

Fiscal Services Cash Receipts Policy and Procedures

CASH RECEIPT POLICY

PURPOSE

The Cash Receipt Policy provides procedures and guidelines to encourage an effective administration and internal control of cash handling operations in the Business Services Department at Morgan Hill Unified School District.

Note: The term, “cash,” includes currency, coins, personal checks, money orders, and cashier’s checks.

BASIC GUIDELINES

- Checks must be properly endorsed and receipted immediately.
- Currency (coins/ dollars) must be dual counted and receipted immediately using the Fiscal Services *Cash Count Form*.
- A receipt must be issued for each transaction.
- Cash must never be left unsecured.
- During hours of operation, areas where cash is handled must be restricted.
- During all other times, cash must be kept in a secured device or location until deposited.
- Under no circumstances should an individual keep School District funds with their own personal funds, deposit funds in a personal bank or take funds home.

Segregation of Duties

Cash handling operations must be subject to daily supervisory review and management. To minimize the potential for mistakes or misappropriation of cash, the components of cash handling, collection, deposit preparation, and reconciliation should be separated among different individuals. **At times when the separation of duties is not feasible, strict individual accountability and thorough management supervision and reconciliation review is required.**

Maintaining current and accurate records of the funds

Records should provide clear documentation of cash receipts from the time of collection to the time of deposit. This information should always be readily available for internal and external audit review. All receipt numbers (including voids) utilized must be accounted for. Check stubs, invoices or other back-up information pertaining to the receipt is to be held with the office receipt copy.

Reconciliation of Cash Receipts and Preparing the Deposit

On a weekly basis, collections are to be counted and reconciled with cash receipt records and local bank account deposit slips. All currency and checks should be accurately counted before completing the deposit. Any differences between the deposits and records of receipts are to be investigated and resolved.

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CASH RECEIPT PROCEDURES

Receipts

Receipts or receipt books must be sequentially pre-numbered and in triplicate form. Receipts should be pre-numbered and provide for the following information: revenue account, date of payment, purpose of payment, amount of payment, mode of payment, payer's name and the initials of the person preparing the receipt. Receipts are to be issued in numeric sequence and the numeric sequence is to be strictly controlled. Receipt books must be stored in a secured area, and used in sequential order. All receipts including those that are voided must be accounted for. Receipts are to be issued for each transaction and receipt copies are to be distributed as listed below:

- ✓ Original copy - customer receipt.
- ✓ Second copy - retained by department and stored with any backup information
- ✓ Third copy - should remain in the receipt book for reference purposes.

Checks

- ✓ Checks should be reviewed for authenticity.
- ✓ All checks must be endorsed immediately upon receipt.
- ✓ No third party checks will be accepted.

Currency

Currency (coins and dollars) need to be dual counted immediately upon receipt. Once the dollar amounts are confirmed between both counters, the currency should be secured in an envelope and sealed with both counters initials on the sealed flap of the envelope with the date they dual counted the currency.

Reconciliation and Deposits

Accounting Specialist:

- ✓ Reconciles cash to receipts.
- ✓ Prepares deposit slip.
- ✓ Delivers deposit to bank and returns bank deposit receipt to accounting specialist
- ✓ Files bank deposit receipt.

Fiscal Services Supervisor:

- ✓ Reviews and approves reconciliation and deposit slip before deposit at the bank.