

Emery County School District



Policy: DM—Cash Receipts

Date Adopted: 18 March 1992
Current Review / Revision: 21 June 2017

This policy governs procedures for the handling of all cash receipts. This policy applies to all District administration, licensed educators, staff, students, organizations, and individuals that handle cash receipts or accept payment in any form on behalf of the District or individual school. The scope includes all activities at the District and individual schools and in all locations where District activities and public funds are collected.

Segregation of Duties

Wherever possible, duties such as collecting funds, maintaining documentation, preparing deposits and reconciling records should be segregated among different individuals. When segregation of duties is not possible due to the small size and limited staffing of the District or individual school, compensating controls such as management supervision and review of cash receipting records by independent parties should be implemented.

Definitions

“Public funds” are defined as money, funds, and accounts, regardless of the source from which the funds are derived, that are owned, held, or administered by the District or an individual school.

Cash Receipts at the District Level

1. The District will comply with all applicable State and Federal laws.
2. Receipting of District funds should be done at the District Office. No receipting is to be done in other offices or locations, unless approved by the Business Administrator. Employees should instruct payers to take all cash, checks, and other transactions to the District Secretary for receipt. The District Secretary should provide all payers with a record of the transaction. Funds may be receipted through the District’s foundation, if applicable, in accordance with the Foundation’s cash receipts policy.
3. The Business Administrator must approve all checking and savings accounts used in District or individual school business.
4. All received funds shall be kept in a secure location controlled by the District Secretary until they can be deposited into the District’s financial institution. Funds should be deposited no later than once every three banking days. Employees should never hold funds in other locations for any reason.
5. If the District Secretary has left for the day or funds are receipted on the weekends, a District administrator should be available to lock cash receipts or cash boxes in a secure location inside the District Office until the next business day. Cash receipts should never be taken home by employees or volunteers, or left in unsecured locations in offices.

6. All checks should be made payable to the District and restrictively endorsed upon receipt. Checks should not be made payable to an employee, a specific department, or a program.
7. Appropriate internal controls and segregation of duties should be implemented for all cash activity. Cash should always be verified. Where verification is difficult, cash should be counted by two individuals.
8. All funds received must be receipted and recorded in the District's accounting records. A receipt will be issued for each transaction. Passwords should be established on the accounting system computers and changed periodically.
9. Documentation should be available, and should demonstrate that proper cash controls are in place (signatures for approval, tally sheets, reconciliations, etc.).
10. Under no circumstances are disbursements to be made directly from cash receipts (i.e., for purchases, reimbursements, refunds, or to cash personal checks).

Cash Receipts at the District Level - Procedures

1. Mail should be opened by an individual independent of the cash receipt process, and funds received should be documented in a cash receipts log.
2. The cash drawer should be secured at all times.
3. The District Secretary should receipt all funds immediately, provide customers with a receipt from the cash receipts log, and retain a duplicate copy.
4. Cash count sheets will be used for all cash receipts at approved off-site locations. These sheets will be completed by two individuals, signed by a member of administration on the day of the collection, and retained for verification.
5. Funds received shall be recorded in the District's official accounting software no later than once every three working days. A report shall be printed; reconciled to the actual deposit and cash receipt log; and retained for verification by administration along with the copy of the deposit slip.
6. The deposit shall be placed in a secured, locked location until it can be deposited in the District financial institution.
7. An employee independent of the cash receipting process shall verify and document that the deposit detail reconciles to the validated deposit slip.
8. Monthly, bank reconciliations should be performed on all District-approved accounts.
9. Monthly bank statements and bank reconciliations should be reviewed and approved by administration.
10. The District audit committee should review and approve the bank statements, bank reconciliations, and monthly journal entries.

Cash Receipts at the School Level

1. All individual schools will comply with all applicable State and Federal laws.
2. Receipting of funds at the school should be done at the front office through the financial secretary. No receipting should take place in classrooms or in unapproved off-site locations, unless approved by the Principal or Business Administrator. Employees shall instruct payers to take all cash, checks, and other transactions to the front office for receipt. Provisions should be made for cash receipting/collection at approved activities or functions.
3. School employees and volunteers associated with school-sponsored activities should not open bank accounts, outside of the control of the District, for the receipting or expending of public funds associated with school-sponsored activities. The Business Administrator must approve all checking and savings accounts used in District or individual school business.
4. All funds shall be kept in a secure location controlled by the front office until they are deposited in a school-approved fiduciary institution. Funds should be deposited no later than once every three banking days in a school-approved account. Employees should never hold funds in any other location for any reason, unless approved by Administration.
5. If the financial secretary has left for the day or funds are receipted on the weekends, employees should seek the assistance of the Principal to lock cash receipts or cash boxes in a secure location inside the school until the next business day. Cash receipts should not be taken home by employees or volunteers, or left in offices, unless approved by Administration.
6. All checks are to be made payable to the individual school and restrictively endorsed upon receipt. Checks are not to be made payable to an employee, a specific department, or a program.
7. Appropriate internal controls and segregation of duties should be implemented for all cash activity. These may include tickets, pre-numbered receipts, deposit slips, cash tally sheets, receipt registers, lists, cash reconciliations, reports, etc. Cash should always be verified. Where verification is difficult, cash should be counted by two individuals.
8. All funds received must be receipted by student name, if possible, and recorded in the school's accounting records. A pre-numbered receipt will be issued for each transaction. Passwords should be established on the accounting system computers and changed periodically.
9. Documentation should be available, and should demonstrate that proper cash controls are in place (signatures for approval, tally sheets, reconciliations, etc.).
10. Under no circumstances are disbursements to be made directly from cash receipts (i.e., for purchases, reimbursements, refunds, or to cash personal checks).
11. Periodic and unscheduled audits or reviews should be performed for all cash activity.
12. All activities involving cash must be supervised by an employee or authorized volunteer to ensure adequate controls are in place. Training should be given to those involved in handling cash.

13. All payments of fees shall correspond with the approved fee schedule, as required by Board *Administrative Rule* R277-407.

Cash Receipts at the School Level - Procedures

1. Mail should be opened by an individual independent of the cash receipt process, and funds received should be documented on a cash receipts log.
2. The front office's cash drawer should be secured at all times.
3. The front office should receipt all funds immediately, by student name, if applicable; provide customers with a receipt; and retain a duplicate copy.
4. Cash count sheets will be used for cash receipts at games and other school-sponsored activities after hours or off-site. These sheets will be completed by two individuals, signed by a member of school administration on the day of the collection, and retained for verification.
5. Funds received shall be recorded in the school's official accounting software no later than once every three working days. A receipt or register detail report shall be printed; reconciled to the actual deposit and the cash receipt log; and retained for verification by administration, along with the copy of the deposit slip.
6. The deposit shall be placed in a secured, locked on-site location until it can be deposited in a school-approved fiduciary institution.
7. Funds should be deposited no later than once every three banking days.
8. An employee independent of the cash receipting process shall verify that the deposit detail reconciles to the validated deposit slip.
9. Monthly, bank reconciliation(s) should be performed on all school-approved accounts.
10. Monthly, bank statements and bank reconciliation should be reviewed and approved by the Principal.
11. The District audit committee should review and approve the bank statements, bank reconciliations, and monthly journal entries.
11. Detailed activity budget vs. actual statements should be reviewed by program directors, coaches, teachers, etc. on a quarterly basis for accuracy and reasonableness.

Petty Cash Accounts

1. In order to facilitate refunds and minor purchases, the Board authorizes one petty cash fund in each School, Maintenance and Transportation offices, and in the District office. Petty cash balances shall not exceed an amount of \$500. The custodian for such accounts at the Schools will be the Principal.

2. Justifiable expenditures from petty cash accounts include small purchases of miscellaneous materials and supplies. Each transaction must be supported with proper receipts by the account custodian.
3. All petty cash funds will be reflected on accounting records and reconciled monthly.
4. All petty cash funds should be kept locked, in a secure location.
5. Checks may not be made payable to “cash” and cashed by District employees to create petty cash funds outside of the approved petty cash accounts, unless approved by Administration.
6. Reimbursements to petty cash accounts will be made only when supported by receipts and approved by the Principal or Supervisor.
7. Petty cash funds are subject to unannounced counts by District personnel at any time.