Internal Controls Checklist Cash Receipts and Disbursements

Segregation of Duties

- 1 Do you segregate responsibilities for making deposits from those recording receipts?
- 2 Are responsibilities for disbursements and approvals separate from recording entries?
- 3 Are responsibilities for entries of cash and disbursement entries separate from those making general ledger entries?
- 4 Are responsibilities for cash receipts and disbursements separate from bank account recons?
- 5 If you use electronic payments, do you implement dual controls on approvals?

No	N/A
	No

Collection Controls

- 1 Are duties of cashiers taking payments segregated from bank recon, accounts payable, and the general accounting?
- 2 All cash/check payments deposited the same day?
- 3 Are controlled pre-numbered receipts or cash register with sequential receipt numbering used?
- 4 Is cash kept under dual control in a secured location?
- 5 Are surprised audits used to confirm daily receipts with bank deposits?
- 6 Is billing separate from cashiering functions?
- 7 Does management supervise the sale of assets?
- 8 Are employees who handle cash bonded?
- 9 Does management implement a numeric control to all receipt of payments?
- 10 Are original invoices provider to the check signers at check signing?
- 11 Are two signatures required on all checks?
- 12 If facsimile signatures are used, are the devices kept in a secured area and are reasonable limits established?
- 13 Are signed checks mailed immediately and not returned to the individual requesting the check?
- 14 Are disbursements compared to budget regularly?

Yes	No	N/A

Custody Controls

- 15 Is your check supply secured?
- 16 Are cashier funds counted and reconciled at the beginning and the end of the day?
- 17 Does management review the cash reconciliations and investigate if discrepancies?
- 18 Do you have adequate controls and safeguards surrounding the area where cash is received and retained?



Accounting and General Ledger Controls

- 19 Are all collections and disbursements recorded promptly?
- 20 Are there specific procedures for interbank transfers and an audit trail?

Yes	No	N/A

21	Are receivable detail ledgers balanced out with the general ledger control accounts?			
22	Are all bank accounts with the general ledger controls?			
23	Are adjustments to cash accounts approved by management?			
24				
nc	oming Mail Controls	Yes	No	N/A
25	Are receivables listed on a control sheet for comparison with the bank deposit ticket?			
26	Are incoming checks immediately endorsed with a restrictive endorsement by the person opening the mail?			
27	Is mail opened by a person other than the cashier?			
28	Is a pre-list of cash receipts made by the mail opener and is it compared with the receipt record?			
29	Are receipts given directly to the cashier from the mail opener?			
30	Is a record made of all cash receipts in sequential manner?			
31	Is the cashier's duties segregated from the person doing the billing and posting of payments to the client's account?			
32	Are all overages and shortages reported to the manager?			
	Are cash receipts controlled and properly reconciled to cash register totals or controlled pre-numbered receipt ms?			
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Rec	onciliation Controls	Yes	No	N/A
	Are bank accounts reconciled to accounting records promptly on a monthly basis by someone who doesn't sign cks?			
35	Are duplicate bank deposit slips and bank receipts filed with the reconciler?			
	Are bank statements delivered to the reconciler unopened?			
37	Are bank statements received via electronic means directly from the bank? Is the bank reconciliation thorough enough to adequately uncover forgeries, alterations, improper endorsements,			
38	unrecorded checks, confirmation of cash deposits, payees with differing records, check lapping, bank balance comparison with the general ledger, etc?			
39	Are discrepancies researched, resolved and approved by someone other than the cashier or disbursement clerk?			
40	Are outstanding checks periodically reviewed for propriety or stop payment?			
Pet	ty Cash	Yes	No	N/A
41	Are petty cash funds properly recorded in the general ledger?			
42	Are surprise audits performed by management?			
43	Are employees other than the custodian of petty cash denied access to the cash?			
44	Are replenishment checks made payable to the custodian only?			
45	Is the cash properly locked up when not in use?			
46	Are all cash funds established on an imprest basis?			
47	Are all disbursements of cash supported with receipts?			
48	Are interest funds properly entered and reflected in the treasurer's monthly cash report	l	l	1

Checklist developed by Dave Worthing, administrative vice president of M&T Bank

and posted to the respective fund in the general ledger?