

# Cash Management Procedures

## Policy Information

### Series D - Fiscal Management

#### Cash Management Procedures

Policy # DKI

**FILE: DKI**

## CASH MANAGEMENT PROCEDURES

### PREFACE

It is the direct responsibility of the Principal or Director, working in conjunction with the Director of Business Services (DBS) as the designee of the Superintendent to insure that cash management is consistent with best-management practices, federal and state statutes and School Committee policies. The DBS shall establish, implement and train staff on accounting procedures, funds collection and processing and disbursement processes for cash management. In addition, the DBS shall collect, certify and process all revenues from the Principal or Director, and transfer these funds to the Town Treasurer.

### STAFF TRAINING

Training shall be mandatory for all Bourne Public School employees and contracted services staff that are responsible for any handling of cash. Annual training shall be provided by the DBS.

### ACCOUNTING SYSTEMS & OPERATING PROCEDURES

#### Procedures

Standardized forms for deposits, disbursements, etc. shall be used;

All deposits will require a school deposit slip stating source of the monies, total amount being deposited and signature of the Principal verifying the amount. All deposits will be forwarded to the DBS to certify the amount of the deposit. The DBS or designee is responsible for delivery of funds to the Town Treasurer.

All deposits will be forwarded by the DBS to the Town Treasurer on a "Turnover of Funds" form. Receipt for the "Turnover of Funds" verifying the amount shall be obtained by the DBS from the Town Treasurer.

Bank reconciliations and account reconciliation should be done monthly with a copy of each forwarded to the DBS. Copies of the account reconciliation shall also be sent to the Principal or Director;

Periodic financial reports should be made in accordance with School Committee policy;

Other reports shall be prepared as required by the DBS, Superintendent and/or School Committee.

## **CASH RECEIPTS**

Cash receipts are defined as both checks and cash.

Any cash revenue generating department receiving monies from any source (fund-raisers, donations, gate receipts, for services, etc.) should turn over such money to the Principal or Director, or their designee as soon as possible with a maximum of twenty-four hours for subsequent deposit to appropriate account.

If money is received on a weekend or at night, it shall be deposited to a night depository, secured in a locked vault, or safeguarded by other means. No monies shall be taken home at any time.

The Principal or Director, or their designee shall forward monies to the DBS for deposit into the appropriate account no later than forty-eight hours of receipt.

All money will be placed in a lock-bag or similar secure container with a revenue receipt inside verified by the Principal or Director and certified by the DBS.

All money turned over to the DBS shall be accompanied by a school deposit slip stating the source of the monies, the amount of money being deposited, and signed by the Principal or Director verifying the amount. The DBS or designee shall certify the amount of money.

Food Service shall conduct a double reconciliation of cash each day of operation. It shall be a blind reconciliation by the cashier followed by the supervisor. The supervisor shall conduct his/her reconciliation without knowledge of the cashier's total. Independent record of calculation and documentation in separate ledgers shall be maintained.

The Director of Food Service and the SBA shall resolve any non-reconciliation.

Procedures for management of cash receipts shall be consistent with Town of Bourne Procedures established August 21, 2007, and are subject to any change to these procedures.

## **TOWN OF BOURNE**

### **DEPARTMENTAL RECEIPT POLICY**

#### **PURPOSE:**

To establish policies and procedures for efficient handling and timely turnovers of town monies collected by departments, boards and commissions.

#### **APPLIES TO:**

All departments, boards and commissions involved in the collection of money.

## **DEFINITIONS:**

*Petty Cash* - An amount of money assigned to a department, to be used for small purchases or as a cash drawer for making change to customers.

*Schedule of Departmental Payments to Treasurer* - The form returned signed by the Town Treasurer to departments, boards and commissions upon receipt of funds.

## **POLICIES:**

*Petty Cash* - Petty Cash is for official business only. No employee shall use petty cash for personal business. Petty cash is a specific amount assigned to a department to be used as a cash drawer for making change to customers or reimbursement of small amounts for items purchased by employees. Petty cash shall be kept secure from public access and non-authorized employees.

*Collections* - When a department has collections in cash, coin, and checks that total over \$500 or more, a turnover should be made to the Town Treasurer immediately. If a department has on hand collections less than \$500, the monies are to be turned over to the Treasurer, at a minimum, of once a week.

Departmental collections not remitted to the Treasurer daily are to be held in a location that is secure from; potential fire and theft.

All Checks received should immediately be stamped "For deposit only - Town of Bourne".

Departmental receipts should never be used to cash checks for Town employees or the public.

## **PROCEDURES**

*Petty Cash* - Reimbursements for petty cash items will be approved only upon presentation of the appropriate paid receipts. Departments should maintain a disbursement log which documents the following information:

- Date
- Amount of disbursement
- Reason for disbursement
- Check off for invoice received to document payment

Replenishment of the departmental petty cash for purchases shall be made by submitting an expense voucher to the Finance Department. All receipts and documentation supporting the reimbursement should be attached to the voucher. The Director of Business Services will process a check for the replenishment of the petty cash.

At any point in time, the total of the remaining petty cash funds and the vendor invoices in the box should equal the total amount of petty cash authorized.

*Departmental Turnovers to Treasurer* - When it is determined that a turnover is required; the appropriate "Schedule of Departmental Payments to Treasurer" should be completed and turned over with three copies

to the Treasurer. Each department's form should be unique and include the following preprinted information:

- Name of the department
- Date of the turnover
- Each line should be identified with the cross reference number; the description of the receipt; the revenue number and the amount
- There should be a line to report cash over and short
- The total at the bottom should include a breakdown of cash and checks
- Space for signature from the department submitting turnover
- Space for signature by Treasurer's office acknowledging receipt

The Treasurer upon counting and verifying the departments deposit shall sign and keep one copy of the Schedule of Departmental Payments to Treasurer and return the other two copies to the department; whose responsibility it is to forward a copy to the Finance Department.

*Collection of Monies* - Departments shall issue all customers a receipt at the time of collection of monies. Receipts should be maintained as follows:

- Receipts should be from a pre-numbered and bound two-part receipt book and will be signed by the individual that received the money.
- Department receipts should never be commingled with any departmental employees own money or used to cash checks for town employees or the public.

*Returned Checks* - When a check is returned for non-payment the Treasurer's office will create a negative receipt to the appropriate department.

Departments should refuse payments by check from customers who have presented bad checks in the past.

*Receipt Log* - All receipts must be recorded in a formal "receipts log" that should include all the items listed below. All of the requirements appear on the example of departmental receipts log.

- Date, customer name, amount and type of receipt
- Receipts must identify type; cash or check
- If receipt is a check, the check number must be recorded on the receipt
- A receipt must be given to the customer for all cash receipts
- Verify total cash and checks equal receipt reported to general ledger
- The receipt log should by subtotaled whenever receipts are turned over

*Reconciliation* - Reconciliation of records from each department is required as follows:

- Departments must receive detail revenue reports from the Finance Department monthly and prove year to date revenues to the departmental receipts log. Documented evidence of this reconciliation must be maintained and reported to the Finance Department.
- Departments must verify the total of the receipt from the Treasurer's office agrees to their copy of the departmental turnover and retain both.

*Other* - No departments other than the Treasurer's, Town Collector and authorized Director of Business Services, are authorized to maintain their own bank accounts.

## TREASURER'S RECEIPT POLICY

*Treasurer's Receipt Responsibilities* - All departmental turnovers must be proven to assure cash and check totals reported agree to the actual amounts remitted.

The total of departmental receipts should be summarized in a receipt log containing the following:

- Name of department
- Receipt account number
- Turnover number
- Total Deposit

The turnovers sheets should be combined together to equal the deposit that was made at the bank and the deposit slip then attached to those sheets verifying the total deposit that was made and posted into the Treasurer's receipt log.

Adoption Date: 9/3/2007; Reviewed/Adopted: 8/14/2019  
D - Fiscal Management