



Spartanburg School District Three

Pupil Activity Funds

Accounting & Procedural Manual

# SPARTANBURG SCHOOL DISTRICT THREE

## PUPIL ACTIVITY FUNDS ACCOUNTING MANUAL

### TABLE OF CONTENTS

	Page #
I) Fiscal Management	
i) General	1
ii) Responsibility	1
iii) Control of Cash	4
II) General Operating Procedures	
i) Expenditure Controls	5
III) Accounting Procedures	
i) General	7
ii) Writing Receipts	7
iii) Depositing Monies	9
iv) Disbursement/Procurement	9
v) Audit Preparation	10
IV) Procedures Specific to School Maintained Checking Accounts	
i) Void Checks	11
ii) Interest/Bank Fees and Charges	11
iii) Correction of Posting Errors	11
iv) Bank Reconciliations	12

## **PUPIL ACTIVITY FUNDS**

### **I. FISCAL MANAGEMENT**

#### **General**

Pupil activity accounts include all school sponsored activities including athletics, class and club accounts, and other inter-scholastic activities that are outside of the regular instructional programs and that are recorded in a 700 level fund. These include accounts centralized at the District Office as well as those maintained at the schools at the secondary level. It is the intention that Pupil Activity Funds be operated on a self-supporting basis. The accounts should not hold a deficit balance for greater than 30 days, and there should not be any deficit balances at the fiscal year end.

#### **Responsibility**

The responsibility for safeguarding, accounting, and managing the pupil activity funds rests on the principal. Specific duties that must be performed in providing management of the funds may be delegated as determined by the principal, but the final accountability rests with the principal.

#### **Principals**

The following management practices are considered to be essential:

1. Be familiar with, and enforce the provisions of this manual, and district fiscal management policies.
2. Be sure that the staff and bookkeeper are properly instructed as to the duties expected, trained in the proper methods and procedures, and given adequate supervision and guidance.
3. Insure that accurate and timely reporting methods are implemented and maintained.
4. Review and analyze the status and operation of the funds at least monthly. The review should include but not be limited to the following:
  - a) Questioning of potentially deficit account balances.
  - b) Noting any cash balances, considering reserved funds and any outstanding balances.
  - c) Assessing the reasonableness of receipts and disbursements by account and in total, to include comparison with prior periods.

5. Review check requests to determine validity and necessity of “*emergency*”.
6. Discuss with all staff, including teachers:
  - a) That check(s) will not be written without proper documentation.
  - b) That all money (100% collected) must be receipted and turned in daily. Any disbursements to be made from the collection must be made by check, processed by the bookkeeper and not the person collecting the money.
  - c) That prior approval from the principal is needed before committing school activity funds.
  - d) The importance of turning in daily any funds collected, the proper control of funds, and the use of receipts.
7. Review checks and check requests presented for signature to insure that expenditures are properly authorized and that proper documentation was provided.
8. Maintain that adequate facilities and physical controls are available and are used for protection of cash and other assets.
9. Insure that deposits are made to the bank safely and in a timely manner and in accordance to District policy.
10. Advise staff members that if they make commitments in the name of the school, without prior approval of the principal, the staff member will be held responsible for the payment of any charges, which may arise.
11. Stamped signatures are not allowed and should not be used in lieu of actual signature by principal or assistant principal.
12. Bookkeepers are not allowable check signors.
13. Report any questionable transactions to the Chief Finance Officer within 2 days of occurrence.

### Assistant Principals

Assistant Principals will perform the duties of the principal in his/her absence, as well as any other duties delegated by the principal. All Assistant Principals will be familiar with the provisions of this manual. Assistant Principals are allowed to sign checks, approve purchase orders and check requests permitting that they have completed the necessary paperwork required by the school's financial institution pertaining to allowable signors.

## Bookkeepers

Under supervision of the principal, the bookkeeper will receive, receipt, account for, and disburse all funds, flowing through the pupil activity fund accounts, unless otherwise directed by the principal. A second person, when possible, will deposit funds into the bank, and return the deposit receipt to the bookkeeper. When deposits are made through a night deposit, the bookkeeper must return the next day to verify the deposit. The bookkeeper's duty to disburse funds will not be construed as authority to sign checks-that duty must be performed by the principal with an actual signature (no stamped signatures allowed).

The bookkeeper will comply with all provisions of this manual and perform duties as follows:

1. Deposit all funds daily. Funds deposited must be the same monies receipted. No change will be made from these funds.
2. Maintain all required records on a current and accurate basis.
3. Perform bank reconciliations (for middle/high school checking accounts maintained at the school) on a monthly basis and remit copies to the Chief Finance Officer no later than by the 15<sup>th</sup> of the following month.
4. Enter into CSI all receipts and disbursement (for middle/high school checking accounts maintained at the school).
5. Submit all required reports promptly and accurately.
6. Keep the principal informed of all real or potential problems, i.e. teachers not turning in checks/cash on a daily basis, teachers turning in their net collections (collections less any disbursements).
7. Inform the principal immediately when a fund has, or has a potential for, a negative balance.
8. Report any questionable transactions to the Chief Finance Officer within 2 days of occurrence.

## Activity Sponsors and Other School Personnel

1. Activity sponsors and other individuals with duties affecting student activity funds will become familiar with and follow this manual. Those persons responsible for activities for which a student activity fund account is maintained will review the financial operations and position of the account monthly. A fund sponsor, who is appointed to that position by the school

principal, will supervise all school activity fund activities. The responsibilities of the activity sponsor include:

- a) Assuring that the bookkeeper has copies of contract agreements, etc., which are obligations of the fund account.
  - b) Assuring that the billings pertinent to the fund and received by the bookkeeper are correct prior to final payment.
  - c) Assuring that proper documentation/forms is/are presented to the bookkeeper for disbursement of funds and collection of funds.
  - d) Collecting and receipting for funds received from the students.
  - e) Depositing daily, such funds with the school bookkeeper.
  - f) Reviewing monthly statements of the fund.
2. Activity sponsors are initially responsible for the solvency of the account and the propriety of the school activity. Final responsibility and accountability lies with the principal.

## **Control of Cash**

### **Types of Controls**

The amount of cash and checks flowing through the school activity fund dictates the necessity for stringent safeguards in the control of receipts and disbursements. Throughout this manual there are provisions designed to assure proper control of the funds. Some examples of these controls are:

1. Provide that **all** expenditures are made by check.
2. Provide that **all** revenue collected is receipted. (*Receipts that are less than \$5 per student may be receipted as one receipt provided that proper documentation is maintained to support that one receipt, i.e., spreadsheet, list, etc.*). Provide that funds be deposited daily and intact, with proper documentation supported.
3. Provide that the funds be receipted on pre-numbered receipt forms. The receipts should involve two people; i.e. the teacher receipts money from the students then the bookkeeper receipts the total money receipted by a teacher each day.
4. Monthly bank statements will be reconciled by the bookkeeper and approved by the Principal or Assistant Principal in the absence of the Principal, and submitted to the CFO each month.
5. Provide the use of a secured container, preferably a locked safe or vault, for all funds on hand. Money should never be left unattended or accessible to unauthorized personnel. Per District policy no more than \$100 is to be held overnight.

## **II. GENERAL OPERATING PROCEDURES**

### **Revenue/Expenditure Controls**

To effectively manage the pupil activity fund, the principal must have knowledge of **all** future obligations prior to billings or disbursements. The absence of such a system could involve over-obligation of available school activity funds.

### **Reimbursement of Personal Funds**

Reimbursement of personal funds must be supported by receipted billings, cash register tapes, etc. Canceled checks are not an acceptable form of documentation in support of reimbursement. The principal must first approve expenditure of personal funds, subject to reimbursement.

### **Gifts and Bequests**

Gifts will not be accepted or solicited without the approval of the principal. Any gifts accepted will become property of the Spartanburg School District Three, and will be for the beneficial use of the school or student body. Gifts of cash accepted for a specific purpose should be separately accounted for in the fund concerned or a separate account established. Unspecified gifts may be receipted into the school operating account.

### **Personal Loans/Accommodations**

The pupil activity funds will not be used to grant accommodations, loans, advance of pay or any other direct benefit to an individual. Nor will the funds be used to cash checks of any kind.

### **Grant Activities**

Any grant activity awarded to an individual school should be reported to the CFO. Any grant award that is in excess of \$2,500 must be maintained through the District Finance Department. Account numbers and budgets will be set up for grants in excess of \$2,500 as to comply with the District procurements code regulations. Reimbursements for grants that are awarded as "reimbursement only" must be requested in a timely manner to ensure that funds are received prior to June 30 of each year.

## Athletics

Athletic activities pertain to middle schools and high school only. If admission is charged to the event, then pre-numbered tickets must be used. Accounting for athletics must be maintained by the school bookkeeper. The athletic director is not the sole authorization for disbursement of athletic funds.

1. Admission-anyone entering an event should purchase a ticket or have authorization to enter that is acceptable to the school.
2. Pre-numbered Tickets-Should be obtained by the principal in a sufficient quantity and kept in a safe place.
3. All tickets MUST be signed in and out on the a ticket log form. At the end of the event all unsold tickets plus money collected must be turned into the bookkeeper, with the ticket statement.
4. All tickets signed out must be accounted for by:
  - a. Returning the unsold tickets, and/or
  - b. Returning the money collected.
  - c. The money collected plus the unsold tickets returned should balance back to the original face value of the tickets signed out.
5. Prior to the activity, the principal or designee should meet with the sponsor of the activity, supply him or her with an adequate quantity of tickets along with the appropriate forms.
6. The principal or designee should see that at least one individual is assigned the job of selling tickets and a different individual is responsible for taking up and tearing the tickets at the gate/entrance.
7. As soon as all tickets are sold, all precautions should be taken to see that the money is secured, counted, and kept in a secure location if unable to turn into the bookkeeper.
8. The bookkeeper should reconcile this record to the revenue collected, collect all unused tickets and appropriately receipt and file the forms by activity.
9. Game Expenses-All game expenses will be paid by school check, **not** from any collected proceeds.
10. The identical procedures utilized above should be followed for all athletic events; however, primary accountability, as well as performance of specified tasks, at the discretion of the principal, may be delegated to the athletic director.

### III. **ACCOUNTING PROCEDURES**

#### **General**

It is the principal's responsibility to see that all money collected and disbursed by the school is handled in an auditable manner. The following should be the standard guidelines utilized to establish and maintain adequate records.

#### **Writing Receipts**

Writing a receipt serves to protect those who handle money as well as to provide the security of funds. It serves as documentation to prove the handling of funds. Receipting also provides for a more thorough annual audit of school funds. All persons, including teachers and staff members, are responsible and totally liable for all funds that they receipt.

1. Teachers collecting more than \$5 per student must write a receipt for each student. Teachers collecting \$5 or less per student may receipt the sum of the funds collected on one receipt, providing that there is a list of the students and the amount paid to support this receipt.
2. Only pre-numbered, duplicate receipt books will be used.
3. The bookkeeper, or another member of the school office, should keep a list of all receipt books by number and to whom each has been issued. Receipt books are to be issued to specific individuals, not to a class or group. If a teacher is replaced, then a new receipt book should be issued to the replacement. Students are not permitted to use receipt books.
4. Receipts will be issued, by the teacher or other school personnel, for all funds received by the school.
5. All monies collected by teachers must be turned into the office daily. The receipt book must be presented to the appropriate personnel for verification when turning in funds. Funds should be counted by the bookkeeper in the presence of the individual turning in the funds. This avoids any discrepancies arising over the amount submitted.
6. Every precaution must be taken to assure that receipts are not lost or stolen. In the event this does occur, the bookkeeper must submit a letter to the principal stating the nature of the incident.
7. No part of the receipt should be filled in prior to the time that the money is collected from the individual.

8. Receipts must be written in ink.
9. The activity(ies) for which the money is collected is (are) to be recorded on each receipt.
10. When any error is made on a receipt, it should be voided and a new receipt issued. When a receipt is voided, the original must remain in the book and the word "void" written across both the original and the duplicate. If the original has been removed, it must be securely replaced in the receipt book over its corresponding duplicate.
11. The duplicate pages in the receipt book must not be altered or destroyed in any way.
12. All spaces on the receipt must be filled in and the amount indicated in both letters and numerals in the appropriate space.
13. When teacher's collections for the day have been made, he/she will perform the following steps:
  - a. Count all of the money collected.
  - b. Add the amounts of all receipts written.
  - c. Assure that the total amount of money collected matches the total of the receipts written; if they do not, determine why.
  - d. Take the money and the receipt book to the secretary/bookkeeper designated to receive collections for the school.
  - e. The bookkeeper will then count the money in the presence of the teacher, verify the form totals, and sign the form that has been filled out.
  - f. The teacher will then obtain a receipt from the bookkeeper that matches the total amount of money submitted on the form. This must be done in the presence of the teacher since he/she is responsible for the money until a signed receipt is received back from the office designee.
14. Receipts should be entered into the district's accounting system (CSI) on a daily basis (for middle/high school checking accounts maintained at the school).

### **Depositing Monies**

1. All checks received and receipted should be marked for deposit only and deposited.
2. Cash should be received for any NSF or bad checks. Money for an NSF check should be re-deposited on a separate deposit slip marked "**RE-DEPOSIT**".
3. Deposits should be made at least daily or when \$100 or more is accumulated in the office.
4. Prepare deposit slips for cash/checks received. Verify amount of deposits to total of related receipts. Indicate the receipt numbers on the deposit slip.

### **Disbursements/Procurement**

All purchases of goods or services made from the pupil activity fund accounts are to be supported by either a purchase order for District centralized accounts, or by the prior submission of a "**Check Request for Payment**" form by the fund sponsor to the bookkeeper for accounts that are held by the school (for middle/high school checking accounts maintained at the school). Purchases made or committed without the prior submission of the approval form are subject to the acceptance of the billing invoice for payment by the principal, who may decline responsibility for the payment on the part of the pupil activity fund and have the vendor concerned seek settlement from other sources.

1. Checks and check requests must never be written to "cash".
2. All requests should be prepared and signed by the appropriate fund sponsor, and submitted to the bookkeeper.
3. The bookkeeper will verify the availability of funds and submit to the principal for his/her approval.
4. The individual receiving the goods is required to indicate in writing the date of receipt and his/her name on the invoice or other appropriate document.
5. Reimbursement for expenditures of personal funds must be supported by receipted billings, cash register tapes, invoices, etc.
6. All disbursements are to be made by check and approved by the principal. No cash transactions should occur.

7. Under no circumstances should the school write checks to supplement payroll by paying employees for stipends, additional duties, overtime, etc. All payments for work performed must be processed through payroll
8. Funds must not be retained on hand for the purpose of supporting a check cashing accommodation.
9. Blank checks should not be pre-signed.
11. All invoices, once paid, should be marked "Paid" and the check number recorded on the invoice. Each paid invoice should clearly state the following:
  - a. Item purchased
  - b. Purpose
  - c. Account to be charged
  - d. Person receiving the goods
  - e. Principal approval
12. Checks should be written in a sequential number order. Any checks written out of sequence must be documented and explanation remitted to the CFO on a monthly basis.
13. All disbursements should be entered into the District's accounting system (CSI) on a daily basis (for middle/high school checking accounts maintained at the school).

### **Audit Preparation**

Preparation for the annual fiscal year end audit should include provision for work space for the auditors.

The following records must be readily available to the auditors:

1. Ledgers and journals
2. Deposit slips
3. Bank statements
4. Monthly financial statements
5. Bank reconciliations
6. Reconciliation to District accounting system
7. Paid bills files
8. Receipt books
9. Records of savings accounts or investments
10. Athletic records, including ticket records
11. Any other pertinent records

## **IV. PROCEDURES SPECIFIC TO SCHOOL CHECKING ACCOUNTS**

### **Voiding of Checks**

Several sets of circumstances which may surround the voiding of checks are discussed below:

1. Voided before entry in the journal: The check should clearly be marked as "Void". Retain the check in the files with a footnote stating reason for voiding.
2. Voided after entry in the journal but prior to issue: Enter the transaction on the books as a void, mark check as "Void", and reverse the entry on the books.
3. Voided after entry in the journal and after issue: Such a situation occurs when you have knowledge that a check has been lost or destroyed and a new check is to be issued as a replacement, or that a check was issued in error. The following procedures are necessary:
  - a. Call the bank to make sure the check has not already cleared the bank.
  - b. If it has not cleared, then a stop payment must be issued.
  - c. An adjusting entry into the books should be made as in #2 above, to reverse the entry previously made by issuance of the check.
4. Voids should be entered into the District's accounting system (CSI) through the Cash Disbursements modules (Void Check feature).

### **Interest/Bank Fees and Charges**

1. Interest earned should be entered into the District's accounting system (CSI) as a receipt on a monthly basis utilizing the Cash Receipts module in CSI under Fund Ledger.
2. Fees, charges for checks, returned checks, etc., should be entered into the District's accounting system (CSI) as a "dummy" check number on a monthly basis. Dummy check numbers should only be used to process bank fees/charges/returned check fees, etc. A log should be kept of all dummy check numbers created and the purpose for the dummy check number.

### **Correction of Posting Errors**

Posting errors should be corrected by before posting if possible. If the error is discovered after the monthly posting, correction will be by adjusting entry and the

erroneous entry will remain intact. However, written notification (email) to the CFO should be given stating the nature of the error and the entry needed to correct.

### **Bank Reconciliations**

1. Bookkeepers are to perform bank reconciliations on a monthly basis.
2. There should only be one checking account established for the school activity fund for each of the middle schools and high school.
3. All banking accounts, including any investments, should be fully collateralized by the financial institution.
4. Bank statement reconciliations should be turned into the CFO with the reconciliation to the accounting system, (CSI) on a monthly basis no later than the 15<sup>th</sup> day of the following month.