

## **System of Funds and Accounts**

### **Management of District Bank Accounts**

The following guidelines will be used in managing bank accounts:

The total amount of the imprest fund of the district shall be established and approved by the board

- The board shall authorize the superintendent or designee to serve as custodian of the fund.
- Use of imprest funds and/or petty cash shall be restricted to those obligations that cannot be handled by voucher.
- Imprest funds and/or petty cash may not be used to circumvent any laws related to purchasing.
- All original receipts, which submitted for reimbursement, will be dated and signed by the submitter.
- Imprest accounts will be replenished at least monthly by warrant payable to the custodian. The replenishment must be made by voucher with appropriate receipts attached.
- Whenever an individual's duties as custodian is terminated, the imprest fund must be replenished and turned over to the site administrator.
- Someone other than the custodian of the account shall count and reconcile the imprest account on a surprise and unscheduled basis.

### **Receipt and Deposit of Funds**

Moneys received for the district will be handled as follows:

- Receipts will be given for all moneys collected.
- All moneys received by the district, except those received by the county treasurer on behalf of the district, shall be deposited in the district's depository account. Deposits to personal bank accounts are not allowed.
- All monies received by schools and departments shall be deposited within 24 hours pursuant to RCW 43.09.240.
- Receipts from special events shall be deposited intact, i.e. cash and checks must be deposited in the same mix in which they were received.
- Monies collected at remote sites or unsecured areas must be frequently deposited in the drop-safe or designated secure area.
- All moneys in the transmittal account shall be remitted to the county treasurer no later than the first of each month. Such remittances shall be accompanied by a report indicating the sums to be credited to each of the district's funds.
- An accurate record shall be kept of all expenditures from each imprest account. Reimbursement shall be made to each imprest account by voucher each month.
- No money shall remain in any school or department over the weekend with the exception of approved change and petty cash funds.

### **Third Party Receipting**

Third Party receipting is when a vendor(s) collects donations, revenue or fees on the behalf of the school district.

Contracting with crowdsourcing sites (the process of obtaining cash donations from an online community) such as: Snap! Raise, *GoFundMe*, etc. where cash donations are made through third-party vendors and third party vendors receive a percentage or amount of the donation as payment for services is prohibited.

Business Services must be notified of intention of doing business with any party that collects funds for the district.

Technology Services must be notified of the intention of doing business with any party that provides hardware, software and the aforementioned must integrate with current district system requirements.

District practices and processes must meet Payment Card Industry (PCI) standards.

District will reconcile financial records with bank deposits made by third party, ensure revenues are consistent with expectations, and determine that fees charged for credit card processing are appropriate per contract terms.

All potential third party credit card processor/merchant services provider/payment facilitator must be PCI approved and on the Visa or MasterCard Provider List.

All contracts must:

- Include details of the payment remittance process and responsibilities of each party for compliance with the Payment Card Industry (PCI) requirements and state if primary purpose includes services in addition to receipting.
- Require that a surety bond or insurance policy is in place if necessary to protect any funds before they are deposited in the approved district bank accounts.
- require Credit Card Processor/Merchant service provider settle funds intact (gross receipts before expenditures) directly into district approved bank account pursuant to RCW 39.58.080
- Require that If funds are not deposited directly in district approved bank account, they must be remitted electronically to the district within 24 hours of receiving them according to state law RCW 43.09.240 and the contract should include sufficient safeguards to protect funds from loss.
- Third Party vendor may not hold any part of the district proceeds (except for returns/chargeback that are standard to credit card processors/merchant service provider and payment facilitator agreements.) Charges for services shall be invoiced separately to district.

**Internal Control**

The district Auditing Officer or designee shall separate, where possible, the functions of receipting, depositing, and disbursement of district monies. The benefits of this system are to provide the district with assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with district's requirements, and to provide the necessary records of transactions in the preparation of financial statements. When separation is not possible, compensating controls will be implemented to ensure sufficient oversight of funds. Compensating controls will be reviewed and approved by the Business Office.

**Facsimile Signature**

The Secretary of the Board of Directors and the district Auditing Officer, as representatives of the Board of Directors, may utilize a facsimile signature when signing public securities issued by the district and when authorizing district instruments of payment. Facsimile signatures used by said officers will be registered with the Secretary of State of the State of Washington. Generally, facsimile signatures are used for signing warrants, vouchers and in other cases where a large volume of signatures is required.

**Date: 5.17**