



## **INMED Accounting & Bookkeeping Policy: Internal Controls and Fraud Prevention**

---

- I. Introduction
  - A. Purpose: This policy provides guidance on INMED's internal control structure with respect to financial activities. The purpose of these controls is to help prevent fraud and the misuse of funds.
  
- II. Guiding Principle
  - A. INMED is committed to exemplary conduct and demonstrating a steadfast moral and ethical uprightness.
  
- III. Segregation of Duties
  - A. Credit Card
    - 1. The monthly statement is reviewed by all officers.
    - 2. The monthly statement is reconciled by the VP of Financial Affairs.
  - B. PayPal Account
    - 1. Transactions are reviewed weekly by VP of Financial Affairs.
    - 2. Transactions are reconciled weekly by staff member.
  - C. Checking Account
    - 1. Monthly statement is reviewed by all officers.
    - 2. Transactions are reconciled weekly by staff member.
  - D. Payroll
    - 1. Payroll is processed by the VP of Financial Affairs.
    - 2. Payroll reports are reviewed by INMED officers monthly.
  
- IV. Physical Security
  - A. Cash
    - 1. INMED does not handle any cash.
  - B. Checks
    - 1. Checks are stored in a locked drawer in INMED's office.
    - 2. Check stubs are stored in a locked drawer in INMED's office.
  - C. Other financial documents are stored in locked drawer in INMED's office.
  - D. Computers are not kept in INMED's office overnight.
  
- V. Cyber Security
  - A. Staff members with access to INMED's online financial platforms use a Virtual Private Network



B. What's preventing an outsider from gaining access to our Dropbox, Gusto, or Xero accounts? What other cyber security measures should we consider?

VI. Review of financial statements and policies

- A. Monthly, the VP of Financial Affairs prepares and presents the following financial statements to INMED officers, Board Treasurer, and Board Chairperson
  - 1. Balance Sheet (Statement of Financial Position)
  - 2. Monthly Income Statement compared to same month one year prior
  - 3. Year-to-Date Income Statement
  - 4. Rolling 12 Month Income Statement compared to same period one year prior
- B. Quarterly, the VP of Financial Affairs prepares and presents the following financial statements to INMED officers and Board of Directors. At its quarterly meeting, the Board of Directors discusses and approves the statements.
  - 1. Balance Sheet (Statement of Financial Position)
  - 2. Year-to-date Income Statement by department
  - 3. Budget Projected versus Actuals
  - 4. Rolling 12 Month Income Statement
- C. Annually, the Board of Directors reviews financial policies