

TO: PRINCIPALS, DIRECTORS and NUTRITION SERVICES MANAGERS

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SUBJECT: PROCEDURE FOR CONTROLS OVER POS SYSTEM LIABILITY

BASIC SYSTEM DESCRIPTION

The Point of Sale (POS) system is a computerized cash register system. It allows a parent/student to put money in an account for the student to use throughout the year for purchases from the school cafeterias. Money of any amount can be deposited. It can be restricted to just school lunch meals or left for any food item. The system will record the deposit of money into an account as a liability. As the student uses the money, the system will reduce the liability and increase the appropriate revenue account. At any given point in time a report can be generated that shows the total of the liability owed to students. A Non-Zero Balance Student Listing can be run to list the individuals that have money on account. It is also possible to generate details of activity over the current year by an individual student, if questions arise about the correct balance for that student.

In addition to payments made at the school, parents can access the LPS website and use a credit card or checking account information to deposit money in a student's meal account. The parent will be charged a bank fee (currently \$1.95 for credit card transactions and \$0.20 for checking accounts) for every transaction. Money deposited by credit card or checking account by 9:00 a.m. will be in the student's account by lunch time.

The system provides a daily summary of the day's activity. This information is transferred into the daily deposit slip, which accompanies the deposit to the bank. After bank validation, this information is entered into the lunch system on the AS/400. This information is then summarized and posted by an automated journal entry in the General Ledger System. Again, at any given point in time, the liability reflected in the accounting books should agree with the liability maintained in the POS system.

RECONCILIATION PROCEDURE

In order to provide adequate control over cash, preserve the accountability of cafeteria employees, and ensure accuracy of student records, a monthly reconciliation of the two systems (POS and general ledger) by school will be performed by the Accounting Office.

PROCEDURES FOR CAFETERIA MANAGERS

Cafeteria managers are responsible for providing adequate documentation of the transactions entered into the POS system. This will be done by logging unusual transactions (AC0011, Attachment A), printing and saving reports as listed on the CHECKLIST OF REPORTS (Attachment B), and informing their supervisor of any significant problems otherwise noted. **It is imperative that no activity be entered into the POS system after the deposit information has been prepared each day. This includes removing meal accounts for refund purposes. If this is necessary, log this as an unusual transaction. All Non-Zero Balance Reports must be printed at the end of the day.**

Cafeteria managers must never change the system date on their WINSNAP computer. Call Accounting to correct counts from prior days; contact the Nutrition Services Department Computer Specialist to receive assistance with how to properly make corrections on the POS system.

Unusual transactions are those transactions that could cause the information contained on the deposit slip to be incorrect. Some examples follow:

- A. **Refunds to students** - Refund the student's account and give the student a signed form indicating amount due. Never give the student money from the cafeteria daily deposit. The student will receive their money from the school office. The day that the account is refunded, the daily deposit will appear long by the amount of the refund. Log all refunds.
- B. **Correction of errors** - If found before the day's deposit, make correction and log it because it does show up on an individual's account and this would document an explanation of why the account appears as it does. If found after the day's deposit, wait until the next day and make correction and log it. The day of the correction could have a long or short depending on the direction of the correction.
- C. **Other** - Log anything unusual that happens, anything that you don't understand. If you make a mistake and enter a transaction into the system after the day's deposit, please put that on your log and **mark the log that this was done after the deposit.**

Do not make any manual corrections from the printed POS deposit slip for any of these transactions. You will enter the amount of actual cash you have, and the system will automatically adjust for the needed entry in most cases. If a manual entry needs to be made for anything on the log, Accounting will determine that in the reconciliation process and make the entry at that time.

The cafeteria manager must audit the deposit slip information to ensure that the Cash Sales count times the Reimbursable Meal Rate is equal to the Cash Sales Deposit amount. If the system does not generate the correct amount, the manager must change the deposit slip to the right number, making the adjustment from the Ala Carte Sales amount. This problem occurs when changes to prepayment entries have not been done correctly or if an adult status is incorrect.

- ✓ **Print off the last page of the Non-Zero Balance Report after the daily deposit has been completed.**

PROCEDURES FOR THE ACCOUNTING DEPARTMENT

Accounting Department personnel will make a monthly reconciliation for each school between the General Ledger liability account and the WINSNAP Statistical Report. Journal entries will be made as needed to keep the General Ledger correctly stated with WINSNAP. Small differences will be written off to the school deposit adjustments account.

Accounting Department personnel will also reconcile the credit card payments and bank fees monthly to ensure that the appropriate deposits are made by the bank for the amounts added to Web payments.

In the event that significant unexplained differences exist, Accounting will take the following steps, as the situation dictates:

- A. Obtain weekly last page of Non-Zero Balance Report from Nutrition Services to identify which week the differences first existed.
- B. Obtain daily reports from schools to identify problems.
- C. Request schools to run a current Non-Zero Balance Student Listing.
- D. Report any lack of adequate records to Nutrition Services Director and the internal auditor.
- E. Follow up with on-site visits.
- F. Report significant problems to internal auditor.

YEAR END PROCEDURES

The POS system allows balances to be carried over at year end for use the next school year. The carry over balance procedure is as follows:

CARRY OVER BALANCE PROCEDURES – Account balances will automatically transfer with any student staying within the School District. Balances will transfer with students to new school sites and be available for use in the new school year. Parents wanting refunds of accounts with \$20.00 or more will have to request the refund before the last day of school. No refunds will be made to returning students after school ends. Refunds will be available during the summer for students leaving the District at the Accounting Department in the District Office. Refund dates at the District Office will be June 15 to July 24, 2009.

RECORDS RETENTION

- The following records need to be retained for three years plus the current year:
 - ✓ Production sheets
 - ✓ Qualifying Planners
 - ✓ Copies of student's selected menus or manager's choice menus
 - ✓ Attendance record sheets for associates
 - ✓ Excite attendance roster
 - ✓ Food delivery tickets from production and central kitchen

The following records need to be kept over the summer and can be discarded with the opening of school:

- ✓ Food order invoices from DC
- ✓ F.S. 77's
- ✓ Monthly and hourly report sheets
- ✓ Deposit slips and worksheets
- ✓ Refrigerator/freezer temperature charts
- ✓ HACCP records
- ✓ Special event form copies (FS25)
- ✓ Milk and bread order logs
- ✓ Concession stand production records (FS92A)

CHARGES

It is the school office's responsibility to notify and try to collect on charges. Charges unable to be collected by the school office are referred to the Associate Superintendent for Business Affairs for action.

BAD CHECK PROCEDURE

Checks for non-sufficient funds are returned by the bank to the Accounting Department. Each returned check carries a service fee of \$20.00. Two attempts will be made by the Accounting Department to collect on the returned non-sufficient funds check. If payment is not received during that time, the check is turned over to the County Attorney for collection. The writer of the non-sufficient funds check is added to the Bad Check List. This list is distributed to the schools and departments through email and should be watched carefully. As long as a name appears on this list, LPS should not accept checks from that person. Payment for non-sufficient funds checks and service fee payments should be made to the Accounting Department. Once payment is received, that name will be removed from the Bad Check List and check writing privileges will be reinstated for that person.

CHECKLIST OF WEBSMARTT REPORTS AND BACK-UPS

NEVER

NEVER DO ANY FURTHER ACTIVITY ON POS SYSTEM AFTER THE DEPOSIT HAS BEEN PREPARED

ALWAYS

LOG UNUSUAL TRANSACTIONS ON FORM PROVIDED

DAILY

REPORTS – KEEP FILED AT SCHOOL

- DEPOSIT SLIP

MONTHLY

REPORTS – TO ACCOUNTING

- LOG OF UNUSUAL TRANSACTIONS
- FS25 FOR “GRANDPARENT” ACCOUNTS