

Richard H. Stewart Jr. Charitable Foundation, Inc  
4891 Long Beach Rd. SE  
Suite 3, Box 171  
Southport, NC 28461-8712  
<https://stewartcharity.org/>

**FINAL ACTION**  
on the  
**DECEMBER 2024 FISCAL AUDIT**

31 December 2024

Redacted Version  
Financial Figures Redacted

1. I have received and reviewed the Richard H. Stewart Jr. Charitable Foundation December 2024 Fiscal Audit. Subject to the following comments, the Audit Report is accepted and approved.

**ACTION:** The Foundation Treasurer will distribute copies of the Audit to the previous Treasurer, the Foundation Secretary, the Audit Team Members, and will maintain a file of all Audits. I will ensure a copy of the Audit is posted to the Foundation website. The Public copy have financial figures redacted. I will also provide a redacted copy to the Post 543 Commander.

2. Regarding the Findings and Recommendations of the Audit, I approve the following final action:

Finding 1: Noted.

Finding 2: Resolved. On 19 December I met with Post 543 Commander McGhee to resolve the six individual issues identified. After discussion and a subsequent close review of Post 543 Bank Statements, Commander McGhee & I verified that the six transfers of funds out of the Foundation Account were indeed deposited to Accounts of Post 543. The amount of the four transfers listed in Finding 2.c were each \$0.50 less than the amount reported in the Audit due to a Bank Fee imposed on the Originator.

Finding 3: Noted.

Recommendations (Tab B): Recommendations 1, 2, and 3 are Approved.

Regarding Recommendation 4; Post 543 and the Foundation are separate entities, and the Foundation has no control over their activities. We have an established MOU which governs our relationship in many areas. I will agree to work with Post 543 to accomplish this recommendation, and the Treasurer is directed to pursue this recommendation as appropriate. The Treasurer is directed to work with the Foundation Secretary and determine if a change to the MOU is warranted and should be proposed.

Regarding Recommendation 5; The Foundation Secretary is directed to take for action.

3. My compliments to the Audit Team for an excellent job, and the previous Treasurer for an excellent job of setting up and maintaining our records, and properly managing the funds.

STEVEN H. RATTI  
President





## Richard H Stewart Charitable Foundation (Foundation)

### December 2024 Fiscal Audit

**Status:** The Foundation was created in July 2023 to create a tax deductible 501.C.3 vehicle for business and personal donations targeted at American Legion Post 543, St James, NC. The Foundation maintains a single bank account with the First National Bank (FNB). Donations are deposited in this account with corresponding transfers made to various accounts maintained by Post 543. The Foundation and Post fiscal years run from July to June.

The current Foundation Officers are:

Steve Ratti, Chairman  
Mike Carton, Director/Treasurer  
Arthur Liberty, Director

**Purpose:** This audit is being conducted to confirm the fiscal standing of the Foundation prior to transfer of Treasurer duties/responsibilities from Mike Carton to John Orem.

**Methodology:** A team of four auditors was formed in November 2024. The team reviewed all First National Bank account statements (acct # X1822) from July 2023 to November 2024, and all available records of expenses, deposits, and transfers.

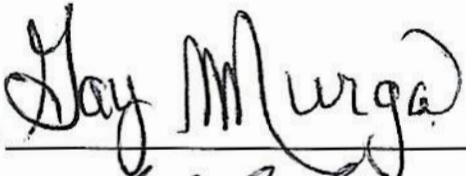
#### **Team:**

Gay Murga (Team Lead)  
Nick Pasta  
Tony Albano  
John Orem (prospective Treasurer)

#### **Findings:**

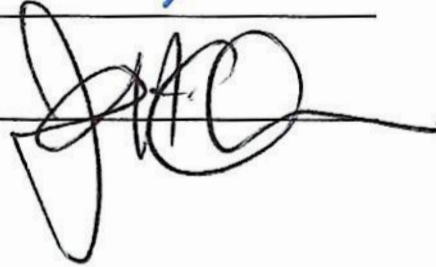
1. The team used all 17 bank statements to create a complete and chronological listing of all balances and transactions since the Foundation establishment in July 2023 (TAB A). All balances agree with the statements, and all outgoing transactions and payees were documented on either the statements, cancelled checks, or internal Treasurer notes (albeit with the discrepancies noted in the next paragraph).
2. All but 6 fund transfers out of the account were verified with confirmed destinations. The audit team was not able to verify the validity and accuracy of these 6 transfers as the associated Post 543 bank statements were not provided for review. The discrepancies are:

- a. Transfer dated 21 May 2024 for \$10250 was documented on the applicable statement and accompanied by a Treasurer's transfer slip indicating the funds were destined for the SJMAD account. However, the cancelled check is not currently available. Upon query, the Post Finance Officer states that this transfer actually went to the Post 543 general fund and not the SJMAD account. This issue remains unresolved.
  - b. Transfer dated 3 June 2024 for \$250 was documented and shows electronic transfer to a Truist account, but the specific account is not evident on either the bank statement or the Treasurer's transfer slip. Upon query, the Post Finance Officer states that this transfer went to the Post 543 general fund. This issue remains unresolved.
  - c. Four transfers dated 9, 10, 15, 17 July for \$1000.50/\$400.50/\$1000.50/\$830.50 respectively are evident on the bank statement. The Treasurer's transfer notes state the funds went to the SJMAD account (1st National Bank account) but the statement shows the funds going to Truist Bank accounts (probably other Post 543 accounts of which there are several). Upon query, the Post Finance Officer states that the first two of these transfers went to the Post 543 scholarship fund and not the SJMAD account, and that the second two transfers went to the Post 543 general fund and not the SJMAD account. This issue remains unresolved.
  - d. These six transaction destinations could be confirmed with analysis of the various Post 543 bank statements.
3. Management of the RHS Charity funding can benefit from improved and standardized documentation and accounting procedures. Specific recommendations are found in TAB B.

Gay Murga 

Tony Albano   
12/15/24

Nick Pasta 

John Orem  12/15/24

## TABS

- A. FY 2023-2024 Transaction History (created by the Audit team)
- B. Audit Team Recommendations



TAB A  
RECORD OF TRANSACTIONS  
JULY 2023-NOVEMBER 2024

**Note on Final Action on RHS Jr. Charitable  
Foundation Fiscal Audit of Dec 2024:**

**Financial Figures in Tab A have been  
redacted. Contact the Treasurer for info.**

RHS Charitable Foundation Transaction History		Month/Year	Deposits	Source	Transfer Out	Destination	Statement Confirmation	Balance	Notes/Need add'l data
		July 14, 2023		?			Yes		
		Aug 24 2023		TD Ameritrade Check 2339 From ?			Yes		
		August 25, 2024				SIMAD	Yes		
		Nov 9 2023		?			Yes		
		Jan 1 2024							
		March 11 2024					Yes		
		March 25 2024				SIMAD	Yes		
		April 23 2024		Givebutler ??			Yes		
		April 24 2024				SIMAD	Yes		
		May 3, 2024		Leblanc Hilly ?			Yes		
		May 21, 2024				Check 1001 to SIMAD	Yes		Need copy of check #1001; copy no longer available from bank
		May 23, 2024		Slims Financial			Yes		
		May 24, 2024							
		May 28, 2024		Givebutler			Yes		
		May 30, 2024		Post 551 Feigan			Yes		
		May 30, 2024		Givebutler			Yes		
		May 30, 2024				Truist Transfer	Yes		Transfer to Post account (X0411) annotated on X1822 statement
		June 3, 2024				Truist Transfer	Yes		Destination account not evident; Need verification from Truist statement
		June 6, 2024		Mollitt			Yes		
		June 7, 2024				SIMAD	Yes		

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FIGURES REDACTED

FIGURES REDACTED



RHS Charitable Foundation Transaction History

Month/Year	Deposits	Source	Transfer Out	Destination	Statement Confirmation	Balance	Notes/Adj1 data desired
July 1, 2024	Beginning Balance				Yes		
July 1, 2024	Givebutler				Yes		
July 2, 2024	Givebutler				Yes		
July 5, 2024	Annotated Individuals				Yes		
July 5, 2024	Annotated Individuals				Yes		
July 9, 2024				SJMAD	Yes		Note says transfer is to SJMAD (1st Nat), statement says Trust; verify
July 10, 2024				SJMAD	Yes		Note says transfer is to SJMAD (1st Nat), statement says Trust; verify
July 15, 2024				SJMAD	Yes		Note says transfer is to SJMAD (1st Nat), statement says Trust; verify
July 17, 2024				SJMAD	Yes		Note says transfer is to SJMAD (1st Nat), statement says Trust; verify
August 5, 2024	Unknown				Yes		
August 16, 2024	Unknown				Yes		
August 20, 2024	Unknown				Yes		
August 21, 2024	Unknown				Yes		
August 21, 2024	Givebutler			Postage expense	Yes		
August 22, 2024	Annotated Individuals				Yes		
August 27, 2024	Annotated Individuals				Yes		
August 29, 2024	Annotated Individuals			Check # 1002 to Hettl Web svcs	Yes		Copy of check # 1002 provided
August 29, 2024	Givebutler				Yes		
August 30, 2024				Check # 1003 to Post Busk From Aug deposits	Yes		Copy of check # 1003 provided
September 4, 2024	Givebutler				Yes		
September 6, 2024	Givebutler			Cloudways Web svcs	Yes		
September 12, 2024	Givebutler				Yes		
September 16, 2024	Unknown, but recorded			Check # 1004 to SJMAD	Yes		Copy of check # 1004 provided
September 19, 2024					Yes		
September 19, 2024	Givebutler			Check # 1005 to SJMAD	Yes		Copy of check # 1005 provided
September 20, 2024	Always Ready Cart Care ?				Yes		
September 23, 2024	Givebutler				Yes		
September 23, 2024	Business Donations not ID'd				Yes		
September 26, 2024					Yes		
September 30, 2024					Yes		
October 1, 2024	Fidelity?				Yes		
October 2, 2024	Annotated Business Donations				Yes		
October 7, 2024	Givebutler				Yes		
October 8, 2024	2 Business Donations w/checks				Yes		
October 10, 2024				Check # 1007 to SJMAD	Yes		Copy of check # 1007 provided
October 10, 2024				Check # 1006 to SJMAD	Yes		Copy of check # 1006 provided
October 10, 2024				Cloudways web svcs	Yes		
October 11, 2024					Yes		
October 15, 2024	Annotated Individual Donations				Yes		
October 15, 2024	Givebutler (2 Individuals noted)				Yes		
October 16, 2024				Web transfer to SJMAD (known from 1822 stmt)	Yes		
October 24, 2024	Deposit slip, Source not noted				Yes		
November 12, 2024				Cloudways web svcs	Yes		
November 15, 2024				Pickle ball bank?	Yes		
November 18, 2024	Pickleball donations				Yes		
November 18, 2024	Elles Donation				Yes		
November 18, 2024				Pickleball door prizes	Yes		
November 18, 2024				Pickleball gift cert	Yes		
November 18, 2024				Pickleball gift cert	Yes		
November 18, 2024				Check # 1008 to Post 543 (XO-11)	Yes		Copy of check # 1008 provided
November 19, 2024					Yes		

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FIGURES REDACTED

FIGURES REDACTED



TAB B  
Audit Team Recommendations

1. The Foundation Treasurer should:
  - a) maintain a ledger of transactions (Quicken Books??) used to verify monthly bank statements (and to aid future audit teams)
  - b) ensure all deposits are annotated with the source of the donation.
  - c) ensure all disbursements are recognized by a bank document stating the destination of the disbursement (bank statement or canceled check)
2. For disbursements to the Post, all disbursements should go to a single account to ease tracking of funds.
3. The Post Finance Officer should hold no finance related office within the RHS Foundation, and the RHS Treasurer should hold no finance related position within the Post.
4. Annual audits of both Post 543 and RHS Foundation accounts should be conducted concurrently with audit teams verifying transactions between the two entities. Periodically, an independent third party should review bank reconciliations to support accuracy of accounts. Full and open access to Foundation and Post financial records will be provided by the RHS Foundation Treasurer and the Post Finance Officer.
5. Creation of the RHS Charitable Foundation has added complexity to the totality of Post 543 financial management. IRS regulations should be re-evaluated to clearly understand the benefit of the independent Foundation.