



5/9/19

Attn: SOBA AMERICA NEC

Re: CFO Comments regarding SOBA America Financial Advisory Board (SAFAB)'s letter to NEC - 5/8/19

Dear Members of NEC:

I received a call from President Itoe regarding a letter as sent by the Chairman of the SOBA America Financial Advisory Board (SAFAB). Very disturbing and shocking to the claims that yours truly, Chief JN Fomenky, CFO/Executive Treasurer of SOBA America was the *raison d'être* as to the SAFAB being "unable to conduct a limited financial review due to the failure of the Treasurer to completely produce documents requested by the Board." This is an inaccurate statement as I provided all information I have and as was requested by SAFAB through its Chairman.

I find the report Political! Misrepresenting and Biased to say the least. The author of the report noted that "It should be noted that while the Treasurer was unable to provide us details of even something as basic as details on membership dues and sources of income..." the author(s) never talked about all the myriad of information and data requested that I provided to SAFAB by way of the Chairman or through him and copying all the other members of SAFAB! I provided the board with information that I had readily available and sometimes I had to pull the data from various sources to ensure I provided the information needed (See Exhibit 1 – Responses to the SAFAB).

I am appalled as to why the SAFAB would make a statement about segregation of duties when I as Treasurer have no authorization to expense any funds from SOBA America? I have no authorization to use any funds or make any purchases, pay any bills and/or invoices without the express, written and/or verbal consent of President Itoe? For all expenses, the President sends an email to the Financial Team and most often if not always, he also copies the NLT for easy access and reference.

The recommendation of the Board seeks to require or ask President to ensure I am not part of the financial operations of SOBA America 29th Convention? But the SAFAB Board seeks to ensure the Financial Secretary is part and parcel of everything on their recommendation? Have the Fins. Sec. not always been part of the financial operations of conventions and SOBA America? Am I missing something? It begs me to ask these questions: #1. What was the functions of the Financial Secretary from the time we took office in Montreal back in 2015? #2. What are the functions of the Financial Secretary today, mindful to the updated Operations Manual and Modus Operandi of SOBA America? How well have members of the Financial Team executed these functions? Jointly and/or severally? I would leave that to the SAFAB Board, and President Itoe to answer.

Further, it will seem that all or some members of the SAFAB Board spoke to Prof. Ngassa and received questions from him or had "special" meetings with him to seek to ask specific questions for me to answer? Most of these questions whose answers or the means and ways to get the answers were previously shared in the NLT WhatsApp Group or through emails. It behooves me to ask the SAFAB that questions and concerns as raised by yours truly during this review period were never addressed or



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answered? However, mirror questions as aforementioned from Prof. Ngassa were sent in exact lingo for the Treasurer to answer? Coincidence? Collusion? Or just share luck? You all could be the judge.

The SOBA America financial report as published by yours truly clearly shows all expenses and income that the SAFAB Board is unable to substantiate? A Quarterly report that ties to the nose with our Bank Statements? When was the last time SOBA America finances or Quarterly Statements of Activities tied with the Bank Statements of SOBA America? It would have been an honorable and unbiased act for the SAFAB and its members to put a report that looks at the facts as were presented rather than make assumptions and seek to speak with ½ of the Financial Team and more with other members of NLT who seek or seem to side with the ½ of the Financial Team spoken to. What is in this Statement of Quarterly Activities as Income and Expenses which is not clear? I strongly recommend President Itoe to tell NEC &/or answer the following questions:

1. Who authorizes all expenses, purchase and any monetary transaction of SOBA America?
2. When the information is authorized, what is the process for payment?
3. How is this information shared with the NLT?
4. How are revenues received to SOBA America coffers?
5. How are dues and registration received?
6. Who are those responsible to collect dues, levies and registration?

President Itoe, your answers to these questions may help shed some light to the report as presented. It may warrant SAFAB to better review its modus operandi and finger pointing report that I find inconclusive, incomplete, biased, political and misinforming.

I am wondering how come nothing is said about my recommendations as I presented to the Chairman of SAFAB, to which I mentioned I had shared with the President regarding the operations of the Convention? Nothing is said or response given about pertinent questions I asked? Nothing is said about the physical/soft ledger if any as ought to be kept by the Financial Secretary in the past 4 years? Nothing is said about the ineffectiveness regarding QuickBooks that I raised? Nothing is said about questions I raised. Your team put mirrored questions as previously posted by Prof! I was concerned and I asked how come no one asked if I had questions.

I will conclude as such, if the strong word used about me not communicating is based on and because of all the data provided and all the questions I answered and explanation I provided...then I rest my case. This is an interesting "political" report. I cannot give what I don't have. If the mention of information in crossed/checked tabulated form which I provided in sequential format as I have always used and perform my task to serve as CFO, then, we have a problem.

Respectfully,

Chief JN Fomenky II
CFO/Executive Treasurer
SOBA America Inc

CFO's Response to SAFAB's Request – Dated 4.17.2019

CFO's Response:

1. The information as provided via my CashApp is how I did the recon and truly the best I can do. I extracted the transactions. I am sorry I am not in position to provide tabulated data as you are requesting, I had no reason to tabulate the information. If you look at the CashApp transactions as provided, you should be able to search the names and see when the funds were transferred to SOBA America Bank Account.

With regards to a crosswalk, I reconciled all these transactions by transferring the multiple Bank of America transfers as evident in the plethora of emails I sent to you. To be able to do the crosswalk exercise, someone would need to search each name against each transaction. I did not tabulate the recon exercise, but I believe a singular search of respective names would yield the desired results.

A summary of monthly dues as received is reported on the quarterly statement of activities for Soba America. The bank statement may help us reconcile the monthly transactions. This is the modus operandi I use.

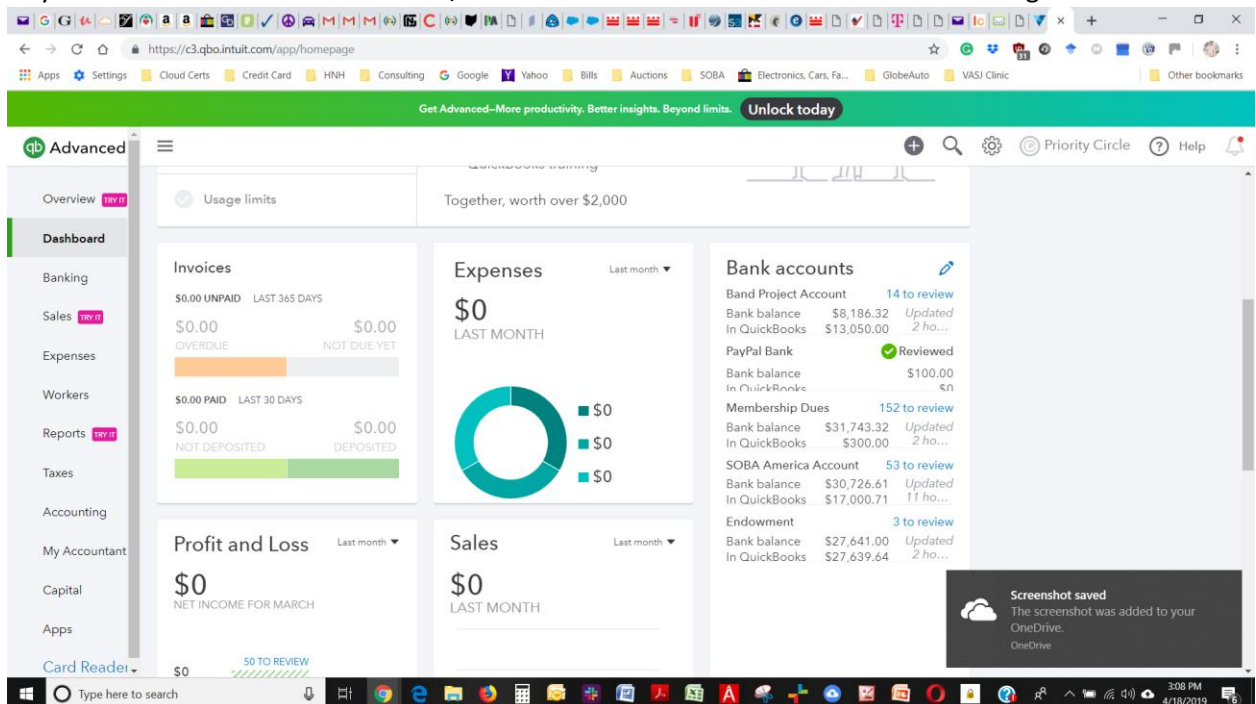
2. There were transactions from June through November, 2018. The bulk of the transactions started in October and November, 2018. There were no Soba America related transactions for June, 2018 and September, 2018. In July, I received a couple of registration. For August, I received registration for Kamga and Dzekedze. For October, and November, I received multiple registrations as well through my CashApp. Payments as received were all transferred to SOBA America's account. The records can be reviewed from the details on the CashApp details and a search to validate the funds did transfer to SOBA. I did not do this recon in a tabulated form.
3. The series of emails I sent to you is the means I used to ensure the funds were transferred as received by my CashApp account and then to Soba America's. This is why I had plenty of notes so as to be able to search or review. I realize the search is not 100% but this is the best I could do, else after so many transactions I would reach the Zelle daily limit and have to wait 24 hrs.
4. The President of Soba America approves all expenses before the funds are disbursed. All approved expenses are shared in the NLT group and I do well to ensure I record them for the respective periods/months on the quarterly statement of activities. I recommend the quarterly statement of activities as created by me be reviewed and to serve as guideline.
5. I do not use work papers to support transactions but more for recon exercises. As you may recall, I shared one with you for the CashApp recon exercise because the transactions were many. For most of the transactions the details are shared with all members of the NLT whenever the President advises as to what needs to be done. Some of the expenses are recurring expenses.
6. Yes, \$9,186.45 to be exact. I brief the president of the challenges encountered to move these funds out of PayPal. I think the issues stem from the fact that we recently recovered the treasurer@sobamerica.org account and updated our PayPal in Mid February 2019. So when the transfer was initiated, the funds were held up by PayPal. It took weeks to clear the verification process. The funds were finally transferred to our bank account on 3/22/19.
7. I didn't send because there were no material transactions but for earned interest income. I will do well to send them.

CFO's Response to SAFAB's Request – Dated 4.17.2019

CFO's Questions and Concerns:

Mr. Chairman, I feel as if the review exercise is an attempt to redo the chores and tasks already performed as CFO? Some of the requests are mind-boggling; for example, the request to perform a cross-walk/check analysis? Tabulate requests and so much more? I come from the school of thought that when information is requested, no matter how that data is presented, the requestor may then tabulate and rearrange the data as seem fit for the use. This got me thinking and I now have the following questions for you and your team:

- a. Have you guys asked all other members of the NLT, especially those who collected registration the same questions? Especially on how, for who, and when the registration were collected and how, when the funds were transferred to SOBA America's account? I think this is a critical exercise that needs to be done. With the volume, there is a possibility for errors to occur.
- b. Have you asked why the QuickBooks Project has not made any progress? I am curious as to the holdup? So much time and energy was invested on this control structure and now it seems no one is talking about it? Why has none of the accounts been reconciled? Do you realize that had this task been accomplished, most of the questions we are asking and info requesting here may have been answered and reconciled already? Take a look at the screen shot as of today, 4/18/2019 to see what our QuickBooks is reporting. This is months behind schedule. If QuickBooks can't be used as a tool to answer our financial questions, what purpose is it serving then? It may be good to let the GA know where our QuickBooks recon stands after all. This is why I advocated the need for a Jr and/or staff accountant! This task will be demanding



- c. It almost seems as though we are attempting to do a balance sheet scrub? If this is the case, it sure feels as though all questions pertain to me or at least majority at the behest of others who need me to do clerical work for their review and convenience?

CFO's Response to SAFAB's Request – Dated 4.17.2019

CFO's Recommendations:

1. **Trust, but verify:** This principle would help avoid confusion and errors in the future. The modus operandi should be such that, until payments are in SOBA's confers, the payment is not recorded anywhere. This is an error that may happen to the best of us. SOBA America now has a dedicated WhatsApp account with a dedicated phone number. All payments may be made directly, sans human touch! We should promote the usage. It helps with recon exercise.
2. **Promote the use of the Official Payment Options Only:** SOBA America's CashApp, BoA Payments via Treasurer@SobAmerica.org or via mobile money/phone number to 469-506-3432. Website: www.sobamerica.org PayPal: Treasurer@SobAmerica.org or via phone number to 469-506-3432. The beauty with electronic payments is that we can always go back to search and review. We should avoid cash transactions as much as possible.
3. **Avoid Cash Transactions and speak against it**
4. The Financial Secretary should keep a monthly Ledger (Manual or in electronic form). A beginning balance that ties out to all bank statements should be the starting point. He must keep records of all in flows and out flows for the month and by the 5th business day of the next month, he should then send a copy of that ledger as an email to both the President and CFO. The President should then request the CFO confirm the records as presented. Any discrepancies, errors may be solved quickly. The ultimate test would be for the FS's Ledger to tie-out to the CFO's Bank Statements monthly and subsequently on a quarterly basis.
5. The convention is near. I have presented the President with some control structures I believe we need to put in place during the convention. Has this information been shared with the SAFAB? My proposal would help safeguard and streamline the required reporting post convention which is another demanding task to ensure we get it right. I have 2 mobile payment/credit card processing devices ready to go as well (Square & PayPal)
6. It seems to me the SAFAB may be working in the singular interest of one or more members of the NLT who may need the help of SAFAB to execute their duties and functions? I say this because there are a lot of questions which are mirrored to what I had received from some members of the NLT and either answered or provided data where the questions may be answered, but surprisingly the questions keep recurring (e.g. the famous PayPal transactions). If members of SAFAB are taking questions from some members of the NLT to ask others, how come a Q & A or a request for questions was not sort from all members so as to present SAFAB with questions members may have? May be I am a bit too analytical? I will think of others to share momentarily. I think it may be necessary for us to have a conference call so I may better explain the modus operandi and walk through with the process on how the quarterly financial activities are created and the check review process I go through.

Thank you!

Chief

CFO

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