

Internal Control Questionnaire

CASH RECEIPTS/SALE QUESTIONS:	ANSWER			NOTES
	Yes	No	N/A	
1. Is there a designated cash receipt custodian?				
2. Are all receipts recorded on pre-numbered cash receipts tickets, including those received in check form?				
3. Are receipts received in check and money order form immediately stamped with a restrictive endorsement?				
4. Are all cash receipts counted by the cashier and recorded in a cash receipts journal or the general ledger on a daily basis?				
5. Are cash receipt journal entries segregated by type of revenue and fund account?				
6. Are undeposited cash receipts adequately secured?				
7. Does the cashier assume full responsibility for the cash receipts from the time they are received until deposited at the bank?				
8. Are cash receipts deposited intact on at least a weekly/monthly basis?				
9. Does someone independent of the cashier deposit the cash receipts?				
10. Are cash receipt tickets reconciled to actual undeposited cash before deposit?				
11. Does depositor reconcile cash receipt tickets to the cash receipts journal or general ledger before deposit?				
12. Does depositor account for all pre-numbered receipt tickets before deposit?				
13. Is the reconciliation documented and exceptions noted?				
14. Does the cashier note the dates, amounts and persons making the deposits?				
15. Are deposits promptly recorded in the bank account check register and the balance recalculated?				
16. If cash is not deposited on a daily basis, are the cash receipts deposited on the same day they are received from the cashier?				
17. Does someone independent of the cashier and depositor reconcile the bank statement credits with the cash receipts journal?				
18. Does the reconciler compare, on a test basis, the recorded deposits in the cash receipts journal to the bank statement credits for timeliness of deposit?				
19. Does the reconciler investigate and document exceptions?				
20. Are the prenumbered cash receipt tickets filed for future review?				
21. Are sales on account recorded on a standard prenumbered form?				
22. Are sales on account recorded in the general ledger or sales journal on a daily basis?				
23. Are the cash receipt records filed and maintained in accordance with the records management policies and procedures?				

CASH DISBURSMENTS/PURCHASING QUESTIONS:	ANSWER			NOTES
	Yes	No	N/A	
1. Are all payments made by check except those by petty cash?				
2. Does the chapter discourage checks drawn to "cash" or to "bearer"?				
3. Are authorized signers limited to elected chapter officials and the chapter manager?				
4. Are demand check requests documented on a standard form?				
5. Does the requestor and the person approving the request sign the form?				
6. Are quotes, proposals, contracts or other price information submitted with the request?				
7. Are requests reviewed for budget conformity/approval?				
8. Are requests reviewed for allowability based on applicable funding guidelines for restricted funds?				
9. Are requests reviewed against chapter policies for propriety? Against Navajo Nation laws and regulations for compliance?				
10. Are fund codes and account numbers documented on the request form?				
11. Are checks completely filled out before being presented for review and signature?				
12. Are two signatures obtained for all checks?				
13. Does the chapter manager or his/her designee co-sign all checks?				
14. Do policies prohibit the signing or countersigning of checks in advance or in blank?				
15. Are voucher packages or other supporting documents presented with the checks submitted for signature?				
16. Do the authorized officials thoroughly review the documents before signing checks?				
17. Is a suspense file maintained for travel advances?				
18. Is the suspense file periodically reviewed and followed up on?				
19. Are payments approved only on <u>original</u> invoices or supporting documents?				
20. Is there evidence in the voucher package of when and who received the goods?				
21. Are invoices and supporting documents defaced after payment?				
22. Are voided and spoiled checks properly defaced and retained for future review?				
23. Are all paid invoices and supporting documents securely filed at the chapter and in an organized manner?				
24. Is there adequate physical control over unused checks (checkbook)?				
25. Does a policy exist that prohibits the use of chapter funds for personal loans, stipend advances or per capita distributions?				
26. Has the chapter established policies and procedures describing the voucher payment process and standards for travel per diem rates, stipends, bidding, awards for donations, financial assistance, grants, etc?				
27. Do these policies and procedures comply with applicable Navajo Nation laws and regulations?				
28. Are the cash disbursement records filed and maintained in accordance with the records management policies and procedures?				

BANK ACCOUNTS/RECONCILIATIONS QUESTIONS:	ANSWER			NOTES
	Yes	No	N/A	
1. Is each bank account in the name of the chapter?				
2. Do the bank records reflect the chapter's mailing address?				
3. Is there a permanent file for bank account authorization documents?				
4. Is the bank signature card updated immediately upon a change in the authorized signatories (e.g., chapter manager and officials)?				
5. Is the chapter's assigned employer identification number reflected on all bank records?				
6. Are monthly bank reconciliations performed for all bank accounts?				
7. Is the reconciler independent of the check signers? (If not, answer questions 8-10. If so, go to question 11).				
8. If not, is at least the custodianship of records segregated from the check signers?				
9. Does the records custodian have the responsibility to ensure all checks have a completed voucher package?				
10. Does the records custodian document and independently report exceptions?				
11. If the reconciliation is independent, does the reconciler directly receive the unopened bank statements?				
12. Do bank reconciliations include an accounting of all check numbers, including voided and spoiled check numbers?				
13. Do bank reconciliations include a comparison of checks with the supporting documentation?				
14. Are exceptions documented, investigated and promptly resolved?				
15. Does a policy exist to address the issuance of debit/ATM/check cards on any of the chapter bank accounts?				
16. Are bank records filed and maintained in accordance with the records management policies and procedures?				

PAYROLL/PERSONNEL QUESTIONS:	ANSWER			NOTES
	Yes	No	N/A	
1. Does the chapter use standard forms (employment notices) for initial hiring, job title, wage rates, account numbers, personal information, etc.?				
2. Are all changes in employment (additions and terminations) and wage rates properly approved and documented?				
3. Does the chapter use a time clock or sign in sheets to document employee work hours or attendance?				
4. Are the time cards or sign in sheets reviewed and signed by the immediate supervisor at the end of the pay period?				
5. Does a designated timekeeper prepare the master timesheet?				
6. Is the master timesheet reviewed and approved by the chapter manager?				
7. Are there detailed procedures to comply with federal payroll tax withholding and reporting requirements?				
8. Are payroll tax deductions calculated and adequately documented?				
9. Are other deductions and benefit amounts (e.g., 401K contribution, leave accruals) consistent with chapter policies?				
10. Are deduction amounts accrued or otherwise reserved in the accounting system before payment?				
11. Is a suspense file maintained for payroll taxes accrued and due?				
12. Is the file of IRS circulars and reporting forms updated periodically to reflect changes in reporting requirements?				
13. Are all employees paid by check?				
14. If not, are signed receipts obtained for employees paid in cash?				
15. Do employees, or their designee, sign for checks upon receiving them?				
16. Does the chapter have an employee earnings subsidiary ledger or its equivalent?				
17. Are employees given earnings statements?				
18. Is a separate payroll bank account used? If so, is it an imprest account?				
19. Does a person independent of the payroll processing, approval and distribution reconcile the payroll bank account? (Note: if not, answer questions 20-22. If so, go to question 23).				
20. If not, is at least the custodianship of records segregated from payroll processing?				
21. Does the records custodian have the responsibility to review the payroll files (e.g., timesheets, checks, reconciliations) for completeness and reasonableness?				
22. Does the records custodian document and independently report exceptions?				
23. Do payroll reconciliations include a comparison of the paid checks to payroll records and a thorough review of canceled check endorsements?				
24. Are payroll records, timesheets, employment notices, payroll register and other personnel/payroll records filed and maintained in accordance with the records management policies and procedures?				
25. Are backup records maintained at least for the information in the payroll journal?				
26. Does the chapter have an assigned employer identification number to report and remit payroll taxes to the Internal Revenue Service?				

PAYROLL/PERSONNEL QUESTIONS:	ANSWER			NOTES
	Yes	No	N/A	
27. Does the chapter prepare and submit the U.S. Department of Treasury form 1099-Misc. to vendors to whom \$600 or more in fees, commissions or other forms of compensation are paid for services rendered?				
28. Do the personnel policies and procedures address the hiring, supervision and termination process of the chapter manager?				
29. Do the personnel policies and procedures specifically address contract employees?				
30. Do the personnel policies and procedures address employment practices (recruitment, assessment, selection, termination, etc.)?				
31. Do the personnel policies and procedures comply with applicable federal, state and Navajo Nation laws and regulations, such as: <ul style="list-style-type: none"> - Navajo Bill of Rights? - Navajo Preference in Employment Act (NPEA)? - Veterans Preference Law? - Navajo Nation Affirmative Action Plan for the Handicapped? - Navajo Nation Ethics in Government Law? - Drug-Free Workplace Act? - Navajo Nation Privacy and Access to Information Act? 				
PETTY CASH QUESTIONS:	ANSWER			NOTES
	Yes	No	N/A	
1. Does the chapter use an imprest fund system?				
2. Is the petty cash fund established by a chapter resolution?				
3. Is the petty cash fund set at a specified amount?				
4. Is there a designated petty cash fund custodian?				
5. Does the custodian have an adequate understanding of custodial responsibilities to properly account for the fund?				
6. Are prenumbered vouchers used to document the petty cash fund requests and approval?				
7. Are requests reviewed for authorized amount and purpose?				
8. Are supporting documents (invoice, cash register tape, receipt, etc.) returned to custodian and attached to voucher?				
9. Are petty cash vouchers with supporting documents presented for replenishment?				
10. Are supporting documents reviewed at the time of replenishment?				
11. Does the replenishment amount equal the exact amount of the vouchers?				
12. Are the vouchers and supporting documents defaced after replenishment and properly filed?				
13. Is the petty cash fund maintained separately from the cash receipts?				
14. Is the petty cash fund adequately safeguarded from theft or misuse?				
15. Has the chapter established policies and procedures regarding the usage, safeguarding and monitoring of the petty cash fund?				
16. Are the petty cash fund records filed and maintained in accordance with the records management policies and procedures?				

INVESTMENTS QUESTIONS:	ANSWER			NOTES
	Yes	No	N/A	
1. Are all investments community approved? By resolution?				
2. Are all investments in the name of the chapter?				
3. Do the investments include negotiable, secured instruments?				
4. Are there formal records or ledgers detailing the chapter's investments including certificate numbers, locations, amounts, maturities and custodians?				
5. Are original documents (e.g., certificates) properly secured?				
6. Are purchases, sales and rollovers approved and documented?				
7. Is the sale of investments adequately documented and deposited intact in a bank account?				
8. Are investment changes made by authorized individuals?				
9. Are direct cash withdrawals from investment accounts prohibited?				
10. Does someone independent of the custodian periodically confirm investments?				
11. Are investments segregated from other assets in the general ledger?				
12. Is investment income/loss recorded in the general journal?				
13. Is interest income properly accounted for?				
14. Has the chapter established policies and procedures to maintain and monitor investment accounts?				
15. Are investment records filed and maintained in accordance with the records management policies and procedures?				
RESALE INVENTORY QUESTIONS:	ANSWER			NOTES
	Yes	No	N/A	
1. Has the chapter established a type of inventory system for its resale activities?				
2. Are the dates and amounts received/produced recorded in an inventory ledger?				
3. Are the sales amounts recorded in the inventory ledger on a daily basis?				
4. Are damaged, stolen or spoiled items recorded in the inventory ledger?				
5. Are physical inventories performed at least monthly?				
6. Is the physical count reconciled against the inventory ledger?				
7. Are exceptions documented, investigated and promptly resolved?				
8. Has the chapter established policies and procedures to account for, monitor and safeguard resale items?				
9. Are resale inventory records filed and maintained in accordance with the records management policies and procedures?				

FIXED ASSETS/PROPERTY MANAGEMENT QUESTIONS:	ANSWER			NOTES
	Yes	No	N/A	
1. Are detailed property and equipment records maintained for all purchased, donated, self-constructed or leased assets?				
2. Does the chapter conduct a physical inventory on an annual basis?				
3. Are exceptions documented, investigated and adjusted in the inventory records?				
4. Do policies and procedures exist for sale transfers or other dispositions of fixed assets?				
5. Are asset retirements promptly removed from inventory records and any sales proceeds recorded in cash receipt records?				
6. Is there a fixed asset custodian(s) responsible for all fixed assets?				
7. Does the chapter assign an identification number to all fixed assets?				
8. Are there procedures in place to update inventory records to reflect new acquisitions?				
9. Does the chapter record the dates, amounts, identification numbers and descriptions in the inventory records?				
10. Does the chapter maintain a permanent file for fixed assets documentation?				
11. Does the chapter have procedures ensuring that fixed assets are adequately insured?				
12. Is liability coverage for damage and injury to third party provided for all chapter vehicles and equipment?				
13. Does the chapter maintain a file for insurance documents?				
14. Are insurance documents periodically reviewed for adequacy?				
15. Are there procedures in place to ensure acquisitions are included and retirements are removed from insurance policies?				
16. Do physical safeguards over assets exist?				
17. Are there procedures in place to document fixed assets temporarily taken off or permanently stored off the chapter compound?				
18. Is the removal of fixed assets off the chapter compound community approved?				
19. Are acquisitions and disposals recorded in the fixed asset inventory records?				
20. Has the chapter established policies and procedures to account for, safeguard and report fixed assets?				
21. Are the fixed asset records filed and maintained in accordance with the records management policies and procedures?				

GRANT MONITORING/RESTRICTED FUNDS QUESTIONS:	ANSWER			NOTES
	Yes	No	N/A	
1. Is an individual designated to monitor grant activities?				
2. Do policies and procedures exist to monitor compliance with financial reporting requirements and restrictions contained in grant documentation?				
3. Does the chapter thoroughly review grant restrictions and obtain a signed agreement before accepting awards?				
4. Is grant activity accounted for separately from other activities?				
5. Is approval obtained for expending amounts in excess of budgeted amounts or for unbudgeted items?				
6. Are grant revenues and disbursements subject to the same controls as all other funds?				
7. Are requests reviewed for allowability before grant funds are disbursed?				
8. Are procedures in place to periodically report grant activities to grantor?				
9. Does the chapter maintain a permanent file of documents for restricted funds and any applicable requirements of such funds?				
10. Are grant records filed and maintained in accordance with the records management policies and procedures?				

ACCOUNTING SYSTEM QUESTIONS:	ANSWER			NOTES
	Yes	No	N/A	
1. Does the chapter maintain, at a minimum, a general journal and a general ledger? (Note: for very simple systems, the check register can serve as the general journal. However, the chapter should be careful to ensure all revenue and expenditure transactions flow through these bank accounts. In addition, they still need to know how to post to the general ledger and document the entries in some way. Further, the chapter should still maintain some sort of primitive general ledger to track balance sheet items and to track expenditures against budgets.)				
2. Does the chapter have a chart of accounts?				
3. Is the annual budget incorporated into the accounting system?				
4. Are transactions posted to the general journal on a daily basis?				
5. Are transactions posted to the general ledger on a monthly basis? (Note: if the chapter lacks special journals and subsidiary ledgers, we recommend weekly or even daily posting to the general ledger.)				
6. Does the chapter staff produce monthly financial reports?				
7. Are monthly financial reports presented to the chapter community members?				
8. Are the financial reports comprehensive in reporting on revenues, expenditures, fund balances, assets and liabilities?				
9. Is the basis of accounting identified by the accounting system?				
10. Does the accounting system comply with Generally Accepted Accounting Principles for governmental units? If not, how does the system deviate?				
11. Does the chapter have detailed year-end closeout procedures?				
12. Do the chapter officials uphold their responsibilities in ensuring an adequate accounting system is maintained?				
13. Are the administrative functions performed by the chapter staff and officials prohibited from direct involvement?				
14. Are any special journals maintained? (Note: answer applicable sections below)				
<u>Cash Receipts Journal:</u>				
15. Are transactions posted on a daily basis?				
16. Are entries properly segregated by fund account?				
17. Is the accounts receivable subsidiary ledger posted daily?				
18. Is the month end summary posted to the general ledger?				
<u>Cash Disbursements Journal:</u>				
19. Are transactions posted on a daily basis?				
20. Are entries properly segregated by fund account?				
21. Is the accounts payable subsidiary ledger posted daily?				
22. Is the month end summary posted to the general ledger?				
<u>Payroll Journal:</u>				
23. Are transactions posted on a daily basis?				
24. Are entries properly segregated by fund account?				
25. Is the employee earnings subsidiary ledger posted daily?				
26. Is the month end summary posted to the general ledger?				

ACCOUNTING SYSTEM QUESTIONS:	ANSWER			NOTES
	Yes	No	N/A	
<u>Resale Inventory Subsidiary Ledger:</u>				
27. Are transactions posted on a daily basis? (Note: memorandum entry)				
<u>Fixed Assets Subsidiary Ledger:</u>				
28. Are transactions posted upon acquisition or disposal?				
29. Are entries properly segregated by fund account?				
30. Is the month end summary posted to the general ledger?				
<u>Other Special Journal/Ledger:</u>				
31. Are transactions posted on a daily basis?				
32. Are entries properly segregated by fund account?				
33. Is the month end summary posted to the general ledger?				