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September 10, 2018

To Management and the Board of Directors
The Coleman Foundation, Inc.
Chicago, Illinois

In planning and performing our audit of the financial statements of The Coleman Foundation, Inc. (the Foundation) as of and for the year ended December 31, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, we did not identify any deficiencies in internal control during our audit that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our audit was also not designed to identify deficiencies in internal control that might be significant deficiencies. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the Foundation's internal control to be significant deficiencies:

Bank Reconciliation Review

The CFO performs the bank reconciliation and is also involved in check authorization, check signing, preparation of the positive pay file and has access to the check processing software. While we understand that dual signatures are required, which helps mitigate the lack of segregation of duties, we believe that a review of the bank reconciliation is necessary to further mitigate risk and enhance controls over the cash disbursement cycle. We suggest that an individual, such as the Chief Executive Officer or a member of the Board, review the bank reconciliations periodically for any unusual items, investigate and fully resolve any such items and document approval by initialing the form.

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Journal Entry Authorization

During the audit, we noted that there is not a process in place to review journal entries. Journal entries carry a heightened risk since they are the mechanism most often used to conceal fraud. We recommend that management categorize journal entries into recurring journal entries and nonrecurring journal entries. Recurring entries, such as recording investment activity and processing payroll, could be documented as part of the authorized monthly activity without individual approval. However, nonrecurring journal entries, which could include reclassifications, corrections of errors, write-offs or adjustments to account balances, should be approved by someone outside of accounting.

Following are descriptions of other items that were not considered deficiencies in the internal control but rather suggestions to improve the Foundation's practices and procedures.

Accounting and Personnel Manual

We suggest that the Foundation establish an accounting and personnel manual that would inform all employees of desired operating procedures and policies. Such a manual would serve as an aid in training new employees, monitoring the performance of existing employees and improving internal communications. At a minimum, the manual should include:

- Job descriptions, outlining duties and responsibilities
- Descriptions of methods, procedures and accounting practices to be followed
- Personnel policies such as vacation, sick time and medical leave
- Travel and expense reimbursement policies
- Any other documents or forms for which uniformity of use is desired

This communication is intended solely for the information and use of management, Board of Directors, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties. We appreciate serving the Foundation and would be happy to assist you in addressing and implementing any of the suggestions above.

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