

Organization Name: _____
 CPA Firm Name: _____

Year Ended _____
 Date Review Performed _____

Good Governance Policies Checklist

The following outlines the agreed-upon procedures to be performed for the subrecipient organizations receiving federal funding from the City of Boston. Each individual subrecipient should 1) involve its Board of Directors in reviewing this checklist and evaluating its current procedures and policies, and 2) have an independent CPA perform an agreed-upon-procedures engagement measuring the organization’s policies compared to this checklist. The independent CPA should report on the procedures and include a copy of the completed checklist in the report.

Please have the CPA indicate the response to each step as Yes, No or N/A. As this list reflects the recommended best practices to be followed by the subrecipient organizations, if a response is No, the organization should also include a succinct corrective action plan and timeline. The completed CPA report and checklist, along with any corrective action plan and timeline should be submitted to us as soon as possible. If you have any questions, please let us know.

	Yes	No	N/A
General:			
The Organization has a mission statement which is in writing and approved by the Board.			
There is an accounting manual in place.			
If yes, it includes: An organizational chart, job descriptions outlining duties and responsibilities, descriptions of methods, procedures and accounting principles to be followed, a chart of accounts and any other documents or forms for which uniformity of use is desired.			
Employee responsibilities are well-defined and communicated to employees in an employee manual.			
There is a policy in place and functioning to identify and monitor related party transactions among employees as well as the Board.			
There is an Information Technology policy in place.			
Access to the accounting software is appropriately limited based upon the employee’s role and responsibilities.			
There are written disaster recovery procedures in place in case of emergency.			
The Organization has a donated services/items policy.			
Depending on size of organization and/or requirements set in the organizations by-laws, they receive the required annual audit, review or compilation of their financial statements.			
The Organization is operating with a budget.			
Governance:			
The Organization has an active Board which meets regularly			

	Yes	No	N/A
or as required in their by-laws.			
The required number of Board members as set in the by-laws is maintained.			
Minutes of the Board and Committee meetings are maintained.			
The Organization has a finance or audit committee to oversee financial reporting and tax reporting.			
The Board receives financial statements (balance sheet and activities) for review at each meeting.			
The Organization has a conflict of interest policy.			
All officers/directors are required to annually disclose potential conflicts of interest.			
The Organization has a whistleblower policy.			
The Organization has a related party policy.			
The Organization has a record retention policy.			
Accounting Records:			
Cash:			
Bank statements are opened by the Executive Director, or an individual not responsible for bookkeeping.			
Bank statements include copies of cancelled checks for review.			
Executive Director documents their review of the bank statement.			
Monthly bank reconciliations are performed.			
The reconciliation is reviewed by an individual not responsible for other cash functions and the review is properly documented.			
Outstanding checks are periodically reviewed for stale items.			
If stale checks are identified the proper procedures are performed to clear the transaction.			
Special cash accounts are maintained as required by contracts, all other cash is maintained in the general operating or savings accounts.			
Checks are endorsed immediately when received.			
A list of all receipts is documented as they are opened.			
Receipts are processed timely as defined by each organization depending on level of activity.			
Deposit slips are matched against the list of receipts for completeness.			
There is adequate segregation of duties over cash receipts.			
Blank checks do not get signed in advance due to check signor absence.			

	Yes	No	N/A
The use of a signature stamp is not used.			
All checks are written in sequential order.			
If a check needs to be voided the proper defacement of the check and removal of the signature portion is performed.			
The practice of writing checks payable to 'cash' is rarely used, preferably not at all.			
Original supporting documentation for all cash disbursements is maintained.			
Check signors review all supporting documentation prior to signing the check.			
Once invoices are paid there is proper documentation on the physical invoice such as a "paid" stamp or initials of the individual signing the check to prevent duplicate disbursements.			
The Organization has a policy which requires dual signatures for all checks over a threshold amount determined by the Board.			
The dual signature policy is consistently followed.			
The number of check signors within the Organization is reasonable. Typically two or three depending on the size of the organization.			
Former employees with signatory authority are promptly removed from the bank accounts upon departure.			
Debit cards are not used by the Organization.			
There is a policy in place which requires management's approval of payment to higher interest vendors or those who charge late fees.			
On-line banking access is restricted to those requiring access. When possible authorization should be restricted to only those functions within their roles.			
Investments:			
The Organization has a formal written investment policy which includes the Board's philosophies, policies and goals.			
Investments are reconciled to the monthly statements in addition to a quarterly report on the return on investment for use by the Board.			
Accounts Receivable /Revenue:			
There are monthly reconciliations of the accounts receivable aging report to the general ledger.			
The accounts receivable aging report is periodically reviewed for old balances by management.			
There is a policy in place which evaluates older balances for collectability and an allowance for doubtful accounts is maintained.			

	Yes	No	N/A
Once accounts are identified as uncollectible they are properly written off and removed from the books.			
The Organization has a revenue recognition policy in place.			
Controls are in place which ensures revenue is recorded in the proper period.			
Pledges and contribution receivables are properly recorded and restricted, if applicable.			
Grants:			
If grants or contracts are received, there are procedures in place to ensure compliance requirements are met.			
Supporting documentation is maintained for all grant expenses under grant agreement.			
Procedures are in place to ensure timely invoicing of grant expenditures.			
Required report submissions are made to grantor agencies.			
Fixed Assets:			
The Organization has an approved capitalization policy. The threshold is set based on the level of activity and nature of the program.			
The capitalization policy includes the useful lives of assets which are to be used for depreciation purposes.			
Fixed asset records are maintained which lists the description of the asset, cost, date placed in service, estimated useful life, depreciation method, depreciation expense and accumulated depreciation for the year.			
If applicable, a physical inventory of fixed assets is performed.			
The fixed asset listing is periodically reviewed for out of service or retired assets to be written off.			
All major fixed asset purchases receive prior written approval by a responsible key employee.			
Accounts Payable / Expenses:			
A policy is in place which requires supporting documentation for all charges to a corporate credit card and also prohibits the personal use of the corporate card.			
Former employees with a corporate credit card are promptly removed from the account upon departure.			
There are monthly reconciliations of the accounts payable aging report to the general ledger.			
All invoices received are entered into the accounting system as an accounts payable upon receipt.			
The Organization has a policy in place which ensures proper			

	Yes	No	N/A
cutoff of expenses.			
If applicable, all debt covenants are monitored and met.			
Payroll:			
Management reviews the payroll report prepared and processed for each payroll period. This review is documented each pay period and copies of the reports are maintained.			
The addition of a new employee to the payroll is approved by management.			
Personnel files are maintained and updated periodically including annual reviews and authorized pay rate changes.			
The Organization has an employee manual which is distributed and reviewed with each employee upon hire.			
The Organization has an approved vacation policy in place which is consistently followed.			
The vacation policy includes a limit on the amount of vacation time that an employee can accumulate.			
A consistent method of employee expense reimbursement is used; ideally, there is a standard form in place to document the request.			
Bonuses awarded to employees are issued through the payroll system and include all the proper taxes.			
Executive compensation is approved in writing by the Board.			
If timesheets are maintained they include the proper approvals by the employee's immediate supervisor.			
All required payroll tax filings are been completed and submitted in a timely fashion.			
W-2's and 1099's are issued as needed.			
Tax Issues:			
If the Organization has received tax exemption, invoices are reviewed to ensure sales tax is not being charged.			
If charitable contributions are received from individuals, a letter indicating their contribution is tax-exempt is sent to the donor if it exceeds \$250.			
All required tax filings have been filed timely, specifically the Form 990 and MA PC.			
The Organization has reviewed all activities for potential unrelated business income.			
If unrelated business income is identified, related income and expenses are documented separately from program transactions. The required tax filings are processed timely.			

	Yes	No	N/A
Insurance:			
The Organization has a policy in place to analyze potential risk and coverage for:			
Workers Compensation			
Property Insurance			
Casualty Insurance			
Director Liability Insurance			
Errors and Omissions Insurance			
Organization Liability Insurance			
Other:			
Annual reviewed financial statements are submitted to the City of _____.			