



Standard Operating Procedures for Schools and FMCs

Division of Financial Operations

Chapter: General School Funds and Cash Transactions

Topic 5: How Are Monies Allocated and Managed?

Notes:

1. To open a savings account, please follow all of the instructions outlined in 5.3.1 above. Be sure to check the "Savings" box on the *Notification* form (Exhibit C-1, Section 2).
2. Other secure accounts are opened in a similar fashion, following instructions outlined in 5.3.1 above. Be sure to check the appropriate box on the *Notification* form (Exhibit C-1, Section 2).
3. By October 1st of every year, the closing balances appearing on the school's June bank account statement must be reported to the Bureau of Receivables Accounting's Banking Unit for inclusion in the Board of Education's annual financial statements. Required information that must be **reported electronically from the field** includes: **Account Balance as of the ending date of the June bank Statement and the statement date**. All other pertinent bank account data such as, Bank Name, Account Name, Account Number, School Meals Account (if any) will be established and maintained by the Banking Unit.

5.4 Cash Disbursements Journal

All disbursements must be recorded in the *Cash Disbursement Journal*. (Exhibit B).

From the check stub of the checkbook, payments must be recorded as follows:

Column 1 Date - Date of the check

Column 2 Paid To - Payee (to whom the check is paid)

Column 3 Explanation - Explanation of the nature of the expense

Column 4 Check # - Number of the check

Note: All checks, even those that have been voided, must be listed in the journal.



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Column 5 Amount Disbursed - Amount of the check

Column 6 – 15

Columns (“fields”) should be titled according to the different school accounts assigned by the advisor of the activity.

Amounts posted on these columns should equal the amount disbursed (column 5).

Notes:

Column 8 Sales Tax. This amount must be equal to the amount collected as recorded on the “Cash Receipt Journal”.

Column 15 Other. This column is used for miscellaneous expenses.

5.5 How to Maintain the General School Fund Checkbook

The checkbook must be safeguarded both fiscally and physically:

- Checks must be pre-numbered and issued sequentially. All checks must be recorded and accounted for, including voided and blank checks.
- Blank checks must be kept in a locked place.
- Do not destroy voided checks. To avoid re-use, make certain the signature area is torn/cut off.
- Two (2) signatures must be on each check.
- Signatories must not sign blank checks. It is a signatory’s responsibility to know the justification for issuing the check before he/she signs it.