

REVENUE AND CASH MANAGEMENT POLICY

Section 9.1 Revenue Recognition

Under the accrual basis of accounting, revenue recognition occurs in the accounting period in which the revenue becomes objectively measurable and earned. "Objectively measurable" means the amount can be determined accurately.

CACS's revenue is derived from various sources including state QBE revenue, local revenue, federal and state grants, local grants and contracts, private gifts, investment income, and miscellaneous income. School related revenue is generated through such sources as miscellaneous sales (fundraising), athletic ticket sales, concessions, student dues and fees, etc.

Section 9.2 Cash Receipts

Cash is the most liquid asset of an organization. Therefore, it is the objective of CACS to establish the strongest possible internal controls in this area. Internal controls related to cash are policies and procedures that serve to safeguard cash. Because of the risks inherent in cash collections, these controls are essential. Internal controls related to cash receipts are proper authorization of transactions, segregation of duties, and security of records. As cash, checks and electronic transfers (ACH) are received, the staff has two responsibilities:

1. Accountability must be established.
2. Receipts must be deposited as quickly as possible.

CACS has two main cash collection areas. These are Main Office and School Nutrition.

Section 9.3 Main Office Cash Receipts

Cash receipting is centralized at the office. All monies collected and/or received daily in the postal mail are immediately delivered to the Financial Department for receipting. As monies are received, a Check Log is completed to include the check/cash receipt date, check/cash receipt number, payer source, amount, a brief description. The recording of the receipts is prepared in an open area, in the presence of other employees, and under the supervision of the Chief Financial Officer. Checks are endorsed with "**FOR DEPOSIT ONLY**"

A pre-numbered cash receipt is written to the individual delivering the cash to the Finance Department. A two-part cash receipt book is used. The white (top) copy of the receipt is given to the person delivering the cash. The second (yellow) copy is attached with the deposit backup and is maintained in sequential number in the receipt book for audit purposes. Cash Receipt Forms and pre-numbered receipts should be completed in **pen**. Under no circumstance should the receipt amount or signature be altered. If either of these occurs in the preparation of a receipt, mark the form as "**VOID**" and complete a new form. All voided forms should be retained for audit purposes. *Cash collected should never be used to cash checks, make change (unless noted), or purchases.*

Section 9.4 Main Office Deposits

All funds must be always kept secure in the Finance Department safe. Safe access is limited to the Chief Financial Officer and department staff. Deposits must be made at a minimum of every 3 **business days**.

The Front Office Clerk will tally and initial the Check Log, run a tape of checks and cash, and

reconcile to the cash and checks on hand on the day of deposit. The Check Log and receipts are then passed over to the Accountant to prepare the deposit and enter it into the Financial Accounting System (QuickBooks). The Accountant will run a separate tape with the deposit preparation and reconcile to the totals on the Check Log. ***Copies are made of all checks, cash receipts, and deposit receipt prior to delivering to the bank. All backup documentation is maintained with the Journal Entry documentation for audit records.***

With the approval of the CEO, the CFO will designate someone not associated with the receipt or recording of cash to physically deliver the deposit to the bank and obtains a confirmation receipt. The deposit receipt is returned to the Accountant for filing. A folder is prepared for each deposit which includes the deposit receipt, backup, and hard copy of the journal entry. The journal entry is signed off by the preparer and reviewed and approved by the Chief Financial Officer.

The District also receives the majority of federal and state funds electronically from the Georgia Department of Education. The Accountant checks the on-line banking system for the general operating account for electronic deposits received. As funds are received, a confirmation page is printed. This page is noted with the account number, description of source, initialed and processed. The same procedures noted above for entering and maintaining the deposit information are completed with these receipts.

Section 9.5 School Student Activity Fund Cash Receipts

All funds received by the school should be documented by a cash receipt. Monies received (donations, fundraisers, field trips, coke/snack commissions, etc.) by school personnel, with the exception of the Accountant, should be recorded on a Cash Receipt Form. All monies received directly by the Accountant should be recorded using a system generated, pre-numbered receipt. Cash Receipt Forms should be completed electronically and signed in **pen**. Pre-numbered receipts must be generated by the Accountant using the school activity account accounting software. Under no circumstance should the receipt amount or signature be altered. If either of these occurs in the preparation of a receipt, “VOID” the receipt and complete a new form. All voided forms should be retained for audit purposes.

All monies received should be recorded and turned into the Accountant intact. ***Cash collected should never be used to cash checks, make change (unless noted), or purchases.*** School volunteers are not authorized to make collections and issue receipts. Cash collected for miscellaneous sales (ice cream, athletic gates, dances, etc.) should be counted with a second person present and the Cash Receipt Form signed by both parties.

Section 9.6 Collections by Staff

- Teachers/Advisors should complete and sign a Cash Receipt Form daily for any funds received from students and forwarded to the Accountant with the funds. After verifying the funds, the Accountant should record the receipt in the school activity account accounting software and print a three-part, system generated, pre-numbered receipt. The first part of the receipt should be given to the teacher/advisor. The second part of the receipt should be attached to the Cash Receipt Form. The final receipt copy should be maintained by the Accountant, along with any voided receipts for review. ***The bottom of the Cash Receipt Form should be completed with the account information. Checks, pre-numbered cash receipt copies, deposit receipt, Cash Receipt Form, and other backup is copied and maintained prior to delivering the checks to the bank.***

Section 9.7 Ticketed Events

Pre-numbered admission tickets are to be used at any school activity or athletic event where an admission fee is charged, or donation accepted for admittance. CACS will be held accountable for the number of tickets used.

Since large amounts of money are collected at ticketed events, the following procedures should be followed:

- Assign two people to each gate. One person to sell tickets and collect money; the other person to collect the tickets at the gate. If it is necessary to sell tickets at more than one location (such as two or more gates at a football game), separate cash boxes and reconciliations should be completed. Also, ticket sales and collections for each individual event should be accounted for and kept separate. For example, proceeds for a dance that is held after a football game should be collected and accounted for separately.
- Appropriate security measures should be established for the collection of cash and followed by the ticket sellers.
- A Ticket Sales Cash Reconciliation Report must be completed for all ticket sales from ticketed events. The gate collections should be reconciled to the number of tickets sold. The money should be counted and verified under dual control at the end of the event. A Cash Receipt Form should also be completed for the total amount of the ticketed event collections. Both verifying parties should also sign the Cash Receipt Form.
- Collections from an afternoon/night activity should be dropped in the school vault or night depository at the bank and retrieved by the Accountant for regular deposit the following working or banking day. It is a good idea to have a security person accompany the deposit, if possible. Collections that are kept in the school overnight should be in the school safe or vault. ***Gate receipts should never be taken home for safekeeping.***
- The Accountant should verify the collections, sign the Cash Receipt Form, and generate a pre-numbered receipt. The Ticket Cash Reconciliation Form should be verified and signed by the Accountant and attached to the original Cash Receipt Form. A form received unsigned by the ticket seller and gatekeeper should be copied and retained and the original sent back for signature. A follow-up log should be maintained to ensure receipt of the original signed form. ***Checks, pre-numbered cash receipt copies, deposit receipt, Cash Receipt Form, and other backup is copied and maintained prior to delivering the checks to the bank. The bottom of the Cash Receipt Form should be completed with the account information.***
- All monies collected for ticketed events should be receipted and deposited intact and no payments should be made in cash to officials, security personnel, workers, or other employees. Checks should not be cashed from gate receipts. ***All employees must be paid through payroll.***
- It is recognized that errors may occur in making change and that the actual cash collected may not agree with the number of tickets sold. For this reason, any difference in the potential cash and the actual cash in the cash box should be shown on the Ticket Cash Reconciliation Form with an explanation. All forms with this difference ***must be signed by the Superintendent.***

Section 9.8 Miscellaneous Receipts

The Accountant should complete a pre-numbered receipt for any miscellaneous receipts received by the school such as vending commission checks or donations. The Accountant should not complete Cash Receipt Forms or pre-numbered receipt for monies that were initially received by another individual.

Section 9.9 School Pupil Activity Fund Deposits

The Superintendent or designee is responsible for the timely deposit of money into the bank. This responsibility may be delegated to the school Accountant. In order to safeguard our financial resources, it is recommended that bank deposits be made on a daily basis. A bank deposit ***must*** be made at a minimum of every **3 business days**, regardless of the amount of the collections. Bank deposits ***must*** be made whenever total collections on hand exceed **\$250**, or before any weekend or extended school holiday. The Accountant should endorse all checks received immediately **“FOR DEPOSIT ONLY”** with school name and bank account number. All money or checks on hand ***must*** be kept in a safe or locked file cabinet inside a locked room/office at all times. Non-deposited receipts are the responsibility of the Superintendent and the Accountant. Other school personnel should ***not*** have access to the collected funds.

The Accountant will prepare a bank deposit ticket for each bank deposit. Multiple cash receipts can make up one deposit and can be detailed on the bank deposit ticket. Cash Receipt forms, pre-numbered cash receipt copy # 2, and the Deposit backup, which includes a copy of the bank deposit ticket, bank deposit record receipt, and check stubs, should be attached to the applicable system generated revenue report.

Deposits should never be left with a bank teller at the bank to process later. The Accountant should always wait on a deposit ticket receipt from the bank teller. After hour deposits may be made in a night depository. School deposits should be entered into the Financial Accounting System on a ***daily*** basis. It is extremely important to always keep all accounting records current.

Section 9.10 School Nutrition Receipts

The primary cash collectors at CACS are the School Nutrition Program employees at the cafeteria lines. The greatest risk of loss is through negligence. All efforts should be made to ensure that each location that is collecting cash provides adequate physical security and that proper cash handling procedures are followed. All money is to be placed in the cash drawer at the time it is received and tendered in the correct category. Under no circumstances is money to be kept any place other than the cash drawer. If it becomes necessary to leave the register during serving time, the cash drawer must be closed, locked, and the key removed.

Under no circumstances are payments of any kind to be made out of daily receipts. If a refund of prepaid meals is necessary, the student’s parent/guardian will notify the School Nutrition Department in writing to request a refund. With authorization from the School Nutrition Program Director, the Accountant will process a refund check to the parent.

Checks received should be immediately endorsed **“FOR DEPOSIT ONLY”** with School Nutrition Program and bank account number included in the endorsement. The monies received each day should be counted by two people, each in the presence of the other. The total money is compared to the cash register total less the money used daily to make change. ***Under no circumstances should personal money be placed in the cash drawer to force a balance.***

A Weekly Cash Income Report is used to record the monies received by category (student breakfast sales, student lunch sales, adult sales, etc.). At the end of each week the report is signed by the cafeteria manager and corresponding deposit slips and bank receipts are forwarded to the Accountant. The Accountant checks the reports for accuracy, initials for any corrections, and enters the receipts into the Financial Accounting System.

Section 9.11 School Nutrition Deposits

Deposits are prepared and physically delivered to the bank by the cafeteria manager daily. Bank

deposits for the School Nutrition Program receipts collected at the school level shall be made on a *daily* basis. ***Deposits should not be held overnight for deposit the next morning.***

Section 9.12 Accounts Receivable

Accounts Receivable is booked at year-end for all funds except School Nutrition Program funds. Those funds are booked on a monthly basis as required by GADOE. An Accounts Receivable notebook is prepared at year-end with backup to support the receivable entry for audit purposes. A detail Trial Balance Report is also used to reconcile the balance sheet receivable totals. During the subsequent fiscal year, the receivables are monitored to ensure the receipt of all funds. Accounts Receivable balances are tracked in the following object categories:

1. 10121 – Taxes Receivable
2. 10141 – Inter-governmental Accounts Receivable – State
3. 10142 – Inter-governmental Accounts Receivable – Federal
4. 10143 – Inter-governmental Accounts Receivable – Local
5. 10153 – Accounts Receivable – Individuals, Firms, Corporations

Section 9.13 Accounts Receivable Credits and Write-off Procedures

From time to time, credits against Accounts Receivable from transactions other than payments and bad debts occur. Examples of these credits include returned products and adjustments for errors. All credits are processed by the Accountant, who is separate from the cash receipt function.

It is the policy of CACS to ensure that all available means of collecting accounts receivable have been exhausted before write-off procedures are initiated. Write-offs are processed by the Lead Accountant, with approval from the Chief Financial Officer.

Wire Transfers

The Superintendent/ CEO & Chief Financial Officer shall be the only individuals authorized to process wire transfers from CACS bank accounts. As an added level of security, security tokens are used with the bank online system to process wire transfers. The security tokens provide an additional passcode used during login on the bank system. The security tokens are provided by the bank. Wire transfers are set up with dual control for the entry and release of files.

Cash Flow Management

The Chief Financial Officer monitors cash flow needs and bank account balances on a daily basis. The online banking websites are utilized for ongoing balance monitoring. Cash transfers between accounts are processed on an as needed basis to cover cash flow needs and to maximize investment earnings by the Chief Financial Officer.

Stale Dated Checks

Outstanding checks that are more than 6 months old are considered stale. Outstanding checks should be reviewed by the Accountants and reconciliation preparers monthly for security purposes and to eliminate potential fraud. Stale checks should be researched, voided, and replacement check issued as necessary.

Gift Cards

Gift cards may be purchased for students with student generated funds as a means of recognition of scholastic, attendance or money raising achievement. Student generated funds may **not** be used to purchase gift cards for faculty/staff or other adults. Gift cards may be purchased for faculty/staff or other adults with adult generated funds with applicable approval.

All gift card purchases (student and adult) must be documented with a signed receipt form. Each recipient of a gift card must sign to acknowledge receipt of the gift card. The signed receipt form should be maintained with the paid invoice file.

Gift cards may not be purchased in advance and held for future use. Holding cards presents a security issue with the chance of unused cards being stolen or used for unauthorized purposes. It also creates an accounting posting issue because Accounts Payable must maintain a tickler file to monitor the use of the cards to ensure the acceptance of appropriate receipt documentation.