**SMART FINANCE INTERNAL CONTROL CAPABILITIES**

The following items are potential controls that are part of the SMART Finance software. These items should be incorporated into the document the school district prepares related to the various accounting cycles for internal control.

It must be stressed that these are *capabilities* of SMART. These are not necessarily the processes the district is currently using for their accounting cycles.

**Logon**

* Access to the SMART Systems database is authorized by a district school official.
* Multifactor Authentication occurs with Microsoft Duo Security where the user receives a push notification sent to smart phone app to approve authentication or a code sent to a token.
* Access to SMART Systems database is assigned per individual user identification number and the password must be a minimum of 8 characters in length and contain at least 1 capital letter, 1 letter, 1 number and 1 symbol. The password is case sensitive. A security question must also be answered to access the system.
* Access to SMART eResources (Web Application) is assigned per individual user identification number and the password must be a minimum of 8 characters in length and contain at least 1 capital letter, 1 letter, 1 number and 1 symbol. The password is case sensitive. Then, multi-factor authentication (MFA) occurs where a security code is sent to the individual via text or email message to enter.
* Menu User Classes further define system access to SMART SF and are assigned per individual user identification number.
* Roles define system access to SMART eR and are assigned per individual user identification number.

**Accounts Payable Section**

**Vendors**

* Electronic Approvals
* Approval modification rules are available. See the [Other Areas](#Approval_Modification) section below.
* Multi-level approvals available (hierarchy followed).
* When a Tax Identification Number (TIN) is added to a Vendor record, it will look for any other active vendors with that duplicate TIN number.
* Changes to vendor names and addresses are recorded and available for review by printing the “Vendor Audit Report”. This report is located at Custom Reports 🡪 AP Reports. Users must be given access to this report.
* Changes to vendor names and addresses and 1099 information are recorded and available for review by printing the “Vendor and 1099 Audit Report”. This report is located at Custom Reports 🡪 AP Reports. Users must be given access to this report.
* Changes to vendor direct payment information are recorded and available for review by printing the “Vendor Direct Payment Audit” report. This report is located at Custom Reports 🡪 AP Reports. Users must be given access to this report.

**Vouchers**

* Electronic Approvals
* Approval modification rules are available. See the [Other Areas](#Approval_Modification) section below.
* Multi-level approvals available (hierarchy followed).
* Voucher cannot be generated for payment until approved.
* Account code permissions per user can be set-up where only the active account codes for the user can be entered on a Voucher.
* Budget alerts are given, if the account code used on the transaction is over budget. Yellow highlighted lines mean the item is over budget. The voucher can still be paid.
* If a duplicate invoice number is used for the same vendor, a warning message is provided to the user.
* If a voucher is imported from SMART HR, the vendor code, vendor name and detail lines are locked, so changes cannot be made.
* Posting of the voucher journal entry is a separate step from the creation of the voucher.

**Payment**

* Several reports and summary screens are available to verify amounts before physically printing checks.
* Password protected electronic signature is available.
* Signature bitmap stored within the SMART system.
* MICR encoding can be printed on the checks at the time of payment processing eliminating actual pre-printed check stock. Control numbers are available on the back of the blank check.
* Minimum and maximum amounts are set per bank for payment generation.
* Cannot utilize the same check number per bank record.
* Posting of the payment journal entry is a separate step from the creation of the payment.

**Accounts Receivable Section**

**Customers**

* Electronic Approvals
* Approval modification rules are available. See the [Other Areas](#Approval_Modification) section below.
* Multi-level approvals available (hierarchy followed).

**Invoices**

* Electronic Approvals
	+ Approval modification rules are available. See the [Other Areas](#Approval_Modification) section below.
	+ Multi-level approvals available (hierarchy followed).
* Account code permissions per user can be set-up where only the active account codes for the user can be entered on an Invoice.
* Posting of the journal entry is a separate step from the creation of the invoice.

**Deposits/Receipts**

* Account code permissions per user can be set-up where only the active account codes for the user can be entered on a Receipt.
* Once a deposit control record is at a Locked status, it cannot be altered.
* Posting of the journal entry is a separate step from the creation of the deposit/receipt.

**General Ledger Section**

**Journal Entries**

* Electronic Approvals
* Approval modification rules are available. See the [Other Areas](#Approval_Modification) section below.
* Multi-level approvals available (hierarchy followed).
* Cannot post a journal entry until it has been approved.
* Account code permissions per user can be set-up where only the active account codes for the user can be entered on a Journal Entry.
* Posting of the journal entry is a separate step from the creation of a manual or imported journal entry.

**Purchase Orders Section**

**Requisitions**

* Consecutive requisition numbers are automatically assigned.
* Account code permissions per user can be set-up where only the active account codes for the user can be entered on a Requisition.
* Budget alerts are given, if the account code used on the transaction is over budget.
	+ A white detail line means the item is not over budget.
	+ A yellow detail line means the item is over budget, but it is a warning only. The requisition can still be transferred into a purchase order.
	+ A red detail line means the item is over budget. The requisition cannot be transferred to a purchase order until the budget is increased or the ‘Budget Manager’ allows the transaction to continue. See the [Over Budget Control](#Over_Budget_Control) section below.
* Electronic Approvals
	+ When a user clicks on “Route”, the requisition will be automatically routed to approvers set-up for the user. It cannot be changed and routed to someone else.
	+ Multi-level approvals available (hierarchy followed).
	+ Cannot be transferred to a purchase order until electronically approved.
* Unable to print any requisition.

**Purchase Orders**

* Consecutive purchase order numbers are automatically assigned.
* Account code permissions per user can be set-up where only the active account codes for the user can be entered on a purchase order.
* Budget alerts are given, if the account code used on the transaction is over budget.
	+ A white detail line means the item is not over budget.
	+ A yellow detail line means the item is over budget, but it is a warning only. The purchase order can still be created.
	+ A red detail line means the item is over budget. A purchase order cannot be created until the budget is increased or the ‘Budget Manager’ allows the transaction to continue. See the [Over Budget Control](#Over_Budget_Control) section below.
* Electronic Approvals
	+ Approval modification rules are available. See the [Other Areas](#Approval_Modification) section below.
	+ Multi-level approvals available (hierarchy followed).
	+ Cannot be transferred to a voucher until electronically approved.
	+ Unable to print or electronically submit a purchase order until approved.
* Password protected electronic signature to appear on the purchase order.
* Signature bitmap stored within the SMART system. It can be assigned to specific users.

**Online Orders**

* Request transactions created through the Online Order process in SMART eR do not go directly to the vendor from whom goods are requested. The order must go through the requisition or purchase order procedures in SMART Finance mentioned above.

**Over Budget Control**

* If any account code used on a requisition exceeds the budget amount, the detail line will highlight in red. The requisition can still go through the routing process for approval, but it cannot be approved by the final approver unless budget dollars are transferred into the account code or a ‘Budget Manager’ allows the transaction to continue. Also, it cannot be transferred to a purchase order until final approval.
* If any account code used on a purchase order exceeds the budget amount, the detail line will highlight in red. The purchase order can still go through the routing process for approval, but it cannot be printed. Budget dollars must be transferred into the account code or a ‘Budget Manager’ must allow the transaction to continue. The transaction cannot continue with final approval processing or payment processing until appropriate action has been taken.

**Receiving**

* A purchase order cannot be transferred into a voucher until the purchase order items have been received electronically.

**Other Areas**

**Approval Modification**

* Triggers, like a new account code or amount, force a transaction to go through the entire approval routing process after subsequent modifications are made to an approved/unapproved record.

**Bank Reconciliation**

* Once a payment transaction has been cleared, it cannot be altered.

**Data Extracts**

Administration 🡪 Data Extraction

* Invoice Adjustment – The data extraction will show which invoices have had adjustments. This means the original account code on the transaction was changed. Adjustments take the place of a manual journal entry being completed for the account code correction.
* Receipt Adjustments – The data extraction will show which receipts have had adjustments. This means the original account code on the transaction was changed. Adjustments take the place of a manual journal entry being completed for the account code correction.
* Vendor 1099 DupTaxID – The data extraction will assist in finding duplicate tax identification numbers (TIN).
* Voucher Adjustments – The data extraction will show which vouchers have had adjustments. This means the original account code on the transaction was changed. Adjustments take the place of a manual journal entry being completed for the account code correction.

**Security**

* Districts can designate user specific security access. The user can be given access to an entire Module, Group, or Side Menu window(s) and/or report(s) or just to individual window(s), report(s), or button(s). Security can be tailored per job description or per individual.
* Districts can designate account code security per user. A user would only be able to see/use the account code(s) that were permitted.