

SIR BRANCH 116
SIR BRANCH & GOLF ACCOUNT AUDIT
2025

SIR Bylaws Snippets

**SIR MANUAL - EDITION 12/04/2023
Policy & Procedure and Bylaw**

Policy 33 (b2) Auditing:

1. Auditing- The Big Sir-elect shall appoint a Committee Chairman and one or more members who have not served as officers during the current (audit) year. The Committee shall make an audit of the books and records covering the financial transactions of the Branch during the current calendar year. The audit shall include golf, bowling, travel, and any other activity as directed by the Big Sir. Form 29 – Branch Audit Report containing a resume of the audit(s) shall be submitted according to its instructions by February 10 following the audit year.

Policy 12. Procedure for Processing State Expenses

1. Policy 12. Managing Funds-Branch and State

Expenses for continuing group activities in which all members do not participate such as bowling, golf, bridge, and the like, shall be borne totally by those participating.

Special activities, including luncheons, dinners or picnics, shall not be intended to be profit-making. However, raffles or silent auctions conducted in accordance with Policy 30 (Fund Raising, Dues, Raffles and Contributions) may be held. In addition, the Branch BEC may allow members to place classified ads in the Branch Bulletin or Newsletter in accordance with the requirements of Policy 30

A Branch Officer or member may be reimbursed for expenditures incurred if approved by the Big Sir or any member of the BEC delegated this authority.

STANDARD FINANCIAL AND BANKING PROCEDURES FOR BRANCHES

1. Opening a Branch bank account:

- a. Opening a Branch bank account, including accounts for the Branch committees in need of separate accounts, shall be authorized by the Branch Treasurer or Big Sir with the approval of the Branch Executive Committee. Approval must be recorded in the BEC minutes and kept on file with the Branch Secretary as long as the account is active. All Branch bank accounts are subject to the Branch annual Audit. The Audit will ensure that all funds are accounted for, and effective fiscal internal controls and record keeping are in place.

b. All Branch Bank accounts must be in the name of the Branch and its committee, such as "SIR Reynolds Branch 1" or "SIR Reynolds Branch 1 Golf Committee" account.

c. A copy of the Branch Articles of Incorporation may be provided to the bank along with the Branch federal identification number, known as the Employer Identification Number ("EIN") that is assigned by the IRS. This information is contained in local Branch files and/or on the SIR Website SIRinc.org under Members Information – Branch Information – Membership Information – Branch Data Sheets. Banks and Savings and Loans used by Branches must be fully insured by FDIC, or in the case of Credit Unions, the National Credit Union Administration (NCUA).

2. Procedure for processing Branch expenses

d. Branch related expenses incurred by Officers, Directors, Chairman, etc., may use Form 15, or a locally produced one developed and approved by the BEC. The expense form used shall be approved by the Big Sir, or in his absence the Little Sir, and submitted to the Branch Treasurer for processing.

Policy 30. FUNDRAISING/DUES/RAFFLES/CONTRIBUTIONS

Branches may raise funds through dues or voluntary contributions as approved by the BEC. No membership initiation fees shall be charged (See Bylaw 17, 132).

Branches may conduct Raffles only by following the guidelines provided by the California Attorney General, which requires a license approved by that office. See Procedure for Policy 30, How to File for a California Raffle License.

Other fund-raising events are not allowed. Exception: if the Branch BEC has approved up to a single page of member's classified ads in their bulletin or newsletter per Policy 41, this restriction does not apply. This exception must be recorded in the BEC minutes with the date it was approved.

Paul Russel, Big Sir
Charlie Guthrie, Branch Treasurer

Brad Stribling, Little Sir
Harry Oberle, Golf Treasure

Audit Scope

This report provides the findings and recommendations developed by the Audit Committee for the SIR116 Branch and Golf account financials, plus custodial account activities. Included as attachments are the 2025 year-end Form 28 Monthly Cash Report and Form 29 Branch Audit Report each to be forwarded to the SIR Governor, BEC Treasurer, Big Sir, Secretary, and BEC Executive Committee.

Audit Committee members include SIRs Bill Ginter, Harry Oberle III, and Ron Armijo (Chairman). Treasurer is Charlie Guthrie

1. Findings

a. Branch 116

i. The condition of the financial accounting system continues to improve. Protocol changes and technical enhancements have improved the effectiveness of the system. Procedures implemented ensure that the branch books and bank statements are balanced monthly. This has led to efficient and accurate reporting to the BEC and aided in the performance of the audit.

ii.

Branch 116 balance increased by 14.04% or \$1,521.43 ending the year with \$12,363.58 in reserves. Total G&A revenue was \$9,800.36 and general expenses were \$4,972.30 with a net over/under total of +\$4,828.06, the majority coming from unexcused contributions. Luncheon funding, plus ancillary custodial events, which are self-funded, resulted in a Branch 116 overall net over recovery of \$1,521.43.

iii. Custodial lunch disbursements (\$38,433.11) over custodial receipts (\$34,756.00) plus unexcused contributions (\$3,220) required \$457.11 (-\$3,677.11+\$3,220) in subsidies from reserve funds.

iv. Birthday, Guest & Speaker, Recruiting, and Big SIR lunches totaled \$2,945.00 and were funded from voluntary contribution receipts.

v. The net over/under recoveries for custodial accounts are Ladies Day (-\$344.87), Christmas Party (+\$505.06) and Dine-O-Sirs (+\$210.09) resulted in a 2025 custodial account over recovery of +\$370.48. In a cash-based accounting system, at year end this excess funding appears in the reserve account.

vi. It is significant to note that beginning in 2024 an annual budget for subsidies is not included in the G&A budget as approved by the BEC.

b. Transactions reviewed

1. The bank statement dated December 31, 2025, reconciled with the book totals. Book balance at year end was \$12,363.58 as reported in the year end SIR Form 28.

2. SIRBR116 reserve ended with an increase of \$1,521.43. BEC should continue discussions to determine what a reasonable reserve should be and plan how to achieve that goal. G&A revenue should be budgeted to balance to zero and should not include a contribution to reserves. Unplanned expenses and subsidies should be funded from reserves. Periodic celebratory free lunches could be used to expend excess reserves or a structured reduction in annual contributions to achieve a minimum reserve goal. There may be other options to use the reserves to benefit the membership.

3. Review of prior month-end bank statements to book balances from the current month shows that effective reconciliation protocols each month have been implemented with positive results.

4. The use of improved methodologies in balancing the bank statements has had a significant positive impact on each month balancing the book to bank statements.

c. During 2025 there were a total of 352 transactions posted in the BofA core account. The following is a transactions summary.

Transaction Description	Count	Amount
Deposits	18	\$ 40,624.00
Square Inc	180	\$ 24,912.25
Deposits Mobile	57	\$ 3,005.00
Misc Net	24	\$ 2,078.42
Bank of America DES:CASHREWARDS	11	\$ 745.36
Online scheduled payment to CR	4	\$ (11,156.42)
Check	37	\$ (19,370.74)
Online Banking payment to CRD	21	\$ (33,515.84)
Grand Total	352	\$ 1,478.83

d.

e. Branch Custodial Activities

1. Custodial activities are financially self-sustaining, which means that the activity must recover all costs from activity participants as defined in Policy 12. "Managing Funds-Branch and State". Each activity must net to zero.
2. Finances are managed by the event chairman who is accountable to the BEC/Treasurer for the finances.
3. **Each year the BEC must approve the custodial events for the year which is required to qualify for insurance coverage.**
4. The Audit Committee does not recommend performing annual audits for custodial events except to provide financial results since each event is managed by the custodial activities chairman who is responsible for netting the event to zero and reporting results to the BEC. The chairman in consultation with the treasurer must ensure each event nets to zero and proper protocols are followed with reports of results provided to the BEC. Shortfalls approved by the BEC are funded by reserves.
5. Custodial activity chairmen in consultation with the Treasurer sign contracts binding the BEC to the contract terms. Best practices principles suggest that an authorized signatory from the BEC Executive Committee sign all contracts. Signed contracts bind SIR to the terms of the contract.

f. Cost recovery for luncheon "No Shows"

1. All members are required to attend monthly Branch Luncheons unless they advise Luncheon Chairman that they will not attend. Three missed lunches are allowed annually given appropriate Treasurer notification.
2. No-shows at luncheons continue to present a challenge, particularly in ensuring that those who miss a meal accept responsibility for reimbursing the branch. Members are expected to honor their luncheon obligations when proper cancellation procedures are not followed. These situations also create additional work for the Treasurer, who must make follow-up calls and send letters in an effort to recover the cost—often resulting in the debt being written off when reimbursement is not obtained.
3. In 2025, the BEC reaffirmed the policy that members who exceed the minimum of 3 out of the 10 scheduled monthly lunches may be asked to resign from SIR if a commitment is not agreed to abide by the governing rule going forward. This action is enforced by the BEC as reported by the Luncheon Chairman. Mitigating circumstances on a case-by-case basis may be considered to rescind enforcement.

g. Recommendations

1. The SIR Manual does not provide guidance for the level of excess reserves carried in the Branch bank account. In 2025 reserves increased by \$1,521.43 (14.04%) to \$12,363.58. This increase is after all subsidies were paid from reserves and custodial accounts reconciled. For the year ending in 2024, the reserve decreased by \$379.97 (3.39%). Expectation is a further increase in 2025.
2. The net effect of subsidies on reserves in 2025 was \$76.63. As detailed above, the total subsidy needed was \$457.11 and the over recovery from the custodial accounts was a positive \$370.48 resulting in the net take of \$76.63 from reserves. At this pace reserves will only increase.
3. BEC should initiate discussions to determine what a reasonable reserve should be and plan how to achieve that goal.
4. Contingency funds needed for ancillary unbudgeted expenses or capital expenditures were not needed.
5. Custodial accounts for special activities should net to zero. Reconciliation should occur when activity ends and results reported to the BEC by the activity chairman/treasurer. If a subsidy is justified, the BEC should recognize that a subsidy was necessary and the cause for the subsidy is understood.
6. Annually, signature authorization on the bank account should be reviewed/updated especially if new signatories are approved by the BEC.
7. Audit Committee recognizes that generally accepted accounting principles for a cash-based accounting system have been followed. Improvements implemented in the computing technology and protocols for managing both the core account and golf account have shown a significant improvement in financial management and reporting to the BEC.
8. The financial accounting for Branch 116 in 2025 along with the year-end Form28 Cash Report and Form 29 Audit Report in this report is acceptable and approved for reporting to the Area **Governor**.

GOLF ACCOUNT

h. Golf Account

- i. Beginning balance for 2025 was \$8,181.07. Year end 2025 balance is \$8,472.71. The over recovery for the year is \$291.64
- ii. . Note that the fee to NCGA has not yet been posted for 2026. NCGA fee collected in 2025 was \$1,244. 2026 could potentially slightly reduce reserves.
- iii. The change in protocol from using SQUARE to process prepayment golf event fees to pay-as-you-go payments at the golf course by event participants has reduced golf transactions significantly and accounting related effort.
- iv. Transactions posted in 2025 include:
 1. Total Transactions 42
 2. Checks 21
 3. Deposits 10
 4. Credit Card 11
- v. Review of the bank transactions did not highlight any abnormalities that caused concern and follow-up.
- vi. Bank statement reconciliation at year end was completed with book and bank in balance.

vii. Review of accounting protocols was performed, and recommendations offered. Further refinements to the accounting system were made to simplify transaction processing and reporting.

viii. Conclusions

1. The year-end account balance has remained flat with the NCGA dues/payment being the major on-going annual expenditure. Congratulations!
2. Protocols implemented to streamline transaction processing have significantly improved the integrity of golf financials.
3. General accounting practices and procedures for a cash accounting system have been followed.
4. The Audit Committee recommends acceptance of the Golf activity financials for 2025.

Respectfully submitted:

SIR Bill Ginter

SIR Harry Oberle III,

SIR Ron Armijo (Chairman).