

**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:

- a) A receipt log of all cash/checks received will be prepared daily by an employee not in the Finance department;
- b) An accounting technician will prepare or oversee the deposit and ensure it is made using the check scanning machine and software provided by agreement with [bank];
- c) The Treasurer will confirm that the daily deposits agree with the original of the receipt log which the District maintains;
- d) The bank reconciliations will be prepared promptly after month-end by an employee with no authority to sign checks or authorize other debits against the account;
- e) All invoices presented for payment must be approved by the General Manager, Fire Admin, or Board of Directors;
- f) Every check must be signed by two Directors;
- g) All paid invoices shall be so marked and filed for reference;
- h) The same employee cannot be responsible for authorizing transactions, collecting or paying bills, and maintaining accounting records.

2160.2 There will be an annual financial audit and any finding(s) shall be reported to the Board of Directors with simultaneous notice to the General Manager.

2160.3 There will be biennial audits of the Property/Liability and Workers' Compensation Program claims paid by the district and those report(s) will be promptly presented to the Board of Directors.

2160.4 In regard to district's cash reserve accounts the district will maintain a balance for all programs per Reserve Policy 3030,—and that transfers out of the Reserve Accounts may only be made to NCSD's General Fund checking account and must have the approval of the Board of Directors. The requests for such transfers out of the Reserve Accounts shall be signed by two Directors and be supported by detailed information which shall be maintained by district's Treasurer.

2160.8 Templates for Fed-wire or Automated-Clearing House (ACH) Transfers out of the district's bank accounts may only be established by the Treasurer; approved by the Board of Directors, and signed by two (2) Directors.

2160.9 The signing of any checks written on the accounts of the district will be in accordance with the district's [procurement policy]. All transactions shall be disclosed monthly to the Board on the Bills Paid and Presented Report.

2160.11 The Board of Directors 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.