



Audit Instructions & Checklist

AUDIT COMMITTEE

Each Booster Club and PTO are required to select an audit committee and complete annual an audit. The annual audit is the closing step before handing over financial documents to the incoming officers. The audit committee should be made up of members but not the same individuals every year. Coaches, sponsors and Board members are prohibited from serving on the audit committee. The number of persons on your audit committee is determined by your club size.

> 100 members = 3 person Audit Committee

< 100 members = 2 person Audit Committee

WHO COMPLETES THE AUDIT?

It is the responsibility of the club Treasurer to provide documents to the Audit Committee and remain available to field questions regardless of whether their child graduated or their term expired. The current year's members are required to complete the audit before the new school year begins. Therefore if you were a member in the current year and are selected for the Audit Committee, you must complete the audit before September 1st of the following school year.

The President and Treasurer should remain available to the Audit Committee to answer questions.

AUDIT SCOPE & DUE DATE

Audits should cover the period between July 1st - June 30th and are due to the Business Manager each year on September 1st.

It is ultimately the responsibility of the Booster Club/PTO Audit Committee to submit the audit in a timely manner.

Audits may be submitted electronically or by U.S. Mail.

email: ryawn@fisd12.net

Fax: 281-996-6619

Mail: FISD, Attn: Becky Yawn, 302 Laurel Drive, Friendswood, TX 77546

AUDIT CHECKLIST

The following checklist will assist you with the audit. If items do not apply, please skip.

BANK RECONCILIATIONS

Verify bank reconciliations are performed within 30 days of bank statement end date.
Follow up on items that did not clear in the prior month. If items remain outstanding over the course of several months, ask if the check was voided or if the check was lost and a new check reissued.

DEPOSITS & DONATIONS

Verify addition on deposit totals.
Compare deposit slip amount to what is posted on the bank statement.
Is money deposited within 5 days of receipt?
Are donors given a receipt for their donation?
Verify all deposits have supporting documentation (e.g., keep copies of checks or a member roster with method of payment documented for specific purposes, print copies of PayPal, Square or other electronic receipting methods, include a cash count sheet for cash or coin that is deposited).
Examine Treasurer's report. Review the beginning and ending balances to verify balances were carried forward correctly. Is other information presented correctly?

PAYMENTS & PURCHASES

Examine checks. Who are the authorized signers? Are two signatures required on all checks or checks that are over a stated amount (e.g., two signatures required on checks >\$250.00)?
Are checks clearing in sequential order? If not, why? Are there missing checks (were they marked VOID, lost, never cashed)?
Are checks clearing the bank for the amount written?
Are all checks or electronic debits supported by a receipt or invoice?
Were checks written for cash (for a change fund or other purpose)? Was the purpose documented and how was the cash documented (who was it given to, in what denominations and when was it redeposited (if applicable)?

AUDIT CHECKLIST, continued

INSURANCE

Did the club secure its own general liability policy?

FUNDRAISERS

Review cash handling procedures. How to establish a change fund? Are proceeds counted under dual control? When are funds required to be deposited?

Ensure tax exempt forms were used to purchase eligible items.

Ensure fundraiser application was prepared and submitted to the campus on time.

Did the Treasurer provide a fundraiser recap noting if the fundraiser was profitable.

FEDERAL TAXES

Confirm federal taxes have been filed with the IRS. Look for an e-mail confirmation or printed copy of the filing. Federal taxes are filed one year behind the current year (i.e., the Treasurer should have filed 2021 taxes in 2022).

If taxes have not been filed, ask why. Loss of federal tax-exemption for failure to file is at risk if taxes are not filed annually.

STATE of TEXAS COMPTROLLER'S OFFICE - SALES OR FRANCHISE TAX

Sales & Use Tax is due either quarterly or annually. Check your club's due date. Were they filed on time? If not, why? Quarterly taxes are due: Jan. 20, Apr. 20, Jul, 20, Oct. 20. Annual taxes are due Jan. 20.

Was the club liable for Franchise Tax (this is only applicable if the club failed to file for tax-exemption with the Comptroller's Office)? Franchise Tax is due May 15.

Taxes are required to be filed even if there are no sales to report.