

Name of Organization (Management Company or Association)

Overview:

Separate accounting department? _____ If so, Number of Accounting Staff _____

If Management Company, Number of Associations managed _____

Name of Software Used for Accounting System: _____
In House Server ____ Cloud Server ____ Other - Describe: _____

Financial Statements are presented on ____ Fund Basis ____ Non Fund Basis

If you have a separate (in house) corporation that services the clients, what is the entity's name and type of service provided? (Ex: repair & maintenance services, reserve studies, insurance, etc.)

_____ N/A: _____

Representation of Accounting Systems, Processes and Controls:

General:

- We are committed to maintaining integrity and asserting ethical values.
- Staff are adequately trained and supervised.
- Related party transactions are disclosed to the client and to the auditor.

Financial Reporting:

- The Boards are given timely, complete and adequate financial information to oversee their Association's financial statements and internal controls.
- Accounting records underlying the financial statements are complete, accurate and appropriately secured.
- Financial statements are reviewed on a periodic basis (not less than quarterly) and significant variances from budgets and expected results are investigated and resolved.

IT Systems:

- Appropriate backup and recovery processes are maintained.
- Appropriate controls of physical access to the building, systems and programs to prevent unauthorized use, disclosure, modification, damage or loss of data are maintained.

Fraud Risk Assessment:

- We understand that we are to inform you of any suspected fraud or embezzlement, illegal acts by employees or Board members, or undue pressure from Board members to misstate the financial statements, budget or reserve study.
- There are adequate controls to deter and detect fraud.
- Vacations are mandatory for employees and staff workload is reasonable.

Accounting and Payroll Questionnaires are attached. They are an integral part of this documentation.

Signed By (Printed Name): _____ Signature: _____

Position: _____ Date Signed: _____ (Electronic Signature Acceptable)

This acceptance of responsibility will continue until revoked by the person signing the form or upon notification that this person is no longer in the same position with the Association or Management Company. If there are any significant changes to processes, the client is responsible to notify Newman & Company CPA, PC.

Please return signed / completed forms to:

ACCOUNTING QUESTIONNAIRE

(Note: "Who" can be answered by a person's name or position e.g. Jane Smith or Bookkeeper.)

If necessary, additional information can be provided in the spaces at the bottom of each page.

1) Assessments Receivable/Cash Receipts

- a) ☐ Lockbox or ACH primarily used ☐ Other (Explain) _____
- b) Who posts deposits to receivable ledger or is it computer generated? _____
- c) Who makes bank deposits for miscellaneous income items and non-direct deposits?

- d) Who approves A/R account adjustments (late fee write offs, bad debts, etc.)? _____
- e) Who estimates and approves the Allowance for Bad Debt? _____

2) Accounts Payable/Cash Disbursements

- a) Association processes cash disbursements:
 - ☐ In House
 - ☐ Using a 3rd Party Vendor. If so, which one? _____
- b) Who assigns GL account coding to invoices? _____
- c) Who approves payment of non-standard expenses? _____
- d) Who processes invoices into computer system? _____
- e) Who signs the checks or authorizes the disbursements?
Operating _____ Reserve _____

3) General Ledger & Financial Statements

- a) Who enters/approves nonstandard/nonroutine general journal entries? _____
- b) Who reconciles cash, A/R & A/P to G/L? _____
- c) Who authorizes the financial statements to be issued? _____

4) Banking

- a) Who reconciles the bank statement(s)? _____
- b) How often are bank reconciliations done? Monthly Quarterly Other _____
- c) Who ensures that bank statements are available for all cash accounts?

5) Board Packets

- ☐ Issued monthly ☐ Issued when there is a meeting ☐ Other _____

Entire Board	Treasurer Only	Not Included	Included in Board Packet (financial items)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Balance Sheet
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Income Statement <input type="checkbox"/> No Budget Comparisons <input type="checkbox"/> W/Budget Comparisons
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Check Register
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A/R Aging or Outstanding A/R Report
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	General Ledger or Transaction Report
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Copies of Bank Statements & Reconciliations

OR: The Board Packet distribution is done on a case by case basis with each individual Board/Association within our management company. The C&C auditor should inquire for each Association audit as to the Board Packet distribution content and recipients.

Additional information / comments reference any of the above accounting items (Please include item number):

PAYROLL QUESTIONNAIRE

- ☐ N/A – No Payroll at the Current Time (return form with this checked; you are done) OR
☐ Payroll recorded by the Association (Association EIN) (steps 1-4 below) OR
☐ Payroll paid as “Contract Services” through Management Company (Mgmt Co EIN) (steps 1-5 below)

1) Timecards

- a) ☐ Timecards Used ☐ Salary Only ☐ Other _____
b) ☐ Timecards approved by Manager ☐ Approved by Board ☐ Approved by Other _____
c) Who authorizes/approves overtime? _____

2) Payroll Processing

- a) Processing Frequency: ☐ Weekly ☐ Bi-weekly ☐ Semi-monthly ☐ Other _____
☐ Depends on Association
b) Who processes payroll? _____
c) Who signs the paychecks? _____
d) ☐ In-house payroll processing ☐ Payroll service (Who? e.g. ADP, Paychex) _____
☐ Other (Describe) _____

3) General Payroll Procedures

- a) Who hires and fires employees? _____
b) Who authorizes pay increases/changes? _____
c) Where are pay increases/changes documented? _____
d) Who inputs payroll into the general ledger? _____
e) Who reconciles/verifies quarterly and annual payroll reports to GL? _____

4) Employee Benefits

- ☐ All Employees ☐ None ☐ Other _____

YES	N/A	Depends on Association	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Paid Time Off (e.g. Sick/Personal) – Paid upon termination if not used
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Paid Time Off (e.g. Sick/Personal) – NOT paid upon termination
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vacation Pay – Paid upon termination if not used
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vacation Pay – NOT paid upon termination
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Matching Retirement Plan (e.g. 401K, SIMPLE IRA) Percent Paid by Association ____%
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Other Paid Benefits _____

5) ☐ MANAGEMENT COMPANY PROVIDES PAYROLL SERVICES

Does Mgmt. Co invoice Association with payroll details included? ☐ Yes ☐ No

If no; other documentation available for audit? _____

Please provide a copy of your payroll policy, if available, and any contract services agreements.

Additional information / comments reference any of the above payroll items (Please include item number):
