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RECEIPTS

Generally accepted accounting principles for governmental fund transactions are accounted for on the modified accrual basis, which recognizes revenue when it is both measurable and available. § 7-9-21, Mississippi Code of 1972, Annotated, requires that all funds be deposited into the State Treasury on the same day that the funds are collected. In order to comply with state statute, the procedures listed shall be adhered to at all times: (1) maintaining internal control of receipts, (2) ensuring cash availability, and (3) providing reliable data for reporting and decision making.

RECEIPT LOGS

Each office receiving checks, cash, or money orders is required to maintain a cash receipt log for internal control and audit purposes. When recording transactions in the log, make sure to list the payer, date received, check number, or indicate that cash was received, and list the amount in the log upon receipt.

A recommended control for checks received through the mail is to have the employee who opens the mail log in the checks. Assign a different employee to prepare the Receipt of Funds form and submit the deposit to the Accounts Receivable Division (Accounts Receivable) in the Office of Accounting (Accounting).

ENDORSEMENT OF CHECKS

Each office shall maintain an endorsement stamp and stamp checks individually as received prior to submitting to Accounting.

DEPOSITING FUNDS

Submit cash to Accounts Receivable on the same day the funds are received for timely deposit to the State Treasury. At no time should cash, checks, or money orders be held by an office.

Receipts submitted to Accounts Receivable after 11:00 a.m. will be logged and a receipt written using the next day's date. Accounting's deadline for depositing to the State Treasury is 1:30 p.m. Checks, cash, or money orders submitted to Accounts Receivable after 11:00 a.m. will be placed in the safe and deposited the following day.

Submit cash receipts directly to the Accounts Receivable staff. Place cash, checks, and money orders in an envelope or money bag when traveling between floors or from one room to another.

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COMPLETION OF THE RECEIPT OF FUNDS FORM

The <u>Receipt of Funds form</u> is the documentation used to substantiate each deposit made for our agency. Completion of this form is the responsibility of the office submitting checks, cash, or money orders for deposit. This form identifies the type of deposit, applicable budget codes, check number, description, and the payment voucher number (if the receipt is a current year refund.)

Complete the Receipt of Funds form for each deposit to a specific grant or reporting category. One or more checks to the same grant or reporting category can be combined on one Receipt of Funds form.

Complete and return the Receipt of Funds form found on <u>Accounting's website under Accounts Receivable</u>. This form must be received in Accounts Receivable before 11:00 a.m. the same day for a timely deposit with the State Treasury. The office making the deposit keeps a copy and submits the original and supporting documentation along with the check(s), cash, or money order(s) to Accounts Receivable.

TYPES OF DEPOSIT

Refund - Prior Year Disbursement

This refund is for expenditures made from a prior fiscal year. Prior year refunds do not increase the current year allotment. Any deposit of a prior year refund must be classified as revenue.

- Prior year refunds originally disbursed from a general fund (2XXX) must be deposited into the State General Fund 2999.
- Prior year refunds originally disbursed from a special fund (3XXX) may be deposited into the fund from which it was originally disbursed.
- Prior year refunds disbursed from a general fund and a special fund shall be prorated between funds based on actual expenditures.
- Revenue generated as a direct result of expenditures made from General fund monies involved in the sale of goods should be deposited to the original general fund during the current year.
- If the expenditures were made in the prior fiscal year, the refund must be deposited to the State General Fund 2999.
- Interest earned on a refund shall be deposited into the State General Fund 2999.

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Refund - Current Budget Year Disbursement

This refund is for an overpayment of expenditures or a travel advance disbursed from the current year, e.g. refunds received in fiscal year 2012 for expenditures made during fiscal year 2011. Include the specific object code that expenditures were charged, the date, vendor name, and the payment voucher (PV) number on the Receipt of Funds form. Current year refunds are recorded as reductions to expenditures.

Federal Funds Received from a State Agency

Federal funds passed on as sub-grants or cost reimbursements are funds received to reimburse the Mississippi Department of Education (Department) for the use of agency monies used to provide funding for agency sub-grants.

Receipt of Funds for the Sale of Goods/Services

Checks, money orders, or cash received from the sale of goods originally expended from general funds may be deposited into that same fund or General Fund 2999.

Receipt of Miscellaneous Grant Awards or Donations

These are funds received from institutions, organizations and private businesses to provide support in carrying out specific workshops, conferences, forums and other educational programs.

<u>Other</u>

Check this deposit type on the Receipt of Funds form if the deposit does not belong in either of the listed categories. Provide a detailed explanation.

RECEIPTS AT FISCAL YEAR END

Accounting operates two (2) fiscal years during the months of July and August of each year. The fiscal year runs from July 1 to June 30; however, expenditures are authorized from the State Treasury two (2) months after the fiscal year end, July and August, which is known as the lapse period.

Offices are required to list on the Receipt of Funds form which year a receipt is to be deposited during July and August of each year. If the fiscal year is not listed, the receipt will automatically post to the current year.

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REFUND CLEARING/SUSPENSE ACCOUNT

Should an office receive a refund and staff cannot immediately determine (on the day it is received) which grant it applies to, complete the Receipt of Funds form and submit it to Accounts Receivable indicating "Other" as the Type of Deposit. These funds will be deposited in the Chart Account (funds held for others) for compliance with state statute.

The Chart Account is reconciled monthly; therefore, should these funds remain in the account past 30 days, the office will be notified to instruct Accounts Receivables to make the necessary adjustment to the proper grant.

NON-SUFFICIENT FUND (NSF) CHECKS

NSF checks are checks received for deposit that are returned by the bank through the State Treasury. A check may not clear due to the lack of sufficient funds in the payer's account (the bank balance is less than the amount of the check). When a check is returned the following will occur:

- Accounts Receivable will pick up the returned check from the State Treasury.
- The office originating the deposit for pickup and settlement will be contacted. It is the responsibility of the office making the deposit to contact the individual and settle the debt. It is recommended that the office require the individual to submit a cashier's check or money order which will be deposited upon instructions from the office making the deposit.
- After the NSF check is settled, accounting entries will be adjusted.

AGENCY SAFE/VAULT PROCEDURES

To ensure accountability and to safeguard agency assets, staff will be required to sign in and sign out the items removed from the safe. Only Accounts Receivable staff will be authorized to place items inside or remove items from the safe.

A physical inventory of the safe's contents will be performed twice per year. Should an office place cash or non-cash items in the safe, the responsible person will be required to sign a statement to continue storage in the safe.

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INVOICE ISSUED FOR SALES

§ 25-61-7, Mississippi Code of 1972, Annotated, authorizes the sale of copies of public records. Requests for records should be in the form of a work order or a memorandum.

The billing process includes the completion of an invoice that is pre-numbered by each office using respective organization code or the organization code series assigned to the office. The invoice number shall consist of the current fiscal year, the organization code and the document numbers 0001 to infinity, e.g. 11-1701-0001.

The office selling copies of records must: (1) complete the <u>Invoice for Services form</u> (print on pink paper) found on Accounting's website under Accounts Receivable - External Billings, (2) assign the invoice number using the respective Organization Code, (3) retain one copy for the office records, (4) submit the pink copy to Accounts Receivable with the supporting documentation attached, and (5) mail the original (white copy) to the customer.

Upon receipt of the pink invoice copy, Accounts Receivable will post the entry to the Statewide Automated Accounting System's (SAAS) revenue module. This entry will set up a receivable for the agency and create a payment due from entry for financial reporting. When the customer submits payment of the bill, the revenue is deposited and the receivable is reversed.

CONFERENCE REGISTRATION PROCEDURES

Due to the large volume of conferences and workshops sponsored by the Department, the preregistration of participants is recommended. This guarantees a conference budget and allows the sponsoring office to use accurate numbers when planning for meals and meeting rooms. It also eliminates the need for cashiers to handle cash and the potential for uncollected debts.

Accounts Receivable staff is available to monitor or assist with questions during on-site conference registration. Due to internal control procedures, Accounts Receivable staff cannot collect monies during registration and deposit those same funds with the State Treasury.

The office sponsoring the conference is required to set up a receipt log book and is also required to write receipts for participants.

Checks for conference registration should be made payable to State Treasurer Fund 3202.

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CONFERENCE REGISTRATION PROCEDURES (continued)

Pre-Registration

During the planning stages of a conference, the sponsoring office should meet with the Budget Office (Budget) to set up the required budget organization code and reporting categories in the treasury fund for tracking, if needed. These codes allow Budget and Accounting the capability of tracking the conference account, which includes budget, revenue, expenditures, and report preparation.

After Budget has set up the codes, complete and return the <u>Receipt of Funds form</u>. This form is completed and submitted to Accounts Receivable with the checks for conference pre-registration and collections from on-site registration.

The sponsoring office is required to prepare receipts for all hand-delivered cash or checks received through the mail. Cash should not be sent through the mail.

The log book is used to log all checks received by the sponsoring office. The log should list the following information: date, name, check number, and amount.

The Receipt of Funds form, which is submitted to Accounts Receivable with checks and cash, identifies the grant, budget organization code and reporting category to which the funds should be deposited.

Conference registration checks should be submitted to Accounts Receivable daily for depositing into the State Treasury.

Place cash and/or checks in a money bag or envelope when going from building to building and from floor to floor.

Conference registration checks submitted to Accounts Receivable will be logged in total and a receipt written to the sponsoring office.

Accounts Receivable will deposit funds into the State Treasury.

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CONFERENCE REGISTRATION PROCEDURES (continued)

On-Site Registration

On-site registration should include cashiers, registration tables, a two-part pre-numbered receipt book, money for making change, a change box, a money bag, and calculators. The decision to accept personal checks is made by the sponsoring office. It is recommended, however, that you do not accept personal checks during on-site registration. Checks written from a business or organization are acceptable.

Five (5) to seven (7) working days (but no less than five (5) days) prior to the conference, submit a written request for petty cash/change funds to the Director of Accounts Receivable. The check, payable to the Director of Accounts Receivable, is to be used to provide necessary cash to make change at the registration table.

When collecting money and writing the receipt at the registration table list the date, participant's name, check number, if applicable, and mark cash if paid with cash and the amount collected. Give the original to the participant and leave the copy in the receipt book. Never use white-out to correct a receipt and never darken with a pen. Always line through the error and continue to use the receipt or write void on the receipt. Leave the receipt in error in the book and start a new receipt.

Reconcile receipts with cash collected at least twice daily; once in the morning and once in the afternoon. Mark the last receipt written in the morning "Last Receipt Written," list the date, and list the time.

At each registration table count the money, get a total amount, and then total the receipts written. The total cash collected should equal the total receipts written. Place the cash in an envelope or money bag. Remember to separate the receipts from the petty cash.

Submit the funds to Accounts Receivable with the Receipt of Funds form for deposit in the State Treasury. Take the envelope or bag to a secured work area or hotel safe deposit box for safe keeping until funds are submitted to Accounts Receivable.

It is highly recommend placing collected funds for deposit in a secured area or hotel safe deposit box.

If the cash and the receipts do not agree, perform a recount. If they still do not agree, write the difference on the outside of the envelope and take it to the work area for deposit.

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CONFERENCE REGISTRATION PROCEDURES (continued)

On-Site Registration (continued)

Funds collected should be deposited daily. During on-site registration, after you collect \$1,000, immediately bring the funds to Accounts Receivable for deposit along with the receipt of funds form for compliance with the state statute.

When the on-site registration is outside the Jackson metropolitan area, funds collected shall be deposited immediately upon return to work.

After the conference is over, submit to Accounts Receivable a report with the on-site registration receipts stating the total collected/deposited and total of the receipts written. The receipts will be returned to the sponsoring office after review.

Based on the sponsoring office's instruction for conference registration, Accounts Receivable will only submit NSF checks through the participant's account a second time upon notification. It is the responsibility of the sponsoring office to settle the debt. Accounting recommends that you collect cash or a money order when a participant's check has been returned, unless the participant instructs you to submit the same check through his/her account a second time.

RETURN OF CONFERENCE REGISTRATION FEES

Should it become necessary to return registration fees to an individual, prepare a <u>Request for Services and Goods form</u> (Requisition). Indicate the name of the individual, address, and amount to be returned. List the budget codes used during the initial deposit. Attach a copy of the individual's request for a refund to the requisition.

Submit the Requisition along with supporting documentation to the attention of Director of Accounts Receivable. Grant balances and cash on hand will be verified, and the Director of Accounts Receivable will approve the return of funds if sufficient cash is available. The request is then passed to Accounts Payable to process a payment voucher to issue and mail the check to the individual.

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RETURN OF FUNDS TO THE GRANTOR

In order to return funds to a grantor, prepare a Requisition. The Requisition can be found on <u>Procurement's website in the Purchasing section</u>. Indicate the grantor, grantor address, grant number, reason for the return and the amount.

Submit the Requisition along with supportive documentation to the attention of the Director of Accounts Receivable for verification of grant balance and cash on hand.

The Director of Accounts Receivable will approve the return of funds if sufficient cash is available. The request to return the funds is passed to the Accounts Payable section along with supportive documentation. Accounts Payable will prepare a payment voucher to issue the check and mail it to the grantor.