**Chapter Financial Management Checklist**

**(Reference AFSA Manual 100-4)**

**General:**

1. AFSA accounting year is 1 January to 31 December. All financial and budgetary records must be maintained based on the AFSA accounting year. This means expenses and income are tracked daily and then monthly throughout the year with a beginning date of 1 January and end date of 31 December of each year. Any balances (checking, savings, CDs) on 31 December are carried over to the next year as the beginning balance. This is consistent with the quarterly report in the Activity and Americanism Report (AAF) Financial report section.

Does this Chapter maintain records in accordance with AFSA Manual 100-4?

 \_\_\_\_\_ Yes \_\_\_\_\_ No

1. Each AFSA Chapter must have a tax identification number that should be used on all banking accounts and identified in the AAF.

Does this Chapter have a tax ID and is it being reported on the monthly AAF and identified with the bank?

 \_\_\_\_\_ Yes \_\_\_\_\_ No

**Specifics:**

1. Effective 1 Nov 10, the Chapter President should authorize three persons to sign/countersign checks or to withdraw funds from chapter saving accounts. Two authorized signatures are required for the issuance of checks and for savings account withdrawals.

Is this Chapter complying with this requirement?

 \_\_\_\_\_ Yes \_\_\_\_\_ No

1. Bank statements should be reconciled monthly to ensure the proper debits and credits are applied to the Chapter accounts.

Is this Chapter balancing their bank statements monthly?

 \_\_\_\_\_ Yes \_\_\_\_\_ No

1. Internal control is the system of procedures that, in the absence of collusion, minimizes the likelihood of misappropriation of assets or misstatement of the accounts, and maximizes the likelihood of error detection if it does occur. One of the most effective internal controls is the use of a budget that is compared to actual results on a periodic basis.

Does this Chapter have internal controls to compare expenses/income to the Annual Budget to ensure the spending is in line with the budget?

 \_\_\_\_\_ Yes \_\_\_\_\_ No

1. Control of receipts/disbursements is critical to good bookkeeping. The Chapter must have a process that clearly supports the receipts, deposits and disbursement of funds. Receipt of cash funds should be under the control of two people and should be documented with a receipt or other written confirmation. Cash and other income must be deposited on a regular basis. For Disbursements, AFSA Form 200-28, “Claim for Expenses” should be used. This form should be accompanied by receipts to support the amount claimed and must be approved by another individual (President, Vice-President, or Senior Advisor). No one should approve their own claim for expenses. The second page of the AFSA Form 200-28, lower right corner, contains a place for approval, payment and voucher control. Recommend the voucher control be established as follows:

2014-01-01, whereas, the accounting year (2014), 01 (first quarter, Jan-Mar) and 01 (sequential numbering) for each voucher. At the end of the first quarter the next number would be 2014-02-XX (accounting year, quarter 02 and the next voucher number) and so forth thru the accounting year.

Is/does this Chapter demonstrate adequate control of funds that requires approval or each claim for expense and is there a control for each voucher?

 ­­­­\_\_\_\_\_ Yes \_\_\_\_\_ No

Are all expenses approved by another individual other than the person making the claim?

 \_\_\_\_\_ Yes \_\_\_\_\_ No

Is AFSA Form 200-28 being used for all claim for expenses?

 \_\_\_\_\_ Yes \_\_\_\_\_ No

1. Effective 1 Nov 10, when a chapter has funds in excess of immediate requirements and these funds are not in an interest-bearing checking account, they should be placed in a separate interest-bearing savings account to maximize earnings (interest) and not lose potential earnings on idle available funds.

Is this chapter complying with this requirement to ensure excess funds are not kept in a non-interest bearing account?

 \_\_\_\_\_ Yes \_\_\_\_\_ No

1. Keeping an accurate balance of funds is vital to the Chapter operation and should be transparent, that is, available for inspection at any time. The checkbook system of bookkeeping is adequate for most Chapters. Basically, the Treasurer should have an income and disbursement log to show what has been paid, to whom the payment was made, the amount, check number (if used) and a current balance of funds. A simple spreadsheet will suffice. Checking and Savings accounts should have their own separate log. The Treasurer should also have all AFSA Forms 200-28 that were approved and paid with the approval section on page 2, lower right completed. This will also facilitate completion of the quarter financial report section of the AAF in a timely manner.

Does this chapter have an adequate balance of funds control with proper record keeping up to date?

 \_\_\_\_\_ Yes \_\_\_\_\_ No

**Audit:**

1. The Chapter financial records must be audited annually using the AFSA Form 700-5m. An
Audit Committee comprised of at least two persons must be independent of the management of the organization, i.e. free from any relationship that would interfere with their exercise of independent judgment in financial matters. An audit of the financial records should also be conducted whenever a changeover (during the AFSA accounting year) occurs so that any discrepancies can be resolved while the outgoing President/Treasurer are still available.

Has an annual audit been conducted for the chapter records and the AFSA Form 700-5m been completed and submitted?

 \_\_\_\_\_ Yes \_\_\_\_\_ No

**Retention of Records:**

1. Financial records, which would include the chapter Treasurer’s files and the quarterly financial statements are to be retained for three years. Bank and credit card statements should also be retained for three years.

Does this chapter have records for the past three years still available in the Chapter files?

 \_\_\_\_\_ Yes \_\_\_\_\_ No