

## Title: Checking Account Internal Control Policy

### Control Information

Control Item	Details
Owner/Curator	BCS Board Secretary/BCS Administrator
Policy #	Policy 0043
Supersedes	None
File Location	www.bethanycharter.org
Board approval date	December 7, 2009

### Revision History

Revision Date	Revision Description	Originator
	Initial release	K. Buchheit

## 1. Recording Transactions:

1. All deposits and withdraws must be recorded in the checkbook register.
  - a. All withdrawals must be in the form of a check.
  - b. A check made out to “Cash” must have written documentation as to what the funds are being used for and if applicable where the funds are from.
2. All deposits and withdrawals in the form of checks must be recorded in the general ledger. A notation must be included that indicates which classroom/category is involved with the deposit or withdrawal.
3. A Deposit Verification Form must be filled out on every deposit. This form must include:
  - a. Date
  - b. Total deposit amount
  - c. Itemization/description of what is being deposited:
  - d. Is this deposit for something in particular?
  - e. Indicate source of funds (fundraiser, donation, etc.)
  - f. Signed by two people indicating that they have each counted the amount and they both come up with the same figures.
4. A Check Request Form must be filled out for every check written. This form must include:
  - a. Date
  - b. Amount check is to be written for
  - c. Reason check is requested
  - d. Who is requesting check
  - e. Category/area/account funds are to come from
  - f. Administrator authorization
  - g. Board member authorization
5. Transactions may be recorded in the checkbook register by any school employee or board

member.

6. General Ledger notations will be made by the person appointed to the task by the BCS school administrator.

## 2. Account Reconciliation:

1. The checkbook register must be reconciled with the bank statement monthly
2. The general ledger must be reconciled with the checkbook register and the bank statement monthly. Reconciliation must include:
  - a. Beginning Balance
  - b. Any Transactions
  - c. Ending Balance
3. All classroom/categories present in the general ledger must be reconciled monthly. Reconciliation must include:
  - a. Beginning Balance
  - b. Any Transactions
  - c. Ending Balance
4. Reconciliation of Petty Cash must be done monthly. Reconciliation must include:
  - a. Beginning Balance
  - b. Any Transactions
  - c. Any Outstanding Transactions
  - d. Ending Balance
5. Initial reconciliation needs to be done by someone who is not a signer on the BCS account.
6. All reconciliations must be verified and signed off on by either the BCS school administrator or a BCS board member monthly. Use the Reconciliation Verification Form.

## 3. Account Reporting:

1. A monthly report must be made to the BCS Board at their regular board meeting on the first Monday of the month. This report must include:
  - a. Beginning Balance of the checking account
  - b. Ending Balance of the checking account
  - c. A list of all deposits made
  - d. A list of all checks written
  - e. Beginning Balance of all categories/areas included in the checking account
  - f. Ending Balance of all categories/areas included in the checking account
  - g. All activity in each category/area included in the checking account
  - h. All Petty Cash activity for the month
  - i. Copy of the Reconciliation Verification Form for the month
2. The BCS Board shall review the monthly report. Their minutes shall include:
  - a. Notice of receiving the monthly report
  - b. Any questions brought up by a board member on account activity
  - c. Acknowledgement of checks written on the account. This acknowledgement

needs to include:

1. Check numbers
  2. Total amount covered by checks
- d. Acknowledgement that the monthly reconciliation has been done and the Reconciliation Verification Form has been filled out.

## 4. Deposits:

1. Deposits may be made by any of the following:
  - a. Administrator
  - b. Designated staff person
  - c. Any authorized signer on account
2. Deposit ticket from the bank must be kept with the Deposit Verification Form for that deposit.
3. Deposits need to be made a minimum of twice a week. One deposit a week allowed with administrator's signature only. More deposits can be made if needed.
4. Recommendation that there is not more than \$100.00 left overnight at the school that needs to be deposited. Do not leave money that needs to be deposited at the school over a weekend or a vacation or extended days off of school.
5. Fundraising done by a classroom or student club/activity ***must*** have the initial money count and Deposit Verification Form filled out by either the teacher or the volunteer or the employee in charge of the classroom/student club/activity.

## 5. Petty Cash

1. Petty Cash is to be handled by the BCS school secretary or by the person designated by the BCS administrator.
2. A Petty Cash Transaction Form must be filled out for every transaction/reimbursement. This form must include:
  - a. Date
  - b. Who purchased item
  - c. Description of item
3. A copy of the store/business receipt must be kept with the Petty Cash Transaction Form.

## 6.0 Control Over Account

1. Opening or closing a bank account for BCS.

In order to open or close a bank account for BCS it is necessary to get BCS board approval at a regular board meeting with a motion, a second and a vote recorded in the minutes for the meeting.

- a. The BCS board will designate who and how many may open/close account.
- b. The BCS board will designate who and how many may be signers on account.
- c. The BCS board requires 2 signatures of authorized signers on each check written.

## 2. Wire Transfers

BCS does not authorize wire transfers at any time with any account.

## 3. Authorized Signers on a BCS Account

- a. BCS Board President
- b. BCS Board Secretary
- c. BCS Board Treasurer
- d. BCS School Administrator

4. Checkbook, register, and petty cash will be kept in the fireproof locking file cabinet at the school. Extra checks will be kept there as well.