



# Segregation of Duties

Two, Three & Four Person Offices

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## Segregation of Duties 2, 3 & 4 Person Offices

No system of internal control should be built on trust. Most business owners know that processes and procedures should be in place to prevent mistakes and fraud but this can be difficult for a small business that is spreading its resources thin.

*internal controls - noun 1. accounting procedures or systems designed to promote efficiency, assure the implementation of a policy, safeguard assets, or avoid fraud and error*

Fortunately, there are simple steps that small businesses can take to begin creating internal controls. The first step is to divide tasks and duties. The following suggestions are for two, three or four person offices. As your business grows, you can review job descriptions and adjust accordingly.

# Two Person Office



## Business Manager

- Mail checks
- Write checks
- Approve payroll
- Record accounts receivable
- Receive cash
- Authorize purchases
- Authorize check requests
- Authorize invoices for payment
- Record general ledger entries

## Owner/Manager

- Sign checks
- Reconcile bank statements
- Sign employee contracts
- Distribute payroll
- Process vendor invoices
- Complete deposit slips & make deposit
- Reconcile petty cash
- Perform bank transfers
- Receive open, and review bank statements

# Three Person Office

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## Bookkeeper

- Record accounts receivable
- Reconcile petty cash
- Write checks
- Record general ledger entries
- Process vendor invoices
- Make deposits

## Office Manager

- Mail checks
- Reconcile bank statements
- Disburse petty cash
- Approve invoices
- Authorize purchases
- Approve payroll
- Receive cash
- Distribute payroll
- Approve time sheets
- Sign checks

# Four Person Office

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## Bookkeeper

- Record accounts receivable
- Reconcile petty cash
- Record general ledger entries
- Process vendor invoices
- Reconcile bank statements

## Clerk


- Distribute payroll
- Receive cash
- Disburse petty cash
- Authorize purchases
- Authorize check requests
- Mail checks

## Office Manager

- Complete deposit slips
- Approve invoices
- Approve payroll

## Owner/Manager

- Sign checks
- Sign employee contracts
- Approve time sheets
- Perform bank transfers
- Receive open, and review bank statements



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