

DELRAN ATHLETIC ASSOCIATION

SEGREGATION OF DUTIES

The commissioners and board members of the Delran Athletic Association (D.A.A.) must strive for appropriate checks and balances within all aspects of D.A.A. operation. The goal of these efforts is to mitigate even the appearance of impropriety or questionable behavior in the execution of duties and responsibilities.

Duties within the D.A.A. should be separated as much as possible so that one person does not perform processing from the beginning to the end of a process. Commonly, duties that should be segregated include:

- Authorization
- Custody of the assets
- Recording transactions

If an adequate segregation of duties does not exist, the following situations may occur:

- Misappropriation of assets
- Misstated financial statements
- Inaccurate financial documentation (i.e., errors or irregularities)
- Improper use of funds or modification of data could go undetected

Within the D.A.A. financial operations, it is recognized that proper segregation of duties is not always possible or practical. However, Board members Athletic Directors and commissioners are expected to approach each situation with logical and reasonable actions based upon sound judgment.

Specific areas of the D.A.A. financial operations requiring segregation of duties include the following:

- Approval of disbursements vs. processing of disbursements
- Disbursement of funds vs. reconciliation of banking records
- Budget preparation vs. approval
- Contractual commitments vs. approval of disbursements

This list is by no means all-inclusive; other areas of financial operation can benefit from segregation of duties. Such items may be added as identified and deemed necessary.