

# North Central Workforce Development Area

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## LOCAL DIRECTIVE

Directive #: <u>18-169</u>	Date: <u>November 1, 2017</u>
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TO: SkillSource Staff

FROM: Dave Petersen, Executive Director

SUBJECT: Accounts Receivable & Cash Receipts

SUPERCEDES: Directive # 11-100: Cash Receipts

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<b>Effective Date: 11/01/2017</b>
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## CASH RECEIPTS AND REVENUES

### INTRODUCTION

Invoices are entered into the Accounts Receivable system as generated. The principal documents are RSA/IFA agreements, leases, student count reports, and MIP generated revenue and expense reports, etc.

Receipts are recorded when a check/electronic funds transfer (EFT) is received. The principal documents involved are the manual check register, deposit slips, bank receipts, cash receipts spreadsheet, and MIP accounts receivable & general ledger modules.

#### Deposit Slip/Bank Receipt

All cash/checks received are deposited using pre-printed deposit slips. Bank receipts are attached to the deposit slip.

#### Manual check register

All cash/checks/EFT's are recorded in the manual transaction ledger. The ledger reflects cash on hand at any given point during the month.

## Cash Receipts Spreadsheet

All cash/checks/EFT's received are entered in a monthly cash receipts journal (excel spreadsheet). The journal totals the cash received for the month and specifies the corresponding revenue account for each deposit.

## Accounts Receivable

All invoices and deposits are entered into the MIP AR module and posted to the General Ledger throughout the month

## **ACCOUNTING PROCEDURES**

### **INVOICING**

Cash Advances and Contract Billings: Performance Analyst prepares cash advances & monthly contract billings (A-19's) then forwards to the Financial Director for review. Once approved, they are scanned and emailed to ESD then original forwarded to the Accounting Assistant for entry into MIP.

State Education Invoices: Monthly student counts are prepared by classroom staff according to each School District contract agreement. The monthly count is submitted to the Wenatchee classroom assistant who updates the FTE spreadsheet, then prepares and mails invoices to each District and sends a copy of the invoice and student list to accounting.

Infrastructure Funding (IFA)/Resource Sharing (RSA) and Lease Invoices for Moses Lake Center: Accounting Assistant prepares monthly invoices for all Center partners. ESD & DVR are invoiced based upon current lease agreements and billed on A-19's followed by a separate invoice to DVR for lease reimbursables, (utilities and janitorial). Other partners are invoiced based upon IFA/RSA or Lease whichever is in place for that entity.

Miscellaneous Basic Education or Computer Skills: Instructional staff prepare and mail invoices for third party (DVR, L&I) or private pay Basic and/or Computer Instruction. Invoices are forwarded to accounting for entry into Cash Receipts Spreadsheet and MIP AR.

### **RECEIPT OF CASH, CHECKS, EFT:**

The Accounting Assistant verifies all EFTs on the date of deposit noted on the Cash Request or email verification of A-19 processing. Once verified she initials the deposit in the manual check register.

All incoming checks (or warrants) are logged and stamped with a restrictive endorsement by the front Office Assistant and forwarded to Accounting Assistant.

A pre-printed NCR deposit slip is prepared by Accounting Assistant listing each check by payer and amount. The original deposit slip is attached to the checks for deposit. The duplicate slip remains in the deposit book and the bank receipt is attached to this copy. Photocopies of the checks are made and attached to original copy of billing documentation & check stubs then filed by deposit date and month.

All funds received are highlighted and grouped by deposit date in the cash receipts spreadsheet by the Accounting Assistant

Each deposit is then entered into the Accounts Receivable Module (MIP) by the Accounting Assistant. This transaction is posted to the general ledger updating cash, revenue, and expense accounts accordingly.

The total of each deposit is entered in the manual check register.

The bank statement is received unopened by Executive Director. The Executive Director reviews the statement, dates it, then forwards to the Financial Director for reconciling.

The General Ledger is reconciled to both the bank statement and the manual check register by the Financial Director monthly.

Interest revenue earned on the US Bank account is used to offset the bank service fees recorded in the cash receipts journal after the bank statement is reconciled.

### General Requirements

1. The Financial Director must not handle any cash or checks.
2. No single staff member can create, review and post the same transaction.
3. It is the responsibility of the Accounting department to reconcile the bank accounts on a monthly basis.
4. All financial transactions are subject to audit and must be in compliance with all federal and state regulations and internal policies and procedures.
5. Any exceptions to these procedures must be pre-approved by the Executive Director or designee.