

# EXHIBIT A

## INTERNAL CONTROL PRACTICES

	CIRCLE CORRECT ANSWER	
1. <u>Are specific accounting functions handled by the person assigned these functions?</u>	no	yes
2. Does the church have a written up-to-date accounting procedures manual?	no	yes
3. <u>Are incompatible accounting duties handled by different persons (record keeping separate from cash handling)?</u>	no	yes
4. <u>Are facilities locked when not in use?</u>	no	yes
5. Are accounting records safeguarded at all times?		
6. Is an audit committee operational?	no	yes
7. Are the accounting records and underlying internal control records audited annually?	no	yes
8. Are all personnel who have access to cash bonded?	no	yes
9. Are members encouraged to use offering envelopes?	no	yes
10. Is the handling of offerings always controlled by at least two persons?	no	yes
11. Is cash counted by at least two persons in a secured area?	no	yes
12. Are all checks received endorsed as soon as possible?	no	yes
13. Is cash deposited as soon as possible after receipt?	no	yes
14. Is all cash received deposited in the bank?	no	yes
15. Is cash safeguarded in a safe, lockbox, etc. when at the church?	no	yes
16. Are the incoming mail and in church contributions handled by persons who are not responsible for the accounting records?	no	yes
17. Are contribution records maintained for members?	no	yes

- |  |    |     |
|--|----|-----|
| 18. Do members receive periodic notices of their contributions from a Finance Committee?   | no | yes |
| 19. Are two or more bids obtained for large expenditures.  | no | yes |
| 20. Are pre-numbered purchase orders prepared for disbursements that do not have standing authorization.                                 | no | yes |
| 21. Are invoices for goods and services approved by an authorized person before payment?   | no | yes |
| 22. Are invoices checked for accuracy before payment?  | no | yes |
| 23. Are at least two signatures required for all checks?   | no | yes |
| 24. Do all check signers inspect all supporting documents before signing?  | no | yes |
| 25. Are all voided checks marked and retained?   | no | yes |
| 26. Is preparing a check to cash prohibited?   | no | yes |
| 27. Are bank unused checks safeguarded at all times?   | no | yes |
| 28. Is a petty cash fund used for minor disbursements?   | no | yes |
| 29. Are payments from petty cash supported by invoices?  | no | yes |
| 30. Are reconciliations of all bank accounts prepared monthly by a person who is not involved in writing checks?                         | no | yes |
| 31. Are securities, jewels and other valuable documents protected in a safe deposit box?   | no | yes |
| 32. Are two signatures required to enter the safe deposit box?   | no | yes |
| 33. Is an updated inventory of securities and other valuables maintained?  | no | yes |
| 34. Are periodic reviews made to determine if insurance coverage (property, workman's compensation, liability, autos, etc.) is adequate? | no | yes |