

Cash Receipts and Expenditures - CK

Scope of Cash Receipts and Expenditures Policies

These policies, guidelines, and procedures are applicable without exception to all funds owned or administered by the District. 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 or initiate, authorize, or process cash disbursements 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 or expended. All expenditures of the District are to be consistent with applicable state and federal laws and regulations; any restrictions, rules, or regulations placed on the use of the funds by donors and granting agencies; and prudent management practices. It is expected that in all dealings, District employees will act in an ethical manner that is consistent with the District's code of ethics, the Utah Educators' Standards, the Public Officers' and Employees' Ethics Act, and State procurement law.

Segregation of Duties

Wherever possible, duties such as custody of purchase cards and blank checks, initiating expenditures, approving expenditures, maintaining documentation, issuing checks, 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” for purposes of this policy 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 state or any of its political subdivisions, including Districts or other public bodies.

Utah Code § 51-7-3(26) (2013)

Cash Receipts Policy

All receipting of funds at the District and at schools should be done at the cashier's office. No receipting is to be done in other offices or in unapproved off-site locations. Employees shall instruct payers to take all cash, checks, and credit card transactions to the cashier for receipt.

Provisions should be made for cash receipting/collection at approved off-site activities or functions. Please refer to the Fundraising and Donation Policy. Funds may be receipted through the District's foundation, if applicable, in accordance with the foundation's cash receipts policy.

District employees, 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

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business administrator or designee must approve all checking and savings accounts used in District or individual school business.

All funds shall be kept in a secure location controlled by the cashier until they can be deposited in a District-approved fiduciary institution. Funds should be deposited daily or within three days after receipt, in compliance with Utah Code 51-4-2(2)(a), in a District-approved account. Employees should never hold funds in any location for any reason.

If the cashier has left for the day or funds are receipted on the weekends, administrators should be available to lock cash receipts or cash boxes in the District safe until next business day. Cash receipts should not be taken home by employees or volunteers, or left in offices.

All checks should be made payable to the District or individual school and restrictively endorsed upon receipt. Checks should not be made payable to an employee, a specific department, or a program.

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.

All funds (cash, checks, credit card payments, etc.) received must be receipted and recorded in the District'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.

Under no circumstances are disbursements to be made directly from cash receipts (i.e., for purchases, reimbursements, refunds, or to cash personal checks).

Periodic and unscheduled audits or reviews should be performed for all cash activity. Documents should be available, and should demonstrate that proper cash controls are in place (signatures for approval, tally sheets, reconciliations, etc.).

All activities involving cash must be supervised by a District employee or authorized volunteer to ensure adequate controls are in place. Training should be given to those involved in handling cash.

The District and all individual schools will comply with all applicable state and federal laws. All payments of fees shall correspond with the approved fee schedule, as required by Board Administrative Rule 277-407.

Cash Receipts Procedures

The cashier should receipt all funds immediately (cash, checks, credit cards, etc.), provide customers with a pre-numbered receipt, and retain a duplicate copy in the daily receipt or register detail. The cashier's cash drawer should be locked and secured at all times.

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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 administration on the day of the collection, and retained for verification in the daily receipt or register detail.

No collecting or receipting of funds is to be done in other offices or at unapproved offsite activities or functions. Employees should never hold funds in any location for any reason.

Mail should be opened by an individual independent of the cash receipt process, and funds received should be documented in a cash receipts log.

Funds received shall be recorded in the District's accounting records. A daily deposit report shall be printed; reconciled to the actual deposit, the receipt book, and cash receipt log; and retained for verification by administration along with the copy of the deposit slip in the daily receipt or register detail.

The deposit shall be placed in a secured, locked location until it can be deposited in a District-approved fiduciary institution.

Funds should be deposited daily or within three days after receipt, in compliance with Utah Code 51-4-2(2)(a), in a District-approved account. An employee independent of the cash receipting process shall verify that the daily deposit detail reconciles to the validated deposit slip.

Bank reconciliation(s) should be performed on all District-approved accounts on a monthly basis. Bank statements and bank reconciliations should be reviewed and approved by administration on a monthly basis.

The District's board or audit committee should review and approve the bank statements, the bank reconciliations, and monthly journal entries on a monthly basis.

Where applicable, each school's detailed activity budget vs. actual statements should be reviewed by program directors, coaches, teachers, etc. on a quarterly basis for accuracy and reasonableness.

General Expenditure Policies

Expenditure transactions must be approved by an individual having sufficient knowledge and authority to evaluate the transaction for reasonableness and appropriateness. The school or District shall designate employees by title or job descriptions that are authorized to approve various dollar amount levels of disbursements and instructed never to sign blank checks.

All expenditures made using cash, checks, credit/purchase cards, electronic fund transfers, etc. shall be recorded in the school or District's accounting records.

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Passwords should be established on user access to the accounting system and changed periodically.

Checks should be made payable to specified payees and never to “cash” or “bearer.”

All disbursement activity should be substantiated by supporting documents. Documents should be available, and should demonstrate that proper disbursement controls are in place (signatures for approval, purchase orders, receipts, invoices, bids or quotes, reimbursement forms, travel forms, journal entries, reconciliations, etc.). Quotes shall contain the following information:

1. Date received or dates that the quoted price is valid, delivery date
2. Company name, address, and salesperson
3. Each item, description or specifications, unit, total price, and quantity listed
4. Shipping and freight charges
5. Salesperson and contact information
6. Vendor, District employee name and position

Quotes may be obtained and documented by printing pages from a website; however, all of the quote elements must be documented. Better prices are usually obtained by contacting vendors directly. Telephone quotes must be documented and include all quote elements. Written quotes should be requested on the vendor’s letterhead.

Bank and credit card statements should be reviewed and accounts reconciled in a timely manner. Activity accounts should be reviewed quarterly by the custodian of the activity.

All checks or check stock, credit/purchase cards, access to bank accounts and statements, etc. shall be secured and controlled by the accounting/front office with limited access. All disbursing of funds at the school or District should be done through the accounting/front office.

The school or District must comply with applicable District and state purchasing laws.

1. Contracts must follow the guidelines outlined in the District’s procurement policies and State Procurement Code, specifically regarding the length of multi-year contracts.
2. Construction and improvements must comply with the provisions of the District’s procurement policies and the State Procurement Code (Utah Code Ann. ' 63G-6a-101 et seq.), the Utah State Procurement Policy Board Rules, and Title IX.
3. Exclusive contracts must comply with the guidelines outlined in the State Procurement Code (Utah Code Ann. ' 63G-6a-101 et seq.), the District’s procurement policy, and the Utah Public Officers’ and Employees’ Ethics Act (Utah Code Ann. ' 67-16-1 et seq.).
4. Purchases of goods or services with District funds for personal use or personal gain are strictly prohibited; see the Utah Public Officers’ and Employees’ Ethics Act (Utah Code Ann. ' 67-16-1 et seq.).

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5. Expenditures will follow the guidelines outlined in the District's procurement policies and the State Procurement Code (Utah Code Ann. ' 63G-6a-101 et seq.) and federal purchasing laws.

General Expenditure Procedures

The District has designated the State Procurement Code as its purchasing policy. Any purchases should be equitable for both male and female students and comply with Title IX.

If an outside entity reimburses employee expenses (meals, travel, etc.), these expenses should not be submitted to the District for reimbursement.

No disbursing of funds is to be done in other offices or at unapproved off-site activities or functions.

The District's tax-exempt status number should only be used in conformity with the Utah State Tax Commission's guidelines.

Purchases of goods or services for personal use or personal benefit of any amount are strictly prohibited.

Review Process

Bank reconciliation(s) should be performed on all District-approved accounts, including credit card transactions. If the bank reconciliation is completed by someone who has access to the accounting system and bank accounts, it should be reviewed and approved by another person, such as the principal or director, business administrator, or a member of the audit committee or board on a monthly basis.

Administration should review bank statements and bank reconciliations, as well as credit card statements, and document the review and approval. The District's audit committee or District management should ensure that monthly bank reconciliations and credit/purchase card statement reconciliations are occurring on a monthly basis.

A check register should be reviewed when signing checks to ensure all disbursements are reviewed and approved.

Administration or designated members of management shall review cash disbursements to verify that all District and State policies and procedures are being followed on a periodic basis.