



Making something amazing.

Adopted: 1-7-18

703 SEGREGATION OF DUTIES

I. PURPOSE

The purpose of this policy is to establish internal controls that will enable The Studio School to properly safeguard its assets and to comply with state and federal laws.

II. GENERAL STATEMENT OF POLICY

It is the policy of The Studio School to have internal controls that will adhere to Generally Accepted Accounting Principles, and applicable mandates of state and federal law.

III. BANKING AND CASH MANAGEMENT

- A. **Bank accounts.** The Executive Director or designee and Chair of the Board of Directors shall be designated as parties authorized to open bank accounts on behalf of The Studio School. All banking documents shall require the signature of these two individuals.
- B. **Check preparation.** The Purchasing Coordinator/Business Manager shall be responsible for preparation of all checks. Checks for an amount in excess \$1,000 shall be signed by the Purchasing Coordinator/Business Manager and Executive Director or designee.
- C. **Deposits, withdrawals and transfer of funds.** The Executive Director and Board Treasurer shall be responsible for all deposits, withdrawals and fund transfers. Specific policies regarding electronic fund transfers are contained in Board Policy 731.
- D. **Blank checks.** Purchasing Coordinator/Business Manager shall be the custodian of all blank checks.
- E. **Reconciliation.** Purchasing Coordinator/Business Manager shall reconcile cash and bank transactions monthly.
- F. **Petty cash.** Purchasing Coordinator/Business Manager shall be responsible for management of petty cash. Purchasing Coordinator/Business Manager shall ensure that the receipts and cash in the petty cash fund are equal to the total value of the petty cash fund.

IV. PAYROLL AND RELATED LIABILITIES

- A. **Timekeeping.** The Executive Director, in consultation with an HR firm or personnel, shall establish policies for employee timekeeping. Those policies shall be presented to the Board of Directors annually for its review and approval.



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- B. **Payroll.** The Executive Director shall contract with a payroll vendor approved by the Board of Directors. The vendor shall establish and implement policies regarding appropriate disbursement of payroll to bona fide employees; recording payroll disbursements accurately, and will develop an adequate system for necessary payroll taxes and other withholdings. The Executive Director shall be responsible for ensuring that the payroll vendor adheres to the policies established and those policies shall be reviewed by the Board of Directors annually.

V. FIXED ASSETS

- A. Purchases.
 - 1. **Conformity to budget.** All purchases shall be demonstrably related to activities and functions identified in the annual budget.
 - 2. **Amending to budget.** The annual budget can be amended at least once a year related to activities and functions of The Studio School.
- B. **Inventory.** The Executive Director or designee shall ensure that an appropriate inventory of all fixed assets is maintained showing description, date purchased or received and cost or fair market value. The assets shall be compared to the inventory annually and an annual report shall be made to the Board regarding inventory.

VI. GRANTS, DONATIONS

- A. The Executive Director or designee shall establish a procedure for recording all monetary contributions and shall maintain documentation of such contributions.
- B. All grants, gifts and donations shall be administered in accordance with Board Policy 701