annual obligations. Denise entered in ACCESS. Shelley wrote and mailed checks.*
 - *Online—During event and election season there were many orders by the events committee. Some were approved by EC, some by Finance Committee, some by Chair and*

Treasurers. Invoices were forwarded by originator to Treasurers for payment. [Note: Did not find any of these in the minutes.]

- Invoice approval
 - *See above*
- Check creation
 - *Shelley did this, but Denise had access to images online.*

Provide responses to the following questions:

- What processes are in place to ensure all donations received are deposited timely, only expenses actually incurred and approved are paid timely?
 - *The bulk of donations come through Act Blue. Treasurer received and deposited the checks and Deputy treasurer recorded the transactions, reconciled to Act Blue, and reconciled the bank account. (May 2020 through December 2020)*
 - *The few small donations coming to the PO Box did not have the same separation of duties.*
 - *Most payments were initiated by Deputy Treasurer and checks written by Treasurer.*
 - *Some were initiated by Committee Chairs and paid by Treasurer or by debit approved by Deputy Treasurer.*
 - *There were some direct debits of regular charges and subscriptions.*
 - *Treasurer's reports were submitted monthly to finance committee and EC with discussion of receipts and disbursement activities.*
- In addition, please provide the following details:
- Names of individuals with access to checking account?
 - *Late May 2020 to present*
 - *Shelley Becker*
 - *Denise Bouley*
- What is the mailing address for check/cash donations?
 - *Douglas County Democratic Party*
 - *PO Box 2857*
 - *Parker, CO 80134*
 - *Act Blue Checks were sent directly to Shelly.*
- Are in-person donations accepted?
 - *I believe we would accept donations any way we could get them, but the only in person donations were from Biden/Harris sign contributions*
 - *There may have been some in-person donations at the fundraising event, but I don't recall any*
 - *We had no other in-person anything during this pandemic*
- Who has access to the mail at this address?
 - *(Two keys, both in Denise Bouley's possession)*
 - *We are lucky to get one piece of mail a month*
- Name of individual/s who picks up and opens mail?
 - *Denise Bouley*
- Name of individual/s who document checks and cash received by mail?
 - *Denise Bouley*
- Name of individual/s who make bank deposits?
 - *Shelley Becker*
 - *Denise Bouley*
- How long is cash/checks held prior to bank deposit?
 - *For Denise it is 1-5 days*
 - *Not sure what Shelley's schedule is*
- Who has online access to bank account information?
 - *Denise Bouley definitely does*

- I assume Shelley does, but I'm not sure
- Name of individual who reconciles bank accounts?
 - May 2020-December 2020 Denise Bouley

V. Process Analysis Findings

1) Separation of Duties.

RESULTS: Overall, the separation of duties between the Treasurer and Deputy Treasurer were maintained according to DCDP Bylaws. However, some improvements in separation of duties could be achieved with changes to the bylaws recommended in Section I.1.

Since the Treasurer is the primary banker, a more efficient workflow is created if the Treasurer fetches the mail from the PO Box and processes/deposits any checks. Note that checks from Act Blue are not sent to the PO Box, but are sent to the Treasurer's personal address for faster processing. Whenever a new Treasurer is elected, the mailing address on the Act Blue account must be changed. If the PO Box is used, the address does not need to be changed.

To truly separate the Treasurer and Deputy Treasurer duties, the Deputy Treasurer should not be a signatory on the bank account at all.

Recommended Actions:

Review the recommended Rules changes with the Exec Committee and Central Committee and see if members agree to these changes.

VI. Supplemental Statements

1) End of 2019 Change in Treasurer Report Format

At the end of 2020, a change was made to the Treasurer Reports. The change affected the Treasurer Reports for 2020 October, November, and December, such that the ending balances for the month no longer agreed with the bank balances. The note at the bottom of the Report states that the financial reports were switched to include all income and expenses incurred during the month "regardless of whether they cleared [the bank] per [the] SOS."

BANK DATA		OUTSTANDING ITEMS		YTD ACTUALS	
Beginning Bank Balance	\$ 21,609.74	see note 3		Income	\$ 73,761.50
Income	\$ 4,289.36			Expenditure	\$ (63,053.33)
Expenditure	\$ (4,358.26)			Cash Surplus/(Deficit)	\$ 10,708.17
(To)/From Cash on Hand	\$ -				
Adjusted Ending Bank Balance (see note 3)	\$ 21,540.84			In-Kind	\$ 1,979.62
Cash on Hand	\$ 169.04				
Adjusted Balance	\$ 21,709.88		\$ -		
				Bank Bal 1/1/2020	\$ 10,832.67
				Cash Surplus/(Deficit)	\$ 10,708.17
				Bank Bal End of Month	\$ 21,540.84
				YTD In Balance?	Yes

Notes:

- 1. Includes \$4,700 refund from CU, paid in 2019
- 2. Door hangers
- 3. Switched basis of financials to include all income and expenditures incurred regardless of whether they cleared per SOS.

Unadjusted Bank Balance 11/30/2020

\$ 23,244.15

Dianne Bailey disagrees with the declaration from the SOS given “cash accounting” bookkeeping practices. It is her opinion that including *uncleared* items in a report is for an accrual accounting process. Plus, she doesn’t see why the SOS would care about DCDP internal reporting methods. Nor why should the SOS care that the DCDP has received several Act Blue donations on November 30, that were posted in TRACER on November 30, but do not show up in the bank account until December 8, when the Act Blue check is deposited. To me, balancing DCDP books has nothing to do with TRACER reports as long as the DCDP has a record of which individual Act Blue donations are associated with which received Act Blue check. If this information is DESIRED by anyone, it should be reported something like this:

Beginning Bank Balance	\$21,609.74
Ending Bank Balance	\$23,244.15
Uncleared Deposits	\$xxxx.xx
Uncleared Expenses	\$xxxx.xx
Adjusted EOM Balance	\$21,709.84

Note: Older Treasurer’s Reports from 2019 **do have** uncleared Deposits and Expenses noted in the Summary along with the Adjusted EOM Balance.

Recommended Action: Return to the previous method of reporting where an Adjusted EOM Summary, that includes uncleared Deposits and Expenses, is provided on the Treasurer’s Report.

2) Treasurer’s Report - Cash on Hand Balance

06/30/2019 COH = \$103.00

10/31/2019 COH = \$164.04

12/31/2019 to Present COH = \$169.04

Where is this “Cash on Hand”?

Recommended Action: If this money does not exist in a shoebox somewhere, it should be reconciled out of the report. If it does exist in a shoebox, it should be deposited.

3) Duplicate Donors in TRACER

TRACER - Directions on how to “remove” a duplicate Record. From Cathy at the SOS Office.

Method #1 – SOME Duplicate records can be merged.

Method #2

Go to: “Update a Contributor”

Choose which Duplicate Record that you **do not** want to use.

Put four Xs in the first name and add/move the first name to the last name column (so you know what it used to be).

	First Name	Last Name
FROM	Dianne	Bailey
TO	XXXX	Dianne Bailey

You will still be able to find the Record with XXXX, but it will no longer come up when searching for the donor’s name “Dianne Bailey”.

Search Results

Name	Type	Address	City, State, Zip	Employer Name	Occupation	External Reference ID
XXXX DIANNE BAILEY	Individual	21557 OMAHA AV	PARKER, CO 80138	NOT EMPLOYED	Retired	

When you post a donation manually, you always perform a search of the donor or payee name FIRST, to avoid accidentally creating more than one record for a donor or payee. Duplicate Donors are hard to catch when making donations via an upload file. You must be sure that the ACCESS record has only one version of the Donor in the database. When uploading, TRACER matches on Name and Address.

Example: CARL ALESSI had three records in the DCDP TRACER database.
FROM

Name	Type	Address	City, State, Zip	Employer Name	Occupation	External Reference ID
Carl Alessi	Individual					
Carl Alessi	Individual					
Carl Alessi	Individual	1644 Paonia Ct.	Castle Rock, Co 80109	United Airlines	Other	1456

TO

Name	Type	Address	City, State, Zip	Employer Name	Occupation	External Reference ID
Carl Alessi	Individual	1644 Paonia Ct.	Castle Rock, Co 80109	United Airlines	Other	1456

Recommended Action: Clean up duplicates in TRACER. Make sure ACCESS has only one record for each Donor. To avoid creating duplicates in TRACER, avoid using middle names or middle initials. When posting an “anonymous” or “unknown” cash donation, used the Event name as the name of the Donor. That keeps it unique and tells you where the unknown donation came from. The SOS does not like “Anonymous”. Also, the party may only collect up to \$100 in cash of unknown origin from any given event. The unique Event Name tracks this. The accrued amount for “Anonymous” could go over all kinds of limits.

4) Create/Update Treasurer Procedures Manual

The DCDP bylaws provide some general rules for the Treasurer and Deputy Treasurer to follow. However, there does not seem to be any specific guidelines Treasurer and Deputy to follow. Since both may update records, it would be could to have some standards to follow, such as posting CDP expenses to 08 “advertising”. In Drop Box, there is a folder for an ACCESS-USER ADMIN Manual, but there is nothing in the folder. This would be a good place to store a Treasurer Procedures Manual.

5) ACCESS as Electronic Bookkeeping System

While ACCESS has some benefits in that it can create a compatible report that can be uploaded to TRACER, it has some serious bookkeeping drawbacks. The Treasurers and Finance Committee need

to decide if one outweighs the other and if Excel Output from QuickBooks Pro can be modified to be uploaded to TRACER.

VI. Review Committee:

Dianne Bailey – Audit Chair

Mark Jones

Myles Foster