

Cornerstone Montessori Elementary School

Receipts Procedure

Overall Statement

Wherever possible, duties such as collecting funds, custody, maintaining documentation, preparing deposits, recording, and reconciling records are to be separated among different individuals.

When segregation of duties is not possible, individual accountability and thorough management review is required.

Excess Cash and Investments:

The duties of investing cash on hand, not required for immediate expenditure is the responsibility of the Board Chair and Treasurer when feasible and in compliance with the Minnesota Statute.

The School Board has delegated the duties of investing cash on hand not required for immediate expenditure to the Board Chair and Treasurer, or their designee. Currently the School uses a savings account for excess cash funds. Annually, in July, a resolution is considered that allows certain designated individuals to invest idle School cash in accordance with the *Minnesota Legal Compliance Audit Guide for Charter Schools*. This resolution also allows these individuals to designate such depositories where investing takes place. This annual resolution is considered to be the "investment policy" of the School. Should the board decide to invest idle funds in investments other than the savings account an investment policy will be adopted prior to doing so.

Receipt of Cash and Other Revenue:

The Head of School and Director of Business Operations are responsible for overseeing day to day cash activities. General cash and other funds may be received from various sources.

The School's primary revenue sources consist of State Funding, Federal Funding, Food Service (Fund 2) and student activities. The state and federal funding is received via wire transfers from MDE (received via filing of progress or completion reports or EDRS/SERVS reports) and Fund 2 & student activities collections by check or cash.

Funds via Mail or Received By Staff:

The Administrative Assistant receives all mail for distribution. The Director of Business Operations opens all business operations mail and any checks received are processed for deposit. The Head of School or Director of Business Operations deposit the funds at the bank. Cash received is routed in the same manner. The Director of Business Operations makes copies of all checks, completes a "deposit tracking form" and provides them to the accounting service provider. The accounting service provider records the deposit into the financial system, reconciles the bank accounts and provides the bank reconciliations to the Board finance committee for review and approval. The Head of School directly supervises the Director of Business Operations and Administrative Assistant. The Board finance committee reviews monthly financials provided by the accounting service provider to ensure that reconciled bank accounts agree with the general ledger prior to presenting to the Board.

Instructional staff may collect funds for “going out activities” or fund raising and provide a list of students along with funds collected to the Director of Business Operations for deposit processing.

Donations:

The Director of Business Operations may receive donations, prepare them for deposit at the bank and provides information to accounting service provider and finance committee for proper recording and communication for Board approval.

The Board Treasurer will maintain a list of donated funds and will bring this record of donations monthly to the Board for approval of the donations. The Head of School will process appropriate acknowledgement letters.

The Head of School or Board Chair may bring forward for board approval Stock donations. The school will follow the steps as outlined in the Procedure for Stock Donations for acceptance, liquidating and recording of these donations.

Revenue Recoding:

The Accounting Service provider shall receive the “deposit tracking form” of the deposit, a copy of the bank deposit slip, and record the deposit into the financial system. The Accounting service provider shall assure transactions are recorded properly as to account code, amount and that the period is consistent with the bank statement. The Accounting service provider will provide a bank reconciliation to Board finance committee for review and approval. The Accounting service provider shall have “read only” access to the bank account and monitor the bank transactions periodically for appropriateness.

The Accounting service provider records electronic payments received via bank account into the financial system monthly and presents to the Director of Business Operations for review and approval.

The Accounting service provider shall compute and record school receivables (various grants, State and federal programs, etc. - i.e., IDEAS payments). They shall work with the Head of School and Director of Business Operations to identify receivables and reconcile differences between MDE EDRS/SERVS and UFARS.

The Director of Business Operations shall review all transactions and verify to the bank statements and other reporting documents. The Board shall review monthly financial statements to ensure that reconciled bank accounts agree with the balance sheet statement.

Please refer to the following in conjunction with these receipt procedures:

- A. Financial and Cash Management Policy
- B. Fundraising Policy
- C. Acceptance and Administration of Gifts Policy
- D. Procedure for Stock Donations

APPROVED DATE: August 13, 2019