

POLICY - 5.2.3 - FINANCIAL MANAGEMENT - CONTROLS
SCOPE - BOARD OF DIRECTORS & ALL PERSONNEL

The District employs internal financial controls for the purposes of maintaining a secure and reliable accounting system, to ensure the integrity of District records, and to protect against mismanagement of District funds.

Computer Accounting System:

The computer accounting system requires the use of a security password at each level of the accounting program. Only the Fire Chief and the Administrative Secretary are authorized to gain unaccompanied access to the accounting program. Any other access to the accounting program must be authorized by the Fire Chief, with either the Fire Chief, Administrative Secretary, or a designated Board member present. All accounting records shall be backed-up on a daily basis.

Check Register Report:

At the regularly scheduled monthly board meeting, the Board of Directors shall be presented with a print-out of the check register showing the check number, the name of the recipient, the date, and the amount of each check issued for the preceding month.

Budget Status Report:

At the regularly scheduled monthly board meeting, the Board of Directors shall be presented with a print-out demonstrating the current status of the annual budget. The document will show the amount budgeted, the amount expended in the preceding month, the amount expended to date for the year, and the remaining balance for each line item of the adopted budget, including totals of the General Fund for Personal Services, Materials and Services, Capital Outlay, Contingency, Transfers to other funds, and the status of the Special Funds.

Purchases:

It is recognized by the Board of Directors that the routine operation of the District, including purchasing of equipment, materials, supplies and services is best managed by the chief executive officer of the District. Therefore, purchasing authority is granted to the Fire Chief by the Board of Directors at the time of adoption of the annual budget. The Fire Chief may delegate limited purchasing power to other employees or volunteers of the District. The Board of Directors shall review the result of necessary purchases during the monthly reconciliation of the checkbook records, and budget status report.

Verification of Invoices:

No invoice shall be paid without written proof that the goods or services stated on the invoice have been received by the District. The Fire Chief will review each invoice to verify its authenticity, and shall authorize payment by initialing the invoice.

Check Signatures:

Each check written by the District shall require two (2) signatures to be valid. All Board members and the Fire Chief are authorized to sign checks. The Fire Chief is not authorized to sign any check which is written to the benefit of the Fire Chief.

Petty Cash:

Purchases of a minor nature from local vendors, or reimbursement for minor out-of-pocket expenditures may be accomplished through the use of petty cash. The petty cash box shall remain in a locked file drawer until needed. Access to this drawer is limited to only the Fire Chief, the Assistant Chief, and the Administrative Secretary. The maximum amount of money kept in the petty cash box is one-hundred dollars (\$100). Disbursements from the petty cash shall be verified by a cash receipt giving the date of the transaction, the vendor, the item purchased, and to whom the cash was given. The petty cash account shall be reconciled each time there is a need to replenish the account, and at least at the conclusion of the fiscal year.

Writing Off Bad Debt:

Authorization for writing off bad debt shall be granted on a case-by-case basis upon review, and at the discretion of the Board of Directors.