

Segregated Duties Policy

It is a priority of the finance committee to utilize best practice policies in the administration of the finance department to insure safeguarding the property & funds of Franklin County Government. Segregation of duties is a best practice required by the State of Tennessee, Division of Local Finance. This segregation initiates checks and balances in all processes that could pose a potential threat or compromise of the property & funds of Franklin County Government. Further, it safeguards identity and confidential information of Franklin County Government employees. The following are the processes followed for this best practice within the finance department:

Budget Entries are entered by the account manager upon approval from the Franklin County Commission. Budget Amendments requested by department heads are entered by the account manager upon approval from the finance director & authorized official.

Journal Entries are prepared by the account managers and are entered by other designated employees.

Cash Receipts received directly by finance personnel are tracked by a revenue receipt log tracking when funds are received. Those receipts are then given to the designated account manager for proper account application and deposited with the Franklin County Trustee within three (3) business days as required by Division of Local Finance. The trustee will deposit the funds and return a cash receipt for data entry. The account manager will review said cash receipts and another designated employee will enter data.

Bank Statements are reconciled by designated employee's that have no direct usage of said bank account (i.e. accounts payable statement reconciled by payroll personnel).

Payroll is processed utilizing a segregated duties log. Each payroll requires three to four employees to complete. This separates the processing of timesheets calculations, data entry, payroll deduction reconciling, paycheck printing, signature count verification, liability payments, deposits to trustee, bank statement reconciliation.

Purchasing is segregated by department heads submitting requisitions, purchasing specialist entering purchase orders, finance director and/or authorizing official signing purchase orders or their designated substitute.

Accounts payable is processed utilizing a segregated duties log. Each expenditure batch process requires four to five employees to complete. This separates the data entry of invoices, statements & travel claims, then double checked & disbursement checks printed, the deposit is sent to the trustee, the checks are signed by the finance director & authorized official or their designated substitute, invoices are filed by multiple personnel & bank statements are then reconciled by payroll personnel. Receipts from check advance items are received & reconciled, then filed.

Check Voiding is segregated by accounts payable personnel voiding in software then forwarding the check to the account manager for reporting to the Franklin County Trustee on the next available deposit.

Month end accounts are reviewed by account managers. Another account manager then reconciles the fund & reconciles the finance outstanding check balances to the trustee's balance of outstanding checks.