

SECTION 1. ACCOUNTING AND REPORTING PROCEDURES

All schools shall use the SchoolFunds software. The school finance officer (treasurer) shall follow the procedures outlined in the SchoolFunds manual for receipts and deposits, disbursements, bank reconciliation, and other accounting procedures handled by the software package.

If there are software procedures questions the school finance officer (treasurer) should contact the help desk at TRA, Inc. The telephone number should be listed in the SchoolFunds manual.

If there are Surry County Schools accounting policies and procedures questions the school finance officer (treasurer) should contact Donna Bryant at the central office.

Receipts

All funds collected in the school shall be deposited in a bank approved by the Surry County Board of Education for each school. The superintendent of schools shall notify the bank of the persons in each school authorized to sign checks for that school and shall furnish the bank with a sample of the authorized signatures. No funds shall be expended in cash before being deposited.

Receipts shall be written using the SchoolFunds software. The finance officer shall receipt each teacher for funds collected and turned in. The funds turned in should match the receipts written by the teacher. See below for recommended procedures for receipting and collecting school funds.

1. TEACHERS WILL NOT HOLD MONEY.
2. Teachers will sign and date each receipt.
3. Teachers will receipt every student individually.
(No list will be accepted)
4. Teachers must turn in money by 2:00 p.m.each day.
5. Teachers must tum in money bag and receipt book each time monies are turned into finance officer.
6. Every receipt in your receipt book must be accounted for.
7. When monies are turned in your receipt book must match the monies that are **in** your money bag. If they do not match, the money bag and receipt book will be returned to the teacher/ coach to be corrected. **ABSOLUTELY NO EXCEPTIONS!**
8. Teachers will not send money to the finance officer via students.
9. If for any reason, monies are not turned into finance officer by 2:00 p.m. The finance officer will have the teacher to place money in bank security bag and the finance officer or an administrator will take the bag to the bank and drop in the night depository. The finance officer will go the bank the next day and sign for bag and bring back to school to make deposit. When this occurs, a record will be kept and teachers will initial each occurrence for auditing purposes.

Receipt Book Procedures

1. Write a receipt for all money collected. Please write legibly!
2. Phone numbers must be printed or written on ALL checks.
3. Monies must be *individually* received. White copy goes to student, yellow copy stays in book.
4. The receipt book must have the following completed:
 - Date of receipt
 - Name of the person from whom the funds were received
 - Amount of receipt
 - Purpose for which funds were received. Be sure to indicate check or cash.
 - Your signature/received by (ALWAYS use the name of person receipt book has been assigned. If using someone else's book, still sign their name and initial after.)
 - Keep receipt book dated chronologically and keep receipt numbers in sequential order.
 - If a mistake is made on anything except the "For", write VOID and issue a new receipt. VOIDED white and yellow copies must remain in the receipt book.
 - IF YOU RECEIPT MONEY TODAY, the money must be turned in and deposited the same day!
 - Receipt book and money should all be turned in DAILY by 2:00 p.m.

Deposits

In making a bank deposit, the school finance officer (treasurer) shall follow the procedures outlined in the SchoolFunds manual. All currency and coins shall be entered at the place designated for that purpose, and each check deposited shall be listed individually by name of the payer in which it is drawn showing the amount of each check on the deposit ticket. Before making a deposit, all checks deposited shall be endorsed on the left hand end exactly as they are drawn. If there is an error in the way the check is drawn as to the name of the payee, the check shall be endorsed exactly as drawn, with the correct endorsement entered underneath the original endorsement. It is a good policy to put a restrictive endorsement on a check, such as "For Deposit Only to the Account Of," rather than to endorse the check in blank. The bank teller shall sign or make some other designation of the receipt of the deposit on the deposit ticket and return the duplicate to the depositor.

Deposits of receipts collected shall be made daily. State law requires that monies on hand amounting to as much as two hundred fifty dollars (\$250.00) be deposited. A deposit shall be made on the last business day of the month. No large sums of money should be left in a school office. If deposits are to be made after the bank is closed the drop box at the bank may be used in order to prevent money being left at the school. The school finance officer (treasurer) shall pick up the drop box bag the next banking business day and prepare the receipt.

The principal shall designate a backup for the school finance officer (treasurer) to be authorized to make deposits in the absence of the school finance officer (treasurer).

Returned Checks

Surry County Schools uses the Federal Automated Recovery System (FARS) for returned checks. All returned checks shall be reported to FARS and they are responsible for collection. A deposit will be made by FARS to the appropriate bank account for the checks.

The school finance officer (treasurer) shall follow the procedures outlined in the SchoolFunds manual for all returned checks and re-deposits.

Stop Payments on Checks

If, for any reason, a school does not want the check honored (lost, stolen), the school shall notify the bank and issue a stop payment order.

The school finance officer (treasurer) shall follow the procedures outlined in the SchoolFunds manual.

Transfers

Transactions that do not generate increases or decreases in total assets, liabilities, or equity shall be properly accounted. Transfers are transactions that neither increase nor decrease the total accounts of a school. Transfers record the movement of money within an individual school. Below are listed two types of transfers and the possible reasons for each transfer.

Cash Transfers

- Opening or closing a savings account
- Moving money between the checking account and the investing accounts.

Account Transfers

- Profits from fund raising activities are transferred to the appropriate account where the profits are to be spent.
- Certain accounts have overspent in the past and the principal authorized transfer from the general account to eliminate the deficits.

Responsibility

Action

Principal

Principal completes Transfer Form Report
Obtains signature of club advisor or sponsor.

Principal

Reviews and signs approval.

Treasurer

Posts to the general ledger.

Posting Transfers

All transfers shall be posted to the general ledger under the appropriate funds using the SchoolFunds software.

Gate Receipts

Pre-numbered tickets shall be used for entrance into all athletic events. Each paid admittance into the event shall be given a pre-numbered ticket.

There shall be two (2) individuals who are employees of the Surry County Board of Education (on a rotating basis) at the entrance for each athletic or other event to collect the entrance fee and distribute the pre-numbered ticket.

After all collections are made, the two (2) individuals shall each count the receipts in the presence of a third party. The totals of each shall equal and the total shall equal the total of tickets distributed X entrance fee collected for the ticket. A receipt shall be written and signed by the third party for that amount. The deposit slip shall equal the receipt. The deposit of gate receipts shall follow normal deposit procedures as outlined in Item III. No funds shall be disbursed from gate receipts until after deposited in the bank.

Petty Cash

If the individual school keeps petty cash on hand it shall be reconciled at least monthly. When money is taken from petty cash a petty cash ticket shall be placed in the petty cash box. The money in the petty cash box plus the petty cash tickets shall always balance the beginning balance placed into petty cash.

Purchases and Invoices

No purchases shall be made from funds handled by the individual schools without the person or persons doing the purchasing determining if funds are available to pay for the items purchased. If funds are not available at the time the purchase is made, the purchaser shall know the funds would be available at the time the invoice is rendered and payment expected. The principal and treasurer shall determine adequate funds are available and sign the pre-audit certificate.

Invoice forms, of course, differ for practically every vendor. The individual schools shall obtain an invoice for every purchase made for which an invoice would normally be furnished. These invoices shall be checked to determine the correctness as to the items purchased, quantity, unit prices, and total amount before payment is made. If an invoice is paid within the discount period (and all should be), the discount shall be computed and deducted. The date paid and the check number shall be entered on the invoice. The invoice should be marked "approved" and initialed or signed by the authorizing person, i.e. principal.

Should the vendor be unable to furnish an invoice, the treasurer of the school fund should make one and have it signed by the vendor before payment is made. All requests for payment shall have, if possible, some documentation as to proof or purpose.

Purchase orders shall be prepared for all purchases **from school allotments** totaling \$250.00 and

greater. All outstanding purchase orders shall be maintained in an open order file and attached to the invoice and receiving report when the invoice is prepared for payment. (Purchase orders shall not be prepared for items as utilities, telephone, rentals, etc.) (Purchase orders are not required for purchases from individual school's funds; however, note the requirements for voucher packages in the following section.)

Reimbursements to the principal or the school finance officer (treasurer) shall first be approved by the finance director, superintendent, or assistant superintendent.

Voucher Packages

A voucher package is items which are required for all disbursements. Voucher packages are required to include the following:

- The pre-audit certificate signed by the school treasurer.
- Signed evidence of receipt of goods.
- Approval of payment of invoice signed by the principal.

Checkbook

No school funds shall be disbursed in cash. No check shall be issued in payment of any item for which an invoice would normally be furnished, until the invoice has been furnished to support the issuance of the check. In case some school fund or accounts, such as the Senior Class Fund, have a treasurer designated, the treasurer shall approve each invoice for expenditure from their funds, before the school finance officer (school treasurer) writes the check in payment for the invoice.

In issuing a check, the following items should be completed:

1. Check number
2. Date
3. Payee
4. Amount
5. Proper signature exactly as it is filed with the bank

The SchoolFunds software shall be used when writing all checks. No check shall ever be written in pencil. If an error is made in writing a check, it shall be voided according to the procedures outlined in the SchoolFunds manual. "Void" shall be written on the face of the check and the signature space shall be clipped out.

After a check is written in payment of an invoice, the invoice shall be marked paid with the date and check number entered on the invoice. The invoice shall then be filed in consecutive order according to the check number by which it was paid. The bank account shall be reconciled to the school's books monthly by following the procedures outlined in the SchoolFunds manual.

Payments to Employees for Extra Services Rendered

No payments to employees for extra services rendered shall be made unless first approved by the Surry County Board of Education. These payments shall be made through the central office in order to be included on the W-2 at calendar year-end.

Statement of Receipts and Disbursements Bank Reconciliation/Statement of Accounts Payable

A Statement of Receipts and Disbursements along with the Bank Reconciliation and Statement of Accounts Payable shall be completed by the school finance officer (treasurer) at each school and sent to the Finance Officer at the central office no later than the 15th of each month.

Fixed Assets

All fixed assets (items expected to have a useful life of one or more years and costing \$1,000.00 or more) shall be purchased through the central office (Surry County Board of Education-Finance Officer) and the individual school shall pay the Surry County Board of Education the total cost of the fixed asset being acquired.

Fund Raising

No individual school shall conduct a fund raising activity if its unobligated balance is greater than \$50,000.00

Sales Tax on Fund Raising

Individual schools are not sales tax exempt. The person in charge of the fund raising shall request that the vendor take care of sales tax before the school receives its profits. If this is not done, the school will have to collect and pay sales tax on the items sold.

1099 Reporting

The school treasurer or other such person shall file Form 1099 – MISC at the end of each calendar year for each person to whom they have paid at least \$600.00 in rents, services (including parts and materials), prizes and awards, and other income payments. Exceptions include (1) payments to corporations (2) payments for merchandise, and (3) payments of rent to real estate agents.

Grants

Grants of \$1,000.00 or greater received by an individual school shall be sent to the central office to be entered into the general account (earmarked for the purpose intended). A program report code shall be set up for the grant. The individual school shall follow normal purchasing procedures when making purchases from the grant funds. The purchases shall be made through the program report code established for the grant.

Escheating Checks Not Cashied

NC Escheat law requires that all checks not cashed after 1 year as of June 30 each year must be escheated. To do so follow the steps in SchoolFunds outlined below:

- Make a good faith effort to contact the owner before you escheat the check.
- Have the owner complete an affidavit (copy can be found on the Surry County Schools website under Finance). If you receive an affidavit from the owner you

can simply void the check and rewrite the check to the owner. That is all that needs to be done.

- If you do not receive an affidavit from the owner void the check and write a check made payable to NC State Treasurer for the total of the check voided and post to the original expense code from which the check was voided.
- Send the NC State Treasurer check to the school system finance officer along with a list of the voided checks.

These procedures should only be followed for those checks not cashed that are 1 year old at June 30 each year.