Why are we here today? CASH!

• Increased risk....CASH!
• Protect yourself and fellow employees
• Understand key elements when dealing with cash
• Importance of Segregation of Duties
  • Cash Handling
  • Authorization
  • Record Keeping
Who is looking at all this?

- Independent auditors
- Business office administrators
- Auditor General’s Office
- Parents
- Sponsors
- Principals
- Attorney General
- Students
- Co-workers
- Media
- Other districts
- Legislators
- Anyone and everyone!
Why is this important?

The most common school district audit findings are:

1. Cash not receipted
2. Cash not deposited intact and within the required timeframe
3. Cash not posted to the right account
4. Cash sales are not reconciled to cash collected
5. Procedures are designed to protect YOU and the cash you are handling!
The difference between....

- Community Schools (520)
  - Early Childhood Education

- Student Auxiliary (525)
  - Ticket Sales
  - Fees (ie: PE Uniforms)
  - General Education Benefit (Class Fee)

- Student Tax Credits (526)
  - Extra-Curricular
  - Character Education
  - Test Prep, AP Tests, CTE Assessments

- CTE & Voc. Ed (535)
  - Student Based Enterprise

- Student Activities (850)
  - Money raised BY students
  - Money spent BY students
  - Money benefitting students

- Text & Library Books (555)
  - Replacement or Repair
  - NOT from Sale of Books

- Advertisement (595)
  - Sales of Advertising
**Where the money belongs:**

- **Fund 520: Community Schools**
  Early Childhood Education

- **Fund 525: Auxiliary Operations**
  Athletic ticket sales
  Concession sales
  Field trip fees not sponsored by a Club & not tax credit eligible

- **Fund 526: Tax Credits**
  Governing Board approved Participation Fees & Tax Credit
  Eligible donations to those approved activities
  Donations received to cover Board approved Participation Fees

- **Fund 535: CTE & Vocational Ed**
  Sales from SBE Enterprise

- **Fund 555: Textbook & Library Books**
  Replace or repair lost or damaged textbooks
  Replace or repair lost or damaged library books

- **Fund 595: Advertisement**
  Sales from Advertising

- **Fund 850: Student Activities**
  Student Fundraisers
  Concession sales by Clubs
  Donations to a Club when specified by donor at time of donation

- **Boosters (not district funds)**
  Booster fundraisers
  Concession sales by Boosters
What is CASH?

<table>
<thead>
<tr>
<th>Cash on Hand</th>
<th>Petty Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checks</td>
<td>Warrants</td>
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</table>
Accepting Checks:

- All checks need to have the person's name & address (typed, not handwritten)
- Avoid checks that are:
  - Two-party personal checks
  - Altered in any way
  - Post-dated
  - Counter checks

*Counterfeit detecting pens should be at all sites and can be used to detect a counterfeit bill

Accepting Cash:

- Portrait
  - Genuine portrait appears life-like and will stand out from the background
- Federal Reserve & Treasure Seals
  - Genuine bills have saw-tooth points on the Federal Reserve & Treasury seals are clear, distinct, & sharp
- Border
  - Have a clear and unbroken fine line in the border of the bill
- Serial Numbers
  - Genuine serial numbers have a distinctive style, evenly spaced, and are printed in the same ink color as the Treasury seal
- Paper
  - Tiny red and blue fibers embedded throughout
Rules to collecting CASH

Authorized bank accounts:

- Auxiliary Operations Fund account
- Student Activities Fund accounts
- Miscellaneous Receipts clearing account(s)

- Cash must be safeguarded
- Cash must be deposited in a district authorized bank account
  - Authorized by the Governing Board
- Cash must be counted, verified, and documented
- Handling cash must be segregated among employees
General Guidelines

Segregation of Duties

Cash Handling
Authorization
Record Keeping

Timely, Intact Deposits

At least weekly, but daily if significant
Pre-numbered receipts, cash collections reports, & validated deposit receipts

What is significant?

Accurate Recording
3 Key Duties

- Cash-Handling
- Authorization
- Record Keeping
Cash Cycle

1. **Fundraiser/Event**: Money is collected.
2. **Deposit**: Person A (Sponsor) & Person B (Bookstore) & Person C (Bookstore)
3. **Two people verify cash**: Person A (Sponsor) & Person B (Admin or Bookstore)
4. **Money is collected**: Person A (Sponsor)
Money Collected by Bookstore

• Money is given to the bookstore
• Bookstore enters receipt in InTouch for payment or contribution
• Receipt is given or mailed to individual
• Money is locked safe until ready to deposit
Money Collected by Teacher/Student Club

- Teacher or Student Club collects money
- Teacher or Student Club has 2 individuals count the money
- Teacher or Student Club completes activity report, cash collection report, or other supporting documentation on what money was collected for
  - Activity report is done to track ticket sales (dance, car wash, play, etc.)
  - Cash collection report is done to track inventory sales (t-shirts, food sales, etc.)
  - Other types of documentation (class roster must be marked by teacher as students pay for field trip)
Common Errors

• Money collected, but no receipt issued

• Money collected but receipt issued incorrectly – wrong name, wrong amount, wrong item

• Amount in box on check does not match the amount written on the check
  • Bank goes by the dollar amount written, not the numeric amount on check

• Adding errors

• Comingling money – money collected & receipts done. New money collected and mixed with money already receipted and counted for deposit
Change Fund Cash

- Change funds may be established from the Student Activities or Auxiliary Operations fund bank account.
- Should be established by a check made payable to the change fund custodian & returned at the end of the school year or when the change fund is no longer needed.
- May not be taken from cash collections.
- Disbursements from change funds are not permitted.
- All change fund cash must be deposited back to the bank at the end of the school year.
Verify Cash Collection

Receipts

- Pre-numbered
- System generated
- Triplicate receipt book
- Class or Club lists

Ticket Logs

- Ticket logs – beginning & ending number
- Different ticket prices (ie., adult vs. student)
- Tickets collected by someone other than person selling the tickets

Inventory

- Beginning Inventory
- Ending Inventory
- Cost per item

- School Inventory Tracking form started at beginning of school year
- Updated a you purchase additional items
- Completed at end of school year
- Submitted to Student Activities no later than June 30
- Student Activities verifies the quantity sold and the amount received
Safeguard Money

- All money collected must be safeguarded
- Lock in safe or lockable cabinet – limited access
- Close and/or lock safe or cabinet after each use
- Be sure to lock safe or cabinet if leaving area or large group of people are around
- **Do not** count money in open area where you can be interrupted
- Have 2 people count money for deposit
Cash Handling Compliance

- Were cash-handling and recordkeeping responsibilities including receiving, depositing, and recording revenues separated among employees to safeguard monies?
- Was cash received supported by receipts?
- Were cash receipt summaries prepared to provide reconciliation of the amount of cash received to issued receipts?
- Was cash safeguarded?
- Was cash received deposited intact daily, when significant, or at least weekly?
- Were validated deposit slips indicating the amount of date of deposited retained and agreed to applicable bank deposit slips?
- Were disbursements made only by check or electronic payment?
- Were checks, signature stamps, and electronic signatures safeguarded?
Cash Handling Key Takeaways

- Segregation of Duties
- Protect yourself & your coworkers
- Safeguard Monies
- Receipts, Ticket Records, Cash Collection Forms
- Retain Records
Thank You!