Getting Started: A Practical Checklist

Eight concrete steps to move from good intentions to a written, board-approved control environment.

1. Inventory Your Policies

Take stock of what financial policies already exist in writing versus what's undocumented tribal knowledge. Note gaps in the core areas: reimbursements, approvals, segregation of duties, and documentation retention.

2. Map Your Transaction Cycles

For each major cycle — cash receipts, purchasing, payroll — identify who initiates, authorizes, processes, and records it. Flag any cycle where one person touches every step.

3. Draft Or Update Core Policies

Put reimbursement and spending-approval rules in writing: eligible expenses, receipt requirements, submission deadlines, and who holds approval authority.

4. Set Approval Thresholds

Tie dollar thresholds to your organization's own budget size, not a number borrowed from someone else's policy. Revisit them at least annually.

5. Put Retention In Writing

Document how long records are kept and where, reflecting state and federal requirements together in one clear schedule.

6. Schedule Monitoring

Put bank reconciliations, budget-to-actual reviews, and other checks on a recurring calendar — so they happen whether or not someone remembers.

7. Bring It To The Board

Financial policies carry more weight, and give staff more protection, once the board formally adopts and periodically reviews them.

8. Review Electronic & System Access

Confirm MFA is enabled on banking platforms, verify who can approve ACH/wire payments and vendor banking-info changes, and revoke access promptly when someone leaves

About Clark Schaefer Hackett

Clark Schaefer Hackett is a certified public accounting and advisory firm with a dedicated not-for-profit practice, helping tax-exempt organizations strengthen financial policies, internal controls, and compliance year-round. If your organization would like help evaluating or building out policies like these, we welcome the conversation.

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