

<b>1</b>	<b>Internal Controls (financial procedures)</b> - Assess strength of internal/financial controls, and how well the organization/agency follows its own systems of controls.
a	<p><b>Separate financial duties</b> (<i>any single individual is limited from having control over two or more phases of a financial transaction or operation; established lines of authority for those involved in financial transactions and operations</i>).</p> <p><input type="checkbox"/> Duties are segregated for individuals with access to accounting systems and accounting records</p> <p><input type="checkbox"/> Duties are segregated for individuals with access to assets</p> <p><input type="checkbox"/> Duties are segregated for individuals in management or control positions</p> <p><input type="checkbox"/> Duties are segregated for individuals exercising independent oversight (boards of directors)</p>
b	<p><b>Cash/check handling procedures</b></p> <p><input type="checkbox"/> Cash registers or multi-copy receipt books used in collection of cash/checks</p> <p><input type="checkbox"/> Separation of duties and frequency for cash/check collection and deposit</p> <p><input type="checkbox"/> Management verification of cash/checks received and deposited</p>
c	<p><b>Document income from sources other than cash (checks, credit cards, etc.)</b></p> <p><input type="checkbox"/> Checks are restrictively endorsed immediately upon receipt</p> <p><input type="checkbox"/> Checks and deposit slips are copied before being deposited</p> <p><input type="checkbox"/> Non-cash donations have similar controls to cash donations to ensure they are properly received, recorded and accounted for</p> <p><input type="checkbox"/> Bank statements and supporting documentation are reviewed by someone other than individuals authorized to deposit and withdraw</p> <p><input type="checkbox"/> Follows a policy for receiving donations and non-cash gifts (including assessment of value)</p>
d	<p><b>Control use of credit and debit cards</b></p> <p><input type="checkbox"/> Number of users is limited</p> <p><input type="checkbox"/> Policies are set for use of credit and debit cards</p> <p><input type="checkbox"/> Statements and supporting documentation are reviewed by someone other than the authorized card holders</p>
e	<p><b>Control disbursements of payments</b></p> <p><input type="checkbox"/> Disbursements (check, positive pay, e-pay) are approved by someone other than person who physically makes the payment</p> <p><input type="checkbox"/> Approver confirms payment is supported by appropriate check request, invoice, purchase order</p> <p><input type="checkbox"/> Approver confirms invoice is paid only once and stated amount of goods was truly received</p> <p><input type="checkbox"/> Accounts reviewed for reasonableness, duplication, and “ghost vendors”</p> <p><input type="checkbox"/> Cash expenditures are avoided; two signatures required on all checks</p>
f	<p><b>Control expense reimbursements</b></p> <p><input type="checkbox"/> Reimbursable expenses are preauthorized, and reimbursed only if original receipts/documentation are submitted with reimbursement requests</p> <p><input type="checkbox"/> No one writes their own reimbursement check</p> <p><input type="checkbox"/> Retains check stubs, copies of reimbursement checks, receipts, authorization forms, etc.</p>
g	<p><b>Accounting system and security</b></p> <p>Accounting method: <input type="checkbox"/> Cash basis <input type="checkbox"/> Accrual <input type="checkbox"/> Both cash-basis and accrual</p> <p><input type="checkbox"/> Bookkeeping tasks are well defined and distinct from accounting tasks</p>

	<input type="checkbox"/> Accountant has expertise and experience working with non-profit organizations and grant funds <input type="checkbox"/> Uses proven and reliable accounting software <input type="checkbox"/> Accounting system is password protected, and only authorized individuals have password access <input type="checkbox"/> Financial data is electronically stored and backed-up on and off site
Proof:	Internal controls (financial procedures) policy
	Screen shot of accounting system log in page
	Policy for financial data security and storage (if separate from internal controls policy)
	Donation acceptance policy
Grantee Comments	
<b>2</b>	<b>Budget Management and Financial Practices</b> - Assess strength of budget process and oversight and ensure there are adequate safeguards to protect overall financial stability.
a	<b>Annual budget</b> <input type="checkbox"/> Annual budget process estimates incoming revenue and outgoing expenses for the year <input type="checkbox"/> Budget approved by governing body prior to start of budget cycle <input type="checkbox"/> Overall budget includes administrative, indirect or de minimis costs <input type="checkbox"/> Budget is tracked and actual results compared with projections to identify unexplained variances, identify progress to goals or potential problems, and routinely shared with the governing body <input type="checkbox"/> A minimum of three months of operating expenses are held in reserve
b	<b>General ledger accounting and financial reports</b> <input type="checkbox"/> Uses a double entry system of general ledger accounting which enables categorizing and tracking of income and expenditures <input type="checkbox"/> General ledger is reconciled at least once a month <input type="checkbox"/> Regularly prepares and distributes statements of activity (income statements that explain revenue and expenditures for the statement period) and statements of position (balance sheets explaining assets and liabilities) for governing body review and consideration <input type="checkbox"/> At year's end, an internal audit is conducted to review billing statements for delinquent balances and late payments
c	<b>Management of restricted funds and grant funds</b> <input type="checkbox"/> All restricted funds are tracked separately from general funds to ensure they are used for the funder or donor's designated purpose <input type="checkbox"/> Individual is appointed to review all grants, subawards and contracts received by the organization, and ensures all terms and deadlines are met <input type="checkbox"/> Individuals responsible for federal grant funds are familiar with guidelines for administration, cost principles and audit requirements <input type="checkbox"/> Federal grant funds are not comingled with other funding sources <input type="checkbox"/> Match is properly documented and enough for each grant fund (if voluntarily provided or required)
d	<b>Contracts and service agreements</b> <input type="checkbox"/> Major contracts and agreements are reviewed and approved by the governing body <input type="checkbox"/> Authorized officials sign for all contracts and agreements <input type="checkbox"/> Contractors/vendors are reviewed and assessed for quality and compliance

CVSSD Desk Review – Internal Controls, Budget Management, and Financial Practices

	<input type="checkbox"/> Contractors/vendors comply with and fulfill fiscal and programmatic responsibilities
e	<b>Payroll</b> <input type="checkbox"/> Time sheets are maintained and reflect of employee’s actual (not budgeted) activity <input type="checkbox"/> Timesheets are prepared at least monthly and coincide with one or more pay periods <input type="checkbox"/> Timesheets are either signed by the employee and supervisor or electronically managed without a signature requirement
Proof:	Annual budget
	Most recent financial report given to the Board
	Board minutes documenting review and approval of the current FY budget
	Screen shot of the tracking system for recording volunteer hours (match)
	Copy of general ledger for CVSSD grants only
	Policy and procedures for financial management
	Policy and procedures for management of contracts and agreements
	Example of staff timesheet (name redacted and details about time distribution)
Grantee Comments	