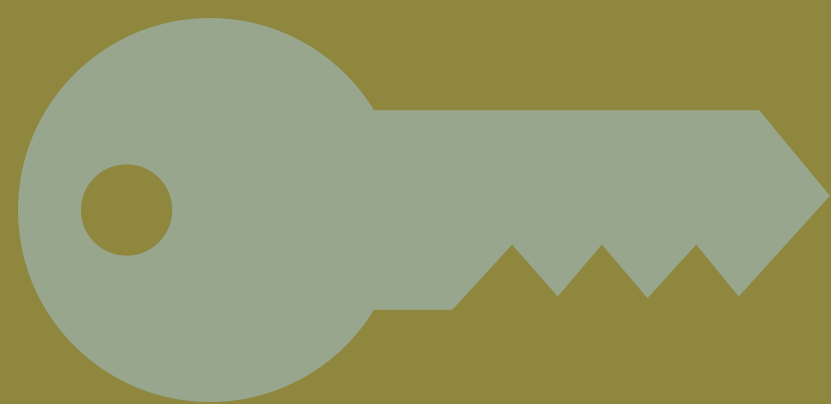


INTERNAL CONTROLS



A brief summary by Kirk Morgan

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



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!



CASH HANDLING

- Collect
- Secure
- Count
- Deposit
- Post

WHY DOES A CHURCH NEED INTERNAL CONTROLS?

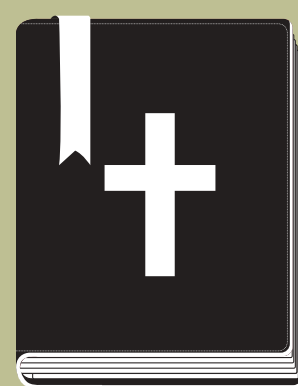


- To provide reliable data
- To help prevent fraud
- To promote operational efficiency
- To protect the church



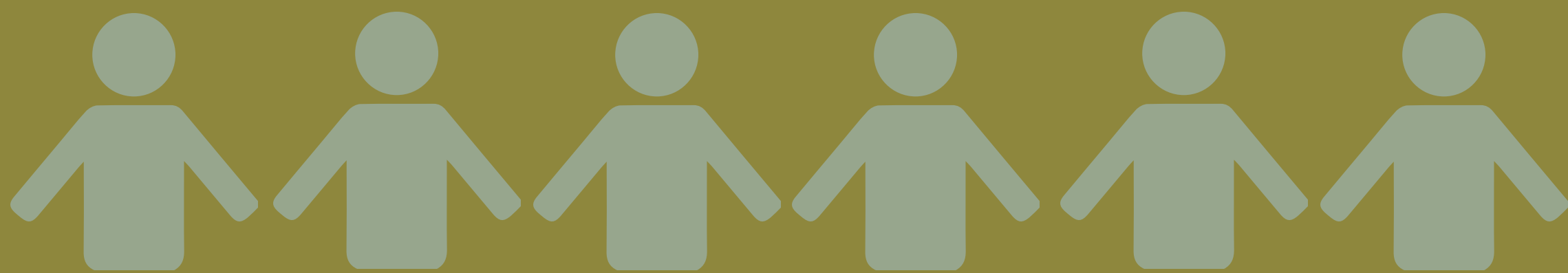
An Internal Control Audit is the best way to get an independent, outside appraisal of your internal controls.

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.