

**CASH IN SCHOOL BUILDINGS - AR**

**I. RESPONSIBILITY AND PROCEDURES FOR INTERNAL SCHOOL ACCOUNTS**

A. Each school under the principal's direction shall:

1. Maintain one bank checking for all funds.\* (Cafeteria is the exception.)
2. Prepare bank reconciliation at the end of each calendar month and at date of annual report. School Managers should check cash balance per reconciliation to computerized general ledger and check book balance each month.
3. Limit the number of accounts used for simplicity and control.
4. Balance accounts at the end of the school year or as often as required for statement purposes.
5. Use the first entry at the beginning of the school year as the balance of funds on hand for each account as shown at the end of the previous year.
6. Explain all transfers between accounts in the books of record.

\* The cafeteria funds should be in a separate account.

B. Cash Receipts

1. Issue receipt for all cash received. Use the prenumbered cash receipts books provided by the Board. Remember to have payer initial the receipt form. Give original copy to payer.
2. All receipts should be deposited intact, preferably on the day of receipts. (Never intermingle receipts with personal funds nor make any payments from cash received.)
3. All receipts should be promptly entered in receipts book in detail and bank deposit total on stub of checkbook.
4. All deposits should be supported by duplicate bank deposit slips authenticated by depository, filed in date order monthly with each respective bank statement.

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### **C. Cash Disbursements**

1. All disbursements should be made by bank check signed by the principal, School Manager and/or other authorized individual.
2. All bank checks should be pre-numbered by printer, and imprinted showing name of school and type of funds covered.
3. Each disbursement should be supported by a voucher or invoice approved by the principal and/or school managers. (If no invoice or voucher is available, make one on a uniform sheet of paper showing date, name, description, and amount to be paid.)
4. When payment is made, write the date of payment and bank check number on the invoice or voucher.
5. Paid vouchers or invoices should be filed in a systematic manner, by use of file folders, etc., and retained in like manner. (Numerically by check number or alphabetically by invoice or voucher name.)
6. Vouchers or invoices should be filed separately for each school year and kept on file for a period of five years in file folders.
7. All spoiled bank checks should be voided and retained with paid bank checks returned from the banks.

### **D. Petty Cash**

1. Since it is the policy to deposit all receipts intact and to make all payments by check, we recommend that a petty cash fund be set up for conveniently making small cash payments.
2. Once you determine the amount of your fund and appoint an individual to be responsible, then:
  - (a) Write check to appointed individual.
  - (b) Check cashed by appointed individual.
  - (c) Cash is placed in special box or compartment or safe.
  - (d) As cash is disbursed, receipts must be kept in the petty cash box. At all times the combination of cash and receipts must equal total of petty cash fund. Receipts may be sales slips, cash register tapes, or you may make them yourself.
  - (e) The school manager should approve and indicate the appropriate expense account on each receipt and the payee should initial it.
1. When the petty cash fund is almost depleted, the procedure is as follows:

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- (a) Write check for the amount of the disbursements.
- (b) Place receipts in normal paid bill file.
- (c) When posting check to disbursement books, distribute to appropriate expense accounts.

### E. Cash in Classrooms

Money is not to be left in classrooms overnight.

## II. AUDITING OF FINANCIAL RECORDS

- A. The Board of Education and all individual school financial records shall be audited by independent, certified public accountants at end of each fiscal year. (June 30.)
- B. Points to consider in school record keeping:
  1. Keep financial records in order. If help is needed, consult the Director of Finance.
  2. Require two signatures on all checks, including the principal's and another designated individual.
  3. All general school receipts must be administered through one account. (This does not include cafeteria or PTA funds.)
- C. It is recommended that at the beginning of the school year a brief report be issued to:
  1. The teaching staff. (Bulletin or verbal report.)
  2. Each organization having funds in the account.
  3. The President of the PTA.
- D. It is further recommended that every school of ten or more teachers have a finance committee of the faculty to assist in determining fiscal policies.
- E. No group of pupils or teachers operating as a school group or in the name of the school, has a right to collect or use funds without the approval of the principal and/or school manager.

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