

BEST PRACTICES for Local Association Financial Controls



This is a guide for Local Association Boards regarding basic controls to put in place for effective financial management. The purpose of this guide is to raise issues for your consideration, but you should make sure you engage and consult appropriate legal and tax counsel to help you make the proper decisions to put you in the proper place relative to compliance. These controls are important in the event that one of the authorized officers is unable to perform his or her duties, for example, due to an unexpected illness or injury or other reason.

Checking Writing

There should be at least two authorized individuals who have check signing privileges; ideally the Treasurer and President. Two signatures should be required for checks written in an amount over \$5000.

Checking Accounts

The Treasurer and President should each receive monthly bank statements, mailed directly from the bank or each should have on-line access to the Local Association bank account.

Cash Receipts

A receipt (with a copy retained by the Treasurer) must be written for all cash that is received as payment for registrations or any other cash transaction or donation received by the Local Association.

Financial Statements

Monthly (or at least quarterly) financial statements should be made available to the Local Association Board of Directors.