

## 10 Commandments Of Internal Controls\*



- 1) Thou shalt not sign blank checks or leave blank check stock unsecured.
- 2) Thou shalt deposit all checks in a timely manner (preferably daily). If a deposit is not made daily, then the undeposited funds should be adequately secured.
- 3) Thou shalt not accept cash. If absolutely necessary to accept cash, then do so only with 2 witnesses and generate a receipt for the files.
- 4) Thou shalt not make checks payable to "CASH".
- 5) Thou shalt require invoices, or other type of verification of the expense, on all paid bills. That invoice should be "canceled" in some manner or marked "paid" after payment to avoid duplicate payment. The invoice should not be paid unless approved for payment.
- 6) Thou shalt have 2 board signers on reserve withdrawals. Thou shalt not allow telephone withdrawals of reserve funds.
- 7) Thou shalt update signature cards in a timely manner, whenever there is a change in board members or change in management personnel. The Board may want to consider having a board member deliver/mail the signature cards to the bank.
- 8) Thou shalt require approval of write-offs of A/R balances by a person other than the person making the deposits and reconciling the bank accounts. The board shalt approve all write-offs over a certain amount and document in the minutes.
- 9) Thou shalt review all bank statements and reconciliations monthly for ALL bank accounts- including CD's.
- 10) Thou shalt receive financial statements monthly.

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Be Social



1737 S. Naperville Road, Suite 103, Wheaton, IL 60189

855.301.9400

**canteycpa.com**