



Irene Gomez-Bethke Papers.

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7 December 1979

H.I.R.E.D. (*Helping Industry Resolve Employment Disabilities*)

MEMO TO: BRUCE DAYTON
IRENE BETHKE ✓
PAUL SAND

From: Stan Kano

SUBJECT: REPORT TO EARL CRAIG

Earl and I met yesterday afternoon for about 1½ hours. We reviewed the four major areas we discussed when we met on the 5th. In addition, Earl described some of the procedures utilized in accounting and reporting and provided additional background information which Jake was not able to provide.

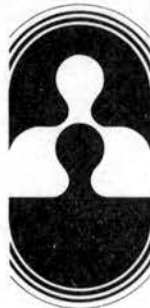
Earl is most anxious to meet with us and will provide information for us in each of the areas we have asked him to comment. He has also been in touch with Jack Pearson, Board Chair, so that he is aware of our interests.

Enclosed you find a copy of the memo which I prepared and sent to Earl. I hope it fairly reflects your concerns and interests related to the major areas we wished to pursue with him. Earl also indicated that he will arrange to provide us with the following materials:

1. The Coalition financial statement for the year ending June 30, 1979;
2. A recent financial report of the Weatherization Project.

As of the writing of this memo, I have not been able to set the meeting date and time with Arthur Anderson's firm. Jan Moriarity, my secretary, will be in touch with you as soon as we can obtain some dates and times (for a meeting between January 3-9) as per your request.

xc: Jack Pearson, UCM Chair
Earl Craig



H.I.R.E.D. (*Helping Industry Resolve Employment Disabilities*)

7 December 1979

MEMO TO: IRENE BETHKE
BRUCE DAYTON
RON EDWARDS

SEYMOUR MANSFIELD
PAUL SAND

From: Stan Kano, Audit Committee Chair

The next meeting of the Urban Coalition Board of Directors' Audit Committee will be on Thursday, January 3, 1980. Our agenda will include:

9:30 a.m.	Earl Craig
10:00 a.m.	Mike Butler, et al, Arther Anderson CPA firm
10:30 a.m.	Committee Review
	Adjourn at 10:45 a.m.

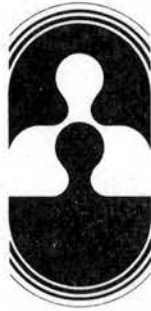
We will have a considerable amount of information to cover at this meeting. Please plan on being prompt so that we can begin with Earl at 9:30 a.m. without delay.

Earl will respond to the four major question areas which we developed earlier this week.

Mike Butler is the audit supervisor who scheduled the Coalition audit for the accounting firm of Arther Anderson. Mike indicated that they are finishing up their audit report now and that they are preparing a management letter as well and do want to review their findings and recommendations with the Audit Committee. Mike will also have two other members of his team in attendance.

The meeting will be in the offices of the Urban Coalition. Please mark this date and time on your calendar as I am not planning on sending out another written notice unless we need to change our date and time. If you are not able to attend, please let Cathy know at the UCM offices, 348-8550.

xc: Jack Pearson, UCM Chair
Earl Craig



H.I.R.E.D. (Helping Industry Resolve Employment Disabilities)

7 December 1979

MEMO TO: EARL CRAIG JR.
Urban Coalition of Minneapolis

From: Stan Kano, Audit Committee

SUBJECT:

After reviewing our notes and meeting with Jake earlier this week, there are four major areas which we would like to meet and discuss with you at our January session. They are:

1. Financial reporting of the "Weatherization Project" and its inclusion in the Coalition's financial statements;
2. Form and extent of financial information reported to the Board of Directors;
3. How present financial transactions are accounted for by Coalition staff;
4. Management's plan for financial accounting and accountability.

These areas represent our most significant interests at this time in better understanding current practices. In addition, based on Jake's report and information, these also represent areas in which there may be some critical concerns that may need further attention in management planning.

We do not yet have a January meeting date set, although we need to establish the date before the 9th in order to accomodate one of the members of the Committee. We also plan on meeting with the Coalition's auditors at the same session.

As an aid, I have prepared some specific questions related to each of the four areas described above. These questions may not necessarily reflect how accurately they might be asked by each individual member of the Committee, so I hope they fairly represent our collective thinking.

Please call me at 4967 if you need additional clarification.

xc: Jack Pearson, UCM Chair
Committee Members Irene Bethke, Bruce Dayton, Ron Edwards, Seymour Mansfield,
Paul Sand

ADDITIONAL QUESTIONS FOR EARL

1. Financial Reporting of the Weatherization Project:

- a. Why are financial reports for the Weatherization Project not included in the Coalition's overall financial reports?
- b. To what extent, if any, does the Weatherization Project operate independently of your present accounting procedures for other Coalition financial accountabilities?

It may be helpful to understand that as a Committee we felt that revenue and expenses for the Weatherization Project should be regularly reported to the Board of Directors of the Coalition and included in a combined financial report with other Coalition transactions.

2. Form and Extent of Financial Information Reported:

- a. Is the Coalition prepared and/or planning to publish a complete financial balance sheet, specifically including a statement of assets and liabilities and a change in fund balance (equity)?
- b. Why does the Coalition not file a financial report annually with the Minnesota Department of Commerce's Charities Registration Division?

We did review the most recent statement of revenue and expenses, although the statement did not include the Weatherization Project in the report. We also noted that the financial reports to the Board should probably be expanded to provide the other two types of reports which make up the organization's complete balance sheet.

3. How Present Financial Transactions are Accounted For:

- a. In addition to budgeting for expenses at the beginning of each fiscal year, in what way do you budget for income? Do you budget for a cash reserve?
- b. How is the authority to manage and spend funds within the Coalition, including the Weatherization Project, administered? To what extent, if any, is that authority delegated in part or whole to others?
- c. Are you planning to set up charts of accounts for assets, liabilities, income and expenses?

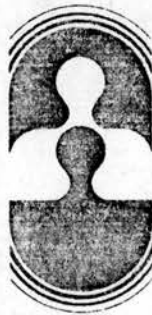
It is our understanding that you are presently utilizing services of First Bank Minneapolis and that their service will enable you to generate a complete balance sheet. It is also our understanding that the historical records of the Coalition make it difficult to create such a balance sheet at the present time, at least with the First Bank system, and that prior to their engagement, the recording and reporting of financial transactions have basically been limited to the periodic reports furnished to the Board and an Annual Report.

4. Management's Plan for Financial Accounting and Accountability:

- a. What is your present plan for managing Coalition finances? How is it carried out? Is it a written plan?
- b. What kind of information do you feel that as a manager you need? What kind of improvements are you hoping to be able to make?

Our primary interest is in understanding what you feel you need to know as the Coalition's management. It is not our intention to examine other areas which are not of value to you, however, we are not at this time sure we understand your own financial reporting and accountability needs.

P.S. Our meetings are limited to about one hour in length. We ask that your presentation be limited to about one-half hour to 40 minutes maximum. After meeting with you, we will then meet with the Coalition's auditors.



H.I.R.E.D. (*Helping Industry Resolve Employment Disabilities*)

14 December 1979

MEMO TO: EARL CRAIG JR.
Urban Coalition of Minneapolis

From: Stan F. Kano

Thanks for your audit responses. I appreciated the time you took to gather the information and to share it with the Audit Committee members. Having constantly to put up with auditors at HIRED year round with their pesty questions, I know how disrupting the time demand for getting this kind of information together causes in one's daily routine.

Your information should make it easy for us to keep within our time allotment when we meet with you next month. You're welcome to stay, incidentally, when the UCM auditors meet with us at 10 a.m. on that day.

One other request: it could be helpful for us if you could review for us when we meet with you some of the information needs in financial management which you would like to meet or have. I think that can help us put into perspective some of our questions and recommendations, if we get that far!

Also, I apologize for the question concerning the filing with the Charities Registration Division. I checked my notes when we met and found that I had not crossed off that item.

xc: Audit Committee Members