

### Purpose

The Chapter Internal Control Checklist (CICC) is a chapter tool for financial risk mitigation. Chapter leadership shall use this checklist to conduct an annual review of financial operations across areas that NCMA has found present the greatest risk to the sound conduct of chapter financial operations. This check list shall be completed annually during chapter leadership transition between program years. It is completed before the chapter conducts the annual financial audit and is part of the package submitted by the chapter to NCMA HQ. Use the checklist as a guide to think through the risks your chapter faces and what your chapter can do to mitigate or prevent them from becoming larger financial problems.

### Completing the Checklist

Respond yes, no, or N/A, and highlight anything that you need to call out or with which you may have a question. In some instances, sections of the check list might not apply based on your chapter size or chapter operating environment. Use the checklist as a guide to think through the risks that you face and what you can do to mitigate or prevent them from becoming larger financial problems.

### Governance

1. Does the chapter have a Board of Directors or Chapter Executive?
2. Does the Board meet on a monthly basis?
3. Are minutes maintained of each Board meeting?
4. Are Board minutes signed as approved or authorized at the following Board meeting?
5. Do the President, President-elect, Treasurer, and Secretary rotate out of their positions at least every two years?
6. Are chapter internal controls and policies documented?
7. Are chapter internal controls and policies reviewed by the Board of Directors at the beginning of each program year?
8. Do all chapter officers sign an acknowledgment that they reviewed and understand the chapter's internal controls?
9. Does the chapter maintain written job descriptions for elected officers?
10. Does the chapter have a whistleblower policy (Policy 5-14)?
11. Does the chapter have a Conflicts of Interest Policy (Policy 5-11)?
12. Does the chapter have a Code of Ethics Statement (reference Chapter Bylaws Template - Article VIII)?

### Financial

1. Are bank statements reviewed and signed as evidence of that review?
  - a. If no, how is independent review accomplished?
2. Are surplus funds placed in a low risk, liquid account?
3. Is a chart of accounts in use?
4. Are the journals and general ledger kept up to date and balanced monthly (perhaps using electronic applications (i.e. Intuit)?

5. If received, have all relevant federal or state tax correspondence been forwarded to NCMA HQ?
6. In order for the chapter to be included in the Form 990 Group Return, you must submit the chapter annual financials in the standard format. Have you done this?  
Note: failure to comply on time can subject you to loss of tax exempt status.

### Receipts

1. Does the chapter accept any of the following as payment for chapter events?
  - a. Cash
  - b. Credit cards
  - c. Debit cards
  - d. Checks
  - e. Electronic payment mechanisms (e.g. PayPal)
2. Does the Chapter have documented procedures for receiving and recording funds?
3. Are pre numbered receipts issued for all payments? If not, do you keep a record of receipts?
  - a. Is a duplicate copy of the receipt kept?
4. Are cash collections under the control of the Treasurer and one other person (e.g. chapter meetings/events)?
5. Are all cash transactions recorded in the financial record (written or electronic)?
6. Are funds received deposited to the Chapter bank account within one business day?
7. Are bank deposit slips reconciled with receipts for funds received? (i.e., what is deposited matches what is collected)
8. Do cash receipts procedures include safeguards to ensure that all funds due are ultimately collected and credited to the appropriate accounts?
9. If you maintain a petty cash account, are funds only replenished by documented bank withdrawals?

### Disbursements

#### Check Disbursements

1. Does the chapter have documented procedures for approving and executing purchases and disbursements?
2. Are checks kept in a secure place?
3. Are all disbursements made on pre numbered checks?
4. Are two signatures required on each check?
5. Are all checks supported by appropriate documentation?
6. Is all supporting documentation reviewed and validated to justify the disbursement?
7. Does the chapter take advantage of discounts when paying bills?
8. Are all invoices marked paid to avoid any duplicate payments?
9. Keep signature cards current- review annually (June-July)

#### Cash Disbursements

1. Are petty cash disbursements made by the chapter?
2. Is a petty cash book maintained?

3. Are all disbursements supported by appropriate documentation?
4. Is the petty cash balance reconciled on a monthly basis?

Credit Card Disbursement

1. Do debit/credit card transactions exceeding a pre-determined dollar amount require prior written approval from two officers?