

### **INTERNAL BUSINESS CONTROLS**

The Old Tappan Board of Education shall evaluate business process annually and allocate available resources appropriately in an effort to establish a strong control environment.

#### **Segregation of Duties**

- A. The functions of human resources and payroll shall be segregated and completed by different employees.
- B. The functions of purchasing and accounts payable shall be segregated and completed by different employees.
- C. The Business Administrator/Board Secretary shall identify other areas that when performed by the same person shall be a violation of sound segregation of duties.
- D. Districts shall include in the Comprehensive Annual Financial Report (CAFR) detailed organizational charts for the central office that reflect the District's control logs, including, but not limited to the business, human resources and informational management functions.

#### **Standard Operating Procedures (SOPs) for Business Functions**

- A. By July 1, 2009 the District shall establish SOPS for each task or function of the business operations of the District that include section on each routine task or function in these areas:
  - 1. Accounting,
  - 2. Cash management,
  - 3. Budget development,
  - 4. Position control,
  - 5. Purchasing,
  - 6. Facilities,
  - 7. Security,
  - 8. Emergency preparedness,
  - 9. Risk management,
  - 10. Transportation,
  - 11. Food service,
  - 12. Technology systems
  - 13. Information management.
- B. An SOP shall be established that ensures that office supplies are:
  - 1. Ordered in appropriate quantities,
  - 2. Maintained in appropriate storage facilities,
  - 3. Monitored to keep track of inventory.

#### **Personnel tracking and accounting**

The District shall maintain a complete and up-to-date automated position control roster to track the actual number and category of employees which shall be fully implemented by July 1, 2009.

**INTERNAL BUSINESS CONTROLS (continued)**

**Financial and Human Resource Management Systems**

- A. When considering financial systems or automation of other services and functions, the District shall notify the Executive County Superintendent in writing to see if shared services opportunities exist.
- B. Access controls shall be established for the key elements of financial systems to ensure that a single person does not have the ability to make system edits that would violate the segregations of duties.
- C. If the Old Tappan School District ever has a budget in excess of \$25,000,000.00 and/or ever has more than 300 employees, the district shall maintain an enterprise resource planning (ERP) system that integrates all data and process of the organization into a unified system.

**Facilities Maintenance and Repair Scheduling and Accounting**

If the Old Tappan School District ever has more than two buildings, the District shall maintain an automated work order system and meet all the requirements of the applicable New Jersey code.

<b><u>Legal References:</u></b>	<p><u>N.J.A.C. 6A:23A-6.5</u>  <u>N.J.A.C. 6A:23A-6.6</u>  <u>N.J.A.C. 6A:23A-6.7</u>  <u>N.J.A.C. 6A:23A-6.8</u>  <u>N.J.A.C. 6A:23A-6.9</u></p>	<p>Segregation of duties; organizational structure                  Standard Operating Procedures for business functions                  Financial and Human Resource Management                  Personnel tracking and accounting                  Facilities maintenance and repair.</p>
---------------------------------	---	--

<b><u>Cross References:</u></b>	<p>*3100                  *3320                  *3326                  *3400                  *3510                  *3570                  *4111                  *4112.6                  *4211                  *4212.6</p>	<p>Budget planning and adoption                  Purchasing procedures                  Payment for goods and services                  Accounts                  Operation and maintenance of plant                  District records and reports                  Recruitment, selection and hiring                  Personnel records                  Recruitment, selection and hiring                  Personnel records</p>
---------------------------------	---	--

\*Indicates policy is included in the Critical Policy Reference Manual.

**Key Words**

Internal Controls, Segregation of Duties, Standard Operating Procedures, SOPS, Personnel Tracking, Work Orders, Facility Maintenance, Facility Repair

Approved: November 30, 2009  
 Revised: