

SAMPLE INTERNAL CONTROLS POLICY

For CASA programs

I. GENERAL

- The board of directors is responsible for authorizing all bank accounts and check signers.
- Financial institutions where CASA accounts are maintained are notified on an annual basis of any changes in check signers, following the transition of officers or changes in staff with check signing responsibilities.
- Financial reports shall be presented to the board of directors for review on a monthly basis.
- An annual financial review or audit, depending upon the size of the budget, will be conducted by a qualified outside auditor.
- Applicable financial and administrative guidelines relating to specific grant funding shall be followed.

II. CASH RECEIPTS

- Employees handling cash will have the necessary knowledge and skills to perform the job and will be carefully supervised.
- Cash receipts must be deposited within 3 days of receipt or when the deposit amount exceeds \$2,000, whichever comes first.
- Incoming checks must be restrictively endorsed, “for deposit only” with the organization’s account number, when received.
- Incoming cash must be counted and receipts/bank deposits developed by two or more persons authorized to perform these functions.
- Records of cash received must be totaled and initialized by authorized employees.
- Cash collection documentation totals must be compared and reconciled to bank deposit receipts on a regular basis.
- Bank deposit receipts must be compared and attached to the original bank deposit slips.
- Adequate physical controls must be maintained over cash receipts from the time of receipt to deposit in the bank.

III. CASH DISBURSEMENTS

A. Check Authorization

- The director must provide approval for all disbursements.
- Supporting documentation must accompany checks when presented for signature.

B. Checks

- All disbursements must be made by check.
- Only pre-numbered checks shall be used and always in sequence.
- Signing of blank checks is strictly prohibited. Checks must be made payable to specific payees based upon appropriate documentation; and never to “cash” or “bearer”.
- Prior to preparing checks, receiving reports should be compared to vendor invoices for accuracy. Checks must be prepared from vendor invoices only and not from a vendor statement.
- Signature stamps may never be used to sign checks.
- Dual signatures are required for all checks, including any of two of the following signatures: president, vice president, secretary, treasurer, CASA director.
- Access to blank checks must be limited to persons authorized to prepare checks. Blank check stock must be locked in a secure place when not in use.
- Any voided/spoiled checks must be marked “Void”, shredded with the signature portion removed and retained in a secure place.

C. Bank Reconciliations

- Bank accounts must be reconciled by the person responsible on a monthly basis and reviewed by the director.
- The director must receive the bank statements, including canceled checks, etc., unopened from the bank. All check numbers must be accounted for.
- Checks outstanding over 90 days must be periodically investigated, with payment stopped and an entry made restoring such items to cash if appropriate.

IV. TRAVEL AND EXPENSES

- Employees must submit a detailed expense record, with supporting documentation, in order to be reimbursed for expenses; and initialed for approval by the director prior to payment.