January 29, 2010

To: WICT Chapter Presidents and Treasurers

From: Walt Sisson

CC: Lisa McBee

RE: Internal Controls for Checking Accounts

WICT recently learned that a chapter officer admitted to misappropriating over $10,000 from a chapter bank account during 2009. This is the 2nd time in two years that persons charged with safeguarding the assets of a chapter have stolen funds.

It is imperative that WICT institute and maintain proper controls over its assets. To that end, chapters will be required to implement several new internal controls. These controls will provide much needed assurance to our members and respective Boards that we our protecting the vital resources of WICT.

We will have a more in-depth discussion of these controls at the Financial Webinar that will be scheduled for February. Chapters should put these procedures in place in the next 30 days.

1. All checks over $500 will require two signatures
2. New signature cards will need to be prepared by your bank
3. Ensure that the bank is aware of this two signature requirement (there should be a place to note this on the bank’s forms)
4. The treasurer should not be a check signer \*
5. Bank statements must be delivered, unopened, to an officer who is not authorized to prepare or sign checks. If treasurer prepares or signs checks, the bank statement must be mailed to another officer. The officer:
6. Reviews all checks to ensure proper signatures
7. Ensures reasonableness of vendors
8. Makes sure checks are being issued in sequential order
9. Examines the bank statement, deposit ledger, and check register for accuracy
10. Credit, Debit and ATM Cards are not permitted under any circumstances. If your chapter has credit or debit cards they must be canceled.
11. All vendors should be paid by check, not cash. In the rare instance that a volunteer must make payment in cash, receipts must be obtained and submitted for approval. With proper planning, chapter officer should rarely need to pay for large expenses out of pocket.

\* With small or geographically diverse chapters this may be difficult. If the treasurer signs a check it should be signed by a second person regardless of the amount.