

**Assignment of Internal Controls
Grand County School District
May 2010**

Guidelines:

1. *No one person has access to all phases of a transaction.*
2. *The Business Administrator should not have access to cash/checks or daily deposits, and should not issue checks but may approve them.*
3. *All significant accounting and reporting duties are reviewed and approved by a supervisor.*
4. *Accounting data should be reconciled periodically with external information or the general ledger.*
5. *Those completing reviews or approvals should initial and date such reviews and approvals.*
6. *Monitoring includes ongoing evaluations, recommendations for improvement, timely response to changes and periodic reports to the Board and management.*
7. *Where segregation of duties is limited, compensating controls can be performed by a member of management or by the Board.*

Control Area	Review Task	Assigned Supervisor: Task	Frequency / Monitoring
Revenues	<i>Cash Receipts (Receipt Log)</i>	District Level: <ul style="list-style-type: none"> • Purchasing Clerk runs total of receipts for the day • Secretary checks that Receipt Log number beginning a new day follows the last number of the previous day • Business Administrator checks receipts against deposits School Level:	Daily or within 2 days of receipt Daily Daily or within 2 days of receipt
	<i>Deposits</i>	<ul style="list-style-type: none"> • Purchasing or payroll clerk prepares deposits • Secretary makes deposits • Business Administrator reconciles bank statements • 	Daily or within 2 days of receipt

Control Area	Review Task	Assigned Supervisor: Task	Frequency / Monitoring
Transactions	<i>Reconcile Bank and Investment Accounts</i>	<ul style="list-style-type: none"> • Business Administrator completes; reviews and posts Electronic Fund Transfers (EFT) receipts • Business Administrator reviews Check Register – sequence of checks • Business Administrator verifies no payroll is going through accounts payable • Superintendent monitors 	<ul style="list-style-type: none"> • Completed monthly; reviewed quarterly; reported biannually to Board • Completed as part of reconciliation • Completed as part of reconciliation
Cash Disbursement	<i>Legitimacy of Vendors</i>	Business Administrator: check for legitimate address	Spot check at least twice a year
	<i>Signature Authorizations on P.O.s</i>	Business Administrator: verifies account number and signs with Superintendent	Daily; ongoing
	<i>Review of Check Register</i>	Business Administrator reviews sequence of checks	
Journal Entries	<i>General Journal Entries and Budget Entries</i> <i>(Note: If prepared by other than the Business Administrator, the Business Administrator reviews; if prepared by the Business Administrator, the Superintendent reviews)</i>	<ul style="list-style-type: none"> • Business Administrator prepares documents and approves prior to posting on the FISCAL system; • Superintendent reviews documentation for adjustment and supporting information 	<ul style="list-style-type: none"> • Daily • Once per 2-3 weeks
Payroll Reports	<i>Legitimate Employees</i>	Superintendent	Randomly and at least biannually with annual report to Board

Control Area	Review Task	Assigned Supervisor: Task	Frequency / Monitoring
Principal / Director Program Reports	<i>Account Balance Agreement</i>	Principals/Directors and Business Administrator	<ul style="list-style-type: none"> • Monthly reports issued by Purchasing Clerk to Principals/Directors • Joint verification of accounts at least once every two months • Ongoing report to Superintendent
Annual Financial Reports	<i>Auditor's Report and Management Letter (include verification of control weaknesses; correct recording and expenditure of property taxes; and, correct recording of SEFA funds); Annual Program and Financial Reports</i>	Board Financial Subcommittee (may include Superintendent, USOE personnel and/or community members with background in accounting/finance) reviews directly with auditor; Business Administrator is available for Subcommittee questions and clarifications	Annual report to the Board on each task