

FINANCE COMMITTEE REPORT – MAY 2020

In the past month the members of the Finance Committee met about 8 times and worked on the following projects and tasks.

1. Reviewed the Monthly Financial Statements with a representative of our accounting firm. The statements have been posted in the repository under Treasurer's report. – **Completed**

2. The committee upgraded our Webgility software with the latest 8.0 version which appears to have eliminated discrepancies in downloads of sales from Amazon. This is a major step in the inventory management project being performed primarily by the CPAs. The committee is now working on the internal controls portion of the project such as removing unneeded items from Quickbooks and supporting an Inventory SKU Addition / Removal Form to eliminate out of sync items in our sales and accounting systems. – **In Process**

3. The Sales Tax Working Group under the Finance Committee continues to meet two times per week on average in addition to many hours logged by the members offline working independently on the project. We have increased the number of states to 17 where we are now collecting and remitting sales tax, and filing returns. This work mostly by volunteers has **saved WSO approximately \$56,000 in consultant fees** had we hired a consultant to do this complex work. – **In Process**

In the past month the WSO Board has approved payment of back taxes to 9 more states including, New York, Indiana, Utah, Tennessee, Minnesota, Georgia, Arkansas, Texas and Pennsylvania. This brings the total amount excluding interest to about \$57,000 that has been or is in the process of being paid. We have more states with Voluntary Disclosure Applications and are receiving responses from them weekly. Due to the Covid-19 many states are behind in responding to our requests for Voluntary Compliance. Please see the attached Status Summary chart for more detailed info. – **In Process**

4. The committee was informed by the CPAs that the increased work load on filing taxes in more states would increase their monthly fees so the committee sought 3 bids per WSO policy for a solution to the intensive manual work needed to file returns for so many states. An automated sales tax filing service known as Tax Jar was presented in a motion to the board to provide this service for the entire US. The motion was approved and the set up and implementation will take place in the second week of June. – **In Process**

5. The Treasurer worked with Amazon in Europe to develop a plan to consolidate the VAT services for the UK and Germany with 5 other countries and presented it to the board for approval. The plan was approved and the forms were filled out and the service took effect June 1st and will be free for one year - **Completed**

6. The committee discussed the "Where the Money Goes Flyer" and a member attended a recent Region meeting to get more information for the committee about a Region's finance's which has provided clarity about recommendations for changes to the flyer. The changes are being discussed and will be sent to the board for review when finished. – **In Process**

7. The committee has sought direction from the board about whether they wanted to have a financial audit or review done for 2019. The CPAs and the committee recommended we skip doing one this year, but the board wished to discuss it more and several members attended a joint Finance Committee / CPA meeting to discuss it further. The consensus was there were perhaps some specific areas that could be looked at that might end up saving WSO money. The concept presented by the CPAs is known as Agreed Upon Procedures and is being considered by the board currently. The Finance Committee is fine with whatever course the

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board wishes to take. – **In Process**

8. The Finance Committee is beginning to review the fiscal policies in the OPPM in order to modify them to maintain compliance with GAAP (Generally Accepted Accounting Procedures) and to accommodate the growth of WSO. – **In Process**

9. Anyone with finance, bookkeeping, or an interest in learning more about the Finance Committee is welcome to contact me about joining. You do not have to be a CPA or even accounting professional to participate. Please email me at treasurer@adulthoodchildren.org or send a message on Slack.

In service,

Bill D., Chair

Lucia S., Vice Chair

Carol G., CA - Member at large

Mark H., TN – Member at large