

School Bank and Cash Management System Policy (Cheque Register & Bank Reconciliation)

Finance - 2019

Policy No:	PL/021	Version No:	v2/2019
Previous versions:	v1/2019	Effective Date:	26/03/2019
Board App/Noting	26/03/2019	Review Date:	26/03/2020

The Bank and Cash Management module, **Cheque Register and Bank Reconciliation** provides all centres/schools with a system to manage all cheque/laser payments, cash payments, lodgements and transfers into DDLETB's AIB bank account, in relation to the sole locally held bank account.

This module comprises of two distinct areas:

- (i) Cheque Register
- (ii) Bank Reconciliation

The Cheque Register may be used to record on-line all cheques issued by centres/schools. Only cashed cheques, which appear on the bank statement, may be reclaimed. Users will be able to select items from the Cheque Register and include them in the Bank Reconciliation.

The Bank Reconciliation involves completing all bank and cash details as well as details relating to the reimbursement. All related receipts must be held and filed locally and will be subject to on-going audit. The bank statement must be attached to each claim.

Controls are in place whereby all calculations must reconcile to the float. Otherwise, the system will not allow a claim to be processed.

The purpose of the centre/school bank account is to support the Co-ordinator/Manager/Principal in the day-to-day expenditures that require immediate disbursement. Each Co-ordinator/Manager/Principal is set up with an account code and a float. This float is operated by way of a bank account, which must be set up as a **business account** with at least two signatories. Reimbursement is driven through the DCS web app landing page for the purpose of inputting a bank rec as an originator. See link below:-

<https://www.vecnet.ie/codublin.html>

Click on the Bank Reconciliation icon.

Login using your FIDO Username and Password.

The Cheque Register holds details of all cheques written and once the cheques have been presented to the bank they can be transferred into the Bank Reconciliation.

The Co-ordinator/Manager/Principal is solely responsible for this account.

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Where payments of a regular nature are made then the supplier should be set up in FIDO and paid accordingly.

Should one of the signatories leave the centre/school it is the responsibility of the Manager/Principal to officially inform the bank and apply the procedures to get the new signatory set up for this account.

All monies received regardless of source or purpose must be deposited to the centre/school bank account and then transferred to DDLETB's AIB bank account. Where cheques have been made payable to the centre/school, once cheques have been cleared, they too must be transferred to DDLETB's AIB account.

No bank account may be maintained locally with the exception of the centre/school bank account.

Rules of the School/Centre Account

1. Requests for reimbursement from Head Office must be completed on-line through the Bank Reconciliation system.
2. (a) The bank account can be used for day-to-day non-recurring expenses.
 It should not be used to pay for items normally obtained by way of an official order.
 (b) Payment must not be issued to clients from this account where there may be tax implications for example (i) Construction Tax (RCT), (ii) Professional Services Withholding Tax (PSWT) or (iii) VAT.
 (c) Equally payments must not be made to employees where the payment of PAYE and/or PRSI arises.
 (d) Also Travel and Subsistence payments to employees must not be paid from this account.
 (e) All cash payments must be recorded on a DDLETB pre-numbered receipt. Bank Reconciliation receipts books are available from Head Office (Treasury).
3. The float is to be operated by way of a **business** bank account in the name of the centre/school for example Balbriggan Community College School Account.

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4. Monies from any other source must be transferred to Head Office. This money cannot be retained in the centre/school bank account.
5. There must be a minimum of two signatories to the account, though only one signature is required to sign a cheque.
6. No Credit Cards to be operated on school bank account.
7. No Direct Debits allowed on school bank account unless they relate to Bank Charges.
8. A completed on-line bank reconciliation together with a scanned bank statement must be presented with every claim.
9. Both the opening and closing balance on the bank statement must agree with the completed on-line bank reconciliation. If not, it will be rejected.
10. Only that which is recorded as spent is to be replenished. Only the amount of cheques actually cashed can be claimed.
11. Controls are in place to ensure that all claims must reconcile to the float.
12. The system will not allow a bank reconciliation to be submitted without attaching the bank statement.
13. The person who completes the bank reconciliation cannot approve the claim. The claim must be submitted to another person, namely the Co-ordinator/Manager/Principal, for approval.
14. All payments listed on the reconciliation document must be properly coded.
15. Each school/centre will be audited periodically throughout the year. All originals of underlying documentation for example bank statement(s), pre-numbered vouchers and receipts must be kept locally and made available for audit purposes.
16. Once the claim is submitted and approved by the Co-ordinator/Manager/Principal through the FIDO system, the float will be replenished in the next creditor's run.
17. Individual payments should not exceed €400.00. Once off payments are permissible where necessary but should only be in extreme circumstances.

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18. No cash should be disbursed without a receipt. The cash box must be maintained in a safe and secure environment. To this end, facilities such as a safe should be available in all schools/centres. Safe facilities are an insurance requirement. Please ensure that you are not exceeding the cash limit permitted by your insurance provider. Under no circumstances should bank accounts be overdrawn.

19. TO BE RETAINED BY CENTRE/SCHOOL:

Copies of DDLETB issued pre-numbered vouchers and original receipts must be retained at the centre/school. They should be attached to a copy of the bank reconciliation summary, which is generated by the approver together with the relevant bank statements on a monthly/fortnightly basis and filed accordingly – month and year order.

Description of items purchased, if not already listed on the receipt(s), must be written in on the cash voucher.

An original receipt reflecting the expense amount, date of the transaction and description of goods must be attached to a voucher.

Each voucher must be signed by the purchaser. Each voucher should be countersigned or initialled by the Principal/Manager.

As required by the Comptroller and Auditor General (C&AG) school bank expenditure details must be retained by each school/centre for a minimum of six years for audit purposes. However, if expenditures relate to ESF programmes details must be kept for a minimum of 13 years.

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