

# WASHINGTON COUNTY SCHOOL DISTRICT FINANCE & ACCOUNTING MANUAL

Updated January 2021

## CASH RECEIPTS

The following guidelines and procedures apply to all WCSD administration, licensed educators, staff, students, organizations, and individuals that handle cash receipts or accept payment in any form on behalf of WCSD.

### Definitions and Concepts

**Segregation of Duties.** Whenever 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 department/school size and limited staffing, compensating controls such as management supervision and review of cash receipting records by independent parties should be implemented. If compensating controls are used instead of segregating duties among office staff, the procedures must be approved by the District Office accounting staff.

**Cash drawer** = a stationary drawer where money is kept at the front office of a school. A cash drawer must be lockable. Only one person at a time may have custody over the cash drawer. If that person steps away from the office, either (a) the drawer must be locked, or (b) custody over the money should be assigned to somebody else in accordance with the procedures in the "chain of custody" section below.

**Cash box** = a lockable metal box which is easily transportable, and may be used when receiving money at games, fundraisers, and other activities and events. Cash boxes should never be left unattended, or accessible in such a way that could lead to theft. Whenever there is a change in custody over a cash box, it must be done in accordance with the procedures in the "chain of custody" section below.

**Chain of Custody.** Whenever a school/department is in possession of coins, cash or checks, there should always be a specific person designated to have custody over the money. That person is responsible for handling and safeguarding the money, and no other person should have access to it. When the money is handed over to somebody else, both the person giving up custody over the money and the person receiving custody will count the money together and fill out a cash count form. The form must show:

- The amount of money (coins, bills and checks)
- The date of the event
- A description of the event where money will be/was collected (e.g. "boys soccer car wash fundraiser", "girls bb gate receipts, or "front office cash drawer")
- The names (shown legibly) of both the person giving up custody, and the person receiving custody

- The signatures of both the person(s) giving up custody, and the person(s) receiving custody

Cash count forms showing the chain of custody must be attached to the daily deposit documentation.

**2-Person Rule.** Two people collect money together. At no point is either person left alone with access to the money.

At the conclusion of the event where money is received, both people complete and sign a cash count form indicating they collected and counted the money together. If the cash count form does not include the names and signatures of two people, it will be assumed the 2-person rule was not followed.

When the 2-person rule is followed, receipts don't need to be issued to the payer.

The 2-person rule may not be used for payments which are required to be handled at the front office (fees, fines, or any other payment where it is important for the school to keep a record showing who paid how much and why).

The 2-person rule may be used at athletic events, theater productions, fundraisers, and other situations where money is received from a large number of people in short succession, making it difficult or impossible to issue receipts to each person.

The 2-person rule may also be used in conjunction with cash boxes. For example, in situations where the amount being collected from each person is very small (e.g. \$1.00 field trip donations, or jerky pieces for \$0.50 each), a locked box with a slot in the top may be used. The students put their money in the slot at the top of the box. It is not necessary to have two people present as students put their money in the box. Two employees do need to be present when the box is unlocked and the money is counted. Both people must sign the cash count form to show the 2-person rule was followed when the money was collected. At no point before the final count is made, should somebody with a key to the box be left alone with the box, where they might be able to unlock it and take some of the money without anybody else knowing about it.

The 2-person rule should be used when collecting money from vending machines. Two people must be present when the vending machine is unlocked and money is collected. Both people need to count the money together and sign a cash count form.

### **School Fees**

All fees charged must be in compliance with the WCSD School Fee Schedule.

Student fees must not exceed the actual costs incurred by the school.

Coaches and teachers who oversee school clubs and activities should be familiar with the allowable fees for their particular sport or club.

## **Fee Waivers**

Schools should strive to be consistent when applying fee waiver eligibility rules. If a student at one school is approved, but their sibling at another school is denied, this can obviously cause problems. Schools should closely adhere to the instructions on the fee waiver application form.

Eligibility for fee waivers is determined on a school by school basis. If a student transfers from one WCSD school to another, the new school may choose to require the parents to re-apply for waivers.

That said, the new school may instead decide to simply waive the fees which had been waived at the old school. This could avoid making people feel like they're being picked on or being forced to jump through unnecessary hoops.

If the prior school waived a fee that the new school considers nonwaive-able, waiving the fees at the new school is probably the best course of action. Parents and students should not be placed in the middle of a disagreement between schools. The issue should be brought to the attention of the WCSD Business Department so we can help with a resolution, and update our policies to provide clearer guidance going forward.

## **Bank Deposits**

All funds received at a school or district department should be deposited or submitted to that school or department's finance office on a daily basis to be processed for deposit.

In accordance with Utah State law (Utah Code Title 51-4-2(2)(a)), all monies collected "*shall be deposited daily whenever practicable but not later than once every three banking days.*"

Deposits should be made daily, but no less than twice a week with deposit being made within three banking days of each other.

School administration needs to make sure that employees who are responsible for collecting funds off-site or after hours are aware of this requirement so that the funds are deposited immediately following the event or submitted to the finance secretary as soon as possible to meet the deposit requirements.

It is the school's responsibility to maintain documentation which clearly indicates both when the money was originally received, and when the money was actually deposited.

Schools should use plastic, tamper-proof deposit bags. The bags must be pre-numbered, with the number shown both on the bag (which is sent to the bank) and the strip that is peeled off the top (which is attached to the school's deposit documentation).

Once the deposit is prepared, a second person counts the cash, coins and checks to verify the deposit amount. If two people are receipting money into the finance system, neither of them may perform the deposit verification; that verification must be performed by someone who does not collect money.

The date and deposit amount is written both on the bag and the top section that stays with the school. The deposit is placed in the bag, which is then sealed. The top section is removed from the bag and is attached to the other deposit documentation (deposit slip, cash count forms,

checks log, etc.). The bag number is written somewhere on the deposit documentation, and then both the preparer and the verifier signing their names next to the bag number as an indication that they both counted the money and agreed to the amount. (*NOTE: neither person should sign until after the deposit bag number has been written and the deposit bag has been sealed.*)

Once the deposit bag has been sealed, the cash count form is no longer needed to document changes in custody. However, the sealed deposit should be properly safeguarded and taken to the bank as soon as possible.

### **Payments Received by Mail**

1. Schools should never mail currency or coins, either through U.S. Postal Service or in-district mail. In the event that cash and coins are collected in the mail and the money needs to be remitted to the District Office, deposit the currency and coins in the school checking account and contact the district Business Department to determine which account to receipt it to.
2. All funds received through mail (including in-district mail) should be recorded on a cash receipts log. The person who opens the mail and fills out the log should not be the same as the person who receipts the money into the finance system.
3. Payments that are received in the mail by district personnel/departments that are not authorized to receipt funds must be forwarded immediately to the appropriate finance secretary, or to "Accounts Receivable" at the District Office.
4. All checks must be stamped with a restrictive endorsement immediately upon receipt by the person opening the mail.
5. The account number and/or purchase order number should be written on the check to facilitate proper recording and account coding of the check in the accounting system. If the account code is not known or the person that provides the code is unavailable, then a copy of the check should be given to the appropriate person for coding rather than giving them the actual check.
6. A copy of the cash receipts log should be submitted along with the funds to the person designated to prepare the deposit. A copy of the cash receipts log should also be maintained by the person designated to record the payments on the log.

### **Cash Box Procedures & Controls**

1. When start-up money is needed for cash boxes, the school should submit a claim reimbursement made payable to a school district employee and not payable to "cash".
2. Cash boxes should be kept locked in a safe or secure location and should never be left unattended or accessible to unauthorized individuals. A person who has custody over the keys to the cash boxes should not have the ability to unlock/access the safe or secure location where the cash boxes are stored.
3. Prior to the event, the individual(s) who will be collecting the money should sign a form indicating the beginning amount of start-up funds in the cash box.
4. Vendors and employees (e.g. ticket takers) may not be paid for their services "from the till" using cash proceeds collected at the event.

5. On the same day the money was received, it must either be deposited at the bank or remitted to the finance secretary or school administrator. If any "start-up" cash remains in the cash box it must also be returned to the finance secretary or school administrator on the same day as the event.
6. Throughout this entire process, any changes in custody must be documented in accordance with the rules outlined in the "chain of custody" section above.

### **Miscellaneous**

- Employees and administrators who use the WCSD finance systems, including Sungard and In-Touch, should never share their password with anybody else.
- Do not accept two-party checks for any reason. Do not cash personal checks (or IOUs) from anyone, including students, faculty, and administrators. The "borrowing" of funds is prohibited. Schools may not cash checks for employees or sell stamps.
- Students at elementary schools may only receive or collect money while under close adult supervision. Elementary students may not be considered one of the two cash collectors when using the 2-person rule. This means whenever elementary students are collecting money, either (a) one adult must be present and receipts must be issued, or (b) two adults must be present so the 2-person rule can be used.

Secondary students may act as cashiers and may be counted as one of the two people under the 2-person rule. However, it is the responsibility of school administration to ensure the students are properly trained regarding the WCSD rules and procedures for safeguarding and handling cash. School administration must weigh the student's maturity level, and their ability to understand and follow the rules.

Secondary students should only participate in collecting money for those costs which are entirely optional (school dance tickets, game concessions, school stores, etc.). Students should not receive payments for student fees, fines, or any other payment which give them access to sensitive/protected information.

- The Business Department will send bank statements to each school monthly. It is the finance secretary's responsibility to review the bank statements and to notify the WCSD Business department of any irregularities, such as deposit amounts that don't match the school's records, returned checks, or unrecognizable charges.
- Schools may keep petty cash funds on hand to be used for refunds. This money may not be used for making purchases. The school must maintain a log showing:
  - Who was refunded,
  - What the refund was for,
  - The amount of the refund, and
  - A signature of the person who received the refund.

Schools should keep their petty cash balances within these limits:

- \$100 for elementary schools

- \$500 for intermediate and middle schools
- \$1,500 for high schools. However, there will be times during the year when balances may need to be increased because the school expects to see a higher number of refunds than usual. At those times, the principal must authorize the higher balance limit, and specify the duration for which the higher limit is authorized.

Schools may not use money collected from other sources to replenish the petty cash. In order to replenish the petty cash, they need to submit a claim reimbursement made out to a school employee.

- Schools are prohibited from online payment platforms to solicit and collect payments of any kind, except for those specific platforms which are listed on the Business Department's website.

### **CASH RECEIPTS OVERVIEW – SCHOOLS**

1. All funds shall be kept in a secure location controlled by the front office until they are deposited in a school bank account. Access to money should be restricted to safeguard the funds, and to allow for the chain of custody over the money to be properly documented.
2. Money should not be kept overnight in classrooms. Employees and volunteers who receive money on behalf of the school should never leave those funds in their desk, office, vehicle, home, etc. Immediately following the event where money is received, the funds should be returned to the school's finance office or deposited at the bank.
3. All checks received by the school are to be made payable to the school and restrictively endorsed upon receipt (example: "*For Deposit Only to Bloomington Elementary*"). Checks are not to be made payable to an employee, a specific department, or a program.
4. Unless an exception is outlined here in the finance manual, or is otherwise authorized by the WCSD Business Department, receipts must be issued to the payer when money is received.

When handwritten receipts are used:

- Only carbon copy, prenumbered receipts are allowable.
- The payer is issued a receipt, and a carbon copy of the receipt remains in the receipt book.
- The receipts must be issued in numerical order.
- The receipts must indicate:
  - The amount paid
  - The date of the payment
  - The name of the payer
  - The method of payment (cash, check, credit card)

- The reason for the payment
    - At the conclusion of the event, the receipt book is returned to the finance secretary, along with the funds that have been collected. The finance secretary verifies the amount received matches the total amount of the receipts issued.
5. An employee independent of the cash receipting process shall verify that the daily deposit detail reconciles to the validated deposit slip.
  6. As a general rule, all payments should be received by a secretary in the front office. Exceptions to this rule are as follows:
    - The person who receives money on behalf of the school issues receipts to each payer.
    - The 2-person rule is used.
    - Students may act as the intermediary between the school and the buyer for fundraisers (e.g. Starving Student Cards, Dixie Direct, World's Finest Chocolate, etc.). In these situations, receipts are not required to be given to the buyer. However, the school must have a system in place to track:
      - Which students have taken items to be sold, what quantities they took, and when.
      - Which students have brought back items not sold, and when.
      - Which students have brought back money from sales, how much, and when.
    - Teachers may collect money for Scholastic orders without issuing a receipt as long as they are only collecting checks written out to Scholastic. Teachers may only receive cash, or checks written out to the school, if they are issuing receipts. Teachers may not receive checks written out to themselves.
  7. The school has a responsibility to ensure that cash being collected and/or stored at the school is properly safeguarded, even when the money belongs to a different organization.

Example A. Teachers dues (AKA “Sunshine Committee”) money does not belong to the school. Nevertheless, it would be inappropriate for the teachers who collect that money to leave it unattended. The money may not belong to the school, but if someone at the school were accused, rightly or wrongly, of stealing the money, it could reflect poorly on the school and cause unnecessary stress and conflict among staff and/or students.

Example B. A school might have an agreement with the PTA under which money collected at a PTA fundraiser is kept at the school after the fundraising event. Because the money belongs to the PTA, it is not technically subject to the District’s finance rules. Nevertheless, in order to avoid the possibility of theft (or false accusations of theft), the school should make sure the money is properly safeguarded in accordance with the procedures outlined in the chain of custody section above. Although the PTA’s money is not subject to the law requiring funds to be deposited within three business days, the money should not remain on school premises for an extended period of time. The school should let the PTA know that they are expected to collect the money for deposit as soon as possible.

## **Library Fines**

Collection of fines is not mandatory. Whether or not fines are charged is a decision which should be made by school administration. This allows each school to take into consideration the circumstances of its students and local community.

The following policies and procedures apply to those schools that do levy library fines.

The amounts schools may charge for overdue books, damaged books or lost books are outlined on the district's fee schedule. The fee for damaged or lost books may not exceed the cost for replacing the book.

For lost or damaged books, the fee must be paid at the finance office, and a receipt must be issued to the payer.

Fees for overdue books may be paid in the library.

The school is not required to issue receipts for late fees collected in the library. When the payment is received, it should be immediately put in the librarian's cash drawer. The amount received needs to be entered in the library's management system (e.g. Follett or Koha).

In order to ensure compliance with state law which requires money to be deposited within three business days of when it is received, the late fees collected in the library will be remitted to the finance secretary at least twice a week. When the money is brought to the finance secretary, the librarian will also provide a report printed from the library management system showing the late fees received since the last deposit. The finance secretary will verify the funds received from the librarian match the amount specified on the report. The report will be attached to the daily deposit as documentation.

The total amount in the library cash drawer at any given time should be (a) the beginning balance plus (b) whatever late fees have been collected and not yet deposited. It is recommended that the beginning balance should be kept at a constant \$20.00. However, there may be times (such as the end of the school year) when the library expects to receive more payments than usual, and it may make sense to have a higher beginning balance. It is allowable to adjust the beginning balance as needs dictate, but the school should take care to not have more cash on hand in the library than is really needed.

Only school employees who work in the library should have access to the library's cash box or cash drawer. Multiple employees may receive payments from students and have access to the cash drawer as long as the beginning balance is no more than \$20.00. If the beginning balance is greater than \$20.00, only one employee should have custody over the drawer.

School employees should not take cash and coins from the cash drawer to make purchases; the money in the drawer should only be used to make change for students.

The cash drawer should be locked up when the library is closed.

## **School Bank Accounts**

All schools should have one checking account for deposits only. The checking account will sweep into the district account. Schools are responsible to reconcile deposits with the receipting system (In-Touch).

Savings and Investment Accounts. Utah State Law Section 51 requires that all monies invested by public entities be in compliance with the Utah Money Management Act.

In order to maximize interest earnings, any excess funds not needed for immediate use may be invested in a "certificate of deposit" with a twelve month or less maturity if interest earnings are projected to exceed fees charged for establishing such an account.

All certificate of deposit accounts must be approved by the WCSD Business Administrator.

Credit Accounts. It is against district policy for schools or district departments to have credit accounts that have not been approved by the Business Administrator.

If charge accounts are deemed necessary by a principal or District Administrator, then they may be used under the following conditions:

- The charge account must have prior approval by the Business Administrator.
- The account is opened in the school or program name, not the District's name. All charges on the account are the responsibility of the principal or administrator over the account.
- The credit application is signed by the school principal or District administrator. Only those people making frequent purchases should be authorized to sign on the charge account.
- Students should never be sent to sign for a purchase on a charge account.

## **CASH RECEIPTS OVERVIEW – DISTRICT OFFICE**

1. All receipting of funds should be done at one of the authorized cash collection points. No receipting is to be done in other offices or in unapproved off-site locations. The only cash collection points in the District Office that are currently authorized to accept payments are the following:
  - a. Accounts Receivable in the Business Department
  - b. Human Resources Clerk responsible for fingerprints & background checks
  - c. Front Desk Receptionist
  - d. Administrative Assistant to the Secondary Assistant Superintendent (drivers ed payments only)
  - e. Foundation Secretary
  - f. Media Center
  - g. Health Services
2. Employees shall instruct payers to take all payment transactions to one of the above designated cash collection points. Provisions should be made for cash receipting/collection at approved off-site activities or functions. Departments that will be receiving payments for a onetime activity/function (i.e. flu shots, CPR class, etc.), must

check out a pre-numbered receipt book from the Accounting Technician and return the receipt book along with the funds collected at the conclusion of the activity/event. The accounting technician will reconcile the receipt book with the funds received.

3. A receipt should be issued for all payment transactions that are conducted in person.
4. All checks should be made payable to the school district and restrictively endorsed immediately upon receipt. Checks should not be made payable to an employee, a specific department, or a program.
5. Each cashier should count their cash and prepare the "Cash Receipts Remittance Form" at the end of the day. A second individual in the department should verify the amount of cash and sign the "Cash Receipts Remittance Form" indicating that they have verified the receipt amounts. The total amount of money collected should agree to the total of the receipts that have been issued.
6. The money along with a Remittance Form is to be dropped in the deposit safe located in the Business Department. Before dropping the deposit in the safe, the deposit information should be recorded on the log sheet and a second person should initial the log sheet verifying that the deposit was dropped in the safe.
7. Upon receipt of the monies by the Business Department, the accounts payable technician will verify the amount of funds deposited in the drop-safe, restrictively endorse the checks, and prepare the deposit slip.
8. All cash receipt remittance forms, cash receipts logs, and other supporting documentation must be attached to the file copy of the deposit slip.
9. The Accounting Technician or other designated individual other than the person who prepares the deposit should take the deposit to the bank.
10. A designated individual other than the person who prepares the deposit or takes the deposit to the bank should compare and reconcile the deposit log sheet, cash receipt remittance forms, and cash receipts logs to the bank deposit records to verify that all funds received were properly deposited.