**REGION/DMO FY23 AUDIT CHECKLIST**

***Audit reporting period: July 1, 2022 – June 30, 2023***

**\_\_\_\_\_\_\_**(initial) **I have read *Section 10.6 Audit*** **and understand** what will be reviewed during the audit.

**\_\_\_\_\_\_\_**(initial) **I have read *Section 11******Bookkeeping Regulations*** **and have provided** the required documentation.

# Invoices

* Every check has an invoice attached detailing service or services provided.
* Every debit card transaction, online payment, automatic withdrawal etc. includes an invoice for each transaction detailing service or services provided. Include date and transaction number on the receipt.
* Checks/Invoices are in the same order as the check register.
* Travel expense reimbursements must use the State of Montana travel expense forms or pre-approved organization expense forms.
* Un-receipted expense reimbursements must include a detailed list of items being reimbursed.

# Banking

* Include bank statements for checking, savings, and any other accounts that contain bed tax funds. (July 2022 – June 2023)

# QuickBooks Reports

* Check Register for each bank account that contains bed tax funds (July 2022– June 2023)
* One Transaction Detail Report covering entire fiscal year (July 202 – June 2023)
* One Budget vs Actual Report separated (filtered) by fiscal quarter (Jul-Sep, Oct-Dec, Jan-Mar, Apr-Jun)

# Bids & RFPs

* Copy of bids and RFPs distributed
* Copy of responses received

**January 2022 Rules and Procedures**

**10.6 AUDIT**

All records shall be available for inspection at any time by authorized representatives of the Department, the Legislative Fiscal Analyst, or the Legislative Auditor. Organizations will be audited by the Department annually.

Audits will include a review of, but are not limited to, the following types of procedures:

1. Review of established financial procedures compliance, such as signing of checks, filing of original invoices, bids, use of petty cash, filing of void checks, reconciliation of bank statements, etc.
2. Verification that invoices specify services received for all expenditures.
3. Verification that any stipulations by the Council at the time of approval have been fulfilled.
4. Verification that all expenditures meet regulations and are assigned to the appropriate approved project.
5. Review of supporting information for Limited Solicitation for Bids and RFPs to verify adherence to Regulations.
6. Review of interest monies.
7. A complete financial summary of all lodging tax expenditures will be prepared which balances with tax revenue received, expended, and committed and uncommitted cash on hand.
8. Determination of committed funds and interest monies at fiscal year-end.
9. Violations or variances of regulations/contracts/requirements will be addressed by the Council. Repeated violations or variations could result in delay of funds disbursement. Please refer to Section 12 (Actions for Non-Compliance).

**11.** **BOOKKEEPING REGULATIONS**

**PER THE TOURISM ADVISORY COUNCIL**

1. Prior to compliance audit, organizations must ensure that 20% administration allowance has not been overspent based on actual new lodging tax payments between July 1 and June 30 of the budget year.
2. For every check, attach an invoice detailing purchase or services provided including check number and date paid. Checks/Invoices will be kept in the same order as the check register.

In some situations, an invoice may not be available. Here are some options:

* 1. Conference registration -- copy your completed registration form and file.
	2. Withholding, taxes -- copy the form you submit with payment.
	3. Regular monthly payments, such as rent -- obtain a receipt.
1. If the organization has a contract, provide a copy of the contract at the time of audit.
2. Use the current State approved travel expense forms or pre- approved form by Brand MT to reimburse eligible travel expenses. Itemize your trip and include the location, purpose and days of travel. Meal and mileage per diem is reimbursed at State rate at the time the expenditure occurred.
3. Provide itemized receipts for expenses. In rare cases such as baggage fees and fuel charges, the itemized charge on the credit card statement is considered a sufficient invoice for reimbursement. The credit card statement shall list the company name, amount, and the services provided. Original hotel receipts are required. Up to the state allowable amount in un-receipted expenses is allowable per day. Maximum daily amount is subject to change. Please contact Brand MT current allowance.

Restaurants often do not give an itemized bill when paying by credit card. Organizations will simply need to request this. (Applies for FAMs, not your per diem.)

International travel - meals and lodging are reimbursed at full rate with reimbursement in US dollars. Itemized receipts for international travel are required.

1. FAM / Media Trips - All invoices for FAM and media trip expenses shall include a list of names and affiliation of participants. If there are more than one invoice per FAM, attach the list to one bill only. On additional bills simply write “Participants -- see check #xxx.” This includes FAMs in cooperation with The Department.
2. RFP Bids -- by regulations bids are to be on file in the organization’s office, not the agency. Staple bids along with submitted specs and a copy of the vendor’s invoice to the bill. Payment should be withheld from the vendor until bids, specs and invoices are received. See Section 9 (Bidding and Request for Proposal Processes) for more information.
3. Agency services – provide detail of services provided. If agency is paid hourly provide detail of service provided for work period. If paid by retainer, provide list of services provided during the billing period. (This information is also required as part of the evaluation process).
4. Records for cooperative projects between two or more funded organizations. Only one organization can have an original invoice. In these instances, one organization will have all originals; other organizations will have a copy with notation “Originals on file at \_\_\_\_\_\_\_\_\_\_\_.” This procedure will also apply to bids.
5. Payment to independent contractors for fulfillment services shall include an itemization of services provided, i.e., number of packets prepared, or hours worked, etc.
6. Deposits other than state lodging tax revenue are to be noted in the checkbook or ledger identifying the source of funds.
7. Voided checks are to be filed in a consistent manner -- checkbook, bank statement, etc.
8. Non-compliance – If organizations do not comply with these bookkeeping regulations, the Executive Director and President/Chair of the organization will be sent a letter of reprimand from the Council Chair. The organization will be subject to non-compliance action. See Section 12 (Actions for Non-Compliance) for more information.