Are Your Cash Receipts Properly Receipted

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Recording cash received is a significant process to almost all entities. It can be especially complicated for school districts in order to meet all requirements in the USFR Compliance Questionnaire. This article will discuss five important processes to consider in order to meet USFR requirements. When reading the five important items below, please keep in mind that "cash" can include several types of receipts—cash, checks, credit or debit card payments, etc.

1) Cash received must have an accompanying receipt

The individual taking the funds in on behalf of the District should create a receipt and provide a copy to the person giving the funds to the District and keep a copy for the District's records. Receipts can come in several forms. For example, if a bookstore sells a yearbook, the receipt is likely from a cash register and includes the date received and processed, brief description of the item sold, quantity sold, price, total, and any change due. If a school receives funds outside of the bookstore sales, the receipt is likely going to be a sequentially numbered receipt that the individual taking the funds in fills out. This receipt will include items such as a receipt number, the date the funds were received and processed, a description of the funds, amount of funds, and a signature of the individual taking in the funds.

There are instances where it may not be feasible to issue a receipt to each customer, such as if a student club is having a fundraiser selling pencils. If the fundraiser accounts reconcile total cash received to total sales, this action will ensure all cash is receipted and accounted for.

In addition to manual cash receipts, there are also instances when it is more beneficial to use automated systems, such as In-Touch. These systems can provide great efficiencies and create effective cash receipting processes. It is important with automated systems to retain all transactions and the related documentation in order to comply with USFR requirements.

Ensuring cash received by the District has an accompanying receipt with the necessary identifying information and a date of when the cash was received is crucial to meeting USFR requirements. If there is not a cash receipt or evidence of when cash was received by the District, the District will likely have several instances of noncompliance within the cash receipts portion of the USFR. Without a cash receipt indicating what date the funds were received, there is no way of knowing if the receipt was deposited timely (item 3 below). Cash receipts should also include the account code the District recorded it to.

2) Cash receipt summary reports should be prepared

Districts should prepare summary reports that indicate the breakdown of total amount of cash received to the total amount of cash deposited to the bank. This report creates a strong paper trail showing that all cash received was properly deposited into the proper bank account. Individual lines on this report will be individual cash receipts, which should be identifiable so it can be easily connected to the cash receipt mentioned above.

3) Cash should be deposited timely

Cash should be deposited in a timely manner and should not be sitting at a District location for a long period of time. The rule of thumb is daily, when the amount is significant to the District, or at least weekly. If there is a holiday break or the District will be closed, the District should ensure all receipts are still deposited within one business week of receiving the funds. In order for a cash receipt to be in compliance with a timely deposit, there must be evidence when the cash receipt was received and when it was deposited. Without evidence of when a cash receipt was received, it is unknown if it was deposited timely. Strong communication to school sites is needed in this area to ensure teachers or other instructional personnel are ensuring cash/checks are being forwarded to appropriate personnel for timely deposit. Remember – it’s not when the Business Office received the cash for the deposit, it’s when the District first took the cash in, no matter what site/location.

4) A copy of the deposit slip should be retained

The District should ensure that all documentation is kept, along with the deposit slip. Without a copy of the deposit slip, it is unknown when or if the deposit occurred, which would likely result in an instance of USFR noncompliance. Retaining all documentation of the cash receipt in one place will help ensure all processes were abided by and all USFR requirements were met.

5) Auxiliary cash receipts should have sales summaries

For auxiliary cash receipts, the District should create a sales summary report. This report will show the breakdown of total sales and will compare this amount to the total amount of cash collected. For instance, this report will show a $20 cash receipt was received by the District via a $20 bill. Total sales should equal the total amount of cash collected.

In order to meet USFR compliance requirements over cash receipts, it is crucial to have strong processes over cash receipts and maintain organized and complete documentation. This can be done by implementing a cash receipting process with standard documentation templates that all responsible staff are properly trained on.