

Financial Procedures
And
Accounting Report
For Units
Below Wing Level



CAP REGULATION 173-1 (E)
1 June 1998

1 June 1998

Finance

**FINANCIAL PROCEDURES AND ACCOUNTING REPORT
FOR UNITS BELOW WING LEVEL**

This regulation establishes standard policies and procedures for the administration, operation, auditing, and reporting of Civil Air Patrol (CAP) unit funds in accordance with the Constitution and Bylaws of Civil Air Patrol and the decisions of its National Board and National Executive Committee.

1. General:

a. Definitions:

(1) **Unit:** Group, squadron, flight, or any other membership unit below wing level.

(2) **Unit Finance Committee:** Commander, finance officer, and administrative officer.

(3) **Fiscal Year:** 1 October thru 30 September.

b. Fund Administration. Unit funds will be administered by the unit finance officer as directed by the commander. The USAF military and Civil Service personnel assigned to HQ CAP-USAF, including the CAP-USAF region and wing liaison offices, will not administer funds.

c. Bank Accounts. All unit funds will be deposited in a bank account requiring two signatures for withdrawal. Each unit is authorized one checking account and one savings account. Additional bank accounts will be justified to and approved by the appropriate wing commander.

(1) When opening a unit checking/savings account, finance officers should provide the institution with the unit's employer/taxpayer identification number.

(2) Certificates of deposit (CDs) may be purchased from federally insured banks and savings institutions.

2. Duties and Responsibilities:

a. Unit Finance Committee:

(1) Establishes policies and procedures for budgeting, administering, accounting, and reporting unit funds.

(2) Acts on requests for fund-raising projects in accordance with CAPR 173-4, *Fund Raising/Donations*.

(3) Approves expenditure of funds over \$200, unless a recurring expense already approved.

(4) Designates the bank/credit unions and savings and loan associations in which funds are deposited.

(5) Approves financial reports and audits before forwarding to higher headquarters.

b. Administrative Officer. Ensures minutes for all meetings pertaining to financial matters are recorded.

c. Finance Officer:

(1) Maintains custody of all funds of the unit.

(2) Maintains the bank and savings accounts established by the Unit Finance Committee. All funds will be deposited in the name of the CAP unit.

(3) Endorses checks, drafts or other instruments in the name of the unit and deposits same to the credit of the

unit in the financial institution designated by the Unit Finance Committee.

(4) Signs all receipts and vouchers for payments made to unit.

(5) Writes all checks for payment of unit obligations. Each check will also be signed by the commander or his designee.

(6) Maintains the unit finance records and enters therein full and adequate accounting of all monies received and paid out. All books of account will be kept open at reasonable times for the inspection of members having valid corporate reasons for inspecting same.

(7) Renders periodic reports and accountings of all financial transactions to the Unit Finance Committee as it may require.

(8) Prepares and delivers to the Unit Finance Committee a full and complete report of all transactions for the preceding fiscal year on or before 20 October each year. This report will include the complete financial report from the CAP financial record of the unit (see "Receipts Record" and "Expenditures Record" contained in CAPF 173, *Financial Record for Units Below Wing Level*).

(9) Observes the following minimum acceptable practices:

(a) All expenditures will be made by check.

(b) All checks will bear two signatures as prescribed in paragraph c(5), above. The two signatories will not be members of the same family.

(c) All records required in paragraph 2 will be neatly and legibly maintained.

(d) Checks will not be made payable to "cash."

3. Reports:

a. When submission to a headquarters other than the next higher echelon is directed, an information copy will be provided upon request to the next higher echelon. Finance officers will ensure the accuracy of each report.

b. Each group, squadron, and flight will, on or before 1 November of each year, submit direct to wing headquarters one copy of completed financial report for the preceding year in the format prescribed by paragraph 9, of this manual.

4. Audits:

a. Unit funds will be audited at the end of the fiscal year or upon change of a unit commander and/or finance officer. Audits may be performed by senior members of

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OPR: FM

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the unit when designated in writing by the unit commander. Items to be audited are shown in Attachment 5.

b. Audits of unit funds will be forwarded to wing headquarters within 30 days after change of command.

5. Forms: The accounting forms and procedures prescribed in this manual represent the minimum acceptable standard for the maintenance of CAP unit accounting records and will be used unless the scope of unit financial operations requires a more extensive bookkeeping system. Approval from National Headquarters is required before a more comprehensive accounting system can be employed. Requests for deviation will be addressed to HQ CAP/FM.

6. Membership units are authorized and encouraged to use interest earning checking accounts. Units must still have only one checking account. Audit requirements and procedures apply uniformly on all CAP checking and savings accounts. CAP commanders and finance officers should also determine if the financial institutions offer free check-writing privileges or waive account service charges of not-for-profit entities.

7. Unit Deactivations: Upon deactivation, the wing finance committee will either request from the unit, or perform for themselves, a reconciliation of unit bank account(s). All funds remaining in the account(s) should be turned over to the wing. If the remaining funds are to be transferred to another unit, the wing finance committee must be informed of the unit receiving the funds and the amount of funds transferred. Additionally, all financial records should be forwarded to the wing headquarters.

8. Classification of Accounts. In order for the financial records of all CAP units to be standard, it is necessary that amounts received and amounts expended be grouped or classified in the same manner by each unit. Therefore, the attached chart of accounts and account descriptions have been developed in order that you may properly group your receipts and expenditures. (See Attachment 1.)

9. Accounting Forms. The CAPF 173, *Financial Record for Units Below Wing Level*, is to be used in conjunction with this manual, will enable the unit to keep a record of its financial activities for one full year. The last two pages of the Financial Record are financial summary sheets which enable the unit to prepare a financial report of its activities for the year. At the end of each fiscal year, the unit will complete the financial summary sheet in duplicate, retain one copy for its files, and forward one copy to wing headquarters. The following portion of this section describes the use of the Receipts Record, Expenditures Record, and the Financial Report that are found in the *Financial Record for Units Below Wing Level* form.

a. **Receipts Record.** This is designed to provide a standard form for recording monies received by the unit. (See Attachment 2.)

Column 1 - Provides a space for the recording of the date that the monies were received.

Column 2 - Provides a space for the name of the person or source of the monies.

Column 3 - Provides a space for the amount of the receipt.

Column 4 and remaining columns - Provide spaces so that you can readily classify each type of receipt in accordance with the instructions under the classification of accounts section, paragraph 8.

(1) At the end of each month, these columns shall be added, which will give you the total monies received for the year to date and will also tell you how much of this total represents membership dues, fund-raising activities, senior activities, etc. At the end of the year, you will enter the total income from dues, fund raising, senior activities, etc., on the financial report in the space provided. This will then give a picture of your total receipts for the year.

(2) All monies you receive will be deposited promptly into the unit checking account, and a duplicate deposit slip shall be kept on file along with your other financial records. Monies deposited to the unit savings account must be made from the unit checking account.

(3) It is important that all monies received be deposited in the bank in total and that all expenditures be made by check and not cash.

EXAMPLE - To illustrate the use of these columns, take the following examples:

1. Dues received from John Doe in the amount of \$5.00 on July 1, 1997. They would be recorded as shown on the first line of Attachment 2.
2. Monies received on July 2, 1997, from a senior member, Joe Smith, in the amount of \$10.00 in connection with a senior training program. They would be recorded as shown on the second line of Attachment 2.
3. On July 11, 1997, Dave Harrison joined CAP paying \$37.00 (\$5.00 unit dues, \$5.00 wing dues, and \$27.00 national dues [includes region dues and new member textbooks]). The entire amount should go into account number 3000, Membership Dues.

b. **Expenditures Record.** This record is designed to provide a standard form for recording monies expended by the unit. All expenditures by the unit shall be by check. These checks should be printed by your bank/credit union and be prenumbered. (See Attachment 3.)

Column 1 - Provides a space for recording the date of the check you issued.

Column 2 - Provides a space for the name of the person or organization to whom you issued the check.

Column 3 - Provides a space for the check number.

Column 4 - Provides a space for the amount of the check you issued.

Column 5 thru 46 - Provide spaces to classify expenditures in the most frequently used expense categories.

(1) At the end of each month, add these columns. This will give you the total amount of monies spent for the year-to-date and will also tell you what it was spent for (such as office expense, materials and supplies, etc.). At

the end of the fiscal year, it will then give you a full picture of how you spent your money during the year.

(2) There will be no "Petty Cash Account." Reimbursement for out-of-pocket expenditures shall be by check.

(3) All checks you issue must be supported by itemized invoices or other documentary evidence.

(4) Your checkbook balance will be reconciled at the end of each month with the bank statement. Cancelled checks and bank statements shall be kept on file for a minimum of 6 years.

(5) There shall be only one checking account for each unit (unless an additional account is approved by the wing commander). This bank account shall be in the name of the unit and not in the name of any individual. All checks for expenditures shall carry the signatures of two persons. Checks will not be made payable to the order of "cash." There shall be no presigning of blank checks for any reason.

EXAMPLE - To illustrate the use of these columns, take the following examples:

1. You issued a check, numbered check 101 on July 1, 1997, to Quality Press for office stationery for \$20.00. It would be recorded as shown on the first line of Attachment 3.
2. You issued a check numbered 102 on July 2, 1997, to Super Service Station for gas purchased in the amount of \$8.32. It would be recorded as shown on the second line in Attachment 3.
3. You issued a check numbered 103 on July 3, 1997, to Western Union for telegrams in the amount of \$2.50 used in connection with a SAR operation. It would be recorded as shown on the third line of Attachment 3.

10. Financial Report for Year (CAPF 173). This form must be completed in duplicate and is provided for

DAVID L. MILLER
Chief, Administration

summarizing your financial transactions for the year. One copy is to be retained for your unit files, and one copy is to be forwarded to wing headquarters at the end of the year.

Preparation:

Step 1 - "Cash in bank/savings account per unit records, October 1, ____." The amount required for this entry is taken from the last entry on the Financial Report for the previous fiscal year.

Step 2 - "Add Receipts." This section provides for each classification of monies received. You merely enter the totals from the columns in the Receipts Record sheets. Then add the total receipts and enter in "Total Receipts" space.

Step 3 - Add the "Total Receipts" amount to the beginning cash in bank/savings accounts amount (amount in step 1) to obtain the amount for "Total Beginning Cash and Receipts During Year."

Step 4 - "Less Expenditures." This section provides for each classification of monies spent for the year. You shall enter the totals from the columns for expenditures from the Expenditures Record sheet for accounts numbered 5000 thru 9960. For example, if you had two payments for insurance during the year (Account Nr. 6950), you would add the two amounts together and enter the sum total in the appropriate space on the financial report (CAPF 173).

Step 5 - Subtract the "Total Expenditures" amount from the monies available during the year (amount computed in step 3) and enter in the "cash in bank/savings account per unit records, September 30, ____" space. If this does not agree with the actual cash in the unit checking and savings accounts, then all of your computations and figures must be rechecked to find and correct the error. (See Attachment 4.)

PAUL J. ALBANO, SR.
Colonel, CAP
Executive Director

JAMES C. BOBICK
Brigadier General
National Commander

Attachments:

1. Units Chart of Accounts
2. CAPF 173-1a-b, *Receipts Record*
3. CAPF 173-1c-f, *Expenditures Record*
4. Yearly Bank/Savings Account Record
5. Audit Checklist

SUMMARY OF CHANGES

This revision adds changes to various due dates to correspond with the new fiscal year end date of 30 September. It also replaces the old chart of accounts and its descriptions with the new chart of accounts and descriptions. It adds a paragraph detailing procedures for unit deactivations. It deletes illustrations 1 and 2, and adds two new attachments with examples on the proper way to fill out CAPF 173.

NOTE: Changes from superseded publication are identified in this document by placing a bold vertical bar outside the appropriate margin.

CIVIL AIR PATROL	
UNITS BELOW WING LEVEL	
CHART OF ACCOUNTS	
Acct. No.	Account Description
Asset	
1015	Cash
Net Assets	
2990	Net assets
Receipts	
3000	Membership dues
3110	Contributions
3190	Government contributions
3200	Government appropriations - programs
3205	Government appropriations - general
3238	Receipts from National Headquarters
3280	Receipts from other CAP entities
3400	Senior activities
3425	Cadet activities
3450	Flight activities
3500	Investment income - saving and temp invest
3810	Other receipts
4000	Materials and supplies sales
4420	Insurance collected
4600	Fundraising/special events and activities
4920	Salvage proceeds
4960	Unrelated business income
Expenditures	
5000	Grants and allocations
5100	Salaries
5315	Workers comp insurance
5400	Payroll taxes
5500	Fundraising fees
5525	Fundraising activities
5555	Accounting services
5575	Legal services
5600	Office supplies
5630	Materials and supplies
5635	Materials and supplies - cost of sales
5700	Telephone
5800	Postage and shipping
5920	Facility expenditures
6005	Aircraft operations and maintenance
6040	Vehicle operations and maintenance
6055	Communication operations and maintenance
6060	Other equipment operations and maintenance

6110	Printing and publications
6200	Travel
6350	Conferences and meetings
6410	Interest expense
6760	Cadet activities
6770	Senior activities
6825	Mission expenditures
6950	Insurance - vendors
7300	Awards
7400	Expenditures with CAP Bookstore - materials & supplies
7401	Expenditures with CAP Supply Depot - materials & supplies
7404	Other expenditures with CAP National Headquarters
7420	Expenditures with other CAP entities
7445	Public relations and publicity
7450	Taxes - other
7490	Miscellaneous
7491	Note payments
7492	Real property purchased
7493	Aircraft improvements purchased
7494	Vehicles purchased
7495	Communication equipment purchased
7496	Other equipment and furniture purchased
9910	Lobbying expenditures
9960	Unrelated business income expenditures

**CIVIL AIR PATROL
UNITS BELOW WING LEVEL
CHART OF ACCOUNT DESCRIPTIONS**

Acct. No.**ASSETS**

1015 Cash: All cash receipts and disbursement transactions that occur during the accounting cycle are posted to this account. Balance of this account represents the amount of cash available for future expenditures and must be reconciled with the bank statement on a monthly basis. This account includes both interest bearing and non-interest bearing checking and savings accounts, and any cash on hand. Interest income should be classified to Account No. 3500, Investment Income - Savings and Temp Invest.

NET ASSETS

2990 Net assets: This represents the difference between assets and liabilities.

RECEIPTS

3000 Membership dues: This includes the amount of dues received from members.

3110 Contributions: This includes cash revenues or gains received from donors. Do not include government contributions or appropriations, nor amounts received from CAP entities. Use other accounts provided below to classify these transactions.

3190 Government contributions: This includes grants from governmental entities considered to be contributions and not exchange transactions.

3200 Government appropriations - programs: This includes appropriations received from governmental entities for *exchange* transactions that relate directly to program activities. This includes amounts received from local, state, or federal government agencies as reimbursement for Search and Rescue and Disaster Relief missions, tests, and other missions conducted by the unit. It also includes other appropriated funds of states or other political subdivisions for financial assistance to the unit that relates directly to program activities.

3205 Government appropriations - general: This includes appropriations received from governmental entities for *exchange* transactions that do not relate directly to program activities.

3238 Receipts from National Headquarters: This includes all revenue received from National Headquarters arising from activities with National.

3280 Receipts from other CAP entities: This includes revenue from CAP entities other than National Headquarters.

3400 Senior activities: This includes revenue from senior members for aerospace education activities and projects and other non-programs activities and projects. Do not include revenue from CAP entities.

3425 Cadet activities: This includes revenue in connection with encampments, drill competition and all other cadet activities. Do not include revenue from CAP entities.

3450 Flight activities: This includes revenue for flight activities other than missions, including revenue from members for flight training.

3500 Investment income - saving and temp invest: This includes interest income from checking accounts, savings and temporary cash investments classified in Account No. 1015, Cash.

3810 Other receipts: This includes revenue that does not fall into other revenue classifications.

Acct. No.

RECEIPTS

- 4000 Materials and supplies sales:** This includes revenue from the sales of educational and training materials, uniforms, and accessories to members.
- 4420 Insurance collected:** This includes revenue collected from members and others for insurance.
- 4600 Fundraising/special events and activities:** This includes revenue from all special events and activities to raise funds. **Do not include any portion that can be considered a contribution.** All contributions should be classified in the appropriate account given above.
- 4920 Salvage proceeds:** This includes revenue from the sale of unit DOD excess or unit owned surplus property.
- 4960 Unrelated business income:** This includes all revenue from conducting a trade or business which is not substantially related to the corporation's exempt purpose or function. This income would be subject to income taxation under the U.S. Internal Revenue Code.

EXPENDITURES

- 5000 Grants and allocations:** This includes the amount of grants and awards to cadets. Do not include any allocations to other CAP entities. These amounts should be classified to the accounts provided below.
- 5100 Salaries:** This includes management and general salary expense paid to employees of the unit.
- 5315 Workers comp insurance:** This includes the expense paid by the unit for management and general employees workers compensation insurance.
- 5400 Payroll taxes:** This includes the expense paid for the unit's portion of management and general FICA taxes and any other payroll tax expense the unit may be liable for.
- 5500 Fundraising fees:** This includes fees to outside fund-raisers for solicitation campaigns or for consultation services connected with a solicitation of contributions by the unit itself.
- 5525 Fundraising activities:** This includes the expense and cost of fundraising activities, except for fees paid to outside fund-raisers.
- 5555 Accounting services:** This includes the professional fee paid for accounting services.
- 5575 Legal services:** This includes the professional fee paid for legal services.

Acct. No.

EXPENDITURES

- 5600 Office supplies:** This includes the expense paid for office supplies used in program and supporting activities.
- 5630 Materials and supplies:** This includes the expense paid for materials and other supplies used in program and supporting activities.
- 5635 Materials and supplies - cost of sales:** This includes the cost paid for materials and other supplies held primarily for resale to members.
- 5700 Telephone:** This includes the expense paid for the use of the telephone in program and supporting activities.
- 5800 Postage and shipping:** This includes the expense of postage and shipping paid in program and supporting activities.

Acct. No.

EXPENDITURES

- 5920 Facility expenditures:** This includes the expense of occupancy for program and supporting activities. Included in this would be the expense paid for use of facilities, heat, light, power, and other utilities, outside janitorial services, mortgage interest, property insurance, real estate taxes, and similar expenses incurred in connection with unit activities.
- 6005 Aircraft operations and maintenance:** This includes expenses paid for fuel, lubrication, repairs, maintenance, supplies, and all other expenditures made in connection with the operation of aircraft. Do not include expenses paid in mission activities. Those amounts should be classified to the account provided below.
- 6040 Vehicle operations and maintenance:** This includes expenses paid for gas, oil, lubrication, repairs, tires, etc., on vehicles operated for unit activities. Do not include expenses paid in mission activities. Those amounts should be classified to the account provided below.
- 6055 Communication operations and maintenance:** This includes expenses paid for repairs and maintenance, supplies, etc., for communications equipment used in unit activities.
- 6060 Other equipment operations and maintenance:** This includes expenses paid for the operation and maintenance of all other equipment used in unit activities.
- 6110 Printing and publications:** This includes expenses paid for the producing of leaflets, films, videos, purchased publications and other informational materials used in unit activities.
- 6200 Travel:** This includes expenses for travel, lodging, meals, and other miscellaneous charges incurred by CAP members when performing authorized travel for unit activities.
- 6350 Conferences and meetings:** This includes expenses such as rental of facilities, speakers' fees and registration fees, incurred for conducting conferences and meetings.
- 6410 Interest expense:** This includes interest paid on funds borrowed from financial institutions. Do not include interest incurred with National Headquarters. That expense should be classified in Account No. 7404, Other Expenditures with CAP National Headquarters.
- 6760 Cadet activities:** This includes expenses paid for summer encampments, drill training and competition, flight orientation, and other cadet activities and projects.
- 6770 Senior activities:** This includes expenses paid for flight training, educational training, and other senior member activities and projects. Do not include any expenses incurred in connection with emergency services, cadet or supporting activities. Use other accounts provided to classify those amounts.
- 6825 Mission expenditures:** This includes expenses paid for counterdrug activity, training and actual Search and Rescue and Disaster Relief activities, and other mission activities directly related to emergency services.
- 6950 Insurance - vendors:** This includes expenses paid with outside agencies for insurance. Do not include property insurance classified in Account No. 5920, Facility Expenditures.
- 7300 Awards:** This includes expenses for awards presented in connection with aerospace education, cadet or other non-program activities.
- 7400 Expenditures with CAP Bookstore - materials & supplies:** This includes expenses paid to CAP Bookstore for the purchase of materials and supplies.
- 7401 Expenditures with CAP Supply Depot - materials & supplies:** This includes expenses paid to CAP Supply Depot for the purchase of materials and supplies.

Acct. No.

EXPENDITURES

- 7404 Other expenditures with CAP National Headquarters:** This includes expenditures paid to CAP National Headquarters for which a separate account is not provided. This includes such expenditures as interest expense and note principal with National Headquarters.
- 7420 Expenditures with other CAP entities:** This includes all expenses paid to CAP entities other than National Headquarters.
- 7445 Public relations and publicity:** This includes the expense paid for public relations and publicity which generally relate to marketing and membership development.
- 7450 Taxes - other:** This includes the expense paid for taxes other than payroll and real estate taxes. Classify payroll taxes to Account No. 5400, Payroll Taxes. Real estate taxes should be classified to Account No. 5920, Facility Expenditures.
- 7490 Miscellaneous:** This includes expenses paid for program and supporting activities which are not classified to other accounts provided.
- 7491 Note payments:** This includes principal payments made on formal notes payable, except for principal payments to National Headquarters.
- 7492 Real property purchased:** This includes payments made for real property purchased.
- 7493 Aircraft improvements purchased:** This includes payments made for aircraft improvements.
- 7494 Vehicles purchased:** This includes payments made for vehicles purchased.
- 7495 Communication equipment purchased:** This includes payments made for communication equipment purchased.
- 7496 Other equipment and furniture purchased:** This includes payments made for other equipment and furniture purchased.
- 9910 Lobbying expenditures:** This includes expenses paid for activities engaged with the intent to influence federal, state or local legislation.
- 9960 Unrelated business income expenditures:** This includes expenses that *directly* relate to the production of unrelated business income.

CIVIL AIR PATROL

_____ WING

UNIT NAME _____ **UNIT NUMBER** _____

Cash in bank/savings account per unit records Oct 1, _____ \$ _____

Add: Receipt Account No.	Account Title	Amount
3000	Membership Dues	\$
3110	Contributions	
3190	Government Contributions	
3200	Government Appropriations – Programs	
3205	Government Appropriations – General	
3238	Receipts From National Headquarters	
3280	Receipts From Other CAP Entities	
3400	Senior Activities	
3425	Cadet Activities	
3450	Flight Activities	
3500	Investment Income – Saving & Temp Investments	
3810	Other Receipts	
4000	Materials and Supplies Sales	
4420	Insurance Collected	
4600	Fund Raising/Special Events and Activities	
4920	Salvage Proceeds	
4960	Unrelated Business Income	

Total Receipts \$ _____

Total Beginning Bank Balance and Receipts During Year \$ _____

Less: Expenditures

5000	Grants and Allocations	\$
5100	Salaries	
5315	Workers Comp Insurance	
5400	Payroll Taxes	
5500	Fund-raising Fees	
5525	Fund-raising Activities	
5555	Accounting Services	
5575	Legal Services	
5600	Office Supplies	
5630	Materials and Supplies	
5635	Materials and Supplies – Cost Sales	
5700	Telephone	
5800	Postage and Shipping	
5920	Facility Expenditures	
6005	Aircraft Operations and Maintenance	
6040	Vehicle Operations and Maintenance	
6055	Communication Operations and Maintenance	
6060	Other Equipment Operations and Maintenance	
6110	Printing and Publications	
6200	Travel	
6350	Conferences and Meeting	
6410	Interest Expense	
6760	Cadet Activities	
6770	Senior Activities	
6825	Mission Expenditures	
6950	Insurance – Vendors	

Expenditures Con't

7300	Awards	
7400	Bookstore Purchases – Materials & Supplies	
7401	Depot Purchases – Materials – Supplies	
7404	Payments to National Headquarters	
7420	Expenditures to Other CAP Entities	
7445	Public Relations and Publicity	
7450	Taxes – Other	
7490	Miscellaneous	
7491	Note Payments	
7492	Real Property Purchased	
7493	Aircraft Improvements Purchased	
7494	Vehicles Purchased	
7495	Communication Equipment Purchased	
7496	Other Equipment and Furniture Purchased	
9910	Lobbying Expenditures	
9960	Unrelated Business Income Expenses	

Total Expenditures \$ _____

Cash in bank/savings account per unit records, Sept 30, 19____ \$ _____

**Bank/Credit Union for Unit Funds:
Address:**

Finance Officer:

Telephone #

Date:

Audit Checklist

Auditors for any CAP membership unit should:

1. Verify that each check has two signatures and that the signers are not members of the same family.
2. Verify that no checks are pre-signed in checkbook.
3. Verify that all cash listed in account 1015 is also shown on bank statement as deposited. Deposits in transit in one month should show on the bank statement of the following month.
4. Sample paid checks. Verify that supporting invoices bear original signatures and that invoice and check amounts are equal. Where possible, invoice or receiving report should be approved by someone other than check signer.
5. Balance of CAPF 173-3 (Summary sheet) at the end of an accounting period (month or fiscal year) must be the same as the beginning balance of the summary sheet for the following accounting period.
6. All checks should be pre-numbered and consecutively numbered. File void or cancelled checks in order in bank statement. File stop payment letters in bank statement.
7. Bank statement and checkbook must be reconciled each month.