

Disclaimer: Please note that the Utah State Office of Education (USOE) model policies and procedures are general guidelines. These model policies are suggested best practices, and LEAs are not required to use or adopt these specific policies. LEAs are encouraged to modify these policies and procedures to adapt to the current environment of each specific LEA. Not every LEA has the same personnel positions as listed in the model policies and procedures; please modify the positions to conform to your LEA's circumstances and size.

Cash Receipts Model Policy

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. MODEL POLICY FOR CASH RECEIPTS AT THE LEA LEVEL

1. The LEA will comply with all applicable state and federal laws.
2. All receipting of funds at the LEA should be done at the cashier's 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 for receipt. Provisions should be made for cash receipting/collection at approved off-site activities or functions. Please refer to the Fundraising Policy. Funds may be receipted through the LEA's foundation, if applicable, in accordance with the foundation's cash receipts policy.
3. LEA employees should not open bank accounts, outside of the control of the LEA, 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 LEA or individual school business.
4. All funds shall be kept in a secure location controlled by the cashier until they can be deposited in an LEA-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 an LEA 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 LEA 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 LEA'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. MODEL POLICY 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 Fundraising Policy. Funds may be receipted through the LEA's 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 LEA, 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 LEA 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 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 are to be made payable to the LEA 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. MODEL PETTY CASH/CHANGE FUNDS POLICY

1. Petty cash and change funds must be authorized by the LEA 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 LEA 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 LEA 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 LEA personnel at any time.

Cash Receipts Model **Procedures**

H. MODEL PROCEDURES FOR CASH RECEIPTS AT THE LEA LEVEL

1. Mail should be opened by an individual independent of the cash receipt process, and funds received should be documented in a cash receipts log.
2. The cashier's cash drawer should be locked and secured at all times.
3. The cashier should receipt all funds immediately (cash, checks, credit cards, etc.), provide customers with a pre-numbered receipt, and retain a duplicate copy in the daily receipt or register detail.
4. Cash count sheets will be used for cash receipts at games and other school-sponsored activities after hours or off-site. These sheets will be completed by two individuals, signed by a member of administration on the day of the collection, and retained for verification in the daily receipt or register detail.
5. Funds received shall be recorded in the LEA's accounting records. A daily deposit report shall be printed; reconciled to the actual deposit, the receipt book, and cash receipt log; and retained for verification by administration along with the copy of the deposit slip in the daily receipt or register detail.

6. The deposit shall be placed in a secured, locked location until it can be deposited in an LEA-approved fiduciary institution.
7. Funds should be deposited daily or within three days after receipt, in compliance with Utah Code 51-4-2(2)(a), in an LEA-approved account.
8. An employee independent of the cash receipting process shall verify that the daily deposit detail reconciles to the validated deposit slip.
9. Monthly, bank reconciliation(s) should be performed on all LEA-approved accounts.
10. Monthly, bank statements and bank reconciliations should be reviewed and approved by administration.
11. Monthly, the LEA's board or audit committee should review and approve the bank statements, the bank reconciliations, and monthly journal entries.
12. No collecting or receipting of funds is to be done in other offices or at unapproved off-site activities or functions. Employees should never hold funds in any location for any reason.

I. MODEL PROCEDURES FOR CASH RECEIPTS AT THE INDIVIDUAL SCHOOL LEVEL

1. Mail should be opened by an individual independent of the cash receipt process, and funds received should be documented on a cash receipts log.
2. The front office's cash drawer should be locked and secured at all times.
3. The front office should receipt all funds immediately (cash, checks, credit cards, etc.) by student name, if applicable; provide customers with a pre-numbered receipt; and retain a duplicate copy in the daily receipt or register detail.
4. Cash count sheets will be used for cash receipts at games and other school-sponsored activities after hours or off-site. These sheets will be completed by two individuals, signed by a member of school administration on the day of the collection, and retained for verification in the daily receipt or register detail.
5. Funds received shall be recorded in the school's accounting records. A daily receipt or register detail report shall be printed; reconciled to the actual deposit, the receipt book, and the cash receipt log; and retained for verification by administration, along with the copy of the deposit slip in the daily receipt or register detail.
6. The deposit shall be placed in a secured, locked location until it can be deposited in a school-approved fiduciary institution.
7. 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.
8. An LEA employee independent of the cash receipting process shall verify that the daily receipt or register detail reconciles to the validated deposit slip.
9. Monthly, bank reconciliation(s) should be performed on all school-approved accounts.
10. Monthly, bank statements and bank reconciliations should be reviewed and approved by school administration.
11. Monthly, the board or audit committee should review and approve the bank statements, the bank reconciliations, and monthly journal entries.
12. No collecting or receipting of funds is to be done in other offices or at unapproved off-site activities or functions. Employees should never hold funds in any location for any reason.
13. Detailed activity budget vs. actual statements should be reviewed by program directors, coaches, teachers, etc. on a quarterly basis for accuracy and reasonableness.