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Vermont Journalism Trust

Internal Accounting Controls Checklist/Questionnaire

12/31/11

Cash Disbursements

- Are all disbursements, except those from petty cash, made by pre-numbered checks?
- Are voided checks preserved and filed after appropriate mutilation?
- Is there a written prohibition against drawing checks payable to Cash?
- Is there a written prohibition against signing checks in advance?
- Is a cash disbursement voucher prepared for each invoice or request for reimbursement that details the date of check, check number, payee, amount of check, description of expense account (and restricted fund) to be charged, authorization signature, and accompanying receipts?
- Are all expenditures approved in advance by authorized persons?
- Are signed checks mailed promptly?
- Does the check signer review the cash disbursement voucher for the proper approved authorization and supporting documentation of expenses?
- Are invoices marked Paid with the date and amount of the check?
- Are requests for reimbursement and other invoices checked for mathematical accuracy and reasonableness before approval?
- Is a cash disbursement journal prepared monthly that details the date of check, check number, payee, amount of check, and columnar description of expense account (and restricted fund) to be charged?
- Is check-signing authority vested in persons at appropriately high levels in the organization?
- Are the numbers of authorized signatures limited to the minimum practical number?

- Do larger checks require two signatures?
- Are bank statements and canceled checks received and reconciled by a person independent of the authorization and check signing function?
- Are unpaid invoices maintained in an unpaid invoice file?
- Is a list of unpaid invoices regularly prepared and periodically reviewed?
- Are invoices from unfamiliar or unusual vendors reviewed and approved for payment by authorized personnel who are independent of the invoice processing function?
- If the organization keeps an accounts payable register, are payments promptly recorded in the register to avoid double payment?
- If purchase orders are used, are all purchase transactions used with pre-numbered purchase orders?
- 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?
- Are employees required to submit expense reports for all travel related expenses on a timely basis?

Cash Receipts

- Is a daily cash receipts log maintained (keeping track of all monies received)? The log can be in manual or electronic format and should contain the amount received, the name of the payer, purpose of the payment and its form (cash or check).
- Are receipts provided? Ideally, receipts should be pre-numbered and in two-part. One copy should be provided to the payer while the other copy is kept on file. Total deposits can be verified independently by another person by accounting for each sequentially numbered receipt.
- Are two people present when cash receipts are received? If cash or checks are received regularly in the mail, two persons should be present when the mail is opened. One person should total the remittances and the other, the payments. The totals should then be agreed and the remittances forwarded to the appropriate area for data entry. A deposit slip should be prepared and forwarded with the cash/checks to Cash Operations. The deposit slips should be reconciled by a third person to the general ledger.
- Is cash transferred between person to person? Keep transfers of cash from person to person to a minimum. Accountability is lost when several people handle cash before it is deposited. If transfers must take place be sure to document it. If you are the transferor you should get a receipt, if you are the transferee you should verify what you are told you are receiving is actually what

you are receiving before you provide a receipt. Use of a drop-off/pick-up log can be beneficial when transporting deposits.

- Are checks restrictively endorsed when received? Restrictively endorse checks immediately upon receipt with a stamp stating "For Deposit Only - Syracuse University".
- Are checks/cash locked away before deposit? Keep cash/checks in a locked and secure area until they can be deposited. Access to the area should be restricted to only 2 people, one serving as a backup. If a person with custody responsibilities leaves their position, any keys should be collected or combinations changed. Remember that while cash or checks are in your custody you are responsible for it.
- Are receipts deposited in a timely fashion? Make timely deposits. The sooner you deposit cash/checks the less exposure to theft or loss of funds. Ideally deposits should be made within 24 hours. If amounts are insignificant (less than \$100) then deposits can be made weekly.
- Are receipts verified? Verify the deposit by agreeing Cash Operations deposit slip to the general ledger on a monthly basis.
- Are duties segregated? Duties should be segregated, meaning that the person recording the receipt should not be the same as that making the deposit. Additionally, a person independent of recorder and depositor responsibilities should reconcile the deposit to the general ledger. If there are only 2 people in the department, the reconciliation should be performed by the person collecting the receipts.
- Are bank reconciliations performed? Are credit card statements reviewed? Bank reconciliations and credit card statements should be reconciled and reviewed frequently by someone other than who prepares/reviews them.
- Are gifts/donations frequently received? If gifts are received, they should be forwarded to the Development Office immediately for processing.

Payroll

- Is payroll reviewed? The payroll register should be reviewed by an employee separate from the payroll process.

Management Letter Recommendations

- Accounting and procedures manual
 - Capitalization policy, cash receipts and disbursements documented procedures, etc...
- 990 policies

- Whistleblower, Document retention and destruction policy, Gift acceptance policy, Conflict of interest policy, (annual disclosure for better accountability) etc...
- Disaster recover plan
 - Responsibilities of various personnel during emergencies. Identification of a backup location with similar or compatible equipment for emergency processing. Priority of critical applications and reporting requirements during the emergency period, etc...