

## **Section Account Policy & Procedures**

The following are recommendations for handling section accounts:

1. Section accounts should have both the Section Chair & Treasurer listed as authorized signatures.
2. The bank account should be set up as to only require 1 signature up to the amount of \$500. Any amount over \$500 should require 2 signatures.
3. Section Chair and Treasurer should each receive a monthly Bank Statement from the financial institution.
4. The Section Chair should review the bank statements and investigate any unusual/suspicious items
5. The bank statement should be reconciled monthly.

The following are recommended procedures for the Treasurer in handling the business of the section account:

1. Disbursements: The original invoice/bill should be kept with a copy of the check written to pay the expense. If the section is using computerized checks or duplicate checks; the check stub or carbon copy may be used to show proof of payment.
2. Receipts: The deposit slip should have a complete listing of the checks including the name, check number and amount
3. The Treasurer will reconcile the bank statement monthly.
4. The Treasurer will provide a report of disbursements and receipts for review at each of the Section meetings.

The following are recommended procedures for the Section to conduct an annual internal audit of the section account:

1. Select/appoint 3 FFA Advisors or Independent Parties (alumni, community members including but not limited to local banker or accountant, etc.) from the Section to conduct an internal audit of the section account.
2. The Treasurer should provide the following documents for the internal audit to be conducted:
  - a. All banks statements and bank reconciliations for the year
  - b. All invoices/bills
  - c. All deposit slips and bank deposit receipts
3. The audit committee should complete the following steps in conducting their internal audit:
  - a. Match each deposit receipt with the deposit on the monthly bank statement
  - b. Match each cancelled/cleared check listed on the bank statement with the invoice/bill
  - c. Compare the bank reconciliation balance to the balance cash receipts and disbursements for each month.
  - d. Review for old or unusual reconciling items.
  - e. Complete audit report and file with the FFA Center no later than July 1 of each fiscal year
  - f. Report any suspicious activity to the IAVAT Executive Director

The Section account documents should be kept together by fiscal year for 7 years. Documentation may be destroyed after 7 years.