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?   