**POLICY TITLE: Internal Controls**

**POLICY NUMBER: 2160**

2160.1 There will be established procedures for the adequate separation of duties, including at least the following:

1. A receipt log of all cash/checks received will be prepared daily by the Office Admin/Treasurer.
2. The Office Admin/Treasurer will prepare or oversee the deposit and ensure it is made using the check scanning machine and software provided by agreement with Citi Bank;
3. The Office Admin/Treasurer will confirm that the daily deposits agree with the original of the receipt log which the District maintains;
4. The bank reconciliation will be prepared promptly after month-end by the Office Admin/Treasurer who has no authority to sign checks or authorize other debits against the account;
5. All paid invoices will be presented for approval by the District Board of Directors at the monthly meeting.
6. Every check must be signed by two Directors. Only Directors are authorized signers. All current Directors will be added to the bank accounts. No employees, staff, nor volunteers shall be authorized as signers or have access to the funds in the accounts.
7. All paid invoices shall be so marked and filed for reference;
8. The same employee cannot be responsible for authorizing transactions, collecting or paying bills, and maintaining accounting records.

2160.2 There will be an annual third-party financial audit and any finding(s) shall be reported to the General Manager. The General Manager will distribute the finding(s) to the Board.

2160.3 (Reserved)

2160.4 (Reserved)

2160.5 Other excess funds shall be deposited in or transferred to such long-term investment accounts as the Board may, from time to time, designate by resolution.

2160.6 (Reserved)

2160.7 (Reserved

2160.8 (Reserved)

2160.9 The signing of any checks written on the accounts of the District will be in accordance with the District’s procurement policy.

2160.10 Any payment of funds for claims and/or allocated loss adjustment expenses will be made in accordance with the District’s Claim Settlement Policy.

2160.11 The Board confirms that the Board will review these internal control policies upon completion of each year’s audit with input from its external auditor.

This Policy No. 2160 supersedes any policy inconsistent with the provisions included above.