Fraudbusters
Keeping Your Name
Out Of The Evening News

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Fraud in our non-profit group?

Is this really something our board needs to worry about?
The answer is a resounding YES!

Five minutes on the Internet reveals these stories and many more:

- A Scottsdale woman is accused of embezzling about $200,000 from an elementary school parent-teacher organization.
- A former president and treasurer of Vista American Little League was arrested Thursday on suspicion of embezzling more than $21,000 from the league.
- Ex-PTO mom pleads guilty to embezzling more than $10,000.
- The former treasurer of the Castro Valley Youth Soccer League was formally charged on Thursday with embezzling nearly $170,000 from the organization during a 30-month period.
- Woman Is Charged In PTA Embezzling - $180,000 Taken From Fairfax Group.
- The Genesee County little league baseball coach accused of embezzling as much as $30,000 from the organization, could soon have the charges against him dismissed or reduced. Bob is accused of taking the money and spending it on child pornography, adult online dating services and a Walt Disney World vacation for his family.

Times have changed. The bake sales that once funded little league uniforms or elementary school picnics have morphed into big business. In fact, according to the Association of Fund-Raising Distributors & Suppliers, nonprofits such as PTAs and Little Leagues now raise $1.7 billion annually just from the sale of items at fundraisers.

And as fundraising dollars grow, so does the potential for fraud.

The problem is that the implementation of sound financial controls has not kept pace with the huge increases in revenues. For many groups being upfront about anti-fraud prevention is unfamiliar and uncomfortable territory. People are dealing with friends and neighbors, some of whom they have known for years. It can be awkward to ask the woman who went through Lamaze classes with you, whose children have sleepovers with yours, to start using cash count sheets and having a second signature on checks and turning over the books for an annual audit. But if you are on the board of a volunteer nonprofit, you know that the entire board has financial responsibility for your organization – it’s not just the treasurer who is on the line to make sure that things run right. And if a fraud hits the front page, it’s the board that the membership will turn to for answers.

Now do you recognize a need for stronger controls in your organization? The key to implementing these changes is to make things consistent, no matter who is asking. Nothing personal. That is, the rules are broadly recognized as best practices. They apply to everyone.

If you are lucky enough to belong to a national association that provides financial guidelines,
recommend that your group implement them.

If you are on the board of a stand-alone organization, share your concerns with other board members and build consensus for change.

And if all this just seems like too much trouble, then re-read the news stories on page 1 of this section. Imagine how hard it is to be a board member of one of those unfortunate groups. Imagine having to say to your membership that their hard-earned money was lost because:

• We thought everything was fine.
• It was too hard.
• We didn’t want to hurt someone’s feelings.

Ready to move forward now?

Start by adopting and using the effective internal controls that are conveniently laid out for you in the next section.
**General Management Controls**

General management controls consist of the board’s responsibilities for establishing the proper oversight of financial operations.

The board should:

- Require clear and informative financial reports and statements on a regular basis (usually monthly).
- Adopt and monitor a budget.
- Ensure that a formal audit (see page ___ for definition) is conducted, at least once a year.
- Establish investment and loan policies (we looked really hard and couldn’t find anyone willing to serve on a volunteer board that borrowed money.)
- Ensure that the proper financial and accounting procedures are in place.
- Ensure that the organization has appropriate insurance coverage.
- Set the organization’s priorities and goals, keeping the nonprofit focused on achieving its mission.

**Accounting Controls**

Accounting controls are the procedures used to safeguard the nonprofit’s assets. Proper accounting controls also provide reliable and accurate financial records. Both of these goals enable the board to monitor the organization’s financial operations.

The creation of adequate accounting controls should focus on four areas:

1. Authority and approval: who has the authority to perform and approve certain transactions, such as approving invoices, expense accounts, signing checks, and dispensing supplies.
2. Proper documentation (part of the approval and authority process) Every financial transaction should leave a “paper trail”.
3. Limiting access: accounting records, personnel files, merchandise, supplies, and other equipment.
4. Red Flags: Organizations often ignore early signs of wrongdoing. If the proper controls are in place, the systems should alert someone to possible fraud. Unfortunately, people tend to ignore the early warning signs and let the deceit continue. Everyone must follow the established procedures for the controls to work. Any deviation from the system will enable someone to defraud the organization successfully. Good risk management may prevent a financial loss or catch the culprit early in the process, thereby minimizing the loss.

Following are controls that we suggest you consider making part of your organization’s procedures.
Handling Cash: 
Remove the Temptation

Last October, after a successful fundraising event in town, Lisa decided not to swing by the bank after counting cash. It was late, she was tired after having worked the event all day, and the bank’s night deposit was not in an area of town that she felt safe going to at that hour by herself.

So Lisa put the money in an envelope and tucked it under a blanket in the trunk of her car to deposit the next morning.

That night her car was broken into and the money vanished. Or so she said.

Insurance did not cover the loss as it did not occur at the event, nor on the way to the bank. The group was out thousands of hard earned dollars.

Was the money was really stolen? Did Lisa embezzle it? If she didn’t, how can she prove it? How can Lisa regain the confidence and trust of the members of her organization?

Cash handling procedures are important for three main reasons:

1. To protect the organization from theft, fraud or embezzlement.
2. To protect staff or volunteers from accusations of dishonesty or the temptation to commit fraud.
3. To assure donors that their donations and gifts are used for the purpose for which they were given.

Cases of fraud and embezzlement in volunteer-run nonprofit organizations are becoming more and more common. Many of these incidents could be prevented by the implementation of basic internal controls related to handling cash receipts.

Embezzling cash is one of the easiest ways for a volunteer to abscond with money. To reduce your exposure to liability, we recommend these procedures for handling cash:

Cash Procedures

1. Always have at least two people present when counting cash. Each person should fill out a Cash Count Worksheet and all of the sheets should arrive at the same total. These sheets should each be signed by individuals counting the cash.

2. Always count money immediately after an event and deposit it in the bank or night deposit drop immediately. If security is an issue, have two people go to the bank together.
3. If cash cannot be counted immediately, make arrangements with the treasurer in advance. Do NOT take money home. Any money needed to be stored for counting the following day should be safeguarded in a safe or lock box.

4. Separate the components of cash handling - collecting, depositing, and reconciling - so that one individual does not have responsibility for more than one component. In nonprofits separate the handling of the actual cash from the reconciliation of the bank statement.

5. Run a separate adding machine tape on the checks only and keep it with the checks for deposit. Endorse all checks with an endorsement stamp.

6. Run another adding machine tape listing the cash, currency and checks. Attached this tape to the deposit form.

7. Enter the deposit in your bookkeeping system.

See page 20 for a sample Cash Count Worksheet
Raffles

George bought a donkey from an old farmer for $100.00. The farmer agreed to deliver the donkey the next day. The next day the farmer drove up and said, “Sorry, but I got some bad news. The donkey died.”

“Well then, just give me my money back.”

“Can’t do that. I went and spent it already.”

“OK then, just unload the donkey.”

“What are you going to do with him?”

“I’m going to raffle him off.”

“You can’t raffle off a dead donkey!”

“Sure I can. Watch me. I just won’t tell anyone he’s dead.”

A month later the farmer met up with George and asked, “What happened with the donkey?”

“I raffled him off. I sold 500 tickets at $2.00 apiece and made a profit of $898.00.”

“Didn’t anyone complain?”

“Just the guy who won. So I gave him his $2.00 back.”

Before you conduct your next raffle, please Google “raffle rules” for your state. Some of the rules you may find:

- Under what situations you need to get a license to run a raffle.
- Description of the prizes to be awarded (chances are your state would have required George to specify that the donkey was dead).
- Whether there is a minimum age for people selling the tickets.
- Whether tickets must be sold by a member of your organization.
- Whether there is a maximum price per raffle ticket.
- Whether all raffle tickets must be sold for the same price.
- Whether there is an annual limit on how much your organization can earn in raffle sales.

Once you are sure that you are playing by the rules, raffles can be a great fundraiser! You can get the items donated and all you have to do is display the goods and collect the money.

But do take some simple precautions to ensure that:

1. the money that people are paying actually ends up in your account, &
2. the person who wins actually bought one of your tickets.

The raffle tickets you buy have very long numbers on them. They come in many different colors. Use these features to ensure that you are meeting your two goals above.
SELLING

1. When you are ready to start selling tickets, select a roll or rolls of raffle tickets and record both the starting and ending number of each roll. It is easiest if they are all exactly the same color. That way, if you are selling blue tickets and you look in the bucket and see a green one, you will know that it didn’t come from one of your rolls and that means that someone didn’t pay for it and that means it isn’t a valid entry!

2. When you give someone raffle tickets to sell, count how many they get. Maybe even write down the start and end numbers. Say you give them 100 and they turn back 30. That means they need to have $70 to hand in.

3. Let people know ahead of time that you will be doing a count when they hand their tickets and money in. The ones who are inclined to keep a few unpaid ones for themselves are less likely to, and the honest ones will be even more careful.

4. Many states now require that all raffle tickets be sold for the same amount. That means that you cannot sell $1 a ticket, 6 for $5. This is good because it gives each person the same chance of winning for the money they spend. This is also good for the Treasurer, because otherwise it is impossible to know how much money you should have for the tickets.

5. As always, have two people count both the tickets and the money.

6. Treat the unsold tickets as if they were money. Lock them up!

7. See Inventory Control for more suggestions.

DRAWING

1. Before the draw, have a list ready of the valid raffle ticket numbers.

2. As soon as the ticket is drawn, hand it to the person with the list of valid numbers to make sure that it falls in the range.

3. Only at that point should the prize be awarded.

4. This prevents people from dropping their own tickets in the bucket (astronomically unlikely that they will have a ticket from your number range).
Embezzlement 101 for Fundraising Chairs

Not long ago in a sports club not far away, a Fundraising Chair decided to hold a gift-wrap fundraiser in order to raise money.

Flyers went out. Flyers came back with money. Voila! The Treasurer and the Fundraising Chair sat down together to sort out the orders and count the money. The Fundraising Chair sent in the orders. The Treasurer took the money to the bank.

Everything appeared to be OK - until the bill came from the fundraising company. The Treasurer thought the bill seemed high. The Fundraising Chair assured the treasurer it was fine. “But the margins weren’t as high as they told us they would be”, the treasurer said. “That’s just because we also sold some magazines and the rate is lower for those”, the Fundraising chair said.

The Treasurer, however, being a Treasurer, was not satisfied. She contacted the fundraising company and told them of her concerns. They were very cooperative. In fact they offered to send over copies of all the orders so that the Treasurer could verify them. Including the late order that had been faxed in.

The late order?

Turns out the Fundraising Chair faxed in an additional order after the counting was all done. This was her order and also orders for friends of hers who had paid her cash. None of that money was ever submitted to the Club.

It didn’t take long to put together the pieces and see what had happened. But it took a very long time for the Board to recover from the anger and the hurt. These people were friends. Their children played together. It didn’t seem possible that someone so close would take advantage of a situation this way.

Groups have fundraisers like this all the time. Here are some simple steps you can take to ensure that you are getting all the money that is coming to you:

1. Ensure that all orders and money are always counted by at least two people.
2. Keep a copy of each order that is being submitted to the fundraising company, along with totals of both the orders and the money that is being taken to the bank. (Ideally this will match!)
3. Follow-on orders must follow the same procedure.

Take a few extra steps to remove the opportunity for embezzlement.
Inventory Control: Not just for WalMart

Inventory control: the management of inventories, including decisions about which items to stock; how much stock to keep on hand; when to buy; how much to buy; controlling pilferage and damage.

You would think that Inventory Control was something that only corporations or big businesses had to worry about, but in fact it is a crucial activity for many nonprofit organizations.

What kinds of inventory do you have to control? Yearbooks, t-shirts, directories, raffle tickets, scrip — anything that your group purchases and re-sells.

1. Treat all these inventory items like money! You wouldn’t leave a stack of $20 bills on a shelf in an open storeroom. Don’t leave inventory (things you are going to sell) out in the open either.

2. Make sure that the people that will be handling inventory know that you are going to control it by way of counts before and after. They will be more careful. Or they may decide not to do it at all.

3. Use control measures when issuing items to someone to sell. Count together. “Here are 20 directories. They sell for $3. Here is $10 in change to start you out. That comes to $70 all together.”

4. Have a master count list in the box of directories. You start with 100. You issue 20 to Wendy to sell. Wendy returns 5 unsold. You should have 85.

5. Use control measures when the items come back. Count together. “You are returning 5 directories and $55. That comes to $70 all together.”

6. Treat everyone the same. If you count with Wendy, make sure that you count with your best friend Sue.

Controls such as these are easy to implement. Use the Cash Count Worksheet on page 20 to get started. The most important part is consistency.
Co-Signer Responsibilities

Just what did you get yourself into?

So you’re the co-signer on your non-profit’s bank account. Is this an honor? Or a curse?

First, congratulate yourself for joining a group that understands the benefits of having two signers on checks. This will slow down fraud attempts but it is not a cure-all.

Of course you will never sign a blank check, no matter how good the reason. There is always another way to accomplish what you need. If something needs to be purchased from a place or for an amount that is yet to be determined, have the purchaser write a check of their own or use a personal credit card or cash and be sure to reimburse them promptly. That way you maintain integrity.

Here are other things to keep in mind before you whip out your pen:

1. Any check that you sign will need to have the date and the payee and the amount already filled in.

2. There needs to be an original bill or a receipt that shows the name of the person or business who provided this product or service and the amount which should of course match the amount of the check.

3. You need to know that this is an approved purchase. It does you no good to carefully examine the check and the bill before you sign only to find out later that the board never approved the purchase of a Wii and in fact wants to know where exactly it is.

Getting the most out of one $75 receipt:

Joe the treasurer purchases supplies from the office supply store with a Club check that was co-signed by someone who didn’t follow these rules. He then uses the receipt to get a reimbursement for this and some other items (even though the Club paid for them in the first place). He asks a different co-signer to sign this check. (Joe’s up $75) The receipt then goes to Joe’s employer who reimburses him again. (Joe’s up $150) Finally Joe uses the receipt to return the office supplies and get a refund from the office supply store. (Joe’s up $225) The receipt is at the end of its useful life at this point, when the office supply store writes RETURNED in ink on it.

Take your cue from the office supply store. To help avoid this, make sure that you only sign a check with an original receipt. ALSO write your name, date and the check number ON the receipt, effectively ending its useful life.
That being said, an original receipt does not eliminate your need for caution. To avoid buying a Wii for the Treasurer’s personal use, your board needs to have a procedure in place that ensures that proper documentation is provided with each payment request. So in addition to the check awaiting your signature and an original receipt, the use of a Check Request Form is highly recommended. See attachments for a sample. This form may require approval from a board member or committee chair. Or it may require a copy of the minutes of the meeting where this purchase was approved.

Some Treasurers are not signers on the bank account! These organizations still require two signatures. The Treasurer handles all the paperwork, prepares the checks, and then presents them for signature. As a co-signer you may feel awkward questioning the treasurer about a purchase. This is much easier when there are two of you asking the questions.
Bank Account Fundamentals: Following the Money

Remember the news story at the beginning of this eBook: “Non Profit Treasurer embezzles $200,000”.

Do you wonder what the rest of the board was doing while this was going on? How could they possibly not know that there was $200,000 less in their bank account than they thought there was? Wasn’t anyone paying attention??

Chances are they were doing the best they knew how. The Treasurer was submitting reports, everything looked good on paper. They had no reason to doubt that the reports that were being submitted were anything other than factual.

You know by now that financial responsibility rests with the entire board, not just the treasurer. Many insurance carriers now require that a non-signer on the account sign off on the bank statements every month. Otherwise you may not be covered for embezzlement if it should occur.

Prudent bank account practices:

1. If your bank will send statements to more than one person, then request to have one set sent to the President’s home, or to some designated person other than the Treasurer. If you can get only one set of bank statements mailed, then have them sent to the President or as above. The President can then make copies for the Treasurer.

   Why? With today’s computer hardware and software, it is relatively easy for a person to scan a document and alter it (maybe change the $4,235.00 in the bank to $204,235.00). Do not accept photocopies of any kind unless you are willing to contact the bank and confirm the numbers on them. You just cannot be sure that they are true.

2. Make sure that you get reports on ALL bank accounts and CD’s every month. People who steal money are devious. They may set up a CD so that you get a better interest rate on your group’s money. You see the money being transferred out of the Checking account into the CD. If you don’t have something from the bank that shows the CD balance at the end of each month, then you really don’t know where that money is.

3. Make sure that you use a bank that returns your checks, or even better sends you check images. As technology advances checks are becoming a thing of the past, but in the meantime we still need to ensure that checks written are a valid expenditure of the organization.

Examine all cancelled checks to ensure:

- You recognize the name the check was written to (be especially cautious of reimbursements).
• This expenditure is related to your group’s activities (should we be writing checks for airfare or cable TV or Macy’s?).

• Signatures are by authorized signers and there are the required numbers of signatures on the check.

• There are no unexplained gaps in check sequence.

4. Initial and date the bank statements or reconciliation report to document that a review and reconciliation was performed and file both.

For even more information on how to thoroughly check your monthly bank statements, see our July eNewsletter: Reconciling the Bank Statement: Not Just for Treasurers Anymore.

Finally, recognize that the ease of online banking can offer easy opportunities for fraud as well. Online banking is beneficial because it offers transparency for an organization. However, be aware that those who can view bank account details online may be able to transfer money out of it as well.

Check with your bank. Some banks allow read only access – which is ideal. Read-only access to online banking can allow multiple viewers (such as treasurer, president and vice president) to see the bank balance.

Finally, remember that going online to your banking institution where the real money is kept is not the same as using online accounting software to keep track of your money. Online accounting software is a very useful tool that enables multiple users to see how the Treasurer is explaining the money that is moving in and out of the bank account. It doesn’t touch the money itself.
The Treasurer’s Report:  
Fact or Fiction?

Your Treasurer needs to provide the board with a report on a regular basis, normally monthly, that shows the income and expenses for the period, compares it against the budget if any, and clearly states the cash balances in your bank accounts. This report needs to be accompanied by bank statements that someone else has checked to ensure that the numbers on the report match the money in the bank.

While a treasurer’s report presented at each meeting is a good start, and more than some groups get, you’ll need to put a few more practices in place for better protection.

It’s possible to generate reports out of Excel that have no resemblance to what’s actually happening in your accounts. And with technological advances, it’s also easy to doctor reports with the click of a mouse.

You don’t really think that someone stealing money from your organization is actually going to tell the truth on the reports they produce, do you?

So, what more can you do to make sure the Treasurer’s report resembles reality?

Two things:

1. Perform a mini-monthly audit as described on our 10-Minute Audit form. Why? This is a procedure that is quick to do and easy to follow and if the totals do not agree, then you know that you need to investigate further. See page 22 for sample 10-Minute Audit form.

2. Use an online financial system for managing your books. This provides transparency so others can see what is going on. If the books are managed on someone’s home computer, then you have no idea if they are up-to-date and accurate (or if someone is paying for their new wardrobe out of your group’s bank account).

There are about a dozen more good reasons to use an online financial system. Call us if you’d like to hear more!
The Budget: The Board’s Best Friend

We strongly recommend that your Board develop a budget that is approved by your membership and is used to monitor the actual financial activities in your organization.

Say your board decides at budget time that based on experience $200 should be more than enough for Postage. It’s half way through the year and the Treasurer’s report shows that you have spent $425. This would be a good time to ask a question! Maybe an expenditure was incorrectly coded. Or maybe you did an extra mailing that was unforeseen. Or maybe the Treasurer is mailing presents to friends overseas on your nickel. The $425 on its own may not catch your attention, but comparing it to the budget will.

Say your board decided on a fundraiser that you believe will bring in $5,000 and cost you $2,500. You see on the Treasurer’s report that the fundraiser has only brought in $3,750, and the costs are $2,500. This would be a good time to ask a question! Maybe a deposit was incorrectly coded. Or maybe all the payments have not come in yet. Or maybe the Fundraising Chair is pocketing some of the cash that came in with the orders. The $3,750 on its own may not catch your attention, but compared to budget it will.

Budgets are excellent tools. They provide your board with a frame of reference that helps you to do your job of financial oversight.
The Audit: The Board’s Other Best Friend

We strongly recommend that every organization conduct a formal audit at least once per year. Some insurance companies require this as a condition of coverage.

“Can our group handle this internally or should we hire someone?”

That depends on your expectations of the audit. Contrary to commonly held beliefs, an audit is not designed to detect fraud. An audit’s purpose is to affirm the organization’s financial records and position.

A principal means of establishing the validity of a treasurer’s report is to trace the figures to the accounting records and back through the records to the original deposit slips or receipts. However, in any audit that you are likely to be able to afford, the auditors’ use of the accounting records plays only a small part if any part at all. That is why it is common for auditors to state in their report that they have made an audit of the financial statements rather than to say that they have made an audit of the accounting records.

So if you think that you are going to turn over all of your boxes of receipts and bank deposit slips and budgets and bank statements and treasurer reports to an outside auditor and get back an iron clad assurance that all of the money raised ended up in the bank account and that all the money spent was for authorized activities, you are likely to be disappointed.

If you don’t put the controls in place to prevent these actions, even the best auditing accountant can’t possibly know that:

- Jane, who was selling raffle tickets, pocketed 50 she didn’t pay for, hoping to impress her new boyfriend with the trip to Maui she hoped she’d win.
- Sam, in charge of spirit sales, kept a wad of cash for all his trouble, then turned in all checks and a couple $20’s to reduce suspicion.
- Maria, the carnival chair, stuffed her Cadillac with cases of pop, paper plates, napkins, prizes, and the giant penguin, so she could have a pool party before she moved out of state.

Sadly, it’s no joke. We are addressing volunteer run nonprofits without paid staff in this document. Unless your organization is very large or very complex, you will probably be able to do an effective audit yourselves and may find things that an outside auditor wouldn’t see.

See our Sample Audit Checklist and 10-Minute Audit Form for more information on how to do an audit in-house.
Buy Insurance

These days, no one should agree to sit on a nonprofit board that doesn’t have adequate insurance coverage.

Not much more to say here.

If you are on a board that has insurance coverage, make sure payments are up-to-date and that it covers you for all the risks that you may encounter. Call our friends at AIM Insurance 1-800-876-4044 for more information. Or email them at aim@aim-companies.com

If your board does not currently have insurance coverage, make it your first priority!

If your board declines to get insurance coverage (don’t need, too expensive, too much trouble), resign. Right now. Before something happens that you may find yourself financially responsible for.
Establish Rules & Routines Before Engaging

Just like playing a board game with another person, or raising children, or training animals, it helps to have clear, well-defined rules determined before playing the game. By establishing rules & routines before getting underway, you make it easier for people to follow them from the start, without too many questions.

As we mentioned at the start of “Fraudbusters,” one key to controlling financial management risks is the development and use of effective internal controls. Every nonprofit needs policies and procedures to control the access and use of its financial resources. Develop and implement these now for your sanity and for the safety of your group.
# Cash Count Worksheet

**Date** ____________________________________________

**Committee** _________________________________________

**Event** _____________________________________________

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<td>$</td>
<td>TOTAL CURRENCY</td>
<td>$</td>
</tr>
</tbody>
</table>

---

**Total Coins (from above) $**

**Total Currency (from above) $**

**Total Checks (attach addition tape) $**

**Total to be Deposited $**

---

**Signature**

---

---

**Signature**
Sample Audit Checklist

Name of Organization ___________________________________________________________

Name of Treasurer _____________________________________________________________

Period Audit Covers ____________________________________________________________

Administration

Is insurance in place? □ Yes □ No

Budget

Is there an approved motion in the minutes for the budget? □ Yes □ No

Banking

Were all transactions properly categorized according to budget? □ Yes □ No

Is there an invoice/bill/receipt for each expenditure? □ Yes □ No

Were all expenditures part of the budget? □ Yes □ No

Are all checks sequentially numbered & accounted for (including voided checks)? □ Yes □ No

Were all bank reconciliations completed? □ Yes □ No

Were there 2 signatures on all checks? □ Yes □ No

Are Treasurer’s Reports on file (for each month)? □ Yes □ No

Balance on hand at year end $ __________________________

IRS

Was the 990/N/EZ filed for the previous financial year? □ Yes □ No

Gross income $ __________________________

 under $25,000 (file the 990N)
 $25,000 - $99,999 (file the 990EZ)
 $100,000+ (file the 990)

Who’s responsible for filing the 990/N/EZ this year? __________________________

All IRS 990 forms are due 4-1/2 months after the close of your financial year)

Explain any responses checked “NO”: ____________________________________________

______________________________________________________________________________

______________________________________________________________________________

Audit Date __________________________ By __________________________

By __________________________

By __________________________

Fraudbusters: Keeping Your Name Out Of The Evening News • © 2008, NonProfit Central, Inc
### 10-Minute Audit Form

#### Bank Balance at Start of Year

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking</td>
<td>$</td>
</tr>
<tr>
<td>Savings</td>
<td>$</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$</td>
</tr>
</tbody>
</table>

#### Activity as reported on the Treasurer’s Report

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>All income so far this year</td>
<td>$</td>
</tr>
<tr>
<td>All expenses so far this year</td>
<td>$</td>
</tr>
<tr>
<td><strong>Net</strong></td>
<td>$</td>
</tr>
</tbody>
</table>

#### Expected Bank Balance \( \text{Total}^1 - \text{Net}^2 \)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

#### Bank Statement Balance as of Audit Date

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking</td>
<td>$</td>
</tr>
<tr>
<td>Savings</td>
<td>$</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Uncleared Deposits</td>
<td>$</td>
</tr>
<tr>
<td>Uncleared Checks</td>
<td>$</td>
</tr>
<tr>
<td><strong>Net</strong></td>
<td>$</td>
</tr>
</tbody>
</table>

#### True Bank Balance \( \text{Total}^3 - \text{Net}^4 \)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>
General Liability Insurance: Has a child cut open an eyebrow in a moonwalk at your fall festival, broken an arm at your roller skating party, or received a burn at one of your concession stands? The General Liability policy protects local members and volunteers against liability lawsuits arising from bodily injury at one of these activities. The policy limit is $1 million or $2 million with no deductible.

Accident Medical Insurance: The Accident Medical policy is designed to complement the General Liability policy. This policy provides medical coverage for activities that are excluded from the General Liability policy such as automobiles, mechanical rides, watercraft, and fireworks coverage and provides additional medical payment coverage to help deter lawsuits. This is not a replacement of your liability policy! The Accident Medical limits are $10,000, $25,000, and $50,000 with no deductible.

Bond Insurance: More than you realize, embezzlement is a huge problem these days. What do you do when you discover $20,000 of your fund raising money has been embezzled or stolen? The Bond Insurance will replace your fund raising money and avoid having you turned over to a collection agency. The bond limits are $10,000, $25,000, and $50,000, with a $250 deductible.

Officers Liability Insurance: As an officer of your organization, you could be strapped with huge legal bills because someone has accused you of misrepresentation or mismanagement. The Officers Liability will provide protection from situations like these. The policy limit is $1 million with a $1,500 deductible.

Property Insurance: Your organization’s property, raffle merchandise, and fund raising merchandise would be financially difficult to replace if they were damaged or stolen. The property insurance will replace your property damaged or lost due to theft or natural hazard. The policy limit is $10,000 with a $250 deductible.

Whether you’re a PTA, PTO or Booster Club, AIM offers policies specifically designed just for you. For complete details or more information, please call us at 1-800-876-4044 or visit us on the web at www.aim-companies.com.