May 27, 2016

Board of Directors
Online Journalism Project, Incorporated
493 Central Avenue
New Haven, CT 06515

As a regular part of my examination of the financial statements for the year ended December 31, 2015, I made a study of the accounting procedures and system of internal accounting control employed by the Organization. My examination would not necessarily disclose all weaknesses in the system of internal control because it was based on selective tests of accounting records and related data.

The accompanying recommendations are submitted to assist in improving accounting administrative, and operations controls and procedures. I have summarized below those matters of major importance I believe warrant the attention of the Board. An asterisk "*" denotes a comment that was made in the prior fiscal year.

ACCOUNTING SYSTEMS AND INTERNAL CONTROLS

*Payroll
During my examination it was noted that employees of the Organization do not prepare and submit formal timesheets. Time worked by employees should be documented on a timesheet, signed by the employee, approved by management and submitted prior to issuance of payroll. This documentation is required for hourly employees to be in compliance with State of Connecticut Labor law.

In addition, employees are paid prior to working the actual hours. I would recommend that payroll for a given time period be paid after the hours are worked by the respective employee.

*Record Keeping and Retention
During the course of my examination it was noted that thirty eight vendor invoices totaling $26,134 were not maintained by the Organization. I would recommend that all vendor invoices be retained by the Organization at all times. In addition, all invoices should have approval to pay and be marked paid, both in writing, by an authorized individual.
*Rental Agreements
The Organization currently rents two locations on a month to month basis without any formal, written rental agreements. I recommend that the Organization properly formalize their respective rental agreements in writing.

Computerized Accounting System
I recommend when recording deposits the Organization always include the customer/grantor name in order to document the source of funds.

In addition, disbursements should be posted using the date the check was issued and not using the date when the disbursement cleared the bank.

Grant Documents
Grant documents were not always available in 2015. These are important documents needed to properly establish the kind of income received and the appropriate period for which that income is to be recognized.

I appreciate the opportunity to present these comments for your consideration. I am prepared to discuss them at your convenience and to provide such assistance in their implementation as you may desire.

Very truly yours,

Michael J. Paolini, C.P.A.