

Arizona Trail Association Segregation of Duties Policy

In alignment with American Institute of Certified Public Accountants (AICPA) guidance, the Arizona Trail Association shall adopt the following Segregation of Duties (SOD):

1. Checking and Investment Transactions:
 - a. The person or persons maintaining the authority to print checks shall not have the authority to sign those checks or be in possession of a signature stamp.
 - b. The person or persons with an authority to sign checks cannot be in possession of those assets (blank checks).
 - c. All persons with the ability to edit accounting records shall not have signatory authority, unless their authority is only made valid by the accompaniment of a second signer who does not have the ability to edit accounting records.
2. Journal Entries shall be authorized by a person who is independent of the bank reconciliation process.
3. The bank reconciliation shall be completed in a timely manner by someone who is independent of the cash disbursement process.

The following is an example of an acceptable SOD:

	Authorization/Approval	Custody of Assets/Second Signature
Checking	Executive Director	Administrative Director/Board President
Investment Transactions	Board Treasurer	Chief Financial Officer
Approve Journal Entries	Administrative Director	X
Account Reconciliation	Chief Financial Officer	X
Cash Disbursements	Executive Director	Administrative Director/Board President