

Local Checking Accounts

- A place to deposit cash and other small dollar payments to Extension.
- An account placed with a local bank based on the best value and location for each office.

LOCAL CHECKING TOOLS

[Refund Form](#)

[Change Form](#)

[Transaction Documentation Form](#)

[Deposit Form](#)

Deposit Slips – can charge to account for supply, can order when ordering checks

[Request Envelope](#)

RESTRICTIONS & RED FLAG PURCHASES

[Local Checking Account and PCard Restrictions](#)

Preapproval to use a check includes estimated cost/business purpose – use Transaction Form or Check Request Envelope... then obtain signed check.

OSU is Tax Exempt – Carry the Blanket Certificate of Exemption with you:
<https://busfin.osu.edu/document/sales-and-use-tax-blanket-exemption-certificate>

Transaction limit is \$1,000 – Purchases cannot be split to avoid this.

Save Original and Itemized Receipts – and give to your Fiscal Contact.

Fiscal Contact will keep all backup documents for reconciliation.

One example: Keep all receipts in the check request envelope for each purchase.

Typical Office Structure

The typical office structure is a sample. This is not a required structure.

	<u>Initiator</u>	<u>Fiscal Steward</u>
Receiving Money	All staff receive money and record in ledger	Fiscal Steward reviews deposit vs. ledger before it goes to the bank.
Writing Checks	Support staff completes paperwork and writes out check	Check reviewed and signed by the Fiscal Steward
Reconciliation	Support staff reconciles statement to ledgers.	Fiscal Steward reviews statement (received unopened) and approves reconciliation after it is complete

Signers on the Account: In general, account signers should be limited to educators and Area Leaders. Office Services Coordinators cannot have signature authority on local checking accounts in order to maintain segregation of duties.

Setting Controls

Set Controls	Approve	Monitor
<p>Establish who is allowed to approve and when</p> <p>Set up the signature authorizations at the bank.</p> <p>Establish who is going to do what:</p> <ul style="list-style-type: none"> • Write checks • Take money • Deposit money • Review deposits • Reconcile account 	<p>Approve most checks or transactions written against the account</p> <p>Review documentation supporting written checks</p>	<p>Review unopened bank statement or print bank statement from web:</p> <ul style="list-style-type: none"> • Look at all debits • Review all deposits and compare to receipt ledger • Look at total balances <p>Review reconciliation of bank statement</p> <p>Periodically:</p> <ol style="list-style-type: none"> 1. Check cash on hand and compare to ledger 2. Review that sales tax is correctly being collected and reported 3. Pick a program and look at attended #s – make sure you got all the money you were expecting 4. Reconcile the bank account



Local Checking Account Requirements

Segregation of Duties

At least two people **must** to be involved and housed in an office to have a bank account.

At least two people **must** be involved in every transaction.

Tracking

- A receipt ledger, check ledger, and two locked files are required for the tracking of these funds. The ledger must be maintained as the incoming money is received and purchases are made.
- 1st locked file: Can be located in the front office where money is taken in and out during the day to make change.
- 2nd locked file: Should be located somewhere else in the office where the money is moved to at night, preferably a safe that is bolted to the floor. This is also where the check stock should be stored.
- Invoices and other backup documentation should be maintained according to University Records Retention schedules: 4 years plus current.

Reporting

- Report sales tax monthly to the University Tax Office **by the 15th of the month**
- Report Bank Statement info **by the 3rd Monday of the month**:
 - Upload Local Checking Account Bank Statements into county folder in OneDrive
 - Complete [Local Checking Monthly Reporting Webform](#)



DEPOSITS

- The money received **must** be deposit every three business days or acquire more than \$1,000.00, which ever comes first.
- All funds must be deposited in the form received.
 - Checks should not be cashed, bills should not be paid and refunds should not be made from the cash.
- If you keep copies of deposited checks (recommended but not required), cover up the bank routing number and account number on the check before copying.
- Have another person review and initial on the deposit to the ledger and cash/checks before taken to the bank.
- Keep the bank deposit receipts, staple to deposit form.
- Guidelines for dealing with returned checks- [Returned Checks](#)

Safeguard Supplies:

- CASH Receipts – to give to customer
- CASH Receipt Journal Inserts – tracking money
- CASH Disbursement Journal Inserts – check register
- [Safeguard Checking Supplies Webform for ordering:](#) -for ordering Cash Receipt Journal, Cash Receipts, Cash Disbursement Journal



RECONCILIATION

Bank Statement– check off each check/deposit to Shadow Report & General Ledger Sheets, note any outstanding deposits/checks on bank statement, find if balance agrees with bank, date & initial

Shadow Report- IE: Excel, Quicken, Quickbooks, optional – for ease of program \$ tracking

Bank Reconciliation Form/Annual Average Tracking - Optional

Reconciliation Sign-Off Form (to come yet)

Local Checking Account Basics:

- Extension Operation Team visits can occur periodically.
- University can audit at any time.
- Savings, CD's and other investments are not allowed.
- Cannot use as a pass through for affiliated groups
- Official audit documents remain in the local office
- Not permitted to have debit or credit cards on the account

POLICIES

University policies: <https://policies.osu.edu>

[Fiscal Stewardship](#) (internal controls)

[Expenditures Policy](#)

[Purchasing Policy](#)

[PCard Policy](#)

[Bank Account Policy](#)



Buying Tool Decision Tree

