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## Internal Controls Checklist

This checklist should be used as an assessment and planning tool to assist your organization in reviewing and evaluating your internal control structures to determine if controls need to be implemented or if new controls are required. Also, this checklist is designed to help you gain a better understanding of your management needs and make improvements as needed.

	Checklist	Meet	Needs Work	N/A
1.	Do you develop an annual comprehensive budget that includes costs for all programs, management, fundraising and all sources of funding?			
2.	Is the budget reviewed and approved by the Board?			
3.	Do you prepare financial statements on a budget versus actual and/or comparative basis to achieve a better understanding of your finances?			
4.	Do you prepare multi-year budget for long-range planning purposes?			
5.	Have you determined which method of accounting you prefer for your organization (i.e., cash basis or accrual)?			
6.	Does your chart of accounts provide the detailed information you want from your financial records?			
7.	Are there segregation of duties, such as the handling of cash and deposits, approval over spending and disbursements?			
8.	Do you have a policy identifying authorized check signers and the number of signatures required on checks in excess of specified dollar amounts?			
9.	Are all expenses of the organization approved by designated person(s) before payment is made?			
10.	Do you reconcile your monthly bank statement to the cancelled checks?			
11.	Is payroll prepared following appropriate State and Federal regulations and organizational policy?			
12.	Are the taxes (i.e., Social Security, Medicare) paid on the wages of each employee monitored? Are all such taxes paid when due?			
13.	Does your organization file IRS Form 990's in a timely basis within prescribed time lines?			
14.	Do you provide W-2 Forms to employees or Form 1099 to independent contractors in a timely manner?			
15.	Do you monitor cash on hand and perform cash flow analysis regularly?			
16.	Have you established, or actively trying to develop, a reserve of funds to cover at least 2-3 months of operating expenses?			



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17.	Have you deposited the <i>Faith in Action</i> funds in a timely matter?			
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