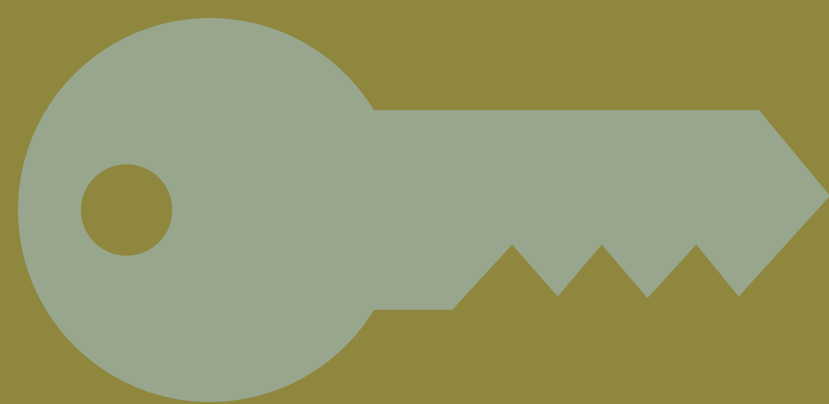


INTERNAL CONTROLS



A brief summary by Kirk Morgan

Internal Controls are a set of policies and procedures to prevent the misuse of funds

WHY DOES a CHURCH need INTERNAL CONTROLS?



- To provide reliable data
- To help prevent fraud
- To promote operational efficiency
- To protect the church



The enemy can slow down the momentum of a church or even derail it entirely with just a small scandal. Good Internal Controls help reduce that risk!



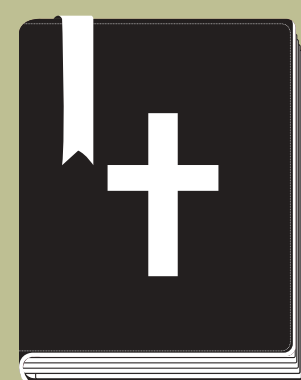
An Internal Control Audit is the best way to get an independent, outside appraisal of your internal controls.



CASH HANDLING

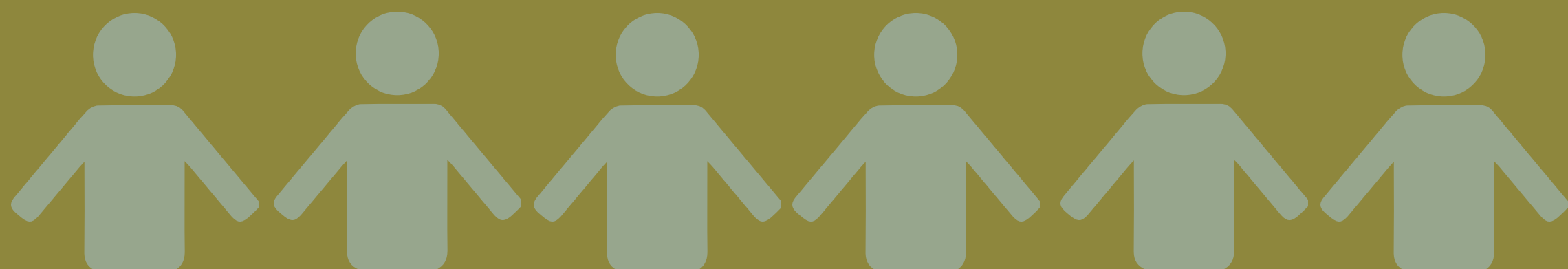
- Collect
- Secure
- Count
- Deposit
- Post

WHAT SCRIPTURE HAS TO SAY...



"...But all things must be done properly and in an orderly manner."

1 Corinthians 14:40



THERE IS SAFETY IN NUMBERS

TWO IS GOOD, FOUR IS BETTER!

- Check Writing: Segregate Duties
- Duel Custody: 2 or more unrelated individuals are present whenever cash is handled or when safe is accessed.
- Separation of Duties: When different people handle separate aspects of a transaction, errors and risk are reduced.
 - The person who makes deposits does not also record entries.
 - The person responsible for petty cash does not also approve requests.
 - The person who writes checks does not also reconcile bank statements.
 - The person who approves expenses does not also sign checks.