

Accounting for Cash Income

Introduction

Schools receive money from many sources including grants from the Department of Education and Science, income generated from various school activities and other income such as fund raising and parental contributions. Income can be managed in various ways depending on its source and each type of income is covered separately in this guideline. It must be remembered that regardless of its source an effective income collection system must be established to ensure that all income due is identified, collected, receipted and banked properly.

1. General procedures

- The school office must always issue a receipt to anyone from whom money in excess of €10 is received.
- The receipts must be issued in sequence and only one receipt book should be in use at any one time.
- The cash and cheques must be kept in the school safe at all times and lodged in the bank as soon as possible.
- The actual money in the safe must be reconciled at least once a week to the balance of cash in the cash book.
- Lodgments must be made regularly using the school lodgment book.

2. Current Grants paid by the Department of Education and Science (DES):

The main source of school income is grants payable to schools from the DES. Many of the grants received by schools go into the general school fund to pay for school expenditures. However, some grants and income received may only be used for specific purposes and should not show a surplus. These include:

- Supervision and Substitution grant for non-contracted supervision
- The Book Grant for “needy students” (DEIS Schools only)
- Capital Grants
- Specific IT grants

Procedures in relation to all grants received

1. The school should prepare a comprehensive list of all grants receivable for the school year and note the due date for the grants.
2. When the grant is received the list should be updated by entering the date the grant is received and the amount received verified to the amount on the list. The school should identify each grant received and where the details received are not adequate to identify the grant the school should contact the DES to get clarification.
3. The grants are normally credited directly to the school's main bank accounts except for a few which are paid by cheque directly to the school.
4. The grant cheque must be lodged immediately to the school bank account.
5. The grant details must be entered into the cash receipts book in date order.
See **Appendix A**.

Grants received from Local Authorities, Department of Health and Children and Department of Social and Family Affairs should be processed in the same way.

Occasionally the school may not receive the expected grant and in these circumstances the school should contact the DES directly to inform them.

3. Capital Grants

Capital grants are payable in certain circumstances for school buildings, extensions, refurbishment and for equipment. The project for which the grant is received must be clearly identified and the details entered to the cash receipts book. Any grant received for capital purposes must be absolutely ring-fenced for the designated purpose. The section on Capital Expenditure will deal with managing the finances of capital projects.

The DES normally holds back retention money on capital projects and the school should keep a detailed record of all money due and follow up on any outstanding retention money with the DES.

4. School Generated and Other Income

This is income generated within the school from various activities or ventures such as locker rental, Canteen or Tuck shop receipts, and income from games and books. It also includes voluntary contributions from parents of students in the school which is an essential source of income for many schools.

This type of income is collected by a number of different personnel in the school and therefore requires strong control mechanisms to be put in place. The controls should ensure that all income is collected from the correct person, at the right time, using the correct procedures, appropriate stationery and ensure that pre-numbered receipts are issued to everyone.

Procedures in relation to School Generated Income

- The school should have pre-numbered Receipt Books printed in duplicate as per the sample in **Appendix B**.
- There must be two people involved in the collection of and accounting for cash income at all times.
- A signed receipt from a pre-numbered Receipt Book should be issued for any monies received in excess of €10. This applies to all school personnel including teachers collecting money for trips or any other school activity. The receipt books must be used in numeric sequence.
- The details must be recorded on the Daily Cash Sheet by the person collecting the money as per the sample in **Appendix C** and **Appendix D**.
- The person/teacher should hand over any money received on a daily basis together with the supporting documentation. Before the money is given to the school office it should be fully counted and all coin bagged and ready for lodging.
- The money must always be delivered by the person/teacher collecting it, to the accounts person. The money should be counted by the teacher and the accounts person together and a pre-numbered receipt issued to the teacher by the accounts person. (See **Appendix B**)
- The details should be entered in a Cash Receipts Book as the money is received and reconciled to the actual daily cash. (See **Appendix A**)
- All cash and cheques must be locked away in the school safe to safeguard them against loss or theft.
- Income must be reconciled to the Cash Receipts Book and lodgments completed promptly using an authorized Bank Lodgment Book.
- All money must be lodged intact i.e. no cash should be retained for other purposes.
- The Lodgment Book should be used in sequence and the lodgment reference number entered on the Cash Book.
- The Income headings used in the record of the Cash Income should reflect the type of income which the school receives. (See **Appendix A**)

5. Canteen/ Tuck Shop:

Many schools have a canteen or tuck shop and they take in large amounts of cash on a daily basis. Schools also have vending machines which is another source of cash income. The school must consider these operations as commercial activities and put the necessary controls in place.

Procedures

- Ideally, canteens and tuck shops should have a cash register to record the cash accurately especially where turnover is high..
- The sale must be entered on the cash register each time money is received.
- The cash must be counted at the end of each day and reconciled to the total from the cash register (**Appendix E**)

- The canteen cashier should enter the total of the cash received in the canteen diary.
- The cash and the canteen cash reconciliation sheet must be brought to the office on a daily basis. Before the money is given to the school office it should be fully counted and all coin bagged and ready for lodging.
- The office will check the cash and the canteen cash reconciliation with the canteen person and issue a receipt to the canteen cashier. (**Appendix B**)
- The office Cash Receipts Book will be entered up.
- Vending machines should be emptied each week by two people, the money counted by them and signed off on the vending machine record book.
- The Vending Machine(s) cash takings must be entered in the office Cash Receipts Book.
- The cash must be put in the safe. All money must be lodged intact and lodgments completed promptly using an authorized bank lodgment book.

6. Fund-raising

Many schools engage in various forms of fund-raising and other activities organised by parents, students and teachers. The Board of Management has ultimate responsibility for all such funds raised and must make sure that they are properly recorded and included in the overall school accounts.

Procedures

- The fundraising budget should be examined in detail to ensure its viability.
- Board of Management approval must be received for all fundraising activities in the name of the school.
- A minimum of two persons should be involved in the administration of the fundraising activity.
- Appropriate income and expenditure controls must be established at the outset. These controls will depend on the type of event for example:

Gala Dinner / Dance / Social: The tickets should be issued in numeric sequence which will help establish at any point in time the total number of tickets sold. The total income can then be calculated by multiplying the ticket value by the number of tickets sold and reconciled to the physical cash/cheque income received. The money must be given to the school office on a daily basis and a receipt issued to the organiser. The unsold tickets must be kept in the safe.

Raffle: Detailed records should be maintained of the ticket sellers together with the serial number of the tickets given to each seller. The returned books together with the money should be tallied and the records updated. Unsold tickets must also be returned to the school. Sellers who have not returned their tickets must be advised that this is not acceptable practice. The money must be given to the office on a daily basis and a receipt issued to the organiser. Reconciliation of the physical cash/cheques income received with the total number of tickets sold is good practice.

Sale of Work: This type of fundraiser is very popular in schools and can raise a lot of money. It is good practice to have the following procedures in place:

- The most suitable way to manage this cash is to have a cash office with three to four adults set up to count the cash.
- The cash should be collected by two persons at least every hour from each stand and the stand person should get a pre-numbered receipt for the money handed over. The money is then brought to the temporary cash office where it is counted and entered on the cash sheet. (See **Sample F**)
- Each person manning a stand would like to know how much money they take in. Therefore it is good practice to keep the record for each stand's takings separately.
- When all the money is counted the person manning the stand can agree the figures with the cash office.
- The money must be given to the office without delay. When the money is given to the school office it should be fully counted and all coin bagged and ready for lodging. The office should issue a receipt to the fundraisers for the money.
- The cash must be put in the safe
- The money must be lodged as soon as possible in the bank. Any discrepancies should be brought to the attention of the fundraisers immediately.
- The details must be entered in sequence on a daily basis to the office Cash Receipts Book (See **Appendix A**)

7. Donations and Gifts

The school may receive donations from the Trustees, Past Pupils' Union, Parents, Parents' Council and/or local business.

Procedures

- The school should issue a receipt in the normal way to the donor and send it with the "Thank You" letter.
- Donations may be given for a particular purpose and this should be noted in the cash book as the money may need to be ring fenced.
- Where money received has to be ring fenced it should be given a unique nominal code to help manage the fund.
- The money should be put in the safe and the office Cash Book updated.
- The cash and cheques must be put in the safe. All money must be lodged intact and lodgments completed promptly using an authorized bank lodgment book.

Guideline 04, 2007 / 2008 and in the DES Circular M 20 / 04. Detailed records should be maintained by those responsible for the tour in line with **Appendix D**.

8. Hire of School Property

All organisations using school facilities should each complete the ‘**Application for the use of School Room/Facilities**’ form set out on page 91 of the ‘Guidelines for Financial Management in Voluntary Secondary Schools’. The school is recommended to retain a copy of the user’s insurance policy on file for future reference. It is recommended that all negotiations in relation to the letting of the school’s facilities are carried out by the Principal and ratified by the Board of Management.

Procedures

- The hire agreement should be copied and a note made of the agreed rent and method of payment.
- When the rent is received the office must issue a receipt from the Receipt Book to the tenant
- The money must be put in the safe and the office Cash Receipts Book updated.
- All money must be lodged intact and lodgments completed promptly using an authorized Bank Lodgment Book.

9. Documentation and Filing

- a) The school should have only **one Receipt Book** in use at any point in time and all unused Receipt Books must be kept in a locked cabinet. A record must be kept of who receives a Receipt Book and the date it was issued.
- b) All used Receipts Books must be kept as part of the school accounting records in a safe place and the records updated when the used book is returned.
- c) The supporting documentation for all receipts must be filed in receipt number order on a lever arch file by school year.
- d) The grant counterfoils must be filed in date order for each school year with the list of expected grants.
- e) The Office Cash Receipts book must be totalled at the end of each month and agreed to the computer printout 441 on the TAS 2 school accounts.

10. Safe

Limit access to the safe. The safe should be kept locked at all times. A Key / safe combination access record should be maintained. Keys should be numbered and a record should be kept with information on the person having the key.

Appendix A

Accounts Office Cash Receipts Book

Date	Description.....	Office Receipt	Total	Volunt subs	Transit Year	Book Rental	Lockers	Tours	Grants	Canteen	Other	Lodge Ref	Lodgment €
	Capitation	Bank t/f	10000.0						10000				10000.00
	Supervision	Cheque	2500.00						2500			125679	2500.00
	Secretarial Grant	Bank t/f	1500.00						1500				1500.00
	Canteen	2456	460.00							460.00			
	Tour Paris	2457	600.00					600.00					
	Locker Receipts	2458	80.00				80.00					125680	1140.00
	Locker Receipts	2459	50.00				50.00						
	Tour Paris	2460	300.00					300.00					
	Canteen	2461	480.00							480.00			
	Book Rental	2462	80.00			80.00						125681	910.00
	TOTAL		16050.00				130.00	900.00	14000.	940.00			16050.00

Appendix B

School Name and Address.

Cash Receipt

No.

Student Name : _____

Received From : _____

The Sum of : _____

Regarding : _____

School Year : _____

Signed : _____ Date: _____

Appendix C

Daily Cash Sheet

DATE

Description	Receipt Ref	Total	Voluntary Subs	Transition Year Sub	Book Rental	Lockers	Insurance		
TOTAL									

Signed _____

Office Receipt No.

€

Appendix D

Cash Collection by Teachers

Teacher _____

Date:

Class _____

	Student Name	Ref	Pd	Date	Date	Date	Date	Date
1								
2	+							
3								
4								
5								
6								
7								
8								
9								
10								
	TOTAL RECEIVED							

Signed By: _____

Office Receipt No.

€

Appendix E
School Name
Cash Count Form

DATE

Collectors Name _____

Cash Collected for _____

Class/School Group _____

It is the policy of the school that for the protection of all concerned, that the money collected is counted by two people together and both sign off verifying its accuracy.

All cash to be bagged and checked before bringing to the office.

Cash Count

Description	Denomination	QTY	Total €
Notes (bundle of €1000)		€50	
Notes (bundle of €500)		€20	
Notes (bundle of €500)		€10	
Notes (bundle of €100)		€5	
€2 coins (€50 per bag)		€2	
€1 coins (€25 per bag)		€1	
50 cent coins (€25 per bag)		50c	
20 cent coins (€10 per bag)		20c	
10 cent coins (€10 per bag)		10c	
5 cent coins (€5 per bag)		5c	
2 cent coins (€2 per bag)		2c	
1 cent coins (€1 per bag)		1c	
Total		€	

Collector Signature _____

Collector Signature _____

Date _____

Office Receipt No

Please attach supporting documentation

Appendix F

School Name _____

Canteen Daily Cash Sheet

Day _____

Date _____

Cash Count			
QTY			Total
	€50		
	€20		
	€10		
	€5		
	€2		
	€1		
	50c		
	20c		
	10c		
	5c		
	2c		
	1c		
Total			

Cash Purchases/Payments	
Description	Euro
Total	

Cash Summary	
	Euro
Total Cash Count	
Total Cash Payments	
Other	
Total Cash Takings	
Less Cash Float	
Total Cash	
Cash Register Z read	
Cash over/short	

Please attach
 Cash Register Z read
 Cash Payments receipts
 Cash

Signed _____

Date _____

Office Receipt No

€

