

200.10A INTERNAL CONTROLS & ACCOUNTING PROCEDURES – CASH RECEIPTS

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Bank Accounts

1. The District holds accounts at First National Bank.
 - a. First National checking account 0809:
 - i. Incoming funds: interest income
 - ii. Outgoing funds: This account does automatic transfers from the First National Bank 8057 and 3867 account as necessary.
 - b. First National checking account 3867:
 - i. Incoming funds: This account does automatic transfers from the First National Bank 0809 account as necessary.
 - ii. Outgoing funds: live employee payroll checks
 - c. First National checking account 8057:
 - i. Incoming funds: automatic deposits from credit card sales, DeKalb County property taxes, bond proceeds, rent from DeKalb Chamber & DCCVB, retiree health insurance paid via IMRF, interest income
 - ii. Outgoing funds: ACH payments to IRS, IDOR, IMRF, AFLAC, direct deposit payroll wire for bond payment, credit card fees. ACH payments are made to preauthorized recipients only. This account balance is always around \$80,000. Excess funds are automatically swept into the First National Bank 0809 account each night.
2. The Executive Director, Superintendent of Finance, HR & Payroll Manager, and Accounting Assistant are the only employees with online access to the bank accounts. Any transfers (ach, wire, or nacha files) require dual authorization. Positive pay does not require dual authorization; however, the Superintendent of Finance approves and stamps the checks prior to the positive pay file upload.

Cash Receipts

Collecting and Recording Payments

1. Payments to the District are received in person, via the internet, by mail, or by phone. Forms of payment include cash, check, credit card, gift card, scholarship, or account credit (previous refunds). Cash is rarely received in the mail.
2. Startup drawers are maintained at all facilities that take cash:
 - a. The cashier counts the money in the startup drawer at the beginning and end of each shift to ensure it is complete.
 - b. At the end of each night, the startup cash is counted and placed in the start-up bag and placed into a locked safe on-site. The start-up drawer should be empty and stored close to the safe or in the open register.

- c. During the off/slow season, the startup drawer money is deposited back into the District's bank. Prior to the season starting, Finance will assist the departments in getting the start-up drawers funded.
 - i. Hopkins Administration: one drawer - \$200 cash
 - ii. Hopkins Pool:
 - 1. Pool desk and concessions: three drawers - \$200 cash each
 - 2. One change bag - \$200 cash
 - iii. Terrace Room bar: one drawer - \$200 cash
 - iv. Haish Gymnasium: one drawer - \$150 cash
 - v. Sports and Recreation Center:
 - 1. Office drawer - \$200 cash
 - 2. SRC concessions drawer - \$300 cash
 - vi. Buena Vista Golf Course: two drawers - \$400 cash each
 - vii. River Heights Golf Course:
 - 1. Two concession drawers - \$300 cash each
 - 2. Two pro shop drawers - \$450 cash each
 - 3. One beverage cart drawer - \$100 cash
- 3. Safes are housed at various locations in the district to safeguard cash between deposits.
 - a. Hopkins Administration: one standard (non-drop) safe- office
 - b. Hopkins Pool: two (one drop and one non-drop) safes
 - c. Sports and Recreation: two standard (non-drop) safes
 - i. office
 - ii. concession area
 - d. Haish Gymnasium: one standard (non-drop) safe
 - e. Buena Vista Golf Course: one drop safe/non-drop combo safe
 - f. River Heights Golf Course: two (one drop and one non-drop) safes
- 4. The customer receives a receipt for payments made in person or a receipt is emailed for payments made over the phone.
- 5. All receipts are entered into MaxGalaxy, the computerized POS system, and are automatically issued sequential transaction numbers. Transactions are "time-stamped" by the system and track the cashier's identity via login and passwords.
- 6. Each cashier has an individual login and password to MaxGalaxy and they open a new batch each shift.
- 7. When a customer comes to Hopkins Administration, Hopkins Pool front desk, Haish Gym, or the Sports and Recreation Center, they are asked whether they are a resident; an ID is checked to confirm residency. The purchase is entered into MaxGalaxy and a total amount due is displayed. The cashier collects the payment from the customer and opens the cash register drawer. A receipt is automatically printed and given to the customer. A cashier can print a duplicate receipt as needed.
- 8. When registering online, the participant can check whether they are a resident or non-resident. Annually, staff checks the accuracy of the resident/non-resident status and follow-up accordingly. Since they are enrolling online, a user does not have to show proof of residency.

9. Checks no longer need to be endorsed with a deposit stamper. First National Bank runs them through their system with a regular deposit slip.
10. All checks are reviewed by the staff member taking payment for the following:
 - a. The numeric amount of the check must agree with the written amount.
 - b. Checks must have the current date (no postdated checks). If a postdated check is received, the District and bank will accept and deposit the check immediately. Checks are not held.
 - c. Change should not be given for a check over the amount due.
 - d. Third party checks are not authorized for payment of any amount due to the District.
 - e. Checks should be payable to "DeKalb Park District".
11. The golf course uses MaxGalaxy to track daily golf rounds.

Credit Card Payments

12. Online credit card payments go through PayPal and are settled through Merchant Services. MaxGalaxy directly interfaces the online payments into its software. The Accounting & Administrative Assistant logs into PayPal on a weekly basis and confirms the online payments have appropriately loaded into MaxGalaxy.
13. In person credit card payments are manually entered into the credit card terminals as they are not synced with MaxGalaxy. A signed receipt is retained with the batch. A copy of the credit card receipt is supplied to in-person payments. Customers can also pay via credit card over the phone. Staff will put the customer on hold to run the card, shred any paper that indicates the full card number, and write on the signature line "via phone". A paid invoice can be emailed to the customer through MaxGalaxy.

Closing and Reporting Batches

14. At the end of the shift, the cashier counts his/her drawer and puts back the startup cash. The cashier cannot see his/her batch and thus does not know how much should be in the bag. This blind batch is counted, documented on the Cash Balancing Worksheet, placed in a deposit bag, and put into the appropriate drop safe. The cashier closes his/her shift. The cashier's manager and/or accounting counts the money, then enters the "cashier totals" on the MaxGalaxy screen for each payment method taken. The manager then prints the following report from MaxGalaxy:
 - a. Shift Closeout Report. The report and cash are brought to accounting. The cashier drawer is balanced against this report and a deposit slip is prepared by day for the whole department. Accounting keeps a summary to detail out which deposits are being sent to the bank. The Cash Balancing Worksheet is also prepared and signed off by the cashier. The deposit is put in a bank security bag and put into a safe at each location (drop safe at the pool or golf courses). The Shift/Batch paperwork described above is stapled together and set aside for his/her supervisor to review. The Accounting Assistant reviews all of the paperwork when it comes to Hopkins Administration:
 - i. Ensure the Cash Balancing totals match the Shift Closeout Report totals by payment method.

- ii. The clerk will note on the Cash Balance Worksheet if the wrong category was selected in MaxGalaxy (i.e., credit card versus cash).
- b. Credit Card Settlement Report from the credit card terminal. The original credit card receipts are added up and compared to the report. Once the amounts are verified to be accurate, the cashier then performs the settlement on the credit card machine. If a cashier has a discrepancy, he/she takes it to their manager for resolution. The credit card receipts and settlement report are then attached to the Cash Balancing Worksheet. The Cash Balancing Worksheets are given to the location supervisor to review for completeness, then the sheets with all of the attached documentation are submitted to the administration office.
- 15. An independent, designated individual (usually the Accounting Assistant) must verify that the cash received matches the cash register's report of business by cashier.
- 16. All voids and refunds should be reviewed and approved by department management and must be documented.
- 17. A Deposit Log is kept when Accounting is picking up the deposits at the other locations. The bag number and total number of bags is documented. The accounting representative and department representative each initial to confirm the bags being taken.

Depositing Money

- 18. All checks, cash, and coin are deposited into an account at First National Bank. All deposits from credit cards are automatically deposited into an account at First National Bank.
- 19. A lock box is not used by the district.
- 20. Finance sets the bank bag pick-up schedule and transports the golf bank bags to Hopkins Administration at a minimum weekly basis (or more frequently as determined by the deposit schedule). Designees from Haish and Sports and Recreation bring their bags to the Hopkins Administration. Only full-time employees are permitted to transport the deposits. Deposits, and the related paperwork, should be available when Finance picks up the deposit bags.
- 21. Once a month the Accounting Assistant emails the deposit schedule to all of the internal locations based on the timing below. The locations are prohibited from printing off the schedule and posting it as a reminder.
- 22. The Accounting Assistant takes the deposits to the bank. During spring and summer (in-season), deposits are made Monday and Friday. During fall and winter (off-season), deposits are made on Fridays. A deposit is also made on the first business day of each month. The Superintendent of Finance & Administration serves as a backup for transporting deposits to the bank.
- 23. When the Accounting Assistant takes the deposits to the bank, the bank provides deposit slips that are matched to the deposit paperwork kept in the Admin Office.
- 24. The bank calls the Accounting Assistant or Superintendent of Finance of any discrepancies over \$5. Anything under \$5 is deposited and noted for the District. If over \$5, the bank calls to confirm next steps.
- 25. At the end of the month, the Superintendent of Finance accesses the online credit card merchant statements and confirms the credit card deposits match those listed on the batch

paperwork. Any amounts that do not match are immediately discussed with the location supervisor for correction.

Filing, Refunds, Credits and Other Receipts

26. Safe combinations should be changed regularly and whenever security may have been compromised. Safe combinations should change when an employee with knowledge of the combination leaves the department. Finance is responsible for all safe combinations and keeping logs of the combinations. The Finance representative and the appropriate department manager will both be present when a new safe combination is entered.
27. Once all physical and credit card deposits are confirmed, the Accounting Assistant batches them and files them in the locked server file room.
28. Refunds or credits on account: Clerks call participants when a class is cancelled and see if they want a check refund or account credit. The supervisor is alerted and can issue the account credits directly. For a check refund, the supervisor prepares a Refund Check Request and the superintendent signs off on it. The Refund Check Request is remitted to the Accounting Assistant who turns the “Account Credit” into a “Journal Refund-Finance” in MaxGalaxy. The refund is processed through the next contractual accounts payable run (same week as payroll, or two times per month). Checks are mailed to the address on file, unless stated otherwise on the refund check request.

Other refunds can include shelter rental cancellations, season pass cancellations, and Terrace Room cancellations.

29. Other non-program monies received: The Sports and Recreation Center solicits and receives athletic sponsorships. The golf course invoices for rentals. Hopkins Administration processes the Pepsi beverage contract payments and ATM checks, grants, PDRMA insurance payments, KSRA rental and other payments, retiree health insurance, Terrace Room rentals, program guide ads, and other governmental projects (KWRD, for example).

200.10B INTERNAL CONTROLS & ACCOUNTING PROCEDURES – CASH DISBURSEMENTS

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Disbursement Guidelines

1. Most disbursements are made by check.
2. ACH payments to IRS, IDOR, IMRF, AFLAC, direct deposit payroll wire for bond payment, credit card fees. ACH payments are made to preauthorized recipients only, including 5/3 Bank for the District's p-card.
3. The Superintendent of Finance shall set up a \$50.00 petty cash for the Terrace Room bartenders. A log of all purchases will be documented. Receipts will be attached to the petty cash log. Petty cash will be reconciled and reimbursed by Accounting at least monthly.
3. "Blank" checks are never signed in advance.
4. Checks are not made out to cash. Checks for startup drawers and petty cash shall be made out to the DeKalb Park District.
5. A countersignature is not required.
6. Accounts payable and payroll checks have different sequences of numbers from each other to assist in the reconciliation process.
7. Checks are prenumbered by Safeguard check printing company.
8. Unissued checks are locked in locked server file room. A small amount of accounts payable checks is kept in the Accounting Assistant's locked office. A small amount of payroll checks is kept in the HR Manager's locked office.
9. All bank accounts and check signers have been authorized by a park board resolution.
10. Only the Accounting Assistant and the Superintendent of Finance have the ability to create new vendors in MSI. Supervisors, superintendents, and the Executive Director may request new vendors as needed.
11. There is an approved vendor list with First National Bank and the following are the only allowable ACH transfers that are pre-approved: IMRF, federal and state payroll taxes, state sales tax, state unemployment, 5/3, and AFLAC. For other wire transfer payments, initiation and authorization is made via the bank website. The bond payment is made via ACH and requires a second approver.
12. Voided checks are documented within the system software as well as on a sequence spreadsheet. The checks are marked VOID on the signature line and kept in a folder.
13. All invoices received are reviewed, approved and signed by the supervisor or superintendent responsible for the expenditure prior to entry in MSI by the Accounting Assistant. The signor also assigns the proper accounting general ledger number to the invoice. It is at this point that the reviewing supervisor or superintendent is verifying that the goods and/or services have been received in a satisfactory manner. Any disputes are made prior to payment of the invoice. If the invoice exceeds the spending limit of the first signer, then it must be sent to the next level

for approval. An approved purchase order is also evidence of approval by the appropriate level staff. (For Purchasing Procedures, please see Administrative Policy 200.3).

14. The Superintendent of Finance verifies appropriate documentation to determine that proper authorization was given according to spending level limits.
15. Check signing is performed by the Board Treasurer or by using a signature stamp that is performed by the Superintendent of Finance. The Executive Director serves as a backup for the check stamping when the Superintendent of Finance is absent. This is completely independent of the purchasing and accounts payable functions. The check stamp is kept in a locked office overnight.
16. Signed checks are returned to accounts payable for matching up with statements and remittance stubs to prepare for mailing.
17. Non-check disbursements can occur as follows:
 - a. ACH payment- IRS, IDOR, IMRF, AFLAC, direct deposit payroll. ACH payments are made to preauthorized recipients only. Also, bond payment initiated online by an authorized user (Superintendent of Finance) and approved by a second user (Executive Director).
18. Purchase orders are prepared electronically through the MSI accounting system. A requisition is generated by a staff member that has been authorized to use the purchase order system. There is an approval path set up in the software that is password driven. Depending on the login id and appropriate password, the requisition moves up the chain to the appropriate level for approval. Approval levels are as follows, as established by the Park Board:
 - a. Supervisors: up to \$1,000
 - b. Superintendents: up to \$5,000
 - c. Executive Director: up to \$10,000
 - d. Board: over \$10,000
 - e. Bid: over \$25,000

Disbursement Reporting

19. The Superintendent of Finance prepares the Paid Invoice Listing for the Park Board of Directors each month. The board members receive the listing in advance of their monthly meeting and have the opportunity to question any of the items listed. During the Park Board meeting, an agenda item lists all paid invoices for Board official approval, which is noted in the minutes.
 - a. Paid Invoice Listing from MSI Relativity listing paid invoices. The listing is a detailed report showing the vendor name, invoice number, a description of the goods or services purchased, the general ledger account number assigned to the bill, and the dollar amount of the invoice. Multiple reports are run a month, as necessary, due to the check runs.

200.10C INTERNAL CONTROLS & ACCOUNTING PROCEDURES – MONTH END RECONCILIATION AND REPORTING

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1. While cash is deposited and recorded in MaxGalaxy daily, cash receipts are posted to the general ledger monthly. The Accounting Assistant prepares a cash receipts schedule that shows daily receipts by location and reconciled to a MaxGalaxy report as part of the bank reconciliation process.
2. Each month the Superintendent of Finance prepares and emails financial statements for Superintendents and supervisors to compare budgeted to actual revenues and expenses. Superintendents are responsible for reviewing the reports for discrepancies, explaining budget variances, and have access to MaxGalaxy revenue summary reports as well as MSI account activity detail reports. They are encouraged to view these reports at least monthly.
3. The Board of Commissioners is provided financial reports prior to the monthly board meeting.
 - a. Detailed Revenue & Expense Report with PYTD Actual from MSI and is dated as of the most recent month end. This report is emailed prior to the meeting for board review. One hard copy is available at each board meeting for reference.
 - b. Fund Balance Year-to-Date Summary provides a one-page summary of the revenue, expenditures, transfers, and year-to-date fund balance for each fund.
 - c. Division Report – division year-to-date revenue and expense for the four prior years for Recreation, Athletics, River Heights, Buena Vista, and Aquatics
 - d. Summary of IT Expenditures – monthly detail of IT equipment, internet, and software purchases
 - e. Summary of Travel and Training Expenditures – monthly detail of travel and training
4. Bank statements are reviewed, upon receipt or printing, by the Executive Director and reconciled monthly by the Superintendent of Finance.
5. Monthly bank reconciliation reports show timing differences between cash book balance and bank balances.
6. The disbursements are verified by the Superintendent of Finance as being consistent with the accounts payable and payroll register reports. The accounts payable vendor check register is prepared by the Accounting Assistant and the payroll check register is prepared by the HR Manager.
7. Checks that have cleared the bank during the month are cleared through MSI by the Superintendent of Finance. Outstanding checks are summarized each month by the Superintendent of Finance on an MSI report as part of the bank reconciliation process.

200.10D INTERNAL CONTROLS & ACCOUNTING PROCEDURES – PAYROLL

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1. Payment for wages is never made in cash.
2. Timeclock Plus, an electronic timekeeping system, is used to track all employee time in the District.
 - a. Employees can use a computer, timeclock, or TCP app to clock in and out.
3. Time is reviewed and approved electronically by the employees' superintendent prior to being submitted to the HR Manager.
4. The HR Manager prepares the payroll.
5. The hourly data in TimeClock Plus syncs directly into the MSI payroll system.
6. The HR Manager is responsible for working with superintendents and supervisors to hire all employees.
7. In the case of full-time employees, the position is approved by the Park Board.
8. The HR Manager does not have access to the general ledger.
9. When payroll has been entered, the Superintendent of Finance reviews the payroll ledger for accuracy before it is formally processed and uploaded to the general ledger.
10. Pay ranges for full-time, part-time, and seasonal employees are approved by the Park Board.
11. The HR Manager enters the pay rates that have been board approved for all full-time staff. Any changes to pay rates must be routed on a Personnel Action Form (PAF) and signed by the department's superintendent and the Executive Director.
12. Blank payroll checks are stored in the locked server file room.
13. A small amount of payroll checks is stored in the HR Manager's locked office.
14. Check signing is performed by the Board Treasurer or by using a signature stamp and is performed by the Superintendent of Finance. The Executive Director serves as a backup for the check stamping when the Superintendent of Finance is absent. This is completely independent of the purchasing and accounts payable functions.
15. Active personnel records are kept in locked file drawers in the HR Manager's locked office. Inactive personnel records are kept in locked file cabinets in a locked and security alarmed file room in the Hopkins Administration basement.
16. The computer system that is used to prepare payroll is physically located in a locked, alarmed office in the Hopkins Administration office.
17. All newly hired employees are required to complete a "New Hire Checklist" that documents the completion and receipt of employment forms. The completion of the checklist is administered by the HR Manager prior to the new employee being entered into the payroll system.
18. The District's personnel policies dictate the amount of vacation and personal leave granted to employees and is based on length of service. The employee must enter, and the employee's supervisor must approve a leave request in the TCP payroll system.
19. Changes in personnel data are reported to the HR Manager in writing and entered promptly into the payroll system and filed in the employee's personnel file.
20. Hourly employees are required to keep time records through Timeclock Plus.

21. W-2s are prepared and reconciled to the quarterly 941 reports by the HR Manager and reviewed by the Superintendent of Finance. Returned W-2s are documented and the envelope is photocopied (to verify the post office's action). All W-2s that are returned are investigated to determine a forwarding address or a parent's permanent address.
22. Employee benefits are administered by the HR Manager. The District's liability insurance provider PDRMA provides a HELP (Human Resource Employment Liability Program) phone line with access to an employment attorney for Human Resources and employment-related matters.
23. All payroll taxes are paid by the Superintendent of Finance within three business days of the pay date via:
 - a. EFTPS (Electronic Federal Tax Payment System) for federal and FICA withholdings
 - b. TaxNet for Illinois withholdings
24. The HR Manager prepares all monthly, quarterly, and annual payroll files. The Superintendent reviews and signs off on all reports.
25. Other payroll withholdings, such as health insurance for dependents, 457 deferred compensation, health savings account contributions, IMRF, etc. are made either electronically or by check within three business days of the pay date, or at the end of the month per requirement (e.g., IMRF). These payments are initiated by either the HR Manager or the Superintendent of Finance.
26. Prenumbered payroll checks are used. Any void checks are documented on a spreadsheet and marked VOID on the signature line. Void checks are filed in the HR Manager's office.
27. All superintendents review their salary and wage accounts in the budget actual reports. Any variances are investigated.
28. Each payroll register is reviewed and initialed by the Superintendent of Finance. The Executive Director and superintendents only have access to view only the amounts recorded by department in the general ledger.
29. New employees are entered into the system by the HR Manager. Proper documentation and authorization must be submitted by the superintendent prior to the first check being issued.
30. Terminated employees are documented on an Exit Checklist. Reason for termination, last date works, and end-of-season form are all required. A letter of resignation is requested from the employee in the case of voluntary termination. A letter of explanation is required for involuntary termination. All District property is collected prior to the issuance of the final paycheck. Once the termination packet is complete in HR, the HR Manager changes the employee's status to terminated in the payroll system.
31. All salary and wage rates are input by the HR Manager for full-time employees, based on a salary schedule recommended by the Executive Director and approved by the Park Board.
32. All employees of the District must complete an employment application, federal and state withholding forms, and an I-9 with proper identification documents. Also, as part of the application process, potential employees are asked to sign a form consenting to a background check and a pre-employment drug screening test.
33. Current employment policies of the District are documented, reviewed, and kept current in the Employee Personnel Policy Manual. Changes and amendments to the policy are approved by the Park Board.

34. The District's legal counsel and insurance provider both regularly review the personnel policies.
35. Personnel policies are communicated to new employees upon hiring and an acknowledgement form is signed stating that the policies have been read and understood.

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200.10E INTERNAL CONTROLS & ACCOUNTING PROCEDURES – UNCLAIMED PROPERTY

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1. Unclaimed accounts payable and payroll checks are documented annually and mailed to the last known address. If they are returned by the post office, then they reported as unclaimed property to the State of Illinois per the state's requirements.

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