

Principal Financial Review Checklist

The following is a checklist of financial reviews that should be performed at each school, and what to look for in the review. Each reconciliation/report reviewed should be evidenced with a signature and date of the review on the totals page.

Monthly Reviews

General Review

- Balance sheet and Income Statement: compare actual to budget for reasonableness.
- Manual journal entries, including write offs.
- Pre- and post-processing of payroll by signing totals pages: review should take place each time payroll is processed.

Revenue Review

- FACTS Adjustment report: Highlights changes to billing. Review monthly to ensure continued accuracy of tuition billings by monitoring new students added, students removed, additional scholarships given, etc.
- FACTS Delinquency report: shows uncollected tuition and incidental receivables.
- FACTS Problem Activity report: Lists all inactive, delinquent, etc. accounts, including parents who have expired credit cards or closed bank accounts.
- Incidental billings (such as: after school programs, lunch orders, sports enrollments, field trips if bill separately, etc.): should be reconciled to FACTS and then to CNA revenue account. Reconciling items should be reasonable.
- Development ledger (such as: Little Green Light, DonorConnect, and Excel) should be reconciled to CNA: Determine if reconciling items are reasonable. Most should relate to timing differences between when the donation is recorded in the donation system and when the deposit is actually made and recorded in CNA.

Balance Sheet Review

- Operating Bank account & D&L Reconciliations: Tie the balances per the bank reconciliation to the bank statement and the CNA statement of position. Determine if other reconciling items are reasonable and deposits-in-transit have cleared. Review the monthly check register and monthly detail trial balance. Look for unusual items, duplicate payments, checks outstanding greater than 90 days, checks written to employees and to cash. Confirm all FACTS remittances (a summary for remittances can be printed from FACTS for each month) were correctly deposited into the school bank account and a portion was not routed to another bank account.
- Home and School Association bank account reconciliation: See operating account reconciliation for what to look for in the review. Also, look for payments to employees that should have been run through payroll and to individuals that are 1099 eligible.

Quarterly Reviews

Revenue Review

- Development ledger (such as Little Green Light, DonorConnect, and Excel) should be reconciled to CNA: Determine if reconciling items are reasonable. Most should relate to timing differences between when the donation is recorded in the donation system and

when the deposit is actually made and recorded in CNA. We recommend this be performed using year-to-date numbers to ensure no changes were made to a prior reconciled period/quarter. This can also be performed monthly.

Balance Sheet Review

- Endowment Reconciliations: Tie the balances per the reconciliation to the Quarterly Endowment statement and the CNA Statement of Position. Determine if other reconciling items are reasonable and deposits-in-transit have cleared. Ensure all deposits and withdrawals were appropriately approved.
- Other Asset accounts, including accounts receivable, misc accounts receivable, prepaids, etc. per CNA should be reconciled to a supporting detail (delinquency report/list). Ensure balances are still accurate. This would include payments of tuition reimbursements to teachers for which you are waiting on a passing grade from a teacher, funding for book fair bank, etc.
- Exchange accounts and other liability accounts per CNA should be reconciled to a detailed list or what represents the balance (accrued payroll, restricted funds, accounts payable, misc exchange accounts, collections that will be paid to a 3rd party group – hurricane relief, a sub-groups' funds – drama, sports, ect.). Old unchanged balances should be investigated for accuracy, payments out, and write offs. These accounts could also be reconciled monthly.

Annual Reviews

The following should be reviewed annually, unless there are changes after the initial review.

- FACTS Student listing: A detailed listing/report of students from the student database (such as: Renweb, School Speak, Hiku,) is maintained with details of Catholic/non-Catholic rates, scholarships given, multi child discounts, and staff discounts. These amounts should be reconciled to actual data entered into FACTS to ensure all students are entered into FACTS and are properly billed. Reports from FACTS confirming the accuracy of the FACTS data should be printed (at least totals page) to ensure accuracy by type (e.g. Grace, Block, local scholarships, number of students/families billed, etc.) This reconciliation should be performed annually once agreements are finalized and reviewed by the principal.
- Scholarships: Review for completeness and accuracy. The principal should sign and date her annual review.
- Approval of the annual report to parents: Agree to CNA
- Certification letter
- Annual budget: Agree to CNA
- Advances to teachers for tuition: Review and sign prior to advance. A contract with the teacher should be signed. It should state that a 3 year work period is required or else a pro-rata portion is paid back to the school, and that proof of a passing grade must be provided.
- Inventory of uniform closet or student store: Inventory should be taken once a year and compared to the balance in CNA. The reconciliation should be reviewed for accuracy and reasonableness and then signed and dated.