

## **CASH MANAGEMENT Administrative Guideline**

The following guidelines are established to promote sound internal controls over the safeguarding, accounting and auditing of money within the District, including activity funds. Day-to-day cash handling procedures for the various sources of cash within the District will be developed and updated as necessary by the Superintendent.

**Documentation:** All transactions (deposits and disbursements) are to be clearly documented and the documentation should be available for review if requested. Documentation should be retained in accordance with the State of Michigan Record Retention and Disposal Schedule for Public Schools (Education Bulletin 522 Revised).

- A. Appropriate **deposit** documentation includes the underlying detail of each deposit, including payer's name, amount paid, purpose and date of payment. It also includes detailed deposit slips listing the amount of coins, the number of \$1's, \$5's, \$10's, etc., and listing each check separately.
- B. Appropriate **disbursement** documentation includes an original invoice or a check request evidence with proper approval.

**Recording of Transactions:** Transactions are to be promptly recorded and properly classified in accordance with the Michigan Public School Accounting Manual (Bulletin 1022) using an accounting system that is approved and supported by the Business Office.

- A. **Deposits** should be made when a deposit reaches \$500 or weekly, whichever comes first and recorded timely (within a day of making the deposit).
- B. Money must be available in the account before **disbursements** are made. Administrative approval is required for disbursement if funds are not available.

### **Physically Safeguarding Assets:**

- A. Deposits, blank check stock and signature stamps are to be secured in a locked area, away from the general public.
- B. Deposits should be verified for accuracy by a second party.
- C. Checks should be payable to Fitzgerald Public Schools. Checks should never be payable to cash.

- D. Post-dated checks should not be accepted.

**Monthly Reconciliation:**

- A. Bank reconciliations are to be completed within one (1) month of the bank statement date. Original bank statements shall be filed at the Business Office.
- B. Checks returned for non-sufficient funds (NSF) and related fees should be recorded against the original deposit and given to the appropriate person for follow up (i.e. Activity Sponsor) shall review transactions at least quarterly for propriety.
- C. Individuals with financial responsibility (i.e. Principals, Department Directors, Athletic Directors, Student Activity Sponsors) shall review transactions at least quarterly for propriety.

**Annual Reviews:** Periodically throughout the year, a member of the Business Office will review transactions originating at the building level. All documentation must be readily available for review. As part of the District's year-end audit procedures, the board appointed auditor may also examine records to ensure compliance with generally accepted accounting principles.

**Competent Personnel:** Employees must have personal and professional integrity and are required to maintain a level of competence that allows them to accomplish their assigned duties, and understand the importance of maintaining good internal controls. If an employee suspects illegal activity contact the Superintendent's office.