

302 - Cash Receipts and Local Funds Policy

- I. Purpose:
 - A. The Bryan Allen Stevenson School of Excellence (BASSE) has set the following policy to ensure the proper management of school funds in local accounts, including deposits, expenditures, and reconciliation.
 - B. When there is a question about the process relating to this policy, the following holds precedence (highest to lowest) – Delaware Code, Delaware Regulation, BASSE Policy, BASSE Procedure.
- II. Definitions: The definitions listed below are for practical purposes only. Please refer to the State of Delaware for legal definitions.
 - A. Local Funds: This refers to local funds relating to the Bryan Allen Stevenson School of Excellence. These may include those from the petty cash account and funds that First State Financials (FSF) has deemed a local appropriation, such as the athletic or music appropriation.
 - B. Deposit: Money that is turned into School Leadership for deposit into a BASSE local fund.
 - C. Deposit Verification Form: This must be filled out and accompany any deposit made to BASSE. These may be found on the internal drive.
 - D. Expenditure: Any approved purchases or expenses made by BASSE.
 - E. Supply Request: Employees requesting a purchase on behalf of BASSE must complete this form and have two signatures, including an immediate supervisor, the Academic Head of School, or the Director of Operations.
 - F. Reconciliation: BASSE funds will be reconciled on a monthly basis by the Head of School and the Accounting Firm and presented to the Citizens Budget Oversight Committee (CBOC) monthly.
- III. Policy Statement:
 - A. Deposits:
 - 1. Employees must turn in funds collected on behalf of BASSE and an accompanying Deposit Verification Form to School Leadership.
 - 2. For deposited checks that are returned by the bank, the party responsible for the returned check must pay any fees associated with it.
 - 3. Funds collected by School Leadership will be deposited to the bank weekly. Deposits that equal over \$750 will be deposited to the bank at the end of the business day. Prior to a school/office closure for a scheduled break, a bank deposit will be made at the end of the last business day.

- a) In the event deposits are made on a day where the School Leadership is not making a bank deposit, these funds will be locked in a fireproof cabinet in the Office.
4. School Leadership, with the assistance of the Accounting Firm, will keep records of all bank deposits made, including receipts, in accordance with State of Delaware Archive schedules.

B. Expenditures:

1. Employees may not obligate school funds for reimbursement or other expenditures without a pre-approved Supply request.

C. Petty Cash:

1. BASSE will maintain a petty cash account in accordance with State of Delaware guidelines including:
 - a) Maintain the approval for opening the petty cash account, along with names and signatures of those persons authorized to sign petty cash checks.
 - b) Draw petty cash checks in consecutive letter order.
 - c) Ensure all petty cash checks have prior authorization by authorized personnel.
 - d) Draw petty cash checks for no more than \$250.
 - e) Process payments over \$250, but not exceeding \$5,000, as direct claim vouchers in FSF.
 - f) Prohibit the use of petty cash to pay a vendor or an employee that is established in FSF or eligible for a Single Payment Voucher. Any such payment should be processed as a voucher in FSF.
 - g) Prohibit the use of petty cash to make any purchases when payment by voucher or State PCard is accepted.
 - h) Prohibit the use of petty cash for cash advances, when special approval is required, or for employee personal items.
 - i) Maintain a ledger of all transactions for reconciliation and all statements in accordance with State of Delaware Archive schedules.
 - j) Review General Fund and Appropriated Special Fund petty cash accounts at the end of the fiscal year to determine if they are still needed.
2. BASSE will replenish the petty cash account in accordance with State of Delaware guidelines when necessary.
3. BASSE will retain all receipts and supporting documentation for audit purposes.

D. Authorization:

1. Deposits:
 - a) All deposits must have a signature from the employee turning in the deposit and the appropriate verifier.
2. Expenditures:
 - a) All purchases made on behalf of BASSE must have prior approval, including a signature from an immediate supervisor, the Academic Head of School, or the Director of Operations.
 - b) Expenditures over \$5,000 must have prior approval by the Board of Directors.
 - c) The expenditures that are a part of the annual budget, such as utility costs, and those that are approved monthly and Board of Directors approved contracts, do not require supply requests.
3. Check Authorization:
 - a) Petty cash checks may be signed by two (2) of the following authorized personnel, including:
 - i. Director of Operations;
 - ii. Academic Head of School;
 - iii. Chair of the Board of Directors;
 - iv. Two (2) other members of the Board of Directors.
 - b) All checks must have a receipt, or a completed supply request, and all documentation needed to complete the transaction.
 - c) Invoices may not be broken up and paid by petty cash checks for the purpose of bypassing the standard payment system.

E. Reconciliation:

1. The Academic Head of School and the Accounting Firm will reconcile all deposits in local bank accounts and in the FSF system. This reconciliation will be presented monthly at the CBOC and Board of Directors meetings, including any discrepancies.

IV. Responsibility:

- A. It is the collaborative responsibility of the Board of Directors, the Business Office, and the Academic Head of School to ensure all aspects of this policy are followed.
- B. The Board of Directors is responsible for ensuring there are five (5) authorized signers for petty cash checks at all times, including, the Board Chair; two (2) Board of Directors members; the Head of School, and Director of Operations.
- C. Employees making deposits and/or expenditures are responsible for complying with this policy.
- D. The Citizens Budget Oversight Committee and Board of Directors will review all checks and reconciliations at their respective monthly meetings.

Related Policies:

- A. 303 - Fiscal Management Policy
- B. 304 - Internal Accounts Policy

Related Procedures and Documents:

- A. State of Delaware Office of Management and Budget Chapter 7 – Purchasing and Disbursements:

<https://budget.delaware.gov/accountingmanual/documents/chapter07.pdf?ver=0112>

- B. Supply Request Form
- C. Deposit Verification Form

Approval:

Revision Dates:

DRAFT