



## Segregation of Key Duties



### Policy A-IC-4

September 15, 2005  
Revised June 24, 2016

**Purpose:** Separation of key duties is the foundation to any internal control program. A single individual will not consistently have the authority to expend and procure funds. Additionally, the same individual will not be solely responsible to maintain financial records.

**Policy:** To ensure the integrity of our internal control policies, separation of key duties must be clarified and utilized. The same individual will not independently have the authorization to receive and expend agency funds. No individual will maintain financial records autonomously.

**Procedure:** All staff responsible for any preparation, review, approval, record keeping, or verification of any accounting process shall comply with the Generally Accepted Accounting Principles (GAAP) and segregation of key duties in accord with the Administrative Reference for Local Health Departments, Financial Management section published by the Kentucky Department for Public Health.

- I. The GAAP sets out separation of duties as a key policy to aid in the prevention of fraud and reduction in clerical errors. It is therefore the policy of Three Rivers District Health Department and Home Health Agency, in compliance with the all KAR and KRS regulations to ensure that no single person shall have full control over the access, approval/authorization, record keeping and verification of any accounting process.
- II. The attached Segregation of Duties, Form A-IC-4(A), outlines the roles/activities requiring segregation and the primary/alternate staff designated for that role with those roles marked that must be separated.

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**District Director**

**Date**

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**Chairperson, Three Rivers District Board of Health**

**Date**

Department: Administrative Services

Date: 07/01/2018

Enter <u>Title and Name</u> of employees responsible for functions listed below >>>>  Finance Manager – M. Wilburn    Administrative Specialist – M McCarty Purchasing Agent – C Stewart      Personnel Specialist – S Fitzgerald Receptionist – A McDonald          Billing Specialist – C Smoot IT Manager – Greg Ramey            District Direct – Georgia Heise Billing Supervisor – C Buffin Departmental Managers – J Thurman, Lindsey Tirey, Patty Greene & Justin Pittman	Dept. Managers/Staff	IT Manager	District Director	Receptionist	Billing Specialist	Personnel Specialist	Purchasing Agent	Administrative Specialist	Administrative Manager

(Enter "P" or "A" for employee(s) assigned responsibility for each function or "N/A" to the right of each function that is not applicable)

**Payroll/Personnel:**

Prepares pwk for new employee appointments	●	A			P					
Prepares pwk for all other personnel actions	●	A			P					
Prepares contracts for personal service employees	●	A	P							
Approves pwk for new employee appointments	●							P		A
Approves pwk for all other personnel actions	●							P		A
Executes personal service contracts	●							P		
Process data entry for personnel actions		A			P					
Approves employee overtime	●							P		A
Reviews/Approves Leave Requests	●							A/P		P/A
Processes data entry for payroll	●	A		A	P					
Authorizes changes to employee time worked and leave records								P		A
Processes quarterly reporting for payroll	●			A	P					
Approves quarterly reporting for payroll	●	P						A		
Signs payroll checks 1 of 2 signatories	●				P			A		
Signs payroll checks 2 of 2 signatories	●	P								A
Custodian of personnel files	●				P			A		
Maintains leave records	●	A			P					
Executes electronic transfer of funds for employee direct deposit	●	A		A	P					
Prints and maintains control of paper payroll checks	●	A		A	P					
Maintains custody of payroll check stock	●				P					
Maintains custody of unclaimed paper payroll checks					P					
Compares monthly payroll expenses to budgeted amounts & reports results to management		P			A					
Reviews monthly payroll expenses to budget								P		A

**Procurement:**

Prepares general purchase order requisitions	●		A	P						
Prepares departmental purchase requisitions	●			A						P
Reviews/Approves purchase order requisitions	●							P		
Processes purchase order requisitions and assigns PO#	●			P						
Receives materials ordered (ensuring all items have been received undamaged and goods meet quality standards)				P		A	A			
Matches purchase order, receiving document and invoice			A	P						
Prepares invoice payment authorizations	●		A	P						
Verifies invoice accuracy, terms and account distribution		P								
Approves invoice payment authorizations	●	P						A		
Prepares hand-check authorizations	●		A	P						

P=Primary Responsibility

A=Alternate

N/A=Function/Duty is Not Applicable

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	(Enter "P" or "A" for employee(s) assigned responsibility for each function or "N/A" to the right of each function that is not applicable)								

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**Procurement: (cont'd)**

Approves hand-check authorizations	●	P							A		
Writes/Prints accounts payables checks	● ●			A	P						
Signs AP checks 1 of 2 signatories	●	P							A		
Signs AP checks 2 of 2 signatories	●				P						A
Maintains custody of accounts payables check stock	●				P						
Pre-approves employee travel expenditures, if required									P		
Approves travel expense reports	●								P		
Processes travel expense reports	●			P							
Performs managerial oversight(monitored) of the department's procurement activities on an active and regular basis	●								A		P
Reconciles transactions to general ledger	●			P							
Approves reconciliation of transactions to general ledger	● ●	P									
Prepares inventory orders				P		A					
Approves inventory orders									P		
Receives inventory items from vendor	●			P				A			
Approves vendor invoices for payment of inventory items	●	P							A		
Issues inventory items to staff/wellness centers				P		A					
Maintains procurement document records	●							P			
Maintains vendor updates in computer system	● ● ●	P	A								
Verifies/matches AP paperwork to check and mails payment to vendor	●							P			

**Accounts Receivable:**

Processes accounts receivable data entry	● ●	A	P								
Maintains accounts receivable records	●							P			
Reconciles accounts receivable records to the manual general ledger	● ●		P								
Reviews and approves the reconciliation of accounts receivable	●	P							A		
Prepares and mails billing statements	●					P					A
Reviews and approves write-offs	● ●	A							P		A
Prepares aged accounts receivable listing	●					P					A

**Cash:**

Collects cash (including cash equivalents, e.g., checks) and issues receipt	●				A			P			
Opens mail, logs mail remittance payments, and submits duplicate receipt to department for coding of AR	●				A			P			
Prepares and processes deposits	● ● ● ●			P							
Posts deposits to general ledger	●		P								
Reconciles receipts (including cash receipts log to deposits)	●	A	P								
Safeguards cash until deposit					A			P			

**Cash: (cont'd)**

Maintains deposit records	●	P									
Reconciles receipts to general ledger	● ●	P									

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Reviews/approves cash collections										P
Prepares change of fund custodian documentation			A				P			
Maintains change of funds custodian records	P	A								
Returned check custodian	P									

**Petty Cash:**

Petty cash fund custodian	●				A		P			
Approves request for reimbursement of petty cash	●							A		P

**Credit Cards:**

Maintains control of PNC Visa cards	●	A		P						
Maintains control of Wal-mart cards	●	A		P						
Maintains control of Debit cards	●							P		
Allocates charges to the appropriate operating ledger accounts	●	A		P						
Authorizes new cards/cardholders	●							P		
Approves purchases via use of cards	●							P		
Compiles supporting documentation for transactions	●		A	P						
Reconciles transactions to the general ledger	●		P							

**Budget and Accounting:**

Prepares departmental budget	●	●	P/A							P
Oversees departmental budget preparation	●	●	A					P		
Approves departmental budget for Board Approval	●	●						P		A
Maintains departmental accounting system/financial records				A						P
Approves journal entries for corrections to AP, PR, and finances								P		
Approves month end final close			P					A		
Provides financial reports to management			P	A						
Monitors budgetary status and reviews budget/expenditure reports								P		A
Maintains general ledger	●	●	A	P						
Performs monthly bank reconciliation for General Environmental Accounts	●	●				P				
Reviews monthly bank reconciliation for General & Environmental Accounts	●	●	P					A		
Performs monthly bank reconciliation for Local Taxing Districts				P						
Reviews monthly bank reconciliation for Local Taxing Districts			P					A		

**Systems and Technology:**

Equipment custodian	●	●								P
Receives equipment	●	●			P					
Tags equipment	●	●								P
Approves equipment invoices for payment	●	●	P					A		
Maintains departmental equipment records										P
Reviews Incident Reports of property loss/damage								P		
Performs the physical equipment inventory	●	●								P
Reviews equipment inventory listing	●	●						P		A

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Department Systems Administrator (Computer and network support)									P	
Department Security Administrator (DSA)									P	
<b>Contracts and Grants:</b>										
Prepares Contract or Grant Proposal	●		A							P
Approves Contract or Grant Proposal	●							P		
Responsible for the post-award administration of federal awards	●	P						A		
Approves pre-award spending on federal projects	●							P		
Ensures that prior approvals from the granting agency are secured where necessary	●									P
Approves advanced travel purchases for federal awards	●							P		
Approves travel expense vouchers for federally funded travel	●							P		
Approves payroll expense involving federal funds	●							A		P
Approves invoice expense involving federal funds	●	P						A		
Ensures compliance with policies and budget		A						P		P
Tracks cost-sharing obligations and corresponding expenditures		P								
Responsible for tracking budgetary status of federal awards		P								A
Reports financial and budgetary status to managers		P								
<b>Clinic Billing and Patient Accounts:</b>										
Receipt of third party payments	●				A		P			
Posting of third party payments to patient account	●					P				

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