|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|       |  |       |  |       |
| **Member Name** |  | **Completed by** |  | **Date** |

| **BASIC ANTI-FRAUD CONTROLS** |
| --- |
| **n/a** | **Y** | **N** |  |
| [ ]  | [ ]  | [ ]  | Do the organization require all financial transactions to be documented with an electronic or paper record? |
| [ ]  | [ ]  | [ ]  | Does the organization segregate the duties of employees with cash receipt responsibility from those with cash disbursement and bank reconciliation responsibilities? |
| [ ]  | [ ]  | [ ]  | Does the organization segregate the duties of employees with cash disbursement responsibility from those with check signing authority and invoice approval responsibilities? |
| [ ]  | [ ]  | [ ]  | Does the organization segregate the duties of employees who can enter W-9 vendors into the payment system from employees who can initiate payments or sign checks? If this is not possible due to the size of your organization, do you have someone review and authorize payments before issuing checks? |
| [ ]  | [ ]  | [ ]  | Does the organization secure a valid W-9 from vendors before they can be authorized in the payment system? |
| [ ]  | [ ]  | [ ]  | Does the organization prohibit payments to vendors from being mailed to an address other than the one indicated in the vendor’s record? |
| [ ]  | [ ]  | [ ]  | Is fraud detection software used throughout the organization? If yes, is that fact made known to all employees? |
| [ ]  | [ ]  | [ ]  | Are supporting documents required for all employee expense reimbursements? |
| [ ]  | [ ]  | [ ]  | Are two persons required to authorize wire or electronic transfers? |
| [ ]  | [ ]  | [ ]  | Before signing, do check signers verify that the check amount matches the corresponding approved invoice(s) total(s)? |
| [ ]  | [ ]  | [ ]  | Are dual signatures required for disbursements exceeding an agreed-upon amount? |
| [ ]  | [ ]  | [ ]  | After payable checks are signed, is it prohibited to return them to the check preparer? |
| [ ]  | [ ]  | [ ]  | Are regular reviews done for duplicate check numbers, invoice numbers, invoice amounts, out-of-sequence check numbers, checks issued on weekends, checks marked as void, etc.? |
| [ ]  | [ ]  | [ ]  | Is a specific amount of start-up money established for each cash drawer? |
| [ ]  | [ ]  | [ ]  | Are employees required to count the start-up cash when they receive it and sign a receipt for it before taking the cash drawer to their workstations? |
| [ ]  | [ ]  | [ ]  | Is there an established limit for the maximum amount of cash employees may have in a cash drawer under normal circumstances? |
| [ ]  | [ ]  | [ ]  | Are receipts for cash payments numbered? |
| [ ]  | [ ]  | [ ]  | Are receipts reconciled to drawer cash at least weekly? |
| [ ]  | [ ]  | [ ]  | Are receipts for cash payments received compared against bank deposits? |
| [ ]  | [ ]  | [ ]  | Are cash received receipts reviewed by receipt number to determine whether any are missing? |

| **CASH HANDLING** |
| --- |
| **n/a** | **Y** | **N** |  |
| [ ]  | [ ]  | [ ]  | When an employee receives payments, do they provide a numbered receipt to the payor? |
| [ ]  | [ ]  | [ ]  | When an employee receives cash, are they required they count it before issuing a receipt? |
| [ ]  | [ ]  | [ ]  | When checks are received, are they marked using a check stamp with your entity’s name, the deposit account number, and “For Deposit Only”? |
| [ ]  | [ ]  | [ ]  | At the end of each shift, are all cash drawers balanced? |
| [ ]  | [ ]  | [ ]  | During business hours, do employees keep cash in a secure cash register or locked drawer or box? |
| [ ]  | [ ]  | [ ]  | At the close of business hours, are cash and checks placed in a closed and locked safe and are all cash registers left open? |
| [ ]  | [ ]  | [ ]  | When employees count cash, is a second person required to be present? |
| [ ]  | [ ]  | [ ]  | Are bank deposits made each business day? |
| [ ]  | [ ]  | [ ]  | Does a second person reconcile deposits before they are taken to the bank? |
| [ ]  | [ ]  | [ ]  | Are deposits made at the bank during the business day, not after the bank’s hours? |

| **PHYSICAL SAFEGUARDS** |
| --- |
| **n/a** | **Y** | **N** |  |
| [ ]  | [ ]  | [ ]  | Are check stock, check printing machines and signature plates kept in a secure location not accessible by those initiating check payments? |
| [ ]  | [ ]  | [ ]  | During the business day, is access to the safe/vault restricted to authorized individuals only? |
| [ ]  | [ ]  | [ ]  | During the business day, is the door to the safe/vault kept closed? |
| [ ]  | [ ]  | [ ]  | At the end of the business day, is the door to the safe/vault closed and locked? |
| [ ]  | [ ]  | [ ]  | Has the combination/lock to the safe/vault been changed since any person who had access separated from the organization? |

| **PAYROLL PROCESSING CONTROLS** |
| --- |
| **n/a** | **Y** | **N** |  |
| [ ]  | [ ]  | [ ]  | Are all time sheets approved at a level above the employee? |
| [ ]  | [ ]  | [ ]  | Are written and signed authorizations required to change an employee’s payroll information? |
| [ ]  | [ ]  | [ ]  | If an e-mail is received requesting a change to an employee’s direct deposit bank account information, is the request confirmed directly with the employee before the change is made? |
| [ ]  | [ ]  | [ ]  | Do you have a process in place to ensure that, when an employee notifies you of a change in their address or direct deposit information, this change is also made in the payroll management system? |
| [ ]  | [ ]  | [ ]  | Are employee files and payroll records secured from unauthorized access at all times when not in use? |
| [ ]  | [ ]  | [ ]  | Are the details of payments made on behalf of employees into retirement options reviewed periodically? |
| [ ]  | [ ]  | [ ]  | Are the details of defined benefit payments to be made directly to employees reviewed at retirement and then periodically on an ongoing basis after retirement? |

| **HUMAN RESOURCE CONTROLS** |
| --- |
| **n/a** | **Y** | **N** |  |
| [ ]  | [ ]  | [ ]  | Are mandatory vacations or rotation of positions – at least one consecutive week annually – required for persons involved in any part of the disbursement cycle? |
| **n/a** | **Y** | **N** | *Are the following hiring practices in place?* |
| [ ]  | [ ]  | [ ]  | Past employment verification |
| [ ]  | [ ]  | [ ]  | Criminal and civil background checks |
| [ ]  | [ ]  | [ ]  | Credit checks |
| [ ]  | [ ]  | [ ]  | Drug screening |
| [ ]  | [ ]  | [ ]  | Education verification |
| [ ]  | [ ]  | [ ]  | Reference checks |

| **COMPANY-ISSUED CREDIT CARDS** |
| --- |
| **n/a** | **Y** | **N** |  |
| [ ]  | [ ]  | [ ]  | Is there a maximum limit for single credit card purchases and for yearly total purchases? |
| [ ]  | [ ]  | [ ]  | Does a second party verify credit card purchases with proper receipts and reconcile the monthly credit card statement? |
| [ ]  | [ ]  | [ ]  | Is there a limit on the total number of credit cards that may be issued? |

| **POLICY & TRAINING** |
| --- |
| **n/a** | **Y** | **N** |  |
| [ ]  | [ ]  | [ ]  | Do you have a written policy on cash handling?  |
| [ ]  | [ ]  | [ ]  | Is your cash handling policy reviewed with all new hires and annually with all employees? |
| [ ]  | [ ]  | [ ]  | Is ongoing anti-fraud training provided to all employees of the organization? |
| [ ]  | [ ]  | [ ]  | Has a policy of zero-tolerance for fraud been communicated to employees through words and actions? |
| [ ]  | [ ]  | [ ]  | Has it been made clear to employees that reports of suspicious activity will be promptly and thoroughly evaluated? |
| [ ]  | [ ]  | [ ]  | Do your trainings, policies and procedures, and other office resource materials explain clearly what constitutes fraud? |
| [ ]  | [ ]  | [ ]  | Do your trainings and resource materials explain clearly where to seek advice when faced with difficult ethical decisions? |
| [ ]  | [ ]  | [ ]  | Do your trainings, materials, and communications reassure employees that they can speak freely and without fear of reprisal when reporting concerns about breaches of policy, suspicious activity, or possible fraud? |
| [ ]  | [ ]  | [ ]  | Is a fraud reporting mechanism in place? |
| [ ]  | [ ]  | [ ]  | Is an anonymous reporting channel, such as a third-party hotline, available to employees? |
| [ ]  | [ ]  | [ ]  | Do reporting policies and available reporting mechanisms extend to vendors, citizens, and other outside parties? |
| [ ]  | [ ]  | [ ]  | Are there employee support programs to assist employees struggling with addiction, mental/emotional health, family, or financial problems? |

| **MANAGEMENT / REVIEW FUNCTIONS** |
| --- |
| **n/a** | **Y** | **N** |  |
| [ ]  | [ ]  | [ ]  | Are the organization’s financial records independently audited each year? |
| [ ]  | [ ]  | [ ]  | Does management or an audit committee perform a review of original financial institution statements on a regular basis, including a comparison of cancelled checks against the check register (can be completed online)? |
| [ ]  | [ ]  | [ ]  | Are receivable write-offs reviewed and approved and/or documented? |
| [ ]  | [ ]  | [ ]  | Does management routinely review vendor account details and transactions, looking for amounts/ payees that don’t look right? |
| [ ]  | [ ]  | [ ]  | Is there management-level review of W-9’s issued? |
| [ ]  | [ ]  | [ ]  | Is there a requirement that reconciliations be reviewed and approved at the supervisory level on a monthly basis? |
| [ ]  | [ ]  | [ ]  | Are surprise fraud audits performed in addition to regularly scheduled audits? |
| [ ]  | [ ]  | [ ]  | Are fraud risk assessments performed to proactively identify and mitigate the organization’s vulnerabilities to internal and external fraud? |
| [ ]  | [ ]  | [ ]  | Are employees and any elected/appointed officials who handle money covered by appropriate liability insurance? |

**PLEASE NOTE!**

This checklist does not address cash handling within the context of evidence handling by law enforcement. Refer to the *MML Law Enforcement Risk Control Manual of Policies* for model policies and procedures regarding handling of cash evidence.