



SIMPLIFIED INTERNAL CONTROL POLICIES AND PROCEDURES CHECKLIST

Cash Receipts:

- Is incoming mail opened, listed, and deposited by persons separate from the recording of receipts and receivable accounting records?
- Are receipts always issued for collections, other than through the mail?
- Are prenumbered cash receipts prepared and attached to customer remittance data?
- Are the mail receipts compared to the cash receipts and bank deposit slip?
- Are numerical sequences of prenumbered receipts accounted for?
- Are currency receipts reconciled to the cash register?
- Are deposits made daily?
- Are accounts receivable billings reconciled monthly and delinquent accounts investigated?
- Are accounts receivable write-offs and adjustments reviewed and authorized?

Cash Disbursements:

- Are all payments made by check or credit card (vs. cash)?
- Does support accompany the check when presented for signature?
- Are all checks or check requests approved for payment by the check signer?
- Are voided checks properly mutilated and retained?

(Over)

- Are all supporting documents properly canceled at the time of signature to prevent duplicate payment?
- Are physical and accounting controls over checks and credit cards used?
- Are details of credit card charges maintained and reviewed?

Bank Reconciliation:

- Are bank accounts reconciled soon after the end of each month and reviewed by management?
- Are old, outstanding checks investigated and is stop payment made?

General:

- Is petty cash periodically examined?
- Are there procedures to prevent unauthorized access to inventories?
- Is payroll verified and properly reviewed?
- Are general journal entries properly authorized?
- Are monthly accounting reports prepared timely?
- Are there documented internal control procedures?
- Is there proper segregation of duties?
- Are people required to take vacations and/or rotate functions?
- Are security controls over IT addressed, are procedures in place to remove former employee's access, and are proper back-ups made and stored offsite?
- Is employee fidelity bond/dishonesty insurance adequate?
- Does management demonstrate the importance of integrity?

This is a simplified internal control checklist. All organizations are complex and unique regarding operations and internal controls. Therefore, please consult with us regarding the organization's specific circumstances and more detailed internal control policies and procedures.