

## APPENDIX A

## A PEER REVIEW OF THE BOOKS

The financial reports of every club/group or organization should be reviewed and audited on a yearly basis as sound fiscal management practice. It should be a simple but careful check of how well the Treasurer and the group are handling funds. The President or Chair of the organization may appoint a Peer Review Committee. Make it a practice to always audit the books when transferring responsibility from one person to another for the protection of both parties involved.

The purpose of an audit is to check procedures and accuracy of the accounts. It is not a check for fraud. However, fraud must be reported if found. The records should be clear and easily understandable.

### 4-H FINANCIAL PEER REVIEW FORM

Year \_\_\_\_\_  
Club/Group Name \_\_\_\_\_  
Treasurer's Name \_\_\_\_\_  
Club/Group Leader's Name \_\_\_\_\_

- | Yes | No  |   |
|-----|-----|---|
| ___ | ___ | 1. Does this group have a treasury?   |
| ___ | ___ | 2. Are the group's funds on deposit at the bank?  |
| ___ | ___ | 3. Have funds raised been reported and deposited appropriately?   |
| ___ | ___ | 4. Does the bank statement balance agree with the balance in the Treasurer's Book?  |
| ___ | ___ | 5. Have amounts received and amounts spent been promptly entered in the Treasurer's Book with the date and an explanation of the transaction? |
| ___ | ___ | 6. Have all checks been signed as required by two people, the Treasurer and one other, authorized by the club/unit?                           |
| ___ | ___ | 7. Are those two people from different families and not related?  |
| ___ | ___ | 8. Have all disbursements been made by check?   |
| ___ | ___ | 9. Have any checks been made payable to cash?   |
| ___ | ___ | 10. Are all checks pre-numbered and pre-printed?  |
| ___ | ___ | 11. Have any counter checks been used?  |
| ___ | ___ | 12. Have all disbursements been properly documented? Supporting documents include evidence of purchase, receipt, and approval.                |
| ___ | ___ | 13. All such support documents are cancelled in a manner that assures they cannot be reused.  |
| ___ | ___ | 14. No petty cash funds are used.   |
| ___ | ___ | 15. Voided checks are organized and available for inspection.   |
| ___ | ___ | 16. Printed pre-numbered receipt forms are properly used for receipt of cash.   |
| ___ | ___ | 17. Restrictive endorsement, i.e., "for deposit only," is placed on incoming checks as soon as received.                                      |
| ___ | ___ | 18. Duplicate copies of receipts for cash are maintained.   |
| ___ | ___ | 19. Cash overages or shortages are properly recorded in books.  |
| ___ | ___ | 20. Volunteers are prohibited from using cash receipts to make cash disbursements (the Treasurer writes checks of reimbursements).            |

Yes    No

- |                          |                          |  |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | 21. Adequate physical facilities are provided for safeguarding cash in the possession of individuals authorized to handle cash.            |
| <input type="checkbox"/> | <input type="checkbox"/> | 22. Bank deposits are certified by means of a duplicate deposit slip or entry in the check register.                                       |
| <input type="checkbox"/> | <input type="checkbox"/> | 23. Checks returned by the bank for insufficient funds are controlled and a follow-up maintained.  |
| <input type="checkbox"/> | <input type="checkbox"/> | 24. Monthly and year-end reports are provided by the treasurer, including: account balances, receipts, expenditures, and closing balances. |

This form should be completed for each Peer Review and attached to the Peer Review Committee report, a sample of which is shown in Figure 9.

The Peer Review Committee may set up a timetable for any corrections that need to be made and review the books for compliance on that date.