

Cash Basis - Cash Receipts

Please follow your district's policies and procedures as not everything listed below will pertain to your district. This guide provides essential procedures for managing revenue sources and cash handling, focusing on accurate recording, internal controls, and compliance with state regulations. It outlines best practices for classifying revenue, safeguarding funds, and ensuring transparency through regular reporting and audits, helping districts maintain financial integrity and accountability.

IDENTIFY & CLASSIFY REVENUE SOURCES	Property Taxes	State and Federal Grants	Student Fees and Other Revenues
	<ul style="list-style-type: none"> Record property tax receipts when received from the county treasurer. Ensure the revenue aligns with levy amounts and budget projections. 	<ul style="list-style-type: none"> Record grant revenue upon receipt of funds (e.g., Evidence-Based Funding, Title I, IDEA). Retain documentation for grant compliance audits. 	<ul style="list-style-type: none"> Collect and document student fees, meal program payments, and other revenues. Segregate funds by type for accurate reporting.
CASH HANDLING & COLLECTIONSOURCES	Daily Collections	Deposits	
	<ul style="list-style-type: none"> Designate authorized personnel to collect cash or checks at school offices, events, or district offices. Issue receipts for payments to provide proof of collection. 	<ul style="list-style-type: none"> Deposit collected funds into the district's bank account daily or within a set timeframe (e.g., 48 hours) to minimize cash on hand. Use bank-validated deposit slips to document the transaction. 	

RECORDING TRANSACTIONS	Entry in Accounting System	Cross-Check with Bank Statements	
	<ul style="list-style-type: none"> Record revenue transactions in the accounting system immediately after deposit. Assign each revenue to the appropriate fund (e.g., Education Fund, Operations and Maintenance Fund). 	<ul style="list-style-type: none"> Reconcile revenue recorded in the accounting system with bank deposits daily or weekly. 	
INTERNAL CONTROLS	Separation of Duties	Verification and Approval	Physical Security
	<ul style="list-style-type: none"> Separate responsibilities for cash collection, deposit preparation, and recording to reduce risk of fraud. 	<ul style="list-style-type: none"> Supervisors review revenue logs, deposit records, and supporting documentation to ensure accuracy. 	<ul style="list-style-type: none"> Secure cash and checks in a locked safe until deposited.
MONITORING & REPORTING	Monthly Reporting	Budget Monitoring	Compliance with ISBE Reporting
	<ul style="list-style-type: none"> Prepare monthly revenue reports for the district board and administrators, showing cash receipts by category and fund. 	<ul style="list-style-type: none"> Compare actual cash receipts to budgeted revenue to identify discrepancies. 	<ul style="list-style-type: none"> Report revenues in compliance with the Illinois State Board of Education (ISBE) guidelines.
ANNUAL REVIEW & AUDIT	Audit Preparation	Policy Review	
	<ul style="list-style-type: none"> Retain detailed records of all revenue transactions for the district's annual audit. 	<ul style="list-style-type: none"> Annually review and update revenue procedures to ensure compliance with state and federal requirements. 	