



ADDISON NORTHWEST SCHOOL DISTRICT POLICY

SECTION	Non-Instructional Operations	CODE	F44
TITLE	Cash Handling		

Proper controls over revenues are imperative to ensure sound financial management practices, instill public confidence in School District operations, and provide accurate, reliable, and timely information upon which financial decisions can be made. Budgeting, revenue forecasting, account reconciliation and review, and financial reporting all rely on the proper recording of revenue. School District officials need to provide for appropriate mechanisms, both automated and manual, to collect all funds legally due to the entity and ensure that proper controls exist over all receipts.

Appropriate internal control procedures must be implemented to ensure the safeguarding of all receipts. Regarding segregation of duties, no one individual will authorize or initiate a transaction, record the transaction in the accounting records, maintain custody of the asset resulting from that transaction, and reconcile the activity in the accounting records that pertain to that transaction. All internal controls will be in writing and reviewed at least annually.

Authorized Personnel

Only authorized personnel will receive District funds. Authorized personnel are employees or representatives of the District who have a vested interest in the intended purpose for the receipts being collected.

Timely Deposits and Reconciliations

The District should request payment in the form of checks or money orders versus cash. In the event cash is received, it must be documented immediately by the receiver and a second party must count and verify the receipt. Deposits for all cash, checks and other forms of payment must be remitted to the bank in a timely manner, preferably daily, and recorded in the accounting records in a timely manner. This both lessens the risk of loss or theft and allows for the funds to be available for investment as soon as possible. Safeguarding funds prior to deposit is the responsibility of authorized personnel receiving the funds. All coins, currency, checks, credit card information, and money orders must be retained in a secure place until deposited. Reconciliations to both the general ledger and to any supporting account ledgers must be performed monthly. Preparation of the reconciliations will involve more than one person.

Returned Checks

Procedures must be established for processing and collecting returned checks. The procedures will include any fees that might be charged to the check writer, any restrictions that may apply to

the repayment of the uncollectible amount, and how the transaction will be recorded in the accounting records.

Petty Cash

A cash receipts procedure must require all deposits to be made intact – that is, no cash included in the deposit will be used to pay for School District expenditures. If cash is needed for such expenditures, a petty cash fund must be used and proper procedures for its utilization must be established.

Event Cash Box

Cash is sometimes necessary to make change for special events. Cash for use in these cases must be requested from the individual school's Student Activity Fund and must follow all Student Activity Fund procedures for the District.

Date Warned: May 20, 2019

Date Adopted: June 10, 2019

References: Policy reviewed by RHR Smith & Co. 4/22/19