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Statement of.....

Policy and Responsibility

SUBJECT: CASH RECEIPTS

A. PURPOSE

To establish LEA policy and procedure for the handling of all cash receipts, to include currency, coin, checks, ACH transactions, and credit card transactions.

B. SCOPE

This policy applies to all LEA administration, licensed educators, staff, students, organizations, and individuals that handle cash receipts or accept payment in any form on behalf of the LEA or individual school. The scope includes all activities at the LEA and individual schools and in all locations where LEA activities and public funds are collected.

C. SEGREGATION OF DUTIES

Wherever possible, duties such as collecting funds, maintaining documentation, preparing deposits and reconciling records should be segregated among different individuals. When segregation of duties is not possible due to the small size and limited staffing of the LEA or individual school, compensating controls such as management supervision and review of cash receipting records by independent parties should be implemented.

D. DEFINITION

“Public funds” are defined as money, funds, and accounts, regardless of the source from which the funds are derived, that are owned, held, or administered by the state or any of its political subdivisions, including LEAs or other public bodies [Utah Code 51-7-3(26)].

E. PROCEDURE FOR CASH RECEIPTS AT THE DISTRICT LEVEL

1. The district will comply with all applicable state and federal laws.
2. All receipting of funds at the district should be done at the appropriate office. No receipting is to be done in other offices or in unapproved off-site locations. Employees shall instruct payers to take all cash, checks, and credit card transactions to the cashier (or designee) for receipt. Provisions should be made for cash receipting/collection at approved off-site activities or functions. Please refer to PS 409 - Fundraising Policy. Funds may be receipted through the Murray Education Foundation, if applicable, in accordance with the foundation’s cash receipts policy.
3. Murray City School District employees should not open bank accounts, outside of the control of the district, for the receipting or expending of public funds associated with

school-sponsored activities. The business administrator's office must approve all checking and savings accounts used in district or individual school business.

4. All funds shall be kept in a secure location controlled by the cashier until they can be deposited in a district-approved fiduciary institution. Funds should be deposited daily or within three days after receipt, in compliance with Utah Code 51-4-2(2)(a), in a district approved account. Employees should never hold funds in any location for any reason.
5. If the cashier has left for the day or funds are receipted on the weekends, administrators should be available to lock cash receipts or cash boxes in the LEA safe until the next business day. Cash receipts should not be taken home by employees or volunteers, or left in offices.
6. All checks should be made payable to the district or individual school and restrictively endorsed upon receipt. Checks should not be made payable to an employee, a specific department, or a program.
7. Appropriate internal controls and segregation of duties should be implemented for all cash activity. Cash should always be verified. Where verification is difficult, cash should be counted by two individuals.
8. All funds (cash, checks, credit card payments, etc.) received must be receipted and recorded in the district's accounting records. A pre-numbered receipt will be issued for each transaction. Passwords should be established on the accounting system computers and changed periodically.
9. Documents should be available, and should demonstrate that proper cash controls are in place (signatures for approval, tally sheets, reconciliations, etc.).
10. Under no circumstances are disbursements to be made directly from cash receipts (i.e., for purchases, reimbursements, refunds, or to cash personal checks).
11. All payments of fees shall correspond with the approved fee schedule, as required by Board Administrative Rule 277-407.

F. PROCEDURES FOR CASH RECEIPTS AT THE INDIVIDUAL SCHOOL LEVEL

1. All individual schools will comply with all applicable state and federal laws.
2. All receipting of funds at the school should be done at the front office through the financial secretary. No receipting should take place in the classroom or in unapproved off-site locations. Employees shall instruct payers to take all cash, checks, and credit card transactions to the front office for receipt. Provisions should be made for cash receipting/collection at approved activities or functions. Refer to the PS 409 - Fundraising Policy. Funds may be receipted through the Murray Education Foundation, if applicable, in accordance with the foundation's cash receipts policy.
3. School employees and volunteers associated with school-sponsored activities should not open bank accounts, outside of the control of the district, for the receipting or expending of public funds associated with school-sponsored activities. The business administrator's office must approve all checking and savings accounts used in district or individual school business.
4. All funds shall be kept in a secure location controlled by the front office until they are deposited in a school-approved fiduciary institution. Funds should be deposited daily or within three days after receipt, in compliance with Utah Code 51-4-2(2)(a), in a school-approved account. Employees should never hold funds in any location for any reason.
5. If the cashier has left for the day or funds are receipted on the weekends, employees should seek the assistance of administrators to lock cash receipts or cash boxes in the school safe until the next business day. Cash receipts should not be taken home by employees or volunteers, or left in offices.

6. All checks are to be made payable to the district or individual school and restrictively endorsed upon receipt. Checks are not to be made payable to an employee, a specific department, or a program.
7. Appropriate internal controls and segregation of duties should be implemented for all cash activity. These may include tickets, pre-numbered receipts, deposit slips, cash tally sheets, receipt registers, lists, cash reconciliations, reports, etc. Cash should always be verified. Where verification is difficult, cash should be counted by two individuals.
8. All funds (cash, checks, credit card payments, school lunch funds, etc.) received must be receipted by student name, if possible, and recorded in the school's accounting records. A pre-numbered receipt will be issued for each transaction. Passwords should be established on the accounting system computers and changed periodically.
9. Documents should be available, and should demonstrate that proper cash controls are in place (signatures for approval, tally sheets, reconciliations, etc.).
10. Under no circumstances are disbursements to be made directly from cash receipts (i.e., for purchases, reimbursements, refunds, or to cash personal checks).
11. Periodic and unscheduled audits or reviews should be performed for all cash activity.
12. All activities involving cash must be supervised by an LEA employee or authorized volunteer to ensure adequate controls are in place. Training should be given to those involved in handling cash.
13. All payments of fees shall correspond with the approved fee schedule, as required by Board Administrative Rule 277-407.

G. PETTY CASH/CHANGE FUNDS POLICY

1. Petty cash and change funds must be authorized by the district business office.
2. All petty cash and change funds will be reflected on the school's accounting records and reconciled monthly.
3. These funds should not exceed amount designated by the district business office.
4. All petty cash funds and change funds should be kept locked, in a secure location.
5. Checks may not be made payable to "cash" or "bearer" and cashed by district or school employees to create change funds or petty cash funds outside of the approved petty cash and change fund accounts.
6. Reimbursements to petty cash accounts will be made only when supported by receipts and approved by the principal.
7. Expenditures should not be paid out of change funds. Change funds will be included in all tally forms or on deposit count sheets, and accounted for with each use.
8. Funds are subject to unannounced counts by district personnel at any time.