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June 1, 2012

James L. Coughlan, Comptroller
Office of the Comptroller, Dutchess County
22 Market Street
Poughkeepsie, NY 12601

Dear Mr. Coughlan:

This letter is in response to the financial audit of Cornell Cooperative Extension Dutchess County (CCEDC) for January 1 – December 31, 2011.

First, I'd like to commend your staff for the thoroughness of their audit and working with us cooperatively. In addition, the meetings and e-mail communications with you and your staff were much appreciated, providing feedback and recommendations in a professional manner – recommendations that will contribute to our ongoing goal of improving and strengthening our financial management systems and procedures. Please convey my personal thank-you to each of them.

Our responses to your audit findings and recommendations are as follows:

SUMMARY OF FINDINGS

- ▶ Your feedback re: finding our recordkeeping for 2011 to be in good order as well as noting our implementation of prior recommended procedures is much appreciated.
- ▶ Your feedback re: designated and unrestricted funds is appreciated. We will plan to conduct a more comprehensive review during 2012 and develop guidelines for future annual reviews.

Internal Controls

No recommendations were made.

Accounting Records

Thank you for your positive feedback in regards to our new Finance Coordinator (hired on June 6, 2011) and the postings of required transactions.

Our organization continues to be committed to the goal of achieving monthly financial statement review by our Finance Committee. To date during 2012 the Finance Committee and Board have reviewed/approved the 1st Quarter Financial Statement. The current plan is for the Finance Committee to review provisional monthly finance reports, and to continue with Quarterly approval by the Finance Committee and the entire Board. The April provisional finance report was reviewed by the Finance Committee during their May 21st meeting.

Communications

No recommendations were made.

Board Minutes Review

Thank you for your feedback. No recommendations were made.

DETAILED FINDINGS

Revenue and Cash Receipting Practices

Your observations have been shared with the Board Finance Committee.

Banking

Every effort will be made to have our bank reconciliations, bank statements and transactions reviewed/signed by our Volunteer Board Treasurer in a timely manner.

Although the times when the bank balances exceed the FDIC amount are brief, we continue to recognize the need to address this recommendation. Our new Finance Coordinator and Board Finance Committee will further discuss steps that may be taken to avoid this situation in the future.

In order to comply with PCI (Payment Card Industry) requirements, we've chosen to receive online payments through a third party. PayPal is currently recommended by CCE and is PCI compliant. The \$17.50 monthly bank fee was in error and has been refunded by our Bank.

Expenses

Thank you for your recommendation in regards to the error. We do not anticipate this occurring in the future.

Fund Balance Review

Your observations regarding our sustainability in the midst of significant funding reductions are much appreciated.

Again, your feedback re: designated and unrestricted funds is appreciated. We will plan to conduct a more comprehensive review during 2012 and develop guidelines for future annual reviews.

On behalf of our CCEDC Board of Directors and staff, we appreciate your observations and recommendations.

Again, thank-you for your feedback and the opportunity to respond to your audit.

Sincerely,

Linda R. Keech
Executive Director

cc: O. Petroff, L. Cadwallader, E. Dwyer, L. Rich, J. Borchert