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December 28, 1964

Oneida Tribe of Indians  
of Wisconsin  
Oneida, Wisconsin

Gentlemen:

Your Executive Council has asked that I review the records of your Loan and Tribal Fund for the purposes of conducting an audit and making suggestions for improving your bookkeeping methods.

A prerequisite for an audit is a formal set of books recording assets and liabilities, income and expenses. Your records do not meet this requirement, so I am unable to perform an audit or prepare financial statements for you.

In place of an audit, I have reviewed your records for the purpose of suggesting changes which would give you an accounting system including internal control.

The assets of the Loan and Tribal Fund are cash in a checking account, cash in a savings account, and notes receivable. The checking account has not been reconciled for the past several months. Receipts and new loans have not been posted to the accounts receivable journal since July 1, 1964.

To give you adequate records and the degree of internal control necessary, I would like to make the following recommendations:

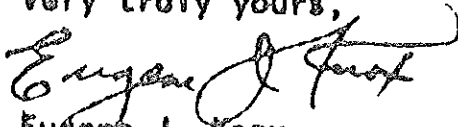
1. A general ledger should be set up and monthly postings from the cash receipts and cash disbursements be made.
2. The bank account should be reconciled promptly at the end of each month. The check book balance should agree with the general ledger balance.
3. In the review of your records, I mailed out confirmations to those owing notes to the Loan and Tribal Fund asking that they confirm the balance owed by them. There is a great need to change procedures here.

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- a. The notes receivable journal should be reconciled to the general ledger balance monthly.
- b. Of the 53 confirmations mailed out, 8 were returned stamped "address unknown". These records should be kept current for changes in addresses.
- c. The last postings of receipts and new notes was made prior to July 1, 1964. Postings should be kept current.
- d. The terms of the notes in most cases call for a monthly payment and interest. With very few exceptions, these terms are not being kept. There should be a systematic follow-up on delinquent accounts. To ensure better collections, either a mail or phone call follow-up should be started.
- e. The manner of breaking down monthly payments between principal and interest should be revised. A monthly payment is usually charged in full as a principal payment. In reality this should be broken down between interest and principal.

If you have any questions regarding any points in this letter, I would be happy to discuss them with you.

Very truly yours,

  
Eugene J. Knox

EJK/gjs