



May 20, 2014

Board of Directors
Michigan Association of Collegiate Registrars & Admissions Officers
Ann Arbor, Michigan 48109

In connection with our review of the financial statements of the Michigan Association of Collegiate Registrars & Admissions Officers (MACRAO) as of October 31, 2013, and for the year then ended, we noted no condition that we believe to constitute a material weakness in internal control. We did observe conditions that may indicate the existence of opportunities to further improve your accounting and financial reporting systems, and we offer the following comments on those.

Budgeting

It is our understanding that the various committees prepare budgets for activities and events under their purview and that the Board of Directors reviews and approves these committee activity budgets, but that an overall, organization-wide budget is not annually prepared and approved. An organization-wide budget development, approval and monitoring process can be an effective control procedure and the board may wish to consider assimilating its present piece-meal budgeting process into an organization-wide budgeting process.

Accounting Procedures Manual

It is our understanding that explanatory materials have been developed and provided to incoming committee members each year to help orient them to the procedures in place for developing activity budgets, submitting expenses for approval, submitting check requests, and accounting for cash receipts and disbursements upon completion of events and activities they conduct. This practice and these materials appear to strengthen controls by fostering consistency from committee to committee and from year to year in both the budgeting and reporting of these activities and events. You may wish to consider broadening the scope of these materials into a full manual of accounting and financial reporting procedures to foster consistency from treasurer to treasurer.

Accounting Software

A question was raised during the review about whether the organization would benefit to move from spreadsheet-based accounting records to full accounting software, such as QuickBooks. Any accounting system, even a manual checkbook, is in essence, a database of transactions, recording key data related to each transaction, i.e. date, amount, name, object (supplies, consulting, travel, etc.), and function (i.e. annual conference, articulation, general office, etc.).

A benefit of utilizing accounting software instead of a manual checkbook is that the database is more readily examined, i.e. reports based on the database are more easily prepared. With accounting software, a few clicks of the mouse can produce a profit and loss statement for a year (or other period of time), or a budget-to-actual report, or a balance sheet, or a check register. Such reports could be produced from a manually-maintained,

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checkbook-based system as well, but the creation of each report would require an investment of time to reorganize the data to meet the requirements of the report. And each time a report would be needed, the process must begin anew.

MACRAO is currently utilizing spreadsheet-based databases of receipt and disbursement transactions, which are set up to facilitate preparation of the monthly and annual treasurer reports. This system appears to be functioning fairly efficiently and producing accurate reports. Based on the simplicity of the MACRAO's balance sheet (few assets, no liabilities, limited revenue and expense categories), your current, spreadsheet-based system appears to meet your needs and it is one your current treasurer is very familiar with, so switching to accounting software would not necessarily improve efficiency.

However, if your needs for financial reporting expand, utilization of accounting software may be the best way to meet those needs. If MACRAO does decide at some point to implement accounting software, I would recommend QuickBooks. Most "small business" accounting software is comparable in terms of features, but because QuickBooks has the greatest market penetration and largest user base, it is usually much easier to find experienced help for QuickBooks than for a different software package.

We had no further comments or recommendations, but would be happy to meet with you if you care to discuss these further. We appreciate the opportunity to be of service. Thank you.

Very truly yours,
David Haffey, P.C.

A handwritten signature in black ink, appearing to read "David Haffey". The signature is fluid and cursive, with the first name "David" being more prominent and the last name "Haffey" written in a more compact, connected style.

David Haffey,
Certified Public Accountant