

Student Activity Fund Accounting Manual

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TAZEWELL COUNTY PUBLIC SCHOOLS

Student Activity Fund Accounting Manual

Purpose

The purpose of the Student Activity Fund Accounting Manual is to provide the standard operating procedures for school activity funds. These procedures and guidelines are intended to provide a reasonable and systematic means for administering and operating school activity funds including: administrative procedures; an effective system of management, delineation of responsibilities; appropriate internal controls, and proper accounting, reporting and record keeping processes and procedures. This manual incorporates, and remains subject to applicable federal laws, the Code of Virginia, State Department of Education regulations, School Board Policies and Superintendent's Regulations.

Definitions

All school activity funds shall be considered student activity funds except as specifically exempted in this manual.

Employee faculty / staff funds are derived from voluntary contributions made by employees for a specific or broad purpose related to personal matters such as condolences, gifts, celebrations, etc. that are received in and disbursed from the school activity fund. These funds shall be handled in a manner that ensures fiduciary integrity but these are not always considered student activity funds and are exempt from procurement and certain other requirements applicable to all other funds. Likewise, the school is generally not exempt from the payment of sales tax on purchases made from these funds.

Composition of Funds

School activity funds are comprised of the following:

1. All funds generated by extracurricular activities within individual schools;
2. All funds collected from fund-raising activities approved by the school principal and, if over \$1,000, the School Board;
3. All monies received from donations for specific or general purposes.
4. All interest, commission, and rental receipts

Management and Use of Funds

School activity funds are public monies, and as such, are governed by regulations set forth in the Guidelines Issued by the State Department of Education, March, 1989. These regulations provide for the following:

1. All funds derived from extracurricular school activities, such as entertainments, athletic contests, club dues, etc., and from any and all activities of the school, involving school personnel, students, or property, are classified as school activity funds (internal accounts). The local school boards shall be responsible for the administration of these regulations, and may determine which specific funds in any school may be excluded from those subject to these regulations.
2. Each school shall keep an accurate record of all receipts and disbursements so that a clear and concise statement of the condition of each fund may be determined at all times. School records shall be maintained in accordance with these regulations and rules promulgated by the local school board. The school principal or person designated by him/her shall perform the duties of school finance officer or school treasurer. The school bookkeeper shall be bonded, and the local school board shall prescribe rules governing such bonds for employees who are responsible for these funds
3. Student activity funds must be audited at least once a year by a person or persons approved by the local school board. Monthly reports of such funds shall be prepared and filed in the office of the school principal and the school division finance office.
4. School activity funds shall be used solely in accordance with the purpose for which such funds are collected.
5. Projects for the raising of student funds shall, in general, contribute to the educational experience of pupils and shall not conflict with the instructional program.
6. Funds derived from the student body, as a whole shall be so expended as to benefit the student body as a whole, either directly or indirectly.
7. School activity funds shall, in general, be expended in such a way as to benefit those pupils currently in school who have contributed to the accumulation of such funds.
8. The management of school activity funds shall be in accordance with the best business practices, including sound budgetary and accounting procedures.
9. Principals, through their representatives, shall participate in the preparation, modification, and interpretations of policies, regulations, and procedures affecting student body affairs.

Principals' Responsibilities

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

Principals are expected to perform the following responsibilities:

1. Supervise the management of school activity funds in accordance with prescribed procedures established by the division regulations.
2. Appoint a teacher or sponsor to supervise each activity fund project.

3. Supervise the collecting, receipting, recording, depositing, and disbursing of school activity funds.
4. Ensure complete records are maintained as specified by procedures set forth in this manual.
5. Obtain accurate and timely reports from the activity fund bookkeepers concerning the results of operations and the status of school activity funds.
6. Review and analyze on a monthly basis the status and operations of the school activity accounts. The review should include, but not necessarily be limited to:
 - a) Reviewing deficit accounts and accounts that have been inactive or have had minimal activity to determine if the accounts should be continued and/or ensure that plans are made for elimination of deficits.
 - b) Assessing the liquid position (funds in checking) and anticipated cash flow (receipts versus disbursements) with the objective of determining if checking account funds should be committed to savings.
 - c) Assessing the adequacy of and compliance with cash control provisions.
 - d) Reviewing bank statements and related documentation for authenticity, accuracy and reconciliation with records of the school activity fund.
 - e) Discussing periodically with staff and responsible students (bookkeepers or other involved in financial operations) the control requirements to include:
 - Proper budget planning
 - Prior approval before committing school activity funds
 - Need for receiving reports
 - Ticket control: athletic, as well as any other function in which admission tickets are used
 - Proper control of funds collected through use of receipts and daily submission to the activity fund bookkeeper.
7. Review purchase orders, check requisitions, and other supporting documents to ensure that purchases and expenditures are authorized and supported properly.
8. Ensure that adequate facilities and physical controls are available and are used for protection of cash and other assets.
9. Monitor the operation of revenue producing activities to avoid unanticipated losses.
10. Monitor implementation of approved audit recommendations and management decisions.
11. Provide instruction to all teachers and other staff members in the proper handling of school activity funds. The form "Acknowledgement of cash handling procedures" should be completed by any employee handling funds annually to document such instruction.
12. Take action as deemed appropriate if procedures are not properly followed.
13. Designate a third person to sign checks in the absence of either the principal or bookkeeper.

14. Submit monthly financial statements to the school division finance office by the fifteenth day of the following month and an annual report no later than July 15. The report should show the beginning balance, receipts and disbursements, and ending balance of each account within the central fund and reconciliation of the last bank statement. The report will be certified by the school fund bookkeeper and approved by the principal.

Bookkeepers' Responsibilities

A person at each school shall be designated to act as the school student activity fund bookkeeper. In this capacity, he/she will receive, receipt, account for, disburse, and manage all school activity funds. Under the supervision of the principal, the bookkeeper is also authorized as one of the three signers of checks, the others being the principal and principal's designee. The bookkeeper, under the supervision of the principal, will comply with all pertinent provisions of this manual and will perform the following duties:

1. Receive and prepare all funds for daily deposit into an insured depository. All funds shall be identified as public funds. Invested funds must be fully insured. Every effort should be made to ensure a competitive interest rate is received for invested funds.
2. Maintain all required records on a current and accurate basis, using the division-wide school activity fund accounting software.
3. Prepare and submit all required reports accurately and promptly.
4. Keep the principal informed of all real or potential problems (i.e. negative account balances, idle accounts, untimely receipts from teachers or others, known violations of procedures, etc.).
5. Issue and account for pre-numbered receipt books and ensure return at year-end. Audit teachers' receipt books to ensure accountability of all receipts. Clearly document and report exceptions and/or variations from procedures including explanation as to why procedures were not followed and action taken or planned to ensure future compliance, as applicable.
6. Prepare and maintain documentation to support all disbursements (purchase orders, requisitions, check requests, invoices, etc.).
7. Prepare checks for principal's approval.
8. Shall be an authorized signer on the school activity fund bank account(s).

Teachers/Club Sponsors Responsibilities

Classroom teachers and club sponsors are typically responsible for the initial collection of money from pupils and parents and will be held personally responsible for all such money collected. Each teacher and club sponsor should become familiar and ensure compliance with the portions of this manual pertaining to his/her duties and responsibilities. Failure to comply with procedures set forth in this manual may result in disciplinary action. Each teacher and club sponsor must work with the bookkeeper in a sincere spirit of cooperation, performing his/her functions in a complete, accurate, and timely manner. Teachers and club sponsors are expected to perform the following duties:

1. Properly receipt all money collected (See Cash Handling Procedures)
2. Deposit daily all money with the activity fund bookkeeper. No monies should remain in the classroom overnight. A teacher will be held personally responsible for funds left in the classroom overnight.
3. Funds collected during after school activities shall be turned in to an administrator (Principal, Activities Director, or Assistant Principal) to be stored in the safe overnight, whenever possible. If an administrator is unavailable, the teacher or club sponsor will be responsible for securing the funds overnight.
4. Prepare any forms required by the bookkeeper for summarizing and/or transmittal of funds.
5. Return all receipt books to the bookkeeper prior to checking out at year end or upon completion of fund raising activities, as requested by the bookkeeper.
6. Be familiar and comply with school division regulations related to small purchasing.
7. Submit purchase requests to the activity fund bookkeeper for processing.
8. Submit any proposed written contracts or agreements to the Principal for approval. Copies of all executed contracts shall be maintained by the bookkeeper.
9. Ensure goods and /or services purchased from school activity funds are acceptable prior to authorizing payment.
10. Submit invoices for authorized purchases to the bookkeeper in a timely manner.
11. Control inventories of saleable merchandise. This control includes accurate records of quantity (including sales and purchases) and adequate measure for safeguarding the assets.
12. Understand and comply with ticket control requirements where admission-type events are scheduled. All tickets shall be pre-numbered and properly accounted for.
13. Provide necessary training to students who are assigned responsibilities for handling funds to ensure that they know the requirements for accounting and control.
14. Report all casual labor for athletic event personnel on time sheets and turn in to bookkeeper for processing of payment (through school board payroll procedures). All payments for services must have supporting documentation.

Supervisor of Financial Services' Responsibilities

The Supervisor of Finance will assist principals by establishing regulations and procedures for the management and operations of school activity accounts in accordance with sound business practices. Additionally, he/she will:

1. Prescribe accounting and operation procedures through this manual and related notices and regulations.

2. Assist the principals in training personnel concerned with school activity funds through periodic in-service training assistance.
3. Ensure that an annual audit of the school activity funds is conducted in compliance with state laws.
4. Provide interim audit assistance as appropriate.
5. Prescribe audit standards to be followed in the audit of all school activity accounts.
6. Perform periodic on-site reviews of the schools' student activity fund records.

Annual Audit

An annual audit is conducted by a certified public accounting firm hired by the school board. The Supervisor of Finance coordinates the audit schedule and oversees the audit on behalf of the school board.

Student Activity Fund Accounts

Financial records will be maintained by an electronic computer system as directed and with guidelines provided by the school division finance office. A separate general ledger account shall be established and maintained for each school activity for which the school receives and/or disburses money. A system-wide chart of accounts has been established for consistency.

Authorization for Fund-Raising Activities

No fund-raising activities shall be permitted in the schools without the prior approval of the principal. All fund raising activities, including staff fund raising must be in accordance with Tazewell County Public Schools policy DGC-R. A Fund Raising Request Form must be completed by the sponsor proposing the activity and approved by the principal and superintendent prior to commencement of the activity. The principal is responsible for monitoring all fundraising activities. A copy of the approved fund raising request form should be provided to the school bookkeeper and retained for audit purposes.

Approved projects for raising revenue must contribute to the educational experience of students. Fund-raising activities are established as an adjunct to, and in support of, the educational program. As such, no fund-raising activity will be conducted for the sole purpose of producing revenue. Additionally, no fund-raising activity will be permitted which offers unfair competition with local merchants and industry. Fund-raising activities will be held to a minimum and will not interfere with the instructional program. All money derived from fund raising will be expended for the benefit of those pupils in school who have been responsible for the accumulation of such funds.

Permission must be granted by the principal before any purchase commitment can be made regarding fund raisers that involve items which are to be resold. Before a fundraiser occurs, the Fund Raising Request form must be submitted by the fund sponsor to the principal for

written approval. **If the fund raiser is expected to generate \$1,000 or more in total receipts, the fund raiser must also be approved by the School Board.**

During the activity, the Fund Raising Report may be used by sponsors to track the amount of goods issued to students, the sales collected, and the amount of returned goods. The total amount of cash submitted must equal the amount on the Fund Raising Summary Report. At the conclusion of the fundraiser, the Fund Raising Summary Report should be completed by the sponsor and reviewed by the Principal in order to assess instructional as well as profitability benefits of the fundraiser and whether it should be recommended in the future. The bookkeeper shall retain a copy of the completed fund raising summary report.

Fund-Raising Activities – School Related Organizations

Support groups such as band and chorus parent organizations, Booster Club, and P.T.A. are not school organizations. They maintain their own financial records, and any monies raised by such groups are not subject to the regulations for school activity funds. . Fund raising activities of school related organizations need to follow the school board policy DGC-R.

All fund raising activities conducted by or on behalf of the school are subject to approval by the school principal and/or superintendent.

Fees and Charges

The Code of Virginia, the Virginia Administrative Code, various attorney general opinions, local school board policies and Virginia Department of Education guidance specify certain costs and activities for which a fee may be charged to students.

In Virginia, all students are provided a free and appropriate education. Charges for mandated consumable instructional materials and supplies may not exceed 107% of the cost of the product consumed. A list of fees charged shall be submitted to the Supervisor of Finance annually for presentation to and approval by the school board. Provision must be made for students who cannot afford to pay fees and charges.

Field Trips

All field trips must be approved by the principal in advance. A copy of the approval documentation must be submitted to the bookkeeper when funds are expected to be received and/or disbursed for any field trip. The sponsoring teacher should properly receipt all collected money and present it to the school bookkeeper daily. Money collected for field trips should be expended for that purpose only or for the benefit of those students.

Payment of Casual Labor

Payments may be made to non-employees from activity funds for casual labor, such as camera persons, athletic officials, etc. At the end of the calendar year a Form 1099 must be filed with the Internal Revenue Service for these individuals in compliance with tax reporting requirements. The school division's finance office will manage issuance of Form 1099's. Any request for payment to a school division employee must be submitted on a time sheet to the

school division payroll office. In these instances the school activity funds reimburses the school board for payroll costs.

State Sales Tax

Schools are exempt from paying sales tax on tangible personal property purchased for use, consumption or sale at retail at the schools, provided the net proceeds are contributed to the school or are used to purchase certified school equipment for contribution directly to the schools. In addition, the Code of Virginia provides that the state sales tax shall not apply to the sale of class rings, school photographs, and other fund raising programs for which a school receives a commission or the net proceeds after the payment of vendors and other direct expenses. The Certificate of Exemption (ST-13) is to be provided to vendors at the same time a school purchase order is placed. If an invoice is received with sales tax, contact the vendor and have the sales tax removed prior to payment of the invoice.

Cash Handling Procedures

General Guidance about Cash Handling

The most vulnerable area in managing school activity funds is the receipt and disbursement of cash and cash equivalents. Cash equivalents include checks, money orders, gift certificates, gift cards, postage stamps, and any other bearer instrument having a set dollar value. For purposes of this manual, procedures pertaining to cash shall also pertain to cash equivalents. Proper cash handling procedures are necessary to safeguard school activity funds from mismanagement, theft, fraud and abuse. The procedures listed below are designed to provide reasonable internal controls to protect cash assets.

1. All collections should be receipted as cash or check (number included) on a pre-numbered receipt or approved Student Fee Sheet, written promptly (daily) upon receipt of funds.
2. All checks received should be made payable to the school, not to an individual responsible for the activity.
3. Checks should be restrictively endorsed to be deposited to the school's local bank immediately upon receipt.
4. The responsibility for receiving funds and writing receipts, preparing and making bank deposits and posting financial records should be segregated to the greatest extent possible.
5. All funds should be turned into the school office daily.
6. Bank deposits should be made daily, unless amount is under \$50.00. However, all funds must be deposited at the bank on Fridays (or the last work day of any week), regardless of the amount.
7. All collected funds should be deposited intact as reflected on the master receipt (fee sheet) and or/pre-numbered receipt as cash or check. Cash and checks must be submitted to the school activity fund bookkeeper as collected.

8. Appropriate security measures should be used to protect cash and cash items.
9. Blank checks, postage stamps and pre numbered receipt books and ticket rolls should be kept in a secure area.
10. A secure area must be provided for the bookkeeper to count money and prepare bank deposits.
11. No purchases or reimbursements may be made directly from cash received from student activity funds. All receipts must be deposited.
12. The School Activity Fund is strictly prohibited from use for cashing personal checks for any employee or other person. An employee may not replace cash collected with a personal check.
13. Any loss of cash, including checks, must be promptly reported to the school principal or principal's designee. The school principal should then contact the school division finance office and appropriate law enforcement authorities if theft is involved or suspected. A written report must be submitted to the Supervisor of Finance within 48 hours. The written report will include a recitation of the facts and circumstances, steps taken to prevent a recurrence and proposed personnel action, if applicable.

Bank Accounts

The principal shall establish an interest-bearing checking account (when possible) in the name of Tazewell County Public Schools with the name of the each school name activity fund on the second line. Accounts generally should have signature cards with three (3) approved signatures. Any bank account must have insurance coverage with the Federal Deposit Insurance Corporation or an equivalent agency. All school activity funds shall be identified as public funds. All financial activity of the school activity funds shall be deposited to and disbursed from the bank account. Excess funds may be placed in a savings account or equivalent investment vehicle as long as the insurance requirement is met. Such accounts shall be titled as outlined above and reconciled monthly.

Change Funds

Schools may establish temporary change funds to facilitate making change for admissions charged at approved events and/or activities. Such funds shall be advanced from the appropriate activity fund account and shall be returned upon completion of the event or activity for redeposit. All advanced change funds should be turned in to the bookkeeper prior to June 30th each year. In some cases, a change fund may be required for recurring activities. In these cases, the change fund shall be stored in the school safe when not in use and audited periodically by the bookkeeper to ensure the fund is intact.

Accounting for Cash Receipts

Each school bookkeeper will receive, receipt, account for, and be held accountable for cash receipts belonging to the school student activity fund. In this respect, the bookkeeper, under the supervision of and in consultation with the Principal, shall:

1. Prescribe the appropriate cash handing procedure(s) to be followed for any activity involving the collection of cash or cash equivalents.
2. Maintain a control log for activity receipt books.
3. Issue cash receipt materials to teacher/sponsors. At year-end ensure that all receipt books are returned and audited at least annually.
4. Verify accuracy of funds received and sign Transmittal Vouchers when received from teacher/sponsor (in his/her presence when possible). In the bookkeeper's absence, the principal or designee will be responsible for verification.
5. Verify and reconcile receipt book and/or Fee Sheet total with Transmittal Voucher total.
6. Record receipts in School Activity Fund computer software program from Transmittal Vouchers.
7. Print and review Cash Receipt Edit List.
8. Verify cash total with Cash Receipt Edit List.
9. Prepare bank deposit. Place money and deposit ticket in safe.
10. Post receipts and print Cash Receipt Vouchers.
11. Sign Cash Receipt Vouchers.
12. For schools that audit receipt books daily, in each receipt book on the last receipt submitted, note the date of submission and initial. The computer generated receipt should be filed with the deposit package. Return receipt books to teachers/sponsors (to mailboxes).
13. Print Deposit Register.
14. Principal (or designee) will deliver deposit to the bank.
15. Verify bank deposit slip to Deposit Register.
16. File deposit ticket with Transmittal Vouchers and deposit register.

Ticket Sales

Pre-numbered tickets shall be used for admission events. The Athletic Director is the sole custodian of the ticket inventory and is responsible for maintaining accountability of tickets issued, sold, and returned. Ticket sales shall be reconciled with cash received by a person other than the person receiving cash and appropriate entries will be made in all related records. The Accounting Form for Ticket Sales may be used for proof of reconciliation.

Interest Income

An adjustment for interest income must be entered into the software system monthly, or quarterly, if appropriate, per bank notification. The bank date of the adjustment should be entered as shown on the bank statement.

Dishonored or Bad (NSF) Checks

If a check deposited in the school activity fund is returned by the bank, a reasonable effort should be made to contact the person who wrote the check to have him/her make the check good. The following steps should be taken:

1. Accept only cash, certified check, or money order for the redeposit.
2. Assess a returned check fee. The returned check fee should be posted to the fund's General Account.
3. If repayment is made by cash, certified check, or money order, the bad check should be returned to the person who wrote it.
4. Prepare a receipt for the funds received in payment of a returned check.
5. If a check is not made good within three months, the principal should consider collection options or writing off the NSF check.

Administrative Charges, Late Fees, Penalty and Interest Charges

School activity funds may assess returned check charges, late fees, penalty and interest charges and other administrative charges as allowed by state and local laws and regulations.

The following administrative fees and charges are authorized:

Returned check fee \$35.00 or bank returned check fee

Late payment fee (30 days or more overdue 10% of outstanding balance)

Spending School Activity Funds In General

1. No employee, volunteer, or sponsor may commit school activity account monies without an approved purchase order or requisition. Purchase orders are issued by the bookkeeper at the direction of the principal. Failure to comply with this general procedure may result in disciplinary action, personal liability for any funds committed, and/or relief of activity fund related responsibilities.
2. Required Certification Prior to Contract Award – Prior to awarding a contract or issuance of a purchase order for services that require the contractor and/or his/her employees to have direct contact with students, the contractor and any employee of the contractor who will be in the presence of students during regular school hours or during school sponsored activities shall certify that they have not been convicted of (1) a felony or any offense involving the sexual molestation or physical or sexual abuse or rape of a child; or (2) a crime of moral turpitude. This certification shall be binding on the contractor and his employees throughout

the contract period and the contractor shall provide Tazewell County Public Schools with immediate notice of any event which renders this certification untrue. Further, the contractor shall require any employee who is assigned to the performance of the contract after it is awarded, and who will have direct contact with students, to execute and deliver a certification to Tazewell County Public Schools before such employee is present on school grounds or during school sponsored activities. Direct contact with students is defined as being in the presence of students during regular school hours or during school sponsored activities. The certifications signed by contractors and their employees shall be part of the official purchase order and contract file maintained by schools, central departments, and Office of Support Services. These files are subject to periodic reviews and audits.

3. School activity funds may not be used for any purpose which represents an accommodation, loan, pay advance, or other direct benefit to an individual. The expenditure of all school student activity funds must be related to some educational benefit for the students.

4. School division employees are prohibited from utilizing the buying services or sales tax exemption of the school activity funds for personal purchases.

5. If a vendor provides gratuities, extra copies, gifts, etc., as a reward for purchase, these items become the property of the school rather than the individual responsible for the related purchase. This rule is effective regardless of the value of the gratuity.

6. Procedures set forth by the school board related to public procurement shall be followed in acquiring materials, equipment, supplies, and services from student activity funds.

7. No Tazewell County Public Schools' employee shall participate in a procurement transaction when the employee has a financial interest in the firm supplying the goods or services. **School Board policy strictly prohibits employee participation in certain procurement transactions.**

8. All disbursements must be made by check. All checks must bear two (2) approved signatures and be supported by appropriate documentation, such as invoices, vouchers, and/or purchase orders which have been approved for payment by the principal. One signature shall be that of the principal and the other of an assistant principal or bookkeeper.

9. All vendors must be set up through Vendor File Maintenance. All Vendors must complete a W-9 form. All vendors should be set up to include all pertinent information regarding tax status.

10. Disbursements should be made following these steps:

- a. Match vendor invoice to purchase order.
- b. After verifying receipt of goods or services, enter invoice.
- c. Print checks.
- d. After printing checks stamp all invoice pages "Paid".
- e. Checks should be signed by two of the three designated signers.
- f. Checks should be separated from stub and prepared for mailing.
- g. Check stub should be stapled to invoice with all pertinent backup and filed

11. Disbursements shall be coded to the related school activity fund account.

Payments to TAZEWELL COUNTY PUBLIC SCHOOLS

The following school activity fund receipts should be remitted to the Tazewell County School Board and sent to the TAZEWELL COUNTY finance department Finance office at least quarterly. All receipts shall be paid to the school board no later than June 30 of the fiscal year during which the funds were collected:

- Lost and Damaged Textbooks
- Driver's Education
- Summer School
- Building Rental (Fifty Percent)
- Custodial and other time related to building rental
- Employee time related to athletic events (for example but not limited to): ticket taking, security, game clock, management.

The disbursement shall be recorded to the activity fund account where the related receipts were recorded.

Writing Checks

1. All disbursements are to be made by check and must indicate the reason for payment; therefore the check stubs should include the date, payee, amount of check, invoice number, purchase order number and/or other pertinent information.
2. Disbursements should be charged to the appropriate activity fund account, whether or not a sufficient amount is in the account fund to cover the disbursement. If the expenditure creates a deficit in the account, the principal should be notified prior to issuance of a purchase order.
3. No check should be written if the disbursement will create a negative total balance in the checking account.
4. One check form shall be used for the disbursement of student activity funds. The checks shall be numbered sequentially and accounted for in their numerical sequence.
5. Two signatures are required on all checks.
6. No signature is to be affixed to a check before it is to be executed.
7. Checks are not to be written to Cash or made payable to the School Activity Fund.
8. Disbursements to reimburse individuals shall be supported by vendor's receipt and/or request for reimbursement voucher as well as check requisitions, and shall contain all information related to the payment.
9. Checks should not be written to an individual who is a signer on the check.
10. When invoices are paid, they shall be marked or stamped "Paid". The check requisition will include the date, the check number, and the initials or signature of the person approving the payment. The final approval should be by the principal or principal's designee to indicate approval of disbursements.

11. Prepaid items should be limited to unusual circumstances and such items should be filed separately until an invoice, receiving ticket, or other appropriate document is obtained.

Manual Checks

There may be times when there is a need to generate a manual check. With principal's approval -in this case, a check may be hand written and entered into the computer at a later date.

Voided School Checks

All voided school checks should be marked "Void" and should have the signature section torn off. The remaining check should be attached to the - check stub and stored in an area where it can be accessed during the financial audit. All checks must be accounted for.

Stale Dated or Lost Checks

Most banks consider a check dated over six months as stale dated. After a check has been outstanding for six months, the bookkeeper should contact the payee via mail to determine the status of the check. If the payee requests a replacement check, the original check should be voided and a replacement check issued. If the payee does not respond, the bookkeeper may use other means to try to contact the payee. The check should continue to be carried as outstanding until it becomes "unclaimed property".

Unclaimed Property

In accordance with state law, school divisions are required to remit all unclaimed property to the State Treasurer's Office by November 1 of each year. Monthly bank statements should be reviewed to identify checks that remain outstanding for a period of one year or more. For checks outstanding at least one year follow these guidelines:

1. Send a due diligence letter.
2. After thirty days, with no response, void the check.
3. Transfer the amount of the voided check from the appropriate school activity fund to the unclaimed property account.
4. Upon direction from finance department issue one check payable to Treasurer of Virginia and submit to the finance department by October 15. Provide all information that you maintain relating to the unclaimed check to the finance department when you submit.

Transfers and Adjustments

Transfers are transactions which move funds from one account to another, but do not affect the overall balance of the school activity fund as a whole.

Adjustments are transactions that involve an increase or decrease in one or more cash account (checking or savings). Adjustments are also used in making corrections to previously posted transactions.

1. All transfers and adjustments must be approved, in writing, by the principal.
2. Transfers and adjustments can be made at any time of the year, but all should be completed by June 30 of each year prior to closing the books and the annual audit. No deficit account balance should exist at year-end (except NSF check account).
3. Moving funds between check, savings, and certificate of deposit accounts, **within the same bank**, should be treated as transfers between funds, not as receipts or disbursements
4. Interest income and bank charges should be posted as adjustments.

Bank Statements

Upon receipt, all bank statements shall be reconciled with the recorded balance per books. The bank statement balance, less any outstanding checks, plus any deposits in transit should equal the checking account total. The software system for reconciling the bank statement should provide for a list of all outstanding checks, transfers and adjustments, cleared check list and a bank reconciliation-proof of cash report.

When the bank reconciliations are complete, the posted balance per books should equal the checking account- balance on the trial balance and the monthly report. Any unresolved differences in reconciling the bank statements should be reported immediately to the principal and the school division finance office.

The bookkeeper and the principal should sign and date the bank reconciliation proof of cash reports and submit copies of the signed originals to the school division finance office.

SUMMARY OF DAILY, MONTHLY AND YEAR END PROCEDURES

Daily Procedures

1. Enter and Post Receipts
2. Process Bank Deposit
3. Process Vendor Invoices
4. Print Checks as needed
5. Back up your files

Month-End Procedures

The sum of all cash accounts (checking, CD's, savings, money market, Returned NSF Checks) should equal the sum of all activity fund balances. This should be checked on the monthly report or trial balance.

1. Run reports for Cash Receipts, Cash Disbursements, Transfers & Adjustments and a preliminary Trial Balance to verify that all entries are posted.
2. Complete bank reconciliation

3. Perform a system backup.
4. Close the month (using the Month-end closing process)
5. Print all Month-end Reports
 - a. General Ledger (Account Analysis reports)
 - b. Transfer and Adjustment Journals
 - c. Trial Balance

After the month is closed the following reports should be submitted to the school division finance office:

- General Ledger Financial Report
- List of Outstanding Checks
- List of Checks by Account and Check Number
- Bank Reconciliation
- Copy of the Bank Statement

A copy of the bank statement shall also be submitted as part of the monthly financial report.

Year End Procedures

Be sure to back up the month of June prior to running month end procedures. Name the backup an identifiable name that is recognizable should the system need to be restored. To Close Fiscal Year: Run year end processing. This process creates a backup on the system. Print Reports for entire year.

Preparing for the Year End Audit

Most of the audit work relative to the student activity funds will be performed in the schools. Therefore preparation for the audit should include provision of workspace which is relatively free of interruption, has adequate lighting and desk or table space, and has electrical outlets suitable for calculators and computers. The following month records should be available for auditors' review.

1. Cash Receipts, Cash Disbursements, Transfers & Adjustments Journals.
2. General Ledgers
3. Bank Statements, with canceled checks, deposit slips and deposit registers
4. Purchase orders with invoices attached
5. Receipt books and/or validating machine tapes.
6. Monthly Financial Reports
7. Account transactions files
8. Records of Savings Accounts

9. Ticket Records

10. Inventory Records

11. Any other pertinent financial records, correspondence, etc. including past auditors' reports

Retention of Records

The Cash Receipts and Disbursements Records, General Ledgers, and bank records of prior years are to be retained in accordance with Commonwealth of Virginia Records Retention Schedules authorized under the provisions of the Virginia Public Records Act, 42.1-76. For purposes of records destruction, the Director of Support Services is the official records officer for Tazewell County Public Schools. All records destruction shall be approved by that office.

Clubs and Organizational Records

The financial records of each club and organization are a part of the school records for account and audit purposes and are maintained by the bookkeeper. Records maintained by the bookkeeper and principal shall be the official records.

APPENDIX B

FORMS

Transmittal Voucher

**TAZEWELL COUNTY PUBLIC SCHOOLS
TRANSMITTAL VOUCHER**

Teacher/Sponsor Name _____ Date _____

Account Name	
Description	
Collected From	
Amount	\$ _____

Currency		Coins	
Ones	\$ _____	Dollars	\$ _____
Twos	\$ _____	Half Dollars	\$ _____
Fives	\$ _____	Quarters	\$ _____
Tens	\$ _____	Dimes	\$ _____
Twenties	\$ _____	Nickels	\$ _____
Fifties	\$ _____	Pennies	\$ _____
Hundreds	\$ _____		

Cash	\$ _____	Submitted by
Checks	\$ _____	Amount Verified by

Total \$ _____

This Transmittal Voucher includes receipt #'s: _____ to _____.

FOR OFFICE USE ONLY
RECEIPT _____

TAZEWELL COUNTY PUBLIC SCHOOLS

FUNDS SIGN OFF SHEET

COMPLETED FORM DUE IN OFFICE WHEN TRANSMITTAL VOUCHER IS TURNED IN

CLUB, ORGANIZATION OR SPORT _____

TYPE OF FUNDRAISER _____

DATE(S) OF FUNDRAISER _____

DATE OF REPORT _____ SPONSOR _____

I hereby submit this form as confirmation of the funds received at this fundraiser.

Funds Counted by:	
_____ PRINTED NAME	\$ _____ TOTAL COUNT
_____ SIGNATURE	_____ DATE

AND

Funds Counted by:	
_____ PRINTED NAME	\$ _____ TOTAL COUNT
_____ SIGNATURE	_____ DATE

THIS FORM MUST BE COMPLETED IMMEDIATELY UPON THE COMPLETION OF THE FUNDRAISER.

UNCLAIMED PROPERTY LETTER

Dear (Name):

According to our records, check number _____ issued to you by (school name) on (check date) in the amount of \$_____ has not cleared our bank.

Please complete the bottom of this form and return by _____ (at least 30 days from the date of notice).

I am required to submit unclaimed funds to the Commonwealth of Virginia Division of Unclaimed Property. Therefore, no response from you on or before _____ (above date of return) will necessitate the submission of these funds to the Commonwealth of Virginia. (School Name) is no longer liable for these funds once they are sent to the Commonwealth.

If you have any questions, please contact me at (school phone number).

Sincerely,

Your Name, Title

_____ I deposited/cashed the above mentioned check on _____ (date cashed).

_____ I affirm that I have not deposited/cashed the above check and wish to have it reissued to me.

_____ Date _____
Signature

DONATION LETTER

Date Received: _____

Donor Name: _____

Donation Description: _____

(NAME OF SCHOOL) wishes to thank you for your donation!

Your donation greatly helps our school to better serve our students and community. Your donation may be eligible for a tax deduction. Tazewell County Public Schools is a government entity and your donation will be used for a public purpose. For non-cash donations (such as clothing, equipment, supplies, etc.), Tazewell County Public Schools is prohibited from assigning a specific value to your donation. It is the donor's responsibility to value the donation in accordance with Internal Revenue Service regulations. Tazewell County Public Schools' tax-identification number is 54-6001651. Please consult your tax advisor for more information regarding this matter.

Sincerely,

(Principal Name, Principal
(Name of School)

**EMPLOYEE ACKNOWLEDGEMENT FORM
ANNUAL TRAINING ON ACCEPTABLE PRACTICES
RELATED TO CASH HANDLING**

I, _____ (print name), have received training on the procedures, forms, and expectations related to cash handling and fundraising.

I understand the procedures and agree to comply with all procedures. If, in the future, I do not understand a procedure or am unsure of the correct procedure, I will seek guidance from the Principal and/or his/her designee.

I understand that all cash, checks, money orders, and any other form of payment received in association with my employment with Tazewell County Public Schools in any capacity must be promptly turned over to the school bookkeeper in accordance with procedures.

I understand that all forms, reports, logs and receipts utilized for summarizing and reporting various types of funds collected are necessary and important to protect the integrity of the school as a whole and the School Board.

I understand that failure to fully complete the required documentation and/or turn in all monies received to the bookkeeper in accordance with established procedures could result in disciplinary action up to and including termination of employment.

I agree to report any known or suspected violations of cash handling procedures (whether by myself or others) to the school principal to facilitate corrective action and ensure full accountability and fiscal integrity for the school and the school board related to handling of public funds.

Employee Signature _____ Date _____

Witness Signature _____ Date _____