

ADR 454

ADR
454

In the Beginning

In December of 2005, the Montana Democratic Party obtained the services of Political C.F.O.s., Inc. to provide Accounting, Compliance, and reporting services for the Committee.

The Committee had opted to change their filing status to Quarterly in 2005, therefore, they had only filed a mid-year report at the time.

The staff employed at the Committee in the later part of 2005 had all been hired after the mid-year report had been filed. The former Executive Director held his position at the Montana Democratic Party for over 13 years. The transition to the new E.D. was less than smooth, and the new Director had virtually no experience with compliance or federal reporting. The long time bookkeeper also left under less than desirable circumstances.

Consequently, the Committee's accounting records, documents and data were in complete disarray, making it difficult, at best, to file the Committee's 2005 YE report. There had been no reconciliations of bank accounts for almost six months, nor of the accounting data to the reporting system.

All institutional knowledge was lost. Thankfully, due long standing relationships with the former Executive Director, Political C.F.O.s. was able to obtain certain information, and its whereabouts to be able to eventually recreate the activity in question.

The Committee previously would combine data from several sources, and import the data into FEC.file in order to file their reports electronically.

By December 2005, the Committee had begun using Complete Campaigns for its reporting software, and Peachtree for accounting, however, they had never filed an FEC report from this system, and the data was converted from an in-house data system that did not file reports electronically with the FEC. This conversion was done sometime in the fall of 2005, also after the mid-year report had been filed.

When it came time to file the Year End 2005 report for the Committee, Political C.F.O.s., Inc. had a great deal of difficulty in reconciling the accounts and the data. The existing software program, Complete Campaigns proved ill equipped to adequately file federal disclosure reports correctly. The company had just begun adapting its filing system to state party FEC reporting, and the Montana Democratic Party was its first state party client. It quickly became apparent to PCFOs that the accuracy of the report was in question. This was disclosed in the Year End report that was filed in January of 2006.

PCFOs subsequently made the recommendation to the Committee to begin filing monthly reports, amend the reports for 2005, and to move as quickly as possible to NGP and QuickBooks for the Committee's accounting and reporting needs. However, although the accounting system switched to QB in December of 2005, the reporting software wasn't changed to NGP until sometime in the summer of 2006.

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All of these issues created problems with additional filings in 2006. Once the conversion to NGP was completed, the Committee, through Political C.F.O.s., Inc., began a complete internal audit of its books. They also began filing amendments, beginning with the Mid-Year and Year End reports for 2005.

Moving Forward

Since the conversion has been completed, all reports have been amended, and each subsequent report has been reconciled correctly to the accounting system, and proper accounting and compliance procedures have been put in place to ensure the continued accuracy of the Committee's filings.

They continue to use Political C.F.O.s., Inc. for their accounting and compliance oversight. All contribution activity is monitored and entered into NGP by PCFOs. All disbursements and payables are tracked and issued by PCFOs. Bank accounts are reconciled each month by an outside accounting firm that has been hired by PCFOs specifically for that purpose.

The Committee has hired a full time staffer to make all deposits, and process all expenditures. The contributions are digitally scanned, and forwarded to PCFOs for processing, prior to the checks being deposited. All bills and check requests are forwarded to PCFOs for processing, at which time they are recorded and entered into the accounting system.

All disbursements are screened by PCFOs to ensure they are made with the proper funds, and are accompanied by the all necessary documentation.

As a result of these and many other internal process changes, the Committee has dramatically improved its ability to accurately and correctly report its activity each month with the assurance that each statement of cash on hand is completely accurate.

This is evidenced in the number of RFAs received by the Committee since it has made these changes. There were 22 requests for additional information submitted for reports filed in 2005 & 2006. Since that time, the number of request submitted for for 2007 & 2008 is currently 3 each.

The total number of amendments filed by the Committee has reduced dramatically each year from 6 in 2005, and 31 in 2006, to 15 in 2007 and 2 in 2008.

Since the January 1, 2006, the Committee has committed/spent close to \$200,000 for compliance consulting services, and staff salaries directly related to compliance and accounting.

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ADR454

Clearly, the Committee is now on the right track, and its compliance and accounting practices have been vastly improved. They recognize the necessity and importance of maintaining these areas, and have made the commitment to do so.

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