

I. BACKGROUND

The music club funds are earned through the collective hard work of many students and parent volunteers. These funds are vital to the success of music related student activities; therefore, it is critical to have in place strong internal controls to protect the music club funds. A basic internal control measure for handling money in any organization is to have some degree of segregation of duties. Typically small organizations that rely on volunteers don't have the luxury of hiring needed staff and in most cases, cannot possibly have the level of segregation of duties that many businesses have. For example, most businesses have a Treasurer that functions completely separately from the accounting operation. This separation of responsibilities creates a certain inherent degree of systematic segregation in the organizational structure; however, for most small volunteer organization both those functions are performed by one person. Since both functions are performed by one person, it is very important that at a minimum, the record-keeper should not have access to cash. This separation helps prevent the potential for a record keeper to steal or misuse funds while also having the ability to manipulate the records to hide that activity. To accomplish this minimal level of internal controls over the EASD Music Club funds and to facilitate consistency in the receipt of club monies and the payment of club bills, the following procedures should be used for the deposit and disbursement of funds.

II. DEPOSITS

A. PREPARING DEPOSIT

1. **Ensure accuracy of deposit amount:** Before placing cash and checks into an envelope for deposit, the cash and checks should be counted by at least two individuals. This is done to ensure the accuracy of the deposit and to protect the individual responsible for collecting the funds. Anyone can make a mistake, and the last thing any of us would want is to be placed in the unfortunate situation where the actual funds counted and credited to the music clubs account turns out to be something different from what was expected to be collected. Therefore, a second count not only will catch potential mistakes but also serve as a verification of what is collected.
2. **Complete Deposit Preparation Form(DPF):** Cash and checks should be placed into an envelope along with a completed DPF and a copy of detail to support deposit amount, such as fundraiser lists, student lists of trip deposits, itemized lists of student deposits on clothing purchases, etc. The DPF form can be downloaded from EASD music club website at www.easdmusicclub.org. The envelope should be sealed. If the preparer is unable to get the DPF, the following items should be notated on the envelope.
 - a. Individual who prepared the deposit
 - b. Total dollar amount of cash
 - c. Total dollar amount of checks
 - d. Total deposit Amount
 - e. Event/Purpose
 - f. School (i.e. MS or HS)
 - g. Category (i.e. Band, Chorus, Orch., Other)

B. DEPOSIT DELIVERY

1. **Depositor:** All deposits are made by the President/Vice President and the following steps or precautions should be taken:

- a. Deposits should be delivered in a sealed envelope to president/vice president and therefore, arrangements should be made directly with the president/vice president to deliver the sealed envelope as soon as possible after funds are collected.
 - b. For internal control purposes, deposits should not be given directly to the Treasurer.
 - c. Deposits should not be delivered by students. It is unfair to place the responsibility on the student to safe-keep potentially large amounts of cash and checks. We know our students are very responsible, but given the movement of students in the midst of many other students and frequency movement between classes, the risk of a deposit being lost or stolen is significantly higher with students in school.
 - d. The depositor should deposit the funds as soon as possible.
 - e. Arrangement should be made by the President/Vice President to deliver deposit slip to Treasurer along with the DPF form or information in IIA2 above notated on deposit slip for proper accounting entries.
2. **Notification:** The individual who prepares the deposit for delivery to depositor should email the Treasurer when deposit is delivered to depositor. If a DPF was not sent with the deposit, the information in IIA2 above should be included in the email.

III. DISBURSEMENTS

A. REQUEST FOR PAYMENT

All disbursements are made by Treasurer with approval by either Music Club President or Vice President. For fundraisers and trip payments, all related deposits should be submitted as one complete deposit before fundraiser or trip payment is made to vendor.

B. MANUAL REQUEST FOR PAYMENT SUBMISSION

Anyone needing a payment made should submit a completed *Check Request Form (CRF)* to the President or Vice President for approval.

1. The CRF can be downloaded and printed from the music club website www.easdmusicclub.org.
2. The CRF should be submitted with an invoice or receipt to support the requested payment amount and purpose.
3. Once the Treasurer receives the CRF from the President/Vice President with their approved signoff, the treasurer will either send payment to vendor or make arrangements to get the check to individual requesting payment.

C. ELECTRONIC REQUEST FOR PAYMENT SUBMISSION

Anyone needing a payment may make a request for payment through emails.

1. Submission of CRF (available at www.easdmusicclub.org) or email containing all pertinent CRF information should be sent to President/Vice President with scanned copy of supporting invoice or receipt.
2. When sending email to the President/Vice President, carbon copy (cc:) the Treasurer so Treasurer has copy of any supporting document and is aware of a pending disbursement.
3. President/Vice President will reply to all with approval so both sender and Treasurer knows the payment is approved for payment.
4. Once the Treasurer receives approval for payment from the President or Vice President, the treasurer will either send payment to vendor or make arrangements to get the check to individual requesting payment.