

All District departments, schools, programs, activities, Associated Student Body (ASB) organizations, and employees who receive, handle, record, safeguard, or deposit District funds

1. PURPOSE

The purpose of these procedures is to establish consistent controls for receiving, recording, safeguarding, reconciling, and depositing money received by Snoqualmie Valley School District.

All District money is public money and must be handled in a manner that protects the funds from loss, theft, misuse, or error and provides a complete and auditable record of each transaction.

These procedures are intended to:

- Safeguard District funds;
- Establish accountability for money from the time it is received until it is deposited;
- Ensure receipts are accurately recorded;
- Require timely and intact deposits;
- Establish consistent procedures for cash, checks, credit/debit cards, electronic payments, and other forms of payment;
- Provide appropriate separation of duties;
- Establish procedures for cash overages and shortages;
- Provide appropriate controls for ASB and fundraising activities; and
- Establish documentation sufficient to support District financial records and audits.

2. AUTHORITY

These procedures are based on applicable Washington State laws and requirements, including:

- RCW 43.09.240 regarding the deposit of public funds;
- RCW 28A.325.020 and RCW 28A.325.030 regarding ASB funds;
- Applicable provisions of the Washington State Auditor's Office Budgeting, Accounting, and Reporting System (BARS);
- The Washington State Auditor's Office cash-receipting and internal-control guidance;
- The current OSPI School District Accounting Manual; and

- District policies and procedures governing financial management, ASB, fundraising, and cash handling.

Where state law, OSPI requirements, SAO requirements, or District policy imposes a more restrictive requirement, the more restrictive requirement will apply.

3. GENERAL REQUIREMENTS

3.1 District Funds

All money received by the District, regardless of the source or purpose, must be:

1. Received only by authorized District employees or through an approved District payment system;
2. Documented at the time it is received;
3. Properly safeguarded;
4. Reconciled to supporting documentation;
5. Deposited timely and intact; and
6. Recorded to the appropriate fund, revenue account, activity, program, or other accounting classification.

Employees must never use District receipts for personal purposes, cash exchanges, loans, reimbursements, purchases, or other transactions that are not authorized District transactions.

3.2 No Personal Money

District employees should not combine personal funds with District funds.

Personal checks or cash may not be used to temporarily replace a District cash shortage.

Employees may not borrow, advance, exchange, or otherwise use District money for personal purposes.

3.3 No Substitution of Funds

Deposits must be made intact. The money deposited must represent the actual money received.

For example, an employee may not remove cash from one receipt to reimburse another person, purchase supplies, make change for another activity, or replace a personal check that was received.

4. RESPONSIBILITY FOR CASH

The employee receiving money is responsible for the security and proper documentation of the money until it is transferred to another authorized employee, secured in the District's designated safe, or deposited.

Supervisors are responsible for ensuring employees under their supervision understand and follow these procedures.

Principals and department administrators are responsible for ensuring appropriate cash-handling controls are operating at their locations.

The Business Office is responsible for establishing District-wide accounting procedures, providing guidance and training, monitoring compliance, and maintaining appropriate central accounting records.

5. AUTHORIZED PAYMENT METHODS

District locations may accept only payment methods approved by the Business Office.

Approved payment methods may include:

- Cash;
- Check;
- District-approved credit/debit card processing;
- District-approved online payment systems;
- Other payment methods specifically authorized by the Business Office.

Employees may not establish or use personal Venmo, PayPal, Cash App, GoFundMe, DonorsChoose, Givebutter, personal bank accounts, or other personal payment accounts to collect District or ASB money.

Payments received through a third-party vendor must be processed through an arrangement approved by the District.

6. RECEIPTING

6.1 General Rule

Money must be documented as soon as it is received.

The District may use:

- An approved point-of-sale system;
- An approved electronic receipting system;
- An approved cash register; or
- District-approved pre-numbered receipt forms.

Generic receipt books may not be used.

6.2 Receipt Information

Receipts or equivalent electronic records must provide an adequate audit trail, including, as applicable:

- Date;
- Payor;
- Amount;
- Payment method;
- Purpose of payment;
- Employee receiving the payment;
- Receipt number or transaction identification number; and
- Appropriate account or activity information.

6.3 Pre-Numbered Receipts

When manual receipts are required, receipt forms must be pre-numbered and identify Snoqualmie Valley School District and the applicable school or department.

Receipt books must be issued and controlled by the designated employee.

Unused receipt books must be secured.

Employees must not skip receipts or intentionally leave receipt numbers unused.

Missing receipt numbers must be investigated and documented.

6.4 Voided Receipts

Voided receipts must not be destroyed.

The original receipt and any copies must be retained and marked "VOID."

The reason for the void should be documented.

For fundraising and ASB transactions, a second employee should review and witness the void whenever practical and sign or otherwise document the review.

7. POINT-OF-SALE AND CASH REGISTER PROCEDURES

Each cashier should have an individually assigned cash drawer or change fund whenever the system permits.

Cashiers must not share drawers or passwords.

At the beginning of a shift, the cashier should verify the opening change fund.

During the day:

- All sales must be entered through the approved system;
- Cash received must be placed in the assigned drawer immediately;
- The drawer must remain secured when unattended;
- Personal money must not be stored in the drawer; and
- Cashiers must not make unauthorized cash exchanges.

At the end of the shift, the cashier must reconcile the drawer to the point-of-sale report.

The reconciliation must identify:

- Beginning change fund;
- Cash sales;
- Check sales;
- Card/electronic transactions;
- Other payment types;
- Expected cash;
- Actual cash;
- Over/short amount; and
- Cashier identification.

The employee completing the reconciliation must sign or electronically certify the report.

8. INTOUCH / TOUCHLITE AND OTHER ELECTRONIC RECEIPTING

District-approved electronic receipting systems, including InTouch and TouchLite, are considered District receipting systems.

Employees must use the account, school, student, item, and other coding information established by the Business Office.

Employees must not create unofficial payment links, payment accounts, or alternative electronic payment methods.

Electronic receipts and transaction reports must be retained in accordance with District record-retention requirements.

Electronic receipts must be reconciled to the funds transferred to the District.

Refunds through electronic payment systems must be processed only by authorized employees and in accordance with District procedures.

Items in InTouch should not be edited when doing so would alter or compromise historical transaction information. When an item needs to change for a new school year or activity, the Business Office should determine whether the existing item should be inactivated and a new item established.

9. CHECKS

Checks should be reviewed for obvious errors before acceptance.

Checks should be made payable to Snoqualmie Valley School District or another authorized payee.

Checks received by the District must be restrictively endorsed promptly with:

District's designated banking information or endorsement stamp.

Checks must not be cashed by employees.

Employees may not exchange District checks for cash.

Returned checks must be handled through the Business Office according to established District procedures.

10. DAILY CASH COUNT

Cash must be counted and reconciled at the end of each business day or at the end of each event or collection period.

The count should identify the composition of the money, including:

- Currency;
- Coins;
- Checks;
- Credit/debit card transactions;
- Electronic payments; and
- Other payment types.

The total counted must agree with the corresponding receipt, point-of-sale, fundraiser, or other supporting documentation.

When practical, two employees should participate in the count.

If two employees are not available, the District's designated compensating control must be followed.

11. DEPOSITS

11.1 Timely Deposits

District receipts must be deposited with the County Treasurer or otherwise remitted in accordance with District-approved banking arrangements at least once every 24 hours, unless an authorized exception has been established.

District employees must not accumulate money for convenience.

Money collected at an after-school event must be deposited or secured in an approved safe or other District-approved secure location until the next available deposit opportunity.

11.2 Intact Deposits

Deposits must be intact.

The composition of the deposit must agree with the supporting cash count and receipt records.

Cash may not be removed from a deposit to:

- Make purchases;
- Reimburse an employee;
- Make change for another activity;
- Cover another shortage;
- Pay an individual; or
- Serve another purpose.

11.3 Deposit Documentation

Each deposit must be supported by documentation sufficient to establish:

- Date of deposit;
- Location;
- Person preparing the deposit;
- Cash amount;
- Check amount;
- Other payment amounts;
- Total deposit;
- Related receipt or point-of-sale report; and
- Deposit confirmation or validated deposit documentation when available.

A copy of the deposit documentation must be retained according to District record-retention requirements.

11.4 Deposit Verification

A person other than the employee who prepared the original collection documentation should review the deposit and supporting documentation whenever practical.

The reviewer should verify that:

- The deposit agrees with the supporting documentation;
- The deposit is intact;
- The correct account or activity is identified; and

- Any discrepancy has been investigated.
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12. SAFE AND CASH STORAGE

Money must be secured whenever it is not actively being received or counted.

Cash must be stored in a District-approved safe, vault, locked cash drawer, or other approved secure location.

Cash must never be stored:

- In an employee's desk;
- In an unlocked cabinet;
- In an employee's personal vehicle;
- In an employee's home; or
- In another unsecured location.

Access to safes and cash-storage areas must be limited to authorized employees.

Safe combinations and access credentials must be changed periodically and when an employee with access separates from District employment.

13. CASH TRANSPORT

Deposits must be transported using District-approved procedures.

When a bank bag or other deposit container is used, it must be locked or otherwise secured against unauthorized access.

Employees transporting deposits should go directly to the approved deposit location.

Deposits must not be left unattended in vehicles.

When deposits are transported by two employees, both employees should remain accountable for the deposit until it is delivered.

14. CASH OVERAGES AND SHORTAGES

14.1 General Requirement

Cash must be reconciled to expected receipts.

Any overage or shortage must be documented.

Employees must not personally replace a shortage or remove money to correct an overage.

14.2 Small or Routine Differences

A minor difference identified during a routine cash count should be documented on the appropriate reconciliation.

The employee should recount the money and review the supporting documentation before reporting the final amount.

Repeated differences involving the same employee, location, activity, or process must be reported to the supervisor and Business Office.

14.3 Significant or Unexplained Shortages

An unexplained or significant shortage must be reported immediately to:

1. The employee's supervisor or principal; and
2. The Business Office.

The District will determine whether additional investigation or reporting is required.

Employees must not attempt to conceal, replace, offset, or otherwise correct an unexplained shortage without authorization.

14.4 Suspected Loss or Theft

Any suspected theft, disappearance, misappropriation, or loss of public funds must be reported immediately through the District's established reporting process.

ASB funds are public funds and are subject to the same safeguarding and loss-reporting requirements as other District funds.

15. CASH FUNDS AND CHANGE FUNDS

Change funds may be established only with Business Office approval.

A change fund is not revenue and may not be used for expenditures.

The authorized amount must remain constant.

The employee assigned responsibility for the change fund must maintain custody of it.

The change fund must be counted periodically and whenever responsibility is transferred.

Any discrepancy must be reported immediately.

16. FUNDRAISERS

All District and ASB fundraisers must be approved in accordance with District fundraising and ASB procedures before money is collected.

Fundraisers must have:

- An identified responsible employee;
- An approved purpose;
- An approved account/activity;
- A method for recording sales and collections;
- Appropriate inventory or sales documentation when applicable; and
- Procedures for reconciling money collected to the fundraiser's activity.

Money must be documented as soon as it is received.

Fundraiser collections must be counted daily.

Multi-day fundraisers must have a cash count and reconciliation at the end of each day.

Fundraiser money must not be retained by students or employees overnight unless it is secured in an approved District safe or other District-approved location.

At the conclusion of the fundraiser, collections must be reconciled to supporting documentation such as:

- Beginning inventory;
- Ending inventory;

- Number of items sold;
 - Price per item;
 - Tickets sold;
 - Registration records;
 - Online sales;
 - Cash collections;
 - Check collections; and
 - Other payment records.
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17. ASSOCIATED STUDENT BODY (ASB)

ASB funds are public funds and must be safeguarded and accounted for as District funds.

ASB advisors, officers, coaches, and students who handle money must follow these procedures.

Students may assist with fundraising and collection activities but must operate under appropriate adult supervision.

Students should not have sole custody of significant amounts of money.

ASB money must be:

- Documented when received;
- Counted;
- Secured;
- Deposited timely;
- Reconciled to the activity; and
- Recorded to the appropriate ASB account.

ASB funds may not be deposited into personal accounts or collected through personal payment applications.

ASB fundraising receipts must be reconciled to the fundraiser's supporting documentation.

Any suspected loss or theft of ASB funds must be reported immediately to the appropriate District administrator and Business Office.

18. ATHLETICS, TICKET SALES, AND EVENTS

Ticket sales and event collections must be controlled through an approved ticketing or receipting system.

Where tickets are used, the District should maintain sufficient documentation to reconcile:

- Beginning ticket inventory;
- Tickets sold;
- Complimentary or voided tickets;
- Unsold tickets;
- Ticket price;
- Cash collected;
- Electronic payments; and
- Attendance when applicable.

Each cashier should be assigned a separate cash drawer or change fund when practical.

At the end of the event, cash must be counted and reconciled.

Event receipts must not be taken home by employees.

After-hours collections must be secured in the District safe or deposited through an approved bank night-drop procedure when available.

19. DONATIONS

Donations must be handled in accordance with District donation and gift policies.

Employees should not direct donors to personal fundraising accounts or personal payment applications.

Donations designated for ASB or another District purpose must be receipted and deposited into the appropriate District account.

A donation does not become available for expenditure merely because a donor has indicated an intention to provide the funds.

Where Board acceptance is required, the donation must follow the applicable Board acceptance process before the funds are treated as an accepted District donation.

20. REFUNDS

Refunds must be processed only by authorized employees.

The refund must be supported by documentation showing:

- Original transaction;
- Amount originally paid;
- Reason for refund;
- Amount refunded;
- Date of refund;
- Recipient; and
- Approval, when required.

Refunds must not be used to conceal shortages.

Cash refunds should be minimized and used only when permitted by District procedures.

Refunds from electronic payment systems must be processed through the applicable approved system whenever possible.

21. RETURNED CHECKS / NSF PAYMENTS

Returned checks must be referred to the Business Office.

The original transaction should not simply be deleted or concealed.

The Business Office will determine the appropriate accounting entry and collection procedure.

Employees may not accept replacement cash and fail to document the replacement of the returned payment.

22. MAIL RECEIPTS

When money is received through the mail, employees should follow procedures that provide reasonable assurance that all payments received are identified and recorded.

Whenever practical, two employees should open mail containing payments and prepare a remittance list.

If two employees are not available, an approved compensating control must be used.

The remittance list should identify:

- Date received;
- Payor;
- Check number or other identifying information;
- Amount; and
- Purpose, when known.

The remittance list must be reconciled to the deposit.

23. SEPARATION OF DUTIES

The District will maintain separation of duties to the extent practical.

No single employee should control all aspects of a cash transaction from receipt through accounting and reconciliation.

Whenever staffing permits, different employees should be responsible for:

- Receiving money;
- Preparing the deposit;
- Recording the transaction;
- Reviewing the deposit; and
- Reconciling the accounting records.

When full separation of duties is not practical, the District will use compensating controls such as supervisory review, periodic independent cash counts, review of transaction reports, or other monitoring procedures.

24. RECONCILIATION AND REVIEW

Cash collections must be reconciled regularly.

The reconciliation should compare, as applicable:

- Receipts;
- Cash counts;
- Point-of-sale reports;
- Fundraiser records;
- Deposit slips;
- Bank records;
- Electronic payment reports; and
- Accounting records.

A person independent of the original collection should perform or review the reconciliation whenever practical.

Differences must be investigated and documented.

25. RECORD RETENTION

Cash-handling records must be retained in accordance with applicable Washington State records-retention requirements and District procedures.

Records may include:

- Receipt copies;
- Receipt logs;
- Point-of-sale reports;
- InTouch reports;
- Cash count sheets;
- Deposit records;
- Bank-validated deposit slips;

- Fundraiser documentation;
- Ticket reports;
- Over/short reports;
- Refund documentation;
- Returned-check documentation; and
- Reconciliation records.

Employees must not destroy cash-handling documentation outside the District's approved records-retention process.

26. EMPLOYEE CHANGES AND TRANSFER OF CASH RESPONSIBILITY

When an employee leaves a position involving cash handling, the supervisor must ensure that:

- Cash and change funds are counted;
- Receipt books are accounted for;
- Keys are returned;
- Safe access is removed or changed;
- System access is terminated or transferred;
- Outstanding deposits are reconciled; and
- Responsibility for cash is formally transferred.

A final cash count should be documented when responsibility changes.

27. SYSTEM ACCESS

Employees must use individual usernames and passwords for cash-handling systems whenever the system supports individual access.

Employees may not share passwords.

Access should be limited to the employee's job responsibilities.

Supervisors must notify the appropriate District department when an employee changes positions or leaves employment so access can be modified or terminated.

28. CREDIT AND DEBIT CARD PROCESSING

Credit and debit card transactions must be processed only through District-approved systems.

Employees must not:

- Write down or retain full card numbers;
- Photograph payment cards;
- Store card information in personal files;
- Process District payments through personal card readers; or
- Use a personal card-processing account for District transactions.

Card transaction records must be reconciled to the applicable point-of-sale or payment system.

29. THIRD-PARTY PAYMENT PROVIDERS

Any third-party service accepting payments on behalf of the District must be approved through the District's established procurement and contracting processes.

The arrangement must provide an appropriate method for the District to receive the funds and sufficient transaction reporting to reconcile payments.

Employees may not independently establish payment arrangements with third-party vendors.

30. REMOTE AND AFTER-HOURS COLLECTIONS

Departments and schools that collect money outside normal Business Office hours must establish a secure process before collections begin.

Money collected after hours must be:

1. Counted and documented;
2. Secured in an approved District safe or other authorized secure location; and

3. Deposited at the next available opportunity.

Employees must not take District receipts home for safekeeping.

31. SPECIAL EVENTS AND LARGE COLLECTIONS

For events expected to generate significant cash collections, the responsible administrator should establish additional controls before the event.

These may include:

- Multiple cashiers;
- Separate cash drawers;
- Two-person cash counts;
- Pre-numbered tickets;
- Central cash collection;
- Periodic transfer of excess cash to a secure location;
- Two-person deposit preparation; and
- Independent post-event reconciliation.

The amount of cash retained at an event should be minimized.

32. TRAINING

Employees responsible for receiving or handling District money must receive appropriate cash-handling training.

Training should cover:

- Receipting;
- Cash counts;
- Deposits;
- Safeguarding funds;
- Over/short procedures;

- Fraud prevention;
- ASB requirements when applicable;
- Electronic payment systems;
- Separation of duties; and
- Reporting suspected loss or theft.

Training should be provided to new employees before they independently assume cash-handling responsibilities and refreshed periodically.

33. SUPERVISORY MONITORING

Supervisors and administrators should periodically review cash-handling activities to ensure procedures are being followed.

Reviews may include:

- Unannounced cash counts;
- Review of receipt sequences;
- Review of voided transactions;
- Review of over/short activity;
- Review of deposits;
- Review of fundraiser reconciliations;
- Review of InTouch or point-of-sale reports; and
- Verification that deposits are timely and intact.

Repeated control deficiencies must be addressed with the employee and, when appropriate, reported to the Business Office.

34. LOSS, THEFT, OR SUSPECTED MISAPPROPRIATION OF PUBLIC FUNDS

Any employee who becomes aware of a missing deposit, unexplained shortage, suspected theft, fraudulent transaction, or other potential loss of District funds must report the matter immediately.

Employees must not:

- Delay reporting while attempting to replace the money;
- Use another account to conceal the shortage;
- Alter receipts;
- Delete transactions;
- Create false receipts;
- Make unauthorized journal entries; or
- Attempt to resolve suspected theft independently.

The District will determine the appropriate investigation and reporting requirements.

35. EXCEPTIONS

Exceptions to these procedures require prior approval from the Business Office unless an emergency makes prior approval impossible.

An exception must be documented and should identify:

- The circumstances;
- The reason the normal procedure could not be followed;
- The amount involved;
- The compensating control used; and
- The approving administrator.

An exception may not be used to circumvent District financial controls.

36. RESPONSIBILITIES BY ROLE

Business Office

The Business Office will:

- Establish District cash-handling procedures;
- Provide guidance and training;

- Maintain central accounting records;
- Monitor compliance;
- Review significant discrepancies;
- Establish approved payment systems;
- Coordinate with banking and County Treasurer functions; and
- Provide direction regarding unusual cash-handling situations.

Principals / Department Administrators

Principals and department administrators will:

- Ensure staff follow District procedures;
- Ensure money is secured;
- Review cash-handling documentation;
- Address discrepancies;
- Ensure timely deposits;
- Monitor fundraisers and events; and
- Report significant or suspected losses.

Secretaries / Bookkeepers / Cashiers

Employees assigned cash-handling responsibilities will:

- Receipt money promptly;
- Maintain custody of funds;
- Count and reconcile receipts;
- Prepare deposits;
- Secure funds;
- Maintain required documentation;
- Report discrepancies; and
- Follow all applicable District procedures.

ASB Advisors

ASB advisors will:

- Supervise student financial activities;
- Ensure fundraising money is documented and safeguarded;
- Ensure daily counts and deposits occur;
- Reconcile fundraiser activity;
- Ensure students understand their responsibilities; and
- Report discrepancies or suspected losses immediately.

Employees and Students Handling Money

Anyone handling District or ASB funds must:

- Follow District cash-handling procedures;
- Keep money secure;
- Document collections;
- Never commingle District money with personal funds;
- Never use District funds for personal purposes; and
- Immediately report discrepancies or suspected loss.

37. REQUIRED DAILY CASH-HANDLING CHECKLIST

Each location handling cash should be able to demonstrate that the following occurred:

- ☐ Money was documented when received.
- ☐ Cash and checks were secured throughout the day.
- ☐ Checks were restrictively endorsed.
- ☐ Cash was counted.
- ☐ The cash count agreed with receipts or system records.
- ☐ Any overage or shortage was documented.
- ☐ The deposit was prepared intact.

- ☐ Deposit documentation was completed.
 - ☐ The deposit was made timely or secured in an approved location pending the next available deposit.
 - ☐ Deposit records were retained.
 - ☐ Required reconciliation or supervisory review was completed.
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38. FUNDRAISER CLOSEOUT CHECKLIST

At the conclusion of each fundraiser:

- ☐ Fundraiser approval was obtained.
 - ☐ All collections were receipted.
 - ☐ Daily collections were counted.
 - ☐ All deposits were made intact.
 - ☐ Cash and electronic collections were reconciled.
 - ☐ Inventory or ticket activity was reconciled when applicable.
 - ☐ Remaining inventory was documented.
 - ☐ Total revenue was reconciled to supporting documentation.
 - ☐ Any shortage or overage was documented and reported.
 - ☐ Final fundraiser records were submitted according to District procedures.
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39. IMPLEMENTATION

These procedures apply to all District locations and activities.

Each school and department is responsible for implementing these procedures in a manner appropriate to its operations while maintaining the required internal controls.

Site-specific procedures may provide additional controls but may not reduce the minimum controls established by these procedures.

Questions regarding interpretation or exceptions should be directed to the Business Office before a transaction occurs whenever practical.

REFERENCES

Washington State Auditor's Office, BARS Manual — Cash Receipting.

Office of Superintendent of Public Instruction, School District Accounting Manual, current fiscal year.

RCW 43.09.240 — Deposits of public funds.

RCW 28A.325.020 — Associated Student Body funds.

RCW 28A.325.030 — Associated Student Body programs and funds.

Applicable District financial management, ASB, fundraising, records-retention, and procurement policies and procedures.