

**ADMINISTRATIVE
DIRECTIVE**

Administrative Directive Title: Reconciliation of Funds after School-Sponsored Events	AD Number: 2.400.1	Adopted: November 2024
Policy References: Board Policy 2.400 - Revenues	Revised:	

1 Each principal shall determine the reconciliation method to be used for all school-related events
 2 for which a fee is charged or paid in advance. A principal may use one of the following methods
 3 for reconciliation: pre-numbered receipts, collection logs, tickets, or recorded count of collections.
 4 When feasible, the principal should consider collection options which do not require teachers to
 5 collect money from students within the classroom.

6 **General Fund Management Procedures**

7 Each principal shall ensure that all school personnel who handle money comply with the
 8 requirements this procedure, including:

- 9 1. All checks received by the school should be immediately endorsed with a restrictive
 10 endorsement, such as “For Deposit Only – Insert School.”
- 11 2. Internal school fund money must be deposited intact (in the form and amount in which
 12 collected) in banks within *three (3) business days after the money is received*. When
 13 possible, school money should be deposited daily. A night deposit may be used as
 14 necessary to comply with these provisions.
- 15 3. All revenue/receipts should be accurately and promptly recorded in the school’s accounting
 16 records. All voided receipts must be properly documented and available for inspection.
- 17 4. To the extent possible, the following duties should not be performed by the same
 18 individual: bank authorized signatory, receiving cash, making bank deposits, maintaining
 19 the accounting records, and reconciling bank accounts.
- 20 5. A person who is independent of the receiving, depositing, and recording functions should
 21 compare bank deposits with the prenumbered receipts, electronic collection summaries,
 22 collections log, ticket reconciliations, cash register tapes, etc.
- 23 6. All collections by teachers/others should be remitted to the bookkeeper daily or more
 24 frequently, if necessary.

25 **Prenumbered Receipts**

26 The principal may choose to require all teachers/others who collect money to issue a prenumbered
27 receipt to each payer. If so, the following requirements apply:

- 28 1. All prenumbered receipt books must be controlled by a designated individual, who issues
29 the books sequentially. That individual must maintain a record showing the receipt book
30 issued (beginning and ending receipt numbers), date issued, and the signature of the
31 teacher/other who received the book.
- 32 2. The receipt book used should contain at least three-part prenumbered receipts. The first
33 copy is written and given to the payer. The second copy is taken to the bookkeeper along
34 with the related collections, and the third copy is for the teacher/other. Normally there will
35 be more than one receipt taken to the bookkeeper. Accordingly, the teacher should record
36 the total amount turned in to the bookkeeper that reconciles to the receipt issued by the
37 bookkeeper to the teacher. The teacher should tally the amount in her receipt book, and this
38 should agree with the receipt from the bookkeeper. The bookkeeper should write the receipt
39 numbers (range) on the receipt given to the teacher.
- 40 3. Teachers/others are accountable for all prenumbered receipts, including voided receipts,
41 issued to them by the designated individual in control of the receipt books. All copies of
42 every voided receipt must be retained by teachers/others.
- 43 4. The receipt must identify the payer, the amount remitted, method of payment, and the date.
44 If the receipt itself does not identify the purpose(s) for the payment and the corresponding
45 amount(s), other documentation must be attached to permit the bookkeeper to record the
46 transaction.

47 **Collection Logs**

48 A collection log may be prepared as an alternative to prenumbered receipts. School pictures,
49 yearbooks, field trips, club dues, etc., are collections that are often recorded on collection logs.
50 The log must document the name of the school, the purpose of the collection, the name of the
51 teacher/other or club/class, the payers, amounts remitted, methods of payment, the date(s) of
52 collection, and the daily total.

- 53 1. When daily collections are completed, the collections should be counted by the
54 teacher/other and reconciled with the daily total on the collection log. Noted errors should
55 be corrected and unexplained differences should be documented.
- 56 2. All collections should be turned in to the bookkeeper daily or more frequently if the
57 teacher/other feels it necessary for the safeguarding of money.
- 58 3. The bookkeeper must count the money and issue a prenumbered receipt to the teacher/other
59 at the time the collections are remitted. In addition, the bookkeeper should record the
60 amount, receipt number, and receipt date on the collection log, and initial the information
61 on the collection log.
- 62 4. The teacher/other may continue to use the same log until all collections for that activity are
63 completed.

- 64 5. On the final collection date, the teacher should bring the collection log to the bookkeeper
65 and retain a copy. Teachers should retain collection logs for three (3) years (in the event of
66 audit questions).

67 **Ticket Reconciliations**

68 Use of a ticket reconciliation form is an internal control that is required for all events, such as
69 athletics or entertainment, for which a fee is charged or paid in advance, and a collection log is not
70 used. The following procedures should be followed when tickets are sold for admission to an event:

- 71 1. All admission tickets should be prenumbered. For events in which several different prices
72 are charged, a different ticket color and/or numerical series for each price group should be
73 used. The principal is responsible for accounting for all tickets and ensuring the
74 safekeeping of the ticket inventory.
- 75 2. Prior to the tickets and ticket reconciliation form being given to the ticket seller, a
76 designated individual other than the ticket seller will record the beginning ticket number
77 and the amount of change to be given to the ticket seller. The ticket seller should initial this
78 information to document verification of the information on the form.
- 79 3. A separate person should be assigned responsibility for collecting tickets at the point of
80 admission. To reiterate, there must be two separate individuals involved in the ticket sales
81 for the control to be effective: one person who sells tickets and collects money and another
82 person who requires that a ticket be submitted in order to gain entrance into the event.
- 83 4. When the event's ticket sales are complete, the ticket seller should count and record the
84 collections (with a subtotal for cash payments and a subtotal for check payments) and
85 complete and sign the ticket reconciliation form. The ticket seller, or other designated
86 individual, retains a copy of the original ticket reconciliation while the original must
87 accompany the money and unsold tickets that are turned in to the bookkeeper.
- 88 5. The bookkeeper should issue an official receipt made out to the persons signing the ticket
89 reconciliation. The bookkeeper should review and recalculate the ticket reconciliation
90 form. If a discrepancy between the ticket reconciliation and the official receipt exists, the
91 principal should be notified in writing so that the principal may determine necessary action.

92 **Recorded Counts Signed by Two Individuals**

93 Some activities, such as bake sales, car washes, and concessions, preclude remitting money to the
94 bookkeeper directly following the close of an event and do not lend themselves to the use of a
95 collection log or prenumbered receipt. The collection record for these activities may consist of
96 only a recorded count signed by *two (2) responsible individuals* at the close of the activity. The
97 following procedures should be followed:

- 98 1. Two (2) individuals should collect the receipts and a recorded count of collections signed
99 by both responsible individuals should be prepared. In order for this control to be effective,
100 two (2) individuals must be present. The collections along with the recorded count that has
101 been signed by both individuals should be turned in to the bookkeeper for a receipt.
- 102 2. The form used for the recorded count should include the date, purpose, and amount of
103 collections (with a subtotal for cash payments and a subtotal for check payments). In
104 addition, the form should include a statement that "the money collected for this fundraiser
105 was counted by the parties who have signed below" followed by the signatures of the two

106 (2) responsible persons. One of the responsible persons will retain a copy of the recorded
107 count, and the original should accompany the money.

108 3. The bookkeeper should issue and submit an official receipt made out to the persons who
109 signed the recorded count of collections, or to the individual assigned responsibility for
110 retaining copies of the recorded counts of collections and for reconciling receipts received
111 to the counts. If a discrepancy between the recorded count and the official receipt exists,
112 the principal should be notified in writing so that the principal may determine necessary
113 action.

Legal References

TCA 49-2-110.
Internal School Funds Manual, Fifth Edition, Tennessee
Department of Education and Tennessee Comptroller of
the Treasury