

## INTRODUCTION

This manual has been prepared to provide a uniform system of accounting, cash management, and safeguards for student activities, Booster Clubs and any other group that collects and/or disburses cash on behalf of the East China School District.

These procedures will provide adequate control over monies and at the same time fulfill the fiduciary responsibility of the district with respect to these funds. Compliance with these procedures is the responsibility of anyone who handles cash receipts and disbursements, or who is responsible for supervising the collection and disbursement of funds for the East China School District.

The Building Administrator and the Building Secretary or Bookkeeper serve as the contacts with the Business Office and the Superintendent's office. The Building Administrator safeguards student assets by making sure that actions are legal and follow School Board policy and regulations. The Administrator also reviews and approves financial information.

The Teacher/Advisor's role is to assist with fund raising, activity planning and decision-making.

Suggestions for improvement in procedures should be directed to the Business Office.

## CASH RECEIPT PROCEDURES

- All monies collected by a Teacher/Advisor shall be turned in to the Building Secretary on a daily basis.
- Building Secretary will verify amount and prepare in duplicate a pre-numbered receipt for all money turned in. The receipt ticket should state the name of the club/organization, the amount, and date.
- One copy should be given to the Teacher/Advisor.
- All money collected should be safeguarded in a locked box/vault until it can be deposited at the bank. All checks should be stamped "For Deposit Only" immediately upon receipt. Deposits should be made on a weekly basis at a minimum.
- The Building Bookkeeper/Secretary will prepare a bank deposit slip in duplicate. Corresponding receipt numbers should be listed on deposit slip. Bank deposit slip should equal total receipts. Duplicate deposit slip should be retained and filed in chronological order.

### Internal Fund Deposits – Elementary Schools and Riverview East

- Secretary should complete the 'Internal Fund Cash Receipts' form #F1007-01 (Exhibit 1) and forward with bank receipt to the Accountant in the Business Office.

## CASH DISBURSEMENT PROCEDURES

Legally **all** monies received by a school are considered quasi-public funds and are to be expended for the benefit of all students in the school.

All disbursements must be made by check.

Checks cannot be issued to cash.

### *Supply Purchases Under \$999 and Purchased Services*

- A 'Voucher/Check Request' form (Exhibit 2) is completed by the Teacher/Advisor and is attached to documents supporting the request and turned in to Building Secretary.
- Building Secretary reviews the request and supporting documentation and assigns general ledger account number to be charged and forwards to Building Administrator for approval.
- Approved vouchers should be sent to the Accountant in the Business Office.
- Checks will be issued weekly or bi-weekly. Vouchers received by the Business Office on Monday will be paid that week.

### *Purchases Over \$999 (Supplies)*

- Teacher/Advisor prepares 'Requisition for Supplies' form #F1010-01 (Exhibit 3) and forwards to Building Secretary with supporting documentation.
- Building Secretary reviews documentation assigns general ledger account number and forwards 'Requisition for Supplies' form to Building Administrator for approval.
- Approved requisition is entered onto Purchase Order system in BiTech.
- Building Secretary files 'Requisition for Supplies' form with supporting documentation in alphabetical order by vendor.
- The Business Office generally approves requisitions within 2 days. If a requisition remains open for more than 2 days, the Building Secretary should contact the Business Office.
- Building Secretary reviews shipping documents from vendor and receives order on system.
- Some funds are one check run per week others are every other week.

### *Internal Fund Checks – High School and Middle School*

- Checks must be signed by Building Administrator. **Signature stamp must not be used!!!**

## **PURCHASING GUIDE – ‘WHAT TO USE WHEN’**

There are three means of purchasing goods and services. The following represents a brief description of each purchasing tool and guidelines on when to use each.

### ***PURCHASE ORDER***

- Purchase orders are generally recognized by our suppliers as a legal commitment to pay for the supplies ordered.
- The ‘Requisition for Supplies’ form #F1010-01 (Exhibit 3) should be used for supply purchases of \$999 or more from both building budget accounts and internal fund accounts. This form is not used for supply purchases less than \$999.
- Requisitions for supplies should be approved by the Building Administrator and the Business Office **before** supplies are ordered.

### ***VOUCHER***

- The ‘Voucher/Check Request’ form (Exhibit 2) should be used to request payment for supply purchases less than \$999 and for all service-type transactions.
- Original invoice or receipt should accompany the ‘Voucher/Check Request’ to obtain Building Administrator and Business Office approval.

### ***PETTY CASH***

- Petty cash is made available to the Building Administrator at the beginning of the school year and is replenished as needed. The intent of the petty cash account is for minor, incidental cash expenses of \$20 or less.
- The ‘Cash Reconciliation Report’ (Exhibit 4) should be prepared and sent to the Accountant in the Business Office when requesting reimbursement. All expenditures must be substantiated with original receipts.

## **GENERAL BOOKKEEPING PROCEDURES FOR MIDDLE SCHOOLS AND HIGH SCHOOLS**

### ***MONTHLY***

- School Bookkeeper/Secretary reconciles bank statement.
- School Bookkeeper/Secretary generates “Building Internal Fund Detail” report from Click, Drag & Drill for each Teacher/Advisor.
- Teacher/Advisor reviews ‘Building Internal Fund Detail’ report for accuracy by comparing to supporting documentation (i.e., receipts, check requisitions, vouchers).
- School Bookkeeper/Secretary generates ‘Internal Funds General Ledger’ report for review and approval by Building Administrator.
- Copy of Bank Statement, Bank Reconciliation Report and initialed ‘Internal Funds General Ledger’ report should be forwarded to the Accountant in the Business Office.

## **GENERAL BOOKKEEPING PROCEDURES FOR ELEMENTARY SCHOOLS AND RIVERVIEW EAST**

### ***MONTHLY***

- School Bookkeeper/Secretary generates ‘Internal Funds General Ledger’ report for review and approval by Building Administrator.
- Copy of initialed ‘Internal Funds General Ledger’ report should be forwarded to the Accountant in the Business Office.

## TEACHER/ADVISOR RESPONSIBILITIES AND PROCEDURES

### *CASH RECEIPTS*

- The Teacher/Advisor should maintain accurate records of all monies collected. The 'Cash Collection Record' form #1011-01 (Exhibit 8) or a class list noting dollars collected and dates received may be utilized for this purpose.
- No cash shall be withdrawn/disbursed before turning in to Building Office.
- No cash shall remain with the Teacher/Advisor, in the classroom, or in a desk drawer overnight.
- All monies collected by the Teacher/Advisor must be turned in to the Building Secretary on a daily basis.
- Building Secretary will verify amount collected and prepare pre-numbered receipt for all monies turned in.
- One copy of the receipt will be given to the Teacher/Advisor.

### *CASH DISBURSEMENTS*

All disbursements must be made by check.

Checks cannot be issued to 'cash'.

#### *Supply Purchases Under \$999 and Purchased Services*

- To obtain a check, a 'Voucher/Check Request' form (Exhibit 2) is completed and signed by the Teacher/Advisor and is attached to original receipts/documents supporting the request and turned in to the Building Secretary.
- Checks are cut on a weekly basis. Please allow for a minimum of two weeks processing time.
- The check will be mailed by the School Bookkeeper/Secretary or Business Office. If necessary, the check may be given to the Teacher/Advisor for distribution or mailing.

#### *Purchases Over \$999 (Supplies)*

- Teacher/Advisor prepares 'Requisition for Supplies' form #F1010-01 (Exhibit 3) and forwards to Building Secretary with supporting documentation. Please allow for a minimum of two weeks processing time.

## TEACHER/ADVISOR RESPONSIBILITIES AND PROCEDURES (cont'd)

### *MONTHLY PROCEDURES*

- School Bookkeeper/Secretary generates 'Building Internal Fund Detail' report from Click, Drag, & Drill for each Teacher/Advisor.
- Advisor reviews 'Building Internal Fund Detail' report for accuracy by comparing to supporting documentation (i.e., receipts, check requisitions, vouchers).
- On a monthly basis, the Teacher/Advisor will reconcile the account balance with the report from the School Bookkeeper/Secretary. Any discrepancies should be resolved at that time.

## **PROCEDURES FOR CASH MANAGEMENT AND REPORTING - PTA AND BOOSTER CLUBS**

Parent and Booster organizations are independent of the East China School District. However, because of the use of East China Schools' name, we maintain the right to ensure the safety, accuracy and legal operations by all PTA and Booster organizations. Therefore, guidance related to account controls is being provided.

The East China School District Business Office will assist and provide training to PTA and Booster Clubs when requested.

### ***CASH RECEIPTS***

- A pre-numbered cash receipt book or pre-numbered ticket should be used for all cash receipts with the payer receiving a copy of the receipt/ticket.
- Someone should make bank deposits on a timely basis, preferably independent of the cash receipt process.
- Deposit slips should be reconciled to cash receipts on a monthly basis.
- The number of people handling cash should be limited as much as possible at fundraising functions.
- All checks received should be immediately restrictively endorsed to the PTA or Booster Club. A restrictive endorsement does not allow further transfer of a check. It will read "For Deposit Only", the name of the bank and the account number.

### ***CASH DISBURSEMENTS***

- Do not write checks payable to 'cash'.
- Do not sign blank checks.
- Checks should only be written in sequential order. All voided checks should be kept to account for sequence of checks.
- All disbursements should be fully documented by invoice or other supporting documentation explaining purpose of the disbursement.

### ***BANK RECONCILIATIONS***

- The bank statement should be reconciled by someone other than the person responsible for the depositing of cash or writing of checks.
- Bank reconciliation's should be done on a monthly basis. All discrepancies should be immediately investigated and all records adjusted accordingly.



## **PROCEDURES FOR CASH MANAGEMENT AND REPORTING PTA AND BOOSTER CLUBS (cont'd)**

### ***GENERAL***

- All people who have access to the funds of the PTA or Booster Club should be bonded.
- A budget should be established for all functions and compared to actual revenues and expenses to better monitor funds.

### ***REPORTING***

PTA's and Booster Clubs engaged in fundraising shall comply with all state and federal regulations pertaining to the operation of the PTA or Booster Club.

#### ***State Regulations***

- Adopt and file Articles of Incorporation
- Prepare and file Sales Tax Registration and sales tax returns, if applicable
- Prepare and file a Charitable Solicitation Questionnaire, if applicable
- Prepare and file an annual Charitable Solicitation License application, if applicable
- Prepare and file an annual Nonprofit Corporation Information Update

#### ***Federal Regulations***

- Obtain a Federal Tax Identification Number
- Prepare and file an application for Recognition of Exemption (Form 1023)
- Prepare an Annual 990 Form, if required