



Moving Away from Accepting Cash & Checks

How to minimize cash collections and
improve efficiency and financial control



Presenters

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Goals



This session will cover some common reasons to forgo cash collections when possible and share some other topics related to best practices implementation of a cashless transition such as card company processing fee handling, cashless refunds, and integration into accounting and/or student software and maintenance of the electronic records for an audit trail.

Why transition away from cash?

- By reducing cash handling there are fewer cash handling expenses and fewer opportunities for theft
- Cashless transactions are faster for both the school district and the customer as counting cash can take time
- Cashless transactions make managing refunds/surplus balances easier
- Less concern for counterfeit cash or NSF collection

Cash Handling Risks

Lack of oversight

Cash mismanagement

Loose controls or no controls

Community trust is breached

Schools reputation tarnished

School may be liable to another organization if funds were commingled

IT DOES HAPPEN



District oversight

Cash fraud. District did not adequately monitor receipts and deposits

- Review receipt adjustments, have this noted on the forms
- Follow up on unusual over/short cash receipts
- Ensure timely deposits
- Watch cash receipts and the patterns
- Review reports regularly
 - Look back/revenue trends
 - Receipt sequence
 - Timely bank reconciliation
 - Separation of duties



Internal Control Concerns with Cash Collections

Principals and other staff are very busy and it may be hard for them to prioritize their role in cash collections in their building.

They often do not have a high level of preparedness to effectively carry out their responsibility of internal control in their building. The financial accountability for internal controls and financial mismanagement can be an issue of concern.

Managing the funds collection is of high importance as mismanagement can cause many problems such as theft, public relations concern and/or job loss.

Accountability for the funds

Challenges with Cash Collections:

Easy access to the funds by multiple individuals:

- ❖ Teachers, coaches, secretaries, principals, PTO, volunteers, etc.
 - Single point of failure
- ❖ Inadequate or lack of adherence to policies and procedures
 - Who takes it to the bank and how often
- ❖ Documentation of collections
 - Pre Sequenced forms/receipts
 - Accountability of discrepancies, if any
 - Documentation of counts
 - Documentation of type of tender

Accountability for the funds

Challenges with Cash Collections:

- ❖ Require a standard form with no exceptions for cash or check collections: Sample cash collection form on next slide

Form must be completed for all collections

Mandatory and processed through several rotating personnel for separation of duties

- Staff completed form
 - Receipts noted by type of tender (Cash or Check)
 - Cash collection date
- Cash dual counted by secretary and deposited
- District office reviews all collections and completed timely monthly bank reconciliations

SCHOOL DISTRICT OF DENMARK MONEY COLLECTION RECORD

4628

Circle One: High School Middle School Elementary Early Childhood Center Community School District OfficeCollected For: Denmark Wrestling Club Student Activity: WrestlingCollected For: Youth tournament = \$734.06 Student Advisor: _____
HS Conf champ = \$451.62Collected By: Cassandra Petka Date/s: 2-15-22 Counted By: _____

*Starting Cash Base:

Dated Returned: _____

*When counting the money: if cash box has a starting cash base, money must be kept separate from deposited money and not included in the total deposit.

Cash: \$ _____ Coin: \$ _____ Checks: \$ 1185.68 TOTAL: \$ 1185.68

Ones	(This area does not need to be completed)	Scratch Pad	Office Use Only
Fives			Total Deposit: <u>1185.68</u>
Tens			Received By: <u>Sam Post</u>
Twenties			Deposited By: _____
Fifties			Discrepancies: <u>0-</u>
Hundreds			
Coin			
Totals			

Instructions: 1. Circle Building 2. Indicate reason/s for collection of monies 3. Collected by and date 4. Name of Student Activity if applicable 5. Student Activity advisor name if applicable 6. Counted by 7. Total amount of cash, coin, and checks 8. Total deposit (if cash box has a cash base do not include this total with deposit and keep base money separate from deposit) 9. Remove back gold copy before turning money into the office 10. Pink copy will be returned to you with any discrepancies noted (Retain for records)



Cashless Collection Opportunities

Types of Transactions

Eliminate cash/checks

One system, if possible:

- Student Fees
 - Meal Accounts
 - Field Trips
 - Camps
 - Athletic Passes
 - Parking Passes
 - Testing Payments
 - Tuition
-

Electronic Ticket Sales



Theater Ticket Sales

Event online ticket sales ie musical or play production etc.

Pros

- May collect additional funds in donations, can be added to the online ticket sales
- Patrons can cover the processing fees
- Reduce risk of theft in cash collections

Cons

- Must wait for third party processor to send you the collected funds

Two points to consider

Will you still accept cash or checks?

If not, decision on whether to pass on the processing fee or absorb it.



Fee Communication and Forms

Convenience to parents, students and staff; tie in to one system if possible and utilize electronically signed forms if needed and online statements

App as a communication tool

Communicate the fees, such as if it is included in the price or listed separately



Use Accounting Software

One system (one stop shop), if possible for online fees/sales:

Integrate with payments posting directly to the student information system/student activity software

Integrate the payment system with the accounting system and online forms

Example: parking permit, signed parent forms

Documentation Requirements



Documentation Advantages

1. The Student Software already has the information you need to track students payments and it can eliminate most data entry which takes time and allows for errors.
2. The software can track types of payments and produce a detailed record of all payments to allow for easy import in your accounting system through a cash receipt batch entry.
 - a. Data can be filtered in excel for easy reference

Reconciliation Recommendations

1. You can enter through a cash receipt as often as you like, but a monthly reconciliation should be sufficient for most schools.
2. You can run a report of all collections during the month and enter the amounts as you are performing your monthly bank reconciliation process.
 - a. Make sure the report matches the settlement dates with the bank or it will cause reconciliation issues.
 - b. You can review for any large receivable entries annually at year end and report on a cash basis throughout the year.

Audit Inquiries

1. Auditors typically look for documentation of your internal control procedures or look to sample certain cash collections.
2. If you maintain the detail of cash receipt batch import, that data can support your receipt process and it can easily be filtered to a certain student, type of revenue, etc. for the auditor to review.
3. With a cash collection/receipt inquiry, you need to track down a detailed receipt and deposit slip and those can be misplaced or not sorted for easy reference.

Questions/Comments/Real Life examples?

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