

Business Procedures for Handling Cash

An important control principle in all accounting procedures is a process of checks and balances. In order to achieve a proper check and balance, there must be an appropriate and adequate segregation of duties based on the resources available. This means that no one individual should perform all phases of a transaction. The superintendent and the principals should assign accounting duties among available office staff to achieve the highest degree of segregation. As needed, the business manager will assist with suggestions for an appropriate segregation of duties.

The efficient and accurate handling of cash is very important. The original document for recording cash received shall be a pre-numbered cash receipt. Receipts must be used in numerical order. Pre-numbered cash receipt books or forms shall be available through the Business Office.

Pre-numbered receipts (three-part receipt) shall be issued for all cash received as follows:

- (1) The original (white) copy is given to the payer or person submitting the money.
- (2) The second (yellow) copy is pulled out and attached to the supporting documentation which includes a copy of the **Cash Receipt Breakdown** to provide to the Business Manager for input into the district's computerized accounting system.
- (3) The third (pink) copy must stay in the receipt book. Once full, receipt books should be submitted to the Business Manager to be kept on file for audit purposes for at least five fiscal years.

NOTE: If an error is made in writing a receipt, mark it "VOID", send the yellow copy to the Business Manager, and leave the white and pink copies intact in the receipt book.

At the time of collection, all checks and cash should be counted by the school office staff in the presence of the sponsor/payer, and before the cash receipt is issued. If this is not possible, the sponsor/payer should turn in documentation of his/her money count to the office staff so reconciliation can be done at a more convenient time. When submitting money to the office, a CASH COUNT FORM should be prepared to provide documentation of the amount submitted. Money collected must be deposited into the bank intact. Checks must be stamped immediately with a restrictive endorsement stamp (FOR DEPOSIT ONLY), and should not be cashed or exchanged for cash through the school's deposit. Money should be deposited daily to avoid having cash in sites overnight. If money cannot be processed immediately for deposit, it should be placed in the school vault. Money collected should never be commingled (mixed together) with change funds or petty cash funds. School Office Staff are responsible for the money on-hand in their buildings.

All money collected should be submitted to the school office daily to reduce the risk of loss. Money should not be stored in classroom desks and cabinets or other places that cannot be properly safeguarded. When money is submitted to the school office for deposit, a pre-numbered cash receipt should be issued by the school office staff to the teacher or activity sponsor.

Deposits should be made as follows:

For all schools, the food service department, and the preschool program, deposits should be made daily. If a situation arose where a deposit could not be made, the deposit documentation, money, and other pertinent documents should be stored in the school's vault overnight.

Documentation for Deposits should be distributed as follows:

1. The deposit slip should be placed with the cash, checks, and a copy of the calculator tape. Deposits ready to be taken to the bank should be forwarded to the High School vault, and deposit information should be printed on the clipboard.
2. The yellow copy of the receipts should be attached to the Cash Receipt Breakdown and sent to the Superintendent's Office the day of deposit. School office staff should make a copy of the deposit slip and Cash Receipt Breakdown to be maintained in date order for future reference by the school office.
3. A copy of the bank's verification of deposit should be returned to the Superintendent's Office and attached to the Cash Receipt Breakdown. Bank personnel will sign clipboard confirming amount of deposit.

Petty Cash Funds:

Each school office shall have Petty Cash Funds to be used for incidental type purchases that are non-recurring in nature and of relatively minimal amount. No collection of any type is ever added to the fund, and no disbursement is made without sufficient expense documentation. No checks may be cashed by the fund. The Petty Cash Funds are controlled by an individual assigned by the building principal. This person is referred to as the custodian of the fund. The authorized fund amount for the elementary is \$150. . The authorized fund amount for the two petty cash funds at the secondary school include \$230 for the primary petty cash account and \$20 for the secondary petty cash account (used only to make change). The amount of cash in the fund, plus any petty cash vouchers (with original receipts attached) shall always equal the authorized balance. Purchases made through the petty cash fund should be minimal in value; therefore the maximum amount per disbursement is set at \$20. Postage needs for the district may exceed \$20 and in those rare instances, the disbursement may be permitted to exceed \$20 with the superintendent's approval.

Whenever the amount of cash in the fund is low as determined by the frequency of use, a requisition shall be processed to reimburse the fund. At that time, the petty cash fund shall be reconciled by the custodian by counting the amount of cash and adding it to the amount of disbursements for which reimbursement is requested. The total of these amounts should equal the authorized balance for the fund. Variances shall be noted on the reimbursement form or requisition and will be accounted for by the Business Office.

Upon approval, a check will be written payable to the petty cash custodian. When the reimbursement check is received at the Site, the custodian of the fund shall write a receipt using a regular pre-numbered receipt, marking the receipt "Petty Cash Reimbursement----Not for Deposit". The check shall be cashed at the bank by the petty cash custodian and the cash immediately placed in the petty cash box.

The petty cash fund shall be safeguarded at all times and placed in a secure location, such as in a locked safe or vault, if available, or a locked filing cabinet or desk. At the end of the fiscal year (June 30), a final reimbursement request shall be submitted to the Business Office in order to reconcile the fund and account for expenditures in the appropriate fiscal year.

Cash Boxes for Events:

A cash box is a change fund that is commonly used for athletic or other extra-curricular activities where there is an admission charge. The fund is assigned to and controlled by one individual as determined by the Principal or Athletic Director. The cash box should only be used to make change when selling tickets in conjunction with admissions at an event. The cash box may not be used to pay for expenditures of any type.

The cash box should be safeguarded at all times and placed in a secure location such as in a locked safe or vault. Cash boxes are maintained on an imprest basis. This means that an established amount is on hand and reconciled after use. The amount of the change fund for cash boxes not to exceed \$1,250.

Approved: February 22, 2010

Reviewed: September 29, 2015