

## Auditor Instructions

<b>FINANCIAL MANAGEMENT / PROPER GOVERNANCE</b>		<b>Using software (ie QB/Bill)</b>	<b>Paper Only</b>
<p>Per Section 1.04, item (m) of the AYSO Reference Book (page 1:2), it notes the following duties and responsibilities of a Region shall be: "to collect and disburse fees and other moneys for the sound financial organization and operation of the Region, to keep and submit to the AYSO Office as required, accurate financial records to ensure continuation of the tax exempt status of AYSO (the "Organization"), to participate in the National Accounting Program, and to pay to the AYSO Office prior to the start of the season the National portion of its registration fees and all amounts due with respect to its purchase."</p> <p>Also per Article Six of the AYSO Reference Book: Management of the Region, under subheading B (page 4:5), it states "the Regional Commissioner ("RC"), in concert with the Regional Treasurer, shall insure that all fees collected and monies disbursed are done so in a fiscally responsible manner as described in Bylaw 1.04(m)."</p>			
1	Has a Treasurer been appointed to keep the Regional financial records?	Look up on Association Platform (AP)/ask RC. As an Area/Section Auditor, you should ask your EM to be given Area/Section Access to the AP	Same
2	Has the Treasurer attended the most current trainings related to the Treasurer Role?	If you have instructor access on AYSOU, look up or ask Treasurer to send screenshot of training on their transcript on AYSOU	Same
3	Are the Region's bank accounts reconciled on a monthly basis?	Click the "Overview" tab on the left side. The last column says "reconciled through" and will display that date.	Ask treasurer and ask for reconciliation report completed on paper.
4	Are the monthly bank reconciliations reviewed by someone who is not from the same household or related by birth or marriage? (Can be another bank signer, but not from the same household or related by birth or marriage by AYSO financial policy).	Ask RC/Treasurer who the reviewer is. Verify with that person that they did review the bank recs.	Same
5	Does the Regional Commissioner, Treasurer, or another volunteer review copies of the cancelled checks at least	Ask RC/Treasurer	Same
6	Is the (1) Regional Commissioner, (2) Area Director, and (3) Treasurer all signatories on all Region bank accounts?	Ask RC/Treasurer	Same
7	Are none of the Region's signatories from the same household or related by birth or marriage? This is not allowed per AYSO Financial Policy unless specifically approved by the Section Director.	Look for same last names and/or check addresses on the AP to see if they are the same. Can also ask RC/Treasurer	Same
8	Does the Region have at least three, preferably four authorized signatories on each of the Region's bank accounts?	Ask RC/Treasurer	Same
9	Are all of the Region's bank accounts in the name of "American Youth Soccer Organization"? A Region Number or Community Name can be added at the end or as an extension. Does the address match our legal address in Torrance, CA? Are electronic statements elected? Statements should not be mailed to the office.	Click the "Transactions" tab on the left side. Then click the tab at the top of the page that says "reconcile". In that page there is a bolded "View Statements" button. This will open a side menu where you can view statements to see the name on the account. It is recommended that you open the tab that says "reconciled" and then click on one of the dates. This is also a useful way to see any past statements that you might want to look at.	Look at the actual paper statements provided to verify.

10	Does the Region require two signatures on all check payments or withdrawal of funds, even if the bank does not require two signatures? ***(If the region still uses paper checks) If not, does the Region require email approval from a second signer as back up for check payments with only one signature?*** (or for online bill pay checks)	If the bank includes copies of cancelled checks in their statements, you can check this by using the instructions for #9 above. If they don't ask the RC/Treasurer to send you a picture of one of their blank checks to verify.	Check statement for copies of cancelled checks, if not ask RC/Treasurer to show you a blank check to verify.
11	Does the Treasurer provide transparent key financial information to the Regional Board at every board meeting that includes (1) copy of the signed bank reconciliation for the month, (2) a report of all income and expense items recorded since the last board meeting with sufficient detail to note the names of the vendors paid the amounts paid, (3) a copy of the budget to actual report through the most current period, (4) a balance sheet report showing assets and liabilities outstanding as of the most current period. (Auditor should examine a copy of one month's materials provided to the Board for their review and determine if the information is sufficient for the Board to perform their oversight role.)	Ask RC/Treasurer	Same
12	Did the Region publish its Budget / Summary Financial Report (Statement of Activity from QB for yearly information) to participating families at least once a year per National Policy Statement 3.2?	Check the Region's/Area's website, if not published there, as the RC/Treasurer.	Same
13	Did the Treasurer work with the the Regional Board to develop the Region's Budget Plan for the Membership year, with items such as (1) fixed costs, (2) variable costs, (3) and other costs?	Ask RC/Treasurer	Same
14	Was the Region's Budget Plan completed, approved, and submitted to the Area Director by June 1 (30 days before the start of the fiscal year)?	Ask RC/Treasurer and/or ask to see a copy of the latest budget	Same
15	If the Region is not using the system of record (ie Quickbooks): 1. does the Region maintain all of its financial records for a minimum of 7 years and 2. does the Region upload monthly financials and financial records to the Region's One Drive (ideally by the 10th of every month)? <a href="https://wiki.ayso.org/wiki/One_Drive_Storage">https://wiki.ayso.org/wiki/One_Drive_Storage</a>	NA	Ask RC/Treasurer
16	Does the Region maintain sufficient cash reserves to ensure the financial stability of the Region for a reasonable period? (policy is to maintain a reserve of at least \$5 per player for a fiscal year)	Ask RC/Treasurer how many players the region had in the last MY and look at final balance on bank statement as of June 30 of the prior MY.	Same
17	Are all persons on the AYSO Systems of Record (ie Quickbooks/Bill) accounts currently registered volunteers with a current background check on file with AYSO	For <b>QB</b> , go to the settings cog at the top of the right side of the screen and select "manage users". Click on "Users" and it will list who is connected to the account. For <b>Bill/Divvy</b> , in the left column, click "people" and look for those who are listed as "admin", "bookkeeper" or has an active card. Check anyone listed on QB and/or Divvy on the AP to see if they are currently registered volunteers and have a current background check.	NA

18	Has the Region identified all AYSO Systems of Record (ie QuickBooks) vendors and transactions as 1099 transactions?	Ask the RC/Treasurer if they have 1099 vendors to report. Click on the "taxes" tab in the lefthand column and then click the "1099" filings tab and select the previous year to see if they had any listed (if they indicated that they had any).	NA
19	Did the Region properly send its Form 1099 reporting worksheet to the AYSO Office Finance Department by January 10th in order to enable accurate independent contractor earnings reports?	NA	Ask RC/Treasurer if they have 1099 vendors and ask for copy of the report sent.
20	Does the Treasurer properly record all of the Region's deposits and payments accurately in accordance with the approved AYSO Financial Chart of Accounts to aid with tax reporting for AYSO National?	Click on the "transactions" tab in the lefthand column. On the right side, click on Go To Bank Register. If there is more than one account, click on the account you are looking for. You can also look under the "expenditures" tab and it will show transactions and if they are coded with the appropriate codes.	Look at check register/cancelled checks to see if they are coded with the appropriate code.
21	Are all financial transactions processed through the Region's checking account or AYSO Card of Record (ie Bill) and properly tracked through the AYSO Systems of Record (ie Quickbooks)? (limited cash transactions are allowed under AYSO Guidelines)	Ask the RC/Treasurer and look for instances where checks are made out to "cash".	Check for checks made out to "Cash" and also make a note if they are not using the AYSO systems and/or card of record. (QB and Bill/Divvy)
22	Is the Region connected with the AYSO Office on <a href="http://BILL.com">BILL.com</a> (for Accounts Receivable and Accounts Payable)? If so, is the bank account connected in BILL.com, the Region's bank account?	Ask TR or RC to screen share with you while they log in and show you the bank account connected in <a href="http://BILL.com">BILL.com</a> for AR and AP, not the credit card.	NA
23	Does the Region receive its own bank statements (electronically) and properly upload copies of all bank statements into the AYSO Systems of Record (ie Quickbooks)?	Refer to #9 to check to see if bank statements are loaded into QB automatically. If not, they should be in the "shared documents" section. This can be found by clicking on the "My Accountant" tab in the lefthand column and clicking on "Shared Documents".	Ask RC/Treasurer. If they are getting them electronically, you should be able to find them in the "Shared Documents" section as outlined in the instructions to the left.
24	Does the Region only allow the use of the AYSO Card of Record (ie Bill) and does not permit the use of any other	Ask RC/Treasurer	Same
25	Is the Region audited annually? What was the last period to be audited? (It is AYSO Best Practice to have the Region audited with any change to the Regional Commissioner or the Treasurer)	Ask RC/Treasurer when last audit was completed. Once you complete this audit, upload the audit checklist and your report to the "Shared Documents" section.	Same. If they have an active AYSO System of Account profile (QB). If they do not, include a statement in your report to encourage the Region/Area to get it set up.
26	Was the audit properly uploaded to the AYSO Systems of Record (ie QuickBooks) and Region's One Drive folder for future reference?	Look in "Shared Documents" section as outlined in #23 and clicking on the "Add Documents" drop down menu.	Same
27	If a copy of the last audit is not uploaded, is a copy of the Region's last audit report available for the current auditor to review and ensure that prior audit findings have been properly corrected?	Ask RC/Treasurer for copy	Same
28	Were all documents and records available to the current period auditor?	Self explanatory	Same

<b>DETAILED TESTING OF CASH RECEIPTS AND CASH DISBURSEMENTS</b>		<b>Using software (ie QB/Bill)</b>	<b>Paper Only</b>
The Auditor should make a sample of transactions to test during the audit period, and examine the transactions for any lack of compliance with AYSO Guidelines and for any issues of fraud. AYSO recommends that the Auditor select at least 3 cash receipt transactions and at least 30 cash disbursements selections. Cash disbursement selections should at least cover the following areas: (1) several large vendor payments, (2) several transactions with the Regional Commissioner (if any), and (3) several transactions with the Treasurer (if any). Please keep alert for any round dollar amounts or unusual looking items. The Auditor should work with the S/A/R to obtain copies/images of cash disbursements to answer questions regarding cash receipts and cash disbursements. Original copies of cancelled or cleared cash disbursements is not required. The copies/images should show both the front and back of any selected cancelled/cleared cash disbursements (checks).			
29	To ensure the proper handling of cash and check payments accepted by the Region, did the Region (1) utilize a cash receipt books to record cash transactions, (2) reconcile player registration forms (or receipts), (3) have two trained volunteers verify cash/checks received, and (4) verify all monies received equaled all receipts?	Ask RC/Treasurer. Are there copies of the completed forms attached to the transactions as a "receipt" on QB? You can check this by following the instructions in #20. Look in the column where there is a paperclip symbol to see if there is an attachment. If none is attached, ask if they have a paper copy and if so, encourage them to go in and attach it to the transaction for future reference.	Ask to see paper copies of these documents to go along with any cash/check payments or cash transactions (ie from a concession stand).
30	Related to the proper handling of cash and check payments to the Region, did the Region use the approved AYSO forms entitled "Registration Reconciliation Form" and "Region Cash Tally Sheet"?	See above	See above
31	Cash Receipts Testing- Were monies (cash/check) deposited into the Region's bank accounts the same day or the very next business day? "Mobile Deposit" for check payments is OK. Timely deposits minimize the risk of loss or fraud.	Ask RC/Treasurer. Look at deposit dates for any deposit that is not payments received through the registration software and ask if these deposits were made in a timely manner. If a "reconciliation form" or "cash tally sheet" is available, it should be dated as to when the cash/checks were received to compare to the deposit dates.	Same
32	Is the authorized bank signature card up to date and accurately reflect the names of the current authorized check signers?	Ask RC/Treasurer	Same
33	Does the Region never allow a blank check to be signed?	Ask RC/Treasurer. If they have a checkbook, look to see if any blank checks are signed.	Same. If they have a checkbook, look to see if any blank checks are signed.
34	Does the Region never allow a check payment to be made out to "Cash"?	Ask RC/Treasurer. Look for any cancelled checks that may be on uploaded statements, or look at the transactions in the AYSO System of Record (QB).	Ask RC/Treasurer. Look for any cancelled checks attached to statements or listed transactions in the Region/Area checkbook register.
35	Are all checks imprinted with the phrase "Two Signatures Required"? **(If the region is still using paper checks)	See #10	See #10

36	Does the Region maintain any Petty Cash accounts? (not allowed per AYSO Guidelines)	Ask RC/Treasurer	Same
37	In order to approve and process any payment, did the Treasurer examine original copies of supporting documentation,	Ask RC/Treasurer	Same
38	If a Region is not using the AYSO Card of Record (ie Bill), did the volunteers properly fill out and sign the AYSO approved Reimbursement Request Forms and attached original copies of their receipts to the Form?	NA	Look for copies of the "Reimbursement Request Forms" included with the bank records/check stubs.
39	Has the Region properly recorded all unpaid vendor invoices in its possession to the AYSO Systems of Record (ie Quickbooks)?	Go to the "Expenditures" tab in the lefthand column and click on the "Bills" tab to look for unpaid vendor invoices.	NA
40	Does the Region not make payments to a vendor or supplier that is controlled by a Region Board Member?	Ask RC/Treasurer. You can also look at the list of vendors under the "Expenditures" tab.	Ask RC/Treasurer
41	Does the Region include a refund policy either as "waiver" during the registration process or in the body of the email in the order confirmation?	Ask RC/Treasurer if this is included in their registration process.	Same
42	Do the payment settings in the Sports Connect software (if used) include the email and phone number of the current	Ask RC/Treasurer	Same
43	Were all images of original receipts properly uploaded to the AYSO Card of Record (ie Bill) software for card purchases?	In the Bill/Divvy account, click on the "Transactions" tab in the lefthand column. Click on an individual transaction to see if there is a receipt attached.	NA
44	For Point of Sales Softwares (if used), does the Region accept credit card payments for items other than registration fees?	Ask RC/Treasurer	Same
45	For Point of Sales Softwares (if used), what is the name of the software used? (Square, PayPal, etc.)	Ask RC/Treasurer	Same
46	For Point of Sales Softwares (if used), is the third-party software properly linked to the Region's bank accounts?	Ask RC/Treasurer. Also look for automatic deposits made into the account by the third-party company.	Same
47	For Point of Sales Softwares (if used), are deposits / payments received from this software properly coded in the AYSO Systems of Record (ie Quickbooks)? (i.e. concessions sales, fundraiser sales, merchandise sales, tournament entry fees, etc.)	Refer to #20 for instructions	Refer to #20 for instructions
48	For Point of Sales Softwares (if used), was sales tax properly collected and remitted to the proper government agency in a timely manner?	Ask RC/Treasurer	Same
49	Cash Receipts Testing - Is there evidence that at least two people were present when handling cash receipts?	Refer to #29 for instructions	Refer to #29 for instructions
50	Cash Receipts Testing - Did the Region properly utilize the AYSO Forms entitled "Registration Reconciliation Form" and "Region Cash Tally Sheet"?	Refer to #29 for instructions	Refer to #29 for instructions
51	Email Finance@ayso.org, request list of payments sent to the Region in the past 12 months. Select up to 5 transactions on this list and find the deposit in the Region's bank account. Did you find the deposits in the bank account? Mark your response to the right. If there were not any payments from the office to the Region during the 12 months period, mark N/A		Refer to #20 for instructions
52	Cash Receipts Testing - Did the Region properly categorize the cash receipt (deposit) to the AYSO Systems of Record (ie Quickbooks) in a timely manner (within 7-10 days of transaction date)? Refer to financial policy.	Refer to #20 for instructions	Refer to #20 for instructions
53	Cash Disbursements Testing - To satisfy the "two signature rule," is documentation of a secondary bank signer	Refer to #7 for instructions	Refer to #7 for instructions

54	<p>Test of sports connect deposits -  Determine when registration was open for all seasons during the audit period.  Select 5 random weeks during the registration period. Write those weeks down here in the comments.  Validate that the deposits for these week are in the Region's bank account.</p>	<p>Ask RC/TR for registration periods ask the TR or RC run the account summary report in sports connect for these 5 weeks.  Billing Period Time Frame = Saturday to Friday,  Deposit is expected by Wednesday or Thursday following the close of the billing period.  The deposit may be off by a small amount due to credit card fees, the AYSO office is aware of this small difference and working to resolve.  <a href="https://wiki.ayso.org/wiki/Sports_Connect_Bank_Deposit_Reconciliation">https://wiki.ayso.org/wiki/Sports_Connect_Bank_Deposit_Reconciliation</a>  Refer to #20 for additional steps in QB</p>	<p>Same as online, but use the bank statement instead of #20.</p>
55	<p>Cash Disbursements Testing - Are the checks imprinted with "American Youth Soccer Organization"? Some banks allow a DBA: AYSO and or an extension with Region Number, Community Name, etc which is acceptable so long as our legal</p>	<p>Refer back to #9 to ensure bank account legal name is correct.</p>	<p>See above</p>
56	<p>Cash Disbursements Testing - Was the check not payable to "Cash"?</p>	<p>Refer to #34 for instructions</p>	<p>Refer to #34 for instructions</p>
57	<p>Cash Disbursements Testing - If the payment was a reimbursement to a volunteer, did the Region require the volunteer to complete and sign an AYSO approved Reimbursement Form?</p>	<p>If volunteer uses the Bill/Divvy program to request reimbursement, the form is not required (as it is essentially filled out on the system). You can refer to #43 to see if a receipt was attached for the reimbursement.</p>	<p>Refer to #38 for instructions</p>
58	<p>Cash Disbursements Testing - Were original copies of receipts or invoices attached to the check stub or to the AYSO</p>	<p>Refer to #29 for instructions</p>	<p>Refer to #29 for instructions</p>
59	<p>Cash Disbursement Testing - Does the endorsement on the cancelled check match the payee on the check? You will need copies/images of cleared/cancelled checks of the cash disbursements.</p>	<p>Refer to #10 for instructions to look for cancelled checks. Then see if they show the back to look for endorsement. If not, ask the RC/Treasurer to send you a copy. If their bank does not return copies of checks, they will need to get the copy/image from the bank. If they have online banking, they should be able to find the copy and send it to you electronically or print it out to deliver a paper copy. If they do not use online banking, they can go to the bank to request a copy.</p>	<p>Same</p>
60	<p>Check Disbursement Testing - Is there no evidence that the check has been tampered with or altered in any way? You will need copies/images of cleared/cancelled checks of the cash disbursements.</p>	<p>See above</p>	<p>See above</p>
61	<p>Cash Disbursement Testing - Does the amount of the payment match the amount on the paid invoice? You will need copies/images of cleared/cancelled checks of the cash disbursements.</p>	<p>Refer to #29 and #59 for instructions</p>	<p>Refer to #29 for instructions</p>
62	<p>Cash Disbursement Testing - Is the payment being made not to one of the authorized signers on the check? You will need copies/images of cleared/cancelled checks of the cash disbursements.</p>	<p>Refer to #59 for instructions</p>	<p>Refer to #59 for instructions</p>
63	<p>Cash Disbursement Testing - Was the payment made by the Region consistent with AYSO policies (i.e. no personal expenditures) and in accordance with the limitatons noted on the AYSO Schedule of Limits?</p>	<p>See <a href="https://wiki.ayso.org/wiki/Schedule_of_Limits">https://wiki.ayso.org/wiki/Schedule_of_Limits</a> for the Schedule of limits</p>	<p>Same</p>

64	Overall - From the detailed testing performed, is there <b>no</b> evidence of fraud or theft by volunteers in the Region?	Self explanatory	Self explanatory
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\*\*These questions will not apply if a region is no longer using paper checks and/or uses online bill payment through their bank.