Sample Internal Control Reference Checklist

A “No” response to any of the following questions may indicate an internal control weakness. The district should perform a self-evaluation, investigate all potential weaknesses, and ensure that controls are put into place so the weakness will no longer result in internal control issues.

This checklist is divided by area; another checklist in Chapter 5 of this manual is divided by job position for those with responsibility for ASB organizations.

**General Procedures YES NO N/A Comments**

1. Does the district have a comprehensive board policy and administrative regulations that provide rules and regulations for ASB
governance and operations?   

2. Does the district have a comprehensive ASB
manual with detailed procedures?   

3. Has the FCMAT ASB Accounting Manual, Fraud Prevention Guide and Desk Reference been adopted as part of the district’s ASB
policies and procedures?   

4. If the district has a comprehensive manual, is it reviewed and updated as needed, at least annually? Does the update address the areas of concern or confusion identified in
the previous year’s audit?   

5. Does the business office provide annual ASB training for all school and district employees who work with ASB activities and retain a signed and dated training
attendance log as proof that employees
received training?   

6. Do members of the business office staff periodically (at least annually) visit each school to provide support and to review the
ASB procedures used at the school?   

7. Do school employees and students know whom to call in the district business office if they have questions or concerns about ASB
and are unable to get answers at the school?   

 **YES NO N/A Comments**

8. Has the business office taken immediate action to correct annual audit findings related to ASB activities? Are the schools involved in developing action plans to
ensure that the findings do not reoccur?   

9. Are the forms, processes and systems for
ASB operations standardized districtwide?   

10. Is the ASB recordkeeping computerized? If so, is the accounting software adequate to
meet the needs of the district and clubs?   

11. Are the financial reports and other items
produced by the system user-friendly and
informational?   

12. Is the computer on which the ASB
accounting software resides user ID- and
password-protected?   

13. Is the ASB accounting software access
user ID- and password-protected?   

14. Are ASB computer and accounting software passwords safeguarded, not given out, and
changed periodically?   

15. Are only ASB funds maintained in ASB bank accounts? (ASB bank accounts should not include PTA or booster club money, or
faculty charitable funds).   

16. Is a formal application required from any students who want to establish a new club
at the school? [Secondary]   

17. Is each club advisor a certificated staff
member of the school district?   

18. Are all ASB bank accounts reconciled
within two weeks of receipt of the statement?   

19. If bank account reconciliations are not
performed within two weeks of receipt of
the bank statement, is a reconciliation
completion promise date obtained and
followed up on to ensure the
bank reconciliation is completed?   

 **YES NO N/A Comments**

20. Are all outstanding deposits and checks
identified, and are they clearing the bank
within a reasonable time? (Deposits should
be outstanding for no more than two or three days.)   

21. If any journal entries or transfer entries are
made, are those entries authorized?   

22. Is there a clear distinction between the student body’s income and expenditures
and those of the district?   

23. Do procedures ensure that trust funds
will not be used to finance general student
body activities?   

24. Is prompt action taken to recover deficits
in trust accounts?   

25. Has the governing board established a policy for disposing of inactive student
body organizations’ trust balances?   

26. Is equipment adequately controlled and recorded?   

27. Is the board’s designee an authorized
signatory on all student body accounts?   

28. Is a general ledger maintained?   

29. Are all clubs required to prepare and maintain minutes of all meetings, with
all necessary items noted? (Secondary)   

30. Are the minutes of each individual club
reviewed by the general student council?   

31. Do the minutes contain approval for
fundraising activities?   

32. Are disbursements of student body funds
specifically approved, item-by-item, and in
the minutes?   

33. Are the activities of the student body
reflected in the minutes?   

 **YES NO N/A Comments**

34. Does every recognized club and the student council have a constitution on file that establishes the policies and rules for the
student governance of the council or club?   

35. Does the general student council have
bylaws in place?   

36. Are accounting controls for the clubs the
same as those for the general ASB?   

37. Are student store inventories reviewed
periodically?   

38. Are financial reports prepared regularly (at least monthly)? Are they reviewed and
included in the ASB minutes?   

39. Do employees and students know to report any questionable or suspicious activities to
the district’s business office for investigation?   

40. Does the district have access to an independent third-party fraud reporting whistleblower website and telephone
hotline? Are employees aware of the
fraud reporting options?   

41. Is there a safe at each school adequate to hold all cash receipts until deposit as well as cash boxes, check stock and other necessary items? Is access to the safe limited, with a
log identifying who has the access?   

**Cash Receipts / Fundraisers YES NO N/A Comments**

1. Are all proposed fundraising events approved by the governing board or its designee at the beginning of each school
year? Is this list updated throughout the year?   

2. Are fundraising activities in accordance with those prescribed by the district and approved by the governing board/designee
to help ensure success?   

 **YES NO N/A Comments**

3. Are fundraising activities approved by the principal/school administrator and by the
general student council?   

4. Are revenue potentials prepared for each approved fundraiser and completed once
the fundraiser is over?   

5. Do supervisory personnel exercise adequate control over student fundraisers to ensure that the participants are following all
district policies and exercising strong
internal controls?   

6. Is staff aware of the appropriate internal controls for cash receipts for each type of fundraising event (i.e. prenumbered
receipts, tickets, and tally sheets)?   

7. Is an adequate stock of supplies for cash receipt control procedures—such as prenumbered tickets and prenumbered
receipt books—kept in a safe, locked place?   

8. Is control maintained over tickets,
numbered forms and receipt books
when not in use?   

9. Are details about the number of items receipted and the unit price recorded on
the receipt or other documentation used
for cash receipts?   

10. Are all cash receipts from student fundraising activities turned in to the ASB bookkeeper immediately, or as soon as possible after the fundraising event? Is the correct documentation turned in with the collected cash, such as reports on tickets
issued and other items?   

11. Do two people count the funds raised at the end of a fundraising event, with both individuals signing and dating the
fundraising cash collection form?   

12. When individuals turn in cash to the ASB bookkeeper, does the bookkeeper count the cash in the presence of at least one other person? Is an acknowledgment of receipt
of the money and accuracy of amount
signed and dated?   

13. Are duplicates of cash count forms kept,
as well as all other forms that are part
of the financial process?   

14. If a startup cash change box is issued, does the person(s) receiving the change count the startup cash in front of the ASB bookkeeper and do they sign indicating that the startup
change is accurate?   

15. Are undeposited cash receipts kept in a safe?

16. Does the ASB bookkeeper record cash
receipts promptly when received?   

17. Are bank deposits made within a few days
of receipt, but at least weekly?   

18. Is a summary or detail of amounts making
up the deposits retained for a sufficient audit trail?   

19. Are shortages/overages handled as
prescribed by established district policy?   

20. Is control of associated student body card sales maintained, including the number of cards issued and the beginning and ending
numbers of the cards sold?   

21. Are commissions from vending machine
sales received promptly when due?   

22. Are the profit and loss statements for the student store reviewed periodically? Are
prices adjusted when necessary based
on analysis of sales?   

23. Are personal checks prohibited from
being cashed from ASB funds?   

24. If food is sold in the student store, has it been approved by the director of food
services? [Secondary only. Primary
grades cannot sell food daily.]   

25. Are only ASB receipts deposited
into the ASB account?   

**Cash Disbursements / Expenditures YES NO N/A Comments**

1. Does the business office report the sales and use tax for the student store and other
purchases on its sales tax report?   

2. Does the business office issue 1099s for all
independent contractors paid with ASB funds?   

3. Are cash balances reconciled with bank balances monthly, and are detailed items
listed on bank statements recorded in
the ASB’s books?   

4. Are prenumbered checks used for cash
disbursements?   

5. Are voided checks retained?   

6. Are controls established to ensure that
expenditures do not exceed budgeted funds?   

7. Are all expenses approved in advance?   

8. Are purchase orders used to show the proper
preapproval of all expenditures (prior to purchase)?   

9. Do purchase orders have the required one approval signature (unorganized) or three
approval signatures? [Secondary]   

10. Are approved purchase orders, whether
voided or not, retained in a file?   

11. Are contractual obligations properly authorized by board-designated signers?
Are they kept within established limits?   

12. Are students approving expenditures rather than adults (teachers, advisors or coaches)
making the decisions? [Secondary]   

13. Do checks require double signatures? Are
there backup signers on the account?   

14. Are all disbursements supported by an
original invoice and adequate receiving
documents?   

 **YES NO N/A Comments**

15. Are all checks written to a specific payee
(vendor or employee), with no checks
written to cash?   

16. Is a record maintained of all equipment
purchased with ASB funds?   

17. Are only allowable expenses paid from
ASB funds?   

18. Are ASB funds spent to enhance the general welfare, morale and educational experience of the entire student body rather than just
one or two students, individuals or a
specific group?   

19. Are disbursements from petty cash properly
supported by vouchers or receipts?   

20. Are the checkbook and the check stock
stored in a locked file cabinet or safe?   

21. Is there a process in place to determine
whether a worker is an employee or an
independent contractor?   

22. Are all employees who perform work for the ASB paid through the district’s payroll and
then invoiced to ASB?   

23. Is an IRS Form W-9, Request for Taxpayer Identification Number and Certification, obtained from all independent contractors
before any disbursements are issued to them?   

24. Are only board-approved staff signing
contracts up to the allowed amount?   

**Financial Reporting YES NO N/A Comments**

1. Are all bank accounts reconciled monthly? Are they shared and reviewed by the ASB advisor, principal/school administrator
and district’s business office?   

2. Are bank reconciliations initialed/signed and dated as evidence of being reviewed
after they are prepared?   

 **YES NO N/A Comments**

3. Are profit and loss statements for the student store prepared and reviewed periodically by the general student
council, principal/school administrator
and district office?   

4. Are monthly reports on the financial transactions of various trust and club accounts prepared and submitted to the advisors, principal/school administrator,
general student council and district office?   

5. Are periodic financial statements prepared and submitted to the district’s business office? Are these reports included in the
student council minutes?   

6. Does the business office receive and review periodic financial statements from the ASB organizations and sign and date that they
have reviewed the documents?   

7. Does the student council and each club
prepare, adopt and monitor an annual budget?   

8. Does the general student council approve
each club’s budget?   

9. Is every club and the student council
required to prepare a budget for the fiscal year?   

10. Is there a policy in place that dictates how
much carryover is allowed for individual clubs?   

11. Is spending monitored during the year to ensure that the club will not end the year
with a large carryover balance or a negative
balance?   

12. Is a balance sheet and statement of revenues
and expenditures prepared at least at the
end of the year?   

13. Are all of the student organization’s funds and annual financial reports audited
annually by the district’s independent auditor?   