

HAMPTON CITY SCHOOLS

ACCOUNTING PROCEDURES

FOR

STUDENT ACTIVITY FUNDS

July 2009

As Amended January 2024

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PREFACE

This manual is an update of the Accounting Procedures for Student Activity Funds Manual last dated July 2009, as amended January 2024. Please replace your old manual with this new one and review it with your bookkeeper. This manual has proven to be helpful in the day to day operations of the student activity funds.

The responsibility for safeguarding, accounting for, and managing student activity funds in each school rests primarily with the school principal. The principal may delegate the duties, but in the final analysis, the responsibility for proper management rests with the principal.

If you have any questions or concerns pertaining to this manual, please contact the Finance Department. Thank you.

PURPOSE

The purpose of this manual is to establish division-wide policies and accounting procedures to ensure standardization of student activity funds. The manual was prepared by the Hampton City School's Finance Department and is in compliance with regulations and procedures established by the State Board of Education as set forth in the publication, Manual on Systems of Accounting for School Activity Funds. It is necessary that the fiscal affairs of the system be handled correctly and in a business-like manner.

When a bookkeeper or secretary is given the responsibility of maintaining the school books, he/she should be aware of the prescribed procedures of this manual and adhere to them. Any exceptions should have the prior approval of the Finance Department.

GENERAL PROCEDURES

What Funds to Account For

All monies collected for the school or a school program by any teacher, staff member or student shall be accounted for in the student activity fund. These are public funds of the school and as such, shall be handled in accordance with regulations of this manual. All monies or other assets collected for the school or a school program become the property of the Hampton City Schools (HCS).

Support Groups (e.g. Booster Clubs, PTA, and Other Parent Organizations)

Support groups such as Booster Clubs, Parent-Teacher Associations (PTAs), Band and Chorus Parent organizations are neither school entities or school sponsored organizations. Their activities are independent from HCS and they operate under their own rules and bylaws.

They maintain their own, separate financial records. Any monies raised by such groups are not subject to the regulations of this manual and should not be deposited into or accounted for in a school's student activity fund account. HCS will not assume responsibility for any of a support groups activities. Caution and care should be taken by the principal that any support groups that might be looked at in the public's eye as representing the school should have a system in place for accounting for funds collected and spent. It is also recommended that the support group file a quarterly report with the principal.

PTAs and Parent Controlled Booster Clubs are considered by the Internal Revenue Service to be separate financial entities from the school division, thus they are prohibited from using the school division's tax exempt status when making purchases. However, PTAs are tax exempt under the National PTA umbrella and must comply with IRS rules regarding commerciality. The PTA is a charitable 501(c)(3) organization whose purchases and sales are exempt from sales tax when made in carrying out its charitable functions and activities. Booster Clubs do not have tax-exempt status unless they have filed individually with the IRS. IRC 501(c)(3) provides exemption from federal income tax for organizations that are organized and operated exclusively for educational, charitable or other exempt purposes.

Under no circumstances should a PTA or Booster Club use the school division's federal tax identification number when making purchases; however, they may donate funds to a school with which to make a purchase.

System of Accounting

Effective June 1, 2012, Hampton City Schools began using a web-based accounting program called School Funds Online Twelve (SFO) for the purpose of accounting for student activity funds. School Users Guides have been provided to each school to assist them in using this system. Copies of these manuals are also maintained in the school board office. This accounting system should be used as intended and exceptions should

have the prior approval of the Finance Department. On pages 21-24, you will find a general listing of funds to be used by all school bookkeepers. Under each fund, you will find a sample of the types of accounts that might be included there. All accounts are maintained by the System Administrator. Any account additions or requests to inactivate accounts must go through the System Administrator in order to maintain consistency within the chart of accounts.

Checking/Savings Accounts

All student activity bank accounts are with Old Point National Bank. All bookkeepers should have electronic access to their schools bank statement. Each statement is to be reconciled no later than the 7th of the following month. See “Reconciliation of Accounts” for further information.

Hospitality Checking Accounts

Employee groups within a school shall not maintain a separate checking account for hospitality or any other school-sponsored program/function. In order to properly track income and expenses, a separate account may be set up within the Student Activity Funds. All receipts shall come through the bookkeeper and be properly receipted. All expenditures shall be approved by the Principal and Sponsor. A report of activity may be obtained from the bookkeeper upon request.

Petty Cash

If the school has a need to maintain a petty cash fund, an account must be set up at the beginning of each year.

- The principal must establish an amount to be maintained in the petty cash fund (not to exceed \$50 for elementary, \$100 for middle schools, and \$150 for high schools).
- All disbursements must have proper invoices/proof of payment and the signature of the requestor/bookkeeper and principal. Each disbursement must also clearly state the business purpose for which the funds are to be (or were) used.
- When the petty cash fund is replenished, proper documentation must be attached to support each disbursement for which reimbursement is being made.
- Petty cash, as with all cash, should be maintained in a secure area with limited accessibility.
- Petty cash will be kept on an imprest basis. All monies and vouchers shall total the amount established as petty cash at all times.
- When reimbursing the account ensure that the petty cash account is listed on the transaction in School Funds Online.
- These funds shall not be borrowed for personal use.

Writing Checks

All disbursements are to be made by check, with the exception of petty cash payments.

- The checks should have the signature of the principal (or assistant principal if authorized as an alternate signatory) and the bookkeeper. Disbursements must be substantiated by a vendor's itemized invoice.
- Elementary and middle schools shall have no more than 3 authorized check signers as follows: principal, assistant principal, and bookkeeper. High schools may have 4 with the 4th being an additional assistant principal.
- Do not make payments on the basis of "Balance Due" statements.
- A payment voucher (see example on page 93 in the SFO User's Guide) must be prepared for all disbursements. Once paid, all invoices and supporting documentation should be stamped "Paid" to prevent duplicate payments.
- Checks generally should not be written to an individual who signs the check. If such a necessity arises, extreme care should be taken to supply detailed documentation which leaves no doubt as to the validity of the expenditures.
- Payments should be limited to items that directly impact students.
- All blank checks should be stored securely in the vault and not left in file cabinets or desk drawers.

Gift Cards

- Gift card purchases shall be limited to \$25 or less.
- Gift cards purchases must be preapproved by the Principal or designee.
- The reason and the individual to whom the gift card is given must be documented and retained.
- Recipients awarded gift cards shall sign a receipt upon accepting the card.

Payments/Reimbursements to Employees

Under no circumstance should payments be made directly to employees for additional services rendered. All payments to HCS employees must be processed through payroll. For example, if your school security officer is hired to work security for a school dance, the security officer should include those hours on the weekly time sheet and be paid through payroll as normal. The student activity fund will be required to reimburse HCS the cost of this service as well as the FICA. This also applies to flat rate payments for other services such as catering, DJ, etc. This should be submitted as flat-rate earnings and paid through payroll and the student activity fund will reimburse HCS plus the calculated FICA.

To ensure that student activity funds are used to support the activities that directly impact our students, no payments shall be made to employees from Student Activity Funds for payment of registration fees, hotel, airfare, meals, mileage, etc. However, if these items are associated with travel, the employee is required to complete a Travel A form and submit to the Organizational Development Office for pre-approval. Reimbursement for

expenses related to local travel (i.e. 100 miles from school building) from Student Activity Funds is prohibited.

Payments may be made to employees for reimbursement of other types of purchases using the student activity funds; however, sales tax cannot be reimbursed for items purchased.

Dishonored or Bad Checks

After a check is returned by the bank, a reasonable effort should be made to contact the person who wrote the check and recover the funds.

- The repayment should be made by cash, certified check or money order. The bad check should then be returned to the person who wrote the check.
- A fee of \$35 may be assessed on a returned check. The fee should be deposited into the Student Activity Fund to be used at the discretion of school administration.
- If the payment cannot be collected, the principal should consider sending a certified letter stating that unless payment is received within ten days from receipt of the letter, further action will be taken as deemed necessary by the principal such as excluding the student from participating in activities that are not required as part of their general education.
- See pages 32-35 of the SFO User's Guide to see how to record a returned check and the subsequent repayment.

Stale Checks

After a check has been outstanding for one year, it is considered stale and should be returned to the student activity fund through the void check process.

Lost Checks

Ten business days should be given for a lost check to be found. These steps should then be followed:

- The bank should be authorized to stop payment.
- The amount of the lost check should be returned to the proper student activity fund and to the cash account through the void check process. A check should be reissued in its place afterward, making sure the original check has not been cashed.
- In all cases, materiality should be considered against the cost, time and effort in processing a stop payment.

Voided Checks

Mark "VOID" across the face of the check. Cut off and discard the signature portion of the check. File the voided check numerically along with the other disbursements. To void the check in the SFO, see page 18 of your SFO User's Guide.

Use of Receipt Books

The receipt book must be in triplicate. For each receipt prepared, the original (white copy) should be given to the payer, the second copy (yellow) is given to the bookkeeper for posting, and the third copy (pink) is to remain in the receipt book for research and audit purposes. This sequence must be followed. To void a receipt, mark it void and staple it to the other copies in the receipt book.

Receipts should be issued in sequential order. The student activity fund for which the collection is made should be indicated on the receipt as well as the date, the person from whom money is received, the total amount, and the signature of the person receiving the money.

A receipt should be issued for any amount collected \$5 and over. If the amount is under \$5, a log may be kept instead. The log should include the student's name, amount received, and purpose of receipt and date of receipt. This log shall be turned in to the bookkeeper daily. The bookkeeper shall provide a copy of the log to the teacher and keep the original with the deposit documentation for that day.

Security of Receipt Books

All receipt books should be kept as part of the school's permanent records for a period of 5 years. A record shall be kept by the bookkeeper on the distribution of all receipt books. Care should be taken to ensure that all books are turned in and accounted for prior to the close of the school year. A listing of used and unused receipt books should always be maintained for audit purposes. Receipt books must be kept in a secure area.

Receipt Summary

- All collections should be receipted in receipt book in triplicate.
- All checks should be made out to the school.
- All money collected and receipts should be turned in to the bookkeeper daily without exception. The bookkeeper should, in turn, receipt the teacher for the money collected out of the student activity fund software.
- As a general rule, each time money changes hands a receipt should be issued.
- Under no circumstance is money collected to remain overnight in the classroom.
- The bookkeeper is to maintain the accounting for all receipt books and teacher envelopes as part of the school's permanent record.

Deposits

All monies received by the school shall be deposited to their account at Old Point National Bank. A weekly deposit shall be made regardless of total collections. Student representatives and teachers are to be instructed to turn in all money at the end of each day. Money should never be left in a desk or anywhere else other than the vault or safe at the school. Amounts over \$200 should be deposited daily; however amounts received after 2 pm (or once a daily deposit has been made), regardless of amount, may be vaulted

and recorded as the next day's business... All receipts should be attached to the deposit slip (blue slip from the bank) and should also balance with the deposit. In the absence of a bookkeeper it is the responsibility of the principal or designee to ensure funds are deposited in accordance with this Manual.

In the event that an after-hours school activity is held that involves the collection of monies, all amounts collected shall be counted and verified by both a representative of the event and an authorized representative of the school (administrator or bookkeeper). Collected funds shall then be locked in the school vault by the authorized representative.

Reserves

Student body organizations shall be discouraged from building up reserves in a student activity fund. As a rule, annual expenditures and revenues should be approximately equal. Any class funds not expended by order of the class prior to graduation shall be repurposed at the discretion of the principal. Exceptions can be made with the approval of the principal. Monies collected by students during a certain school year should be spent on the same students, if at all possible.

Reconciliation of Accounts

Each of the bookkeepers has access to their bank statement at any time using Old Point National Bank's online banking feature. With online banking, the monthly statement is typically available the morning of the next business day after the month's end. Please refer to pages 56-58 of your SFO User's Guide for complete reconciliation instructions. Please note that Old Point National Bank will disable your online access privileges unless you access your account at least one time every 60 days. The reconciliation should be done no later than the 7th day of the month. The principal and the bookkeeper must sign and date the monthly Bank Reconciliation provided by SFO as well as the Deposits in Transit, Outstanding Checks reports, Trial Balance and Sales Tax Report (See page 98-100 of the SFO User's Guide). A copy of the reconciliation signed by both the principal and the bookkeeper shall be uploaded to an audit folder in Google for the respective fiscal year.

If the bank reconciliation is not complete by the 7th day of the month, the bookkeeper and the principal will be notified of the delinquency. If the reconciliation is 30 days late, the Executive Director responsible for that building will be notified. If the reconciliation(s) become 2 or more months delinquent, a note will be placed in the bookkeeper's permanent employee record.

School Closure Procedures

In the event that a school is closed, the principal and the bookkeeper will work closely with the Budget and Grants Manager to ensure a smooth closing process and transition of funds to another school(s) if applicable. Any grant funds specifically provided for use by the closing school will either be used prior to the school closure or permission received from the grantor to transfer the remaining funds to another school. In the event the grantor

will not allow the transfer, or funds cannot be spent, any remaining funds will be returned to the grantor at the time of school closure.

The Budget and Grants Manager is responsible for creating a backup copy of the closing schools files prior to terminating the software license agreement for that school. In addition, where possible, the bookkeeper of the closing school will remain responsible for the record keeping of the closed school until all bills are paid, checks cleared, and the bank account closed. If the bookkeeper is not in a position to complete this process, the Budget and Grants Manager will take over the closing process until complete.

Inclement Weather Procedures

In the event of school closures due to inclement weather all financial matters, such as check writing, should be prepared in advance. The safety of employees should not be jeopardized due to lack of planning.

REVENUES

School activities fund revenues may be generated from a number of sources including club activities, donations, fundraisers, and other activities. Because most revenue is received in the form of cash, the maintenance of adequate cash control procedures is extremely important. This manual outlines the procedures for the majority of these collections. Situation may arise that are not addressed in this manual. In that case, please call the Finance Department for assistance.

Donation Guidelines

Donations may be made by outside organizations or individuals for the benefit of students/student clubs. Donations can be in the form of goods or money. All donations require the approval of the Principal. Gifts with a fair market value of \$500 or more to the school must be reported to the Finance Department.

Donations of goods or money must be in writing by the outside organization or individual and at a minimum include the following information:

- Name of donor (entity or individual)
- Donor address
- Purpose of the donation
- Approximate value of donation
- Student Activity/Club to benefit from donation

Once approved by the Principal, donations become the property of the school and shall contain no requirement for advertising or furtherance of commercial interests. Principals are required to ensure donations are used in accordance with the donor specific purpose as provided in writing.

Fundraising Guidelines

The increase in fundraising activities in schools to seek additional monies is becoming more frequent especially when schools/families face difficult financial times of budgetary cuts or shortfalls. Fundraisers or fundraising activities are generally carried out to raise funds, considered as alternative sources of revenue, for the school or district, for the purposes of:

- 1) Providing additional resources to an academic club or organization;
- 2) Providing additional resources to an athletic, sports, or extracurricular activity;
- 3) Providing additional resources to the school or district as a whole.

Any proceeds from the fundraising activities should solely benefit the entire student club/group or the school depending on the original purpose of the fundraiser. For example, if the Drama Club conducts a fundraising activity 100% of the proceeds from the fundraiser are to benefit the Drama Club. Fundraiser profits from any club/organization and/or athletic/sport are not to benefit the entire student population. All expenses and revenue from a fundraiser should remain in the account of the club/organization, athletic/sport, or school account that sponsored the fundraising activity.

Principals are responsible for communicating the following regulations to any person or group about any fundraising activity. The principal/designee will have discretion in determining what fundraising activities take place and will oversee the implementation and adherence to these regulations.

- All fundraising activities must be approved in advance by the building principal/designee.
- Fundraising activities shall emphasize voluntary participation.
- Students are prohibited from soliciting door-to-door.
- Principals are authorized to enter into contracts for their individual school for yearbooks, class rings, and other fundraisers approved by the principal that otherwise meet the guidelines of this manual.
- The sale of pictures is considered a fundraiser. No parent is under obligation to purchase pictures. School authorities may not take action against students who fail to purchase or return pictures.
- Fundraisers that are meant to benefit the faculty and staff should be explicitly advertised as such. If not advertised appropriately the assumption will be that the funds raised were meant to benefit students and will be accounted for in the student activity fund.

Fundraising activities are established as an adjunct to, and in support of, the educational program. Therefore, no fundraising activity will be conducted for the sole purpose of producing revenue. Under no circumstance will a sponsor be authorized to create an online fundraiser such as Go Fund Me to collect revenue. All online fundraising platforms should have prior approval of the Finance Department. If an exception is made the fundraising site must clearly indicate that all funds will benefit the school. The responsible individual should indicate their role with the sport/club and always conduct the fundraiser

on behalf of the school. All proceeds from the fundraiser must be made payable to the school and not the responsible individual.

Fundraising Procedures

- The sponsor or person in charge of a particular fundraiser should familiarize themselves with the fundraising section of this Manual.
- The sponsor must complete the top section of the Fundraiser Permission and Analysis Form and sign that he or she understands and agrees to follow the procedures as explained. This form should be signed by the principal/designee prior to the start of the fundraiser. This document should remain on file with other related fundraiser documentation.
- A receipt book should be issued to the sponsor by the bookkeeper. The sponsor must receipt all funds and turn the funds and corresponding receipts in to the bookkeeper daily.
- The bookkeeper should set up the accounting for the fundraiser so they can easily track the status of the fundraiser. The bookkeeper may either use a separate account within the accounting system or they may use event codes to separate fundraisers within the same general ledger account.
- A listing of accounts receivable should accompany all fundraiser documentation. This listing should include all students who have not paid money that is owed.
- Students who still owe monies should be made aware of that fact and should not be allowed to participate in any other fundraiser or any other school activities from which the administration has the authority to exclude them.
- Once the fundraiser is over, the bookkeeper should complete the bottom section of the Fundraiser Permission and Analysis Form to indicate the profit or loss from the fundraiser.
- All of the aforementioned documentation plus any brochures and forms supplied by the vendor should be kept together to make audits more complete.

Purchases made by a sponsor without the approval of the principal are the full responsibility and liability of that sponsor.

It may be desirable to conduct some fundraising activities away from school premises. When this occurs, the policies listed below shall be adhered to:

- Sales by School Groups – School groups may sell goods or services outside the school with the advance approval of the principal.
- Solicitation of Advertisements – School organizations must secure approval from the principal before soliciting advertisements from merchants and business establishments. The frequency of such solicitation shall be kept to a minimum.
- Students may not participate, under the auspices of the schools, in the collection of money for any campaign or non-school-related activity without the approval of the Superintendent and School Board.
- Fundraising activities which involve elementary students in door-to-door solicitation shall be prohibited.
- All sponsors should follow all procedures as required.

All monies raised from a school approved fundraiser become the property of the school and will be deposited into the school student activity fund account. Funds are raised to benefit the club, team, class, or individual student (as applicable). The funds may only be used to offset the cost of related expenses approved by the Principal. No monies are owed or are in any way reimbursable to the child or parent/guardian.

If a student drops a club, team, or class, moves out the school district or graduates, any fundraised monies will remain the property of the club, team, or class account.

It is imperative that all sponsors, building administrators and bookkeepers/accountants follow the guidelines for fundraising as established in this Manual.

Sales Tax

Sales tax is required to be collected and remitted on items that we purchase for resale regardless of whether the purchase was made at the school or district level. Sales tax is required to be collected and remitted whether we are selling the items above, at or below our cost. When a school purchases items from a vendor for resale, the vendor will need to be provided with a Virginia ST-10 – Virginia Sales and Use Tax Certificate of Exemption. This will let the vendor know that the school is planning to resell the purchased items and therefore will not charge you sales tax on the initial purchase of these items.

Examples of items where sales tax is applicable are t-shirts (only pre-purchased by the division/school and resold), school bookstores, fundraisers where goods are sold, agendas, spirit wear and concessions. When a taxable item is sold by the school, the net sale per the Sales Tax Remittance Form should be accounted for in the applicable account and the sales tax should be accounted for in the Sales Tax Payable account (00.000.0014). Funds in the Sales Tax Payable account should reconcile to the Sales Tax Remittance Form on a monthly basis. Once each month, the balance in the Sales Tax Payable account will be remitted to the Finance Department, which, in turn, will remit the funds to the Virginia Department of Taxation based on their prescribed schedule. Regardless of whether sales tax was collected a Sales Tax Remittance Form should be included with your monthly bank reconciliation.

Because we are a tax exempt entity sales tax should not be reimbursed to any employee seeking reimbursement. Reimbursements will only be processed for the net amount prior to sales tax.

Grant Awards

On occasion, a teacher or other staff member may submit an application for a grant award. The principal must approve any grant submitted by a teacher or other staff member to ensure that if a substitute is required that the principal will agree to cover the cost if the grant award does not. Grants awarded in excess of \$5,000 must be deposited at SAC. In addition, any grant that has personnel costs associated with it must be deposited at SAC. Each new grant should have a separate account on the SFO accounting system to ensure proper tracking of grant expenditures. School finance staff shall have on file a copy:

- The letter of invitation to apply
- Grant application
- Grant award letter

It is also advisable to keep a separate copy of all grant expenditures in a separate folder with the applicable grant documentation. Any staff member that applies for a grant that will directly benefit Hampton City Schools is required to submit grant funds to the school to be accounted for in the student activity funds.

Transfers and Adjustments

Transfers will need to be made to close out certain accounts at the end of the year. Soda/Snack, Interest, and Picture Profits shall all be closed out to the appropriate accounts at year end. Field Trip balances shall be closed to the Student Activity Fund at year end. All fundraiser accounts shall be zeroed out either by transferring to the appropriate account or paying out the balance to the vendor (i.e. Relay for Life, March of Dimes, etc.) Fees (other than those remitted to SAC) shall be zeroed out and transferred to Student Activity Fund. Any exceptions will need the approval of the Finance Department.

Adjustments are made to accounts to record such things as bank charges, returned checks and to correct errors and mispostings.

Transfers for all class accounts should follow the students (ie freshman class dues should move to sophomore). Transfers should be made no later than July 1.

All transfers and adjustments are to be signed by the bookkeeper and principal.

Deficit Balances/Loans

Schools are not permitted to have deficit (negative) balances in the student activity funds. Funds should be reviewed prior to disbursement to make sure funds are available. If a deficit balance occurs, the school will be notified by the Finance Department to eliminate that deficit immediately by transferring money from another student activity fund account (when permissible).

Schools are not permitted to borrow funds or make loans from one student activity fund account to another. Funds collected and deposited to fundraising accounts are to be used for the purpose collected and are not to be transferred to cover the deficit balance in another account.

Late Payments/Interest Charges

Schools should take great care to ensure that payments are made to vendors on a timely basis. The bookkeeper should review each invoice as it arrives and note its due date to ensure a timely payment. Student activity funds are funds to be used for the educational benefit of students and should not be spent on late charges. Paying vendors late may jeopardize your relationship with a vendor and should be avoided.

Schools should generally avoid revolving charge accounts such as Sam's Club, Office Depot, Office Max, etc. If a school feels there is a bonafide need for such an account, the principal must approve it in advance and the bookkeeper will retain a copy of the approval and the authorized users of the account. No revolving account shall carry a balance from one month to the next. Interest and late fees can be significant and are not a wise use of student activity funds.

Lost/Misplaced Monies

To avoid lost or misplaced monies, the following procedure shall be followed:

- Teachers shall turn in monies daily to the bookkeeper.
- The bookkeeper shall verify that the cash and receipts are in agreement before accepting them.
- If they are in agreement, the bookkeeper shall issue a receipt to the teacher for all monies collected.
- If they are not in agreement, the bookkeeper shall not accept the monies, but shall return them to the teacher to be reconciled.
- Monies should never be left out in an open space such as on a desk, counter, etc.
- One person should be responsible for collecting and receipting funds.
- The person collecting funds should be given a quiet, private space to count monies and prepare the daily deposit.
- If monies are determined to be missing, the bookkeeper shall immediately notify the principal, who in turn shall notify the Finance Dept and their Executive Director.

In the event that money is lost or stolen, regardless of amount, it must be immediately reported to the Director of Business and Finance and the appropriate Executive Director. The principal is responsible for investigating the circumstances of the missing funds and reporting the result to the Director of Business and Finance and the appropriate Executive Director. If there is any suspicion of impropriety, the auditors will be notified. It is up to the discretion of the principal as to how the funds will be replaced; however, all missing funds must be restored.

Organization of Paperwork

It is the responsibility of the bookkeeper to maintain proper organization of all financial records.

- Support shall equal exactly the disbursement or deposit made.
- All documents shall have the proper authorization.
- All checks shall have 2 signatures.
- All disbursement shall have prior approval before ordering.
- Documents should be filed in a way that provides easy retrieval.
- All transactions shall have the proper supporting documentation.
- All journal entries and monthly bank reconciliations are to be signed by the bookkeeper and the principal.

Audit Responsibilities

Prior to the year-end audit, each school will receive a list of required documents from the auditors. It is the bookkeeper's responsibility to have those documents pulled and posted in the appropriate audit folder in Google no later than the deadline. The bookkeeper may be required to provide additional documents once the auditors complete the initial review. The bookkeeper shall pull any additional requested documents as soon as possible. Any delay in providing requested information may cause an extra billing or increase in audit fees.

Student Fees

Any student fees levied by a teacher or principal must be in accordance with the fee schedule approved by the School Board. The School Board may approve only those fees which are permitted by law or regulations of the State Board of Education. Any request to change an existing fee or add a new one must be routed through your Executive Director to be presented to the School Board for approval.

The school may not charge a fee for a physical education uniform. Uniforms are no longer required for participation in physical education classes. If students choose to purchase shorts/shirts to wear for physical education, those fees should be deposited into a spirit wear account. In addition, the school should not charge a gym fee since towels are no longer issued to students for physical education. However, the school may charge a fee for hall and/or gym lockers.

All funds for lost or overdue library books will remain in the library account at the school. Each librarian will be responsible for writing receipts and remitting funds to the bookkeeper for deposit.

Change in Personnel Handling Funds

Whenever a change occurs in the position of bookkeeper, the funds handled by such employee shall be audited prior to the assumption of the position by another employee. It shall be the responsibility of the school principal to notify the Finance Office of such changes. The Budget and Grants Manager is required to participate in all bookkeeper interviews.

SPECIFIC RESPONSIBILITIES

The responsibility for safeguarding, accounting for, and managing student activity funds in each school rests primarily with the school principal. The principal may delegate duties which must be performed in providing proper management and security of student activity funds, but in the final analysis the responsibility for proper management rests with the principal.

Principals

Principals are expected to perform the following minimal responsibilities:

1. They shall manage student activity funds in accordance with prescribed procedures established by this manual and the State Board of Education's Manual.
2. They shall supervise the collecting, receipting, recording, depositing and disbursing of all student activity funds.
3. They shall obtain accurate and timely reports from the bookkeeper covering the results of operations and the status of student activity funds.
4. They shall review and analyze, at least monthly, the status of the student activity funds. The review process should involve the bookkeeper, department heads, and fund sponsors, to the extent considered appropriate. The review should include, but not necessarily be limited to such areas as:
 - Reviewing deficit accounts and accounts that have been inactive or have had minimal activity, determining if the accounts should be continued and making plans for the elimination of deficit balances.
 - Assessing the liquid position (funds in checking) and anticipated cash flow (receipts totaled against disbursements) with the objective of determining if checking funds should be committed to savings.
 - Assessing the adequacy of and compliance with cash control provisions.
 - Verifying and signing bank statement reconciliations.
 - Ensuring the proper control of funds collected through the use of receipts and daily deposits with the bookkeeper. Deposit any funds in the absence of the bookkeeper.
 - Reviewing checks and other supporting documents to ensure that purchases and expenditures are authorized and supported with proper documentation.
 - Ensuring that adequate facilities and physical controls are available and are used for the protection of cash and other assets.
 - Monitoring the operation of revenue producing activities to avoid unanticipated losses.
 - Monitoring the implementation of approved audit recommendations and management decisions.
 - Instructing all teachers and other staff members in the proper handling of student activity funds.
 - Designating a third person to sign checks in the absence of either the principal or bookkeeper.

Bookkeepers

The bookkeeper, under the supervision of the principal, will receipt, deposit, account for, and disburse all student activity funds. The bookkeeper will comply with all pertinent provisions of this manual and will perform the following duties:

1. Deposit all funds promptly and intact in an insured depository. All invested funds must be totally insured at a bank with a competitive interest rate.
2. Maintain all required records on a current and accurate basis.
3. Submit all required reports promptly and accurately.
4. Keep the principal informed of all real or potential problems. This may be accomplished by reviewing the monthly fund statements with the principal and calling attention to fund accounts needing special review.
5. Issue and audit all receipt books and keep a control sheet listing names of those to whom receipt books are distributed.
6. Prepare financial statements and prepare for financial audits. The following reports should be run monthly: bank reconciliation and income statement. A general ledger, deposits lists, checks list and list of journals made should be run annually.

Teachers

Classroom teachers are typically responsible for the initial collection of money from students. Each teacher should become familiar with and ensure compliance with the portions of this manual pertaining to his/her duties and responsibilities. Each teacher must deal with the bookkeeper in a sincere spirit of cooperation, performing his/her functions in a complete, accurate, and timely manner. In fulfilling their responsibilities for the collection and proper accounting of money, teachers are expected to perform the following duties:

1. Properly receipt all money collected in a HCS issued receipt book.
2. Deposit daily all monies collected with the bookkeeper.
3. Correctly record all required information on the teachers' fee collection envelope.
4. Provide proper security and accounting for all receipt books and financial records.

Class/Club Sponsors

The principal of each school shall appoint a teacher or staff member (sponsor) to supervise each student activity fund project. Each sponsor shall become familiar with and ensure compliance with the portions of this manual pertaining to his/her duties and responsibilities. Each sponsor must deal with the bookkeeper in a sincere spirit of cooperation, performing his/her functions in a complete, accurate, and timely manner. Those persons responsible for activities within a student activity fund will review the financial operations and position of the account at least quarterly.

Major activities with large accounts involving considerable activity will be reviewed monthly. A sponsor's responsibilities include:

1. Ensuring that the billings pertinent to the fund and amounts received by the bookkeeper are correct prior to the final payment.
2. Ensuring that the bookkeeper has on file copies of contract agreements, etc. which are applicable to obligations of the student activity fund.
3. Collecting and receipting funds received from students.

4. Depositing such funds daily with the bookkeeper. Monies should not remain in the classroom overnight.
5. Controlling inventories of salable merchandise. This control shall include accurate records of quantity (including sales and purchases) and adequate measures for safeguarding the assets. (SBO Form 572)
6. Providing the bookkeeper with accurate data pertinent to preparation of required annual reports.
7. For events where tickets are a requirement, they shall come under the control of the bookkeeper. All ticket sales shall be reconciled with the corresponding revenue to ensure that proper controls were in place. Tickets shall be pre-numbered in order to ensure proper control over ticket inventory.
8. Donations issued by class/club sponsors should be properly documented to include a letter to the bookkeeper detailing the specifics of the donation to include but not limited to the recipient, amount, and brief description of use of funds.

School Mentors

1. Train the new HCS staff member the day they come onto the school.
2. Assist in helping them get their name on the bank account timely.
3. Be available for additional training.
4. Be available to assist the new HCS member at their location when needed.
5. Do checks and balances on the schools assigned so that audit violations can be found and corrected.
6. Assist with audits.
7. Assist when schools are without a finance person (out sick/termination, etc.).
8. Compile training materials.

Finance Staff

The finance staff is responsible for the following:

1. Prescribing accounting and operating procedures through this manual and related notices and regulations.
2. Assisting the principals in training personnel concerned with student activity funds through periodic in-service training assistance or as requested.
3. Ensuring that the annual audit of student activity funds is in compliance with state laws.
4. Providing interim audit assistance as appropriate or as requested.
5. Prescribing audit standards to be followed in the audit of student activity funds.
6. Providing an audit opinion on the propriety and legality of proposed student activity fund transactions upon request.
7. Members of the finance staff will schedule meetings at the conclusion of the annual audit to meet with Principals and Bookkeepers to discuss audit findings.

School Funds Online Accounting System

Cash Accounts

\$ Checking
\$ Savings/Investments
\$ Petty Cash

General

01 Interest
01 Investments
01 Soda/Snack Machine Profit
01 Petty Cash
01 Other

Activity

02 Student Activity Fund
02 Pictures
02 Safety Patrol
02 Student T Shirts
02 Clothes Closet
02 Father/Daughter Dance
02 Other

Athletic

03 Baseball
03 Boys Basketball
03 Girls Basketball
03 Debate
03 Cheerleading (Varsity)
03 Cheerleading (Junior Varsity)
03 Football
03 Forensics
03 Gymnastics
03 Soccer
03 Softball
03 Swim Team
03 Boys Tennis
03 Girls Tennis
03 Track
03 Wrestling
03 Other

Band

- 04 General
- 04 Instrument Rental
- 04 Band Fundraiser
- 04 Other

Chorus

- 05 General
- 05 Chorus Fundraiser
- 05 Other

Class Accounts

- 06 Freshman
- 06 Sophomore
- 06 Junior
- 06 Senior
- 06 After Prom
- 06 Other

Club Accounts

- 07 Key Club
- 07 Keyettes
- 07 Drama
- 07 Just Say No
- 07 Language
- 07 Other

Departments

- 08 Library/Media
- 08 Business
- 08 Science
- 08 English
- 08 Special Ed
- 08 Math
- 08 Foreign Language
- 08 Social Studies

Field Trips

- 09 Kindergarten Field Trip
- 09 Third Grade Field Trip

- 09 Fifth Grade Field Trip
- 09 Science Field Trip
- 09 English Field Trip
- 09 Other

Gifted/Honor Society

- 10 National Honor Society
- 10 Gifted
- 10 French Honor Society
- 10 Spanish Honor Society
- 10 Odyssey of the Mind
- 10 Other

Grants

- 11 HEF Grants
- 11 Art Grant
- 11 Music Grant
- 11 Other

Publications

- 12 Yearbook
- 12 Magazines
- 12 Newspaper
- 12 Other

ROTC

- 13 Air Force
- 13 Army
- 13 Marines
- 13 Navy

SCA

- 14 General
- 14 SCA Store
- 14 SCA Fundraiser
- 14 Other

School Operating

- 15 Lost/Damaged Books
- 15 Lockers
- 15 Spirit Wear
- 15 Lab Fees

15 Other

Vocational

16 Wood Lab
16 Tech Lab
16 FHA
16 FBLA
16 COE
16 Marketing
16 VICA
16 Fashion
16 Other

Memorials/Scholarships

17 Alumni Scholarship
17 Principal's Scholarship Fund
17 Memorial Fund
17 Other

Faculty Accounts

18 Faculty General
18 Faculty Hospitality
18 Faculty T-Shirts
18 Faculty Fundraiser

Fund Descriptions and Uses

Cash Accounts

This section of accounts includes your school checking account, as well as any investments (CDs), savings, and petty cash accounts.

Section 01: General Accounts

Interest: This account is used to record the monthly interest from school checking and savings accounts. This account should be zeroed out at year end. Up to 20% of the interest proceeds may be transferred to the faculty account. The remainder is to be transferred to the student activity fund.

Soda/Snack Profits: This account is to be used for the proceeds of vending activities at the school. Each quarter, a check will be sent from SAC for the school's share of the vending proceeds from their soda/snack machines. All vending machine proceeds at the elementary and middle school level can be transferred to the faculty fund as students are not authorized to use the machines. All vending machine proceeds at the high school level

will be split with 50% benefiting the faculty fund and the remainder benefiting the student activity fund.

Section 02: Student Activities

Student Activity Fund: This account is to be used for purchases that directly benefit the students. Examples of items that can be purchased from this account are: student incentives, classroom materials, items for field day, and special speakers for events at your school.

Picture Profits: This account is to be used for the proceeds from the fall and spring student pictures. In most cases, payment for student pictures is made to the photographer and then the photographer calculates the school's profit and returns that in check form to the school. Those profits are to be deposited into this account. At year end, this account should be zeroed out. At least 80% of the picture profits are to be transferred to the student activity fund and up to 20% may go to the Faculty Fund.

School-wide Fundraisers: This account is used to track the revenues and expenditures for school-wide fundraisers. Once all funds have been collected and bills paid, the profit is then transferred to the student activity fund account. This account should be zero at year end.

Other types of funds that may be in this section include Field Day Activities, CiCi's Pizza Night, Chick-Fil-A Night, and any other student activities.

Section 03: Athletics: This section is used to account for the various athletic sports at the middle and high schools. Examples include baseball, soccer, swimming and softball. Each athletic activity should be accounted for in its own account. In addition, any special athletic fundraisers or special events such as state tournaments, etc. should have their own account. Fundraising proceeds are to be used for the purpose raised and not transferred or loaned for any other purpose.

Section 04: Band: This section is used to account for the activities of the school band. Included here are band general, instrument rental and band fundraisers. Fundraising proceeds are to be used for the purpose raised and not transferred or loaned for any other purpose.

Section 05: Chorus: This section is used to account for the activities of the school chorus. Included here are chorus general and chorus fundraisers. Fundraising proceeds are to be used for the purpose raised and not transferred or loaned for any other purpose.

Section 06: Class Accounts: Class accounts are set up in the high school to track revenue and expenditures for the freshman through senior classes and their respective activities and fundraisers. Any class fund not expended by order of the class prior to graduation should be transferred to the next class account with the exception of the senior class. Exceptions can be made with the approval of the principal.

Section 07: Club Accounts: This section is used to account for the activities of the various school clubs and their fundraising activities. Included here are things such as the Key Club, Drama Club, Art Club, etc. Fundraising proceeds are to be used for the purpose raised and not transferred or loaned for any other purpose.

Section 08: Departments: This section is used to account for the activities of the various school departments and their fundraising activities. Included here are things such as the Library, Math Department, English Department, etc. Fundraising proceeds are to be used for the purpose raised and not transferred or loaned for any other purpose.

Special Note for Library: School book fairs should be accounted for in a separate account. Once the book fair proceeds and expenditures have been calculated, any remaining profit is transferred to the Library account. The school book fair account should be zero at year end.

Section 09: Field Trips: This account is to be used to record field trip receipts from students and payment to the vendor for the field trip. At year end, this account should be zeroed out to the general account.

Section 10: Gifted/Honor Society: This section is used to account for the activities of the various school honor societies and their fundraising activities. Included here are things such as the German Honor Society, National Honor Society, etc. Fundraising proceeds are to be used for the purpose raised and not transferred or loaned for any other purpose.

Section 11: Grants: This account is to be used to record grants received by your school. A separate account should be created for each new grant received. The account should be maintained and closed out in accordance with the grant award.

Section 12: Publications: This section is used to account for the various publications of the school to include yearbooks, magazines and newspapers. Fundraising proceeds are to be used for the purpose raised and not transferred or loaned for any other purpose. Yearbook profits may be transferred to the General Account at the end of the year.

Section 13: ROTC: This section is used to account for the activities of the various school ROTC organizations and their fundraising activities. Included here are things such as the Army, Navy, Air Force, and Marines. Fundraising proceeds are to be used for the purpose raised and not transferred or loaned for any other purpose.

Section 14: SCA: This section is used to account for the activities of the SCA and their fundraising activities. Included here are things such as SCA, SCA store, SCA candy sales, etc. Fundraising proceeds are to be used for the purpose raised and not transferred or loaned for any other purpose. SCA funds may be used to purchase items for faculty appreciation as long as there is sufficient documentation.

Section 15: School Operating: This section is used to account for the various fees and expenses incurred in general school operations. Examples include spirit wear, locker rentals, lost/damaged books. Most of these fees are remitted back to SAC at year end via

a memo from the Finance department. Any student fees levied by a teacher or principal must be in accordance with the fee schedule approved by the School Board. The School Board may approve only those fees which are permitted by law or regulations of the State Board of Education.

Section 16: Vocational: This section is used to account for the activities of the school's vocational programs and their fundraising activities. Included here are things such as Wood Lab, Tech Lab, Marketing, VICA, etc. Fundraising proceeds are to be used for the purpose raised and not transferred or loaned for any other purpose.

Section 17: Scholarships and Memorials: This section is used to account for scholarship and memorial donations made by outside individuals or organizations.

Section 18: Faculty Fund: This account is to be used for faculty related items such as meetings, faculty incentives, etc. Money for this account can come from several sources. Examples are faculty donations/dues, vending machine operations, and interest and picture profits. See Interest, Soda/Snack and Picture Profits for the percentage that can be transferred to the Faculty Fund. Funds from other student activity accounts other than those mentioned should not be transferred into the Faculty Fund.