



# PRINCIPALS MONTHLY MEETING Areas of Concerns related to Finance

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**Accounting – language of the business, it serves as a back bone of every entity**



## The Fraud Triangle:

A framework for spotting high-risk fraud situations

### Pressure

Financial or emotional force  
pushing towards fraud

## FRAUD

### Opportunity

Ability to execute plan  
without being caught

### Rationalization

Personal justification of  
dishonest actions



**Internal Control** – process designed to provide reasonable assurance regarding achievement of objectives in the ff:

- 1) Effectiveness & efficiency of operations
- 2) Reliability of Financial Reporting
- 3) Compliance with applicable laws and regulations



To encourage adherence to company policies and procedures

To promote operational efficiency

Internal Control

To minimize errors and theft

To enhance the reliability and accuracy of accounting data



Why do we have to talk  
about internal control today?

What are the areas of  
concerns in Finance?



## **CASH RECEIPTS**

- ✓ Timeliness of Deposits
- ✓ Receipts Issued, statements of account released
- ✓ Bank reconciliation
- ✓ Spot check of Petty Cash Funds

## **CASH DISBURSEMENT**

- ✓ Is all disbursement done by check
- ✓ All Expenditures authorized/ Documented
- ✓ Vendor statements reconciled on books
- ✓ Other forms of Payment; credit card



# SEGREGATION OF DUTIES

1. Custody of the Assets
2. Authorization and Approval
3. Recording and Reporting





# PAYROLL

- Employee Handbook** – conform with the norms/ benefits provided within budget and is practiced
- Recruitment Process** – Job Description, Pay based on qualifications and experience
- Timesheet** – Do we account for it every pay period
- Tracking of Leave** - Does your faculty eligible to Vacation Leave
- Other Benefits** - Ex: Is Compensatory Off or Flex Time Allowed
- Annual Merit Increases** - How do we determined, is performance evaluation realistic
- Standards Procedures on Processing in & Out Employees**
- Timeliness on Tax Filings**



# FINANCIAL REPORTS

- Timeliness of Submission - Deadline 15<sup>th</sup> of the following Month
- Submission of required schedules
  - Accounts Receivable Aging Report
  - Accounts Payable Aging report
  - Bank Reconciliation
  - Other Account Schedules
- Review of the Financial Report by the Finance Board (Actual vs Budget)



# PROCUREMENTS

- CREDIT CARD USE (Company or Personal Use)
- CAPITAL EXPENDITURES – policy threshold for \$25,000 and above Archdiocesan Finance Council needs approval (3 quotes)
- Purchase Order – Quotation required
- Review of the Financial Report by the Finance Board (Actual vs Budget)
- Fixed Asset Capitalization Policy \$500 or \$1,000



## TAX MATTERS & COMPLIANCE

- Payroll Taxes / Update of W4 at the Beginning of the Year
- Vendors – Do we have a W9 Forms on Files
- Did we issue 1099-MISC for vendors paid \$600 and above?
- Do we file and pay the payroll taxes timely?
- Do we remit the third party payments timely?



# CATHOLIC SCHOOLS OFFICE ADDITIONAL ROLE

- Review of the Fund Raising Events
- Collect the Fund Raising Data if above threshold and financial report related to the activity is required
- Disseminate budget template and collect completed budget
- Follow up on Financial Reports



**QUESTIONS/COMMENTS  
OR SUGGESTIONS?**

**THANK YOU!**