

### **School Site Bank Account**

The district has authorized a school site checking account at each elementary, middle, and high school. The purpose of the account is to accommodate purchasing situations which require immediate payment.

#### Prohibited Expenditures

The following types of expenditures cannot be paid from the school site bank account:

1. The school site checking account should not be used for paying individuals to perform work.
2. Independent contractor services must be requisitioned through the district's Purchasing Department.

All employee agreements must be processed through the Human Resources Department. Equipment purchases must be requisitioned through the district's Purchasing Department.

#### Control of Disbursements

All disbursements from the school site bank account must be in accordance with sound elements of internal control, good accounting practices, and conformity with regulations prescribed by the Governing Board.

Each school shall adhere to the following general principles:

1. Two signatures are required on every check, one of which must be an authorized administrator.
2. Make all disbursements by pre-numbered checks.
3. All disbursements must be supported by a vendor invoice or store receipt.
4. Checks should never be made payable to "cash" or "bearer".
5. Checks should never be made out in advance with amounts and payee left blank with signatures attached.
6. Checks must always be used in numerical sequence.
7. Access to checks must be limited to authorized personnel who need them in the course of their business.
8. Voided checks shall be mutilated to prevent possible misuse by marking "VOID" across the face of the check and by cutting off the signature portion. The check shall then be placed with the other checks for that period.

9. The checkbook balance consists of the list of all checks written and the initial annual deposit made. Addition of the annual deposit and subtractions for each check written must be made on a daily basis to maintain a "running cash balance." This will indicate the balance of the account at any given time.

### Monthly Bank Reconciliation

An example of a school site bank account reconciliation can be found in exhibit 1. A bank reconciliation consists of the following basic elements:

1. Reconciled Bank Balance
2. Month-end Checkbook Balance

The reconciled bank balance should equal the month-end checkbook balance as noted on exhibit 1.

### Reconciled Bank Balance

The reconciled bank balance typically consists of the ending bank balance less outstanding checks. Often times, other types of reconciling items are present due to bank errors.

Note: Deposits-in-transit are not applicable to the reconciliation because only the initial deposit to establish the account will be authorized.

The ending bank balance is taken directly from the bank statement as of the month-end cutoff date. (See exhibit 2) An outstanding check list must be prepared which represents a list of all checks issued but not yet paid by the bank. The check numbers and amounts listed in the monthly bank statement mean that these items have been paid and the funds withdrawn from the account.

To determine what checks are outstanding, compare the check numbers paid on the bank statement with the checks written as listed on the checkbook. The check numbers that are not found on the bank statement have not cleared the bank are considered still outstanding. The outstanding check amounts are to be totaled and deducted from the ending balance. (See exhibit 3) Unless there are other reconciling items, this total equals your reconciled bank balance.

### Checkbook Balance

This balance consists of the list of all checks written and the initial deposit made. Additions and subtractions for each check written must be made on a daily basis to maintain a "running cash balance." This will enable you to know at a glance how much money is in your account at any given time.

### General Reconciliation Procedures

The principal or his/her designee shall reconcile bank statements monthly. Any discrepancies shall be resolved immediately. Such reconciliation shall include:

1. Comparison of canceled checks with the checkbook noting the correctness of number, date, payee, amount, authorized signatures, etc.
2. Determination that all checks have the appropriate support documentation, (i.e., vendor invoices, store receipts, etc.)
3. Determination that the checks have been properly endorsed and have not been altered.
4. Determine which outstanding checks are stale and are to be written off, restoring the cash balance (over six months outstanding).

#### Audits and Supervision

The school site bank account is subject to audit by the district's internal auditor as well as the external auditors. The audit shall determine the following:

1. Proper Accounting: That the funds have been properly accounted for, including a verification of cash receipts, disbursements, and balances.
2. Compliance with Policy: That the school site account is administered in accordance with the district's policies and regulations.

#### Regulation FRESNO UNIFIED SCHOOL DISTRICT

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