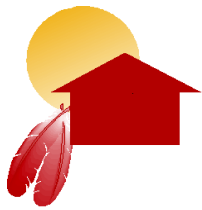


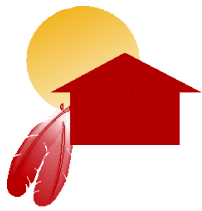
RECIPIENT NAME:	<u>Regulatory/ Statutory Citation</u>	<u>Other Tools</u>	<u>WP. Pg.</u>	<u>Remarks</u>
APPENDIX 2 – Cash Management				
I. Purpose				
The purpose of this review is to ensure that adequate internal controls exist over cash management. In addition, this review is to ensure that cash transactions are appropriately documented, recorded in the books of records, and reconciled to bank records.	24 CFR 1000.26 24 CFR 1003.501 2 CFR 200.302 & .303			
II. On-Site Review				
A. <u>Bank Reconciliation:</u>				
1. Is the recipient current with its bank reconciliations?				
2. Was the ending bank statement balance reconciled to the general ledger cash balance?				
3. Has all outstanding checks and deposits been reconciled to the bank statement?				



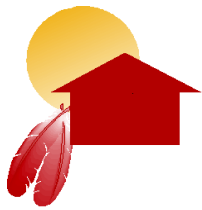
RECIPIENT NAME:	<u>Regulatory/ Statutory Citation</u>	<u>Other Tools</u>	<u>WP. Pg.</u>	<u>Remarks</u>
4. If applicable, has all outstanding cash deposits more than 30 days been addressed?				
5. If applicable, have all outstanding checks more than 90 days been researched and addressed?				
B. <u>Cash Receipts</u>				
The reviewer should document a cash receipts review for adequate internal controls. Note: The reviewer should review any areas the auditor did not review and those where internal control weaknesses, noncompliance conditions, and/or questioned costs were disclosed in the audit report.				
1. Review the written cash receipt procedures.				
2. Observe and document the cash receipt process.				
3. Analyze the segregation of duties. The following illustrates an adequate segregation of duties. Determine if the recipient's process is adequate. Individuals in each category cannot perform functions in the other categories.				



RECIPIENT NAME:	<u>Regulatory/ Statutory Citation</u>	<u>Other Tools</u>	<u>WP. Pg.</u>	<u>Remarks</u>
a. <u>Cash Handlers</u> (1) Receive cash payments (2) Open incoming mail and restrictively endorse checks (3) Issue duplicate receipts (4) Physically take deposit to the bank				
b. <u>Non-Cash Handlers</u> (1) Record cash receipts (2) Post to resident's accounts receivable, as appropriate (3) Record program income, administrative fee, or non-program income, as appropriate (4) Prepare/send account statements to residents				
c. <u>Other Staff Person</u> (1) Prepare bank deposit slip (using receipts)				
(2) Reconcile monthly bank statements				



RECIPIENT NAME:	<u>Regulatory/ Statutory Citation</u>	<u>Other Tools</u>	<u>WP. Pg.</u>	<u>Remarks</u>
(3) Perform surprise cash audits				
4. Program Income: Verify there is a system in for calculating program income and non-program income.	24 CFR 1000.62			
5. Test Practices	24 CFR 1000.503(b)	See General Instructions for Monitoring Plans		
a. Randomly select a sample of bank deposits from the bank statements. Tie to cash receipts journal or general ledger and to receipt books to ensure accurate recording and receipts were issued for all funds deposited. Review the sampling methods in the General Instructions.				
b. Summarize review. Select a sample of participant payments from the cash receipts book and ensure that the funds were properly recorded and deposited.				
c. Verify that check totals on bank statements compare to accounts and other source documents. Trace a sample of checks to tenant accounts.				



RECIPIENT NAME:	<u>Regulatory/ Statutory Citation</u>	<u>Other Tools</u>	<u>WP. Pg.</u>	<u>Remarks</u>
d. Expand sample or design additional tests as necessary.				
III. Summary				
A. Summarize the results of the review in a work paper. B. Discuss significant issues with Supervisor. C. Develop findings, including questioned costs and corrective actions, as appropriate. D. Develop concerns because they could lead to a violation E. Develop report language, including any findings and concerns. F. If there are any major issues identified in this review and the recipient has approval to invest, determine if a withdrawal of investment authority should be recommended.				

Reviewer Name:	
Review Date(s):	