When handling money, internal controls ensure resources are guarded against waste, loss, and misuse. Basic principles of internal controls include: Clear separation of duties and responsibilities; providing appropriate equipment, such as cash registers and a secure area to hold deposits; written instructions; and independent verification. Cash handling procedures are listed below.

A. CASH HANDLING

All funds (cash, check, money order, credit card, and EFT) coming into the District must be receipted, using either the District’s Systems Design Cash Register System or official Tacoma School District receipt books. The composition of the funds (check/cash/etc.) received must be indicated on the receipt. The money shall be deposited intact, meaning the cash and check totals from the receipts exactly match the cash and check totals deposited.

Funds receipted through the TSD manual receipt books will be re-entered into the cash register system for those locations which have a cash register. Note the date of re-entry on the manual receipts, and balance the manual receipts to the amount of money coming in to the office.

1. Cash Receipts:

Checks & Money Orders – The payee listed must be appropriate for deposit to a Tacoma School District account, please do not accept blank checks, checks made payable to PTAs, Booster Clubs, or third party checks signed over to the District. Post dated checks are not acceptable, nor are checks written above the amount of the purchase – cash cannot be given back for checks written for more than the amount due. All incoming checks must be endorsed upon receipt and stamped “For Deposit Only”. Schools using the receipt printer attached to the Cash Register System endorse their checks through the receipt printer; all other schools and departments use an endorsement stamp. Note that Money Orders are treated as checks in the Cash Register System.

Cash – Cash is receipted and deposited intact. Do not substitute cash for checks. Accept only U.S. dollars – no foreign currencies.
2. Remittance of Funds:

All depository sites must designate a regular and back-up cashier. Funds collected by ASB advisors or other staff are turned into the office daily. A cash count slip is used whenever there is a transfer of funds from one person to another. These funds are counted by the staff member in the presence of the Office Coordinator, and both sign the cash count slip. A manual or cash register receipt is given to the advisor or staff member who turned in the money and each person keeps their copy of the cash count slip. Note the date of entry into the cash register system on the manual receipt.

3. Deposit Slip Preparation:

Prepare deposit slips in duplicate – the original white copy will go to the bank and the yellow copy stays on site. When preparing the deposit slip, write the cash and coin amounts on the top. If there are more checks received than there is room to list on the deposit slip, run a 10-key calculator tape and attach the tape to the deposit slip, indicate the total amount of the checks on the deposit slip, and write “see attached” on the slip.

Alternatively, if each check included in the deposit has been referenced individually by check number in the Cash Register System (no lump sum entries), then a copy of the Daily Clerk Reconciliation (Option 13 on the Daily Reports Menu) may be attached to a dated deposit slip with “See Attached” written on the deposit slip. In this case, only the date and total amount of the deposit need to be written on the deposit slip itself.

Order deposit slips through the Accounting Services Department in Finance.

4. Deposits:

State laws mandate immediate deposit of all public funds collected (RCW 43.09.240). Prepare ONE deposit for EACH DAY’s total receipts (regardless of fund) to satisfy this requirement. Place the white copy of the deposit slip along with the money to be deposited in a clear plastic bank bag. Only include one deposit slip per clear plastic bank bag. Seal the bag, note the deposit amount on the bag, and secure the bag.

List the bank bag number and the amount of the deposit on the Bank Deposit Log (blank logs can be found on the Finance Website under the following address: http://www.tacoma.k12.wa.us/information/departments/finance/Pages/FinanceFor ms.aspx; under the heading of “General Finance”, click on “Bank Deposit Log”.) and also indicate Clearing if the deposit is for General, ASB, and/or Trust Funds; Nutrition Services bags shall be indicated as such. When the District’s security
staff picks up the deposit(s), fill in the date, time, and have the courier and a site staff member sign the Bank Deposit Log to show the change of custody.

Deposits must be picked up and delivered to the bank at least twice a week; however if the total amount of the cash and checks accumulated is more than $100, daily deposit is required. Contact District Security if additional pickups beyond the regularly scheduled are needed. Remember that if there is no school, you will need to request a pickup from District Security.

5. Securing Funds:

To keep funds secure while waiting for courier pick up, keep the clear plastic bank bags in the safe. Only Tacoma School District funds or property may be kept in the safe; no PTA, Booster Club, or Sunshine Funds should ever be in a site’s safe. Keep the safe locked, and if the combination is written down keep that document on your person, i.e. in a wallet or purse. Never file or hide a safe combination on site.

The following procedures are used when accessing a drop safe for after-hours deposits at school sites: Two individuals count and verify the funds using a cash count slip; the cash, checks and cash count slip are sealed in a clear plastic deposit bag; two people transport the clear plastic deposit bag to the drop safe and make sure the bag goes down into the safe. The cashier retrieves the bank bag from the drop safe on the next working day, enters the receipts into the cash register system, includes the funds in the day’s bank deposit, and returns the cash register receipt and copy of the cash count slip to the night depositor.

6. Review and Verification of Receipts and Deposits:

To satisfy the internal control of separation of duties, the work of one employee is reviewed and verified by another. The total amount receipted for the day must match the amount on the deposit slip, and the cash/check composition of the receipts compared to the deposit slip must be verified as well. This can be accomplished by having one staff member receipt money and prepare the reconciliation, while another staff member prepares the deposit. Both employees would initial the bank deposit slip and the cash register report to show the review process and segregation of duties.

If one employee both receipts and deposits funds, the internal control requirement may be met by having another staff member review the work. The reviewer must verify the deposit slip and the cash register report to assure the money receipted was deposited, and that the deposit was made intact, i.e. exact amount of cash and checks receipted equals the cash and check amounts on the deposit slip. This function may be done after the deposit is made, but must be performed at least twice a week. The depositor and reviewer both initial the deposit slip and the cash register report to indicate compliance with the procedures.
7. Losses:

Immediately report any losses over $5.00 (cash or checks) to Accounting Services in the Finance Department.

B. CASH REGISTERS

Procedures

Detailed instructions regarding opening day procedures, sales transactions, customer transactions, end of the day procedures, etc. are included in the Cash Register System instruction manual. This manual can be found on the Finance Department website under Related Links:
http://www.tacoma.k12.wa.us/information/departments/finance/Pages/default.aspx

In addition to those instructions, the procedures outlined below must be followed:

1. Receipting/Processing: Incoming funds must be processed through the cash register and reconciled through the “Clerk Reconciliation” (Option 13) process each day. No more than two persons are permitted in the cash register area. Each Cash Register System login is assigned to a unique Clerk ID, and only one person may work under a Cash Register System clerk during a sales period. Before a new cashier takes over a register, the first cashier must complete their Clerk Reconciliation report and close out their register. The new cashier will then sign in using their own unique User Login. All funds receipted shall be kept separate and each Clerk will prepare a separate deposit based on their individual Clerk Reconciliation report. NOTE: if your site has more than one concurrent site license, there can be more than one clerk operating separate cash registers at the same time.

2. Storage: Cash and checks are stored in the cash drawer or in the safe. The cash drawer must be locked if the cash register is not in use.

3. Access to Cash Register: Logins and passwords to the cash register system are strictly confidential and may not be given out to unauthorized personnel.

C. CREDIT CARD MACHINES

Procedures

1. Running Transactions: Refer to posted instructions for details on running the transaction. Make sure to check customer’s ID before processing the sale. Do not process any credit card sales over the phone or in any situation in which the card itself AND/OR the card owner are not present. Retain the signed receipt for school records (attach to end of day Cash Register System reports). Provide a
duplicate receipt to the customer attached to a hand-written or Cash Register System receipt for their records.

2. Voiding Transactions: Refer to posted instructions for details on voiding transactions. Customer MUST have original receipt and card in order to have their sale voided. The associated Cash Register System sale must be backed out as well. Voids can only be processed the same day as the original transaction, before the batch has been settled. After that point, all refunds will need to be submitted to Finance on a claim form (see #4 below.)

3. Settling: Refer to posted instructions for details on settling/running credit card reports. Settlements MUST happen at the end of the day; until the machine is settled, no credit will be given for the credit card sales.

4. Refunds: To process a refund for a credit card sale that is part of a settled batch, a General Claim Form will need to be filled out and submitted to the Finance Office with a Cash Register System receipt attached to show proof of payment. DO NOT ATTACH THE CREDIT CARD RECEIPT, KEEP FOR YOUR RECORDS!

If the transaction was not run under a specific student account in the Cash Register System, the customer must provide a copy of their credit card receipt to attach to the claim form (make note of this fact on the claim form.)

D. RECEIPT BOOK USAGE

Only use Tacoma School District receipt books when receipting money. These are available through the warehouse supply catalog. When receipt books are issued to staff members, use a receipt book log to show who they were issued to, when they were issued, and the number sequence. Collect the receipt books at the end of the year, store them in a secure place, and re-issue them at the beginning of the year.

E. CHANGE FUNDS

Change funds are needed at times, and to establish one a request is made to the Accounting Services Department in Finance. The request includes the name of the change fund custodian, the amount, and the dates needed for the change fund. Once the fund is authorized in Finance, a warrant payable to the fund custodian is issued. Please note that each time a deposit is made, the remaining funds shall be counted to ensure that the change fund remains intact.

When the change fund is no longer needed, it is entered into the Cash Register System under account 1325-20 (if ASB Fund) or 9017-00 (if General Fund). Accounting Services shall be notified by email when these accounts are used.

F. PETTY CASH
Petty cash accounts are assigned to a fund custodian, and this employee is responsible for the petty cash fund. All payments from petty cash funds are supported by original receipts. Replenish petty cash accounts through the District’s accounts payable process. Petty cash accounts must be verified by another staff member at least twice each week.