

# Internal Controls Checklist

	Yes	No	Not Sure	Not Applicable
<b>Cash Receipts</b>				
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?	_____	_____	_____	_____

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<b>Cash Disbursements</b>				
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?	_____	_____	_____	_____
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?	_____	_____	_____	_____

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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?	_____	_____	_____	_____
<b>Petty Cash</b>				
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?	_____	_____	_____	_____
<b>Payroll</b>				
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?	_____	_____	_____	_____

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38. Do written policies and procedures exist for accounting for vacations, holidays, sick leave, and other benefits?	_____	_____	_____	_____
<b>Fixed Assets</b>				
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?	_____	_____	_____	_____
44. Does the organization conduct a physical inventory annually and update the fixed asset and the general ledgers?	_____	_____	_____	_____
<b>Financial Statements</b>				
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?	_____	_____	_____	_____
<b>General Area</b>				
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?	_____	_____	_____	_____

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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?	_____	_____	_____	_____