

STANISLAWSKI & COMPANY, INC.

A Certified Public Accounting and Business Consulting Firm

March ~ April 2010

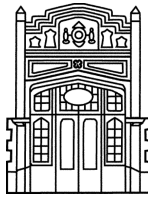
RE: Control = Profits One Simple & Powerful Procedure

Dear Friends of Stanislawski & Company, Inc.:

As everyone is working so hard to manage their business operations and continue to be profitable – we have a simple but critical reminder to assist with this goal. Our reminder is to make sure you follow your internal control standard operating procedures in regards to the handling of your bank and credit card statements. We have recommended this standard operating procedure to thousands of clients over the years, and have found that this one simple procedure can save hundreds, to thousands, to millions of dollars. Of all the simple operational procedures to choose from this is probably the number one most important thing to do and surprisingly it's one of the least time consuming procedures (sometimes this can take as little as 5 minutes per month and yet it can save so much). Furthermore, this is the **RIGHT** thing to do - this is how you personally take control and responsibility of one of the most important assets of your business - your cash. So protect it!

Internal Control Procedure for Bank & Credit Card Statements:

1. The best internal control is “separation of duties”. This means to have one person write the checks and process electronic payments, and a different person both record and make the deposits plus perform the bank and credit card reconciliations. However, this isn't always possible with a small company in which case steps 2 through 4 below are even more important for the owner to follow.
2. All bank and credit card statements must be given to the owner unopened.
3. The owner will review the bank and credit card statements and write his/her initials on the top of the statements as proof that he/she has been the first person to open the statements and that he/she has completed their review of the statements. Perform a review of every cancelled check to verify your signature, the payee and the proper amount. Perform this same review for all electronic payments out of the account and for every credit card charge. Know where your money has gone. The goal is to view all monies paid out and if an amount seems too high or unusual, ask your bookkeeper to see the invoice. This is a **CRITICAL** internal control procedure which must never be overlooked. Be sure to ask the bookkeeper periodically so that the bookkeeper understands that you are looking at their work!
4. The owner's bookkeepers are instructed to not work on the company's bank and credit card reconciliations unless the owner's initials are written on the top of the statement. That way the staff knows that the owner has reviewed the statement first (as required) and complied with the internal control procedure. The owner's bookkeepers are also instructed to inform Stanislawski & Company, Inc. if the bank or credit card statement does not have the owner's initials on the top of it – as we want to know if this critical internal control policy is not being consistently applied. To increase your internal control you can also outsource the bank and credit card reconciliations to our firm. This let's your bookkeeper know that the transactions are going to be further scrutinized by an independent C.P.A. firm.



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Please call us if you have any questions regarding this procedure or any questions on how to improve your business. That's what we do. It is a pleasure and a privilege to serve all of you - some of you have been clients for nearly 50 years! If your family or colleagues are in need of a great C.P.A. firm – we would be delighted to discuss with them how we can be of assistance.

Sincerely,

Charles G. Stanislawski, M.B.T., C.P.A

Business is great at Stanislawski & Company, Inc. and we are looking for more.