



# SEGREGATION OF DUTIES

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<b>Policy Owner:</b>	Ariane Gibson	<b>Approved By:</b>	UIPA Board



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### Revision Table

Version	Effective Date	Revision Author	Summary of Revisions
1.1	May 5, 2022	Amy Brown Coffin	Updated to new policy template
2.0	February 27, 2023	Amy Brown Coffin	Updated to BP-12; Updated owner; Added Cash Disbursements & Policy, Payroll; Receivables sections
2.1	March 27, 2024	Amy Brown Coffin	Updated to new template; Removed references to operations team; Minor grammatical adjustments
3.0	April 30, 2024	Ariane Gibson	Updated owner to CFO; Removed references to State of Utah and related state processes due to migration away from the State; Added General Ledger section

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### I. Purpose Statement

This policy supports the Utah Inland Port Authority (UIPA) in developing the underlying principle of segregation of duties being a shared responsibility of dispersing critical functions among multiple individuals throughout the organization.

### II. Regulatory / Legislative Requirements

None

### III. Scope

This policy provides employees of the Utah Inland Port Authority (UIPA) an understanding of the requirements for having more than one person complete tasks relating to handling money, making purchases, managing assets, payroll administration, receiving goods, and general ledger activities.

### IV. References

- UIPA BP-07 Procurement Policy
- UIPA BP-09 Internal Control Program
- UIPA BP-14 Board Governance

### V. Definitions

Term	Definition
Segregation of Duties	Having more than one person required to complete a task as an Internal Control intended to prevent fraud and error; loss and waste; and noncompliance of policies and procedures.
Custodian	Any individual in physical possession of the cash, asset, inventory, or financial document.

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Authorizer	Any individual who can authorize spending of the organization's funds.
Recorder	Any individual who creates or keeps the records of cash/inventory that enters or leaves the organization. The recorder should not be an individual who solicits donations or sales. (This is because those soliciting donations or sales often end up inadvertently in custody of cash.)

### VI. Roles & Responsibilities

None

### VII. Policy

This policy is a building block within the organization's Internal Control program ensuring the agency's objectives are met and a single individual is never in a position to initiate, approve and review the same action.

Segregation of duties is often applied to cash handling, but it is also applicable in additional settings including purchase authorization, receivables. (i.e.: inventory), grants, tax credits, and asset management.

Segregation of duties must be maintained at all times.

### VIII. Disbursements & Receipts

Individuals responsible for data entry of purchasing and payment transactions are not responsible for approving these documents. In addition, individuals who prepare/record payments do not approve the payments.

Individuals responsible for acknowledging the receipt of goods or services are not responsible for purchasing or accounts payable activities.

Individuals who prepare/record payments do not perform budget compliance and review.

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Individuals responsible for data entry of deposits should not be responsible for approving these documents or have access to the funds received.

Individuals responsible for cash receipts functions do not reconcile the accounts where the funds are deposited.

All checks must be recorded.

### IX. Purchase Authorization

1. All purchases should be pre-approved by a direct manager and follow the BP-7 UIPA Procurement Policy.
2. The individual submitting the order maintains supporting documentation including pre-authorization, quotes (if required), and a copy of the contract (if required).
3. Orders are received by front desk staff.
4. Prior to payment on any invoices, CFO or their delegate ensures that goods were received.

### X. Asset Management

1. All assets over \$150 are tagged and inventoried annually by the appointed staff member.
2. Assets include items such as equipment, media supplies, cameras, radios and other pilferable items under \$5,000 in value.
3. Assets will be tagged with an agency label with a unique ID.

### XI. Payroll

UIPA utilizes the Paylocity system for payroll, timekeeping, HR, and other related services. This allows for the following segregation of duties:

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- The CFO and Financial Manager will have access to prepare the payroll batch. Whoever prepares the payroll batch, the other party will approve the payroll batch submission.
- At a minimum, monthly reviews of each payroll register will be completed by the Executive Director.

## XII. Receivables

- Individuals who bill or account for receivables do not write off uncollectible accounts.
- The CFO will approve monthly reports and review reconciliations.

## XIII. General Ledger

- Journal entries will not be prepared and approved by the same individual in the General Ledger system.
- Reconciliations of general ledger accounts, bank accounts, and purchase cards will be prepared by the Financial Manager and reviewed by the CFO.

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