

Internal Controls Checklist*

| | Yes | No | Not Sure | N/A |
|--|-----|----|----------|-----|
| Cash Receipts | | | | |
| 1. Are checks endorsed "for deposit only" immediately upon receipt? | | | | |
| 2. Does someone prepare a daily list of all cash and checks immediately upon receipt? | | | | |
| 3. Are duplicate deposit slips and copies of checks retained in the files? | | | | |
| 4. Is the person who has custody of actual cash and checks different from the person recording them and acknowledging them in case of contributions? | | | | |
| 5. Are all cash and checks deposited intact and on a timely basis? | | | | |
| 6. Are restricted contributions clearly identified and recorded as restricted on the general ledger? | | | | |
| 7. Is all cash received, counted and verified by two employees? | | | | |
| 8. When events involve admission fees, does the agency issue pre-numbered tickets, with a record of tickets printed, issued, used and unused, which is then compared to funds deposited? | | | | |
| 9. Does the organization send acknowledgements to contributors and are copies of or record of such acknowledgements kept on file? | | | | |
| Cash Disbursements | | | | |
| 10. Are all disbursements, except those from petty cash, made by pre-numbered checks? | | | | |
| 11. Are void checks preserved and filed after appropriate mutilation? | | | | |
| 12. Is there a written prohibition against issuing checks payable to "cash"? | | | | |
| 13. Is there a written prohibition against signing checks in advance? | | | | |
| 14. Is a cash disbursement voucher prepared for each invoice or request for reimbursement that details the description of expense account to be charged and contains authorization signature and accompanying receipts and/or vendor invoices? | | | | |
| 15. Are all expenses approved in advance by authorized persons? | | | | |
| 16. Do the check signors review supporting documentation of expenses and approvals at the time of signing checks? | | | | |
| 17. Are signed checks mailed promptly? | | | | |
| 18. Are paid invoices marked paid or attached to a copy of the check prior to filing? | | | | |
| 19. Are requests for reimbursement checked for mathematical accuracy and reasonableness before approval? | | | | |
| 20. Is check-signing authority vested in persons at appropriately high levels in the organization who do not have any accounting responsibility? | | | | |
| 21. Do checks require two signatures? | | | | |

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| 22. Are bank statements and cancelled checks received and reviewed by a person independent of the accounting functions? | | | | |
| 23. Are unpaid invoices maintained in an unpaid invoice file? | | | | |
| 24. Is a list of unpaid invoices regularly prepared, reviewed and compared to those invoices in the unpaid invoice file? | | | | |
| 25. If purchase orders are used, are all purchases supported by a pre-numbered purchase order? | | | | |
| 26. Are advance payments to vendors and/or employees recorded as receivables and controlled in a manner which assures that they will be offset against invoices or expense vouchers? | | | | |
| 27. Are employees required to submit expense reports for all travel related expenses on a timely basis? | | | | |
| Petty Cash | | | | |
| 28. Is an imprest petty cash fund maintained for payment of small, incidental expenses? | | | | |
| 29. Does the organization follow a policy limiting the amount that can be reimbursed by the petty cash fund? | | | | |
| 30. Is supporting documentation required for all petty cash disbursements? | | | | |
| 31. Is a petty cash voucher filled out with supporting documentation, name of person being reimbursed, and proper authorization? | | | | |
| 32. Is access to petty cash limited to one person who is the fund custodian? | | | | |
| 33. Are unannounced counts of petty cash made by someone within the organization other than the fund custodian? | | | | |
| Payroll | | | | |
| 34. Are time sheets required documenting employee hours, overtime and what activity the employee worked on? | | | | |
| 35. Are time sheets signed by employees and reviewed and signed by their immediate supervisors? | | | | |
| 36. Are employment records maintained for each employee that detail wage rates, benefits, tax rates, and other pertinent information? | | | | |
| 37. Are withheld employment taxes and employer taxes paid on a timely basis to the taxing authorities? | | | | |
| 38. Do written policies and procedures exist for accounting for vacations, holidays, sick leave, and other benefits? | | | | |
| Fixed Assets | | | | |
| 39. Does the organization have a capitalization and depreciation policy? | | | | |
| 40. Are additions to fixed assets recorded in a fixed asset ledger? | | | | |
| 41. Does the fixed asset ledger list description of each item, serial number, location, date of acquisition, cost or fair value if donated, useful life, depreciation method, accumulated depreciation and funding source if funds were provided by a funding source with restrictions on disposition of assets? | | | | |
| 42. Is the fixed asset ledger reconciled with the general ledger periodically? | | | | |
| 43. Are purchase, transfer and disposal of fixed assets promptly recorded in the ledger? | | | | |

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| 44. Does the organization conduct a physical inventory annually and update the fixed asset and the general ledgers? | | | | |
| Financial Statements | | | | |
| 45. Is a statement of financial position prepared monthly and reviewed by the management and the finance committee? | | | | |
| 46. Are monthly reports comparing income and expenses with approved budget by activity and for the organization as a whole prepared and reviewed by the management and the finance committee? | | | | |
| 47. Is an updated cash flow projection prepared and reviewed by the management and the finance committee? | | | | |
| General Area | | | | |
| 48. Is a chart of accounts used? | | | | |
| 49. Does the chart of accounts provide for tracking expenses by activity? | | | | |
| 50. Does the chart of accounts provide for tracking direct and indirect expenses if the organization receives federal funds? | | | | |
| 51. Does the chart of accounts provide for tracking unallowable costs if the organization expends federal funds? | | | | |
| 52. Are accounting and program staff knowledgeable about all fund source rules, regulations and requirements? | | | | |
| 53. Is fund accounting used to track restricted grants and the spending related to them? | | | | |
| 54. Are accounting records up to date, and monthly financial statements prepared on a timely basis (timely being defined as 10 days to 3 weeks maximum)? | | | | |
| 55. Does the board of directors approve the annual budget? | | | | |
| 56. Does an accounting procedure and policies manual exist that is reviewed and revised annually? | | | | |
| 57. Do accounting staff take annual vacation and are their basic duties performed by someone else in their absence? | | | | |
| 58. Are all appropriate federal, state, and local information returns filed on a timely basis? | | | | |