

## **4022 - INTERNAL FUNDS – CORPORATE PROGRAMS FINANCIAL POLICIES AND PROCEDURES**

### ***School Age Child Care and Montessori Preschool***

#### **1. Receipt of Funds and Transfer of Funds to Bookkeeper**

Payments are made to the Child Care Director. All payments are to be by check or money order. Cash is not to be accepted. A receipt is given to the parent. A lock box kept in a locked drawer shall be provided to collect payments by check or money order.

During the daily collection period, funds shall be kept in a secure location convenient to the Child Care Director. Only the Child Care Director and the Principal or Designee shall have access to the opening of the lock box.

All payments received must be recorded in triplicate by the Child Care Director using the Child Care Software numbered receipt system. One copy will be given to the payer and one to the Bookkeeper. The third copy remains in the Child Care Director's deposit file. In addition to individual receipts, the Child Care Director will provide a numbered Monies Collected Form with all payments listed separately and payment type noted then total amount tallied with a deposit slip to the Bookkeeper. The bookkeeper verifies the receipt of the physical payments and tally. Both the Child Care Director and Bookkeeper sign off on the Monies Collected Form. The white copy is given to the Bookkeeper and the yellow copy left in the Monies Collected book

#### **2. Data Entry by Child Care Director**

The Child Care Director shall be responsible for the data entry of all payments. Each payment shall be received against the open invoices and posted to the child/family account. The check number shall be entered into the system as part of the payment record. Checks will be stamped on the back with the deposit endorsement. A copy of each check will be made. The check copies are attached to the deposit. Bank deposits are made by the Bookkeeper weekly or whenever the tally exceeds \$1,000.00. Principal verifies and signs all deposits before taking to the bank and verifies all bank deposit receipts when returned from the bank.

When depositing checks, the checks are listed – by check number and amount – on the deposit slip. All payments for that day are receipted by a computer-generated receipt and copies of the check, receipt and deposit receipt along with the Monies Collected Form are filed.

The Principal or Designee shall be notified immediately of any errors in deposits and shall take the appropriate action to make the necessary corrections.

#### **3. Monthly Procedures**

Five days after the first of the month and on the 20<sup>th</sup> of the month, overdue invoices are generated by the Child Care Director for distribution to the parents.

At the end of each month, the Child Care Director will run an Accounts Receivable Report. The Child Care Director or Designee will be responsible for collecting outstanding balances.

#### **4. Returned Checks**

NSF checks, or returned checks, are primarily returned by banks due to non-sufficient funds or closed accounts. NSF checks should be recorded in the Returned Checks Account as soon as they are returned from the bank.

The Child Care Director or Designee will be responsible for collecting on returned checks for the Program. The bookkeeper should provide a copy of the returned item to the Child Care Director or Designee to facilitate timely collection. A returned check fee of \$5.00 will be added and the Child Care Director or Designee will be responsible for collecting the returned check fee as well.

Replacement checks that are being deposited are to be deposited separately and must say redeposit or replacement of NSF check on deposit slip.

A reasonable effort must be made in collecting all returned checks (3 attempts). Records will be maintained on all correspondence or telephone communication with parties whose checks were returned. The Child Care Director is responsible for maintaining records substantiating the collection efforts of returned checks.

**Note: In no event is a student to be held responsible for payment, collection, or notification of a returned check.**

#### **5. Collections**

A call log will be created with family info, balance owed, and attempts to collect. 3 attempts to collect will be made. Phone calls and documentation will be kept when calls are made. When 3 attempts to collect have been made, a letter will be sent to notify family if payment is not submitted (by end of week date) student (s) will be withdrawn from the program.

#### **6. Write Offs**

Past due balances will be written off after 6 months when collections on past due accounts have been unsuccessful and all attempts to collect have been documented.

Family statements will be printed along with the documentation of collection attempts for each past due balance. Summary sheet will be created to include number of months past due, number of collection attempts, and the amount past due. Summary will be totaled.

Write Off documentation will be provided to Principal or Designee for review and approval to write balances off.

Child Care Director will be responsible to write off balances in Child Care Software System and keep all documentation of write off transaction on file.

### **7. Year End Closing.**

Family accounts will be closed out at June 30. Outstanding balances will be handled as either a "Balance Forward" or Write Off at year-end.