

CHECKLIST FOR BOARD REVIEW
OF FINANCIAL INFORMATION
(NONPROFIT ORGANIZATION)

- Examine unopened bank statement along with the accompanying cancelled checks for irregularities
- Review bank reconciliation prepared by accountant - including outstanding checklist (look for large amounts outstanding for a long period of time) and deposit in transit amounts (look for these deposits on the subsequent bank statement.) Determine that proper number of signatures are used and that signor(s) is appropriate.
- When reviewing the financial statements determine that:
 - Statements are being generated directly from the computer accounting software (as opposed to a spreadsheet that has been prepared from the accounting software)
 - If statements have been prepared using a spreadsheet program, review the general ledger and compare amounts shown to the spreadsheet.
 - All balance sheet accounts should have detailed subsidiary schedules to support them. The only exceptions are those accounts that are usually only adjusted at year-end (i.e. vacation and salary accruals). Check for reasonableness.
 - The financial statements should reflect, among other things, all major contributions that are reflected in the minutes or reported to the board from fund development personnel. Likewise, all major expenditures should be reflected (either as paid out in cash or recorded as a liability).
- Review quarterly state payroll tax returns (Form DE-6) that reflect each employees wages for the quarter and determine that amounts are reasonable and all employees listed actually exist.
- Perform a “quick check” of petty cash making sure receipts and monies total the expected balance.