

Internal Financial Controls

Accounting System – Recommended at least 2 person access.

Password protected, access shared with Treasurer & another board member. Financials should be reviewed on a monthly basis by someone other than the Treasurer. Adjusting financial entries should be reviewed and require approval by a second party.

Payments Received – Checks

Checks should be recorded and copied by the person receiving them before passing to the Treasurer for deposit preparation. Upon deposit completion, a cross check of payments received vs. checks deposited is recommended.

Payments Received – Online

Online payments should be reconciled and reviewed monthly by a party other than the person processing the online payments.

Payments Received – Cash

Cash is counted and verified by someone prior to passing to the Treasurer for deposit preparation. It is recommended that upon completion, cash deposits are verified by someone other than the person who made the cash deposit at the financial institution.

Monthly Bank Statements

Bank statements should be reviewed monthly by the President (if there is a conflict of interest between the President and Treasurer, the Vice President should complete the review) prior to being reconciled by the Treasurer. This should be completed on a monthly basis. Once the monthly reconciliation has been completed, this report should be reviewed by another party.

Cash Disbursement: Checks, debit/credit cards, online payments (Maintain a listing of approved vendors)

Checks

Recommended to have at least 2 authorized signers for checks. Checks should be prepared through the financial program. Treasurer can be the primary check signer. Typically the Treasurer processes payment and should retain supporting payment documentation. It is recommended that a second party review and cross reference accounts payable, prior to payments being issued.

Expenses up to \$2,500	Treasurer
Expenses between \$2,501-\$5,000	Treasurer & President
Expenses over \$5,000	Board approval needed

***Amounts can be adjusted according to member organization board recommendations, within reason.

President or second party should review all financials on a monthly basis, including but not limited to revenue and cash disbursements.

Check number sequence should be verified each time check disbursements are processed to eliminate chance of fraud.

Organization Debit/Credit Cards

An individual other than the primary cardholder should review monthly statements, crosscheck charges and confirm validity of expenses.

Online Payments/Automatic Withdrawals

Supporting documentation should be provided for all online payments or automatic withdrawals and a second party should review all withdrawals.

Disclaimer:

It's important to note, these best practices cover some basic financial areas of control and are not meant to be all encompassing. Please keep in mind, organizations vary in size and may require additional controls be in place.