

HERSCHER COMMUNITY UNIT SCHOOL DISTRICT #2

PURCHASING & CASH HANDLING PROCEDURES

GENERAL

Herscher Community Unit School District #2, being a public institution, must adhere to a number of Federal and State laws. In addition, the Board of Education has set policy to establish efficient and businesslike procedures for fiscal accounting, purchasing and management of equipment and supplies. The School Board recognizes that money and money management comprise the fundamental support of the whole school program. This manual has been developed to provide all school buildings in the Herscher Community Unit School District #2 the maximum efficiency in accounting and reporting procedures.

POLICY STATEMENT

Herscher Community Unit School District #2 supports a procurement environment based on the understanding that departments and schools are in the best position to determine what they need to run their programs. Policies, procedures, and processes are meant to reflect an environment conducive to obtaining products and services needed in a timely and cost-effective manner.

REASON / PURPOSE FOR POLICY

Considerable authority has been delegated to departments and schools to make purchasing decisions. This requires that employees involved at every step of the purchasing process take full responsibility for understanding the District's policies and procedures regarding purchasing and vendor relations. Purchasing decisions are business decisions made on behalf of the District and therefore should be made with the utmost consideration for what is in the best interest of the District. Following policy and procedures ensures that appropriate business processes occur when dealing with outside vendors.

Purchase Order Requisition vs. Purchase Order – What is the Difference?

Purchase Requisition: Document used when an employee needs to make a purchase for materials, goods and/or services on behalf of the district. This document informs the Building Principal/Supervisor of the need to start the purchasing process.

Purchase Order: Document issued by the Unit Office after purchase requisition has been through the approval process. This document is sent to the vendor with a request for an order of materials, registration/dues, or services. A Purchase Order is a legally binding commitment for a district to remit payment to the vendor after the district receives the goods or services listed. The district's Purchase Order contains information on the expenditure to be made and the account code to be charged. Once issued, the Purchase Order encumbers funds, which serves as an expenditure control mechanism.

Purchase Order Procedures:

** Never order anything without an approved Purchase Order **

- 1- Requestor searches for sources, obtains quote, prepares bid (if required) from vendor. For new vendors, a W9 form must be submitted to Unit Office prior to completion of Purchase Order Requisition. Always ensure tax exempt status by forwarding our Illinois Certificate of Tax Exempt Status.
- 2- Requestor completes a Purchase Order Requisition, with all required documentation attached, and submits information to Building Principal/Supervisor for approval.
- 3- Building Principal/Supervisor approves the PO Requisition and submits all documentation to Unit Office.
- 4- Unit Office generates a Purchase Order. The Purchase Order, along with any supporting documentation, is submitted to the vendor. A copy of the Purchase Order will be returned to requestor.
- 5- Any revisions or changes to a Purchase Order must be communicated to the Unit Office for approval.
- 6- Requestor immediately inspects merchandise upon arrival and forwards packing slip(s) to Unit Office. If packing slip is not available, communicate with Unit Office that order has been received.
- 7- Unit Office will match packing slips to information provided on the Purchase Order in preparation for payment of invoice.

PROCUREMENT CARD PROCEDURE

The district has issued procurement cards (P-Cards) to each Administrator/Supervisor for the purchase of materials, goods and/or services on behalf of the district. Each cardholder is responsible for the accessibility to employees to the P-Card. The P-Card is available for any vendor that accepts American Express and/or MasterCard.

Before making a purchase, your purchasing plan must be approved by the cardholder. If you deviate from your spending plan, the Administrator/Supervisor must approve before purchasing.

Each P-Card has its own account number. At the present time, any card can be used for purchases as long as it satisfies the district purchasing procedures.

The billing period ends on the 1st day of the month for American Express and the 5th day of the month for BMO Mastercard. Each card has a maximum monthly limit amount. The monthly limit resets when payment is received by card issuer. Monthly transaction limits have been placed on the cards and will be communicated to you by administration. (Note: This is NOT what is in a specific budget line item; it is simply a maximum, monthly card limit.)

Fiscal Year Closure – Please be aware of billing period ending dates for each card. Meaning, a purchase made in June could potentially go on the NEXT fiscal year's budget. In addition, some vendors may charge the card upon ship date; not order date. For conferences/workshops, the card may be charged on actual conference date; not registration date. This caution is especially important with grant money expenses.

Changes in this procedure may be required periodically. Please be patient, as this process has been put into place to simplify the purchasing process for staff and to save the school district money.

P-Card Procedures:

- * Purchaser must submit to Unit Office a W9 from a new vendor PRIOR to purchase. Always ensure tax exempt status by forwarding our Illinois Certificate of Tax Exempt Status.
- * Purchaser must return card and submit receipt(s) to Administrator/Supervisor immediately following a purchase.
- * If sales tax appears on receipt, purchaser must immediately obtain a refund from the vendor.
- * Administrator/Supervisor submits to Unit Office either *American Express* Expense Report OR *BMO Mastercard* Expense Report, with all receipts attached. Cardholders should keep a copy for their records.

CHECK REQUEST

The Check Request form is for expenses from a variety of checking accounts, specifically the Imprest Fund, Activity Fund, or General Fund.

The Check Request form is required for district expenses such as referees/officials, employee reimbursements, and parent refunds. The Check Request form does not replace the Purchase Order Requisition, nor is an employee allowed to be reimbursed for any purchase(s) made without a purchase order or a personal credit card. Any purchase made without an approved purchase order is in violation of district policy.

Check Request Form Procedures:

Imprest Fund – Athletic Official requests should contain the name of the official, current mailing address, date and type of event. The official will be paid the day after each event, upon confirmation by the Building Principal/Athletic Director. Checks cannot be written until W9 information is received at the Unit Office.

Activity Fund – Requests for parent refund(s) should always have supporting documentation attached to request form. Checks will be written after approval is received from Administrator/Supervisor. The Check Request Form is NOT to be used for payment to any vendor in lieu of an approved purchase order.

General Fund – Requests for parent refund(s) or employee reimbursements(s) should always have supporting documentation attached to request form. Employee reimbursement includes such items as: mileage, tolls, parking, meals, or cell phone (if applicable). The Check Request Form is NOT to be used for payment to any vendor in lieu of an approved purchase order. Check Request Forms will be processed for Board approval and checks will be disbursed following the Board of Education meeting.

CASH HANDLING

Revenue Deposit Form – This form is to be used whenever money is deposited at the local bank. The building revenue deposit form must be completely filled out and submitted to the district office. The original copy of the bank deposit slip will be sent to the bank with the deposit. At the end of each month, a complete list of deposits by location will be sent to each building. It is important that your copies of these deposits be checked against this list for accuracy.

Activity Deposit Form – This form is used whenever money is collected for student resale or student fundraiser deposits. This form should be completed with a detailed description and sent to the district office. The original copy of the bank deposit slip will be sent to the bank with the deposit. At the end of each month, a complete list of deposits by location will be sent to each building. It is important that your copies of these deposits be checked against this list for accuracy. It is very important to submit deposits with a detailed description so Unit Office can verify that any expenses paid from the account equal the deposit(s).

CAFETERIA CASH HANDLING PROCEDURES:

- 1) Monies will be collected in the classroom K-8 on the first school day of the week. Monies will be collected daily at the building office.
- 2) Money is to be recorded on approved student forms. Send the individual forms along with money collected to the Principal's Office in separate manila envelopes.
- 3) All envelopes are given to cafeteria staff.
- 4) Cafeteria staff will open individual envelopes and post to each student account.
- 5) Cafeteria staff will run a posted payment report and balance report to the money counted. Any differences will be recorded.
- 6) Fill out receipt with amount of each check and amount of cash.
- 7) Cafeteria staff will be responsible to make out deposit slip and send to district office. A copy of the bank receipt should be kept with reports generated by cafeteria staff.
- 8) Cafeteria staff will maintain payment reports and receipts of all deposits.

ADMISSIONS REPORT FORM INSTRUCTIONS

BEFORE ANY TICKET SALES:

1. Please list event, date of event, and name of person responsible for sales
2. Verify in writing the amount of cash in drawer before any sales
3. Write down the color of each type of ticket (Adult, Student, Passes, Passes Sold) (d)
4. Write down the Price of each ticket (Adult, Student, and Passes)
5. Before any sales, write down the beginning ticket number for all four types (Adults, Students, Passes and Passes Sold) (a)

TICKET SALES:

MAKE SURE THAT EVERY PERSON ENTERING THE EVENT IS GIVEN AN APPROPRIATELY COLORED TICKET

AFTER TICKET SALES:

Every Ticket Taker is to balance his/her cash drawer as follows:

- 1) At the end of the event, write down the Ending ticket number (b)
- 2) Subtract the Beginning ticket number from the Ending ticket number (total tickets sold) (c)
- 3) Multiply the Number of Tickets Sold by the Price of Tickets ($c \times d = e$)
- 4) All columns in row: (e) Adults, Students & Passes Sold to Total Amount Tickets Sold (g)
- 5) Count coin (h)
- 6) Count currency (i)
- 7) Add up checks (j)
- 8) Copy amount of Beginning Cash on top of page (k)
- 9) Total Amount Collected ($h + i + j$ minus k) (m)
- 10) (m) should equal (g)
If not, subtract Total Amount Collected (m) from Total Tickets Sold (g) (n)
- 11) Return Cash Drawer, All money & Admissions Gate Report to Athletic Director

ATHLETIC DIRECTOR RESPONSIBILITIES:

- 1) Complete a Deposit Form
- 2) Attach copy of Deposit Form to Admissions Report & send to District Office

ADMISSIONS GATE REPORT FORM

Directions: This form is used whenever money is collected for admissions to an event. Each person who is selling season or daily passes should complete this form and turn into Athletic Director.

EVENT: _____

DATE: _____

NAME OF TICKET SELLER: _____

BEGINNING CASH VERIFICATION: \$ _____

	Adults	Students	Pass	Passes Sold
	_____	_____	_____	_____
a. Beginning Ticket Number	_____	_____	_____	_____
b. Ending Ticket Number	_____	_____	_____	_____
c. Number of Tickets Sold (b-a)	_____	_____	_____	_____
d. Price of Ticket	\$ _____	\$ _____	-0-	\$ _____
e. Total Tickets Sold (c x d)	\$ _____	\$ _____	-0-	\$ _____
g. Total Amount Tickets Sold (e) Adults + Student + Passes Sold				\$ _____

Ending Cash Drawer:

h.	coin	\$	_____
i.	currency	\$	_____
j.	checks	\$	_____
k.	less beginning cash	\$	_____

m. Total Amount Collected (h + i + j - k) \$ _____

n. Overage/Shortage (g) - (m) \$ _____

(Ticket Taker Signature)

SUMMER ACTIVITIES / CAMP MONEY

Building Principal will be responsible for communicating procedure to Music Department. Athletic Director will be responsible for communicating procedure to Coaches.

- 1) Summer Activity Accounting Form should be submitted to Building Principal prior to start of the program/event. This form will show the anticipated budget for each event (example: estimated revenues & expenses).
- 2) Money is to be collected by summer activity head coach/music instructor. Do NOT hold onto money – money should be turned in to school office as it is received.
- 3) Money is turned in to the district office along with the Revenue Deposit form and a list of students participating in the summer activity.

DO NOT USE THE CASH THAT IS COLLECTED TO PAY FOR MERCHANDISE.

- 4) All ordering and payment for supplies needed to run camp must be handled using the purchase order process.
- 5) Athletic Directors/Principals must complete a Summer Activity Accounting Form that shows actual revenues & expenses.
- 6) All personnel will fill out a timesheet, submit it to the Athletic Director/Principal for approval, and then will be paid through payroll. The collective bargaining agreement outlines the specific payment for summer events.

NO STAFF MEMBER CAN BE PAID FOR COACHING/SPONSOR ACTIVITIES OR DUTIES FROM CASH RECEIVED BY CAMP ATTENDEES.

NON-SUFFICIENT FUNDS CHECKS

By Board Policy, the Chief School Business Official or a designee is responsible for collecting the maximum fee authorized by State law for checks written to the District which are not honored upon presentation to the respective bank or other depository institution for any reason.

The Building Principal or designee will follow the procedures listed below:

- 1) Contact the individual by telephone as soon as the check is returned to the district office. The individual will be asked to pay the returned check fee in addition to the original check amount.
- 2) If the amount due is not paid after initial contact, send a letter by certified mail, return receipt, demanding payment within 30 days of mailing the letter.
- 3) If the amount due is not paid within 30 days of mailing the demand letter, the District Attorney will be contacted for further action.

STUDENT FUNDRAISER PROCEDURES

Contact the Principal at the beginning of each school year and provide the following:

- 1) Group name doing fundraiser
- 2) Dates of fundraising activity
- 3) Faculty Sponsor
- 4) Products to be sold
- 5) Prices and profit margin
- 6) Fundraising goal

The Principal will complete a calendar of all fundraising activities for the current school year and submit this list to the Superintendent by the end of August.

The Principal must approve all fundraising activities prior to scheduling.

“Sellers” must be instructed to ensure that all checks are made payable to the school.

If cash is collected (please discourage) a pre-numbered receipt must be made in duplicate. The original receipt is given to the customer and the other sent to the district office with the deposit.

All fundraising purchases must follow Purchase Order procedures. Any expenses used with funds from a fundraising event shall NOT exceed the deposit(s) for that event.

An itemized listing of students participating and student point earnings must be submitted to the Principal’s Office.

ACTIVITY FUNDS

Activity Funds Deposits

All monies collected shall be receipted and accounted for and deposited to the credit of the student activity funds account. Cash handled by all employees shall be kept in a locked vault or other secure place.

DO NOT USE THE CASH THAT IS COLLECTED TO PAY FOR MERCHANDISE.

No money should be kept in the classroom or an individual's bank account.

As money is collected by the sponsor, it should be turned in immediately to the Principal's Office. Do not hold any money overnight. Deposits are to be made daily, if necessary.

Any rebates from vendors should be deposited into a school district account.

The District forbids any employee to participate in any "kickback" program offered by any vendor. This includes student tours, student physicals, spirit wear, sports equipment purchases, etc.

Activity Funds Reporting

Activity club fund balances must be reported monthly to the Board of Education.

All detail reports are to be completed at the end of each fiscal year to be audited by the District's independent auditor.

Activity Funds Bank Reconciliation

Bank reconciliations are to be done monthly. These reports are to be completed at the end of each fiscal year to be audited by the District's independent auditor.

ACCOUNTING REPORTS:

At the close of each month, all bank accounts will be reconciled by the Unit Office and reports will be submitted to the Board of Education.

Each Building Principal and Director also receives a copy of the monthly reports. Building Principals are to share this information with their staff as a verification that all deposits and expenses are current and correct.

Purchasing & Cash Handling Procedures

Index

Introduction

Purchase Order Procedures

Procurement Card Procedures (P-Card)

Check Requests

Cash Handling

Admissions Report Form Instructions

Summer Activity Money

NSF Checks

Student Fundraiser Procedures

Activity Funds

Examples of Unit Office Accounting Forms:

Purchase Order Request Form

P-Card Expense Form

Check Request Form

Summer Activity Budget Form

REQUEST FOR PURCHASE ORDER

NAME OF REQUESTER: _____

DATE: _____

SCHOOL: (CIRCLE ONE) BGS HIS LMS HHS

NEW VENDOR? - ATTACH W9

VENDOR INFORMATION:

NAME: _____

PHONE: _____

ADDRESS: _____

FAX: _____

QTY	ITEM #	DESCRIPTION	UNIT COST	TOTAL COST	ACCOUNT # TO CHARGE
TOTAL			\$		Please include Shipping/Handling

**** Please attach all documents required to complete this PO Request ****

IT IS THE POLICY OF THE HERSCHER C.U.S.D. #2 TO HAVE AN APPROVED PURCHASE ORDER BEFORE AN ORDER IS PLACED
A PURCHASE ORDER IS APPROVED WHEN ENTERED INTO THE DISTRICT'S SYSTEM & APPROVED BY APPROPRIATE ADMINISTRATOR

Herscher Community Unit School District No. 2

AMERICAN EXPRESS P-CARD - EXPENSE REPORT

Name of Purchaser: _____ Name of Card Holder: _____

** Attach all receipts on the back of this form*

Date	Vendor Name	\$ Amount of Charge(s)	Account # To Charge	Justification / Purpose For Charge
		\$		

Signature of Purchaser: _____

Signature of Card Holder: _____

Herscher Community Unit School District No. 2

BMO MASTERCARD P-CARD - EXPENSE REPORT

Name of Purchaser: _____ Name of Card Holder: _____

*** Attach all receipts on the back of this form**

Date	Vendor Name	\$ Amount of Charge(s)	Account # To Charge	Justification / Purpose For Charge
		\$		

Signature of Purchaser: _____

Signature of Card Holder: _____

HERSCHER COMMUNITY UNIT SCHOOL DISTRICT NO. 2

CHECK REQUEST

CIRCLE Fund Option: **IMPREST FUND* ****ACTIVITY FUND** *****GENERAL FUND**

REQUESTOR'S NAME: _____ BUILDING: BGS HIS LMS HHS

PURPOSE: _____ DATE NEEDED: _____

AMOUNT: \$ _____ (Attach backup documentation)

VENDOR NAME: _____

ADDRESS: _____

ACCOUNT # TO CHARGE: _____

CHECK APPROPRIATE OPTION:

- _____ Mail check to above vendor name
- _____ Return check to Requestor via inter-office mail
- _____ Requestor will pick up check from Unit Office

Signature of Requestor: _____ DATE: _____

Supervisor's Signature: _____ DATE: _____

**Imprest Fund* checks can be processed without Board of Ed Approval (example: extra-curricular officials)
****Activity Fund** checks can be processed without Board of Ed Approval
*****General Fund** checks require Board of Ed Approval: Deadline is first day of each month

HERSCHER C.U.S.D #2

Summer Activity Accounting Form

Head Coach Name: _____

Camp Date: From _____ To _____

Account you deposited activity fees to: _____

Total fees collected for this activity: \$ _____ (1)

List all Expenses Associated With This Activity

(Include PO# for all expenses so bookkeeping can track of your invoices)

Vendor	PO#	Amount
_____	PO# _____	\$ _____
_____	PO# _____	\$ _____
_____	PO# _____	\$ _____
_____	PO# _____	\$ _____
_____	PO# _____	\$ _____
_____	PO# _____	\$ _____

Total Expenses \$ _____ (2)

Take total fees collected (1) subtract total expenses (2): Net: \$ _____ (3)

If applicable, total *gross salary for all workers (4): *Gross Salary: \$ _____ (4)

(Signed & approved timesheets must be attached)

* NOTE: Gross Salary will have benefits included, which will increase gross salary amount, so please allow additional monies to cover both salary & benefits

Take the net (3) subtract *gross salary (4): Final Amount \$ _____ (5)

The final amount after all expenses paid (5) is available to support the activity fund.