



DEALERSHIP INTERNAL CASH AND GAS CONTROLS CHECKLIST

CASH

1. Have the bank statement sent to your home and not the dealership.
2. Review all journal entries made during the month with supporting documentation, proper authorization and the general journal schedule. Compare these items to ensure proper support and authorization.
3. On a periodic basis, hand out paychecks to all employees.
4. Ask for the monthly bank reconciliation. Ask about anything you feel is unusual (i.e. old outstanding checks and/or deposits). Look at the support for old items.
5. Review cancelled checks from the bank to ensure dual signatures on all bank accounts. If only 1 signature required (the owner), ensure the signature matches.
6. Create a false vender invoice and see if your bookkeeper/AP clerk asks what it is.
7. Compare the address for vendors to the addresses of employees.
8. Review the addresses of all vendors. Are any of them post office boxes? Can you verify them on the internet?
9. Count petty cash while the cashier watches. This needs to be done on a surprise basis, occasionally when it is a busy period.
10. Scan a month of petty cash vouchers. What is being run through petty cash? Are receipts authorized? By whom?
11. Review the employee receivables. Ask questions about the collections being made. It is a good idea not to allow employee receivables.
12. Verify there are **no** company credit cards. This can be accomplished by requesting a credit report from all 3 major credit bureaus annually and looking at what has open accounts. Close any accounts that you are not using. If you do have a credit card, require all receipts, and **reconcile it** just as you would a cash account monthly.
13. Do not cash employee checks.
14. Account for all keys to the dealership or change the locks and hand out new keys. Consider an electronic RFID lock system. This can be more cost effective over many years and prevents unauthorized copies of keys.

GAS

15. Periodically review all gas receipts to ensure that nothing but gas was purchased
16. If you have a gas account with a local station, use pre-numbered authorizations for amounts that are whole dollar amounts, not for gallon amounts. Make sure that you get an itemized invoice, compare this to the total of all charge slips for that period. This should total.
17. Occasionally go to the gas station where you have the account and try to run something through that is not allowed such as a soda or pack of gum. See if the attendant allows this, if so change stations immediately.
18. Do not allow fill-ups. Cars only need a few gallons for test drives. If you fill up tanks you lose this in the sale.
19. If you use a gas card, see # 12 above. Again, reconcile all receipts. If you use pre-numbered vouchers you will know who owes you a receipt. Multiple cards are a liability.

If you have any questions about why these would help you or other situations not addressed here, please call us and we can tailor a control to your specific need. John E. Donaldson, CPA.