

Guidelines for Local School Financial Operations

Introduction

This manual is designed to provide guidance and reference for principals, bookkeepers, and secretaries regarding fiscal matters at the local school level in the Hall County School District. It includes references to pertinent state laws, board policies, rules, and regulations applicable to local school financial operations. Establishing an efficient and effective accounting system will provide the local school administration with a management system which will allow for the proper administration of school board policies and procedures. Following these guidelines will provide an audit trail that will properly account for the receipt and disbursement of funds. Also, by standardizing procedures and practices, all schools will be able to maintain and report their financial activities accurately and uniformly.

This manual primarily contains sound business practices that are to be used by local school teachers and administrators and the rules and regulations that apply to local school principals' and activities accounts. While an attempt has been made to be inclusive, there are always situations that arise that will not be covered in this manual. Also, there may be situations that may need interpretation. Questions of these types should be addressed to the Chief Financial Officer in the Central Office.

Please remember that circumstances not anticipated may arise and necessitate that changes be made in this manual. The manual is a joint effort by district administrators and local school personnel to catalog those procedures which will allow our personnel to effectively and equitably apply our local school board's policies and procedures for the benefit of all. Above all, this manual should be a helpful tool to all who should use it.

Recommendations for changes or additions to the manual should be made to the Chief Financial Officer. Updates will be issued as needed.

IMPORTANT

This manual governs only policies and procedures relating to local school accounts.

Guidelines for Local School Financial Operations

TABLE OF CONTENTS

A – LEGAL AND POLICY ISSUES	1
A.1 – Georgia Laws	1
A.2 – Hall County Board Policy	1
B – OPERATING FUNDS AND AGENCY FUND ACCOUNTS	4
B.1 – Local School Accounts	4
B.2 – Operating Funds	4
B.3 – Agency Funds	4
B.4 – Financial Reporting of Local School Accounts	4
C - BANK ACCOUNTS, CREDIT CARDS AND PETTY CASH	6
C.1 – Authorization and Type of Accounts	6
C.2 – Authorized Signatures	6
C.3 – Tax Identification Number	7
C.4 – Bank Account Reconciliation Procedures	7
C.5 – Bank Account Statement Retention	7
C.6 – Petty Cash Procedures	8
C.7 – Change Funds	8
C.8 – Correction of Deposit Errors	9
C.9 – Write off of Outstanding Checks	9
C.10 – Credit Card Use and Authorization	9
D – CASH RECEIPTS	10
D.1 – Opening of Mail	10
D.2 – Pre-numbered Receipts	10
D.3 – Required Information on Receipts	10
D.4 – Non-Sufficient Funds (NSF) Procedures	11
D.5 – Teachers Collecting Monies from Students	12
D.6 – Deposit of Receipts	12
D.7 – Receipt Books	13
E – CASH DISBURSEMENTS	14
E.1 – Disbursements made by Check	14
E.2 – Supporting Documentation	14
E.3 – Reimbursements	15
E.4 – Refunds	15
E.5 – Payments for Salaries and Travel	15
E.6 – Expenditures by Local School on Behalf of Central Office	16
E.7 – Expenditures by Central Office on Behalf of Local School	16
E.8 – Expenditures made jointly with or on Behalf of Non-Profit Organizations	16
E.9 – Expenditures that should not be made from Operating Funds	16
E.10 – Expenditures for Scholarships	16
F - ACCOUNTING PROCEDURES	17
F.1 – Basis of Accounting	17
F.2 – Fund Structure	17
F.3 – Grant Process	17

Guidelines for Local School Financial Operations

G - PURCHASING PROCEDURES	18
G.1 – Purchase Orders	18
G.2 – Blanket Purchase Orders	18
G.3 – Capital Assets purchased from Local Funds	18
G.4 – Sales Tax	18
G.5 – Bidding Procedures	19
G.6 – Conflicts of Interest	19
H – ATHLETIC FUNDS	20
H.1 – Advance Ticket Sales	20
H.1.a – Sales by Private Organizations	20
H.1.b – Sales at Local Schools	20
H.1.c – Season Tickets	20
H.2 – Gate Receipts	20
H.3 – Concessions	21
H.4 – Booster Club Accounts	22
H.5 – Team and Coaches Travel Regulations	22
H.6 – Athletic Expenditures/Advances to Coaches/Credit Cards	22
H.7 – Hospitality Rooms	22
H.8 – Contracts with Booster Organizations	22
I – OTHER OPERATIONS	24
I.1 – Vending Machines	24
I.2 – Fund Raising Activities	24

APPENDIX “A”

Procedures for Balancing Checkbook to Bank Statement

APPENDIX “B”

Internal Control Procedures

APPENDIX “C”

Prohibited Procedures

APPENDIX “D”

Chart of Accounts

APPENDIX “E”

Standard Forms

 Report of Tickets Sold
 Check Request/Transfer Form
 NSF Check Log
 Travel Expense Summary - Athletics
 Schools Purchases of Capital Assets
 Cash Advance Travel Expense
 Purchase Order Form (Standard)
 Teacher Collections Report

Guidelines for Local School Financial Operations

A – LEGAL AND POLICY ISSUES

A.1 – Georgia Laws

The Official Code of Georgia Annotated (OCGA), also referred to as “Georgia Laws”, provides that county school systems are under “the control and management of a county board of education” (OCGA 20-2-50). The law in OCGA 20-2-59 provides that “the county school superintendent and county board of education shall make rules to govern the county schools of their county.”

Georgia Laws holds the school principal personally responsible for the proper collection, disbursement, and control of all monies relative to the funds in his/her trust. The Official Code of Georgia Annotated (OCGA) 20-2-962 provides:

“The principal of each public school shall make a quarterly report to the local board of education immediately upon the end of each quarter of the fiscal year, and such report shall contain an account of all receipts and expenditures of such funds during the past quarter. The principal shall also make an annual report of the complete property inventory of the school. The local board may at any time during the school year inspect all receipts, expenditures, and property of each public school.”

Although the principal may delegate the actual receipt, disbursement and accounting of school funds, he/she is ultimately responsible for these funds. When delegation of duties occurs, the principal must insure that steps have been taken to provide proper internal controls of the fund operations.

It should be noted that this manual is a part of an internal control system since it sets forth policies and procedures which, if followed, will provide for the accurate and timely recording, reporting and safeguarding of local school financial assets. Certain key internal control features will be highlighted throughout this manual. Also, a list of some internal controls is provided in Appendix “B”.

A.2 – Hall County Board Policy

In accordance with Georgia Laws, the Hall County Board of Education has adopted various board policies to govern the school district. The policy which most directly affects the local school financial operations is Policy DK which specifically covers accounting for funds maintained at local schools. This policy is stated below but has been rearranged and headings added for easy reference.

Board Policy DK

Accounting System

An accounting system that complies with generally accepted accounting principles and rules issued by the Department of Education shall be used for all funds covered by this policy.

Guidelines for Local School Financial Operations

Audit of Funds

The Board of Education shall provide for periodic audits of student activity funds by either an internal or external auditor.

Audit Trail

School personnel shall maintain a clear audit trail from receipt of the funds to the disbursement of the funds.

Bank Accounts

The principal of each school shall establish and maintain under his or her control a bank account for the deposit of all funds derived from any activity occurring within each school or a separately numbered account for each activity, including clubs, athletics, or other student activity generating funds. The principal shall be responsible for the integrity of each account and insure that all funds are properly deposited.

Funds – Operating Funds – (aka General Funds)

The principal shall establish a general fund or account for all profits received from the sale of soft drinks, pictures, or undesignated fund-raising activities.

The general fund or account shall be expended only for programs or activities within or related to the school where the funds were raised unless the Board of Education has granted its prior approval.

Transfers from individual operating funds derived from parking, lockers, and restricted grants to other funds are prohibited. Transfers between other individual operating funds may be made with written approval of the Superintendent or designee.

Funds – Agency Funds – (aka Student Activity Funds)

Any expenditure from funds generated by student clubs, organizations, or activities shall be for the support only of that activity unless prior approval is obtained from the Board of Education.

Funds Collected from Students

The Hall County Board of Education requires that funds collected from students and from other sources for student activities shall be expended for the purpose of the project including school-related incidental expenses incurred by teachers and other school personnel.

School personnel shall not require the collection of funds from students for expenditures that are included in the school system's budget.

Incurring Debt

Each principal shall insure that no debt is incurred for any student activity which cannot be paid from the receipts for such activity during each fiscal year. It is the policy of the Board that no debt shall be carried over from one fiscal year to another fiscal year without specific prior Board approval. All leases for copiers or any other purpose on behalf on the School shall be executed by the Superintendent or designee.

Purchases

Purchases from activity funds must be made in accordance with Board purchasing policies.

Guidelines for Local School Financial Operations

Such purchases should provide the best quality, price, and service for the student, including contracts with organizations to provide school pictures, rings, invitations, cap and gowns, annuals, and similar goods and services.

All purchases and/or contracts for or on behalf of students shall be made in accordance with the procedures set forth in this manual.

Purchase Documentation

School personnel shall have itemized receipts for cash purchases; other purchases shall be supported by purchase orders or contracts and paid only upon receipt of original invoices.

Signing Checks

The principal or designated assistant principal shall sign each check or affix a facsimile. Any facsimile signature must be kept secured and under control of the principal.

All the procedures enumerated in this manual are for the purpose of adhering to the legal and policy requirements set forth in the sections above.

IMPORTANT

All the procedures enumerated in this manual are for the purpose of adhering to the legal and policy requirements set forth in the section above. Any employee following the procedures set forth in this manual should be in compliance with State Laws and Board Policy.

Guidelines for Local School Financial Operations

B – OPERATING FUNDS AND AGENCY FUND ACCOUNTS

B.1 – Local School Accounts

Local school accounts, which contain both Operating Funds (i.e. discretionary funds) and Agency Funds (funds held for others), also referred to as principal's accounts, are maintained to account for those funds which are generated at the local school level and are best maintained at that level.

All of the accounts at the local school are under the control of and are the responsibility of the local school principal. The principal may expend operating funds in accordance with board policies including the use of these funds to supplement certain Agency Fund programs if deemed appropriate.

These two basic types of funds handled within the local school account at the local school level are further discussed below.

B.2 – Operating Funds

The first type of funds maintained at the school level is Operating Funds, referred to in Board policy as “General Funds”. These Funds consist of monies received at the local school level for which there is no specific purpose other than educationally related purposes. Examples of funding for Operating Funds include vending machine receipts, school picture commissions, sale of yearbooks or annuals, rent from lockers, ice cream sales, and parking fees. Athletic Funds are also considered to be operating funds even though their use is restricted for operation of that school's Athletic programs. No operating funds shall be transferred to any agency fund for the purpose of gifts for a remembrance. The important point to note about Operating funds is that the Principal has unilateral authority to initiate expenditures of such funds.

B.3 – Agency Funds

The second type of funds maintained at the school level is Agency Funds. These Funds usually consist of third party funds such as club funds but in certain instances may include Funds established by the school to be funded with “one-time fund raisers” held for a specific special purpose. Agency Funds may also consist of monies received from student activities or organizations that are to be disbursed only for the support of that activity or function. The important point to note about Agency Funds is that the School is acting as an agent in handling these funds and does not have unilateral authority to disburse these funds without the consent of a third party. Charitable funds, those funds raised on behalf of designated charities, shall be transferred to the designated charity promptly and shall not be carried in the accounting records past the end of the fiscal year.

B.4 – Financial Reporting of Local School Accounts

In establishing the accounting records for Operating funds, it is important to remember that Operating Funds will always be reported as Governmental Funds in both the individual School's Financial Statements as well as the District's Financial Statements. Most often, the School District

Guidelines for Local School Financial Operations

will consolidate all of its School Operating Funds into the District's General Fund in preparing its annual Financial Statements. Accordingly, in order to facilitate this consolidation, the accounting records of individual School Operating funds must separately identify sources of revenues as well as both Function and Object for all expenditures. Typical revenue accounts include Gate Receipts, Food Sales, Vending, Donations, Fund Raisers, Fines and Fees, and Other Sales. In classifying expenditures, Function refers to the major area for which the expenditure was made such as Instruction, School Administration, Enterprise Operations, and Community Services. Object of expenditure refers to the type of expenditure made such as Purchased and Professional Services, Purchased Property Services, Student Travel Services, etc-

In addition to the various Operating Funds handled by the Local School, most Schools also handle funds on behalf of others, called Agency Funds, such as Club Funds, Student funds, or one-time Fund Raiser funds. The School District's responsibility in handling these funds is primarily one of accountability as control of these funds is not normally unilaterally vested in the Principal of the School. In accounting for these type funds, less detail is required in maintaining these records. Accounting Records for Agency Funds should reflect current Balances of Agency Funds as well as historical additions and deductions of these funds. It is not required that Agency Funds reflect Sources of Funds or Function or Object of expenditure as is required of Operating Funds.

Since the revenues and expenditures in the operating account will be rolled into the District's financial statements, expenditures from the operating account will increase the per pupil expenditures for the District. Disbursements from agency funds do not affect these revenues and expenditures. However if a club or organization has an agency fund account and provides for the use of its funds for a specific purchase for the school, the transactions need to be handled in such a manner as it will benefit the District. For example, a club purchases equipment for the school or supplies for a special class. In these instances, the expenditure could be made out of the operating fund and classified fully by function and object. The club's agency fund could reimburse the operating account for these expenditures.

Guidelines for Local School Financial Operations

C - BANK ACCOUNTS, CREDIT CARDS AND PETTY CASH

C.1 – Authorization and Type of Accounts

Each school principal is authorized to maintain one checking account for his/her school's funds. The principal and Superintendent or District Office designee will be listed as co-owners of the account for transitional purposes and, the principal will ensure that the bank account is classified by the bank as "public funds".

This bank account will be used for all funds, both Operating Funds and Agency Funds, generated at the local school. Interest-bearing checking accounts are authorized. Any such bank account should be in a Hall County federally insured financial institution. The school district's name should be on the account as well as the local school's name and mailing address. It is a good idea to also have the word "Attention:" followed by the principal's name to appear in the address section, usually under the local schools name but before the address. The bank account should reflect an entire month's activity with an end-of-month closing balance.

If the account exceeds the Federal insurance limits, the bank must furnish collateral pledged to the School District to cover the amount of school deposits in excess of that Federal insurance limit. This collateral usually consists of pledged bank owned securities pledged to the School District for the amounts in excess of Federal insurance guarantees. The principal is responsible to ensure that this collateral is updated on a continuing basis so long as the School's deposits exceed the Federal insurance guarantees. It is also the responsibility of the principal to ensure that the bank account title, account number, and authorized signature are on record in the Central Office. Notification of any changes to the account should be communicated to the Central Office prior to any actual change.

Authorized school personnel are authorized to view transactions "on line" but are NOT authorized to conduct on line banking transactions.

Bank Accounts

Only the principal is authorized to establish a bank account for the local school. Student clubs and organizations at the local school are prohibited from establishing or maintaining a bank account.

C.2 – Authorized Signatures

The principal or designed assistant principal may be authorized to sign checks withdrawing money from the bank account. Bookkeepers are not authorized to sign checks.

An assistant principal shall be authorized to sign checks in the following instances, even though the principal will remain ultimately responsible for all transactions.

- When the principal is not available on the school campus and a signed check is required to meet an emergency.
- Periods of time when a principal is absent due to sickness, vacation, workshop, etc., and it is necessary to have a check signed. In this case verbal authority should be obtained from the principal where possible.
- When the check is payable to the principal.

Guidelines for Local School Financial Operations

C.3 – Tax Identification Number

The Hall County School District's Federal Tax Identification Number (FEI number) should be on the bank account. Section 170(C) (1) and Section 115 (1) of the IRS code states that only subordinate organizations of the School District can use the Board's tax identification number. In order for an activity or organization to use the Board tax identification number, all funds associated with the activity or organization must:

- Be deposited to and disbursed from the local school's checking account.
- Be processed through the local school's financial accounting system.

WARNING

All related school organizations whether athletic associations, band booster clubs, etc., cannot use the Hall County School District's FEI number to open a bank account or as documentation of a tax exempt status. Each related school organization must apply to the IRS for their own FEI number using appropriate IRS forms. It is improper to purchase items for these organizations using the District's tax exempt status and allow the organization to reimburse the local school. It is also improper for an organization to use the name "Hall County School District" in its title.

C.4 – Bank Account Reconciliation Procedures

The bank statement should be mailed directly to the local school for reconciliation. Schools shall ensure the bank provides check images of all cancelled checks and will pay fees from school funds, if required, to obtain these images. The principal or his/her designee should receive the bank statement directly and unopened each month, and should review the statement and check images (cancelled checks), initial, and record the date of this review before forwarding the statement to the bookkeeper for balancing with the school books. If sufficient personnel are available, the bank reconciliation should be done by someone other than the principal or bookkeeper. The bank reconciliation should be completed immediately upon arrival of the bank statement each month. NEVER allow a backlog to develop in bank statement reconciliations. This is very important as legally there is, according to the Uniform Commercial Code, only a limited time permitted to correct errors in an account. A copy of the completed bank reconciliation should be sent to the Central Office at the end of each month.

Internal Control Safeguard

One of the key safeguards of local school financial management is the separation of duties in bank reconciliation procedures such that the person who reconciles the bank statement is not the same person who writes or signs the checks. This is one of the most, if not the most important, controls that should always be in place.

C.5 – Bank Account Statement Retention

Bank statements for the preceding fiscal year and statements for the current fiscal year are to be kept in a secure location at the local school and retained for a period of 7 years.

Guidelines for Local School Financial Operations

C.6 – Petty Cash Procedures

A petty cash account not to exceed \$400.00 at high schools and \$200.00 at other schools may be established upon approval of the principal. Approval for establishing a petty cash account in excess of these amounts must be obtained in writing from the Central Office. The principal will appoint a “petty cash custodian” to be placed in charge of this account.

To establish or replenish the account, a check should be made payable to the “petty cash custodian” responsible for petty cash established amount. The “petty cash custodian” will cash the check and place this cash in a safekeeping box of some nature. As cash is needed from the account, a petty cash voucher will be submitted by a teacher (or other person) to the “petty cash custodian” with an explanation of the need for the cash accompanied by an attached sales slip or other documentation. The “petty cash custodian” will be responsible for ensuring that the cash on hand plus petty cash vouchers equals the established petty cash amount. Any expenditure over \$25 should **NOT** normally be handled out of the petty cash account. Purchases should not be split to circumvent the established \$25 limit for petty cash expenditures.

When the fund runs low on cash, the “petty cash custodian” should total the petty cash vouchers on hand and submit them to the principal. Upon approval, a check for the exact amount of the petty cash vouchers will be issued to the “petty cash custodian” to replenish the account. Expenditures are then charged to the appropriate school fund and account based on the petty cash vouchers submitted.

As a matter of policy, making loans, cashing personal checks, or making payments for services rendered are prohibited from the petty cash account. Making change from petty cash is strongly discouraged.

When the account is no longer needed, usually at the end of the school year, the petty cash should be deposited into the bank account.

C.7 – Change Funds

A change fund is a temporary “petty cash” fund which may be needed for athletic or other events. A change fund must be for a reasonable amount and have the approval of the principal. The change fund may be designated an “event change fund” or a “season change fund” based upon approval of the principal. For an example, a dance may need a one time change fund whereas football season may require a season change fund not to be returned until the end of the season.

A check should be made payable to the individual who will be responsible for the change fund. This person will be charged with the responsibility of safeguarding the change fund and returning it to the bookkeeper at the end of the event or end of season.

At the end of the event, the change fund (if an event change fund) should be returned to the bookkeeper for deposit along with any additional funds received which should be receipted by the bookkeeper. For example, it would be expected that a bank deposit would equal the amount of event ticket sales plus the amount of the “event change fund”. “Season change funds” would not be required to be returned with the receipts deposited.

“Season change funds” are required to be returned in full at the end of the respective season approved.

Guidelines for Local School Financial Operations

C.8 – Correction of Deposit Errors

Occasionally a mistake can be made when preparing a deposit. The bank should notify the school of differences between the school's deposit slip and their cash count. If the difference is resolved, no action should be taken. If the difference is real, and the deposit slip is indeed incorrect, the bank teller should process the deposit as it is and then correct the amount by issuing either a credit or a debit memo for the difference. Under no circumstance should the bank teller change the deposit slip, request additional cash, or return an overage to the employee in their bank bag.

C.9 – Write off of Outstanding Checks

Outstanding checks that appeared on the previous June 30th bank reconciliation may be written off at the end of the current fiscal year if still outstanding on the current June 30th reconciliation. Outstanding checks for substantial amounts should be investigated prior to write-off.

C.10 Credit Card Use and Authorization

A school is authorized to have only one credit card issued by the District Office. Principals shall be responsible for enforcement of this policy.

The District details specific procedures for the use by schools of its credit card through issuance of an annual directive from the District Office designee. Schools are required to follow the most recent issuance of this directive.

Guidelines for Local School Financial Operations

D – CASH RECEIPTS

D.1 – Opening of Mail

If the school receives significant funds through the mail, a procedure should be established to ensure funds are safeguarded throughout the process of opening and cataloging the mail. An example policy is provided below that can be used as is or modified to fit the School needs.

Sample Policy for Opening the Mail

1. The mail should be opened in the presence of two employees.
2. One employee should actually open the mail and the other employee should compile a list of all checks received in the mail, indicating date received, name of remitter, amount of cash received, purpose for which funds were received, account to be credited, check number of remitter.
3. Other mail not financial in nature should be forwarded to the appropriate party.
4. Both employees should sign the list of funds received verifying the amount received.
5. Two copies of the list should be made. One copy should go to the Bookkeeper (*) along with the actual checks; the other list should go to the principal or his/her designee.
6. The principal or his/her designee should review the deposits made by the bookkeeper to determine all checks were properly deposited.

(*) If sufficient staff is available, in # 5 above, it is preferable that the list and the checks go to a person other than the Bookkeeper to prepare the deposit for the Bank.

D.2 – Pre-numbered Receipts

Pre-numbered written receipts should be used in the Principal's Office to accurately record all cash received in the office. Additionally, individual pre-numbered receipt books should be purchased and made available to all teachers for cash collected in the individual classrooms.

D.3 – Required Information on Receipts

Each receipt issued by the Principals Office must include the following information.

1. The date the cash is received.
2. The name of the remitter (an individual or a firm).
3. The amount of cash received.
4. The purpose for which the money was received.
5. The account name to be credited with the receipt.
6. The signature or initials of the person receipting the funds.
7. The receipt should note whether the funds received were cash or check.

The original receipt will be given to the remitter, and the duplicate will serve as the source document for posting the cash receipts.

Guidelines for Local School Financial Operations

When cash receipts are posted to the accounting records, care must be exercised such that all operating fund receipts are classified in the accounting records according to the source of funds as well as the program that generated the revenue. Therefore it is important to complete the receipt fully so that the accounting records can be correctly posted. For example, monies should not be receipted simply as "Athletic Funds" or "Gate Receipts". The receipt should indicate Athletic Funds, Basketball, Concessions Sales from January 11th game" or "Athletic Funds, Baseball, Gate Receipts from May 4th game".

Cash Receipts for Agency funds should be similarly documented on the receipt. However agency fund accounts do not require the same type of classification in the accounting records as do the operating funds. Often all cash receipts for a club or organization are simply posted to a cash receipts account in that club's name.

D.4 – Non-Sufficient Funds (NSF) Procedures

Occasionally a school may receive and deposit a check which the bank on which it is drawn refuses to pay. In such cases, the school's bank will return the check by mail together with an explanation why the check has not cleared (insufficient funds, account closed, etc.) These returned checks are generally referred to as NSF checks. The bank will deduct the amount of such checks from the school's bank account and they will normally appear in the checks section of the statement.

The procedures for handling this situation are as follows:

1. When a check is returned, it will be entered into a NSF log books discussed later in this chapter. The person who issued the NSF check (maker) should be contacted and the situation explained. The maker should either pay the amount of the check in cash, or advise the school to redeposit the check.
2. The redeposit of the check or cash should be on a separate deposit slip which should be labeled "Redeposit". This should be noted in the NSF log. NEVER show the redeposit as another receipt. The redeposit should not be entered on the cash receipts journal since a receipt was entered when the amount was originally paid to the school. Do NOT combine several NSF checks on one deposit slip.
3. A NSF check should only be redeposited once before the maker should be required to make the check good with cash.
4. When the bank statement is received at the end of the month, each redeposited NSF check will appear as a deposit, and also as a "check" in addition to being included in the amount of the original deposit. Circle the amount of such check in the "checks" section on the statement and circle the amount of the "redeposit" in the "deposits" section.
5. Make a note on the bank statement that the transaction was for a returned check which has been redeposited. If the redeposit was not made in time to appear on the bank statement, it should be included on the bank reconciliation under "Add: Deposits-in-transit". List returned checks on the reconciliation separately by name and by amount. This will enable you to more accurately and efficiently follow-up on the returned checks and also establish an audit trail.

Guidelines for Local School Financial Operations

It is essential that each school maintain a record of NSF checks returned and the ultimate disposition of each. Each school shall keep a log of NSF checks returned showing:

- the date check returned,
- the date of the original deposit,
- the name of the maker of the check,
- the makers check number,
- the name of the bank drawn on,
- the account number drawn on,
- the subsequent redeposit date, and
- if redeposit cleared, and if not, how check was made good.

Once two NSF checks are received from one individual, no further checks will be accepted and the maker's name should be submitted to the Central Office. The Central Office will send a letter to the family and principal stating the school district will only accept cash or money orders from them.

Once a NSF check has appeared as a reconciling item on the bank reconciliation for six months it should be reviewed and, if deemed uncollectible, written off.

Schools are authorized to recover from the maker any bank fees charged to the school resulting from checks payable to the school returned for insufficient funds.

D.5 – Teachers Collecting Monies from Students

Teachers must issue cash receipts for all cash collected from students \$10.00 or greater. Teachers may issue receipts for cash collections of less than \$10.00 if so requested by the student. Teacher receipt books are available from the bookkeeper in the principal's office on an "as needed" basis.

Whether cash receipts are issued to students or not, teachers should use student class rolls or other appropriate student lists to identify amounts collected beside the student's name as documentation for amounts collected from students. All collections should be turned into the bookkeeper in the principal's office along with a list of payees. Teachers should always keep a copy of such lists along with their copy of receipts issued to students. Occasionally there will be monies for more than one purpose collected on the same day. Money collected for these different purposes must be kept separate and identified separately by the teacher for the bookkeeper. All collections should be turned in daily to the bookkeeper intact. Cashing checks from cash receipts is prohibited.

The bookkeeper will verify receipt amounts turned in by teachers in the presence of the teacher if possible. If the money and the reported amount agree, a principal's office receipt will be issued to the person turning in the money. The original receipt will go to the remitter and the copy will serve as a source document for deposits. Student lists submitted by teachers reflecting collections of monies will be attached to these deposit slips.

D.6 – Deposit of Receipts

Guidelines for Local School Financial Operations

Funds collected by teachers must be safeguarded until properly accounted for and deposited in the bank. Cash and checks should be turned in daily to the office and not kept in the classroom or taken home. If collections are not complete, for example when collecting for a field trip, the money collected to date should be locked in the office safe overnight for safekeeping. Employees who fail to turn in funds collected each day shall be held personally responsible if loss occurs.

After funds are received and verified by the bookkeeper, checks to be deposited should be endorsed with the restrictive endorsement "For Deposit Only". Each day's collections must be deposited into the bank intact. No checks, personal or otherwise, should be cashed from receipts.

The following items must be included on each bank deposit slip.

1. The date and the amount of the deposit.
2. The listing of each check included in the deposit showing the maker's name and the amount of the check. When numerous checks of the same amount are being deposited, the check number beside the name may help.

Deposit Cash Receipts Intact

Expenses should never be paid out of cash receipts. The cashing of checks from cash receipts is prohibited.

D.7 – Receipt Books

The bookkeeper is responsible for maintaining a supply of receipt books and making these available to teachers when needed. Receipt books should contain pre-numbered receipts which should always be issued in numerical order. The bookkeeper should maintain a record of receipt books that have been signed out.

The teacher receiving the receipt book should initial the "Receipt Book Log" control sheet when the receipt book is checked out and again when it is returned. Upon return of the receipt book, the bookkeeper enters the receipt numbers used on the appropriate line and signs that the receipt book has been returned intact.

Guidelines for Local School Financial Operations

E – CASH DISBURSEMENTS

E.1 – Disbursements made by Check

Principals are responsible for expending funds for the purpose for which they were collected. Checks should not be written against a fund unless there are sufficient funds to cover the check.

All disbursements must be made by a pre-numbered check. No check shall be made to “Cash,” but shall be made to the person or persons (individuals), institution, organization, or company to which the money is to be paid. It is NOT acceptable to make a check from the local school account payable to the paying school. The signature of the principal or his/her approved designee is always required on the check.

If it should become necessary to void a check due to an error in preparation of the check, the signature line and bank account number on the check should be removed and “VOID” written clearly across the check. All voided checks should be attached to the check stub in the check book or filed in numerical order in an appropriate file in the school office.

E.2 – Supporting Documentation

Each check must be supported by a voucher package which adequately documents the check being written.

1. An approved purchase order approved by the principal in writing if a purchase order is required. (See section G.1 for items needing a purchase order.)
2. The itemized, original invoice (statements may accompany invoices, but they will NOT be accepted as substitutions for invoices). Every check written should be supported by an original invoice or by other appropriate original documents. Copies of invoices are not adequate documentation. While documentation is especially necessary for purchases and reimbursements, it applies to refunds as well. (See E.3 below).
3. Documentation that goods or services requested were delivered or received. This evidence should be in the form of a packing list signed by the person authorized to receive the shipment or a signed statement by the person requesting the services that services were received. It is usually a good internal control measure to have the acknowledgement of the receipt of goods or services made by a person other than the person requesting the services.

Guidelines for Local School Financial Operations

Follow These Simple Rules for Documenting Disbursements

There should be no doubt as to why a check is written.

A voucher package, if examined by someone who has no previous knowledge of the transaction, should contain sufficient documentation to clearly show why the check was written without any additional verbal explanation from anyone.

No check should be written with the documentation marked "Miscellaneous."

E.3 – Reimbursements

Proper planning by teachers and other employees entails anticipating needs and obtaining prior approval for purchases. **In limited and unusual situations**, teachers may need to purchase items for their classrooms without having the time to follow normal procedures. In these cases, the teacher should purchase the needed items with their own funds and request reimbursement for their expenditures. Teachers make these decisions at their own risk.

Teachers must submit a check request form to the principal for approval along with the receipts they obtained when purchasing items through this reimbursement method. If approved, a check may be issued to the teacher by the school.

The teacher should complete the check request form using the same information as would have been used had the purchase gone through the purchase order process. See section E.2 for documentation requirements.

Limit Use of Reimbursement Procedure

The use of this reimbursement method, while allowed, should be very limited and not used as a standard operating procedure.

E.4 – Refunds

Refunds are made to return previously collected funds to the person or organization from whom the funds were received. Refunds must be accompanied by an explanation for the reason for the refund. Normally refunds are made because the student did not receive the items or services for which they had previously paid. Refund documentation should contain reference to when the monies were originally collected.

In the accounting records, the refund should be charged to the revenue account to which the original funds were recorded thus reducing the revenue account to its correct amount. Refunds should not be charged to an expenditure account.

E.5 – Payments for Salaries and Travel

No salary or travel amounts should be paid directly to employees at the school level or charged to the schools' credit card as these amounts must be reported to the State Auditor's office on a fiscal year basis. All salary and travel amounts must be paid by the District Central Office and

Guidelines for Local School Financial Operations

reimbursed by the appropriate local account. In claiming reimbursement for travel expenses from the District Office, all State Travel Guidelines associated with reimbursement of expenditures will be followed. See section E.7 below.

Travel Expense as discussed in this section includes employee mileage, hotel, meals, parking, air fares, and ground transportation while traveling away from home on School Business.

E.6 – Expenditures by Local School on Behalf of Central Office

No provision has been made for expenditures made by the local school to be reimbursed by the Central Office with the exception of Security Personnel at athletic events. Statements and invoices received at a local school that should be paid by the Central Office need to be promptly forwarded to the Central Office.

E.7 – Expenditures by Central Office on Behalf of Local School

Certain expenditures made by the central office are to be reimbursed by the local school. Payroll and travel amounts are examples of these expenditures.

E.8 – Expenditures made jointly with or on Behalf of Non-Profit Organizations

Expenditures made jointly with school related non-profit organizations should be handled carefully. When purchases are made jointly with these type organizations, the organization should write a check to the local school for their portion of the purchase. That check should be deposited and shown as a donation with the purpose being indicated on the receipt. The local school should then purchase the goods or services with a check from the local school made payable to the vendor. No checks from a local school account should be written payable to a booster club or other similar organization.

E.9 – Expenditures that should not be made from Operating Funds

It should be clearly understood that operating funds should not be spent for items which are not school related activities. Examples of such items are Christmas Gifts, birthday presents, wedding or shower gifts, and donations to organizations or individuals.

Teacher appreciation awards for outstanding work are allowable as long as the award is of nominal value. Also, costs directly related to teacher and/or employee gatherings are allowable as long as the costs are nominal and the gatherings only include school system personnel.

E.10- Scholarships

Schools should not be engaged in the solicitation and administration of donations for scholarships as there are multiple complex Internal Revenue Service regulations involved with the reporting of such operations

Guidelines for Local School Financial Operations

F - ACCOUNTING PROCEDURES

F.1 – Basis of Accounting

Local school accounts will be accounted for using the cash basis method of accounting. The cash basis method of accounting recognizes revenues when they are received and expenditures when they are paid. This is simplest and easiest method to use.

All reports to the central office will be on this cash basis with the exception of the annual year-end report which should be submitted using the modified accrual basis of accounting. The modified accrual basis of accounting recognizes accruals for revenues and expenditures at year end.

F.2 – Fund Structure

NOTICE

The following fund structure and coding for revenues and expenditures will be implemented beginning in July of 2004 for the 2004-2005 school year.

The Operating Fund may have multiple sub-funds or accounts within it which will have separate identifying numbers. Each of these sub-funds will use revenue and expenditure account codes to record and classify the cash receipts and disbursements in each fund.

Operating Fund cash receipts should be classified by Fund, Revenue Source. Cash receipts should be classified according to both the source of the funds as well as the intended purpose of the funds. For example, ticket sales for a basketball game would be classified as Athletics (sub-fund), Basketball (program), and Gate Receipts (source).

Operating Fund cash disbursements should be classified by Fund, Function, and Object. Function relates to providing a type of service. Examples of Function codes are Instruction, School Administration, and Enterprise Operations. Objects relate to the types of items purchased or services obtained. For example Instructional Services is a functional area as is Maintenance and Operation of Plant. Under each of these functions are objects classes such as Purchased Professional and Technical Services, Purchased Property Services, Supplies, Student Travel Services, etc.

A chart of accounts can be printed from financial accounting software.

F.3 – Grant Process

If a school receives a grant from private sources, the school is responsible for meeting all compliance and audit requirements. All requests by individual schools for grants from State, and Federal, Sources must be approved by the District Central Office in writing as many of these funds have special compliance requirements that must be met by the grantee. Individual schools that request and receive such funds directly without approval place the District at risk for possible financial sanctions if all grant compliance requirements are not met. Many such requirements relate to types of allowable expenditures as well as special audit requirements. The Chief Financial Officer will make a decision as to whether a grant will be accounted for at the District or School Level.

Guidelines for Local School Financial Operations

G - PURCHASING PROCEDURES

G.1 – Purchase Orders

With the exception of utilities, all purchases for goods and services made from the principals' account, whether operating funds or agency funds, should be made using purchase orders. A purchase order should be originated by the person seeking to make the purchase prior to the purchase being made. A purchase order must contain the following:

- name of the school,
- date the request is being made,
- individual or firm to make the check payable to,
- description and cost of the items to be purchased,
- dollar cost of the total purchase,
- account name to be charged with the purchase,
- account number to be charged with the purchase,
- reason or explanation for the purchase, and
- signature of the person making the request (teacher, clerk, or club sponsor).

The purchase order must then be approved and signed by the principal.

G.2 – Blanket Purchase Orders

In cases where the school expects that many small purchases from a vendor will be necessary throughout the school year (i.e. ice cream), it may be advisable for the principal to issue a blanket order to the vendor at the beginning of the school. In this example, the principal would issue a blanket purchase to the ice cream vendor to purchase ice cream for resale items as needed not to exceed a certain daily limit, such as \$50.00 per day. Deviations from this daily amount would require a regular purchase order to proceed with such purchases.

G.3 – Capital Assets purchased from Local Funds

From time to time, school accounts may be used to purchase Capital Assets, such as equipment that meets the District's Capitalization policy of \$5,000.00 or more. In this event, the Chief Financial Officer should be notified in writing so that these Assets can be added to District's property records and depreciated as required by generally accepted accounting principles. A form called **School's Purchase of Capital Assets** has been established to facilitate this reporting. The District should be notified immediately if asset acquisitions meet the capitalization policy.

G.4 – Sales Tax

The Hall County School District is exempt from Georgia and other state sales taxes. Vendors should be notified that sales tax should not be included on any invoices to the school. Sales tax information, if requested by the vendor, can be obtained from the central office. This exemption also applies to purchases made on the School's district issued credit card provided the District's name is listed on the credit card.

Guidelines for Local School Financial Operations

G.5 – Bidding Procedures

The school must follow the District's bidding policies and procedures for purchases of goods and/or services from any Operating or Agency fund. Split purchases made to circumvent this policy are strictly prohibited. Items exempt from this policy include utilities, emergency repairs, or specialized one source items.

Once the needed item has been identified, personnel should seek out several possible vendors and obtain proposals from each. When quality and service are equal, the proposal at the lower or lowest price should be accepted. In other situations, the principal shall decide which the best price is considering all factors. Whatever the case, in all situations, there should be documentation detailing the vendors called, the prices quoted and reasons why the selected vendor was chosen. This documentation should be attached to the voucher package. It is advisable to maintain a file with proposal prices from various vendors on items which are often needed.

PROPOSALS

Obtaining proposals is not meant to be a delaying or time-consuming process. Phone calls documented with notes about date, prices, person spoken with, etc. are sufficient. The key is to ensure that the school district is obtaining the best prices and services for the funds it is spending. In fairness to all, each vendor providing a proposal should be given the opportunity to propose without knowing what proposals others have made.

G.6 – Conflicts of Interest

Principals are responsible for negotiating contracts with organizations which provide school pictures, rings, invitations, cap and gowns, annuals and similar goods and services. In every instance, care should be taken to ensure that the organization which will provide the best service or product for the student at the most beneficial price to the student will receive the contract. No employee of the school district or student in the local school shall directly or indirectly benefit from the signing or letting of a contract for goods or services for students.

Guidelines for Local School Financial Operations

H – ATHLETIC FUNDS

H.1 – Advance Ticket Sales

Tickets can be thought of as a form of currency at local schools. Care should be taken to ensure that all tickets are safeguarded from misappropriation or theft. All tickets should be pre-numbered such that there can be an accounting of the number of tickets available and the number of tickets sold.

H.1.a – Sales by Private Organizations

If tickets are sold by private organizations for athletic events in advance of the event, care must be taken by the Local School to ensure collection and receipt of funds from tickets sold. The Local School may distribute a block of tickets to seller noting the beginning and ending ticket number of the tickets left with the seller. Both parties should sign a form (Report of Tickets Sold) acknowledging the pre-numbered tickets being left with the seller. At a time specified by the Local School, the seller will be required to return all unsold tickets along with cash collected from the tickets sold. Both parties should use the “Report of Tickets Sold” to sign-off on both the tickets being returned along with the cash collected and remitted to the Local School.

H.1.b – Sales at Local Schools

If tickets are sold in advance of games at the local school, the tickets to be sold should be handled in a manner similar to the issuance of tickets for gate receipt sales (see H.2 below.). The person selling the tickets will be issued the tickets and will complete a “Report of Tickets Sold” form returning either tickets or monies from the sale of the tickets. In this case, the tickets can be assigned to one person as there will not be another “gatekeeper” as in gate receipt procedures.

H.1.c – Season Tickets

Season ticket sales may be handled in either of the two methods in H.1.a or H.1.b above depending on whether the ticket sales are in the school or handled by an outside organization. Like all tickets, season tickets should be numbered such that there can be an accounting of the number of tickets available for sale and the numbers sold.

H.2 – Gate Receipts

The largest amount of cash that a local school will have at one time is usually the gate receipts at football and basketball games. Other sports may have cash receipts but will not be of the same magnitude. Thus, great care and concern should be shown when planning for gate receipt collections.

It is best that two people, gatekeepers, be assigned to each gate at an athletic event. One gatekeeper will sell the tickets and the other gatekeeper will collect the tickets as people enter the event. A separate change fund and set of tickets will be issued for each gate. Therefore a separate “Report of Tickets Sold” form must be completed for each gate. Each gate will require a separate bank deposit form.

Guidelines for Local School Financial Operations

Each gatekeeper should record the ending ticket number sold, count the cash for the tickets sold, record the cash total on "Report of Tickets Sold" and sign. All cash and unused tickets should be placed in the bank bag and safe guarded until deposited or placed in safe keeping as discussed in the next paragraph.

Events held during the daytime should be deposited on the same day as collected. However, since the majority of events are at night, special procedures must be employed to safeguard the funds collected as well as the personnel handling the funds. Gate receipts should be deposited into a bank night depository or school vault for safekeeping. On the next working day, the receipts can be retrieved from safe keeping and verified by at least two employees. A rotation system should be established so that the same two employees do not always verify receipts. Gate receipts should NEVER be taken to an employee's home for safekeeping. It is suggested that arrangements be made for security personnel or a police officer to accompany the employee to the night depository if possible.

Receipts collected must be deposited intact. No payments shall be made to any security personnel, game officials, custodial workers, or others from the gate receipts. Likewise the gate receipts should not be used to cash checks.

Internal Control

Two gatekeepers should be assigned to each gate and be responsible for that gate's receipts. Both should sign the report of monies received. Receipts should be deposited into the bank (or night depository or school vault) as soon as possible. Gate receipts should never be taken to an employee's home for safekeeping. The safety of school personnel should always be a primary concern of the School.

H.3 – Concessions

Schools that have concession operations should have similar procedures as are used for gate receipts. Each concession operation should have its own change fund. Concession receipts should be deposited intact on the same day as sales are made. At night events concession revenues should be deposited into a night depository for safekeeping. Concession revenues should never be taken home for safekeeping.

Items to be sold at concession operations should not be purchased from concession sales. All concession items should be invoiced and paid by check.

If concession operations at an event are being run by a student club or school organization, then the change fund and the expense of the items for sale should be charged to the club or organization's fund. Proper supervisory oversight should be used for these student or school organization operated concessions. Students, parents, or employees should not take concession revenues home overnight for safekeeping.

Concession operations that are run by booster organizations should follow their own procedures. Funds from the local school account should not be used to fund booster operated concession change funds.

Guidelines for Local School Financial Operations

H.4 – Booster Club Accounts

The Funds associated with Athletic Booster Clubs, Band Booster Clubs, etc. should not be handled by school district employees as these organizations are private non-profit organizations and not a legal part of the Local School District. A school district employee should not be a signor of any booster club account, nor be an officer or board member of a booster club. The Local School should ensure that if Local School funds are spent in conjunction with funds of Booster Organizations to acquire Capital Assets, the assets acquired are titled in the name of the School District and not the Booster Organization. No school checks should be written which are made payable to a booster club for goods or services. When goods or services are being purchased jointly with a booster organization, checks should be made payable to the vendors who are providing the goods or services, and not to the booster club.

H.5 – Team and Coaches Travel Regulations

All coaches should comply with the Hall County School District Travel regulations when traveling with teams. Detailed receipts should be kept for all team meals and a Travel Summary Expense form should be completed and submitted to the school principal (with all related receipts) after each team event where expenses have been incurred.

Reimbursements to coaches and employees for travel, when not traveling with teams, will be handled in the same manner as all other employees in that an Employee Travel Expense Report will be completed and submitted to the Central Office for reimbursement to the employee. If funds are not available in the system level allotments to the school, then the school must reimburse the central office from an appropriate operating fund for this travel.

H.6 – Athletic Expenditures /Advances to Coaches/ Credit Cards

Overnight travel for teams should be billed to the school and paid by check or else charged to a credit card.

Cash advances may be made to coaches for athletic events at the discretion of the principal. It is desirable to limit the amount of cash which might be carried by a coach to the smallest amount possible for the safety of the cash but more importantly, for the safety of the individual. Every effort should be made to prepay expenses.

Upon return of an athletic trip, the Coach should summarize in writing the use of any cash advanced. All expenditures made with advanced funds should be supported by receipts or detailed statements signed the Coach. These receipts/statements plus the unexpended funds should be returned to the principal and should equal the original cash advance.

Use of school credit card should also be reported to the principal's office immediately upon the return from a trip. The coach must provide a written report listing the charges made showing the name of the vendor, what the charge was for and the amount of the charge. The charge slip(s) should be attached and the form given to the bookkeeper. It is the responsibility of the bookkeeper to reconcile the credit card charges on this form to the credit card statement.

Guidelines for Local School Financial Operations

H.7 – Hospitality Rooms

At certain Athletic events, it may be appropriate to set-up a hospitality room for use by various visiting teams and coaches during the course of the event. Such events may include track meets, Band Competitions, Cheerleader Competitions etc. The costs of such hospitality rooms should be paid from the Athletic Team's account that is involved in the event. The Coaches and Teachers involved in such events should ensure reasonableness is maintained in providing hospitality rooms.

H.8 – Contracts with Booster Organizations

All local school contracts which create any sort of liability to the local school and involve non-profit booster organizations must be approved in advance by District's Chief Financial Officer.

Guidelines for Local School Financial Operations

I – OTHER OPERATIONS

I.1 – Vending Machines

Local schools may utilize vending machines located in school facilities. It is necessary and important that the school supervise duties implicit in any vendor contracts, maintain and account for the proceeds from vending machines in a manner that maximizes the revenues from those machines, and establish controls to avoid fraud, theft or the appearance of impropriety.

Middle schools and high schools should have contracts with vendors which specify vendor-serviced machines. Under this type of contract, the vendors stock the machines, collect and count the money, and then issue a check for the school's share of the profits. Because of the nature of this arrangement, the principal and bookkeeper should devise procedures for determining the approximate cash and/or commissions that should be received. These procedures could use counters installed in the machines. Machine capacity can also be used to make these determinations. These procedures which are analytical in nature should be used to make sure that the local school is receiving what it should receive.

I.2 – Fund Raising Activities

It is the desire of the school board to limit the amount of time that students are engaged in fund raising activities. Refer to Policy JKB.

Before a club or organization can begin a fund raising activity, the club or organization **must** submit a proposal which must be approved by the principal. All funds collected from these activities must be deposited intact to the local school account and credited to the club or organization's fund. Payments should not be made out of cash collections. Collections should be deposited on a timely basis.

When funds are raised for benevolent purposes, the purpose should clearly be made known to the public so that there is no misunderstanding whatsoever about the intended use of the funds that are raised.

When fund raising occurs that benefits an outside organization (i.e. a 5K walk for a cancer organization), funds so raised should be deposited into a specially designated account and then transmitted promptly to the designated outside organization. Collected funds should never remain in the account past June 30th of the fiscal year end.

Guidelines for Local School Financial Operations

APPENDIX "A"

Procedures for Balancing Checkbook to Bank Statement

The purpose of a bank reconciliation is to verify that deposits and disbursements reflected in the accounting records (or checkbook) have passed through the bank account for the posted amounts and that the month ending balance in the checkbook agrees with (reconciles) to the ending balance on the bank statement. The following procedures will accomplish this task.

1. Check off the deposits shown on the statement with the deposits entered in the checkbook. Make sure the amounts are the same.
2. Prepare a listing of all deposits-in-transit (deposits entered in the checkbook but not shown on the bank statement as of the date of reconciliation). Be sure to include in this list any returned checks which have not been redeposited.
3. Arrange the canceled checks in numerical sequence and check off each check that has been paid and returned by the bank against the posting to the bank statement to ensure the bank returned all paid items. Review the cancelled checks for evidence of proper endorsements, signature, alterations, etc.
4. Using the list of cancelled checks paid by the bank, check off the cleared checks against the checks recorded in the checkbook or check register.
5. Prepare an outstanding check list (checks which have been written and entered in the checkbook, but which have not cleared the bank).
6. Add the total of all deposits-in-transit to the ending balance per the bank statement to arrive at a sub-total. From this sub-total, subtract the total of all outstanding checks. The resulting amounts should be the same as shown in checkbook for the month just ended.
7. If the amounts are not the same, look for an amount on the bank statement not on the books such as interest received for the month. Subtract this amount from the reconciled bank balance. This is the most common difference.
8. Corrections should be made to the books for any mistakes made by accounting personnel noted. Additionally, valid bank charges for items such as checks or other appropriate bank services should be recorded as expenditures in the books. Until such items are recorded in the books, they will be reconciling items on the bank reconciliation.

If bank errors have occurred, notify the bank immediately, first orally then in writing. Until the correction is made by the bank, these items will be shown on the reconciliation as reconciling items. No adjustment to the books should be made for a bank error.

Tips on how to identify differences between the balances. Questions answered "Yes" could be the difference:

- Are there items posted on bank statement but not posted to the accounting records?
- Are there items posted to the accounting records but not on bank statement?
- Were adjustments from previous month's bank statement posted correctly?

Guidelines for Local School Financial Operations

- Were deposits posted correctly on bank statement?
 - Are the lists of deposits-in-transit and outstanding checks totaled correctly?
 - Are ending “unreconciled items” from previous month same as beginning “unreconciled items” for current month?
9. The bank statement, canceled checks and reconciliation should be filed by month.

Guidelines for Local School Financial Operations

APPENDIX "B"

Internal Control Procedures

1. A cash receipt should be issued when cash is received.
2. Cash received should be deposited on the day received if possible.
3. All collections of money should be deposited for the full amount received.
4. Bank statements should be opened by someone other than the person writing or signing checks.
5. Reconcile bank accounts promptly at the end of each month.

Guidelines for Local School Financial Operations

APPENDIX “C”

Prohibited Procedures

1. Issuing checks made payable to “Cash” or made payable to the school.
2. Issuing a check without first securing documentation, such as an itemized invoice.
3. Making personal loans from a local school account, either an operating fund or an agency fund account.
4. Making payments for expenses out of gate receipts, ticket sales, or collections.
5. Making payments or transferring funds out of an agency fund account without the approval of the principal and the fund sponsor.
6. Granting bookkeepers authority to sign checks.
7. Allowing anyone other than an employee to issue receipts for cash collections. Students may issue receipts for their club activities.
8. Allowing an outside agency or organization to use the School District’s tax identification number for any purpose whatsoever.
9. Allowing for the transfer of funds from Agency Funds accounts that do not have sufficient funds on hand (or be in anticipation of sufficient funds).

Guidelines for Local School Financial Operations

APPENDIX "D"

Chart of Accounts

Refer to the Chart of Accounts printed from the financial software.

Guidelines for Local School Financial Operations

APPENDIX “E”

Standard Forms

- Report of Tickets Sold
- Check Request/Transfer Form
- NSF Check Log
- Receipt Book Log
- Travel Expense Summary – Athletics
- Schools Purchases of Capital Assets
- Cash Advance Travel Expense
- Purchase Order Form (Standard)
- Teacher Collections Report

