**Data Analysis Checklist**

**(work in progress)**

**Cash**

1. Is business and personal in separate checking accounts?
2. Are all business bank accounts reflected in the chart of accounts?
3. Is there a bank statement for each cash account in the chart of accounts?
4. Are all cash accounts classified properly on the chart of accounts and balance sheet?
5. Are paper checks used, and if so, how are they stored and who has access?
6. Are checks preprinted and numbered? Are missing check numbers accounted for?
7. Whose signature is required on the checks for each account? Is there a dollar limit before there are two signatures required? For what amount is board approval required? If the signature is a stamp, how is it safeguarded?
8. Is there a balance in QuickBooks undeposited funds account?
9. When was the last reconciliation for each bank account? Within last 30 days?
   1. Does ending bank rec total match statement total?
   2. If transactions are downloaded, are source documents used in posting? How will you be able to tell if there is a bank error?
10. If bank reconciliation is current are there any open items over 90 days old? Uncashed checks?
11. Is there proper segregation of duties regarding cash transactions and handling?
12. Are deposit slips available in an organized file?
13. Are bank charges excessive? Is there an opportunity for the client to save money?

**Petty Cash**

1. Does client pay business expenses with cash? Is there a procedure to record these transactions so they are properly accounted for on the books? (The client could be paying too much in taxes, if not.)
2. Is there a need for a petty cash fund?
3. Is there a petty cash account? Does the balance match the physical cash count plus unrecorded receipts?

**Customers**

1. How clean is the list of customers in the accounting system? Is the contact information populated?
2. Are old customers inactivated so the list is easier to work with?
3. Are customer categories used? (Would that be useful?)
4. Are custom fields used? Are they accurate? Is there an opportunity here to add custom field for a report requirement?
5. Are there any customers that do not look like customers? (Customers named Transfer, Miscellaneous, etc.)
6. Are taxable customers set up for sales tax when invoicing?

**Accounts Receivable**

1. Is the Accounts Receivable balance accurate? Are there any invoices on the list that have been paid or need to be voided? Are there any unpaid invoices that are not reflected on the report?
2. Are all the receivables due from customers or clients? Are any receivables due from parent or subsidiary companies, employees, contractors, merchant accounts, or other non-customers that need to be re-classified or recorded?
3. How many invoices are older than 90 days? Has collection action been taken? Is interest properly charged?
4. How timely is the invoice process? Could the frequency or procedure be changed to speed up collections?
5. What does the invoice look like? Is the correct template in use? Does it need to be customized with the logo? Is the address current? Are the payment methods clearly marked? How easy is it to pay the bill upon presentation?
6. Is sales tax properly charged on invoices?
7. Is shipping handled correctly on invoices?
8. Are statements sent? What do statements look like? Is the correct template used? Are the address and logo present?
9. How timely are checks deposited once received? Would a lock box speed up cash flow?
10. Is there a way to automate payment receipt? (Bill.com or Intuit Payment Network?)
11. Are credit cards taken? Is the merchant account properly set up and reconciled?
12. Are there any misclassified customer deposits, trust accounts, or other prepayments that should be re-classified? Are there other receivable accounts that need to be set up or managed?
13. If the client is cash-basis, is there a year-end procedure to journal the balance and then reverse it?

**Vendors**

1. How clean is the list of vendors in the accounting system? Is the contact information populated?
2. Are old customers inactivated so the list is easier to work with?
3. Are vendor categories used? (Would that be useful?)
4. Are custom fields used? Are they accurate? Is there an opportunity here to add custom field for a report requirement?
5. Are there any vendors that do not look like vendors? (Vendors named Transfer, Miscellaneous, etc.)
6. Is there a process in place to collect W-9s from all vendors?
7. Is the tax ID entered into the vendor record? Are 1099-eligible vendors checked? If the vendor is a 1099 vendor, are cash versus credit card payments easily separated for the 1099-K requirement?

**Accounts Payable**

1. Is the Accounts Payable balance accurate? Are there any bills on the list that have been paid or need to be voided? Are there any unpaid bills that are not reflected on the report?
2. Are all the payables due to vendors? Are any payables due to parent or subsidiary companies, employees, customers, or other non-vendors that need to be re-classified or recorded?
3. How many bills are past due? Have they been re-negotiated?
4. Is there an approval process before checks are issued to pay bills?
5. Is there a process to match purchase order, packing slip and invoice?
6. Are the correct types of items (inventory or not) used with bill payment when appropriate?
7. How time-consuming is the invoice process? Could the frequency or procedure be changed to help cash flow?
8. Is there a way to automate bill payment if paper checks are still used? (Bill.com?)
9. Could recurring payments be drafted to save time?
10. Are credit cards used? Is the credit card account properly set up and reconciled? Is there an authorization process?
11. Are there any misclassified vendor deposits (such as prepaid rent or utility deposits), or other prepayments that should be re-classified? Are there other payable accounts that need to be set up or managed?
12. If the client is cash-basis, is there a year-end procedure to journal the balance and then reverse it?

**Inventory**

1. Does the company have inventory? Is it tracked in real-time or adjusted periodically?
2. When was the last physical inventory taken? Were the books adjusted?
3. Are the costs of the items recorded accurately?
4. Does any part of the inventory need to be written down or adjusted?
5. What inventory method does the company use and is it reflected accurately on the books?
6. If the company is using LIFO and needs to become IFRS-compliant, is there a transition plan in place?
7. Are the items in inventory properly set up? (Using the right item type in QuickBooks?)
8. Are the items pointing to the right accounts in the chart of accounts?
9. Are the items that are billable or re-salable set up to accurately record both the expense and revenue sides of the transactions?
10. Are inventory fields pre-filled as much as possible to save time?

**Payroll**

1. Are employees set up properly?
2. Are there any terminated employees that are showing up as active?
3. Is there a process in place to collect the 1-9 and W-4 forms from new employees?
4. Are payroll posters displayed at the workplace?
5. Is emergency contact information collected for each employee?
6. What payroll service is being used?
7. Are payroll items set up correctly? Tied to the correct payroll expense accounts? Handled correctly regarding gross and net effect on the check?
8. Are there any manual entries to the payroll liability or expense accounts?
9. Is there a balance in the payroll liabilities account(s)?
10. Are officer’s salaries expensed in a different account than other payroll expense for ease of tax preparation?
11. Are timesheets on file to document workers hours?
12. Who has access to payroll information?

**Class Tracking**

1. If class tracking is used, are there any transactions that are uncategorized?

**Company and Chart of Accounts**

**Forms Design**

**Data Utilities and Other Clean Up**

1. Is the QuickBooks file passworded? Who knows the password?
2. Are backups taken? Where are they stored?
3. Can the file be verified and rebuilt?
4. Do assets equal liabilities plus equity?
5. Is the response time acceptable?
6. Under each of the Print Form menu items, are there documents that are set “To Be Printed” that do not need to be printed?
7. Under each of the Send Forms menu items, are there documents that are showing that do not need to be sent?
8. Under Invoice “Time and Expenses” if this is used, are there items that are showing that do not need to be billed?