

**APPLE SPRINGS  
WATER WORKS SANITATION DISTRICT**

**Internal Controls Policy**

**ACCOUNTS:**

Section 1. The District shall establish a proper system of accounts and shall keep proper records, books and accounts in which complete and correct entries shall be made of all transactions relative to the water system.

Section 2. A check register shall be maintained by the Treasurer for all District accounts. The check registers and statements shall be balanced by the Treasurer and reconciled monthly. The check register, bank statements and monthly reconciliations shall be verified and signed off monthly by the President.

Section 3. All checks or other orders for the payment of money issued in the name of the District shall be signed by the Treasurer or President.

**OFFICE AND RECORDS OF PROCEEDINGS:**

Section 1. The Board of Trustees shall establish an office within the District and shall maintain a full, complete, accurate and itemized account of all of its proceedings, ordinances, orders, resolutions, and regulations.

**REVENUES:**

Section 1. All revenues and monies derived from the operation of the water system shall be paid to and held by the District separate and apart from all other funds of the District.

Section 2. Funds received shall be properly accounted by the Treasurer and posted by the Treasurer by months end. All funds of the District shall be deposited to the credit of the District in such banks or other depositories as the Board of Trustees may select.

**ACCOUNTS PAYABLE:**

Section 1. All bills received in the mail or by electronic means shall be date stamped on the date they are received by the Treasurer.

Section 2. A list of bills shall be presented to the Board of Trustees and approved by the Board of Trustees prior to payment. In the event a payment must be made prior to the next meeting of the Board of Trustees, the Treasurer may obtain the written consent of a majority of the members of the Board of Trustees and make payment. The payment shall be formally presented for approval at the next meeting of the Board of Trustees.

**CONTRACTS:**

Section 1. The Board of Trustees may authorize any Officer or Officers or Agent or Agents to enter into any contract, or execute and deliver any instrument in the name of, and on behalf of the District by a properly passed Resolution or Ordinance. Such authority may be general or confined to specific transactions.

**LOANS:**

Section 1. No loans shall be contracted on behalf of or in the name of the District, and no evidences of indebtedness shall be issued in the name of the District, unless authorized by a properly passed Resolution of the Board of Trustees. Such authority may be general or confined to specific transactions.

**AUDIT:**

Section 1. At annual intervals, the Board of Trustees shall cause to be made an audit by a qualified audit firm or the State of South Dakota of the books to show the receipts and disbursements of the water system.

**BUDGET:**

Section 1: The District shall be required annually to prepare a budget of the water system to show the required revenues and expenses. If necessary, user charge rates may be adjusted to produce adequate income to retire indebtedness, meet operation, maintenance and replacement needs and established required reserves.

**CREDIT CARD:**

Section 1. The District does not have a credit card. No credit card will be issued in the name of the District without the adoption of an appropriate credit card policy.

**ACH CUSTOMERS:**

Section 1. An ACH application form must be completed with a copy of a voided check or deposit slip by all customers desiring automatic payment of their water bill. The customer's information is entered into the system by the Treasurer and filed in the ACH binder and kept in a locked location.

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**Conflict of Interest Policy**

The Apple Springs Water Works Sanitation District follows the provisions of South Dakota Codified Law Section 34A-5-28 and pursuant to such statute, no trustee or employee of the sanitary district may be directly or indirectly interested in any contract, work, or business of the district, or the sale of any article, the expense, price, or cost of which is paid by the district, nor in the purchase of any real, personal, or other property belonging to the district, or which shall be sold for taxes or assessments, or by virtue of legal process at the suit of the district.

Notwithstanding the above, pursuant to South Dakota Codified Law Section 34A-5-28.1, a member of the Board of Trustees of the Apple Springs Water Works District may contract with the district, if the consideration consists of \$3,000 or less per year and if the consideration of such supplies or services is reasonable and just.

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