

INTERNAL CONTROLS CHECKLIST

Effective internal controls can help safeguard your organization’s assets and ensure the integrity of your accounting records. Below is a list of 13 questions that can help diagnose the current state of your internal controls. Your organization is assuming more risk than necessary if you answer one of the following questions "no."

Although this list is designed to help direct an accurate evaluation of your organization’s policies and procedures, it should not be considered all-inclusive. You will need to answer more than these 13 questions in order to accurately evaluate how internal controls are functioning at your organization.

	YES	NO
1. Are bank statements, returned checks, and bank reconciliations reviewed promptly by someone who is independent of accounts receivable, accounts payable, cash receipts and the preparation of bank reconciliations?	<input type="radio"/>	<input type="radio"/>
2. Is a log kept of incoming checks and other payments and reconciled to the bank statement? Are incoming receipts deposited intact daily?	<input type="radio"/>	<input type="radio"/>
3. Are “thank you letters” sent to donors? If discrepancies are reported, are they followed up on?	<input type="radio"/>	<input type="radio"/>
4. Are all expense reimbursements and credit card statements reviewed along with receipts supporting the purchases?	<input type="radio"/>	<input type="radio"/>
5. Is the final payroll report reviewed after the payroll information is uploaded to ensure the final payment information is accurate?	<input type="radio"/>	<input type="radio"/>
6. Are the people with authority to sign checks, make wire transfers or initiate ACH payments separate from those with access to the accounting system?	<input type="radio"/>	<input type="radio"/>
7. Do journal entries include proper support and are they reviewed by a second person?	<input type="radio"/>	<input type="radio"/>
8. Are reconciliations of contributions done between the accounting records and development records?	<input type="radio"/>	<input type="radio"/>
9. Are financial statements prepared monthly and reviewed by management and the board? Are questions followed up on and any errors corrected?	<input type="radio"/>	<input type="radio"/>
10. Are bad debt write offs approved in writing by appropriate personnel?	<input type="radio"/>	<input type="radio"/>
11. Are background reports done on all employees prior to hiring?	<input type="radio"/>	<input type="radio"/>
12. Do you require employees who are involved in the accounting function to take vacation (at least one consecutive week per year)?	<input type="radio"/>	<input type="radio"/>
13. Are purchases reviewed to make sure sales or use tax is paid? If you're collecting sales tax, are you periodically reconciling your sales tax payable account to make sure you're remitting those trust funds to the State?	<input type="radio"/>	<input type="radio"/>



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