

Association Of Government Accountants
Nashville Chapter
Policy No. 2—Internal Control
Treasurer and Webmaster Functions
August 14, 2006

Purpose—to address internal controls governing the Treasurer and Webmaster functions. This policy should strengthen the segregation of duties related to the treasurer function and safeguard bank accounts related to the Pay-Pal function. This policy affects the President, Past-President, Secretary, Treasurer, and Webmaster.

All receipts in the form of checks for event registration should be mailed to the Chapter's post office box; however, cash receipts or checks not mailed to the post office box should be distributed to the official designated in the following paragraph for disposition. This policy does not include luncheon-meeting receipts.

President, Past-President, and Secretary

The chapter has two keys to the post office box. The Chapter President will maintain one key and either the Past-President or the Secretary will hold the other key. Only those two officers will have access to the post office box. The Secretary or Past-President will collect the mail, create a mail log (see Exhibit 1 for the mail log format) for checks received, and distribute the checks to the Treasurer for recording and deposit. The mail log should include columns for the current date, payment type, check number, check date, payer, payee, amount, and remittance advice (a brief explanation of the purpose of the receipt). The Secretary or Past-President should also record cash receipts and checks not mailed to the post office box in the mail log. This duty should be assigned on or before the date of the first Chapter planning meeting. Because acceptance of this responsibility is largely based on logistics, when the Secretary is unable to perform this function, the Past-President should do so.

When the check or cash receipts relate to an Education or Program event, the chairs of those committees should receive a copy of the mail log and a copy of the remittance advice. If a remittance advice is not included with the check, the Secretary or Past-President should make a copy of the check to permit those committee chairs to track participation in events. The Secretary will provide copies of the mail log to the Treasurer on a monthly basis.

President, Treasurer, Webmaster

The Webmaster should establish the current Pay-Pal account as a business under the Chapter's name. Only the Webmaster will administer Pay-Pal. The Webmaster administrator will establish passwords that will change each year and will provide access to the Treasurer as a user. Only the treasurer will have the ability to initiate cash transfers from Pay-Pal to the Chapter's bank account. Each month, the Webmaster administrator

will obtain a transaction listing to provide to the President. The President should have only access rights to view transaction reports. The President should review these reports on a periodic basis to ensure that the Treasurer properly records transactions.

The Treasurer should establish a sweep bank account for the chapter to be used as a repository for Pay-Pal transactions. The bank will periodically sweep funds from the new account to the chapter's regular (interest bearing) checking account. The intent is to safeguard the chapter's checking account by separating it from the Pay-Pal account deposits.

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