

ALAMOGORDO PUBLIC SCHOOLS

CASH CONTROL PROCEDURES

Objective: To secure public funds and to protect the staff member, as well as the District, against any type of fraud or misappropriation of funds that might lead to negative publicity or questionable procedures

1. Cash in Buildings

- ✓ Do not keep money in your classroom, office, or on your person at any time
- ✓ Petty cash for change drawers must be approved by the Director of Business and Finance, must be locked in a safe overnight, and counted daily

2. Pennies for Patients

- ✓ You may collect money for Pennies for Patients
- ✓ Do not leave this money in your building or in your possession
- ✓ Take the money daily to Lowe's Grocery store and use the change counter
- ✓ Push the button for their charity
- ✓ The machine will take the money and give you a receipt

3. Deposits - 24 Hour Rule

- ✓ Any staff member that receives money from a student, parent, employee, etc. must have some way of accounting for that money. The staff member must issue a receipt or some other proof of receipt to the provider of the money. An alternative would be to have a tally sheet and record how much each student or person gives them. What we are looking for is a way to reconcile the money the employee should've collected against money that was collected.
- ✓ All money must be receipted AND must be deposited within 24 hours of the staff member receiving the money (that is not the person writing the deposit slip, it is the teacher, sponsor, etc). THERE ARE ABSOLUTELY NO EXCEPTIONS!

4. How to Receipt and Deposit Money

- ✓ Each site must have a designated person to receive and collect money daily (generally the school or site secretary or bookkeeper)

- ✓ Each teacher, sponsor, or staff member must turn money in to the designated person daily and within 24 hours of receiving the money. Do not keep money in your building, classroom, or on your person at any time
- ✓ In each instance, all money must be counted by the designated person in front of the teacher, student, staff member, etc. to ensure accuracy on both parts. It is very important to have **dual control** at all times for your protection as well as that of the District
- ✓ When any employee receives money follow these steps:
 1. Record all receipts in a 3 part, factory pre-numbered receipt book (See Example)

(See below for fundraisers without using receipt books for items such as candy or candle sales)
 2. Write in the actual date the money is received on the receipt. Never alter or falsify dates
 3. Write in the person's name and purpose of the money on the receipt
 4. Write in the dollar amount received on the receipt
 5. Write in the exact amount of cash and checks received on the receipt (record both separately)
 6. Sign your full name on the receipt
 7. Give the original receipt to the person giving you the money
 8. Take the money and the second copy of the receipt to the designated person responsible for receiving and depositing funds in your building (generally your site secretary or bookkeeper)
 9. The designated person will then write a receipt to the staff member turning in the money
 10. Keep the third copy in the receipt book
 11. Do not destroy the receipts. All financial records must be kept for 6 years
 12. At year end, turn all receipt books in to the designated person in your building
- ✓ Documentation is very important to be able to trace all funds received
- ✓ Voided receipts must have all copies attached to the pink copy in the book

- If a receipt is voided, you must obtain the original back to the person you gave it to. That is the only way we can prove that they did not give the District money should they ask for a refund
 - Send a photo copy of the voided receipt in with your deposit slips
- ✓ For situations when you cannot write out a receipt, such as a carwash:
 - At the end of the event, two people must count the money. It is a requirement that you always have dual control over money
 - Each person must sign a tally sheet verifying that they have both counted the money and agree to the total
 - All money must be deposited. Do not keep any money for future events
 - Do not pay vendors or people from receipt money
 - All money and tally sheets must be taken to the designated person at your building on that day or on the next business day
- ✓ For fundraisers such as candy or candle sales (Specifically for Sponsors)
 - The Sponsor of the fundraiser or activity is responsible for collecting and turning in all monies, receipts, or order forms along with the money on a daily basis
 - The student should turn in an envelope to the Sponsor that has either a tally sheet or order form with it that shows the total amount of money collected with the name of each customer and amount collected on it
 - The Sponsor must verify that the amount is correct and initial that he or she agrees to the total
 - Make a copy of the part showing the amounts collected. The copies are like receipts, you must keep them for 6 years
 - Turn the money in to the designated person daily along with the tally sheet or order form
 - That designated person will in turn give you a receipt

5. Separation of Duties

- ✓ For cash control purposes and for fraud prevention, as well as your own protection, all money received must be verified by at least two people

Examples:

1. The teacher counts money in front of the student and gives the student a receipt. (This is dual control between the teacher and the student)

2. The teacher takes the money and receipt or tally sheet to the designated person. The designated person counts the money in front of the teacher and writes a receipt to the teacher. (This is dual control between the designated person and the teacher)

Never walk away without having the money counted in front of you!

3. The teacher or sponsor has a tally sheet or order form matching the receipted money. (Dual control between the teacher and the student)
 4. The teacher or sponsor takes the money to the front office and the secretary issues the teacher a receipt (Dual control is the secretary verifying that the funds match the receipts given by the teacher)
- ✓ It is the responsibility of the designated person who receives money in the building to list and add up all money received for deposits
 - ✓ All receipts must match all deposits
 - ✓ All monies received must be deposited daily
 - ✓ A totally separate person from the deposit writer must take the deposit to the bank
 - ✓ The deposit is returned to the front office person who enters the deposit into Visions
 - ✓ The deposit ticket from Visions, the copy of the deposit slip, and **ALL** receipts must be turned in to the Business and Finance Office on a daily basis. This is a matter of internal control on our part. We have to be able to match the deposit receipts with the amount of money deposited. A tally sheet from the Synergy software is acceptable as long as we can see receipt numbers, who the money was received from, and how much money was received

I know that this process seems very cumbersome; unfortunately, internal control is not optional. It is required by the Office of the State Auditor and the New Mexico Manual of Procedures for Public School Accounting and Budgeting.

We have an obligation to protect and account for public funds at all times.

6. New Mexico Administrative Code (NMAC)

6.20.2.14 CASH CONTROL STANDARDS:

A. School districts shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the office of management and budget (OMB) Circular A-102, and applicable state and federal laws and regulations.

B. The school district shall issue a factory pre-numbered receipt for all money received. Pre-numbered receipts are to be controlled and secured. If a receipt is voided, all copies shall be marked "VOID" and retained in the receipt book.

→ **C. Money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day.** If the distance to the bank is considerable, or the cash collection is limited to small amounts and/or low volume and it is impractical to meet the twenty-four hour/one banking day requirement, the local board may request approval from the department for an alternative plan. The bank deposit slip shall have the numbers from applicable receipts entered on it or attached as a reference.

D. A cash receipts journal is to be used for each fiscal year beginning July 1 and ending June 30, and is to be presented to the school district's auditor during the annual audit.

E. The school district shall verify that there is sufficient cash and budget prior to the disbursement of cash. A revenue ledger is required for each revenue code as approved in the finalized budget, and additional revenue ledgers may be added as necessary.

F. The school district shall establish a cash control ledger for each fund/subfund. Inter-fund transfers of cash among separate and distinct funds are not receipts or expenditures. Permanent transfers of previously receipted cash require local board and SIDE approval prior to the transfer. All other types of cash transfers require only local board approval.

(1) Temporary transfers of cash are to be posted as "due from" and "due to" to indicate inter-fund receivables and payables.

(2) Posting errors are not to be erased, crossed out, or in any other manner eliminated from the ledger. A separate entry is required to incorporate necessary corrections. Cross-referencing of a correcting entry to the original error should be inserted under the "description" column of the ledger.

G. Clearing accounts or pooled accounts may be used to combine more than one fund in one bank account. Clearing accounts shall reconcile to a zero balance at the end of each month. Bank reconciliations for clearing accounts shall be completed on a monthly basis.

H. A local board, through the issuance of a formal board resolution, may authorize the superintendent of schools or his/her designee to approve vouchers for payment prior to a board meeting. A summary listing of the vouchers and any additional information prescribed by the local board shall be presented at the next regular board meeting for formal approval and entry in the minutes.

I. Vouchers shall be numbered in such a manner as to provide a cross-reference between the voucher, the check, and the check register. All blank checks shall be properly safeguarded and an inventory of unused checks shall be taken periodically. Completed vouchers and supporting documentation is to be placed in numerical sequence, by the month in which they were paid, and filed for future reference and annual audit.

(1) Each warrant or check issued shall have printed on its face the words, "void after one year from date". Whenever any warrant or check is unpaid for one year, the fiscal officer shall cancel it in accordance with Section 6-10-57(A), NMSA 1978.

(2) The fiscal officer shall keep a register of all canceled warrants/checks. The register shall show the number, date and amount, name of payee, fund out of which it was payable, and date of cancellation. The face amount shall revert and be credited to the fund against which the warrant/check was drawn.

J. The school district shall maintain a cash control ledger for each fund/subfund where all transactions affecting cash are recorded. Cash balances reported to the department shall be the same as the district's cash control ledger and annual audit.

K. All bank accounts shall be reconciled on a monthly basis. Reconciled bank statements are to be reviewed by the business manager and/or assistant superintendent for business administration. The bank statement, deposit slips, and canceled checks shall be made available to the district's auditor during the annual audit.

L. The school district shall submit cash reports to the department by the last working day of the month following the end of the reporting period, unless extended to a later date by the secretary of education.

M. Petty cash funds shall be utilized only in rare instances to facilitate small payments. Petty cash funds are established by drawing a check made payable to the employee charged with responsibility for the fund. The petty cash fund shall contain cash and/or invoices totaling the full amount of the petty cash fund and is to remain at the amount originally established.

(1) Petty cash funds are to be reflected on the school district's balance sheet as cash on hand.

(2) Petty cash and change funds shall not be used to make loans to employees or for cashing checks.

(3) Petty cash may not contain more than \$100 unless more is authorized through local board action.

(4) Change funds shall be established pursuant to school district procedure.

N. School districts shall obtain a surety bond for persons who handle or manage cash or funds.

7. Board Policy D-3300 © DM CASH IN SCHOOL BUILDINGS

Monies collected by school employees shall be handled in accordance with prudent business procedures. All monies collected shall be receipted, accounted for, and directed without delay to the proper location of deposit.

The only funds remaining in any individual building shall be the school/department change fund. All cash funds shall be kept in a secured area. All funds collected from fund raisers, fines, etc. shall be deposited within 24-hours of the date funds are turned in and receipted. No funds, other than change fund, shall be left in the building over the weekend and/or holidays. If change for special events is needed, arrangements can be made to pick up, use, and re-deposit upon completion of the event.

Adopted: date of manual adoption