

**Pitt County Schools
Individual School Accounting**



**Internal Controls and
Responsibilities**

**Pitt County Schools
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Internal Controls and Responsibilities**

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**Pitt County Schools
Individual School Accounting
Principal Statement of Understanding**

I, _____, Principal of _____, school, hereby certify that:

- I am responsible for all funds deposited and disbursed from my schools individual school account,
- I have read and understand the Individual School Accounting Duties and Responsibilities of the Principal as included in this document,
- I have read and understand the Individual School Accounting Duties and Responsibilities of the Treasurer as included in this document, and
- I have reviewed and discussed these responsibilities with the school Treasurer,
- I have read and understand the Internal Control Procedures Over: Teacher Cash Receipts, Treasurer Cash Receipts, and Cash Disbursements, and
- I have reviewed and discussed these procedures with the school Treasurer,
- I will exercise my fiduciary responsibility to ensure that such responsibilities and internal control procedures are carried out by the Treasurer and staff of this hereby school, and
- I will hold the Treasurer and all school employees accountable for the execution of their duties with concerns to individual school accounting,
- I will review on a monthly basis the financial reports listed in the Duties and Responsibilities of the Principal to ensure the accuracy and integrity of the school's financial operations,
- I will make available the school's financial records to the Finance Office without notice for any and all financial reviews and audits during the school year, and
- I will address and correct all areas of concern that result from any and all financial reviews and audits during the school year.

Principal Signature

Date

Pitt County Schools
Individual School Accounting
Treasurer Statement of Understanding

I, _____, Treasurer of _____,
school, hereby certify that:

- I am responsible for keeping a complete and accurate financial record of all monies deposited and disbursed from the individual school account in a manner prescribed by the Finance Office,
- I have read and understand the Individual School Accounting Duties and Responsibilities of the Principal as included in this document,
- I have read and understand the Individual School Accounting Duties and Responsibilities of the Treasurer as included in this document,
- I have read and understand the Internal Control Procedures Over: Teacher Cash Receipts, Treasurer Cash Receipts, and Cash Disbursements, and
- I have reviewed & discussed these responsibilities and procedures with the school Principal,
- I will exercise my fiduciary responsibility to ensure that such responsibilities and internal control procedures are carried out in my positions as school Treasurer,
- I will prepare the financial reports listed in the Duties and Responsibilities of the Treasurer on a monthly basis and will present them in a timely manner to the Principal for his/her review and approval,
- I will submit all financial reports to the Finance Office as prescribed in this document,
- I will make available the school's financial records to the Finance Office without notice for any and all financial reviews and audits during the school year, and
- I will address and correct all areas of concern that result from any and all financial reviews and audits during the school year,
- I understand that it is both illegal and against school policy to embezzle or use school funds for my own personal use, and
- I will not embezzle or use school funds for my own personal use under any circumstance, and
- I understand that if it is proven that I have embezzled or used school funds for my own personal use I will be punished to the full extent permitted under State and Federal law to include, but not limited to, possible termination and/or criminal prosecution.

Treasurer Signature

Date

Pitt County Schools Individual School Accounting

Duties and Responsibilities of the Principal

- The Principal is responsible for all funds deposited into his/her individual school account.
- No funds shall be expended without the knowledge and approval of the Principal. The Principal shall sign all invoices, school vouchers, or other supporting documentation as approval before payment is made.
- No funds shall be obligated without the knowledge and approval of the Principal. The Principal shall sign all in-school purchase orders before the funds can be obligated.
- In respect to all funds deposited into the individual school account, the Principal is responsible for the accounting of these funds on a monthly basis to the Finance Office in conjunction with the school Treasurer.
- In respect to restricted funds, the Principal is, in effect, a trustee of these funds and is charged with the responsibility of managing and expending these funds for their intended use.
- All checks or drafts made on the school account shall be signed by the Principal and the Treasurer. In situations where the Principal or Treasurer is not available, the Assistant Finance Officer is authorized to sign school checks. Use of stamps to sign checks is not allowable under any circumstances.
- The Principal shall open the bank statement on a monthly basis. This responsibility shall not be delegated.
- On a monthly basis, the Principal is responsible for reviewing, approving, and signing the bank statement. In order to certify that the entire bank statement has been reviewed, monitored, and approved, the Principal shall sign the first page and initial each subsequent page of the bank statement on a monthly basis.
- The Principal is responsible for reviewing all checks drafted against the school account (as included with the bank statement) to ensure the following:
 - Each check drafted against the school account was properly signed by the Principal and the Treasurer
 - Each check drafted against the school account was made payable to a valid payee
 - The reasonableness of the amount made payable on the check is verified

Pitt County Schools Individual School Accounting

Duties and Responsibilities of the Principal (continued)

- As part of the approval of the monthly bank statement, Principals shall review the deposits included in the bank statement to assure that all funds are deposited in the bank in a timely manner. State law requires that funds on hand in an amount of \$250 or more must be deposited on a daily basis. Any and all funds on hand shall be deposited on the last day of the month.
- The Principal shall communicate to staff and hold them accountable for exercising all internal controls related to the receipting of money. This includes, but is not limited to, the following:
 - The Principal shall communicate to staff that all money collected and receipted shall be turned in to the office with receipt book on a daily basis for deposit into the bank. Principal shall hold staff in compliance with this requirement through close communication and cooperation with the school Treasurer.
 - The Principal shall ensure that cash receipts are counted in the presence of the person turning in the money before the receipt is written. If this is not possible, the receipts should be placed in a sealed envelope / secured bank bag indicating amount enclosed, the purpose for which the money was collected, and the person turning in should sign and date. Monies can be counted later in the presence of another person designated by the Principal and the receipt issued.
- In order to certify approval, the Principal shall review, monitor, and sign the following on a monthly basis:
 - Bank Reconciliation
 - Deposits in Transit Report
 - Deposit Summary Report
 - Outstanding Check List
 - Check Register Report
 - Receipts and Disbursements Report
 - ChecXchange returned check report
- The Principal shall communicate to school Treasurer and hold him/her accountable for submitting all appropriate financial data to the Finance Office by the 15th of the month for the prior month's activity. Such data includes the information listed above as well as a monthly electronic backup of the Schoolfunds data program.

Pitt County Schools Individual School Accounting

Duties and Responsibilities of the Treasurer

- The Treasurer shall keep a complete record of all monies deposited into the school account in a manner prescribed by the Finance Office.
- The Treasurer shall prepare and submit reports, which have been approved by the Principal with his/her signature, to the Finance Office concerning the status of each account maintained by the individual school by the 15th of the month for the prior month's activity. The signed reports submitted to the Finance Office on a monthly basis shall include, but is not limited to, the following:
 - a. Bank Reconciliation
 - b. Deposits in Transit Report
 - c. Deposit Summary Report
 - d. Outstanding Check List
 - e. Check Register Report
 - f. Receipts and Disbursements Report
 - g. ChecXchange returned check report
- The Treasurer shall submit an electronic backup of the Schoolfunds data program to the Finance Office by the 15th of each month.
- The Treasurer is responsible for ensuring that all internal controls over cash receipts and disbursements are being exercised consistently and efficiently on a daily, monthly, and annual basis.
- The Treasurer shall document and communicate to the Principal any and all circumstances where internal controls over cash receipts and disbursements are not being exercised consistently and efficiently by school staff.
- The Treasurer shall ensure that all teacher receipt books are inventoried so as to ensure that all receipt books are accounted for by teacher during the year.
- The Treasurer shall receive all monies.
- The Treasurer shall write receipts for all monies in strict compliance with all internal controls over receipts.

Pitt County Schools Individual School Accounting

Duties and Responsibilities of the Treasurer (continued)

- The Treasurer shall ensure that cash receipts are counted in the presence of the person turning in the money before the receipt is written. If this is not possible, the receipts should be placed in a sealed envelope / secured bank bag indicating amount enclosed and the person turning in should sign and date. Monies can be counted later by the Treasurer in the presence of another person designated by the Principal and the receipt issued.
- The Treasurer shall prepare the daily bank deposit.
- The Treasurer shall make the deposit at the bank (unless the school Principal assigns this specific duty to another school employee).
- With concerns to making the bank deposit, the Treasurer shall ensure:
 - That funds on hand in an amount of \$250 or more are deposited at the bank on a daily basis. This is a State Law.
 - That any and all funds on hand are deposited on the last day of the month.
- The Treasurer must post all cash receipts to the General Ledger on a daily basis.
- The Treasurer shall process all purchase orders. The Treasurer shall ensure that no funds are obligated without the knowledge and approval of the Principal. The Principal shall sign (NOT INITIAL) all in-school purchase orders before the funds can be obligated.
- The Treasurer shall process all invoices and school vouchers for payment. The Treasurer shall ensure that no funds are expended without the knowledge and approval of the Principal. The Principal shall sign all invoices, school vouchers, or other supporting documentation as approval before payment is made.
- The Treasurer shall ensure that no disbursements are made from the school account unless adequately supported by approved invoices, school vouchers, or other proper documentation.
- The Treasurer shall ensure that school employees present adequate documentation for reimbursement of their personal funds. Such documentation must be signed by the Principal BEFORE reimbursement is made.

Pitt County Schools Individual School Accounting

Duties and Responsibilities of the Treasurer (continued)

- The Treasurer shall write all checks. The Treasurer shall ensure that all checks or drafts made on the school account shall be signed by the Principal and the Treasurer only. In situations where the Principal or Treasurer is not available, the Assistant Finance Officer (Debra Baggett) is authorized to sign school checks. Use of stamps to sign checks is not allowable under any circumstances.
- The Treasurer must write all checks through the Schoolfunds accounting program. Manual, handwritten checks ARE NOT allowed unless individually approved by the Finance Office.
- The Treasurer shall ensure that all original invoices, school vouchers, or other supporting documentation is marked “paid” or otherwise cancelled by indicating the check number and date paid when checks are issued.
- The Treasurer shall not mail signed checks. Signed checks shall be mailed by a person other than the Treasurer.
- The Treasurer shall not open the bank statement when received. The only individuals authorized to open the bank statement are the Principal, the Finance Officer, and the Assistant Finance Officer.
- The Treasurer shall reconcile the bank statement monthly.
- The Treasurer shall perform any and all other accounting responsibilities prescribed by the Principal and Finance Officer.

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Internal Control Procedure Over Teacher Cash Receipts

Issuance of Teacher Receipt Book

- All individual teacher receipt books will be controlled by the school Treasurer so as to ensure that all receipt books are accounted for during the school year.
- A pre-numbered individual receipt book will be issued to each teacher by the school Treasurer.
- The Treasurer will keep an inventory of issued teacher receipts books by completing and maintaining the Teacher's Receipt Book List (see CR-1). On the Teacher's Receipt Book List the Treasurer will log the following:
 - Name of Teacher to which the receipt book is issued
 - Beginning and ending receipt number of the receipt book issued
 - Date the receipt book is issued to the teacher
- A teacher must do the following before he/she will be issued a receipt book from the school Treasurer:
 - Read in full and sign the Internal Control Procedure Over Teacher Cash Receipts
 - Sign the Teacher's Receipt Book List
- Receipt books shall not be issued to multiple persons. There should only be one person per receipt book.

Pitt County Schools

Internal Control Procedure Over Teacher Cash Receipts

Responsibility for Teacher Receipt Book

- Teacher receipt books are the responsibility of the teacher to whom the book is issued. This responsibility cannot be delegated. In situations where a teacher assistant receipts money on behalf of their assigned teacher during an instructional day, the teacher is still responsible for verification of monies received and signing the Teacher Financial Report as detailed in the procedure for receipting money outlined in the following section.
- Under no circumstances should students be allowed to write receipts in the teacher's receipt books.
- All teacher receipt books should be kept in a safe and secured location. The receipt book shall not be left in an unlocked desk drawer or file cabinet.
- If the receipt book is lost or stolen, regardless of how much money is receipted in the book, the internal control over cash receipts for the school has been adversely affected and the school's audit report will reflect this.
- The receipt book should be as important as your personal checkbook.
- The teacher to whom the receipt book has been issued will be personally responsible for all lost or stolen receipts in situations where the above detailed internal control procedures were not properly followed.

Pitt County Schools

Internal Control Procedure Over Teacher Cash Receipts

Procedure for Receipting Money in Teacher's Receipt Book

- ALL money received or collected by a school employee shall be receipted only in a receipt book issued by the school Treasurer and recorded on the Teacher Receipt Book List. Money receipted includes, but is not limited to, book fairs, book orders, pictures, instructional fees, etc.
- All receipts must be prepared in duplicate with the original given to the person from whom the money was received and the duplicate retained in the book.
- The following must be completely recorded on every receipt issued (see CR-2):
 - Name of school
 - Date the money is receipted
 - Name of person from whom funds are receipted
 - Purpose for which funds were received
 - Amount of the receipt
 - Signature of the person receiving the money
- If a mistake is made in preparing a receipt, the original and duplicate shall both be marked "VOID" and retained in the receipt book. DO NOT alter a receipt in pen or pencil. If an error is made, void the receipt and start a new one.
- All receipts must be written to a person's name and not to a club, group, etc.
- All receipts issued from the teachers receipt book must be in strict numerical sequence. Do not skip receipt numbers.
- **On the day that money is receipted by the teacher in the receipt book**, the teacher must turn in to the Treasurer the following:
 - The money receipted
 - The teachers receipt book
 - A completed Teacher Financial Report
- All money collected must be receipted in a teacher's receipt book BEFORE being turned in to the Treasurer for recording in the office receipt book.

Pitt County Schools

Internal Control Procedure Over Teacher Cash Receipts

Procedure for Receipting Money in Teacher's Receipt Book (continued)

- The Teacher Financial Report must be turned in to the Treasurer with the money received and the teacher's receipt book on the day that the money is received and receipted. The Teacher Financial Report will act as a summary of all monies received by the teacher as included in the teacher's receipt book. The following information must be detailed on the Teacher Financial Report (see CR-3):
 - Teachers name
 - Date of receipt
 - Total amount receipted
 - Beginning receipt #
 - Ending receipt #
 - Purpose for which money was receipted and corresponding amount
 - Teacher's signature

- When the teacher receipts are turned in to the school Treasurer, the Treasurer shall complete the following duties:
 - The Treasurer will correspond (check) the beginning and ending receipt numbers as listed on the Teacher Financial Report against the teacher's receipt book
 - The Treasurer will review the teacher receipts from the teacher receipt book to ensure that they are recorded completely. The Treasurer will also check the date of the receipts to ensure that the receipts are being turned in to the Treasurer in a timely manner (i.e. day of receipt).
 - The Treasurer shall document repeated instances where a teacher is not completely recording receipts and/or turning in receipts to the Treasurer in a timely manner (i.e. day of receipt) and communicate this to the school Principal.
 - The Treasurer will add the teacher receipts from the teacher receipt book.
 - The Treasurer will add the monies receipted and verify that they are in agreement with the total teacher receipts from the teacher receipt book.
 - The Treasurer will compare the total monies receipted against the total on the Teacher Financial Report to verify that they are in agreement.

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Internal Control Procedure Over Teacher Cash Receipts

Procedure for Receipting Money in Teacher's Receipt Book (continued)

- **If all are in agreement**, the Treasurer will issue an original office receipt that shall be attached (stapled) to the last used receipt (duplicate) in the teacher's receipt book.
- The total on the office receipt issued by the Treasurer and attached to the teacher's receipt book must equal:
 - The total monies receipted
 - The total receipts from the teacher's receipt book
 - The Teacher Financial Report
- The Treasurer must reference the beginning and ending receipt numbers from the teacher's receipt book on the original office receipt.
- The Treasurer must sign the Teacher Financial Report and attach it to the daily Deposit Analysis for the school.
- **If all are not in agreement**, the differences should be reviewed and discussed between the teacher and the Treasurer. Any differences must be fully explained and documented to the Principal.

Pitt County Schools Internal Control Procedure Over Treasurer's Cash Receipts

Receipt Book

- All schools must use a pre-numbered receipt book.
- The Treasurer should prepare a duplicate receipt from the receipt book for ALL MONEY (PCS BOE Policy 3.200) collected and turned in for deposit and for all money received by mail.
- For monies turned in to the Treasurer, the original receipt from the receipt book must be given to the person from whom the money is received.
- For funds received by mail, the original receipt must be attached to any accompanying correspondence and/or documentation unless a receipt has been requested.
- All duplicate receipts must be retained INTACT in the receipt book to serve as the initial accounting record.
- All receipts issued from the receipt book must be in strict numerical sequence. Do not skip receipt numbers. The sequence of receipt numbers must be indicated on the Deposit Analysis.
- Before issuing a receipt to the person who turned in the funds, the following information must be recorded on the receipt:
 - Date of receipt
 - Name of person from whom money is received
 - Distribution of money received (name and amount)
 - Composition of money received (cash / checks)
 - Signature of the person receiving the money and writing the receipt (i.e. Treasurer's signature)
- Receipts must be made out to the individual from whom the money is received rather than to a fund, account, or organization.
- If a mistake is made in preparing a receipt, the original and duplicate shall both be marked "VOID" and retained in the receipt book. DO NOT alter a receipt in pen or pencil. If an error is made, void the receipt and start a new one.
- All money received by the Treasurer should be counted in the presence of the individual turning in the money. This avoids any discrepancies arising over the amount turned in.

Pitt County Schools
Internal Control Procedure Over Treasurer's Cash Receipts

Receipt Book (continued)

- If it is impossible for the money to be counted at the time it is turned in, the individual turning in the money should seal the money in an envelope, list the amount enclosed on the outside of the envelope, write the date, the purpose for which the funds were collected, and sign or initial the seal. At a later time, the secretary should open the envelope and count the money in the presence of another person designated by the Principal and the receipt issued.

- The receipt **MUST ALWAYS** be written at the time the money is counted.

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Internal Control Procedure Over Treasurer's Cash Receipts

Bank Deposits

- All funds collected in the school are to be deposited intact in the school bank account that has been approved by the Board of Education.
- No checks, personal or otherwise, can be cashed or invoices paid from un-deposited receipts (PCS BOE Policy 3.206).
- The Principal and the Treasurer are the only agents at the individual school level that shall be authorized by the bank. The Assistant Finance Officer may also be authorized by the bank as an agent for the school.
- Each authorized agent must furnish the bank with “sample” signatures on a form provided by the bank.
- If at any time the authorized signatures change, the Principal or the Finance Office should notify the bank of this change.
- The newly authorized agent must then furnish the bank with a new signature card.
- **Bank deposits must be made daily.** State law requires that funds on hand in an amount of \$250 or more must be deposited on a daily basis. Any and all funds on hand shall be deposited on the last day of the month.
- Cash receipts must be posted to the general ledger system Schoolfunds daily.
- The Deposit Analysis must be prepared daily and attached to the daily bank deposit.
- No employee shall ever take money home. Monies shall not be left in the school over night unless placed in a secure, vaulted area.
- Deposits must be taken to the bank promptly using the night depository if necessary.
- All checks received must be immediately endorsed on the back of the check with a restrictive endorsement such as “for deposit only to the account of...”

Pitt County Schools
Internal Control Procedure Over Treasurer's Cash Receipts

Bank Deposits (continued)

- The deposit slip must be prepared in duplicate. Both copies must be taken to the bank for validation. The bank keeps the original and the validated duplicate deposit ticket must be attached to the Deposit Analysis.
- The deposit slip must be prepared in ink only.
- The total currency and total coinage must be indicated on the deposit slip on the lines provided.
- All checks included in the deposit should be listed separately on the deposit slip by the name of the payer. In all cases, individual checks MUST be listed. For example, if there are numerous checks included in the deposit, the Treasurer may write "see attached tape" and the corresponding total of all checks on the deposit slip. Two adding machine tapes of the checks included in the deposit MUST be prepared. One tape is given to the bank with the original deposit ticket and the second tape must be retained and filed with the duplicate deposit ticket and the Deposit Analysis.
- The total per the deposit slip must agree with the total from the Deposit Analysis.

Pitt County Schools Internal Control Procedure Over Cash Disbursements

Purchasing Controls

- No funds shall be obligated without the knowledge and approval of the Principal. The Principal shall sign all in-school purchase orders before the funds can be obligated and before any orders can be placed.
- No purchases can be made before checking on the availability of funds through the school Treasurer. Adequate funds must be available in the fund account before the purchase is made.
- The Principal must approve all purchases in advance of the purchase being made.
- The Treasurer shall ensure that no disbursements are made from the school account unless adequately supported by approved invoices, school vouchers, or other proper documentation.
- The Principal shall sign (NOT INITIAL) all invoices, school vouchers, or other supporting documentation as approval before payment is made.
- The Treasurer shall ensure that no funds are expended without the knowledge and approval of the Principal.
- When an invoice is received for payment, the person who received the goods/services must indicate in writing on the invoice that the goods/services have been received. Invoices shall not be paid until the goods/services are received and the person who received the goods/services has indicated this in writing on the face of the invoice
- Payment must be made only from vendor invoices and not from vendor statements.
- Invoices must be checked as to correctness of quantity, quality, unit price, and total amount. If the vendor sends a statement, the charges on the statement must be checked against the invoices and the statements must be attached to the invoice to support the disbursement.
- When obligations are paid, a copy of the invoice must be included with the check to the vendor to indicate what is being paid. The original invoice, not copies, should always be retained by the school to support the disbursement.

Pitt County Schools Internal Control Procedure Over Cash Disbursements

Purchasing Controls (continued)

- Purchase orders must not extend beyond the school year.
- Invoices should be paid promptly. All unpaid invoices and obligations of the school must be paid prior to June 30.

School Voucher Controls

- All schools should strongly discourage the purchasing of goods and/or services for the school with staff's personal funds and then reimbursing staff through the individual school account with use of a school voucher. School issued purchase orders to outside vendors administered by the Treasurer and approved by the Principal must be the first option.
- ALL disbursements must be supported by an independent outside invoice document that indicates what was purchased before reimbursement or payment is made by the school Treasurer.
- In extreme situations ONLY where an independent outside invoice document is not available, a school voucher form must be completed to support the payment (see DR-1)
- If it is reasonable to believe that an invoice should exist for the reimbursement of goods/services purchased, the Treasurer shall not reimburse with the use of a school voucher. A valid receipt and/or invoice must be used as the supporting documentation before reimbursement is made.
- The following are examples of where a school voucher may possibly be used:
 - To reimburse teachers or other employees who have used personal funds to buy supplies (in extreme situations only). A valid, detailed sales slip (receipt) MUST be turned in and attached to the school voucher. The employee to which reimbursement is being made **must sign the receipt** as indication that the goods were received and purchased for school use.
 - Payments to athletic officials
 - Refunds
 - Other extreme instances where a vendor invoice is not available

Pitt County Schools Internal Control Procedure Over Cash Disbursements

School Voucher Controls (continued)

- All school vouchers must be approved and signed by the Principal before disbursement is made (i.e. a check is produced).

Check Writing Controls

- Checks shall be written only when supported by an invoice indicating evidence of a receipt of goods/services and the Principal's approval.
- The Treasurer shall ensure that all original invoices are marked "paid" or otherwise cancelled by indicating the check number and date paid when checks are issued.
- When checks are presented to the Principal for signature, they should be completely filled in and the supporting documents (such as the invoice, school voucher with receipts, and vendor statement) must accompany the check.
- **CHECKS MUST NEVER BE SIGNED IN ADVANCE, AS BLANK, OR MADE PAYABLE TO CASH.**
- The Treasurer shall write all checks.
- All checks issued must be computer generated through the Schoolfunds accounting program. Manual, handwritten checks ARE NOT allowed unless individually approved by the Finance Office.
- All checks or drafts made on the school account shall be signed by the Principal and the Treasurer ONLY. In situations where the Principal or Treasurer is not available, the Assistant Finance Officer is authorized to sign school checks. Use of stamps to sign checks is not allowable under any circumstances.
- Signed checks should be mailed by a person other than the Treasurer.

Pitt County Schools

Internal Control Procedure Over Cash Disbursements

Voiding a Check

- If a check has been issued in error, the check must be properly voided in the Schoolfunds accounting program.
- The Treasurer must write VOID in ink on the check and cut the signatures off the check.
- If applicable, the Treasurer must document the check number by which the voided check was replaced.
- The Treasurer must write the reason that the check is being voided on the supporting documentation.
- The voided check must then be attached to the supporting documentation and filed in check numerical order.

Stop Payments on Checks

- If a check written and released by the school is stolen, lost, issued to the wrong person, or for any other reason you do not want the check honored, you should notify the bank to “Stop Payment” on the check.
- If required by your banking institution, a written confirmation of the stop payment order shall be sent immediately to the bank.
- The check must be properly voided in the Schoolfunds accounting program.
- The Treasurer must record the phrase “Stopped Payment” on the supporting documentation and give an explanation for the stopped payment.
- If applicable, the Treasurer must document the check number by which the stopped payment check was replaced.

Pitt County Schools Internal Control Procedure Over Cash Disbursements

Petty Cash

- **Payments are not to be made in cash. The ONLY exception to this is if there is a properly established and accounted for petty cash fund.**
- No payment should be made from the petty cash fund unless the nature or amount of the expenditure is impractical to be handled by a check.
- A petty cash fund may be established by drawing a check to the Principal ONLY in the following amount:
 - K-8 School- \$25.00
 - 9-12 School- \$50.00
- Once the check is cashed, the amount is handed over to the school treasurer who then becomes the custodian of the petty cash fund
- Only the Treasurer is allowed to disburse funds from the petty cash fund.
- **No amount greater than \$10.00 for any one purchase can be disbursed from the petty cash fund.**
- When expenditures are made out of the petty cash fund, receipts must be put into the petty cash box that details the EXACT amount of money that was spent out of petty cash.
- When the money in the petty cash fund is nearly exhausted, the petty cash fund may be replenished through the following steps:
 - Add up all petty cash disbursement invoices/cash register receipts
 - Add the cash on hand in the petty cash fund to this total
 - This total MUST ALWAYS equal the original amount of the fund
 - A check will be drawn for the total amount of expenditures from the petty cash fund to bring it back to its original amount. The check drawn will equal the total of the cash disbursement invoices/cash register receipts in the petty cash fund. The disbursement invoices/cash register receipts must act as supporting documentation for the check drawn.
 - The check will be drawn to the Principal ONLY.

Pitt County Schools Internal Control Procedure Over Cash Disbursements

Petty Cash (continued)

- No expenditure shall be made from the petty cash fund without a valid invoice or cash register receipts that has been signed by the individual seeking reimbursement

- In handling the petty cash fund, the Treasurer will:
 - Never mix petty cash with his/her own funds
 - Never make change from the petty cash fund unless he/she can make the exact change
 - Never borrow from the petty cash fund
 - Keep the petty cash fund locked up

Pitt County Schools

Internal Control Procedure Over Athletics and Other Charge Events

Ticket Inventory

- Admission fees to athletic events, dramatic performances, dances, etc. must be accounted for by the use of a pre-numbered theater type ticket (PCS BOE Policy 3.207-P).
- The ticket inventory is to be administered and accounted for by the Treasurer.
- The supply of tickets available will be established by an inventory of unused tickets at the end of the sales period.
- ALL TICKETS MUST BE SECURED AT ALL TIMES.
- The Ticket Sales Report is to be completed after each event to show the number of tickets sold (see TR-1).

Collection of Admission Fees

- A minimum of two people must be available to sell tickets for athletics and other charge events. There must be at least one seller of tickets and at least one collector of tickets. The duties of each ticket seller must be segregated (separated) from the duties of each ticket collector.
- Students ARE NOT allowed to be a seller of tickets or be involved in any handling of money (to include but not be limited to the selling of concession items).
- The Treasurer will issue tickets and a change box to each ticket seller prior to the event.
- The Treasurer must complete and sign the Ticket Sales Report both before and after the event in the presence of the ticket seller or other Principal designee.
- For events that require more than one individual ticket seller, each ticket seller will be responsible for his/her own change box.
- ALL TICKETS ARE TO BE ACCOUNTED FOR AT ALL TIMES.
- Each individual ticket seller should be in a secure location, with the change box in a secure location, at all times.

Pitt County Schools

Internal Control Procedure Over Athletics and Other Charge Events

- The individual ticket collector must collect tickets from patrons to assure that all attendees have paid admission fees.

Complimentary Admission

- All patrons attending an athletic or other charge event must pay the admission fee before admission is allowed into the event. The only exception to this is for those individuals that are entitled to complimentary admission.
- In any event, complimentary admission is to be kept at a minimum.
- Complimentary admission is only allowed to the following:
 1. Current Pitt County Schools employees that present a valid current Pitt County Schools staff identification discount card.
 2. Holders of a season/event pass to an athletic or other charge event at the school.
 3. Other individuals approved in writing by the Principal and/or Athletic Director in advance of the charge event.
- Complimentary admission into charge events is not allowed unless the patron presents the following to both the ticket seller and ticket collector:
 - A valid current Pitt County Schools staff identification discount card.
 - A valid school season / event pass
 - Other valid documentation and/or identification indicating that the individual(s) is entitled to complimentary admission.
- Individuals granted complimentary admission will not receive a ticket from the ticket seller. The individual's discount card, season pass, event pass, or other valid identification will serve as proof of admission into the event.

Receipting Admission Fees

- At the end of each event, each ticket seller will count the money collected in the presence of the school administrator in charge and complete and sign the Ticket Sales Report. The school administrator in charge must also sign the Ticket Sales Report.

Pitt County Schools

Internal Control Procedure Over Athletics and Other Charge Events

Receipting Admission Fees (continued)

- The money and the Ticket Sales Report are to be put into a locked bank bag.
- The locked bank bag, the bank bag key, and the remaining tickets are to be given to the school administrator in charge.
- The school administrator in charge must then secure the bank bag overnight by doing one of the following:
 - Deliver the bank bag to the bank and place it in the night depository, or
 - Secure the bank bags within the school in a VAULTED location
- Monies must not be taken home by the ticket seller, school administrator, athletic director, coach, or Treasurer.
- Funds secured in the bank's night depository are to be picked up from the bank by the Treasurer or other Principal designee on the next banking day.
- The locked bank bag must be delivered to the Treasurer.
- Immediately at the beginning of the next work day, the school administrator must deliver the bank bag key and remaining tickets to the Treasurer.
- In the presence of another person designated by the Principal, the Treasurer must:
 - Open the bank bag
 - Count the money and verify against the Ticket Sales Report
 - Check the ending ticket number on the Ticket Sales Report against the tickets returned to the Treasurer
 - Sign the Ticket Sales Report
 - Write a receipt from the Treasurer's receipt book to the Athletic Director for the total.

Pitt County Schools Individual School Audit Procedure

- In order assure the internal controls over cash receipts and disbursements are efficiently and effectively be exercised at the school level on an ongoing basis, the Finance Office will conduct routine internal audits of each school's individual school account.
- Individual school financial reviews and audits will be conducted throughout the school year without notice. Financial records are expected to be in order at all times through the school year.
- There will be two types of audit reviews conducted by the Finance Office throughout the school year:
 1. Financial review conducted at the Central Office level
 2. Financial review conducted at the individual school level
- The results of each financial review will be submitted to the school Principal and Treasurer. Any deficiencies in financial reporting will be noted. Each school will be asked to submit a written response to each review detailing the steps that will be taken to correct any deficiencies.
- If any material deficiencies are noted during the review, the results will be submitted to the school Principal and Treasurer as well as the Superintendent.
- Material deficiencies include, but are not limited to, employee embezzlement, misuse of school funds, or a severe circumvention of internal control procedures that put the school at risk of a material mismanagement of school funds.

Financial Review Conducted at the Central Office

- The Treasurer shall prepare and submit reports, which have been approved by the Principal with his/her signature, to the Finance Office concerning the status of each account maintained by the individual school by the 15th of the month for the prior month's activity. The signed reports submitted to the Finance Office on a monthly basis shall include, but is not limited to, the following:
 - h. Bank Reconciliation
 - i. Deposits in Transit Report
 - j. Deposit Summary Report
 - k. Outstanding Check List
 - l. Check Register Report
 - m. Receipts and Disbursements Report
 - n. ChecXchange returned check report

Pitt County Schools Individual School Audit Procedure

Financial Review Conducted at the Central Office (continued)

- The Treasurer shall submit an electronic backup of the Schoolfunds data program to the Finance Office by the 15th of each month.
- The monthly financial reports, in conjunction with the financial backup, will be reviewed to ensure that all appropriate internal controls are being followed.
- Based on this information, the Finance Office will complete the Central Office Internal Review Form (see AR-1). The results of this internal review will be submitted to both the Principal and the Treasurer

Financial Review Conducted at the Individual School Level

- During the school year, the Finance Office will visit individual schools to perform an on site audit review of the school's financial operations.
- Audit reviews are subject to be performed without notice.
- The goal of the Finance Office will be to visit each school at least four times during the school year.
- The individual school audit review will be conducted using the Individual School Books Review template (see AR-2)
- The following is a sample of what will be audited during this financial review:

School Receipts:

- Reference teacher receipts books back to Treasurer receipt book to ensure both are in agreement
- Reference child nutrition receipt back to Treasurer receipt book to ensure both are in agreement.
- Verification that teacher and cafeteria receipt dates are in proper range.
- Verification that all receipts are signed
- Reference deposit slip back to Deposit Analysis
- Verification of bank deposit timeliness
- Verification that deposit slips are attached to deposit analysis
- Verification that all checks are properly endorsed before deposit

Pitt County Schools Individual School Audit Procedure

Financial Review Conducted at the Individual School Level (continued)

School Disbursements:

- Verification that all checks have two valid signatures
- Verification that checks are supported by valid invoices / receipts
- Verification that the invoice equals the check amount
- Verification that the invoice / school voucher has been approved by the Principal, marked received, stamped paid, etc...

Bank Deposit / Bank Reconciliation:

- Verification that school Principal opened the bank statement
 - Verification that school Principal has reviewed each page of the bank statement
 - Verification that all checks paid per the bank statement include valid signatures, are paid to valid payees, and are reasonable
 - Verification that bank reconciliations are available for all months
 - Verification that balance on Receipts and Disbursements report equals the bank statement
-
- The result of all audit reviews conducted at the school level will be shared with both the Principal and the Treasurer.

 - Any deficiencies in financial reporting will be noted. Each school will be asked to submit a written response to each review detailing the steps that will be taken to correct any deficiencies.

**PITT COUNTY SCHOOLS
TEACHER RECEIPT BOOK LIST**

School: _____

Teacher	Beg & Ending Receipt Number	Date	Teacher's Signature

PITT COUNTY SCHOOLS
TEACHER RECEIPT BOOK- CASH RECEIPTS

PITT COUNTY SCHOOLS

45275

SCHOOL _____

DATE _____

RECEIVED OF _____

			DOLLARS \$	_____	
Insurance	\$ _____	Pictures	\$ _____	Science	\$ _____
Library	\$ _____	Workbooks	\$ _____	Home Ec.	\$ _____
Music	\$ _____	Club	\$ _____	Typing	\$ _____
Supplies	\$ _____	Band	\$ _____	Agri.	\$ _____
Supplementary	\$ _____	PE Unif	\$ _____	T & I	\$ _____
Graduation	\$ _____	P E	\$ _____	_____	\$ _____
Art	\$ _____				

BY _____

PITT COUNTY SCHOOLS

45276

SCHOOL _____

DATE _____

RECEIVED OF _____

			DOLLARS \$	_____	
Insurance	\$ _____	Pictures	\$ _____	Science	\$ _____
Library	\$ _____	Workbooks	\$ _____	Home Ec.	\$ _____
Music	\$ _____	Club	\$ _____	Typing	\$ _____
Supplies	\$ _____	Band	\$ _____	Agri.	\$ _____
Supplementary	\$ _____	PE Unif	\$ _____	T & I	\$ _____
Graduation	\$ _____	P E	\$ _____	_____	\$ _____
Art	\$ _____				

BY _____

**PITT COUNTY SCHOOLS
TEACHER FINANCIAL REPORT**

Teacher Name _____ Amount of Cash \$ _____
Date _____ Amount of Checks \$ _____

Beginning Receipt Number _____
Ending Receipt Number _____

Purpose For Which Money Was Received: (ex: Fees, Field Trip, Pictures)

For _____	Amount \$ _____
For _____	Amount \$ _____
For _____	Amount \$ _____
For _____	Amount \$ _____
For _____	Amount \$ _____
	Total \$ _____

Teacher's/Designee's Signature

Treasurer's Signature

**PITT COUNTY SCHOOLS
SCHOOL VOUCHER FORM**

School: _____

Date: _____

Paid To: _____

For: _____

Amount of Check: _____

Check Number: _____

Principal Signature: _____

PITT COUNTY SCHOOLS
TICKET SALES REPORT

SCHOOL: _____

EVENT: _____ EVENT DATE: _____

(++ TO BE COMPLETED BY TREASURER BEFORE EVENT)
(** TO BE COMPLETED BY TICKET SELLER AFTER EVENT)

TICKET INVENTORY

++ TICKET COLOR: _____
++ BEGINNING TICKET NUMBER....._____

** ENDING TICKET NUMBER....._____

** NUMBER OF TICKETS SOLD....._____

ADMISSION PRICE PER TICKET.....\$_____

** TICKETS SOLD x PRICE =\$_____

AMOUNT RECEIVED FROM TREASURER FOR CHANGE:

++ CURRENCY.....\$_____

++ COINS.....\$_____

++ TOTAL.....\$_____

EVENT SALES

** TOTAL CASH.....\$_____

** LESS CHANGE RECEIVED FROM TREASURER.....\$_____

** NET EVENT SALES.....\$_____

Signature of Treasurer (Pre-Event)

Signature of Treasurer (Post-Event)

Signature of Ticket Seller (Pre-Event)

Signature of Ticket Seller (Post-Event)

Signature of Administrator (Post-Event)

PITT COUNTY SCHOOLS
CENTRAL OFFICE INTERNAL REVIEW FORM

School Name _____

Date of Review _____

Run check register for one month

Verify that all checks are used in numerical order Yes _____ No _____

Verify that checks are in chronological order Yes _____ No _____

Verify that no checks are made payable to "cash" Yes _____ No _____

Run receipt register for one month

Verify that all receipts are used in numerical order Yes _____ No _____

Verify that receipts are in chronological order Yes _____ No _____

Review Journal Entries for being reasonable (Compare to bank statement) Yes _____ No _____

Run Deposit Audit Report for one month

Verify that deposit dates are daily Yes _____ No _____

Compare computer dates to bank statement (Are they reasonable?) Yes _____ No _____

Run Account History for Lunchroom Account

Verify that daily collections add up to weekly checks Yes _____ No _____

Run Receipts and Disbursements Report

What is the reconciled cash balance? _____

What is the balance in the general fund? _____

What is the balance in other unrestricted funds? (i.e. pictures, fundraisers, etc.) _____

Are there any negative account balances? Yes _____ No _____

If so, describe _____

Other comments: _____

PITT COUNTY SCHOOLS INDIVIDUAL SCHOOL BOOKS REVIEW TEMPLATE

School _____ Date _____

Principal _____

Treasurer _____

Receipts

Is there a log showing all teacher receipt books issued, including the numbers included in each book? Yes _____ No _____

Select 5 daily deposits

Date	Received From	Amount	Teacher Receipt #	Are dates in proper range?	Are teacher receipts signed?	Are teacher receipts coded?	Date Deposited	Deposit slip = deposit analysis

Are deposit slips attached to deposit analysis? Yes _____ No _____

Are personal checks cashed from school funds? Yes _____ No _____

Are checks properly endorsed before deposited? Yes _____ No _____

For voided receipts, are original receipts kept, marked void and stapled in the receipt book? Yes _____ No _____

PITT COUNTY SCHOOLS INDIVIDUAL SCHOOL BOOKS REVIEW TEMPLATE

School _____
Disbursements

Are checks used in numerical order? Yes _____ No _____

Select 10 checks

Ck #	Payee	Date	Amount	Two signatures on check	Supported by invoice	Invoice = ck amount	Approved by principal	Invoice				
								Marked received & by whom	Stamped paid	Marked date paid	Marked ck # paid	

Are signature stamps used? Yes _____ No _____

Are all void checks entered in the system? Yes _____ No _____

Are void checks marked VOID and bottom corner cut off? Yes _____ No _____

Are blank checks ever signed? Yes _____ No _____

**PITT COUNTY SCHOOLS
INDIVIDUAL SCHOOL BOOKS REVIEW TEMPLATE**

School _____

Are signed bank reconciliations for all months available
for inspection? Yes _____ No _____

List any months missing _____

Are there any outstanding checks on bank
reconciliation over 6 months old? Yes _____ No _____

Who opens the bank statement? _____

Does the balance on the Receipts and Disbursements
report equal the bank reconciliation? Yes _____ No _____

Is all cash on hand kept in a secure place? Yes _____ No _____

Does the school have petty cash on hand? Yes _____ No _____

If so, what is the amount?
(K-8 allowed \$25; 9-12 allowed \$50) _____