

I understand that in small organizations it can be very difficult to segregate duties. Below is an example of how an organization with two staff members could implement segregation of duties:

Segregation of Duties - Two Person Office

Accountant, Administrative employee or Receptionist

- Write checks
- Process payroll
- Record accounts receivable
- Receive and record cash
- Reconcile bank statements
- Record general ledger entries

Executive Director or Manager

- Authorize purchases
- Authorize check requests
- Authorize invoices for payment
- Sign checks
- Mail checks
- Approve general ledger entries
- Sign employee contracts
- Approve and distribute payroll
- Complete deposit slips & make deposit
- Reconcile petty cash
- Perform bank transfers
- Receive open, and review bank statements

Board Treasurer/Finance Committee Member

- Review and approve bank reconciliations against bank statements
- Sign reimbursement checks for the Executive Director or Manager

Below is an example of how an organization with three staff members could implement segregation of duties:

Segregation of Duties - Three Person Office

Bookkeeper

- Record accounts receivable
- Reconcile petty cash
- Record general ledger entries
- Process vendor invoices
- Write checks
- Make deposits

Office Manager

- Sign checks
- Mail checks
- Reconcile bank statements
- Disburse petty cash
- Approve invoices
- Authorize purchases
- Approve payroll
- Receive cash
- Distribute payroll
- Approve time sheets

Executive Director or Manager

- Complete deposit slips
- Perform bank transfers
- Sign employee contracts
- Review and approve bank reconciliations against bank statements