County Extension Coordinator Best Practices
For Checking Account Management

The following suggestions are intended to serve as a guide for County Extension Coordinators. Please refer to the County Fund Policy for official policy statements. If you have suggestions for this best practices guide, please send them to your DED.

- The CEC should receive the bank statements sealed.
  - Inspect the cancelled checks to ensure that expenditures are warranted.
    - Does the amount and payee look reasonable?
    - Do you recognize the signature on the check?
    - If you are not sure about a check review the related voucher and supporting documentation
  - Are deposits made weekly?
    - Is the timing of deposits infrequent and/or of a high dollar amount?
  - Review and question non-check charges (cash withdrawals, bank charges…etc)
  - Initial the envelope and return the bank statement to your secretary.

- For purchases establish the use of a voucher system and routine review documentation.
  - Look at actual receipts to see if all purchases have a legitimate business purpose.
  - Sign/approve each voucher even if you signed the check or if the check was previously issued.
  - Make sure every check number is accounted for with a voucher. Voided checks should be attached to its voucher.
  - Change/cash advances
    - Do not make checks payable to “Cash” or the bank. Checks should be made payable to the person responsible for the money.
    - Expenses should be supported by sales slips and/or white cash receipt form for returned money.
    - Change fund should be supported by white cash receipt form for returned money.
  - Review/audited random expense transactions routinely after the reconciliation process.
    - DEDs suggest that you pick at least three random transactions from the monthly QuickBooks reconciliation report and review the documentation in the file.
    - In addition you should review/audit all checks over $300 and checks payable to employees over $100.
To review/audit a transaction you should:

- Examine the check voucher
- Examine the receipt and/or other appropriate documentation

Initial the transactions you reviewed/audited on the reconciliation report so you will have evidence of your review.

Inspect the cash receipt book and reviewing individual deposits routinely.

- Is your office using one cash receipt book for each account?
- Does the person making the deposit note the date and amount of the deposit on the last used copy of the cash receipt form in the bounded receipt book?
- Can you trace each receipt back to a specific deposit?
- On a test basis add up individual cash receipt forms to the amount written as deposited and tract it to:
  - A validated copy of the deposit slip and,
  - The posting on the bank statement
- All copies of voided cash receipt forms should be kept and attached to the copy in the bounded receipt book.
- Routinely verify that deposits are being recorded in QB on the date of the deposit. This is best done in the middle of a bank statement cycle.
- Verify the date of the deposits on the statement match the QB reconciliation report.
- Review/audited random deposits routinely after the reconciliation process. You should review an average of one deposit per month.

To review/audit a deposit you should:

- Review the duplicate cash receipts associated with the deposit. Add them up to see if they match the validated copy of the associated deposit slip and the posting on the bank statement.
- This should be easy because all the duplicate cash receipts should be in numeric order in the spiral bound book.
- Verify that no receipts are missing from the deposit without explanation in the receipt book.
- Initial the deposit you reviewed/audited on the reconciliation report so you will have evidence of your review.

Adequately secure and safeguard un-deposited cash receipts:

- Un-deposited cash and checks should be transferred to a designated custodian. The designated custodian can also receive funds directly from the public and process by-mail cash receipts.
o All transfers of money to the designated custodian should be documented by having the custodian initial the file copy of the cash receipt form once the funds come into his/her possession.

o The designated custodian is required to secure the funds in a protected location.
  - Locking cash box
  - Locking bank bag

o A designated substitute custodian can be appointed to cover extended periods of leave; however, the substitute is required to document the transfer of cash/checks and properly secure funds for which he/she is responsible.

• The use of secondary or “checkout” receipt books:
  o Often there is a need to receipt funds off site. A secondary or “checkout” receipt book may be used in this case. The secondary receipt book is checked out of the extension office by a staff member or volunteer. This secondary receipt book is then returned to the cash custodian along with the funds collected. The cash custodian will then issue one receipt from the master receipt book for the entire amount of the funds collected. This receipt from the master book should reference receipt numbers from the secondary receipt book. The white copy from the master receipt book should be stapled to the last receipt used in the secondary receipt book. The secondary book is now ready to be checked out again.

  o County should limit use of secondary receipt books to the minimum required. All secondary receipt books must be used, stored, and archived according to the county funds policy.

  o Sometimes it is necessary to intake large numbers of customers at one time (i.e. camp registration). Sometimes these are also off site. It is acceptable to operate two or three secondary receipt books at one time to accommodate large numbers. In this case, each book must be assigned to a single person and that person is responsible for all funds receipted to that book. Each person would then transfer their book and funds back to the cash custodian individually.

• Monitoring revenue and expense totals in QuickBooks:
  o Are fund raising activities profitable?

  o Compare the number of students attending camp with total collections for camp.

  o Are expenses and deposits being tracked so that program budgets may be monitors for specific activities?

  o Don’t just monitor the bank balance. Be aware of program or event balances. Do you have events that are too profitable or maybe lose too much money?