

[1] Source: AICPA <https://www.aicpa-cima.com/resources/download/aid-for-identifying-and-testing-controls-at-smaller-entities>

		1-15 People	15-30 People	30-50 People	50+ People	100+ People
Material Class of Transaction, Account Balance or Disclosure [1]	Examples of Controls that May Be Present in Small Entities[1]	Startup / Seed	Early Growth / Pre-Series A	Series A / Scaling	Series B / Expansion	Series C or Later / Maturity/Exit
Financial Closing and Reporting	The owner reinforces the importance of integrity and ethical values through communications with personnel.	x	x	x	x	x
Financial Closing and Reporting	The bookkeeper/controller/staff accountant ("the bookkeeper") reconciles all accounts monthly.	x	x	x	x	x
Financial Closing and Reporting	The owner reviews a budget vs. actual report each month and investigates any unexpected results.	x	x	x	x	x
Financial Closing and Reporting	The financial statements are prepared by the CPA firm and reviewed by the owner.	possible	x	x	x	x
Financial Closing and Reporting	The entity's accounting software is password protected. The password is changed regularly, and access to the login credentials is limited to the owner and the bookkeeper.	x	x	x	x	x
Financial Closing and Reporting	The company performs a background check on all prospective employees.	x	x	x	x	x
Financial Closing and Reporting	The bookkeeper is required to take an annual vacation.	x	x	x	x	x
Cash Management	The owner receives the bank statement at their personal address (electronically or hard copy). The owner reviews the activity in the statement monthly and investigates any discrepancies.	x	possible			
Cash Management	Bookkeeper has read only access online. CFO/Controller has full access to operating account.	possible	x	x	x	x
Cash Management	The bookkeeper performs bank reconciliations monthly. Another person reviews the reconciliations and investigates any unexpected results.	x	x	x	x	x
Cash Management	The authority to sign checks is limited to the owner and the bookkeeper, with checks above a dollar threshold requiring dual signatures.	x				
Cash Management	ACH are ideally prepared by the bookkeeper, the authority to perform ACH is limited to the owner, CFO, and the controller, with ACH above a dollar threshold requiring owner signatures. Limits are set at the bank for ACH threshold.	possible	x	x	x	x
Cash Management	Wires are ideally prepared by the bookkeeper, the authority to perform Wire is limited to the owners, CFO, and the controller, with wire approval limits above a dollar threshold requiring dual signatures. Limits are set at the bank for Wire threshold and nobody can approve wires to themselves.	x	x	x	x	x
Cash Management	During their monthly review of the bank statement, the owner analyzes cleared checks to ensure vendors are on the approved list, checks are not being issued out of order and signatures adhere to the company's check-signing policy.	x				
Cash Management	During their monthly review of the bank statement, the CFO and/or Controller analyzes cleared checks to ensure vendors are on the approved list, checks are not being issued out of order and signatures adhere to the company's check-signing policy.	possible	x	x	x	x
Cash Management	Checks are kept in a locked drawer to which only the owner and the bookkeeper have access.	x	x	x	x	x
Cash Management	The company uses pre-numbered checks. The bookkeeper defaces and retains any voided checks.	x	x	x	x	x
Cash Management	Petty cash is limited to an immaterial amount and is kept in a locked safe to which only the owner and the bookkeeper have access.	x	x	x	x	x
Accounts Receivable	The owner reviews an aging schedule of customers' accounts receivable monthly.	x	x	x	x	x

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Accounts Receivable	All write-offs or credit memos require approval by the owner. Evidence of approval is filed with the original invoice.	x	x	x	x	x
Accounts Receivable	All mail is opened by the bookkeeper. Cash receipts are logged and recorded by bookkeeper. The bookkeeper places cash receipts in a locked safe and deposits them on the day they were received.	x	x	x	x	x
Accounts Receivable	During their monthly review of the bank statement, another person besides the bookkeeper compares the bank deposits to the cash receipts log and investigates any discrepancies.	x	x	x	x	x
Inventory	Purchase orders are issued for purchases exceeding a defined threshold. All purchase orders are required to be approved by the owner.	possible	possible	x	x	x
Inventory	Upon receipt of goods from the supplier, all materials are inspected for condition and independently counted.	x	x	x	x	x
Inventory	The employee receiving the goods signs and dates the shipping document as proof of delivery and provides the document to the bookkeeper.	x	x	x	x	x
Inventory	The entity conducts a physical inventory count at fiscal year-end and the bookkeeper reconciles the results to the accounting records.	x	x	x	x	x
Inventory	The warehouse is locked outside of normal business hours and security cameras have been installed.	x	x	x	x	x
Property	disposals, which the firm records in the company's fixed asset register. The owner then reviews the register quarterly.	x	possible			
Property	disposals, which the bookkeeper records in the company's fixed asset register. Another person then reviews the register quarterly.	possible	x	x	x	x
Accounts Payable	The bookkeeper maintains an approved vendor list, which is reviewed quarterly by the owner. Any changes to the list require owner approval.	x				
Accounts Payable	The bookkeeper maintains an approved vendor list, which is reviewed quarterly by a second person (controller, CFO or owner). Any changes to the list require owner approval.		x	x	x	x
Accounts Payable	The original invoice, shipping document and purchase order (where applicable) is reviewed by the bookkeeper before a check is issued.	x	x	x	x	x
Accounts Payable	When the threshold for dual signatures is exceeded, the owner reviews the invoice, shipping document and purchase order before signing.	x	x	x	x	x
Accounts Payable	Once the check is issued, the invoice is marked "Paid" and the check number is noted to prevent double payment. Scanned into the system for automated filings.	x	x	x	x	x
Sales	The bookkeeper reviews sales invoices and shipping documents to confirm that terms have been met before recording sales.	x	x	x	x	x
Payroll	The bookkeeper works with a service organization to process the payroll. The owner reviews each payroll report and scans for phantom employees, unapproved overtime, unapproved pay raises and other discrepancies.	x				
Payroll	The bookkeeper works with a service organization to process the payroll. The CFO, controller or CEO reviews each payroll report and scans for phantom employees, unapproved overtime, unapproved pay raises and other discrepancies.		x	x	x	x

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Payroll	All changes to payroll are requested in writing and approved by the CFO or owner (email) before being submitted to the payroll service. CFO and Head of HR are consulted and documented.	x	x	x	x	x
Other Expenses	Employee reimbursements are submitted in a standard format and supported by receipts. The owner reviews and approves reimbursement requests before payment.	x	x	x		
Other Expenses	Employee reimbursements are submitted in a standard format and supported by receipts. The department heads reviews and approves reimbursement requests before payment.				x	x
Other Expenses	CFO approves the CEO's expenses.	possible	x	x	x	x
Other Expenses	Employee reimbursements are submitted in a standard format and supported by receipts. The owner reviews and approves reimbursement requests before payment.	x	possible			
Other Expenses	Employee reimbursements are submitted in a standard format and supported by receipts. The department head reviews and approves reimbursement requests before payment.		possible	x	x	x
Other Expenses	Use a more robust reimbursement system like Netsuite, Expensify, Concur, or Ramp.	possible	x	x	x	x
Other Expenses	In general, avoid using credit cards ("CC") outside of corporate cards to the CEO and office manager to be used for recurring costs. Link the corporate cards to robust reimbursement system. Use sample approval process for credit cards as if making any other AP payment.	x	x	x	x	x
Other Expenses	Review CC statement with CEO for any errors, omissions or discrepancies. Make sure CEO does not commingle personal expenses with business expenses.	x	x	x	x	x
Policies	Anti-bribery policy in place				x	x
Policies	Fraud Awareness Training	x	x	x	x	x
Policies	Written SOPs for quality control procedures and for each significant process (i.e. sales, close process, etc)				x	x
Policies	Written Employee Handbook	x	x	x	x	x
Policies	Compensation and Benefits Plan	possible	x	x	x	x
Policies	Business Continuation and Disaster Recovery Plan	possible	x	x	x	x
Policies	Regulatory Compliance Policy and Procedures Manual	possible	x	x	x	x