

**WOODRIDGE LAKE SEWER DISTRICT
INTERNAL CONTROL PROCEDURES
FOR FINANCIAL ACTIVITIES
Board Approved December 20, 2010**

PURCHASE ORDERS

- A Purchase Order (PO) is required for all expenditures over \$250 with detailed specifications
- PO in excess of \$1,000 require the approval of the Superintendent and the Treasurer or a Board member
- PO in excess of \$10,000 require the approval of the Superintendent and two Board members
- PO in excess of \$2,500 requires three bids and the Superintendent's recommendation of the selected vendor before submission to the Board for approval.

EMERGENCY EXPENDITURES

- In the event of an emergency, the Superintendent must contact the Treasurer or President and at least one other Board member detailing the emergency and funds needed to cover the expenditure.
- Ratification of the expenditure must be approved in the minutes of the next Board meeting.

APPROVAL OF EXPENDITURES:

- The Superintendent prepares the PO after approval as above with detailed specifications
- When invoice is received for items or services noted on PO, the Superintendent verifies and initials that the items(s) have been received or services provided as shown on the invoice.
- Superintendent can approve in writing POs less than \$1,000
- POs in excess of \$1,000 require written approval of Treasurer or one Board member
- POs in excess of \$10,000 require written approval of two Board members
- Once written approval for payment has been given the invoice is entered for payment.

CHECK SIGNING AUTHORIZATION

- An account posting control form, associated PO, invoice, and the unsigned check will be reviewed and sign off by the Superintendent.
- All checks require one Board signatory.
- Checks for more than \$500 or capital expenditures require two Board signatories.
- Authorized signatories are only Board members.
- The Board will approve authorized signatories at a Board meeting.
- Signature stamps are not authorized.

CASH RECEIPTS CONTROL:

- Internal Control requires a separation of receiving tax and other checks and recording the receipts and depositing in the bank account.
- With limited staff, the tax receipts should be recorded by the Tax Collector
- The Clerk should deposit the funds in the bank account verifying the amount inputted to the tax records.
- All other receipts such as Cell Tower Rent and Sewer Permit/Connection Fees are recorded and deposited by the Clerk.
- The Accountant will reconcile tax billing, receipts and bank deposits on a monthly basis.

CREDIT CARDS / FUEL RECEIPTS:

- Debit and Credit Cards are issued in the name of the district: Union Bank debit card with a \$500 limit are used by the office staff; Staples - used by the office staff; Home Depot, used by operations staff; Tractor Supply, used by operations staff. The Superintendent will receive all receipts daily from staff for purchases made.
- Identity codes for the acquisition of fuel from Goshen Public Works Department have been issued to each authorized Operations staff member. The Superintendent will receive all receipts daily from staff for all fuel received.
- Usage of credit cards and fuel obtained from Goshen will be reconciled against daily purchase logs and vehicle logs by the office staff monthly.
- Payments of credit card bills and fuel purchases will follow the above check signing authorization procedure. Debit cards will be part of the monthly bank reconciliations.