

ACCOUNTANT'S CERTIFICATE AND OPINION

I certify that I have audited the books and records of the STUDENT NON-VIOLENT COORDINATING COMMITTEE as maintained at its headquarters in Atlanta, Georgia for the calendar year ended December 31, 1963; and that in my opinion the accompanying balance sheet at December 31, 1963 and the operating statements for the year then ended are true and correct to the best of my knowledge and belief. I certify further, that in the conduct of this audit generally accepted accounting principles and auditing procedures were employed and applied in a manner consistent with their employment in the audit of similar organizations, generally.

Respectfully submitted,

Jesse B. Blayton

CERTIFIED PUBLIC ACCOUNTANT

Ga.#192

Atlanta, Georgia
April 17, 1964

April 17, 1964

The Executive Committee
Student Non-Violent Coordinating Committee
6 Raymond Street, N.W.
Atlanta, Georgia

Gentlemen:

I transmit herewith report of audit of Student Non-Violent Coordinating Committee for the year, 1963. This audit was conducted at the request of your executive secretary.

The officers and staff of your organization were most helpful and cooperative in the conduct of this audit. My staff and I are grateful.

We suggest that members of the governing body of your organization read carefully our audit comments. Particularly, more care should be exercised by some of your field personnel in the preparation of their reimbursable cost sheets. My study of a good heavy sample of these led me to the conclusion that I should not attempt to prepare a schedule showing costs by projects. I have also suggested to your accountant that any cost analysis made by her/^{based on} reports on file would be unreliable. This, however does not prevent me from reaching a conclusion that all funds have been accounted for; and, accordingly, I have submitted an unqualified opinion to that effect.

I have only one specific recommendation. I strongly recommend that your organization employ a full time accountant to keep, or cause to keep the records of the organization. Other general recommendations, if I were to make them, would deal with improved internal control, the wisdom of incorporating or remaining unincorporated, and related subject matter.

Yours sincerely,

Jesse B. Blayton

CERTIFIED PUBLIC ACCOUNTANT

STUDENT NON-VIOLENT COORDINATING COMMITTEE

COMMENTS ON AUDIT

December 31, 1963

I.

ORGANIZATION AND HISTORY

The Student Non-violent Coordinating Committee was organized in or before 1961. Perhaps, on a less formal basis it has been a movement of students for several years.

SNCC as the organization is familiarly known is a voluntary association. It is unincorporated. SCNCC operates under the authority of a "CONSTITUTION" as revised in Conference, April 29, 1962. While its headquarters are located at 6 Raymond Street, N.W., Atlanta, Georgia, the organization conducts its business through a system of affiliates and field secretaries located primarily in the South but not limited to that broad area.

SCNCC operates under the board agencies known as "The Coordinating Committee". and an "Advisory Board". These boards draw their membership from among the members of affiliates on a democratic basis. The management is composed of an "Executive Committee" which directs through a chairman and an executive secretary with the assistance of salaried (and unsalaried) office and field personnel.

Section IV of the revised Constitution provides for an annual budget (September 1 to September 1) and imposes upon the executive committee the responsibility of preparing it; and upon the executive secretary the responsibility for its administration. There was no budget submitted to this auditor during the course of his examination. Certainly, field operations are not conducted with respect to any budget concept.

SCNCC's sources of income include church groups, labor unions, other agencies with like or related philosophies, wealthy individuals, and hundreds of small contributors among whom are its members. This agency also receives funds from at least one other organization to support a "Voter Education Project". These funds are expended under the supervision of SCNCC but are accounted upon separately to the agency which supplies the funds.

SCNCC spends its funds for a variety of purposes as shown by the accompanying operating statement. Salaries account for a large segment of its expenditures. The agency has had ~~xx~~ 162 employees on its payroll in at least one quarter of the calendar year, 1963. 175 employees were listed on Form W-2 to the Internal Revenue Service. While the agency has a long payroll the amounts received as salaries were never large on an individual basis. Only 2 employed persons received salaries as much as \$3,000 in 1963. One of these received \$3,900, the other, the executive secretary received \$3,326.93. Two persons received salaries in the \$2,000 to \$3,000 range; 13 received \$1,000 or more but less than \$2,000. Forty nine employees received salaries in 1963 of less than \$100 each; and 96 received from \$100 to \$500.

STUDENT NON-VIOLENT COORDINATING COMMITTEE

COMMENTS ON AUDIT

December 31, 1963

II.

HANDLING OF CASH

1. Cash collections which are mailed or brought into the office are deposited in tact. Any exceptions are unavoidable. Disbursements are by checks signed usually by two officers. Ocassionally, only one officer signs.
2. Petty cash is established in the amount of \$200.00. Expenditures are made when necessary from this fund. The fund is replenished from time to time as its exhaustion demands. Petty cash tickets are surrendered to the bookkeeper upon reimbursements. Tickets are classified according to purpose and distributed into the general check register. This the proper manner of handling funds of this type. During the year, 1963 there were 48 reimbursements accounting for \$4,163.07. These expenditures were for such purposes as office supplies, money orders for field staff, car fare, gasoline and other forms of local transportation, postage, telegrams, long distance telephone calls, express, rooms and meals of staff, newspapers and magazines bought at news stands, and other purposes which did not justify issuance of regular checks. These vouchers were sampled and found in accordance with indicated purpose. This fund was in tact on March 31, 1964 when counted by me except for \$20.01. The cashier explained that the fund had been short in the amount of \$20.00 for several months and the exact responsibility. She stated further, that the management was aware of this.
3. Field operatives are also given checks for flat amounts for purposes in areas where it is difficult to cash checks or even identify themselves. When these operatives return to the home office of the Agency, they bring vouchers showing purposes for which funds have been spent. Checks are again issued to them in exchange for these vouchers. The new checks are distributed upon the general check register as are petty cash reimbursements. *Some checks are also mailed in at times.*
4. The regular checking account is reconciled monthly. Usually this is done with the check stubs as the controlling document. The December 31, 1963 reconciliation of the Agency's regular checking account at Citizens Trust Company, Atlanta, Georgia shows 238 checks outstanding totaling \$10,011.00. This bank statement showed a balance of \$17,912.62 standing to the credit of this Agency. When outstanding checks were deducted, there remained \$7,901.62. This agreed with the general ledger as adjusted.
5. In addition to the checking account balance, this Agency held savings accounts as follows:

Mutual Federal Savings and Loan Association, Account No. _____
in the amount of \$ 5,378.71 . Intrest added in 1963 \$ 78.74

Citizens Trust Company, Atlanta, Georgia, Account No. _____
in the amount of \$ 14.58 . Interest added in 1963 \$ 14.58
Only the interest remained in this account.

(Added interest is included in the balances as stated).

STUDENT NON-VIOLENT COORDINATING COMMITTEE

COMMENTS ON AUDIT

December 31, 1963

III.

RECORDS

Minutes of the meetings of the delegate assemblies and of the executive committee are carefully kept and were exhibited to this auditor. There was, however no reference to salaries which management personnel should receive recorded in the minutes made available to this auditor.

Accounting records are progressed with due regard for modern accounting concepts as they are related to voluntary non-profit agencies. Books of original entry and ledgers are kept accurately and efficiently. Much data which should be reflected on the accounting records in a timely fashion reach the accountant long after actual expenditures have taken place. This is made possible by untimely filing of expenditure vouchers by field personnel. When these vouchers are filed they are often ^{unreadable} illegible and show little or no regard for expenditure classification as provided by forms furnished these field operatives. This careless reporting is not universal. Outstanding exceptions are the operatives in Pine Bluff, Arkansas, and in the Washington, D.C. area office.

Under accounting records, it should be observed that some field operatives employ persons in their areas of operation and pay them. Such employees do not appear on any Social Security return - as a matter of fact, no references is made to this type of employment except in vouchers later filed by the field operatives.

Generally, but not uniformly, field operatives regard "petty cash" as an expenditure classification rather than an accountability, which it really is. As a result of this conceptional error, some reimbursement checks are distributed only in accordance with the headquarters accountant's judgment of purpose.

One other problem presents itself to the headquarters accountant as she attempts to assign expenditures to projects by name or location when an operative operates in the area of projects other than his regular assignment. At times no separate field accounting between these projects. This could result in overloading one project and under charging another. This is not a serious matter but should be corrected.

The Washington office which maintains a bank account often deposits its receipts in that city and expends for proper purposes therefrom. These receipts and expenditures are brought into the general records of the agency by journal entries which recognize both income and expenditure.

During the Washington Conference many of the SCNCC personnel were housed and boarded at a University in that city. These costs amounted to about \$3,200 but were paid for by some unidentified labor unions. This item has been appropriately included in both income and expenditures.

EXHIBIT A

STUDENT NON-VIOLENT COORDINATING COMMITTEE

Balance Sheet

December 31, 1963

Assets

Cash:

Petty cash at headquarters	\$ 179.99
Citizens Trust Company-Checking	7,901.62
Citizens Trust Company-Savings	14.58
Mutual Federal Savings and Loan Assn.	5,378.75

	<u>\$13,474.94</u>
Loans receivable	4,272.28
Office supplies - inventory	400.00
Postage - Inventory	200.00
Office equipment (at cost)	6,456.94
Pamphlets, song books and related materials -inventory	2,815.00
Air travel deposit	425.00
Telephone deposit	1,630.00
Utility deposit	200.00
SCNCC Buttons - inventory	200.00
Furniture - Freedom House	481.49
Records (voices and music) - inventory	500.00

Total - unrestricted assets	<u>\$30,875.65</u>
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Restricted assets:

Bail bonds (unforfeited deposits with courts)	<u>11,627.50</u>
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Total assets	<u><u>\$42,503.15</u></u>
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Liabilities

Federal payroll taxes payable	\$ 1,836.53
Georgia payroll taxes payable	24.73
Answering service payable	18.50
Southern Bell Telephone and Telegraph Company	2,321.60
Account payable -Travel Unlimited	223.55
Accounts payable - Air Lines	2,220.55

Total liabilities	<u>\$ 6,645.46</u>
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Unassigned funds	<u>35,857.69</u>
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Total liabilities and unassigned funds	<u><u>\$42,503.15</u></u>
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EXHIBIT B

STUDENT NON-VIOLENT COORDINATING COMMITTEE

Statement of Unassigned Funds

January 1, 1963 to December 31, 1963

Balance, January 1, as adjusted		\$ 2,300.79
Add: Income- Schedule 1		<u>308,695.90</u>
		\$310,996.69
Less: Operating expenditures- Schedule 2		<u>263,384.00</u>
Balance December 31, 1963		\$ 47,612.69
Restricted: Voter Education Project	\$11,755.00 *	
Unassigned funds	<u>35,857.69</u>	<u>47,612.69</u>

*Accounted upon separately but included in Schedule 1.

EXHIBIT C

STUDENT NON-VIOLENT COORDINATING COMMITTEE

Accounting For Funds Administered
for other Agencies

VOTER EDUCATION PROJECT

January 1, 1963 to December 31, 1963

Balance in fund, January 1, 1963	\$ 788.83
Funds received from Sponsor	<u>11,755.00</u>
	\$12,543.83
Less: Expenditures from this fund for purposes authorized by Sponsor in conditions of Grant	<u>11,173.02</u>
Balance in fund at December 31, 1963	<u><u>\$ 1,370.81</u></u>

Note: This cash balance is not shown in Exhibit A (balance sheet) for the reason that this balance is the property of the Sponsor, not of SCNCC. The account is administered by SCNCC as agent only.

Schedule 1

STUDENT NON-VIOLENT COORDINATING COMMITTEE

Income

January 1, 1963 to December 31, 1963

<u>Source</u>	<u>Amount</u>	<u>Amount</u>
Contributions - personal	\$ 74,429.34	\$ 74,429.34
Contributions - Schools and related organizations		32,674.24
Contributions - Churches and other organizations		142,594.71
Receipts - record sales		2,862.27
Return of unused funds issued for expenses		2,823.09
"Freedom Singers" - Fund raising		17,429.00
Fund raising income		32,162.08
Conference fees and grants		1,842.14
Miscellaneous receipts		610.61
Button sales		564.52
Fee allowed by Sponsor for administering VEP		375.00
Pamphlets sold		45.55
Song books sold		1.95
Interest earned (bank balances)		93.33
Income - Voter Education		130.00
Cash shorts and overs (net over)		58.07

Total income

\$308,695.90

STUDENT NON-VIOLENT COORDINATING COMMITTEE

Expenditures

January 1, 1963 to December 31, 1963

Purpose	Amount
Record consumption	\$ 1,373.27
Payment of accounts payable existing prior to 1963	1,870.00
Travel	24,483.19
Salaries and wages	66,348.52
Field operations	93,178.06
Car payments for field personnel	1,078.41
Office maintenance, repairs - expense	570.75
Telegrams - expense	17,714.11
Office machine rentals	265.43
Medical expense	4,011.11
Magazines, books, and subscriptions	741.41
Legal fees	3,687.02
Research expense	246.17
Contributions to other agencies and distressed persons	1,915.00
Rent expense	3,853.35
Utilities expense	327.85
Bank charges	51.10
Traffic fines	557.00
Food for volunteers	717.21
Photography expense	1,025.94
Freight charges	274.48
Scholarship grants	1,836.98
Fund raising expense	375.00
City taxes	75.44
Car rentals	245.16
Fire insurance - building	445.41
Maintenance - officers	46.70
Vacation expense	33.25
Expense - Folk Festival	1,000.00
Auto repair expense	2,136.65
Conference expenses	5,599.50
Printing expense	4,185.12
Professional services	2,006.89
Automobile expense	44.00
Machine repairs	192.63
Publicity expense	457.20
Loss on conversion of foreign currency	5.48
Payroll taxes - Federal	1,836.53
Payroll taxes - Georgia	24.73
Office supplies used	7,322.31
Postage expense	7,687.56
Answering service expense	18.50
Supplies used - Freedom House	111.92
Buttons used	1,876.72
Charges for Western Union and cashiers checks	180.94
Bond forfeiture	350.00
"Freedom Walk" expense	1,000.00

8 160,200

SNCC
FIELD OPERATION EXPENSES
FOR THE FISCAL YEAR 1963
AMOUNT

PROJECT

ALBANY, GEORGIA -----	15,033.63
ATLANTA PROJECT -----	1,840.44
AMERICUS GEORGIA -----	808.19
MISSISSIPPI (ALL NOT LISTED BELOW) -----	22,592.18
HATTIESBURG -----	2,442.81
GREENVILLE -----	1,335.28
JACKSON -----	3,474.41
RULEVILLE -----	250.00
GREENWOOD -----	7,733.94
TOUGALOO WORK STUDY -----	300.00
STAFF IN FIELD TRIPS -----	6,800.71
FREEDOM SINGERS -----	6,639.64
FUNDRAISING EXP. -----	450.00
PINE BLUFF -----	2,181.22
ORENGBURG, S.C. -----	807.92
SELMER -----	3,522.34
CAMPUS TRAVEL -----	239.02
ZELNER, ROBERT -----	4,000.78
CARVER NEBLETT -----	570.95
SAM SHIRAH -----	299.57
TALLEDEGA -----	739.71
N.Y. SNCC -----	100.00
GADSDEN, ALA. -----	1,243.27
KNOXVILLE, TENN. -----	100.00
MANCHESTER, TENN. -----	190.00
DANVILLE, VA. -----	3,037.16
WASHINGTON MARCH -----	500.00
SAVANNAH -----	734.04
PHOTOGRAPHY -----	434.33
BIRMINGHAM -----	244.19
CAMBRIDGE -----	684.01
WASHINGTON, D.C. -----	85.00
RALEIGH, N.C. -----	220.00
CONFERENCE TRAVEL -----	8,178.31
RESEARCH FOR SONGBOOK (C. RAWAN) -----	300.00
MISC. F. HOLLOWAY -----	65.00
	<u>93,178.06</u>

38,128.62