



Bookkeeping & Accounting Procedures Handbook

Table of Contents

Purpose:	3
Fiduciary Responsibility:	3
FRONT DESK OPERATIONS	3
Accounting System:.....	3
1. The recording of transactions	3
2. The summarizing of transactions.....	4
3. The reporting and interpreting of summary information.....	4
Internal Control Structure:.....	4
Separate Entity:.....	5
Responsibility	5
Fund Accounting:	5
Accounting Records:	5
Bank Accounts:.....	6
Reconciliation of Bank Statements:	6
Records Retention:	6

Purpose: The purpose of this manual is to describe the minimum system of accounting practices and procedures that is to be followed at Beaver Beauty Academy. The manual is an integral part of the institution bookkeeping and accounting policies and procedures.

Fiduciary Responsibility: Inherent in the governing process of this institution, employees entrusted with institutional funds are expected to safeguard those funds and expend them in a manner that is efficient, economical and effective to achieve the purpose for which they were provided. Officials and employees who handle such funds must provide a full accounting of their activities to the institution.

The institution has the authority and responsibility to require that records be kept of all receipts and disbursements of all funds collected or received by any director, staff or instructor, student, or other person connected with the institution, and all programs, activities or other endeavors of any nature operated or carried on by or in the name of the institution, or by any organization or body directly connected with the institution, to audit such funds, and to conserve such funds. All such funds so collected shall be deemed quasi-institution moneys, and shall be expended for the benefit of the students of the institution. The accounting practices and procedures prescribed in this manual apply to every entity within the institution.

FRONT DESK OPERATIONS

Accounting System:

An accounting system is comprised of the forms, records, procedures and controls used to process financial data and produce reliable reports. An accounting system includes three basic functions:

1. **The recording of transactions.** Front desk transactions should be recorded as follows:
 - a. Services
 - i. Client signs in for service on the official institution sign in sheet.
 - ii. After a consultation is conducted, client should be quoted a price that is written on the sign in sheet.
 - iii. The client should then make payment by cash or debit/credit card.
 - iv. The client is given a receipt and a service ticket is generate for the student.
 - v. The student's service ticket remains on their station during the service.
 - b. Tuition, kits, fees, etc.
 - i. Students pay tuition via cash, cash app, credit card and/or online via the student portal.
 - ii. Receipts- A hand written receipt is provided when a student pays by cash. A credit/debit card receipt is provided when a student pays with a card. A text message is sent as receipt of the cash app payments. All payments are recorded in the general purpose receipt book. Payments are checked off once they have been entered into the student's invoice and payments screen on the SIS. These

entries automatically generate an emailed receipt to students. Students are able to log into their student portal account and print or view receipts as well.

2. The summarizing of transactions.

- a. At the start of each day, the front desk operator is provided with a daily reconciliation slip and a till. The date and till amount is written on the slip and the till amount verified.
- b. At the conclusion of the business day, the following procedures are followed to summarize the day's transactions.
 - i. Service total- this amount is the sum of the day's client services.
 - ii. Tuition total- this amount is the sum of the collected tuition from the general purpose receipt book and the collection report from the SIS. These two reports and amounts should be identical.
 - iii. Total Box 1 is the sum of the service total and tuition total.
 - iv. Cash is the total amount of cash collect minus the till.
 - v. Credit is the total amount of credit card payments received minus the .03% credit card fee.
 - vi. Cash app, etc. is the total of electronic (Paypal or Zelle) based payments received.
 - vii. Total Box 2 is the sum of the payments received via cash, credit and electronically.
 - viii. The Last box represents the difference (Overage/shortage) of the total amount of service and tuition revenue charged versus the amount of funds collected in total.
 - ix. If tuition is collected, tuition payments will be entered and a collection report by day will be generated. This report will accompany the daily reconciliation slip, and credit card receipts. Any collected tuition is also recorded on the back side of the reconciliation slip. If tuition is not collected, the reconciliation slip and credit card receipts are attached to a blank sheet of paper. The daily report is submitted to the director.

3. The reporting and interpreting of summary information.

- a. The director verifies the amounts for each box.
- b. The amounts are then recorded in an excel spreadsheet used to chart daily sales, compare monthly and yearly sales in various categories and goal set.
- c. The report is filed in the daily collection report binder.
- d. Yearly the reports are archived in the bookkeeping file cabinet drawer.

Internal Control Structure:

An integral part of any effective accounting system is a well-designed internal control structure. The institution's control structure consists of the overall attitude, awareness and actions of the director and other management personnel.

A good internal control structure is a key factor in the effective management of the institution. Internal controls encompass both accounting and administrative control procedures. The purpose of internal accounting and administrative controls is to provide a means for safeguarding the institution's assets, checking the reliability of its accounting records, promoting operational efficiency and encouraging adherence to prescribed accounting practices and procedures. Some of the characteristics of a good internal control system include:

- Proper authorization of transactions and activities
- Adequate segregation of duties
- Adequate documentation and records
- Adequate safeguards over use and access
- Independent checks over performance

[Separate Entity:](#)

Each institution is considered to be a separate and distinct financial accounting entity. Only financial activities of the institution are to be recorded in the institution's accounting records; personal transactions of the staff, such as coffee or flower fund collections, are not to be entered in the institution's accounting records or mixed in with the revenues of the institution. The institution is a legal entity. Institution personnel do not have the statutory authority to enter into contracts or obligate institutional funds without express permission from the director.

[Responsibility](#)

The institution director is responsible for the financial management of the institution. The director must ensure that all provisions of this manual and local, state and federal policies and procedures where applicable are complied with, that all accounting records are maintained accurately, and that all financial reports are prepared and submitted in a timely manner.

[Fund Accounting:](#)

A fund is a separate group of self-balancing accounts in which all cash, revenues, expenditures and residual balances are recorded and segregated for a specific purpose or objective. For an efficient system of operation, only the minimum numbers of funds necessary for sound financial management should be maintained. The different funds that may be maintained at the institution are limited to the following:

General Fund - The fund used to account for the general operations of the institution and all other financial resources of the institution except those accounted for in another fund. Every institution is required to maintain a General Fund.

[Accounting Records:](#)

The following accounting records must be maintained for each fund:

- Pre-numbered receipt forms
- Transaction (Receipts and disbursements) Journal
- Requisition and purchase orders
- Bank checkbook
- Bank deposit slips- sent by email via atm
- Monthly financial statements
- Annual financial statements

Bank Accounts:

Every bank account in which institution funds are deposited must be insured or the bank must provide adequate bond to cover the maximum amount that may be deposited at any one time. The account must contain the name of the county board of education, the name of the institution, the name of the fund, and the county board's Federal Employer Identification Number (FEIN). Any funds deposited in an account with the county board's FEIN number must be accounted for in the institution's Quick Books Software and must follow the procedures in this manual.

Bank signature cards for individuals that have signature authority on local bank accounts must be maintained current at all times. The institution director must have signature authority for every account in which institution funds are deposited. In addition, the chief institution business official of the county must also have signature authority on all accounts, including C.D. and investment accounts. This will ensure that the institutions have access to institution funds during circumstances in which the director and his/her designee, if applicable, are absent unexpectedly or for an extended period of time.

Signature stamps are not acceptable. All checks must have pre-printed on them the name of the institution, the fund, the institution address, the check number and two blank spaces for signatures.

Reconciliation of Bank Statements:

For an effective system of internal accounting control, all bank statements are to be presented to the institution director unopened as soon as they are received through the mail. The director is to open the envelope and review the bank statement and canceled checks for any possible irregularities, such as checks made payable to cash or unauthorized individuals, checks presented for payment without the proper signatures, or bank deposits not made in a timely fashion. After this review, the bank statement must be signed and dated by the institution director and the bank statement and canceled checks are to be forwarded to the third party bookkeeping firm that handles the Quick Books Bookkeeping and will be preparing the bank reconciliation. Every bank account must be reconciled monthly as soon as possible after the bank statement is received, including any CD and investment accounts. The total of all QuickBooks transactions must equal the total of the bank balance of all accounts. Any differences noted between the balance reflected in the institution's QuickBook records and the bank statement balance must be resolved immediately. After the bank reconciliations are completed, the bank reconciliations are to be signed and dated by both vendor that performed the reconciliation and the director.

All bank statements are to be filed in chronological order. Canceled checks are to be filed either in numeric order with the monthly bank statements or in a separate canceled check file in numeric order by institution year. In situations where a bank is providing only an image of the canceled checks to the institution with the bank statements rather than returning the actual canceled checks, the bank must be able to provide an image of both the front and back of every check upon request. Voided checks are to be retained and filed in the correct numeric sequence with the canceled checks.

Records Retention:

All financial records of the institution belong to the institution. The books and records of the institution are to be kept at the institution in an organized manner and safeguarded at all times.