

Cedar Rapids Community School District

Cash Management Procedures

Revised 7-23-12

Introduction

Handling of cash is under the fiduciary control and responsibility of the District's Board of Education. The Board establishes policies and then procedures are put into place by the District's administration to establish internal control over these funds and to ensure compliance with statutory requirements including Dillon's Rule; Chapter 298A of the Code of Iowa; Iowa Department of Education Administrative Code Section 281-12.6(1); court cases; and opinions of the Iowa Attorney General.

Handling funds in the public school is a serious matter governed by State law and Board policy. This document is intended to assist you in conforming to these regulations. To ensure that cash is managed appropriately, specific cash management procedures have been established. All cash management procedures are applicable to all cash and checks received for all operations of the District.

"Cash" is defined as coin, currency, checks, money orders and P-card-credit card transactions.

Public Purpose

District funds are to be expended only for legitimate public purposes and not for private personal gain for which services of comparable value have not been rendered to the District. This is a requirement of the Iowa Constitution.

All funds received by the District are considered public funds and must be used to support the educational mission of the District. The best test to use when determining whether the expenditure is appropriate is called the "public scrutiny test." The test is simple and merely asks whether the tax-paying public would view the expenditure as necessary to support public education. **If you are already questioning whether the expenditure is appropriate, it may very well not be appropriate.** Contact your supervisor if you have any questions about appropriate expenses.

Expenditures of District funds for District officers, directors, employees, and volunteers for the following purposes, as these are commonly granted benefits for employees and volunteers in public and private organizations which aid in recruitment of personnel, promote improvement of staff morale and cooperation, and assist in building a commitment to the District, thus assisting in creating a more productive learning environment.

1. mementoes for employee recognition for service to the District
2. retirement appreciation function to recognize retiring employees
3. recognition item upon the retirement of an employee
4. recognition item upon the end of service by a Board member
5. volunteer appreciation
6. food items and refreshments for Board members and staff during Board meetings and / or work sessions

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7. food items and refreshments for Board committees or superintendent committees during meeting

District awards or tokens of recognition shall be determined by the School Board and/or the Superintendent or designee in advance and shall be paid for with “central” District funds under the control of the Superintendent or designee. Public funds should not be used for the purchase of department or building level staff awards or tokens of recognition.

The District’s Appropriate Use of Public Funds Policy may be found at:

<http://www.cr.k12.ia.us/departments-services/accounting/>

Records retention

As per Board Regulation 704.5, all documentation related to cash handling must be kept on file at each building/department site for a minimum of 5 years.

Issuing Receipts

All Elementary buildings and District Departments

Individual Receipts: When any student fees are collected at the school/department site, the school/department will issue to all payers, a pre-numbered, signed receipt using [CRCSD 3501.0018 Student Receipt Book](#). These forms are available in the District Warehouse. White copy is given to the payer, pink is attached to the building copy of the remittance form and filed at the school site and the yellow copy stays in the receipt book.

Secondary buildings

Individual Receipts: When any student fees are collected at the school site a computer generated numbered receipt will be issued to all payers using the Cashless Schools system. The two part receipt form is filed as follows. One copy to the payer and the other copy is attached and filed with the deposit supporting documentation.

All District Locations

Mass Receipts: When small dollar amounts are being collected from many individuals, a separate [Money Collection Form](#) (available on the intranet), may be used in lieu of individual receipts. The completed Money Collection Form total must match all currency/checks collected. The Money Collection Form and currency/checks must be submitted to the appropriate building secretary/bookkeeper who will issue a receipt to the submitting District staff member using the appropriate individual receipting process described above. The Money Collection Form will be attached and filed with the deposit supporting documentation.

Voiding Receipts

Voided receipts are to be noted as such; i.e., write the word “VOID” across the face of all copies of the receipt and initial. All three copies should be kept. The original and the 1st

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copy (yellow) should be stapled to the [General Remittance Form](#) kept at the site in numerical sequence, and a new receipt for the correct amount prepared.

Refunds

Refunds should NOT be made from cash receipts or petty cash. If it is necessary to refund money to an individual who has paid a district fee or fine, a [Refund Request Form](#) (available on the intranet) should be completed.

For refunds that are processed at the secondary buildings for Activity Fund related fee refunds, the Refund Request Form or similar “equivalent” form must be used to provide for the proper administrative authorization of the refund request. This request should be accompanied by a photo copy of the original receipt.

Issuing Invoices (Request for payment)

With minor exception listed below, the Accounting Department is solely responsible for issuing invoices (request for payment). All District Buildings and Departments, who are authorized to send invoices, must submit a summary of amounts owed the District to the Accounting Department for centralized billing and accounts receivable aging.

Exceptions to centralized billing at this time would be:

- Psychiatric billings (OLL invoices and Accounting ages receivables)
- All student fees (ie: consumable materials, activity, lost text book etc.)
- Retiree Health Insurance

If in doubt regarding the proper handling of a fee owed the District, please check with the Accounting Department for guidance.

Security of Funds

All monies are to be remitted directly to the building site main office or appropriate designated central location and immediately secured in a safe or locking file cabinet. Receipts are provided according to the established **Issuing Receipts** procedure.

All funds collected **MUST** be adequately secured at all times. Keep cash in a locked safe or container in a locked cabinet. **Do not leave cash unattended**; lock it up if interrupted during deposit/transmittal preparations. Safes are recommended for each location; call the district office if you desire a safe and do not have one.

School and Department Administrators are responsible for ensuring the following occur:

- * Changing safe combinations as personnel changes.
- * Limiting the number of people who have access to combinations and keys.
- * Not storing cash in areas where general staff or students have access.

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- * Evaluating the safety of money and the protection of students and employees on a regular basis.
- * Making bank deposits frequently and keeping cash in schools to a minimum.

Parent or Faculty Group Funds: Since all moneys kept on school property may be considered school district funds, it is important to minimize the amount of time funds generated by parent or faculty groups are kept on school property. At a minimum, parent or faculty group funds should be removed from school property on a weekly basis by an appropriate authorized parent or faculty group representative. “Security of Funds” procedures as stated in this section apply to parent and faculty group generated funds until these funds are removed from the building. “Parent Groups” include PTA’s, PTO’s, Booster Clubs and other similar organizations designed to promote and support the Cedar Rapids Community School District.

THEFT: In the event of a theft, contact the Cedar Rapids Police Department and the Manager of Accounting. Complete a [Damage Loss Report](#) and submit following the Damage Loss Reporting procedure. Contact Business Services for assistance.

Frequency of money remittance to Central Accounting Department

All Elementary buildings and District Departments

In order to minimize the amount of monies on hand at all times, all monies collected that are to be submitted to the Central Accounting Department will be submitted, at a minimum, on a weekly basis throughout the year. For amounts exceeding \$5,000 remittance must be the same day.

Secondary buildings

In order to minimize the amount of monies on hand at all times, all monies collected are to be deposited at the appropriate Activity Fund bank of record, or submitted to the Central Accounting Department, at a minimum, on a weekly basis throughout the year. For amounts exceeding \$5,000 remittance must be the same day.

Submission to the Central Accounting Department of any “General Fund Monies” that are initially deposited into the Activity fund, (ie: Instructional material fees, driver’s education etc.) will at a minimum occur on a monthly basis.

Submission of all monies from Facility/Department to Central Accounting Department

1. Two people at the facility/department location will serve as “counters” and will count and verify the amount of monies that are to be submitted to the Central

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- Accounting Department. The money totals should agree to the receipts that have been issued.
2. All checks must be endorsed “Cedar Rapids Community School District - For Deposit Only” using a District provided endorsement stamp.
 3. The money is to be placed into an approved pre-numbered bank bag and sealed.
 4. The outside of the money bag will be completed indicating:
 - a. facility/department location of collection
 - b. a total deposit - including cash and check totals that agree with the [General Remittance Form](#).
 5. Both “counters” are to initial the top strip of the pre-numbered bank bag.
 6. The top strip is then to be removed from the money bag and attached to all related receipts with a copy of the General Remittance Form and filed at the building location.
 7. Complete the General Remittance Form found in the AppliTrack system for all remittances and submit electronically to the Accounting Department.
 8. Once receipts are matched with the cash and check totals and the General Remittance Form is completed, the prepared bank bag will be sent to the Accounting Department Cash Desk as follows.
 9. The [Facility/Department Bank Bag Transport Log](#) will be completed as follows:
 - a. **When Preparing**, complete the following fields within **Facility/Department Information section**: bank bag number, Bag \$ amount submitted, and signature of person preparing the bag.
 - b. **When the bag is picked up for transport** by an authorized District staff person, please complete the following fields within **the Transport Information section**, signature of person releasing the bag, signature of person transporting the bag and date. Deposit amount verification is NOT completed until notification is received from the Accounting Department that the transaction is complete. See step 11 below.
 - c. Bank bags that are damaged and are unusable must be recorded on the Facility/Department Bank Bag Transport Log in numeric sequence so all bank bags are accounted for.
 - d. All bank bags transported by District personnel must be secured and locked at all times.
 - e. When arriving at the Central District offices, all bank bags are to be taken directly to the Accounting Department Cash Desk.
 - f. The Accounting Department Bank Bag Transport Log will be completed noting bank bag number, date, signed by District person transporting and Accounting Department person receiving.
 10. Upon receipt of the monies by the Accounting Department into the General Ledger the [General Remittance Form](#) will be completed and the originator of the form will receive an e-mail acknowledgement.
 11. Upon acknowledgement, the appropriate facility/department staff person will:

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- a. Reconcile the amount verified by the Accounting Department to the amount submitted by the facility/department.
- b. Check for variances and contact the Manager of Accounting for assistance if needed.
- c. Sign column 4 of the Facility/Department Bank Bag Transport Log.

Cash Overages and Shortages

If the amount of cash on hand is different than the total receipts issued, an overage or shortage has occurred. An attempt should be made to determine the cause of the discrepancy and the proper steps taken to resolve the error.

If the cause cannot be determined, the following steps should be followed:

Overages: The amount of the overage should be immediately receipted on a district receipt, with the explanation of “Cash Overage” written on the receipt. The money should be deposited and transmitted.

Shortages: The amount of the shortage should be immediately receipted on a district receipt, with a NEGATIVE AMOUNT and the explanation of “Cash Shortage” written on the receipt.

Anytime an overage or shortage occurs, it must be noted on the [General Remittance Form](#) in the description of deposit.

Checking Accounts

No one is allowed to open any type of bank account using the District’s Tax ID for depositing school district funds without authorization from the Board Treasurer.

Parent funds such as PTA’s, PTO’s or Boosters are considered private and not to be deposited into any bank account using the District’s Tax ID. Any monies deposited into a bank account using the District’s Tax ID become public funds owned by the Cedar Rapids Community School District and subject to use of public funds rules governed by the Code of Iowa.

Any checking account using the District Tax ID that has been opened without authorization of the Board Treasurer must be closed. There are three available options listed below in the event an account must be closed.

1. You may close the account and send the cash balance to the Accounting Department. The Accounting Department will increase your building controlled budget by the amount of the check. This will be handled as a donation is

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generally handled. This money will then only be available to be used for allowable expenditures of the District. This does not include staff pop purchases, staff parties, retirement gifts, etc.

2. You may close the account and open a new account using an individual's social security number. This person will be the owner of the account and will have the responsibilities that this entails, including reporting interest, paying fees, etc.
3. You may apply for an employer identification number (EIN) for your group, then close the account and open a new account using the new employer identification number. You can apply for an EIN at www.irs.gov. There are detailed instructions included to help you through this process.

It is necessary to ensure proper controls are in place for all District funds. Please contact the Manager of Accounting for additional assistance.

Petty Cash

The District's goal is to have a minimum of cash in buildings at any given time. For this reason, Petty Cash is generally not allowed. At secondary buildings where cash boxes are necessary to process the exchange of money at co-curricular events, the aggregate amount kept in cash boxes should ideally be less than \$1,000 for the entire building location. All event gate receipts should be promptly deposited following the event. The District is not in the business of cashing checks or making change. Please encourage parents/guardians to send the exact amount needed to pay for student fees.

Change Orders

Use of Change Orders is appropriate for District sponsored activities where monies are collected such as sporting events, fine arts events, book fairs and any other District sanctioned and managed event. The maximum amount of a change order is not to exceed \$250 unless approved by the Manager of Accounting based upon special circumstances. A [Change Order Form](#) with appropriate instructions is available on the District Intranet.

For all change orders processed in secondary building either the Change Order Form, or similar form must be used to provide proper documentation and administrative authorization for the change order.