I. Policy Statement

The University of North Texas is committed to protecting university assets by employing key internal controls to ensure that errors or irregularities are prevented or detected on a timely basis by employees in the normal course of business.

II. Application of Policy

All University

III. Policy Definitions

A. Authorization

“Authorization,” in this policy, means the process of reviewing and approving transactions or operations.

B. Custody

“Custody,” in this policy, means having access to or control over institutional assets such as data, inventory, or cash.

C. Recordkeeping

“Recordkeeping,” in this policy, means the process of creating and maintaining records of revenues, expenditures, inventories, and personnel transactions. These may be manual records or records maintained in an automated system.

D. Reconciliation

“Reconciliation,” in this policy, means verifying the processing or recording of transactions to ensure that all transactions are valid, properly authorized, and properly recorded on a timely basis. This includes following up on any differences or discrepancies.

E. Segregation of Duties

“Segregation of Duties,” in this policy, means separating business functions and defining authority and responsibility with a fundamental premise that one individual should not have control over more than one function.

F. Custodian

“Custodian,” in this policy, means the employee responsible for data, operational processes, or physical inventory with statutory or operational authority for establishing criteria for the asset’s creation, collection, processing, dissemination, or disposal.
G. **Unit Administrator**

“Unit Administrator,” in this policy, means an individual with supervisory responsibilities over a unit and custodian(s).

IV. **Policy Responsibilities**

A. **Internal Controls**

1. The Custodian will implement internal controls, to include segregation of duties, when designing and defining job duties and responsibilities, to protect institutional assets against modification or misuse.

2. Segregation of duties is equally applicable in all areas of operation, including but not limited to financial transactions and operational processes. Specifically, the Custodian will not assign or define job duties that grant an employee the ability to complete more than one of the following functions:
   a. Authorization
   b. Custody
   c. Recordkeeping
   d. Reconciliation

B. **Access Reviews**

Unit Administrator will review access to system processes for overlapping duties and impermissible access annually.

V. **References and Cross-References**

UNT System Regulation 08.7000, Segregation of Duties

VI. **Revision History**

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<th>Assoc VP, Budget &amp; Analytics</th>
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