

Watt's New...₀₀₀

December 2009

Special points of interest:

- Electronic Membership Directory
- Membership Invoices
- Sound Internal Controls Series
- President's Message



Electronic Distribution Membership Directory

Normally we print and mail the Nebraska Iowa Electrical Council Membership Directory once a year. Of course reps change lines, addresses change, and staff members come and go. That means that the directory is out of date by the time the ink dries.

In order to keep current and to save a load of money, we now distribute our directory electronically on the first of each month. The response has been overwhelmingly positive. We've found that the people who actually use the directory the most are the sales people at the supply houses. They love the "new" directory. Previously they tried to keep up with changes in lines, addresses, etc. Their printed copy of the directory was a mess by the time they got a new one. Now, they know that they will get an updated copy on the first of the next month.

We also discovered an added benefit of publishing

the directory in PDF format: hyperlinks. We happen to use InDesign as our desktop publishing software, but you can create hyperlinks in MS Word that will show up properly when you print the file to PDF.

The new version of our monthly directory contains not only the latest information, but anybody who cares to share their email address or company website will have that information as a hotlink in the PDF version. A simple click on an email address of a website takes you right to a new email already addressed or it takes you to the company website.

It takes some extra work to set up all the links the first time around, but after that it's just a matter of making a few changes or additions each month. The main benefit of the imbedded hyperlinks is that sending an email to a member company doesn't require looking up the email

address in the directory, launching your email application, and typing in the email address. A simple click in the PDF version does all of that for you.

We might still print one annual version of our directory, but we'll continue to put out the monthly electronic version since it makes life so much easier for those members who actually use the directory on a daily basis.

If you are interested in trying this approach, let me know and I'll send you a couple of tips that I had to discover the hard way. The procedure for creating hyperlinks in Word isn't intuitive and it took me a while to figure it out. InDesign's procedure is also a little confusing at first, but it's pretty easy once you figure it out.

*As submitted by
Skip Morris, Nebraska Iowa
Electrical Council*

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President's Message



ILEA President
Carrie Spaeth

Holiday Greetings ILEA Members!

As we finalize our 2010 budgets and analyze our plans for next year, I hope you can take a step back and give yourself kudos for making through a challenging 2009! It's been a tough year, and I am looking forward to a brighter future for all associations.

You should have received your annual ILEA dues renewal via email this morning. There are many valuable benefits that

come with your ILEA membership including the great networking and education you receive at the annual conference, plus the correspondence between associations with our monthly newsletter and online interaction. As a member, you can also take advantage of the beneficial information found in the ILEA Operations & Salary Surveys – which will be distributed after your dues have been paid. I hope you will all take a moment to complete this valuable tool.

The Board is meeting on January 18th to plan the 2010 conference in Kansas City. Please take a moment to email me (cspaeth@eachicago.org) or Kirstie Steves (kirstie@ileaweb.org) with any ideas you have for the meeting topics, as this will be our major focus next month.

I hope you all have a very happy holiday season, and a joyful start to the new year!

*Carrie Spaeth
ILEA President*

Tough Times Demand Sound Internal Controls Part II

The Impact of Fraud

Fraud affects the organization and its staff and volunteers in multiple ways. There is obvious financial effect. Resources intended to be used for a specific purpose are lost. There is also an emotional effect. A trust has been betrayed. There may also be an impact on potential donors or funders who are concerned about the problems that led to the loss of the assets.

In addition, there may be a liability of the organization itself. As ironic as it seems, the organization may be

liable for inappropriate activities that are carried on by persons who served as "agents" of the organization.

Fraud Grows

Fraud that isn't detected and dealt with properly almost always becomes bigger and more frequent. Investigation of fraud demonstrates that smaller and occasional improper activities turned into more frequent and larger ones.

Your Organization is Unique; Your Controls Need to Be

Based on your

Organization's resources, activities and operations, you need to evaluate what could go wrong. For example, if you have cash, medicine and food or electronic instruments, you need to consider the loss of these items. If you regularly receive unexpected contributions or have special events that are paid for in cash, you need to identify and implement appropriate controls.

Internal Control Examples

Here are some procedures that you should consider.

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"Investigation of fraud demonstrates that smaller and occasional improper activities turned into more frequent and larger ones"

Sound Internal Controls, *continued...*

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Keep in mind that these are designed to both separate the responsibility of custody from recordkeeping for assets and also to set a high standard of integrity starting with top management.

- *Management needs to demonstrate an attitude of integrity and commitment to competence*
- *Proper hiring and training practices, and attention to compliance requirements such as maintaining complete and up-to-date personnel files. Provide training to support your commitment to give people the skills to do their job well.*
- *Have a written code of conduct that describes proper business practices and be sure that everyone is familiar with that code.*
- *Show no tolerance for improper practices. Even minor improprieties should be addressed as a serious matter.*
- *Question unusual activities. This doesn't have to sound accusatory but will demonstrate your commitment to avoid improprieties.*
- *Develop a good budget and look at variances from that budget. Update the budget throughout the year as appropriate for changes in funding or programs. When you do this, variances are red flags that deserve your attention.*
- *Communicate your whistleblower protection policy regularly - some organizations post it prominently in the work place, and consider a whistleblower hotline.*
- *Your organization should have an audit committee that is independent from management and that has operations and financial expertise.*

Generally, responsibilities for record-keeping for assets and custody of those assets should be separated. Some examples to look for include:

- *Someone not involved with billing or accounting should initially receive customer payments and list them on a deposit ticket or separate place.*
- *Checks should be stamped "for deposit only" as soon as they are received.*
- *All bank accounts should be reconciled on a timely basis.*
- *The person who deposits incoming moneys should not have record-keeping responsibility for them.*
- *For small staff, consider a bank locked box arrangement where payments go directly to the bank and are deposited. The bank will provide all information necessary for recordkeeping.*
- *The monthly bank statement should initially be received and its contents reviewed by someone not involved with the preparation of checks.*
- *When checks are prepared, they should be submitted to the check signor with original invoices.*
- *Invoices should be canceled by marking them paid.*
- *Checks should be sent out without being returned to the check preparer after signing.*

- *Consider bond coverage for employee dishonesty. Use a carrier other than your general liability carrier to reduce the likelihood of counter-suits.*

- *Talk to your banker about controls your bank can provide including verification of checks you are releasing and automatic check scanning machines.*

For Your Computer Data:

- *Regular backups should be made and stored off-site.*
- *Backups should be checked to verify that they are working.*
- *Anti-virus software should be used and should be updated regularly.*
- *You should have an ISCA certified firewall and anti-virus software.*
- *Passwords should be used whenever possible.*
- *Your organization should have a policy for computer, internet, and email use. Policies should cover what happens with access when someone leaves or is terminated.*

Monitoring

After proper procedures have been identified and implemented, they need to be challenged periodically. Sometimes controls stop working because of a change in personnel or just because of busyness. Also, changes in funding mean changes in the risks your organization faces, so you need to check back periodically to make sure that the controls are Appropriate and that they are working.

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International League of Electrical Associations

The ILEA Office is located in the Greater Rochester Area in New York State.

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The mission of ILEA is to promote, advance and unify the electrical industry by strengthening its representative organizations.

The International League of Electrical Associations, created in 1936, has grown to become an organization of professional electric association and electric league managers from more than thirty US and seven Canadian cities. In most cases the membership base and services offered by ILEA member organizations are consistent throughout the continent.

Generally, ILEA member organizations are supported by electric utilities and offer membership to contractors, manufacturers, distributors and manufacturer's representatives. In a few cases, the organization has a membership that is restricted solely to electric utilities.

Services offered by membership organizations often include monthly meetings, educational programs and networking opportunities. Many organizations offer discount programs for items such as health care insurance, general liability and workers compensation coverage, bonding, cellular phone, automobile rental and leasing and courier services.

To learn more about which programs and services are offered in your area, contact the closest ILEA member office, visit the ILEA web site or contact Kirstie Steves, Executive Director at the ILEA Office.

www.ileaweb.org

Calendar of Events

2010

March 31 Electri...FYI! Upstate Electrical Show
Rochester, NY
Electrical Association of Rochester

April 14-15 Upper Midwest Electrical EXPO
North Central Electrical League , Minneapolis, MN

May 3 Consulting Electrical Engineers and Technical Forum & Trade Show
Electric Association of Chicago

2011

March/April Electrical Expo
Electrical Board of Missouri & Illinois

2012

April 18-19 Upper Midwest Electrical Expo
North Central Electrical League , Minneapolis, MN

Tough Timed continued...

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This isn't a comprehensive listing of all procedures that could be appropriate for you. Hopefully, these will get you off to a good start.

Side Note

The Association of Certified Fraud Examiners reported that fraud frequency was substantially lower in organizations that have a whistleblower hotline. The median loss was also less than half as large, and the months before a fraud was detected were reduced from 24 to 12. There are articles and other fraud recourses at their www.acfe.org website.

Sound Internal Controls was a two-part series presented for your information in the ILEA Newsletter. The article was published in "Not-For-Profit Alert", Issue 15, Fall 2009 by Heveron & Heveron, Certified Public Accountants in Rochester, NY.