

Exhibit B

SAMPLE SEGREGATION OF DUTIES for SMALL TOWNS

Two-Person Segregation of Duties

Clerk

Post accounts receivable
Mail checks
Write checks
Post general ledger
Reconcile bank statements
Post credits / debits
Give credits and discounts
Approve payroll
Open mail / receive cash
Disburse petty cash
Complete deposit slips
Prepare invoices

Mayor

Sign checks
Sign employee contracts
Custody of securities
Complete check log
Perform inter-fund transfers
Distribute payroll
Reconcile petty cash
Review invoices
Approve employee time sheets
Authorize purchase orders
Authorize check requests
Authorize invoices for payment

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SAMPLE SEGREGATION OF DUTIES for SMALL TOWNS

Three-Person Segregation of Duties

Clerk

Post accounts receivable
Reconcile petty cash
Write checks
Post general ledger
Reconcile bank statements
Post credits / debits
Gives credits and discounts

Town Administrator

Prepare invoices
Record initial charge
Open mail / receive cash
Mail checks
Approve invoices for payment
Distribute payroll
Authorize purchase orders
Authorize check requests
Approve employee time sheets
Approve payroll
Complete check log
Disburse petty cash

Mayor

Sign checks
Sign employee contracts
Custody of securities
Complete deposit slips
Perform inter-fund transfers

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SAMPLE SEGREGATION OF DUTIES for SMALL TOWNS

Four-person Segregation of Duties

Bookkeeper

Post accounts receivable
Reconcile petty cash
Write checks
Post general ledger
Post credits / debits
Reconcile bank statements

Clerk

Distribute payroll slips
Open mail / receive cash
Record initial charges
Complete check log
Disburse petty cash
Mail checks

Town Administrator

Complete deposit slips
Gives credits and discounts
Prepare invoices
Approve payroll
Approve invoices for payment
Authorize purchase orders
Authorize check requests
Perform inter-fund transfers

Mayor

Sign checks
Sign employee contracts
Custody of securities
Approve employee timesheets