



SEGREGATION OF DUTIES

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Policy Owner:	Amy Brown Coffin	Approved By:	



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I. Revision Table

Version	Effective Date	Revision Author	Summary of Revisions
1.1	May 5, 2022	Amy Brown Coffin	Updated to new policy template
2.0	February 27, 2023	Amy Brown Coffin	Updated to BP-12; Updated owner; Added Cash Disbursements & Policy, Payroll; Receivables sections
2.1		Amy Brown Coffin	Updated to new template; removed references to operations team; minor grammatical adjustments

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II. Purpose Statement

This policy supports the Utah Inland Port Authority (UIPA) in developing the underlying principle of segregation of duties being a shared responsibility of dispersing critical functions among multiple individuals throughout the organization.

III. Regulatory / Legislative Requirements

None

IV. Scope

This policy provides employees of the Utah Inland Port Authority (UIPA) an understanding of the requirements for having more than one person complete tasks relating to handling money, making purchases, managing assets and payroll, and receiving goods.

V. References

- UIPA BP-07 Procurement Policy

VI. Definitions

Term	Definition
Segregation of Duties	Having more than one person required to complete a task as an Internal Control intended to prevent fraud and error; loss and waste; and noncompliance of policies and procedures.
Custodian	Any individual in physical possession of the cash, asset, inventory, or financial document.
Authorizer	Any individual who can authorize spending of the organization's funds.

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Recorder	Any individual who creates or keeps the records of cash/inventory that enters or leaves the organization. The recorder should not be an individual who solicits donations or sales. (This is because those soliciting donations or sales often end up inadvertently in custody of cash.)
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VII. Roles & Responsibilities

None

VIII. Policy

This policy is a building block within the organization's Internal Control program ensuring the agency's objectives are met and a single individual is never in a position to initiate, approve and review the same action.

Segregation of duties is often applied to cash handling, but it is also applicable in additional settings including purchase authorization, receivables. (i.e.: inventory), grants, tax credits, and asset management.

Segregation of duties must be maintained at all times.

IX. Cash Disbursements & Receipts

Individuals responsible for data entry of purchasing and payment transactions are not responsible for approving these documents. In addition, individuals who prepare/record payments do not approve the payments.

Individuals responsible for acknowledging the receipt of goods or services are not responsible for purchasing or accounts payable activities.

Individuals who prepare/record payments do not perform budget compliance and review.

Individuals responsible for cash receipts functions are separate from those responsible for cash disbursements.

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Individuals responsible for data entry of cash deposits should not be responsible for approving these documents or have access to the cash received.

Individuals responsible for cash receipts functions do not reconcile the accounts where the cash is deposited.

All checks and cash must be recorded.

X. Purchase Authorization

1. All purchases should be pre-approved by a direct manager and follow the BP-7 UIPA Procurement Policy.
2. The individual submitting the order maintains supporting documentation including pre-authorization, quotes (if required), and a copy of the contract (if required).
3. The individual who placed the order should never be the first to receive the order. Order must be received by the custodian or recorder, delivery verified and recorded, before delivered to the individual who placed the order.
 - a. Normal purchases are delivered to the office. On occasion an employee must pick up items in person he/she will need to sign on the invoice/receipt that the item(s) was received. However, if the employee was also the individual who requested the items, for internal control, he/she will need to have another employee verify receipt of the items upon return to the office.

XI. Asset Management

1. All assets over \$5,000 are logged in the FINET fixed assets and inventoried annually by the appointed staff member.
2. Assets include items such as equipment, media supplies, cameras, radios and other pilferable items under \$5,000 in value.
3. Assets will be tagged with an agency ID.

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XII. Payroll

The UIPA relies upon State of Utah Payroll systems and teams for payroll services. This allows for the following segregation of duties:

- Responsibility for timekeeping and supervision functions is segregated from personnel, payroll processing, disbursement, and general ledger functions.
- Individuals responsible for hiring, terminating, and approving promotions are not directly involved in preparing payroll transactions or inputting data.
- Individuals approving timesheets are not involved in preparing payroll transactions or inputting data.
- Individuals involved in payroll data entry do not have payroll approval authority.
- Payroll data entry staff cannot enter changes to their own records.

XIII. Receivables

- Individuals who bill or account for receivables do not write off uncollectible accounts.
- Individuals responsible for the functions of billing, recording, and accounting for receivables are separate from those responsible for handling/receiving payments.

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