Rev 6

  ***System of Internal Control***

 ***for the***

***Rotary Club of Buckhead***

**Responsibilities**

It is the fiduciary responsibility of every Director of an organization to assure that the organization has a documented system of Internal Control commensurate with the values being controlled, and that the system of Internal Control is being followed.

It is the fiduciary responsibility of every Director of an organization to read and review all financial information provided to him. The Treasurer is responsible for safeguarding all funds and for the accuracy of the reporting to the organization. Each Treasurer shall serve only one term of one year.

It is the responsibility of every Director to read and understand the Constitution and By Laws of the Rotary Club of Buckhead, and to assure compliance with them. This System of Internal Control is meant to supplement, not replace nor supersede any provision of the By Laws.

**Primary Requirements for Internal Control**

Receipts are neither handled nor available to any person maintaining the books of account or by any person controlling or having administrative access to the computer program coding.

Disbursements are never made by any person maintaining the books of account, or by any person controlling or having access to the computer program coding.

 ALL receipts and deposits are handled by the Treasurer, and all checks are personally approved and signed by the Treasurer. Emergency checks can be signed by the President. Checks to the Treasurer will be signed by the President, and vice versa.

Monthly the Board is provided, directly by the Accountant, the financial statements for the month, including but not limited to the Statement of Income and Expense vs Budget; Statement of Net Worth, a listing of all transactions for the Month and for the Year to date, and a listing of Past Due amounts by member name and category of amounts due.

The Directors have a Fiduciary Responsibility to review these in detail, and to question any transactions that they do not understand, especially any disbursements on the Monthly Detail of I & E (It is recommended, but not required, that the Treasurer review the monthly disbursements at each Board meeting).

**Conflicts of Interest**

Any person with outside interests or activities that intersect or conflict with his/her duties relative to the club or who receives gifts from suppliers to the club risks having a conflict of interest in managing club affairs. Any such actual, potential, or perceived conflict must be brought to the attention of the Board of Directors for resolution.

**Club Billings**

Since the Club uses cash receipts, single entry bookkeeping in its billing system, it does not book billings as Receivables. Consequently it is critical for the Treasurer to review and report monthly to the Board on the status of past due accounts using the off books information. Otherwise unpaid billings are never recognized on the books of account and there are no bad debts reported in the financial statements; they just disappear.

**Banking**

The accountant's access to the Bank Account is limited to receipt of statements and 'read only' access to the accounts. The accountant will not have any authority to disburse funds by ACH or any other manner, nor access to any check stock. The accountant will not have any signatory authorization for any bank actions or items.

Absent specific Board action for temporary situations, only the President and the Treasurer shall have signatory authority on any of the club's accounts, online or otherwise.

The Accountant and the Treasurer will receive their copies of the bank statements directly from the Bank.

The Outgoing Treasurer and the Incoming Treasurer have joint responsibility for changing the bank authorizations to reflect the current situation.

# Tax Filings

It is the responsibility of the immediate past Treasurer to promptly obtain approval by the Board of the financial statements for the year just ended, and to prepare, sign, and submit to the club’s tax preparer all information for preparation of the club’s tax return: and to obtain the completed tax return from the tax preparer, sign and submit it to the IRS, with copies to the club’s Archivist and to the club’s current secretary, all in a timely manner.

**Distribution**

A copy of this document will be provided by the Archivist to every existing Director, and to each new Director at the new Director's first meeting. This document will be attached to the By Laws as an “Attachment to but not a part of the By-Laws “.