

MOUNT PLEASANT COTTAGE SCHOOL UNION FREE SCHOOL DISTRICT**SUBJECT: REVENUE AND CASH MANAGEMENT****Cash Receipts and Revenue**

- 1) The Board has authorized all District bank accounts.
- 2) Procedures are in place to periodically verify that only Board-authorized accounts have been established.
- 3) Employees who handle cash are bonded.
- 4) Only Board-authorized individuals collect cash and pre-numbered triplicate receipt forms are used when the funds are collected.
- 5) The District uses receipt forms or some other method (cash register, logs of tickets sold, pre-numbered tickets) to establish accountability for all funds collected including such items as school lunch sales, soft drink sales, library fines, lost book fees, ticket sales for sporting events, concerts, plays, adult education tuition, or other miscellaneous fees and charges.
- 6) Individuals, other than the Treasurer, collecting cash use pre-numbered triplicate receipt forms. One of the receipts should be issued to the payer, another receipt should be issued to the Treasurer, and the last receipt should be retained by the individual collecting the funds to establish accountability. The individual collecting the cash should sign the receipt form.
- 7) Someone independent of other cash and record keeping functions opens the mail, restrictively endorses all checks, establishes a record of all funds received, and prepares the deposit slip.
- 8) The District reconciles actual collections to budgeted amounts, especially in the extraclassroom and lunch areas. If an extraclassroom fundraiser is expected to sell 100 candy bars for \$1 each, the reconciliation should show either \$100 in revenue or \$90 plus 10 candy bars to be returned.
- 9) The Treasurer audits the triplicate receipt books periodically and maintains control over the inventory of receipt books.
- 10) Checks are turned over to the Business Office for deposit and someone independent of the record keeping function verifies the funds were, in fact, deposited into the bank. Generally, the person who makes the initial cash receipt list should be the person who checks their list to actual deposits.
- 11) The individual collecting the money should reconcile the cash received with the register tape or log of tickets sold. The reconciliation should be reviewed and approved by a Supervisor.

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SUBJECT: REVENUE AND CASH MANAGEMENT (Cont'd.)

- 12) Someone independent of the Business Office should periodically verify the reasonableness and completeness of all deposits.
- 13) The District has a procedure whereby the bank will only wire funds after it receives confirmation to do so from a second person which the District has authorized to approve the transfer.
- 14) All wire transfer notices are retained to support the transaction.
- 15) All checks should be restrictively endorsed upon receipt.
- 16) The District Treasurer keeps personal control of his/her electronic signature and/or custody of his/her signature plate for the check-signing machine if one is used. The Treasurer must sign checks personally or be present when checks are run and will keep a log of all checks written. If there is a Deputy Treasurer also authorized to sign checks, the same procedure will be followed.
- 17) All cash and checks are kept in a secure location, turned over to the Treasurer, and deposited in the bank on a timely basis.
- 18) Cash balances on the bank statements are reconciled to the cash balances on the accounting records on a monthly basis.
- 19) The bank account reconciler should obtain bank statements directly from the bank (via mail, pick-up, or other means).
- 20) The individual responsible for the bank account reconciliations should not have any duties related to cash receipts and disbursements.
- 21) The bank account reconciler obtains the "book balance" directly from the general ledger, not through an intermediary person or from some other document.
- 22) The bank account reconciler compares bank statement deposit dates and amounts with cash receipts book entries.
- 23) The bank account reconciler compares, on a test basis, the date, payee, and amount on cancelled checks with cash disbursements book/warrant entries.
- 24) The bank account reconciler, on a sample or risk basis, evaluates endorsements on checks for reasonableness.

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- 25) Once the reconciliations are completed, someone independent of the process should review them for completeness and to ensure they do not include outdated reconciling items.
- 26) There is adequate separation of duties for bank reconciliations, access to cash, and record keeping.
- 27) The District has procedures in place to ensure it receives the revenue it is entitled to.
- 28) The District uses monthly billings, overdue notices, an accounts receivable aging report, and the contacting of delinquent debtors as part of its accounts receivable process.
- 29) The individual responsible for the accounts receivable billings is prohibited from completing cash receipt and disbursements duties.
- 30) A Supervisor periodically reviews the account receivables billings and reconciles the total to the general ledger amount.

Cash Management and Investments

- 1) The District has a procedure to determine if excess cash is available for investment and such amounts are transferred to interest bearing accounts to maximize revenue.
- 2) A summary record of key information is maintained for all investments to properly monitor and account for investments.
- 3) The District invests in only those types of investments permitted by General Municipal Law Sections 10(3) and 11(2).
- 4) The Treasurer or other District Official is aware of collateral requirements and periodically verifies that the market value of pledged securities is sufficient to cover deposits in excess of the \$250,000 limit according to the Standard Maximum Deposit Insurance Amount (SMDIA) and the Federal Deposit Insurance Corporation (FDIC).

Petty Cash

- 1) All petty cash funds are authorized by the Board and do not exceed \$100 each.
- 2) The responsibility for each petty cash fund is vested in one person who does not have any other duties related to cash receipts.

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SUBJECT: REVENUE AND CASH MANAGEMENT (Cont'd.)

- 3) All petty cash disbursements are limited to a maximum amount(s), require Supervisory approval, and are supported by adequate documentation.
- 4) Supporting documentation is maintained for each transaction, including the original receipts or invoices marked cancelled when paid.
- 5) Someone independent of the petty cash function periodically audits each petty cash fund to ensure the correct amount of cash and receipts are on hand and the funds are being used in accordance with the District's policies and procedures.