

## FINANCIAL OPERATIONS TO ASSURE SEPARATION OF DUTIES

### BACKGROUND

General Accepted Accounting Principles (GAAP) sets the standard accounting rules for preparing, presenting, and reporting financial statements. The GAAP is to ensure a company's financial statements are complete, consistent, and comparable.

### PURPOSE

Separation of duties, or segregation of duties, is a crucial internal control that prevents fraud and errors by dividing key financial tasks among multiple individuals, ensuring no single person has complete control over critical processes. This standard operating procedure outlines the separation of duties related to the financial operations of the organization

### PROCEDURE

#### Contractor:

1. Will post all income and expenses.
2. Reconcile bank statements.
3. Preparation of monthly and end of year financial reports for DSHS.
4. Preparation of financial reports for the RAC Board of Directors.
5. Assist with preparation of purchase orders for signature by the Executive Finance Officers.
6. Prepare reports on accounts payable
7. Write checks or otherwise make payments as authorized by the Executive Finance Officers as defined in the bylaws. In the absence of the contractor, the Executive Finance Officer will assume this role.
8. Make payments includes cash, checks or electronic bank transfers
9. Preparation of records for any potential audits.

#### Executive Finance Officers:

1. Have over-sight of financial operations
2. May sign checks or send electronic payments that have been authorized for payment by the RAC Board of Directors.

#### Additional Procedures:

1. Current financial software will be utilized for bookkeeping purposes.
2. Current financial software will be available for review by the RAC Chair and Treasurer.
3. Current financial software entries will only be made by designated RAC-R staff.
4. There will be a purchase order for all purchases following guidelines in the approved RAC-R Procurement SOP.
5. Purchase orders must be prepared in current financial software.

*Alyson Nickum-Smith*

*4/17/25*

**Alyson Nickum-Smith**  
Chair, Board of Directors

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Date

# STANDARD OPERATING PROCEDURE