Ganado ISD
Cash Management Procedures

Purpose: The District receives cash and checks from many local, state and federal sources. These procedures are designed to ensure that *all* cash received by the District and its employees are deposited and tracked for the benefit of the District and its students. Adherence to these procedures is essential to mitigate fraud.

General Cash Management Guidelines

A receipt, **Daily Collections Report** and/or **Cash Transfer Form** shall support ALL cash transactions. As money moves from one person to another, a document must exist to support the movement of the money.

A TEA or other agency Payment Ledger shall support non-cash receipts such as ACH deposits directly into one of the district's bank accounts.

No post-dated checks should be accepted. Funds should not be kept in classrooms, personal wallets or purses, or at home for extended periods of time. **No cash purchases should be made – every dollar collected should be receipted and deposited according to the collection procedures.**

All checks shall be verified to ensure that required components (noted below) are on the check. Incomplete checks shall be returned to the check issuer for correction and resubmission.

- Bank name and address
- Pre-printed check number
- Issuer name, address and phone number
- Check date (not post-dated)
- Check amount (numeric and alpha)
- Check issuer signature
- Optional, but preferred – completed "For" section

Personal employee checks shall not be cashed from monies collected at the campus or district level to ensure an adequate audit trail of all funds collected by the district.

Cash of different types shall not be commingled. A separate cash box shall be maintained for Change Accounts, Petty Cash and funds pending deposit (collections). All change and petty cash accounts shall be in balance every day. For example, the cash and/or receipts in a $350 petty cash account must equal $350 at all times and shall be subject to audit on a random basis.

Staff is strictly prohibited from "borrowing" from district funds. Staff who borrow (defined as temporarily removing of funds with the intent to return the funds) or steal district funds shall be subject to disciplinary action, up to and including termination of employment.

Face-to-Face Collections

All cash and checks received from campuses and departments should be counted, receipted, and prepared for bank deposit by the Accounts Receivable Clerk ***on a daily basis***. The bank deposit confirmation receipt shall serve as the official documentation of all cash collected.

The audit trail for all deposits shall include the single receipts, **Athletic or Ticketed Event Form**, **Concession Stand Sales Tally and Reconciliation Form**, and/or **Activity Account Daily Collections Report** that support the deposit.

The face-to-face cash collection procedures shall apply to the receipt of all reimbursements of federal grant expenditures such as the return of excess advanced funds for travel or other approved events. A receipt shall be issued for the return of the funds to ensure that an audit trail exists to support the receipt of the funds and the deposit back to the originating chart of accounts.

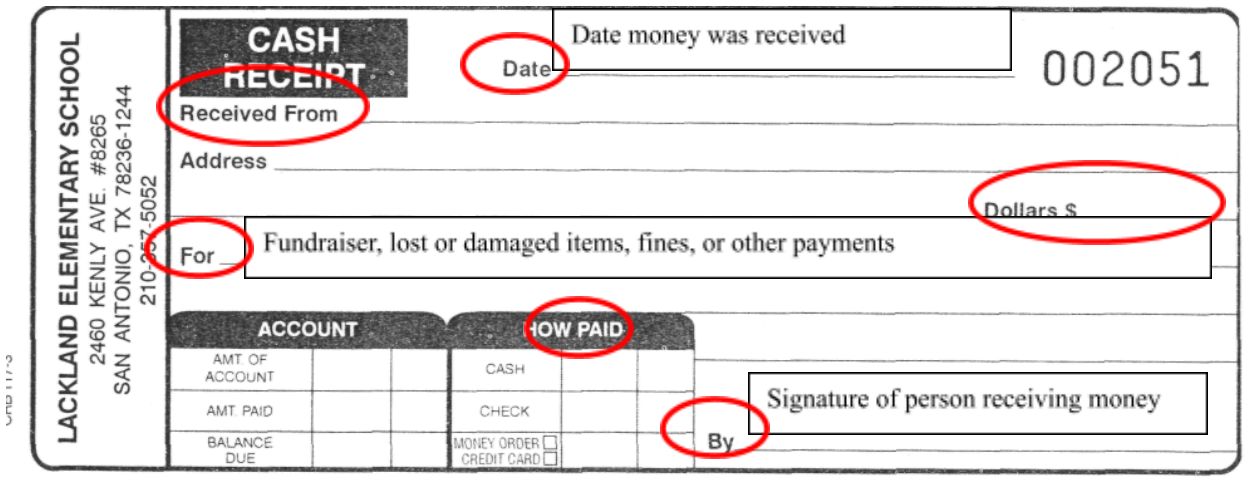
General Receipt Issuance Guidelines

The flow of money and the receipts must support all money collected and deposited. All receipts issued shall follow the following guidelines:

- An official receipt book with pre-numbered, bound receipts in triplicate
- Both parties to the money exchange should be present when the money is counted & receipted
- A copy of the receipt must be given to the person paying (sponsor) – **Original Copy**
- A copy of the receipt must remain in the receipt book
- A copy of the receipt should be attached to the deposit documentation
- Receipts should not be altered
- Voided receipts (white original copy) must be re-attached to the receipt book
- Receipts are not to be pre-dated or pre-signed
- Receipt numbers must be used consecutively

A copy of receipts or the appropriate form shall move with the funds.

Sample Receipt



At a minimum, the following items must be completed on a pre-numbered receipt.

- Date – the date the money was received
- Received from – Payee - the full name of the person paying the money (Address is optional – this field can be used to indicate of the payee is a student or parent.)
- Dollars – the actual amount collected in dollars and cents
- For – the reason for the payment (Note. This is essential to ensure that the correct campus, department, student organization, etc. receives credit for the funds.)
- How Paid – the type of funds received is essential to track cash and checks on the bank statement
- By – the signature (original – no stamps) of the person receiving the money

Collected by Teachers

- ❑ Cash and checks collected by teachers for student field trips or fees shall be reported on an **Activity Account Daily Collections Report**. The **Activity Account Daily Collections Report** shall include the date received, amount received, student name, and purpose of funds collected.
  - ❑ If payments were received from students for items such as entry fees, tickets, etc., the name of the student and amount collected should be reported on the form.
  - ❑ For sales of items, such as candy, ice cream, or other small items, the item(s) sold and the amount collected should be reported on the form.
- ❑ By the end of each day, teachers shall submit the funds collected with a copy of the Activity Account Daily Collections Report to the Principal's Secretary.
- ❑ Both the teacher and Principal's Secretary shall count the funds to ensure that the amount is verified prior to the issuance of a receipt from the Principal's Secretary to the teacher.

- ❑ Teachers shall maintain a copy of the receipt received from the Principal's Secretary for their own records.

Collected by Activity Account Sponsors (Including Fundraising)

- ❑ Cash and checks collected by activity account sponsors for student trips, club fees and fundraising shall be reported on a receipt or **Activity Account Daily Collections Report**. The **Activity Account Daily Collections Report** shall include the date received, amount received, student name, and purpose of funds collected.
- ❑ Prior to collecting cash from fundraising activities, the sponsor shall have an approved Authorization to Conduct a Fundraiser form (approved by the Campus Principal) on file with the Principal's Secretary.
- ❑ The activity account sponsor shall issue a receipt for all collections that exceed $5.00 per payment. Payments less than $5.00 shall be recorded on an **Activity Account Daily Collections Report**. The **Activity Account Daily Collections Report** shall include the date received, amount received, student name, and purpose of funds collected.
  - ❑ If a receipt book is used, it must be a bound, pre-numbered receipt book with triplicate copies shall be used. The original copy shall be given to the payee, the 2nd copy shall move with the money, and the third copy shall remain in the receipt book for audit purposes.
- ❑ By the end of each day, activity account sponsors shall submit the funds collected with a copy of the receipt or **Activity Account Daily Collections Report** to the Principal's Secretary. The receipts and/or **Activity Account Daily Collections Report** shall indicate the purpose of the funds, i.e. club fees, fundraising, etc.
- ❑ Both the activity account sponsor and Principal's Secretary shall count the funds to ensure that the amount is verified prior to the issuance of a receipt from the Principal's Secretary to the teacher.
- ❑ Activity account sponsors shall maintain a copy of the receipt received from the Principal's Secretary for their own records.

Collected by Activity Account Sponsors (Concessions)

- ❑ Cash and checks collected by activity account sponsors for concession sales shall be reported on a **Concession Stand Sales and Reconciliation Form**.

- ❑ The activity account sponsors shall complete the **Concession Stand Sales and Reconciliation Form** and submit to the Principal's Secretary with the cash collected on the same day of the event, as appropriate.
- ❑ If the concession sales are after hours, the activity account sponsor may submit the cash and **Concession Stand Sales and Reconciliation Form** to the Principal's Secretary on the next business day. The cash must be secured overnight in a locked safe.
- ❑ Both the activity account sponsor and Principal's Secretary shall count the funds to ensure that the amount is verified at the time the funds are submitted to the Principal's Secretary.
- ❑ The Principal's Secretary shall forward the **Concession Stand Sales and Reconciliation Form** and cash to the district Accounts Receivable Clerk for deposit.
- ❑ **The Stacey Campus shall have a Change Account in the amount of $30 for concession sales.**

Collected by Athletic or Other Ticketed Events

- ❑ Cash and checks collected for Athletic or Other Ticketed Events [plays, concerts, dances, etc.) shall be reported on an **Athletic Gate Receipts Form, Ticketed Events Form**, or individual receipts, as appropriate for the event. The forms shall include the starting and ending ticket numbers for adults and students.
- ❑ The tickets taker shall complete the **Athletic Gate Receipts Form, Ticketed Events Form**, or individual receipts, as appropriate for the event and submit to the Principal's Secretary with the cash collected on the same day of the event, as appropriate.
- ❑ If the event is after hours, the ticket taker may submit the cash and appropriate form or receipts to the Principal's Secretary on the next business day. The cash must be secured overnight in a locked safe or cabinet.
- ❑ Both the ticket taker and Principal's Secretary shall count the funds to ensure that the amount is verified at the time the funds are submitted to the Principal's Secretary.
- ❑ The Principal's Secretary shall forward the **Athletic Gate Receipts Form, Ticketed Events Form**, or individual receipts, as appropriate for the event and cash to the district Accounts Receivable Clerk for deposit.
- ❑ **The Athletic Department shall have a Change Account in the amount of $100.**

Collected by Principal's Secretary (Including Campus Fundraising)

- ❑ Cash and checks collected by the Principal's Secretary for student trips, club fees and fundraising shall be reported on a receipt or **Activity Account Daily Collections Report**. The **Activity Account Daily Collections Report** shall include the date received, amount received, student name, and purpose of funds collected.
- ❑ Collections by the Principal's Secretary may include:
  - ❑ Lost textbooks
  - ❑ Damage to campus supplies, equipment, facilities, etc.
  - ❑ Campus fundraisers
  - ❑ Lost or damage to technology devices such as i-Pads, laptops, computers, etc.
- ❑ Prior to collecting cash from fundraising activities, the campus shall have an approved **Approval to Conduct a Fundraiser Form** (approved by the Campus Principal) on file with the Principal's Secretary.
- ❑ The Principal's Secretary shall issue a receipt for all collections that exceed $5.00 per payment. Payments less than $5.00 shall be recorded on an **Activity Account Daily Collections Report**. The **Activity Account Daily Collections Report** shall include the date received, amount received, student name, and purpose of funds collected.
  - ❑ If a receipt book is used, it must be a bound, pre-numbered receipt book with triplicate copies shall be used. The original copy shall be given to the payee, the 2nd copy shall move with the money, and the third copy shall remain in the receipt book for audit purposes.
- ❑ By the end of each day, Principal's Secretary shall submit the funds collected with a copy of the receipt or **Activity Account Daily Collections Report** to the district Accounts Receivable Clerk. The receipts and/or **Activity Account Daily Collections Report** shall indicate the purpose of the funds, i.e. club fees, fundraising, etc.
- ❑ Both the activity account sponsor and Principal's Secretary shall count the funds to ensure that the amount is verified prior to the issuance of a receipt from the Principal's Secretary to the teacher.
- ❑ Activity account sponsors shall maintain a copy of the receipt received from the Principal's Secretary for their own records.
- ❑ A district-issued locking money bag shall be used to transfer the funds from the food service department to the district office. The bag shall be locked prior to delivering the bag to the Accounts Receivable Clerk.

Collected by Food Service Department - Cashiers

- ❑ Cash and checks collected by a Food Service Department cashier may include the following:
  - ❑ Student payments for daily meals, a la carte purchases and pre-paid meal account funds
  - ❑ Adult payments from District staff for daily meals, a la carte sales and pre-paid meal account funds
  - ❑ Adult payments from non-employees for daily meals or a la carte purchases.
- ❑ The Food Service cashier(s) post all cash collections to the automated system, Systems Design.
- ❑ By the end of each day, the Food Service Department cashier shall reconcile the cash collected with the **System Design Daily Summary Report** and submit the collections report to the Food Service Director for approval. After approval, the Food Service cashier(s) shall forward the cash and **System Design Daily Summary Report** to the Accounts Receivable Clerk (DP Specialist).
- ❑ Deposits which cannot be made on the same day shall be stored in a food service department locked safe or cabinet until such time as the deposit can be made.
- ❑ A district-issued locking money bag shall be used to transfer the funds from the food service department to the district office. The bag shall be locked prior to delivering the bag to the Accounts Receivable Clerk.
- ❑ The Food Service Department cashier shall maintain a copy of the receipt received from the Accounts Receivable Clerk with the campus records.
- ❑ **The Food Service Department shall have a Change Account in the amount of $160 (combined for both schools).**

Collected by Media Center Library Specialist

- ❑ Cash and checks collected by the Library Specialist may include the following:
  - ❑ Payments for library books, library fines and damages to library books.
  - ❑ Payments for lost or damaged kindles.
- ❑ The Library Specialist shall issue a receipt for all collections that exceed $5.00 per payment. Payments less than $5.00 shall be recorded on an **Activity Account Daily Collections Report**. The **Activity Account Daily Collections Report** shall include the date received, amount received, student name, and purpose of funds collected. The receipt issued may be from the library automation software (Follett) provided that the

date of the payment, payment amount, student name and purpose of the funds is included in the receipt.

- ❑ If a receipt book is used, it must be a bound, pre-numbered receipt book with triplicate copies shall be used. The original copy shall be given to the payee, the 2nd copy shall move with the money, and the third copy shall remain in the receipt book for audit purposes.

- ❑ By the end of each day, the Library Specialist shall submit the funds collected with a copy of the **Activity Account Daily Collections Report** and/or single receipts to the Accounts Receivable Clerk (DP Specialist).
- ❑ Deposits which cannot be made on the same day shall be stored in a Media Center safe until such time as the deposit can be made.
- ❑ A district-issued locking money bag shall be used to transfer the funds from the campus to the district office. The bag shall be locked prior to delivering the bag or sending the bag with the district courier to the Accounts Receivable Clerk.
- ❑ The Library Specialist shall maintain a copy of the receipt received from the Accounts Receivable Clerk with the campus records.
- ❑ **The Media Center shall have a Change Account in the amount of $30.**

Collected by Federal Grant Manager/Staff (District will (will not) generate program income)

- ❑ Program income generated by a federal grant award program shall be used to offset federal grant award costs and posted as revenue to the federal grant fund code.
- ❑ All program income activities shall be reviewed and approved by the Grant Manager.
- ❑ The program income generated shall be collected and receipted in accordance with the district's cash handling procedures.
- ❑ The Grant Manager shall ensure that the program income is used in accordance with the federal grant requirements.

Collected by Accounts Receivable Clerk (District Office)

- ❑ Upon receipt of cash/checks from a campus or department, the Accounts Receivable Clerk shall:
  - ❑ Count the total deposit and issue a receipt for the cash/checks to the payee.
  - ❑ Verify that the supporting receipt(s) or Daily Collections form(s) total the amount of the deposit. Note. For food service deposits, the Systems Design report with total cash collected shall be attached as documentation.

- ❑ Cash and checks collected by the Accounts Receivable Clerk may include the following:
  - ❑ Student payments (during the summer months) for lost textbooks, damages to property and other related collections
  - ❑ Staff reimbursements of travel funds (local, state and federal funds)
  - ❑ Donations from external sources
  - ❑ Other miscellaneous checks from vendors
  - ❑ Deposits from a campus, food service department, or the media center
- ❑ The Accounts Receivable Clerk shall issue a receipt for all collections. The receipt shall include the date received, amount received, student name, and purpose of funds collected.
  - ❑ If a receipt book is used, it must be a bound, pre-numbered receipt book with triplicate copies shall be used. The original copy shall be given to the payee, the 2nd copy shall move with the money, and the third copy shall remain in the receipt book for audit purposes.
- ❑ All checks shall be verified **again** (initial verification shall be completed by individual receiving and receipting the cash/checks) to ensure that required components (noted below) are on the check. Incomplete checks shall be returned to the campus or department for correction and resubmission.
  - ❑ Bank name and address
  - ❑ Pre-printed check number
  - ❑ Issuer name, address and phone number
  - ❑ Check date (not post-dated)
  - ❑ Check amount (numeric and alpha)
  - ❑ Check issuer signature
  - ❑ Optional, but preferred – completed "For" section
- ❑ By the end of each day, the Accounts Receivable Clerk shall prepare all check funds for deposit to the District's depository bank (Frost Bank) no later than 2:00 pm through the Remote Deposit service.
- ❑ By the end of each day, the Accounts Receivable Clerk shall prepare all cash funds for deposit to the District's depository bank (Frost Bank) no later than 2:00 pm for pick up by the district courier.

- ❑ All funds shall be sealed in a secure money bag. The tracking number for the money bag shall be attached to the deposit supporting documentation.
- ❑ Deposits which cannot be made on the same day shall be stored in the business office safe until such time as the deposit can be made.
- ❑ The bank deposit supporting documentation should be forwarded to the Finance/Payroll Coordinator for posting to the general ledger and bank reconciliation purposes.
- ❑ All supporting documents for the bank deposits should be forwarded to and maintained by the Accounting/Purchasing for audit purposes.

Transport of Deposits to the Bank – District Courier

- ❑ The district courier should deliver all deposits to the closest bank branch in a secure money bag.
- ❑ The district courier must wait for the deposit to be processed and a deposit confirmation receipt issued by the teller.
- ❑ The deposit confirmation receipt shall be forward to the Finance/Payroll Coordinator.

Online Collections

Collected for the Food Service Department – Lunch Money Now (LMN)

- ❑ The Food Service department shall prepare a Systems Design LMN report twice a month in accordance with the established cut-offs that indicates the total amounts paid into student meal accounts through the LMN system.
- ❑ The Food Service department shall submit the LMN report to the business office within 3 business days of the close of the cut-off period.
- ❑ The business office shall post a receivable (1290) to the general ledger to indicate that a check is forthcoming.
- ❑ Upon receipt of the check from Systems Design, the business office shall post the cash receipt to the receivable account suing “LMN period covered” as the cash receipt description.
- ❑ The Food Service department shall review the CNP revenues to verify if the LMN revenue has been posted to the appropriate account(s).
- ❑ As part of the End-of-Month (EOM) procedures, the business office will monitor aged receivables, including the LMN receivables, to ensure that the funds have been received on a timely basis.

- ❑ If the business office finds that an aged receivable for the LMN funds exists, the Food Service department will be notified to allow the department to follow up with Systems Design.

Collected through RevTrak – Fundraising, Donations, Sales, etc.

- ❑ The CFO and Finance/Payroll Coordinator shall create items for sale on the RevTrak system.
- ❑ On at least a weekly basis, the Finance/Payroll Coordinator shall generate a Sales Report from RevTrak and reconcile with an inquiry of deposits from the depository bank.
- ❑ The reconciliation shall be submitted to the CFO to complete an online transfer of funds to/from the appropriate bank accounts.
- ❑ The deposits shall be reconciled by revenue account and posted to the general ledger.
- ❑ At the end of the month, as part of the EOM Process, the Finance/Payroll Coordinator shall reconcile all RevTrak deposits with the bank statements.

ACH/Wire Deposits – Recurring/Single Deposits and Drawdown of Grant Funds

- ❑ Single deposits shall be posted to the general ledger upon receipt and identification of the source of funds. Clarifications, if needed, on the appropriate revenue codes shall be forwarded to the Chief Financial Officer.
- ❑ All recurring deposits such as state funds (as noted on a TEA Payment Ledger) shall be posted to the appropriate revenue account upon receipt of the funds.
  - ❑ The account codes may include state revenue accounts such as 5811, 5812, etc. or receivable accounts such as Due from State (1241).
- ❑ The district shall seek reimbursement of federal grant funds AFTER the payments have been disbursed to the vendor.
  - ❑ The district shall strive to drawdown funds on at least a monthly or quarterly basis to manage available cash and illustrate timely implementation of grant activities.
  - ❑ If a granting agency allows advanced grant funds, the district shall maintain the advanced grant funds in a separate bank account in accordance with 2 CFR 200.305(7). [Note. Earned interest up to $500 per year may be retained by the district; however, additional interest shall be remitted annually to the granting agency.
- ❑ The Drawdown Certification form shall be prepared by _____ and approved by _____ before the funds are requested through the TEA ER System or similar system for a non-TEA federal grant award to ensure that all expenditures meet grant program guidelines, FASRG account code requirements and procurement standards.

- ❑ A copy of the supporting general ledger with the net expenditures (less advanced payments, refunds, rebates, accrued wages/liabilities (2161 & 2211), etc.) shall be attached to the Drawdown Certification form.

❑ Upon submitting a Reimbursement of Grant Funds Request (Draw-Down), the receivable shall be posted to the general ledger using a Due from Federal account code (1242).

❑ The final drawdown request for a federal grant shall be submitted before the granting agency's deadline. The final drawdown shall be reviewed and approved in the same manner as a periodic drawdown.

- ❑ There shall be no outstanding purchase orders, rebates, refunds or pending liquidations at the time of the final drawdown of grant funds.

❑ Upon receipt of the receivable, the _____ shall post the receivable to the general ledger to clear the receivable.

❑ Aged receivables (past 60 days) shall be researched and reconciled on at least a monthly basis as part of the EOM Process.

Posting of Deposits, Withdrawals and Transfers – Finance/Payroll Coordinator

❑ Notices of checks which were not deposited due to "insufficient funds" shall be received by and processed by the _____.

- ❑ A form letter should be prepared and sent by the _____ to all makers of rejected checks. The established fee of $_____ for rejected checks shall be noted on the form letter.
- ❑ A JV or Cash Receipt Reversal shall be prepared by the _____ to record the returned deposit. After approval of the JV by the Chief Financial Officer, the _____ shall record the receivable to the general ledger.

❑ All cash transfers between cash and investment accounts shall be initiated by an investment officer and posted by the _____. Deposits from investment accounts shall be posted as cash receipts journals. Withdrawals from investment accounts shall be posted as general journal vouchers.

❑ All other cash withdrawals from a bank account such as ACHs or wire transfers shall be initiated by the _____, approved by the _____ and posted to the general ledger by the _____.

❑ All recurring miscellaneous revenue, such as vending commissions, shall be forwarded to the Accounts Receivable Clerk for receipting and depositing purposes. The Finance/Payroll Coordinator shall post the deposits to the general ledger. Clarifications, if needed, on the appropriate revenue codes shall be forwarded to the Accounting Manager and/or Chief Financial Officer.

- ❑ All travel reimbursements to the district shall be submitted to the respective campus by the traveler, and then forwarded by the Principal's Secretary to the Accounts Receivable Clerk for receipting and depositing purposes. The Finance/Payroll Coordinator shall post the deposits to the originating expenditure account. Clarifications, if needed, on the appropriate revenue codes shall be forwarded to the Chief Financial Officer.
  - ❑ Travel advances, if any, shall be tracked to ensure that federal grants are not closed out while outstanding travel advances and/or expenditures are outstanding.

Monitoring Available Cash – Finance/Payroll Coordinator

- ❑ A **Daily Available Cash Balance Report** shall be prepared by the Finance/Payroll Coordinator and submitted to the Chief Financial Officer for review no later than 9:00 am on a daily basis (via email).
  - ❑ An investment officer shall transfer out excess cash to an investment account
  - ❑ An investment officer shall transfer in sufficient funds to meet cash shortfalls prior to the disbursement of payroll and/or accounts payable disbursements.
- ❑ The Daily Available Cash Balance Report shall include the pledged collateral as reported b the BNY Mellon daily report.
  - ❑ The collateral is set early in the morning by Frost Bank and adjusted as the bank balance changes throughout the day – the deadline to increase/decrease pledged collateral is 2:30 p.m.
  - ❑ The Chief Financial Officer shall notify Frost Bank of any pending transactions that may require additional collateral such as Impact Aid payments, investment withdrawals, etc.
  - ❑ Frost Bank is covering pledged collateral at 130% of balances, plus the $250,000 FDIC coverage.
  - ❑ The Tri-Party Collateral Price Report (daily) reflects the total pledged collateral (#3) and the total required collateral (bank balance) #9.
  - ❑ To increase collateral an email must be sent by the CFO to Frost Bank at:

    _____
- ❑ The Finance/Payroll Coordinator shall maintain a **High Cash Balance Report** every month. The report shall reflect the highest cash balance during each month and the cash balance at the EOM.
  - ❑ The **High Cash Balance Report** (spreadsheet) shall be forwarded to the Chief Financial Officer by September 15th for audit purposes.

- ❑ The Chief Financial Officer shall verify that the district's deposited funds are fully collateralized at all times in accordance with state law.