

IL-NET

IL-NET National Training and Technical Assistance Center for Independent Living

When do you need an outside accounting firm?

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Financial Managers Peer Call

Facilitator:

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IL-NET Partners

Today's presentation is brought to you by the Administration for Community Living at the US Department of Health and Human Services in conjunction with the IL-NET. The IL-NET is operated by ILRU and collaborates with NCIL, APRIL, the University of Montana, and a consultant network of subject-matter experts. The IL-NET T&TA Center provides training and technical assistance to centers for independent living, statewide independent living councils, and designated state entities.



Image Descriptions: Logos of Independent Living Research Utilization, Association of Programs for Rural Independent Living, National Council on Independent Living, and University of Montana.

What You Will Discuss Today

- Internal controls and when you need external support
- How and when an outside accounting firm can help you day to day
- When do you need an external audit and how is that managed?

Challenges & Common Problems

- Especially in small centers, it isn't easy to establish sound internal controls.
- An external accounting firm gives you that other set of eyes on your books.
- You will need an easy but secure method for the firm to access your books. Most CILs use QuickBooks on line where the access and limits can be set up by function.
- The person inside the center needs some financial savvy to communicate in finance-speak.

What are some important internal controls?

- Checks are cut based on actual receipts and approved expenses (purchase order or similar prior approval). This include staff time.
- The person who writes the checks should not sign them. (Typically the signer is neither the internal person nor the external accounting firm.) Signers and limits are identified and followed.
- Ethical policies and procedures including those prohibiting a conflict of interest. Assign someone other than the ED to approve the ED time sheet and expenses.
- An internal approved budget both by funding source and consolidated, and regular reporting on the income and spending related to that budget.

Other segregation of duties

- If cash or checks are received by mail, incoming mail is opened by a designated person who accounts for those receipts, copies them, completes a deposit slip and makes timely deposits. The copies are submitted to the accountant.
- If cash is received, such as at an event, two individuals will always be

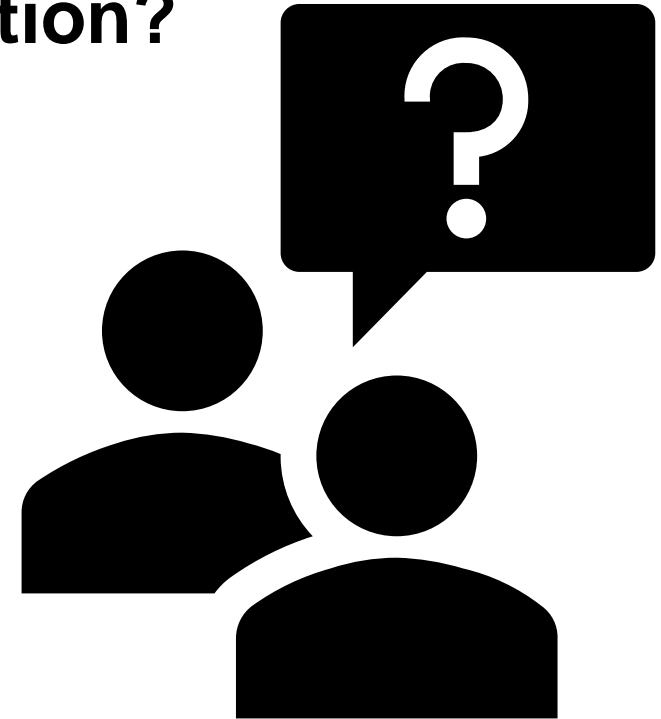
Your budget is only meaningful if it is current and accurate

- Your executive director needs to make timely decisions to spend all your grant money but not more than you have!
- Your board always needs to be aware of your financial status – it's their job!

Questions & Discussion

What are you curious about?

What needs clarification or more explanation?



Contact Information

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At the end of the presentation, you will have the opportunity to complete a brief evaluation survey. Here is the link and we will also post it in the chat.

Evaluation Link:

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