

Appendix 10: Control List - Revenue Cycle

Revenues, receipts, and receivables	Yes / Done	To Do	No
Revenues			
Numerical receipts are issued for all billing transactions with a description of service, location, or product.			
A poster or notice indicates to residents that they should obtain a receipt for every service / purchase.			
A standard price list is used (as adopted through the fees bylaw).			
Procedures exist to reconcile revenues to cash receipts / deposits.			
Revenues per the billing system are reconciled to the General Ledger.			
Out of the ordinary sales (fixed assets) are authorized and have appropriate documentary support.			
Quantities, prices, and taxes are verified and reviewed before invoices are sent.			
A system is in place to ensure that the same invoice is not sent twice.			
Procedures exist to ensure revenues are recorded in the correct fiscal period.			
Controls exist to prevent unauthorized changes to price (rate) lists.			
All credit notes require authorization.			
Billings (invoices) are prenumbered with the sequence controlled.			
The sequence of prenumbered receipts is reviewed periodically and compared to deposits. The date of the review is documented.			
Policies related to revenue recognition and accounting are well communicated to staff.			
The COO/CFO reviews the treatment of grants and contracts at the end of the fiscal period to ensure that policy has been followed for revenue and accounting recognition.			
A revenue report (by division/product/service/project) with comparison to budget and prior year is prepared and reviewed regularly (monthly).			
The COO/CFO follows up variances in revenue reports in a timely manner.			
Receipts			
The person who receives cash and cheques is not the same person who prepares the deposits nor are they the same person who handles accounts receivable and records the deposits in the accounting system.			
All cheques are endorsed "for deposit only" with the bank account number. In this way, the bank is advised that they may not cash the cheque.			
Prenumbered receipts are issued for all cash payments.			
Cash and cheques on hand are safely locked for storage in a secure location.			
Cash and cheques are deposited regularly and punctually.			
Cheque details (name, source, invoice number) are recorded on a deposit summary form and reconciled to the deposit slip before going to the bank.			
A reconciliation to deposits is done to ensure a proper allocation between accounts receivable and new revenues before recording in the accounting system.			
The reconciliation of deposits from the sales system to the accounting system is done by a different staff member.			

Revenues, receipts, and receivables	Yes / Done	To Do	No
The bank reconciliation is prepared monthly by a staff person who does not have custody or access to cash and who does not record the cash receipt, or journal entry transactions.			
The COO/CFO reviews and approves the bank reconciliations monthly.			
If necessary, the COO/CFO follows-up on outstanding deposits on the bank reconciliation.			
Written policy and procedures for cash receipts and deposits are well communicated to staff.			
Accounts Receivable			
A statement of account is sent monthly to clients.			
The aging of accounts receivable is reviewed monthly to identify accounts for follow-up. The date of review is documented.			
The COO/CFO receives and reviews the aged accounts receivable listing monthly.			
Regular follow-up is done for overdue accounts and documented accordingly.			
The allowance for doubtful accounts is analysed by the COO/CFO and actions taken are documented.			
All credits and discounts are authorized before being granted for accounts receivable.			
Any balance write-offs are authorized (bad debts).			
Authorization for requests to open credit accounts (terms, conditions, and limits) is independent from staff who are responsible for the sales and bookkeeping functions.			
Written policy and procedures for accounts receivable are well communicated to staff.			
The COO/CFO takes action in a timely manner for shortfalls in the above control procedures.			

Action Plan for To Do/No items:

Responsible : _____ **Deadline:** _____

Signature : _____