



Separation of Duties Policy

Policy Area: Accounting & Financial Reporting	Effective Date: 7/1/1995
Policy Sub Area: Capital Assets	Last Revision Date: 1/22/2007
Authority: G.S. 143D-6	Policy Owner/Division: Statewide Accounting

Policy

Although the organization of each department is unique, the capital asset responsibilities should be distributed among several positions. This separation is necessary for adequate internal control. The following policies are recommended.

The chief fiscal officer has the custodial and supervisory duties of the system. He/she assigns both supervisory and clerical positions to control the assets.

Where possible, the Fixed Asset Officer makes the entries in the system. He/she also tags the asset and records the number in the system. If it is not possible for the Fixed Asset Officer to perform these duties, a responsible person should be designated to perform them.

Another position in each office receives the assets and checks them in. This is usually an office supervisor, manager, or their designee. He/she routes the receiving tickets to the accountant. The accountant approves them, makes entries to the statewide accounting system, and sends them to the fixed assets officer for appropriate system entries.

A position separate from the above mentioned positions performs the annual inventory. After inventory, this position researches any missing assets. The responsible supervisor and chief fiscal officer approve the Physical Inventory Worksheets before the Fixed Asset Officer makes changes to the status code.

It is recommended that each department have the above duties in place at a minimum. This allows for a clear separation of duties among positions responsible for capital assets.

Not all offices have the positions needed for this clear separation of duties. If so, the duties are to be assigned to allow as much separation as possible. Even if it is necessary for an outside party to perform the inventory, separation of duties is necessary.

Each department must document the position responsible for each capital asset duty. This should be kept on file and updated as changes are made.

Procedures

NA

Accounting Guidance

NA

Related Documents (Memos/Forms)

[Missing/Stolen Assets Policy](#)

Revision History

Date	Description
01/22/2007	Policy updates