

Regional School Unit 1

Title: Accounting for Cash Receipts and Cash Disbursements for all School Activity Accounts

Purpose: To insure that appropriate accounting and cash management procedures are used consistently at all school locations.

Compliance Responsibility: School administrator or administrator directly responsible for the program.

Procedures:

Receipt Journal: A pre-numbered cash receipt journal shall be maintained for all funds to provide a written documentation of all of the receipts of the activity account funds. All deposits shall note the applicable receipt numbers which corresponds to that deposit. Receipts shall then be summarized by activity and posted to the appropriate accounting records. This process will serve to insure that all funds received are deposited intact. The School Business Manager shall be responsible for selecting or providing a computer based program, or a receipts journal to be used.

Authorized Signatories: Only the school Principal/Director and other designated persons are authorized to sign school activity accounts. There shall be at a minimum two (2) signatories for each account.

Deposits: All checks and cash received should be deposited as soon as possible. Cash in excess of \$200 shall not be kept at the school overnight. The school secretary or someone other than the person making the deposit shall count the funds and complete the receipt journal. The bank deposit slip returned by the bank shall be attached to the receipts journal. In no instance shall a check made out to a school activity account be cashed. Cash back withdrawals on any account are prohibited. Student activity funds are not to be used as petty cash funds.

Disbursements: A disbursement voucher system shall be used to provide evidence of all expenditures. The school activity account shall not be used to circumvent the normal purchasing process. The voucher must be completely filled out and signed by both the Activity Advisor and the Administrator who is authorized to sign the check. Stipends and other wage payments must never be made from the school activity accounts.

Documentation: Proper invoice documentation supporting the receipt of goods or services must be attached to the disbursement voucher. The invoice must accompany the check when presented to the authorized signatories. Invoices shall be reviewed for correctness of prices, charged, extensions, footings, etc. Each invoice shall be marked as "paid" to preclude double payment.

Checkbook Maintenance: Checkbooks shall contain a complete description of the use of all funds for all disbursements. The cash balance forward shall be adjusted after each transaction. Checks must never be written when there are insufficient funds to cover them. If it becomes necessary to correct entry errors in the checkbook, proper procedure calls for the error to be crossed out and initialed by the person making the correction, and the correct entry should then be entered in the same vicinity. In a computer based program a journal entry should be prepared detailing the purpose of the

entry and what items are being corrected.

Bank Reconciliations: A bank reconciliation of the checking account shall be done on a monthly basis. The reconciliation shall be accomplished by someone other than the authorized signatory for the account. The reconciliation shall be reviewed and approved by the responsible administrator and a copy thereof shall be submitted on a monthly basis to the School Business Manager. Bank reconciliations are very important to insure the accuracy of the account balance. Experience shows that as time passes, locating differences becomes more and more difficult.

Monthly Activity Account Reports: All school activity account administrators shall prepare separate accounts for each activity within the checking account. Monthly reports shall be prepared detailing the total receipts and disbursements and available balance for each activity. The sum of all the available balances must equal the total cash in the bank as of the reporting period. A copy of this report shall be maintained at the Principal's/Director's office and a copy shall be forwarded to the School Business Manager.

Petty Cash Funds: Activity accounts shall not be used as a petty cash fund. Any school requiring a petty cash fund shall make a request to the School Business Manager for establishment of such a fund. A petty cash custodian shall be appointed and the custodian will be responsible for maintaining an approved impress petty cash fund. The total of all expenditure vouchers and cash on hand shall always total the amount of the fund.

Adopted: April 29, 2009