

Financial Review of WSDCC Financial Systems

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3 **WHEREAS** ensuring the highest degree of transparency in financial matters and
4 complete compliance with Washington State laws and regulations concerning the
5 operations and finances of the party is fundamental to the management of the
6 Washington State Democratic Central Committee (WSDCC);

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8 **WHEREAS** this necessitates an effective and efficient accounting and verification
9 system by which all incoming monies and donations are cataloged for punctual
10 disclosure;

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12 **WHEREAS** a financial review is the most effective method for determining which
13 systems are the most appropriate for supporting and maintaining sound financial
14 management;

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16 **WHEREAS** a financial review of the WSDCC was conducted by Phil Lloyd in March of
17 2005;

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19 **WHEREAS** Mr. Lloyd made the following recommendations regarding WSDCC
20 financial operations;

21 22 External Financial Review Recommendations

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- 24 1. A qualified senior accounting manager should be hired with a financial
25 degree and/or significant accounting experience.
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27 2. A better developed policies and procedures manual that reflects current
28 Federal and State reporting requirements be developed.
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30 3. A reporting system that identifies each step of the process be implemented.
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32 a. The procedures would include checking that each C3 listed on the C4 was
33 prepared and filed and to confirm that the cash balances on the reports
34 match the reconciled bank balances.
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36 4. Pursue improvements to the PT reporting software to allow for internal
37 reporting consistent with GAAP as well as reporting budget vs. actual
38 receipts & expenditures.
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40 5. Implement additional internal controls to safeguard the WSDCC's assets. This
41 would include segregating staff duties, having written spending
42 authorization limits, developing and monitoring budgets for expenses and
43 having ongoing review of financial statements and bank accounts by non-
44 accounting staff.

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6. The Party should have all staff trained in all facets of reporting, including PDC, FEC and internal reporting using Generally Accepted Accounting Principles.

WHEREAS Chairman Paul Berendt made the following additional recommendations regarding WSDCC financial operations...

1. The party contract with an external compliance review officer to review reports for accuracy. That a memo of review be issued after each review to be reported to the full state committee.
2. That the state party finance committee be charged with reviewing the reports and notes from the external reviewer at each regularly scheduled meeting;

THEREFORE, BE IT RESOLVED that the Chair of the WSDCC take all necessary steps to immediately enact these recommendations.

BE IT FURTHER RESOLVED that the Treasurer of the WSDCC report on the progress of enacting these recommendations to the WSDCC Executive Board at its first meeting following the April 1-2, 2005 meeting of the WSDCC and to the WSDCC at its meeting to be held in the fall of 2005.

BE IT FURTHER RESOLVED that the Treasurer of the WSDCC report on a monthly basis to the Executive Board regarding the implementation of these procedures and the timely filing of disclosure reports.

Submitted to the WSDCC for consideration at its April 2, 2005 meeting in Pasco by the WSDCC Executive Board (4/1/05)

Passed by the WSDCC on April 2, 2005 at its meeting in Pasco.