

INTERNAL ACCOUNTS PROCEDURES MANUAL

Sumter County School Board
Finance Department
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INTRODUCTION

This document represents the official procedures manual for the school internal fund accounts in the Sumter County School Board (SCSB). This manual supersedes all prior publications governing the administration of the internal fund accounts. The purpose of the manual is to familiarize school board employees and volunteers with what is expected in regard to financial accountability for the internal fund accounts. Any conditions that arise and are not described herein should be brought to the attention of the SCSB Finance Director (or designee). These procedures are based on Federal Law, Florida Statutes, State Board of Education Rules, Sumter County School Board Policies, Generally Accepted Accounting Principles (GAAP), and the interpretations of the State of Florida Auditor General's Office.

The State of Florida Board of Education rules identify the basic principles of internal fund accounting as follows: "Monies collected and expended within a school shall be used for financing the normal program of school activities not otherwise financed, for providing necessary and proper services and materials for school activities and for other purposes consistent with the school program as established and approved by the school board. Such funds are the responsibility of the school board and it shall be the duty of the school board to see that they are properly accounted for through use of generally recognized accounting procedures and effectively administered through adherence to internal funds policies of the school board, applicable Florida Statutes and provisions of 'Financial and Program Cost Accounting and Reporting for Florida Schools' as incorporated by reference in Rule 6A-1.001, F.A.C." (6A-1.085(1))

The recording of school financial transactions requires adherence to sound business practices. All funds handled by the schools are governed by the policies and procedures set forth in this manual, and in the rules established by the above agencies.

CHAPTER 1

SCHOOL INTERNAL FUND PRINCIPLES

PRINCIPLES

1. The Sumter County School Board is responsible for the control and supervision of internal funds of the SCSB, with the Principal having responsibility as prescribed by the School Board.
2. All SCSB employees and volunteers shall follow the rules governing the receipt, disbursement, and accounting of such funds or other assets as outlined in this manual.
3. All financial transactions of school organizations shall be accounted for in the school internal funds. All funds handled by employees of SCSB during normal working hours shall be included in and become part of the internal funds of the school unless accounted for in the district level accounting system. All organizations of the school, or operating in the name of the school, which obtain monies from the public shall be accountable to the Sumter County School Board for receipt and expenditure of those funds in the manner prescribed by the School Board.
4. School internal funds are to be used to finance a program supplementing activities provided by the District School Board.
5. School internal account funds shall be used to benefit activities authorized by the School Board of Sumter County.
6. All fund raising projects and activities by the school, by any group within, connected with, or in the name of the school shall contribute to the educational experiences of students and not be in conflict with the overall instructional program administered by the Superintendent and his/her appointed staff.
7. Student body business functions shall be conducted in such a manner as to offer a minimum of competition to the commercial firms; at the same time they shall benefit the student body.
8. Funds collected shall be expended to benefit those students in school, unless those funds are being collected for a specific documented purpose or are generated by vocational production shops. Vocational production revenue shall benefit the students or program that generated the funds or the student body. Those internal account funds designated for general purposes shall be used to benefit the student body.
9. Purchases from internal accounts shall not exceed the resources of the applicable student activity/project account, except for items acquired for resale or items

authorized by the rules of the Sumter County School Board.

10. An adequate system of internal controls shall be maintained in order to safeguard the assets of the school internal funds.
11. Collecting and expending of school internal account funds shall be in accordance with the Florida Constitution, statutes, State Board of Education rules, and the School Board of Sumter County rules. Sound business practices should be observed in all transactions.
12. See the Florida Department of Education Office of Funding and Financial Reporting manual “Financial and Program Cost Accounting and Reporting for Florida Schools” (the “Redbook”) Chapter Eight – Section I for detailed instructions regarding the principles of school internal funds.
13. In the event of violations of any of the rules established by the District School Board, the Superintendent shall be responsible for initiating such disciplinary action as may be deemed necessary.

CHAPTER 2

SCHOOL INTERNAL FUND ACCOUNT CLASSIFICATIONS

GENERAL INFORMATION

The internal fund accounting system is composed of seven (7) categories of account groups. These groups are used to account for money and property held by the school as listed below:

1. Athletics (1000 Accounts)

- A. All revenue and expenditures involving athletic business transacted at the school level shall be recorded in accounts in this classification. Monies collected in connection with athletic events and activities are generally derived from sources such as sale of tickets, game guarantees in accordance with mutual agreements, television and radio rights, program sales, concession sales at athletic events, donations, insurance premiums in trust, and other sources consistent with District School Board Rules.
- B. Includes all athletic business transactions, such as fundraisers, tournaments, and any additional non-centralized athletic activity.
- C. The athletic director shall participate in the designation of transactions to be recorded in each of the athletic accounts, with final approval by the Principal.

2. Music (2000 accounts)

- A. Proceeds from activities of musical organizations, donations to these groups, and their expenses for supplies and trips shall be recorded in this classification. Expenditures may include repair and replacement of musical instruments, uniforms, fundraising events and expenses related to competition, performances, and supplies.
- B. Collections from students for rental or maintenance of uniforms or instruments shall be recorded in separate accounts in this classification, or in trust if restricted as to use.
- C. The respective music directors shall participate in the designation of transactions to be recorded in each of the music accounts, with final approval by the Principal.

3. Classes (3000 accounts), Clubs (4000 accounts), and Departments (5000 accounts)

- A. Class and club accounts are those which support a group of students within a community of interest with a roster of members, officers, and a sponsor. Approval

for the existence of all club and class activities is the responsibility of the Principal.

- B. The sponsor of each school club or organization is responsible for providing adequate financial documents and records to the Principal and is responsible for retaining duplicates of said documents and records. These records may include an organization budget; duplicate receipts for all income from dues, fundraising activities, entertainment, assessments, or donations; and approved requests for payments.
- C. All collections received by any club or school organization must be deposited in the school internal fund.
- D. All disbursements by any club or school organization must be made by an internal fund check, with the exception of disbursements from properly established petty cash accounts. Disbursements shall be approved by the appropriate organization officer, when the organization has officers, the sponsor, and final approval by the Principal.
- E. A financial report shall be filed with the Principal's office at the close of each fundraising activity. To accommodate collection of data for this report, a separate account for the activity may be established. The organization sponsor shall participate in the designation of transactions to be recorded in each of the organization's accounts, with final approval by the Principal.
- F. Class and club monies shall be expended for the benefit of the class or club or for purposes designated by the class or club that participated in generation of the revenue.
 - i. Any remaining balance in the account of a class that has graduated shall be transferred to the General Fund account at the discretion of the Principal.
 - ii. Any remaining balance in the account of an inactive student organization shall be considered as belonging to the General Fund account and shall be closed at the end of the following school year.
 - iii. No Class or Club account may be overdrawn at the end of the school year. Refer to 12-4 for loss of funds.
 - iv. No off campus clubs may be permitted to carry accounts on school activity account books.
- G. Departments may be structured similarly to classes and shall conduct financial activities subject to the above.

H. Retention of Financial Records - Records which are maintained as part of school internal funds and public records under Florida Statutes may not be destroyed or otherwise disposed of without specific authorization. All requests for disposition of school internal fund records after completion of an audit shall be referred to the staff members designated by the Superintendent to manage records retention. Records shall not be destroyed without written authorization. Copies are not subject to the records retention law.

4. Trust (6000 accounts)

A. Funds that are collected for a specific, restricted purpose shall be accounted for in a trust account.

B. Trust funds shall be expended only for the purpose for which collected. When the purpose of the trust fund has been accomplished or becomes inoperative, unused trust funds shall be returned to the person(s) from whom collected, if practicable. Donors may designate an alternative purpose. Funds that cannot be returned shall be transferred to the General Fund account.

C. At no time shall a trust account have a deficit.

D. If a school organization undertakes a project extending beyond the current fiscal year, or receives a restricted donation to be used over a period of time beyond the year in which received, the funds must be held in a trust account.

E. Collections for the SCSB district office, such as course fees, reimbursement for damages, or Extended Day program collections, are trust funds. Collections for specific school use, such as scholarships, field trips, and special purchase projects, are trust funds. Sales tax collected for the State is also a trust account.

5. General (7000 accounts)

A. This category encompasses all other accounts for funds which are to be utilized for the general welfare of the student body.

B. Separate accounts shall be maintained for activities such as the school store and other activities when it is good business practice to separately monitor the financial status of the activity. Activities not accounted for separately shall be recorded in the General Fund account.

C. Revenue sources may include items such as school picture commissions, concessions, vending machines, school store profits, and investment account interest.

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All transactions involving these accounts are to be handled through the office of the School Principal. Additionally, all records pertaining to the transactions involving these accounts are subject to review by the Auditor, and must be maintained with the internal accounts files.

CHAPTER 3

SCHOOL INTERNAL FUND GENERAL PRACTICES AND
CHART OF ACCOUNTS GUIDELINES

GENERAL PRACTICES

1. Purchases from the internal fund accounts must be authorized in writing by the school Principal. Neither the school nor the Sumter County School Board shall be liable for any purchases made in the name of the school without prior written approval. Any person who makes an unauthorized purchase, including signing a contract, shall be held personally liable for the amount of the obligation.
2. Promissory notes, installment contracts or lease purchase agreements shall not be executed in the name of a school or any school organization except as authorized by the Sumter County School Board.
3. Internal funds shall not be used to cash checks to accommodate individuals, make any kind of loans, pay any form of compensation directly to employees, or extend credit. Employees of the district who are compensated for additional services, such as game personnel to work at athletic events, shall be paid through the SCSB Payroll department.
4. Internal funds shall be accounted for on the same fiscal year basis as all other school district funds. No school organization shall make expenditures that exceed the cash resources available to that organization. All accounts payable shall be disclosed at year end.
5. Account balances shall be subject to limits which the Sumter County School Board may prescribe.
6. Contact Finance immediately if there is a loss, suspected loss or misuse of funds.
7. See Redbook Chapter Eight – Section III for detailed instructions.

CHART OF ACCOUNTS – GENERAL GUIDELINES

Account Numbers	Account Name
General Ledger:	
1111	Checking Account
1112	Petty Cash
1113	Change Funds
1115	Savings/Money Market
1116	Certificates of Deposit
116X	Investments
2120	Accounts Payable
2260	Sales Tax Payable
2769	Fund Balance
Revenue and Expenditures:	
1XXX	Athletics
2XXX	Music
3XXX	Classes
4XXX	Clubs
5XXX	Departments
6XXX	Trust Accounts
7XXX	General

CHAPTER 4

CONTROL OF CASH RESOURCES

BANK ACCOUNTS

1. Titling Guidelines

A. Depositories in which the internal fund accounts are kept must be a qualified public depository.

B. Each school shall have only one checking account, which shall be titled:

(SCHOOL NAME), Internal Fund
SCHOOL DISTRICT OF SUMTER COUNTY, FLORIDA

This account title must be imprinted on all internal fund checks and deposit slips. In addition, the following two statements must appear on all checks:

“TWO SIGNATURES REQUIRED”

C. Savings or investment accounts shall be titled in the same manner as above.

2. New Account Guidelines

A. To open an account:

i. Send a memo or an email from the Principal or designee to the Finance Director, requesting permission to open the new account.

ii. Include the following:

a. Date

b. Name of the school

c. Name, address and telephone number of the bank where the account will be located

d. Type of account(s)

iii. Clearly identify the proposed authorized signers.

iv. If changing banks, clearly identify the current and the proposed bank.

B. Upon receiving approval from the Finance Director, the Principal will send a letter to the bank authorizing the account to be opened or moved. The letter will contain the information listed above. In addition, a copy of the letter will be sent to the Finance Director.

3. Closing/Changing Bank Accounts

After a school has secured permission from the Finance Director to change banking institutions and all checks have cleared the old account:

- A. Request from the old bank a check written to the school for the balance in the account. The amount received is to be reconciled (interest earned and service charges) to the figure that the school has in the general ledger and trial balance.
- B. After receipting the funds, prepare a separate deposit slip for this receipt. This will ensure a clear audit trail of this transaction.
- C. Call the Finance Department for detailed posting instructions.

4. Authorized Signature Guidelines

- A. To add, delete or change the names of individuals who are authorized signers on any of your bank accounts:
 - i. Send a memo or an email from the Principal or designee to the Finance Director.
 - ii. Include the following:
 - a. Date
 - b. Name of school
 - c. Name of the bank where the account is located
 - d. Type of account(s)
 - e. Account number(s)
 - f. Identify the current and proposed authorized signers
- B. Upon receiving approval from the Finance Director, the Principal will send a letter to the bank authorizing the requested changes. In addition, a copy of the letter will be sent to the Finance Director. The school Principal or designee may then go to the bank and complete the necessary paperwork for the changing of the signatures.

5. Check Signature Guidelines

- A. Each account shall have at least two authorized check signers, one of whom must be the principal. These names shall be kept on file for audit. All checks must be signed with two signatures as prescribed by the principal if not prescribed by the school board rule.
- B. The principal is responsible for all financial transactions and proper check signatures.

- C. Under no circumstances shall checks be pre-signed. At the time of signature, checks should be completed in entirety with date, payee, and amount. No check should be signed that is incomplete in any way.

6. Investment Guidelines

- A. Funds which are temporarily idle (i.e. not required for disbursements for thirty (30) days or more) shall, as required by law, be invested pursuant to policy of the Sumter County School Board using any investment legal for public funds, and may not exceed insurance protection or other legal collateral limits. Prior written approval is required as detailed in 2A above.
- B. All funds invested or placed on deposit shall earn the maximum possible yield under the circumstances.
- C. Prior to initiating an investment, a memo or an email from the Principal or designee shall be sent to the Finance Director. Procedures outlined in procedure 2 above (New Account Guidelines) should be followed when initiating an investment.
- D. Interest earned on the investment of funds from internal accounts shall be posted to the Investment Interest Fund . Interest earned on investments that is not sent to the school in the form of a check shall be posted to the above internal account immediately upon notification of the amount earned.

7. Check Guidelines

- A. Approved pre-numbered checks shall be used as the means for disbursing funds, and as the basis for accounting entries, with the exception of disbursements from properly established petty cash funds.
- B. Unused pre-numbered checks shall be secured in a fire retardant area (safe). Cancelled checks must be secured in a locked filing cabinet.
- C. It is recommended that only a one-year check supply be purchased at a time. When new checks are received, the beginning and ending check numbers are to be recorded on a check log form. A copy of the original invoice must be maintained for audit review.

8. Void Check Guidelines

- A. Erasures or alterations of a check are prohibited. When an error is made in processing a check, or for some reason the document is spoiled, it shall be marked "VOID", the signature section of the check properly defaced (i.e. the signature block removed) and a new check prepared. All voided/spoiled checks must be retained and filed in numerical order with the canceled checks.

- B. Checks that have not been cashed within 180 days should not be voided until they have been unclaimed for 360 days and the proper procedures have been followed for stale-dated checks. See the “Outstanding Checks – Stale Dated Checks” section below.

9. Bank Reconciliation Guidelines

- A. A manual bank reconciliation form will be prepared monthly. The bank statement shall be reconciled as soon as received, preferably by an employee other than the person who receipts and disburses funds. The bank reconciliation must be signed and dated by both the preparer and the Principal.
- B. The cash and investment accounts shall agree to the balances as seen on the trial balance report.
- C. If there are reconciling amount(s) reported, the item(s) that make up this total are to be identified with supporting documentation maintained. In addition, all actions (i.e. adjustments) taken to correct an out-of-balance situation shall be documented with appropriate prior approvals.
- D. Interest earned and service charges should be recorded in the internal fund computerized accounting system before completion of the bank reconciliation.

NON-SUFFICIENT FUND (NSF) CHECK PROCEDURES

Procedures to Redeem NSF Checks

1. The school Principal is responsible for seeking reimbursement for any unpaid check returned by the bank. Upon receipt of the notification of a returned item, the following steps must be taken:
 - A. Within five (5) business days of receiving notification of a returned item, attempt to contact the maker of the check by telephone and request that the school be redeemed with cash, money order, or other form of guaranteed payment.
 - B. An NSF returned check log form shall be completed and maintained to document all contacts. Log entries shall include date, person contacted and brief description of results.
 - C. If the above steps fail to secure payment within ten (10) days after the contact date on the NSF returned check log form, a certified letter on school letterhead shall be sent to the maker of the NSF check to attempt collection.
 - D. The returned item shall be stored in the school safe until collected or declared uncollectible.

2. Re-deposits

- A. The returned check may be re-deposited only once at the request of the maker.
- B. Do not surrender the NSF check except in return for cash, money order, or other form of guaranteed payment.
- C. Do not issue a receipt for the replacement funds.
- D. Funds collected (amount of the NSF check) shall be re-deposited as a separate item to ensure proper accountability.
- E. Re-deposit the NSF check or collected cash by preparing a separate deposit slip marked "re-deposit." Identify by listing the maker's name on the deposit slip.

3. Collect any bank charges incurred plus any service charge if applicable.

- A. All fees charged by the bank shall be posted to the General Fund account.
- B. Issue a receipt to the maker of the NSF check only for the bank service charge if collected. Credit the collection to the General Fund account to offset the bank charges.

4. Procedures for uncollectible returned checks

- A. If the check has not been redeemed and re-deposited by the end of the following month, an adjustment must be made prior to preparing the bank reconciliation.
- B. Reduce the checking account and post the amount of the uncollected check as an NSF expense to the original project.
- C. A check can be declared uncollectible and written off the books only by review and approval of the Finance Director. This action will be taken only after every legal and reasonable effort at collection by the Principal has been exhausted. All NSF checks deemed uncollectible and written off at the school level must be maintained in a separate file and secured pending audit review.
- D. The Principal may require payment for school obligations in cash, money order, or other form of guaranteed payment if it is deemed necessary.

OUTSTANDING CHECKS - STALE-DATED CHECKS

1. Stale-dated checks are checks that have been outstanding for more than 180 days.
2. According to Florida Statute 717.117 – Report of Abandoned Property: “Credit balances, customer overpayments, security deposits, and refunds having a value of less than \$10 shall not be presumed abandoned.”
3. Review the internal accounts computer-generated outstanding check report for checks that are identified as outstanding 180+ days.
4. Send an outstanding check letter to the owner (payee) of the stale-dated check. The notice is required to be sent from the school in order to attempt to clear the item.
5. If the payee requests a replacement check:
 - A. Void the unprocessed check in the system.
 - B. Re-issue a new check referencing the old check.
 - C. Reference the new check number on the voucher packet of the voided check.
6. **For all stale-dated checks in the amount of \$10.00** or more that have been Outstanding 360+ days and no response has been received to the outstanding check letter, the following action is required:
 - A. Prepare a list of the non-responsive outstanding checks that includes the following information:
 - i. Check number
 - ii. Date
 - iii. Check payee name
 - iv. Address
 - v. Amount
 - vi. Social security number or tax I.D. number (if available)
 - B. Have the Principal sign the list of non-responsive outstanding checks, authorizing remittance to the district.
 - C. Void the checks in the internal fund computerized accounting system.

- D. Place a stop payment on the check(s), if not cost prohibitive.
 - E. Create a voucher packet including the following:
 - i. A check (charged to the original account) to be remitted to the Sumter County School District for the amount of the check(s)
 - ii. The signed list of voided, non-responsive outstanding checks
 - iii. Copies of letters sent to payee of check
 - F. Make two complete copies of the above packet and distribute as follows:
 - i. Send the original packet with the internal fund check made payable to the Sumter County School District to the Finance department.
 - ii. Keep one packet copy for your records. NOTE: Include a copy of the Sumter County School District check.
 - iii. The Finance department, in compliance with Florida Statute, will then compile all of the information and send it with a check to the State of Florida where it is reported as abandoned property.
 - iv. If the school should have any contact from the owner of the stale-dated check after the money is sent to the State, contact the Finance department for the telephone number at the State office, so the owner can retrieve the money.
7. If the school does not receive a response to the request for outstanding check letter within thirty (30) days from the date of the notice, any outstanding check that is 360+ days **and is less than \$10.00 shall be written off with the following procedures:**
- A. Have the Principal give written authorization to write off the stale-dated check.
 - B. Void the check in the internal fund computerized accounting system.
 - C. Maintain the voided check voucher including all supporting documentation on file at the school and have available for audit review.

CHAPTER 5

RECEIPTS AND DEPOSITS

CASH COLLECTIONS AND DEPOSITS – GENERAL GUIDELINES

1. All monies collected by the school must be substantiated by signed pre-numbered receipts, reports of monies collected, pre-numbered tickets, reports of tickets issued and sold, fee management report or other auditable records.
2. Collections made outside of the school office should be turned in to the school office in a timely manner, one hundred percent (100%) intact. When collections exceed fifty (\$50) dollars, it must be turned in daily. Money should be counted by the Bookkeeper in the presence of the person submitting it, and the appropriate deposit form signed at that time. In no event may monies be held for longer than five (5) business days

Teachers and staff members should never turn over undocumented funds to the bookkeeper or have the bookkeeper write up the deposit verification form. The deposit form or fee management report is the transfer document, transferring the responsibility of the funds from one staff member to another. When funds are transferred, both parties should initial to acknowledge the funds transferred agree with the deposit form.

3. In the event of an evening activity, the money, which has been counted and verified by a second person, should be turned over to the school administrator supervising the activity to be placed in the school safe or night depository. The school Bookkeeper should recount the money the next business day. Whenever possible this should be done in the presence of and verified by another individual. Under no circumstances shall funds be left in an unsecure location.
4. In no event should money ever be left unlocked in the school overnight.
5. **All funds are the employees responsibility until receipted by the Bookkeeper. Any employee who fails to turn in funds may be held liable for any loss.**
6. All money collected and receipted by the school office must be deposited intact to a depository as frequently as feasible and dictated by sound business practices. Daily bank deposits are recommended. In any event, funds must be deposited intact to a depository within three (3) business days after collection, as well as on the last banking day of each month. Money should be locked in the school safe when it is necessary to hold it overnight at the school.
7. Employees' personal checks may not be substituted for cash.
8. All deposits must equal the total amount of money taken in and recorded on

consecutively numbered cash receipts, or listed as individual collections under \$30.00 on the deposit form or fee management report, if applicable, for the period covered by the deposit. Any funds, which cannot be identified, will be receipted to the General Fund account (7XX).

DEPARTMENTAL RECEIPT BOOKS

1. District approved pre-numbered departmental receipt forms shall be used as the means of recording money received when a parent or student pays \$30.00 or more.
2. Departmental receipts are not to be used in lieu of the internal fund accounting system official receipts.
3. Receipting documents are pre-numbered and will be controlled by logging them in and out of the applicable inventory log. The receipting documents issued to the school shall be used sequentially and maintained on a master inventory.
4. The Bookkeeper is responsible for cross-referencing the internal fund accounting system official receipt number, date, and total dollar amount to the identified source document and vice versa.
5. Departmental receipt books that have been used should be turned in at the end of the fiscal year, even if unused receipts remain.
6. Outside service organizations (i.e. PTO/PTA) or other parent groups are prohibited from using departmental receipt books that have been assigned to the schools.
7. Students may not fill out departmental receipt books.
8. The bookkeeper shall question any missing receipts and monitor the receipting process.
9. To ensure compliance for audit, all pre-numbered receipting documents or unused portions thereof must be returned to the Bookkeeper at the end of the stated purpose for collection, but no later than the end of each of each fiscal year. If the last receipt has been issued in the departmental receipt book, the book must be turned into the Bookkeeper at that time.
10. All departmental receipt books must be sent to the Bookkeeper to be held with the school's annual audit documentation, or immediately upon request by the auditor.

11. In the event that a departmental receipt book is lost, and after every effort to locate the book has been taken, the following procedures are required:

- i. The teacher or sponsor who was responsible for the departmental receipt book will write, sign and date a statement indicating that the book has been lost, and that all monies collected have been turned in to the school's Bookkeeper. This statement must include the beginning and ending receipt numbers from the lost book.
- ii. The statement will be reviewed, signed and dated by the Principal.
- iii. The statement will be filed with the Bookkeeper, and a copy included with the records that are held for examination by the auditor, as described in item 10.

RECEIPTING PROCEDURES

1. Funds Collected Outside of the Business Office:

A. Funds submitted to the business office for receipt and deposit must be accompanied by an official SCSB receipting document as detailed below:

- i. Departmental receipt books – These receipts are generally used for, but not limited to, club dues, yearbook ads, and sales.
- ii. Individual collection listings contained within the deposit verification form are used when collecting money from a group, and the individual amounts are less than \$30.00. Examples would be class field trips, athletic insurance fees, candy sales, etc.
- iii. Ticket sales report form details the sale and use of tickets.
- iv. Fee management report

B. The original departmental receipt, prepared in ink, is to be given to the payer. One carbon copy is turned in with the deposit verification form and is to be kept with the deposit receipt. One carbon copy must remain in the departmental receipt book. Alterations may not be made to any copy; if an error is made, the original receipt and carbon copies must be left in the departmental receipt book, with "VOID" written in ink across the front, and a corrected receipt issued.

C. If tickets sales form is used, refer to Chapter 15

D. If Fee Management is used, the transaction is recorded in Fee Management. A double receipt is printed, and one half is cut and given to the payer. The other half

is retained for record purposes. The Fee Management report will combine all transactions.

2. Bookkeeper Receipting Responsibilities:

- A. All funds collected must be reported on the appropriate deposit form, which will serve as the supporting documentation for the official receipt. The deposit verification form should break down the monies received by checks, currency, and change. The deposit verification form should be readily verified to both the departmental receipts (or listing of individual collections under \$30.00, if applicable) and official receipts. When departmental receipts are required the receipt numbers must be listed on the deposit verification form. When funds and forms are transferred from one person to another, both parties should initial to acknowledge that they agree that the funds match the amount listed on the form.
 - i. The teacher or sponsor who has collected the monies will turn them in to the Bookkeeper, per the procedures listed in the “Cash Collections and Deposits – General Guidelines” section above. The Bookkeeper shall then count all monies collected, in the presence of the teacher or sponsor, and complete the deposit verification form in its entirety.
 - ii. The pink copy of the deposit verification form will be given to the teacher or sponsor, who is to keep the form for three (3) years after it has been audited. The white copy of the deposit verification form shall be included in the deposit packets, as explained in the next section.
- B. All funds received must be recorded in the internal fund accounting system from a deposit recap sheet, breaking down the deposit by the accounts to which it should be posted to. An official receipt should be generated for each club or account represented on the deposit. Official receipts are pre-numbered by the internal fund accounting system and may not be altered.
 - i. The Bookkeeper should print the official receipts.
 - ii. The top portions of the receipts should be signed by the Bookkeeper and stapled to the yellow copies of the deposit verification sheets, both of which are then given back to the teacher. The bottom portions of the receipts are then filed in numerical order and retained for audit purposes.
 - iii. When fee management is used, the collector of the funds should print out a Fee Management report to be submitted with forms. The Bookkeeper verifies the totals listed on the report with the funds that are collected.
- C. The Principal’s written approval is required for all voided receipts. This can be accomplished by printing the receipt prior to voiding and having the Principal

sign the receipt. A separate file shall be maintained of all voided receipts for auditing purposes.

DEPOSIT PROCEDURES

1. For each deposit, internal fund accounting system official receipts shall be printed and a bank deposit slip completed in duplicate. The total amount of the deposit must equal the sum of the official receipt(s), as well as the total of the report of deposit verification form(s).
2. All checks received shall be deposited with a restrictive endorsement of “For Deposit Only” and specifying the account title and number. This is best done with a rubber stamp. Checks should be stamped with this endorsement promptly upon receipt by the bookkeeper.
3. On the deposit slip, each check needs to be listed, clearly identifying the maker. However, in some instances the listing of each check on the deposit slip may be impractical, due to the volume of checks involved. In lieu of this process, you may opt to use the following procedure:
 - A. The Bookkeeper shall run an adding machine tape of all checks being deposited in the batch manner, and affix the tape to the checks. A written note shall be added to the bank deposit slip saying “see attached tape”.
 - B. A copy of the adding machine tape shall be stapled to the duplicate copy of the bank deposit slip.
4. Each completed deposit packet shall contain the following:
 - A. Bank validation slip
 - B. A completed deposit slip, with copy of batch adding machine tape (if applicable)
 - C. Copy of official receipt
 - D. Copy/copies of all appropriate deposit forms
5. The Principal shall be notified immediately of any errors in deposits, and shall take appropriate action to ensure the correction.
6. All deposit information shall be maintained at the school, in date order, for audit review purposes.

CHAPTER 6

REFUNDS

REFUND PROCESS

1. Authorization for refund must be given in writing to the Bookkeeper by the Principal or designee. Prior to obtaining Principal authorization, the sponsor/teacher must also authorize the payment and verify the amount of the refund.
2. Every effort should be made to obtain the original receipt before a refund is made. In the event that the original receipt is not available or the funds were collected on a signature sheet, the Bookkeeper shall verify the original receipt and reference it on the refund documentation.
3. Student refunds shall be made by a check payable to the parent/guardian whenever feasible.
4. In the event of refunds that are going to ten or more students, it is permissible to write a check to the sponsor/teacher for the total amount to be refunded. The check would then be cashed and each student would sign his/her name and the amount received on a report of cash disbursed form, which would become part of the documentation for that check. Reference must be made to original source documents.
5. If the refund is small and/or isolated, the amount may be paid out of the internal petty cash fund. Refund documentation shall be completed to provide appropriate supporting paperwork.

CHAPTER 7

PURCHASING AND EXPENDITURES

PURCHASING

1. No teacher, sponsor, or other SCSB personnel may obligate school funds by purchasing materials or services without prior approval of the principal, or his/her designee.
2. All SCSB Purchasing Policies (6320) should be observed when making purchases through Internal Accounts. Quotations may be requested by telephone or in writing as the situation requires. Written quotations should be solicited for all purchases ranging from fifteen thousand dollars (\$15,000) to fifty thousand (\$50,000). All items where the item or group of items exceed fifty thousand (\$50,000) dollars shall be made on the basis of competitive sealed bids. Please refer to SCSB Purchasing Policy (6320) for specific details on purchasing. All purchases above \$15,000.00 must be approved by the District.

In the instances where bids or quotations are not required does not in any way imply that they should not be requested for any purchases where it would appear to be advantageous to do so. All purchases should be made in accordance with good business practices. Contact the SCSB Finance department for assistance before purchasing any items that could be obtained in a more fiscally conscientious manner by utilizing the bid process.

3. Personal Use- Board employees or others shall not make purchases for personal use through a student body or county office in order to take advantage of purchasing privileges such as price discounts, tax exemptions, etc. Any discounts, merchandise, rebates or such shall be given to the school and not to the employee. Employees shall accept no gratuities, gifts or favors that might impair or appear to impair their judgment in carrying out assigned duties.
4. Purchase Orders
(Internal Accounts PO's should be issued for any purchase over \$100)
 - A. The purchase order is the school's official notification to the vendor that goods or services are being requested. Based upon a properly prepared and approved purchase requisition, the purchase order is to be completed and signed by the Principal.
 - B. One copy of the purchase order shall be sent to the vendor (not required for refunds or reimbursements), and the remaining copies are to be retained at the school.
 - C. The exact unit price and total amount shall be shown on the purchase order. If the

exact amount is not available, insert an “approximate” or “not to exceed” amount. The “approximate” or “not to exceed” amount shall be a reasonable estimate. If there are more than five lines of entry; it is permissible to write “See Attached” on the purchase order, and include a detailed written list of all items being purchased.

NOTE: An amount must be documented in the “Total” column on the purchase order.

- D. A purchase order shall identify the items being purchased. If this information is not known, the purchase order must restrict the types of items purchased and limit the amount. (Example: maintenance supplies, not to exceed.)
- E. Recurring expenses may be covered by an “open” or “blanket” purchase order. Purchases such as soft drinks for vending machines, school store supplies, and other items regularly purchased may be handled by an open or blanket purchase order for either a specified time period (not to exceed June 30 of any year) or a specified monetary limit. A copy of the open or blanket purchase order must be on file for audit purposes. Each payment made for the open or blanket purchase order should reference the purchase order number, and should include a copy of the open or blanket purchase order. As stated above, the open or blanket purchase order is to be printed and signed by the Principal, in advance of any purchases.

EXPENDITURES – GENERAL INFORMATION

- 1. Where expenditures require prior authorization, schools should anticipate needs in time to permit processing and proper clearance of written authorization requests. Expenditures shall not be made until authorization has been cleared by the principal. Oral requests for authorization may be granted. All authorizations for expenditures shall expire thirty (30) days after date of approval.
- 2. Expenditures which require prior authorization by the Superintendent
 - A. All equipment costing one thousand dollars (\$1,000.00) and over (a series of similar purchases does not set aside this limit);
 - B. All equipment, whether purchased, rented, or borrowed, which is to be attached to the building or major equipment which requires use of public utilities;
 - C. Buildings, permanent attachments to buildings, or other structures;
 - D. Risers and bleachers or equipment involving risks;
 - E. Purchases made from any employee of the school system;

- F. Salaries; and
 - G. Membership in and contributions to any out-of-school organizations.
3. Expenditures without Prior Authorization - Principals or their duly authorized representatives shall be permitted to make the following types of expenditures from school internal account funds without prior authorization by the Superintendent:
- A. Equipment costing less than one thousand (\$1,000.00) (except that which is to be attached to the building or major equipment which requires the use of public utilities, other than electric office equipment or fans),supplies, forms and postage, etc. See chapter on facilities;
 - B. Repair, moving, and maintenance of equipment;
 - C. Purchases of merchandise sold in student body stores;
 - D. Dues of student organizations;
 - E. Entertainments;
 - F. Publications;
 - G. Instructional materials;
 - H. Athletic supplies and services;
 - I. Materials for sale to students enrolled in shop, arts, and craft classes;
 - J. Laundry;
 - K. Towels;
 - L. Sanitary service;
 - M. General student body expenses not otherwise restricted;
 - N. Custodial supplies and equipment; and
 - O. Gifts or honoraria to individuals from class or club funds [should not exceed one hundred (\$100.00) dollars].

4. Prohibited Expenditures - Expenditures for the following items shall not be made from student activity funds unless expended from trust funds collected for that purpose. An exception can be made by a majority vote of a student activity.
 - A. Equipment, supplies, forms, and postage for curricular or classroom use for which School Board funds are available;
 - B. Repair or maintenance of School Board equipment for which budgeted funds are available;
 - C. Professional books and magazines, except for school professional libraries, and personal membership in professional organizations (except for teacher's organizations when collected from teachers and deposited in trust funds for this purpose);
 - D. Articles for the personal use of School Board employees or other persons;
 - E. Equipment, supplies, and service for rooms and areas not used primarily for student body benefits, unless raised specifically through employees or other persons or authorized by student organization.
 - F. Contributions to fund-raising drives (except those contributions collected for the specific purpose)
 - G. Gift cards, unless given to students. The only time it would be permissible to give gift cards to staff would be if they were purchased from the staff vending or staff cheer fund accounts. A log should be maintained with signatures of students or staff, acknowledging receipt of the card. A detailed explanation of the purchase should be attached to the purchase documentation. Gift cards given to staff must follow IRS guidelines for gift cards. Please consult the District's Gift Card Procedures. Contact the payroll department for further information.
5. Disbursements for any group shall not exceed the cash resources. Before an account is authorized to incur obligations for services, equipment, or supplies, the Principal should verify that the account to be charged has a sufficient cash balance to cover the request for disbursement or verify that other cash resources are available.
6. Documentation \ Requirements
 - A. Expenditures must be properly documented. Details of each transaction shall:
 - i. Be totally self-supporting
 - ii. Contain information that is accurate

- iii. Provide the validity of the expenditure process
 - iv. Ensure that the required written approvals are obtained
- B. Upon receipt of goods, services or supplies, personnel will verify all items/services were received. If all is as ordered, then the invoice will be signed and dated by the person who receives the items thus authorizing payment. The invoice should indicate the **date the goods or services were received**, not the date of the actual approval. Any discrepancies shall be brought to the attention of the Bookkeeper immediately so as to rectify the situation in a timely manner prior to any voucher being processed for payment. Documentation to support communication with the vendor and to clear all discrepancies shall be maintained.
- C. The invoice and purchase order, if required, shall be cross-checked, to verify that the amounts are the same on both documents. Again, any discrepancies shall be brought to the attention of the Bookkeeper immediately so as to rectify the situation in a timely manner prior to any voucher being processed for payment.
- D. Payments shall be made by school check.
- E. The principal shall make disbursements only after receiving a properly executed check request with proper accounting support attached. This request for check shall originate with the activity sponsor who shall fill out the form, attach the proper accounting support papers, and forward them to the principal for his/her approval. The principal, in turn, will forward all approved requests for checks to the bookkeeper in order that a check may be prepared.
- F. Checks shall not be made payable to “Cash” for any reason.
- G. When payment is made:
- i. The invoice/receipt and the voucher packet, as noted below, shall be filed in check number sequence.
 - ii. In the event that a discount is offered, the expenditure is to be paid timely to take advantage of said discount.
- H. Invoices should reflect the following:
- i. Vendor’s name and business location
 - ii. Date of purchase

- iii. Detailed description of merchandise/services
- iv. Quantity
- v. Unit price
- vi. Total cost
- vii. Purchase order number/invoice number
- viii. Florida sales tax must be included on invoice by vendor, when applicable

I. Documentation to support all expenditures shall be organized as follows:

- i. Purchase order, if required.
- ii. Check requisition or other written approvals required for the expenditure
- iii. Original, itemized and approved invoice/receipt

J. For all club accounts and class accounts with elected officers, prior written approvals by the Principal and sponsor are required.

SCHOOL INTERNAL ACCOUNTS PURCHASING CARD (CREDIT CARD)

DEBIT CARDS AND STORE CREDIT CARDS

1. **The use of bank debit cards and store credit cards should only be used as a last resort.** There is a higher risk associated with unapproved purchases and fraud when using the bank debit cards and store credit cards.
The State of Florida Red Book states that “Insofar as practicable, all purchases shall be based on contracts, purchasing card systems, electronic procurements or purchase orders.” Each of these methods should be pre-approved by the principal, which should facilitate compliance with requirements for effective internal control of cash disbursements.
2. Finance will review all debit/credit card purchases. A credit card receipt tracking form, copy of credit card bill and copies of receipts must be completed and submitted to Finance with your monthly bank statement or ten days after the bill is available. Submit these reports via the Finance Drop box, J:\SCO:Finance DropBox\Accounts Payable(school name)\ Year. Name these reports with the year-month-CC. Example: 2019-10-CC (October 2019 credit card).

Sumter Internal Accounts Procedures Manual

3. All SCSB purchasing card procedures shall also be observed by users of school internal accounts purchasing cards. The SCSB Purchasing Card Log form should be used by schools for internal accounts cards that are given to teachers for temporary use. The SCSB Cardholder Acceptance Form User Agreement should be **read and signed by everyone who uses the school internal accounts credit card.** These forms should be kept on file in the office of the principal.

Both of the above forms can be obtained from the SCSB website.

Please contact Accounts Payable in the Finance department if you have any questions concerning the use of the credit card.

CHAPTER 8

SALES TAX

GENERAL REQUIREMENTS AND COLLECTION OF SALES TAX

1. Purchases made for educational purposes are generally exempt from State sales tax. In order to make tax-free purchases of materials and supplies for the school, provided such materials and supplies are purchased for use by the school for its customary educational activities, sales tax exemption number 85-8012622361C-8 should be furnished to the supplier at the time of purchase.
2. **The sales tax exemption number may not be used by any other organizations or individuals.**
3. The following items are exempt from sales tax:
 - A. Candy and similar items, including loose, bulk and individually packaged candy and similar items when sold for less than \$0.25. When a single sale of several packages priced at less than \$0.25 each exceeds \$0.25 in total, the entire sale is taxable.
 - B. Groceries, including the following: Bakery products, berries, bread, butter, canned food, cereal and cereal products, cocoa, coffee, condiments, desserts, eggs, fish and fish products, flour, fruit juices, meats, melons, nuts, dairy products, etc.
 - C. Foods and drinks sold to students and faculty of elementary, middle, and high schools through vending machines located in dining rooms, lunch rooms or cafeterias operated on the premises.
 - D. School meals sold at elementary, middle, and high schools to regularly enrolled students.
 - E. School photographs for use in students' yearbooks if the purchase is made from school funds. If purchased by students, the sale is taxable.
 - F. Band uniforms, athletic uniforms and equipment, caps and gowns, and other items of clothing bought and paid for by a school with ownership and title remaining in the school. (The sale, lease, or rental of these items is taxable.)
 - G. Purchases of materials and supplies for the schools, provided such materials and supplies are purchased for use by the schools in the customary educational activities.

- H. Admissions to athletic or other events held by elementary, middle and high schools when student and/or faculty talent is utilized.
 - I. Labor, parts, and materials used and actually incorporated into and becoming a component part of tangible personal property in rebuilding, repairing, or reconditioning same for resale. (Sales tax is recognized when the item is sold.)
 - J. The sale of school books, including printed textbooks and workbooks containing printed instructional materials and questions and answers for school purposes and used in regularly prescribed courses of study in public schools.
 - K. Annuals (yearbooks) are considered school books and are exempt.
4. The following items are taxable:
- A. Chewing gum, soft drinks, and vegetable coloring.
 - B. The sale of food and beverages to students and faculty of elementary, middle and high schools through vending machines located anywhere in the school except for cafeterias, lunchrooms or dining rooms. Remit the tax due to the vendor when paying the invoice.
 - C. Tangible personal property sold outright or rented through the school to students is taxable based on delivery cost to the school or taxable amount charged the students upon sale or rental. Student photographs, candies, confections, and novelties sold to students or the public for fundraising purposes come within this rule.
 - D. Barbecues, fish fries, and similar fundraisers are taxable, even if the entire proceeds are used for charitable purposes.
 - E. The sale of school materials and supplies is taxable regardless of by whom sold. The sale of goods from the school store falls within this rule.
 - F. The sale of photographs by photographers for use in student yearbooks, if the purchase and payment is made by the student.
 - G. The sale, lease, or rental of band uniforms, athletic uniforms and equipment, caps and gowns, and other similar items.
 - H. The rental of school facilities to an outside organization that is not tax exempt.

SUBMISSION OF SALES TAX

1. For sales-taxable expenditures made from school internal accounts, the school shall indicate the following on the purchase order:
 - A. Cross through the district's tax-exempt number.
 - B. Write boldly on the purchase order, "Purchase is a taxable item; therefore, Florida sales tax must be included on the invoice."
2. If a State of Florida registered vendor does not include Florida sales tax on a purchase subject to sales tax, the school shall compute the applicable tax, add it to the invoice, and include the full amount in its remittance to the vendor.
3. Purchases from an out-of-state vendor who is not registered to do business and collect tax in Florida should be avoided. Only those vendors who are registered to do business and collect tax in Florida should be used.
4. **If sales tax is collected, a Report of Taxable Sales and a check made payable to Sumter County School Board for the amount of the taxes due must be submitted to the Finance Department by the 5th day of the month following the tax liability period.**

CHAPTER 9

PETTY CASH

GENERAL INFORMATION

1. Authorization

The petty cash fund is for the purchase of small and emergency supplies. This use of petty cash money is not intended to circumvent the purchasing/expenditure process.

2. Internal Petty Cash

A petty cash fund, not to exceed limits authorized by the Sumter County School Board and to be administered by the Principal, may be established.

3. Maintenance

The petty cash fund shall be retained in a locked box, and kept in a secure location. At all times, the cash on hand plus the petty cash receipts must equal the amount on the books for petty cash. Random, unannounced petty cash audits may be conducted by Finance Department staff, to verify that petty cash is being properly maintained.

NOTE: In addition, some schools may have a DISTRICT PETTY CASH FUND. If utilized, this fund shall not be deposited into the internal fund or co-mingled with the school's internal petty cash fund.

INTERNAL PETTY CASH PROCEDURES

1. Establishment of the Internal Petty Cash Fund

- A. Requests for an internal petty cash fund must be made in writing by the Principal, and sent to the Finance department.
- B. Upon approval, a check request should be generated for the approved petty cash amount, showing the allocated account as Petty Cash. Process the check request per standard procedures.
- C. Write a check to the Principal, for the internal petty cash money. The check shall be issued as follows: Principal Name. The invoice/description field must state specific details.
- D. A check will be generated; however, no general fund account balances will be charged. The check amount will be deducted from the Checking Account, and allocated to the Internal Petty Cash Fund account.

2. Expenditures from Petty Cash

- A. To prevent possible duplicate payment, the original and dated invoice(s), bill(s), or receipt(s) shall contain a description of the items purchased and should be clearly marked or stamped "PAID" at the time of reimbursement.
- B. Appropriate authorizations are to be obtained prior to any disbursements from the petty cash fund(s). As with all other activities involving class/club accounts, two written approvals are required for the processing of petty cash transactions. The two approvals needed are the Principal and the sponsor or department head. In addition, the issuance of a petty cash voucher shall include the following information:
 - i. School name
 - ii. Date of purchase
 - iii. Amount of the purchase
 - iv. Name of the individual receiving the petty cash
 - v. Detailed description of the purpose of the purchase
 - vi. Internal account number to be charged
 - vii. Signature of the individual receiving the petty cash
- C. Authorized purchases using internal petty cash are not to exceed \$25.00. Series of like items, with a unit value of less than \$25.00, bought by the same individual/department and submitted for payment within a short time frame, shall not preclude the limit for internal fund petty cash purchases.
- D. At no time shall these funds be used as a loan or advancement to any organization or person, including the cashing of personal checks. Individuals making purchases shall use their own funds and submit the itemized receipt for reimbursement.

NOTE: Petty cash is not to be used as a change fund.

- E. Request for reimbursement by employees shall be made in a timely manner.

NOTE: Requests shall be made within ten (10) business days of purchase. Reimbursements for previous fiscal year's petty cash expenditures will not be processed.

3. Petty Cash Replenishment

- A. Petty cash replenishment paperwork should be completed, in ink, for all replenishment requests, with the following information included: payees, dates paid, amounts paid, descriptions of purchases, and the appropriate account numbers to be charged. All supporting documentation shall be maintained and attached to the form.
- B. In the event that there are discrepancies between cash on hand and receipts, the Bookkeeper shall investigate and any unresolved differences are to be brought to the attention of the school's Principal immediately.
- C. In the computerized accounting system, charge the appropriate accounts as listed on the petty cash replenishment form (detailed in 3A) for the expenditures. Make no entry in the petty cash fund account.
- D. Write a check to Principal Name, for an amount equal to the total of items summarized on the petty cash replenishment form.

4. Closing the Petty Cash Account at Year-end

- A. Replenish the fund as outlined above.
- B. The amount of the check plus the amount of cash on hand shall equal the authorized amount of the petty cash fund.
- C. Process a computer generated transfer for the full amount of the fund, moving the full amount from the petty cash account to the checking account.
- D. The petty cash account shall reflect a zero ending balance.

CHAPTER 10

CHANGE FUND

GENERAL GUIDELINES

1. Establishment of Change Funds

- A. The Principal is authorized to establish a change fund for appropriate staff members. The Principal shall determine if a fund or an increase is warranted based upon the purpose that is provided. Requests for such fund(s) shall be made via a check request form. The amount of the change fund established shall coincide to the anticipated use for events/seasons.
- B. Upon approval, process the check request using standard procedures. Issue a check to the change fund custodian. The check will be made payable as follows: Employee Name. The invoice/description field must state specific details.
- C. A check will then be processed.

2. Managing Change Funds

- A. The change fund(s) must be retained in a locked box and kept in a secure location when not in use. These funds shall be accounted for separately from all other funds maintained.
- B. At no time shall these funds be used as a loan or advancement to any organization or person, including the cashing of personal checks.
- C. Upon receipt of money from activities utilizing change funds, procedures are as follows:
 - i. Count out the initial change fund money
 - ii. Separate these funds from the actual revenues collected
 - iii. Receipt revenues collected using the procedures as outlined in Chapter 5 – Receipts and Deposits
- D. The change fund shall be re-deposited after each event/season to ensure that funds do not remain idle and are properly invested as required by law. Sound business practices and good judgment shall dictate the timing of re-depositing the change funds.

3. Closing Change Funds at Year-End

- A. The money must be deposited into the checking account and any offset charged to the respective account.
- B. All change fund accounts shall have a zero balance before the fiscal year end.

CHAPTER 11

FINANCIAL STATEMENTS

GENERAL INFORMATION – FINANCIAL REPORTS

1. The Principal's monthly financial statement report is used to report monthly and year-to-date totals of receipts and expenditures by account classification as well as the financial position of the school. The report is cumulative in nature.
2. The June 30th report constitutes an annual financial report of the school's financial transactions and cash status.
3. The Principal and the preparer of the annual financial report shall attest by signatures its accuracy in reporting the year's activity and year-end balances.
4. **The Finance department must receive the Principal's monthly financial report on or before the 20th day of the calendar month following the reporting period.**

PROCEDURES

1. Monthly Reports

The following must be submitted as a part of the month-end report package:

- A. Monthly Bank Statement Review Form should be completed, signed by the principal and attached with the package submitted to the Finance Department.
- B. Bank Reconciliation Signature sheet. Any unreconciled items should be explained.
- C. Bank Reconciliation report
- D. Bank statement(s)
- E. Account Ledger report – Cash Accounts
- F. Account Ledger report – Project Activity.
- G. Journal Entry Report

Please submit these reports, in the order listed above, via the Finance Drop box:

J:\SCO:Finance DropBox\Accounts Payable\(\school name)\Year

Please name the reports/package with the year-month and two character description:
2019-10-FS (October 2019 Financial Statement)

NOTE: Originals of the package shall be retained at the school for audit purposes.

2. Year-end Reports

At the close of the fiscal year, the following report is required in addition to the monthly reports:

- A. Year-end Inventory - An inventory of all remaining school store saleable merchandise must be taken at year-end. The inventory must be valued at the most recent purchase price. This inventory must be recorded and copies shall be maintained at the school for audit review.

REPORTING TO PROJECT SPONSORS

A project sponsor should be assigned to each active project in Internal Accounts. It is preferable that the assigned sponsor not be the bookkeeper; however, it could be the principal, an administrator, a club or class sponsor, or another staff member.

The project sponsor should be a staff member who has responsibility for the account transactions, and should receive periodic (at least monthly) Project Detail Statements to verify deposits, disbursements, adjustments, and transfers.

The principal or designated administrator shall communicate with the sponsors as to what their responsibility is when reviewing these reports. If the sponsor finds a discrepancy on the Project Detail Statement it should be brought to the attention of the principal/bookkeeper for further review.

The District Finance Office should be informed of any major discrepancies found on the reports.

CHAPTER 12

FUNDRAISING

GENERAL INFORMATION

1. Each fundraising activity shall be planned to finance a specific objective. The proceeds from such activity shall contribute to the educational experience of the students involved.
2. Any school group that wishes to perform a community service in the form of a contribution must secure the permission of the school Principal, prior to engaging in any fundraising activity. The funds shall be raised for a specific purpose and the purpose must be clearly stated.
3. Collections for all school sponsored fundraising activities must be deposited in the internal fund and all transactions in connection with the activity shall be conducted in accordance with Sumter County School Board policies.
4. Refer to Chapter 15 - Outside Support Organizations, for further guidelines with respect to fundraisers initiated by outside support organizations.
5. All funds handled by school board employees during normal working hours shall be included in and become a part of the internal fund of the school unless accounted for in the district level accounting system.
6. Raffles and other activities of chance are prohibited. Selling a tangible item in return for any activity of chance, or putting the word "donation" on the ticket, does not override this regulation.
7. Fundraising activities for which students are charged admission fees are not permitted during school hours.
8. When any school organization or group is involved in a fundraising activity or any function exposing the school board to extraordinary liability, approval must be obtained in advance from the Superintendent or designee.
9. Employees are to receive no benefits, directly or indirectly, as a result of fundraising activities. Premiums, incentives, etc. are to be refused, and the monetary value of the incentives must be paid directly to the school.

FUNDRAISING PROCESS

1. A fundraising request form shall be completed and approved by the Principal prior to ordering any items or collecting money. The request form must include at least the following information:

- A. Name of the school
 - B. Name of the group or organization
 - C. Internal Account number of the group or organization
 - D. Name of the person responsible for the activity
 - E. The type/description of activity (i.e. Cookie Dough Sale, Car Wash)
 - F. The intended use of profits (must be detailed as to a specific purpose, which shall be within the scope of school board policy)
 - G. Date of activity (beginning/end date)
 - H. Vendor name
 - I. The purchase price of the product
 - J. The selling price of the product
 - K. Sponsor signature and date of signature
 - L. Principal signature and date of approval
2. The Principal shall ensure that the purpose of the fundraising activity conducted in the name of the school is within the scope of Sumter County School Board policies.
3. Guidelines for conducting a fundraiser shall include, but are not limited to:
- A. Each fundraising activity must have a specific start and end date. It is recommended that each fundraising activity be limited to a two-week period, followed by a two-week period for collecting outstanding student obligations and for filing the required financial report. The financial report must be filed with the school Bookkeeper no later than two weeks following the end date of the fundraising activity. Failure to realize a profit does not eliminate the necessity of a completed financial report.
 - B. Prior approval for perpetual fundraisers (i.e. lasting the entire school year) must follow the above procedures. Perpetual fundraiser financial reports must be filed with the school Bookkeeper by the end of the school year. No fundraiser may extend beyond one school year.
 - C. The sponsor will order only the number of items that the group can realistically sell within the specified sale period.

- D. Upon receipt of goods, all items must be verified as to quality and quantity prior to the start of the sale.
 - E. Merchandise must be stored in a secure area to prevent loss or theft.
 - F. Collections of fundraiser activity funds by the sponsor/teacher and subsequent remittance to the Bookkeeper must be timely and in accordance with State of Florida regulations and Sumter County School Board policies.
 - G. Florida sales tax must be paid on all taxable items sold, preferably to the vendor on the invoiced price of the merchandise. **Sales tax is to be paid to the vendor at the time of purchase.** See Chapter 8 – Sales Tax for detailed information.
 - H. In the event of a theft regarding money or merchandise, the Sr. Director for Curriculum and Instructional Programs shall be notified immediately. The Risk Manager should also be notified at the time the theft occurs. A police report shall be completed. The police report shall be submitted to the Risk Manager on a timely basis (i.e., within five (5) days of the loss).
 - I. Sponsors or students may be required to reimburse the school for funds, items, or services for which there is no acceptable documentation for sales, spoilage, theft, or uncollectible bills for services.
4. Any unsold items remaining after a fundraiser will be stored in a secured area. The leftover merchandise must be listed on the financial report at the conclusion of the fundraiser. Date or name sensitive merchandise may be sold at a reduced price to liquidate inventory. Any reduction in the price of the product must be documented in writing. Items that cannot be sold may be disposed of and documented in the following manner:
- A. Give to volunteers in recognition of outstanding service (excluding SCSB employees)
 - B. Donate to charitable, non-profit organizations (obtain a receipt)
 - C. Contact the Finance department to discuss any other proposals
- NOTE: Every attempt must be made to liquidate inventory. The purpose of school fundraisers are to generate revenue for the school, so loss situations are to be avoided.
5. Walk-a-thons and any other event initiated and conducted in the name of the school shall be deemed a school activity and must obtain appropriate approval. Money collected for school activities shall be processed through the internal account fund.
- A. When conducting walk-a-thons or other events where students ask for pledges,

pledge collection sheets must be used.

- B. Each pledge collection sheet total must agree with the total monies deposited for each student, unless verified by the student or sponsor as uncollectible. If the student is unable to collect the pledge, this must be indicated next to the name of the pledger.
 - C. The total of all pledge sheets must agree with the total amount of monies deposited for that particular fundraising event.
6. Book Fairs – funds are to be remitted to the bookkeeper on a daily basis using a monies collected form. The media specialist will print the financial summary generated from the book fair register which will state the cash and checks amount collected. The media specialist will count the funds and complete the monies collected form. The bookkeeper will verify the funds match the financial summary.
 7. The sponsor or teacher of any fundraising activity that generates a loss must provide a signed, dated statement indicating the reason(s) for the loss rather than a profit. This statement must be reviewed and signed by the Principal, indicating his/her awareness of the situation, and any steps that will be taken to correct the situation in future fundraisers. This statement must be sent to the Finance department with the completed fundraiser activity financial report.

CHAPTER 13

TICKETS

GENERAL GUIDELINES

1. Pre-numbered tickets must be sold at school-sponsored events if admission is charged. The numbering must be machine-generated at the time the tickets are printed; handwritten numbering is not allowed.
2. All multi-purpose, specialty and centralized athletic tickets must be accounted for by being recorded on a ticket inventory. The tickets that are produced in the school must be numbered by machine. It is imperative that the actual number of tickets available for sale be documented whether the tickets were purchased, donated, or produced within the school.
3. All tickets presented for admission must be invalidated in a manner that will prevent future re-use. Ticket stubs collected during admission should be sealed in an envelope and turned in to the school secretary on the next business day.
4. A perpetual Inventory Record of Tickets form must be completed and maintained at the school.
 - A. This form must be completed, in its entirety, for each roll of tickets.
 - B. The Inventory Record of Tickets form must coincide with the Report of Tickets Sold form submitted for each event.
5. All unsold tickets must be kept for audit review.
6. In the event that there are two or more prices charged for tickets (for example, \$2.00 for students, \$2.50 for adults), a separate ticket color must be used for each ticket price. Funds must be tracked for each ticket type and price.
7. Revenue from ticket sales must be submitted to the Bookkeeper for receipt by the next business day. In the event that ticket sales are made in advance of the event, each day's sales should be reported individually on separate reports for each day.
8. A Report of Tickets Sold form must be finalized by the next business day following the activity or sale day of tickets.
 - A. This form shall be completed in all cases where pre-numbered tickets are used. It is to be completed and signed by the ticket seller, activity sponsor or organization treasurer, and the appropriate administrator, and retained on file for audit purposes.

- B. The beginning and ending ticket numbers should be entered on the report by the ticket seller, in the presence of the appropriate administrator.
 - C. Cash transmitted should be counted by the ticket seller in the presence of the appropriate administrator, and the report signed by both parties at that time.
 - D. When counting cash, all like denominations should be separated and bundled together. Both parties counting the cash should recount each bundle.
 - E. It is recognized that errors may occur in making change and that the actual cash may not always agree with the numbers of tickets sold. For this reason, any difference in the cash is to be accounted for and actual cash received must be shown on the Report of Tickets sold. Excessive differences must be investigated by administration.
 - F. **Under no circumstances shall any person be paid for services rendered from ticket sales (gate receipts).** This includes ticket takers and off-duty deputies performing traffic control and security services. They should be paid as a 1099 vendor, or through the SCSB payroll department if they are a SCSB employee. **Persons performing services should never be paid in cash.** See Chapter 17 for further information.
9. Each ticket seller shall be assigned a designated roll of tickets and be independently responsible for properly preparing a Report of Tickets Sold form to summarize the number of tickets sold. This is to ensure accurate and valid accounting for all tickets issued. The funds on hand, less the beginning change fund, should balance to the potential revenue generated by each seller.
10. Online ticket sales.
- A. Online ticket sales may be utilized by athletic departments for games. Software authorized by the Florida High School Athletic Association should be utilized. Reports provided by the software vendor for each game should be reconciled to the automatic bank deposit within the next week.
 - B. Online ticket sales may be utilized for academic and extracurricular purposes. Software should be approved by finance before being used for ticket sales. Reports provided by the software vendor for each activity should be reconciled to the automatic bank deposit within the next week.

CHAPTER 14

TRANSFERS AND ADJUSTMENTS

GENERAL GUIDELINES

Transfers and adjustments are entries used to ensure reliability of financial records, and each type of entry has its own specific use.

1. Transfers change account balances without affecting revenues (to) or expenditures (from), such as moving funds from one account to another. They have limited uses, such as:
 - A. Closing out the balance of an inactive account
 - B. Transfer remaining balances in extension accounts to the respective main account
2. Transfers of trust money are strictly prohibited outside of another trust account.
3. Adjustments not only change account balances but also affect the receipt or disbursement amounts in those accounts. Adjustments are for a variety of purposes, such as:
 - A. Posting bank service charges
 - B. Recording interest earned
 - C. Correcting posting errors made in the current fiscal year
 - D. Posting intra-account transactions
4. All transfers and adjustments are to be totally self-supporting. Appropriate supporting documentation and approvals shall be attached to all transfer and adjustment entries.
5. For transferring funds from one student group to another, prior written approvals must be obtained from the Principal and sponsor.
6. For posting error corrections, the column to use in the adjustment will always be the same as the original entry (i.e., receipts column if the error occurred when posting a receipt). For the account that was posted in error, the amount will be a negative number. For the account that should have been used, the amount will be positive.

CHAPTER 15

OUTSIDE SUPPORT ORGANIZATIONS
(Booster/PTA/PTO)

GENERAL GUIDELINES

1. According to the “Redbook”, “All organizations of the school, or operating in the name of the school, which obtain moneys from the public shall be accountable to the board for receipt and expenditure of those funds in the manner prescribed by the board. If authorized by school board rule, a school based direct support organization as authorized by Section 237.40, F.S, may have all financial transactions accounted for in school internal funds.”
2. All schools’ outside support organizations (OSO) must adhere to Sumter County School Board policies.
3. The Principal is authorized to give written permission prior to the beginning of each school year to use the school’s name, logo, mascot or trademark as part of the OSO’s name or in its fundraising activities.
4. If an OSO fails to comply with the terms of Sumter County School Board policies, the Principal may revoke the authorization of the OSO to use the school’s name, logo, mascot or trademark.
5. It is the Principal’s responsibility to be the liaison between the Sumter County School Board and the OSO in order to ensure the optimum cooperation for the good of the student body.
6. In order to create a separate entity from the school, OSO organizations must have parent and/or community representation. Teachers and school personnel are permitted to be members, but are encouraged to play a subordinate role to the parents. That is, the Board, Officers and primary control (check signing, decision making) should be maintained by parents. Without parental involvement, the organization’s activities must be recorded in the school’s internal accounts.
7. **The OSO may not use the SCSB sales tax exemption number or any other number assigned to SCSB in accordance with State and Federal law.**
8. When an OSO conducts a fundraiser, it must be clearly identified as an OSO fundraiser and not that of the school.
9. For any event that uses school property, the OSO shall have a facility usage agreement approved by the Superintendent or designee.
10. While on duty, SCSB employees cannot handle money that is collected for a

fundraising activity of an OSO at the school in which they are employed during normal working hours. Normal working hours also includes hours worked and paid by a supplement.

11. The OSO must establish and exercise control over its fundraising activities. In addition, the objectives of such activities in the name of the school shall not conflict with programs as administered by SCSB. It is permissible to have a cooperative activity as defined below.
12. A cooperative activity is as follows:
 - A. One in which the school participates with an OSO through planning, staging, or conducting school-related activities. Such activities may be held on or off the school grounds and will usually take the form of fundraising events such as carnivals, paid entertainment, or food sales.
 - B. Such activities must be approved by the Principal and be beneficial to students.
 - C. SCSB procedures shall be followed to provide appropriate accounting for funds and to ensure compliance with applicable Sumter County School Board policy, Florida Statutes and State Board of Education rules.
 - D. If a share of the proceeds is to be disbursed to the OSO, a prior written agreement must be executed. The Principal shall sign the cooperative agreement and a copy shall be retained by the Principal's office for audit purposes. The school shall issue a check for the OSO's portion of the profits after all expenses have been paid.
13. The following documentation should be provided to the school by each OSO every year, within 60 days of the start of the school year.
 - A. Audit year's officers or board members
 - B. List of authorized check signers during audit year.
 - C. End-of-year income statement and other reports as requested, by July 31st for the fiscal year ended June 30th.

INSURANCE

Many activities of OSO's are a part of the school sponsored educational program and are covered by the School Board's liability insurance policy. All activities conducted by OSO's should submit a facilities use application. Insurance needs will be assessed on a case by case basis through the facilities use process. Check with the SCSB Risk Manager's office for additional information.

SALARY PAYMENTS TO BOARD EMPLOYEES

OSOs are expected to pay for the services of SCSB personnel who are employed on an overtime basis in service to such organizations. Payments shall be:

1. Made payable to the school for receipting into the school's internal fund.
2. The funds need to be receipted to an internal fund trust account identifying it as salaries for a specific employee.
3. The money collected is submitted to the district's Payroll department for processing.

CHAPTER 16

PREPARING FOR THE ANNUAL AUDIT

GENERAL GUIDELINES

1. The School Board shall provide for an annual audit of internal accounts. The primary objective of the annual audit is to examine and evaluate the school's financial activities as a service to the Sumter County School Board and the district's administration. Accordingly, the function of the annual audit is to furnish the Principals with analysis, appraisals, recommendations, and information concerning the activities reviewed, to assist them in achieving their responsibilities.
2. The Principal is responsible for maintaining, in good form, all financial documentation and school-based information for the purpose of auditing the internal fund accounts.

NOTE: When files are maintained in a systematic order and the year-end reports are properly processed, the audit fieldwork of the school can be performed quickly and efficiently with a minimum amount of disruption to the school staff.

3. Upon receipt of the audit request list, notifying the school of the records needed for the annual internal accounts audit, the following files and supporting documentation shall be forwarded, or made available, to the auditor within two weeks of the request:
 - A. Checking/savings/investment account files – These files include, but are not limited to, all bank statements, canceled checks, debit/credit memos, original nonsufficient checks (NSF) that have not been processed, NSF contact log, and copies of NSF letters sent to makers.
 - B. Disbursement files – complete voucher packets. See Chapter 7 – Purchasing and Expenditures for more details.
 - C. Transfer and adjustment reports
 - D. Pre-numbered departmental receipt books and logs
 - E. Report of cash disbursed form(s), if applicable
 - F. All deposit packets, including:
 - i. Deposit verification forms
 - ii. Official receipts

- iii. Completed deposit slips
- iv. Bank deposit validation slips
- G. Ticket inventory logs
- H. Ticket sales reports
- I. Completed fundraiser recap reports
- J. Invoices from all checks purchased, with beginning and ending check numbers identified
- K. Year-End school store inventory report
- L. Petty cash vouchers
- 4. Documentation of written quotes and formal bids, as required by SCSB Purchasing Policy.
- 5. Documentation of any donations, monetary or non monetary.
- 6. A listing of all approved affiliated booster/outside support organization(s) and the following documentation for each group:
 - A. Audit year's officers or board members
 - B. List of authorized check signers during audit year
 - C. End-of-year income statement and other reports as requested
- 7. A listing of staff by department/grade and a roster of sponsors for class/club(s).
- 8. Parking decal sales reports, if applicable
- 9. Interim Audit

An interim audit of the school's internal funds shall be conducted when determined necessary by the appropriate administrator or the Finance department. Completion of an interim audit does not relieve the Principal of the responsibility of keeping all the records of the financial year intact and available for review during the annual audit.

The following are possible reasons for an interim audit:

- A. Change of Principal occurring during the fiscal year.

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- B. Loss, suspected loss, or misuse of funds. It is incumbent upon the Principal to request an audit in these cases.

- C. A change of Secretary/Bookkeeper. It is the responsibility of the school Principal to advise the Finance Department of the transfer or termination of the Secretary/Bookkeeper. An interim audit of the school activity accounts may be requested.

CHAPTER 17

MISCELLANEOUS ISSUES

DONATIONS/GIFTS TO THE SCHOOL DISTRICT

1. Any employee soliciting a donation must have prior approval from the principal in order to ensure the donation is appropriate, keeping with the educational goals of the school, and follows board policy.
 - A. When writing a request, word choice must be carefully considered.
 - B. Staff must accurately and appropriately express the need and intent of the project and all statements should help the donor recognize the efforts that the school and/or district make to meet the needs of all students.
 - C. No personally identifiable information should be included in the request.
 - D. All pictures with students must be approved by the principal or designee to ensure the parent(s) allows disclosure of directory information.
2. Monetary Donations:
 - A. Specific purpose-monetary donations with donor-specified purpose should be maintained in a separate 06XX trust account number and expended for that specific purpose only. The account name should reflect the trust purpose. The Principal may also choose to receipt the donation into a specific class, club or department account if the placement in these accounts are in accordance with the donor's wishes.
 - B. Trust funds shall be expended only for the purpose for which collected. When the purpose of the trust fund has been accomplished or becomes inoperative, unused trust funds shall be returned to the person(s) from whom collected, if practicable. Donors may designate an alternative purpose. Funds that cannot be returned shall be transferred to the General Fund account.
 - C. Unearmarked donations should go into the general account and be used for the general welfare of the student body.
 - D. Documentation must be obtained from the donor that stipulates the intention of the donation. The documentation provided may be in the form of a note, memo, letter, or even a notation in the memo section of the check. Copies of the donation check and any attachments or correspondence should be maintained in an annual file labeled "Donations" and be retained for audit. At year end, annual donation files should be moved to a permanent donation file.

- E. Examples of receipts which should not be considered as donations are: monies received in payment for the performance of a service (i.e. car washes), scholarships, and vending machine commissions.

3. Non Monetary Donations (Equipment, Etc.)

- A. Any property item donated becomes the property of the SCSB and is subject to the board's procedures for property control. Property valued at \$1,000 or more should be reported immediately by the principal to the designated property records office on the prescribed forms so that the equipment can be properly recorded and tagged. Computer equipment valued at \$500 or more should also be reported to the property records office on prescribed forms.
- B. Before accepting any donation that will require service, approval must be obtained from the Facilities department. If the gift being acquired requires installation (including trees and shrubs) the school must have the Facilities department conduct a site inspection prior to the installation to identify installation problems.
- C. Expenditures for buildings, remodeling, renovations, repairs, or alterations to the facilities, or any property involving risk must have prior written approval of the superintendent of designee.
- D. Approval must be obtained from the superintendent or designee to change, alter, or attach permanent fixtures to school property; or to utilize more than the ordinary amount of utilities.
- E. SCSB cannot repair or maintain any equipment, unless it has been formally donated.

4. On – Line Donation Requests

- A. Staff is authorized to use DonorsChoose.org to solicit donations. In order to use any other website please seek approval from a finance administrator.
 - B. Principal approval is required before a project request is submitted. This will help ensure that the donated items are properly received by the school.
5. Gift certificates or gift cards received as donations, whether to be used by the school or for student recognition, must be documented to support the disposition.
- A. A copy of the gift certificate/card must be made and retained for audit.
 - B. If used by the school, there must be documentation (receipts) to support the use of the gift certificate/card.

- C. If passed on to the student for recognition, the recipient must sign for acceptance of the gift certificate/card.
6. Acknowledgement of donations should be made to the donor when requested or when sizeable in nature. For monetary donations a receipt should always be written to the donor, along with a thank you letter when deemed appropriate. Non-monetary donations should be acknowledged by a thank you letter to the donor. However, in the situation of non-monetary donations a dollar value cannot be placed on the items. In the event of gift card donations, the dollar amount of gift cards donated can be acknowledged. The district maintains a letter format that can be used for donation acknowledgement that complies with IRS publication 1771 for donations of \$250 or more. This letter should include the following:
1. the name of the organization
 2. the amount of cash contribution
 3. a description (but not value) of non-cash contribution
 4. a statement that no goods or services were provided by the organization in return for the contribution (if that was the case)
 5. a description and good faith estimate of the value of goods or services, if any, that an organization provided in return for the contribution

7. How Can donated Items be Used?

A donation must be used in accordance with the request and purpose stated in the request or donors stipulations. Should a *donor* choose to buy poster boards for science projects at a specific school, then those items must stay within the science program or department at that school. They would not be able to be used in art class or taken to a different school, even if the teacher who asked for the funding moves to a different school.

Example: If Mrs. Jones states in her project request that poster boards will be used in her science classroom at School A then the materials may only be used at School A in a science classroom.

The intent of the project must be followed and the use of the item(s) must adhere to the intended educational use.

If the requested project was for a laptop to support a database for Mr. Smith and the unique way he teaches social studies, then the laptop shall remain with him as long as he continues this teaching method at that school

8. Like any grant, donation, or item purchased with regular budgeted funds, the ownership is in the name of The School District of Sumter County, FL and District inventory policies apply. Equipment must be identified as “District” property.
- Example:** If Mr. Smith, social studies teacher, should transfer schools, the item should transfer with him as long as it is within the School District of Sumter County and the principal agrees to transfer it. However, if Mr. Smith stops teaching the subject, changes positions, or leaves the District, the laptop remains at the school and with that particular subject area or department, items are not the property of the teacher.

9. Donors may wish to remain anonymous. If so, the donor's information will need to be recorded separately from the main list for audit purposes in the donations file, but can be recorded in Skyward as anonymous for reporting to the board.
10. When recorded in Skyward SBAA it is important that donations have enough details to describe what they are for reporting purposes. The description should start with **Don-** followed by the description, the donor and the use. For example, **Don-ABC Bank-School Supplies**. If multiple individuals donated toward something, they should have individual entries in SBAA for any donations **per individual** over \$500. Example: instead of **Don- Smith, Williams-School Supplies for \$1000**, it should be **Don- Mr. Smith- School supplies \$500** and another entry for **Don-Mr. Williams-School Supplies \$500**. When putting descriptions for Grants, start with **Grant-** and start sponsorship donations with **Spon-**.

EMPLOYEE REIMBURSEMENT FOR SERVICES

Employees who are going to be paid for services over and above their regular duties are to be paid through the district's payroll system.

1. This remuneration is taxable as income.
2. The Extra Pay Voucher will be completed and sent to the SCSB Payroll department. The payroll department will bill the school for the amount of the employee's earnings, social security, retirement and any other applicable benefits.
3. The Bookkeeper will make payment to the Sumter County School District and remit to the Finance department from the appropriate internal account related to the expense.
4. Contact the SCSB Payroll department for additional information.

FIELD TRIPS

1. Field trips are school-related events for which the school staff arranges transportation and ensures an appropriate number of chaperones as stated within Sumter County School Board policy. All financial transactions related to the field trip must be processed through the school's internal funds.
2. A written request for the field trip activity must be submitted to the Principal for written approval prior to the trip being initiated.

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3. All necessary approvals must be secured before any trip-related fundraising occurs.
4. No student may be excluded from a field trip because of an inability to pay the cost of admission or other related expense.
5. Children may not attend a field trip unless they are part of the group for whom the trip was arranged and written approval is given in advance by the Principal. Any costs incurred will be paid by the parent/guardian unless excluded because of an inability to pay.

LOANS AND ACCOMODATIONS

1. Internal accounts shall not be used for any purpose which represents an accommodation, loan, or credit to a SCSB employee, a student or any other person.
2. Collections received should not be used to cash individual checks.
3. SCSB employees or others may not make purchases for personal use through an internal account fund.
4. The tax certificate number of the Sumter County School Board may not be used by any individual or outside organization to avoid State sales tax.

LOST OR DAMAGED TEXTBOOKS AND PROPERTY

1. It is the duty of each Principal to collect from the student or his/her parent the purchase price of any instructional material the student has lost, destroyed, or unnecessarily damaged, and/or the cost of any repairs to property unnecessarily damaged or destroyed by the student.
2. All money collected from the sale, exchange, loss, or damage of instructional materials shall be transmitted to the SCSB Finance department to be deposited in the district school fund and added to the district appropriation for instructional materials.
3. All money collected from property damage shall be transmitted to the SCSB Finance Department.
4. Prior to transmittal to the district, the monies collected must be kept in the appropriate trust fund within the internal funds. A separate account 6XX shall be used for lost, destroyed, or damaged instructional material collections. A separate account 6XX shall also be used for damaged or destroyed property collections.

PARKING PERMITS/DECALS

The following steps and procedures will provide the required fiscal accountability for the sale of parking permits:

1. Permit numbers should be accounted for on a log form, just as tickets are accounted for.
2. Permits shall be sold in numerical sequence.
3. When writing the cash receipt for the revenue, reference the respective permit numbers on the receipt form. As with other types of fund collections, revenue received for parking permits shall be turned into the bookkeeping office by the next business day.
4. A separate internal account number (7XX) shall be maintained for parking permit collections.
5. Secure unsold permits for audit purposes.
6. Maintain all internal records pertaining to the sale of parking permits.
7. At the close of the school year, prepare a report for the year's activities.

PAYMENTS TO INDIVIDUALS FOR SERVICES RENDERED

All non-employee individuals who are paid for services must be reviewed at the end of the calendar year for purposes of determining whether an IRS Form 1099 should be issued by the Finance Department. **Vendor applications should be obtained on every new vendor before purchases can be made from them.** Contact the SCSB Finance department for the proper procedures and additional information.

PROPERTY ACQUISITION & CONTROL

1. Tangible personal property, purchased or acquired by donation becomes the property of the SCSB and is subject to the board's procedures for property control.
2. Notification to the property records office is required when items meet the criteria for fixed assets are purchased or received as a donation. The prescribed property records forms should be completed. Requirements for the SCSB for property needing to be reported are \$1,000, except for computer equipment, for which the requirement is \$500.

3. Expenditures for buildings, remodeling, renovations, repairs, or alterations to the facilities, or any property involving risk must have prior written approval of the superintendent or designee.
4. Approval must be obtained from the superintendent or designee to change, alter, or attach permanent fixtures to school property; or to utilize more than the ordinary amount of utilities.

SCHOOL STORE

1. A school store may be operated in schools. The purpose of the school store is to provide a convenience to the students and the school staff for purchasing items associated with the school's instructional program and items that contribute to the development of school spirit.
2. The staff assigned the responsibility of the school store shall adhere to the following procedures:
 - A. Cash from sales shall not be used in place of a change fund nor be used to make purchases.
 - B. Revenue from the school store shall be receipted daily into the school's internal funds. This revenue does not include the change fund.
 - C. When students assist in the operation of the school store, they will be properly trained and supervised. Students are strictly prohibited from transporting money to/from the Bookkeeper's office.
 - D. The quantity of merchandise purchased for re-sale will be based on historic need. Large ending inventories increase the risk of loss. Thus, every effort shall be made to liquidate the year-end inventory to cover costs. Inventories must be stored in a secured location.
 - E. Merchandise purchased for re-sale is subject to Florida sales tax. The sales tax will be listed on the invoice and paid to the vendor.
 - F. At the end of the school year, an inventory must be taken and documented.

TRAVEL

1. Employee Travel Information
 - A. Curricular-related travel is not an allowable internal account expenditure, and should not be made except from trust funds collected for that identified purpose.

- B. Before any travel takes place the employee should have an approved leave on file. .
An approved leave should be on file regardless of whether reimbursement is requested.
- C. For allowable travel expenditures, the travel leave request should be entered in Skyward. The form to use for reimbursement is the Travel Reimbursement Form (FB-042). Refer to instructions located on the form for details on specific reimbursement processes according to the type and distance of travel.

2. Student Travel Information

A. Advance Arrangements

- i. When out-of-county travel by students is necessary in the pursuance of an approved student activity, advance travel arrangements shall be made. Advance arrangements shall include transportation, meals, registration or entrance fees, and lodging.
- ii. Checks may be prepared in advance for the exact amount that will be due, and made payable to the corporation or proprietor providing the service.
- iii. The faculty sponsor who accompanies the students will serve as the temporary custodian of the check(s), and is responsible for obtaining an invoice/receipt from the corporation or proprietor upon presentation of the check, for the exact amount.
- iv. All out of state travel should be Board approved.

B. Advances to Sponsor

- i. When advance arrangements for meals or lodging are impractical, because service to be rendered won't be determinable until the students are en route, advancements may be made to the faculty sponsor for distribution to the students.
- ii. Each student shall sign a signature sheet certifying that he/she has received the meal and/or lodging allowance. In such situations, students are to be made aware of the amount of the allowance(s) at least 24 hours prior to travel departure, in order to permit them to make adequate financial arrangements personally or with their parent/guardian.
- iii. Under no circumstances may the travel amount(s) paid exceed the rates established by the Sumter County School Board or State of Florida Statutes.

- C. Please refer to procedures for Co-Curricular travel for more detailed information on co-curricular travel, particularly as it relates to vocational student groups.

VENDING MACHINES

1. Vending Machine Contracts

Vending machines accessible to students may be installed in secondary schools with the Principal's approval. Sumter County School Board purchase regulations must be observed. Contracts must contain the following:

- A. Legal name of the vending company
- B. Cancellation clause
- C. Percentage or amount of revenue to be received by the school
- D. Provisions for restocking and collecting proceeds from the machine(s)

2. Criteria for operation of school-operated vending machines are as follows:

- A. The school buys merchandise; fills machines; secures the machines/inventory; and handles collections.
- B. Cash collections shall be removed on or before the last business day of the school week, unless sales dictate a more aggressive collection pattern.
- C. A vending machine sales report shall be completed quarterly for the physical inventory on hand, and filed for audit purposes.
- D. Merchandise purchased for resale is subject to Florida sales tax. The sales tax should be listed on the invoice and paid to the vendor. If Florida sales tax is not on the vendor invoice, the school should remit payment to Sumter County School Board for the total sales tax collected, per the procedures listed in Chapter 8 – Sales Tax.

3. Criteria for operation of full-serviced vending machines are as follows:

- A. Vendor fills the machine and removes collections.
- B. The vendor pays school a share of accumulated profits in accordance with the contract agreement. Commission must be posted directly to the appropriate school accounts for teachers or students.

TIPPING

Internal accounts funds may be used to provide tips for services when tips would be expected as a part of the customary payment. Tips may be provided to bus drivers, food delivery drivers, and wait staff or servers at restaurants. Tips should be reasonable and should not exceed the standard rates. Funds for tips may be collected as a part of the fees collected from students when field trip fees are assessed. Guidelines for tips are as follow:

- A. Meals – Tipping should not exceed 20%. Verify that the tip is not already included (typical for parties of 8 or more).
- B. Deliveries – Tipping is permitted up to 20%, but not to exceed \$5. Verify that the gratuity is not already included in the charges.
- C. Charter buses – should be no more than \$1.00 to \$2.00 per rider. Verify that the gratuity is not already included in the charges.

Documentation, such as signed invoices or statements, should be obtained to evidence payment.

GLOSSARY – TERMS AND DEFINITIONS

DEFINITIONS:

Account - A record of financial transactions that are similar in terms of a given frame of reference, such as purpose, objective, or source.

Accounting Period - A period of time for which financial statements are prepared (i.e., July 1 through June 30).

Accounts Payable - Unpaid balances or invoices against an internal fund which are owed.

Accounts Receivable - Amounts owed to the internal funds.

Accrual Basis – Recording of revenues and expenditures at the time revenue is earned or at the time an expenditure results in liability, regardless of when the actual cash receipt or disbursement occurs.

Asset - Something of value that is owned by an entity.

Assets, Current - Cash and other assets readily converted into cash, such as accounts receivable, inventory, and some prepaid expenses.

Assets, Fixed - Land, buildings, machinery, furniture, and other equipment, which the school system intends to hold or continue to use over a long period of time. “Fixed” denotes probability of intent to continue use or possession, and does not indicate immobility of an asset.

Audit - An examination of records and documents by an auditor, who is in the process of securing evidence for one or more of the following purposes: (a) determining the propriety of completed transactions; (b) ascertaining whether all transactions have been properly recorded; and (c) determining whether transactions are accurately recorded in the accounts and in the statements drawn from the accounts.

Balance – The difference between the total debits and the total credits of an account; the total of an account containing only debits or only credits.

Bank Deposit - The total amount of money taken in and recorded on receipts for a specified time period and deposited intact with a depository.

Capital Outlay - Expenditures for land or existing buildings, improvement of grounds, construction of buildings, additions to buildings, remodeling of buildings, or equipment.

Cash – Currency, checks, postal and express money orders, and bank deposits including certificates of deposit (C.D.).

Cash Basis - The basis of accounting under which revenues are recorded when actually received and cash disbursements are recorded as expenditures when paid.

Cash Discount - An allowance received or given if payment is completed within a stated period. The term is not to be confused with “Trade Discount”.

Change Fund - An amount of money obtained by issuing a check to a designated individual for the purpose of making change for a specific event. No expenditures are to be made from these monies.

Check - A written order on a bank to pay on demand a specified sum of money to a named person, to the order of, or to bearer of, from money on deposit to the credit of the maker. It is canceled when it has been paid by the bank and thus “cleared” and returned to the writer.

Closing the Books -The process of putting the account books in order at the end of the month, or a fiscal period, so that a trial balance and financial reports may be prepared.

Commemorative Item - Personalized articles such as class jewelry, announcements, caps and gowns, yearbooks, cards and invitations, insignia, and school pictures.

Commission – A share of sale proceeds from any company or individual given to the school in return for the sale, rental, or promotion of any items within the school.

Concession - The act of granting to an individual or group a right that resides with the school.

Deficit - The excess of the obligations of an account over its resources.

Deposit in Transit - A deposit which has been transmitted to the bank and recorded in the school ledgers but was not reflected on the monthly bank statement because it was not received before the bank’s preparation of the statement.

Deposit, Property - Money collected from students and held in a school account for return at a designated time for the purpose of covering losses or damages to school-owned supply and equipment items while being used by the students.

Depositories – Banks where schools conduct the business of depositing and withdrawing money.

Disbursements - Money paid out.

Donation - A gift, given or received, which may be in the form of cash or property.

Dues - A regular charge made to students for the privilege of being a member of a particular club or student body organization.

Encumbrance - A restriction of available money by issuance of a purchase order.

Equipment - A material item of a non-expendable nature, such as a built-in facility, a moveable or fixed unit of furniture or furnishings, an instrument or apparatus, a machine (including attachments), or a set of small articles whose parts are replaceable or repairable. The whole retains its identity and utility over a period of time, which is characteristic for items of its class.

Expenditures - Decreases in net financial resources. If accounts are kept on the accrual basis, this includes total charges incurred, whether paid or unpaid. On the cash basis, payments are termed disbursements.

Fidelity Bond – A bond guaranteeing the School Board against losses resulting from the dishonest acts of employees.

Financial Statement - A formal written presentation which sets forth information concerning the financial condition of the school internal funds.

Fiscal Period - Any period at the end of which a school determines its financial condition and the results of its operation and closes its books.

Fiscal Year – As it pertains to internal accounts (which is established pursuant to State law for Florida), July 1 through June 30.

General Ledger - A book, file, or other device in which accounts are kept to the degree of detail necessary to summarize the financial transactions of the school. General ledger accounts may be kept for any group of receipts or expenditures on which an administrative officer wishes to maintain fiscal control.

Gift - Something of value for which no repayment or special service to the contributor is expected.

Grant - Money received by a school activity for which no repayment is expected but for which certain conditions exist relative to the disbursement of funds.

Inactive account - An account is considered inactive upon declaration of the Principal when; (1) no financial transactions have occurred within one year and the need for the organization has passed; or (2) a class has graduated.

Intact, or Deposit Intact - The practice in which money is presented to a bank or Bookkeeper for the credit of the school's internal fund in the same form as received. This means that any receipt of funds in the form of cash shall be deposited as cash. The cashing of a check from funds on hand would be a violation of this concept, as would be the substitution of a check for cash.

Internal Control - A plan of organization under which employees' duties are so arranged, and records and procedures so designed, as to make it possible to exercise effective accounting control over liabilities, revenues, and expenditures.

Inventory - The assets on hand in the form of supplies and equipment not yet distributed to requisitioning units.

Inventory Record - A detailed list of records showing quantities, descriptions, values, units of measure, and unit prices.

Investments - Temporarily idle funds placed in interest earning accounts.

Invoice - A vendor's notification of merchandise provided or services rendered to a purchaser with the quantity, prices, and charges stated. Other information customarily shown on the invoice are the customer's purchase order number, order date, date of delivery or shipping, and terms of payment.

Journal - The accounting record in which financial transactions of the school are formally recorded.

Liabilities - Debt or other legal obligations arising out of transactions which are payable but not necessarily due.

Memoranda (Memo) Account - An informal record of an internal funds transaction that cannot be recorded under the regular financial accounts but for which a record is desired.

Outstanding Check - A check issued and recorded by the school which has not been presented to the bank for payment prior to the issuance of the monthly bank statement.

Outstanding Deposit - (see Deposit in Transit)

Overdrawn - A situation in which a check has been written for an amount in excess of that on deposit. An overdraft is the amount by which withdrawals exceed the depositor's available balance.

Perpetual Inventory - An inventory system which is initiated by a physical inventory and perpetuated by entry of receipts and withdrawals, thereby reflecting current balances on hand for each item.

Petty Cash - Cash paid out in small amounts for authorized expenditures. Payments must be evidenced by petty cash vouchers, which are signed receipts that show the purpose, date, and amount.

Posting - The act of recording to an account in a ledger the detailed or summarized data contained in the documents of original entry.

Pre-Numbered Documents - Checks, receipt forms, tickets, and similar items that have been consecutively numbered and controlled before use.

Prior Authorization - A written approval granting authority to enter into a contract, to obligate funds for a purchase, or to receive a benefit, before such an action occurs and to give permission for an activity or event to take place.

Purchase Order - A document issued to a vendor authorizing the delivery of goods or services, which implies the obligation of funds.

Reconciliation of Bank Statement - A statement of the details of the difference between the bank statement and the cash account record, to show agreement of the adjusted balances.

Refund - An amount paid back or credit allowed.

Reimbursement - Repayment of authorized expenditures made on behalf of the school's internal fund.

Repairs, Minor – The restoration to a usable condition of a given piece of equipment, building, or grounds. Costs of new construction, renovating, or remodeling are not included here, but are considered capital outlay.

Reports - Written statements of information which are made by a person, unit, or organization for the use of some other person, unit, or organization.

Requisition - A written request, usually from staff to the Purchasing Officer/Principal for specified articles or services.

Student Activities - Direct and personal services for public school students, such as interscholastic athletics, entertainment, or publications, that are managed or operated by students under the guidance and direction of authorized adults, and are not part of the regular instructional program.

Student Organization - Any group of students organized on campus into a single body for the purpose of pursuing common goals and objectives. This includes the various types of student clubs and class organizations which, with proper approval by school authorities, are managed and operated by students under the direction or supervision of authorized adults.

Subsidiary Ledger - A detailed record of the financial transactions of a given activity, showing the receipts, expenditures, transfers, adjustments and balances for the activity's account.

Supply – An item of expendable nature that is consumed, worn out, or deteriorated in use.

Supporting Documentation – Evidence attesting to the authenticity, accuracy and

authority of a financial transaction.

Surety Bond - A written promise to pay damages or to indemnify against losses caused by the party or parties named in the document, through no performance or through defalcation. For example, a surety bond may be required of a contractor or an official handling cash or securities.

Trade Discount - An allowance made to those engaged in certain businesses, and allowable irrespective of the time when the account is paid. The term should not be confused with “Cash Discount”.

Transfer - Money which is taken from one account and added to another account. Transfers are not receipts or expenditures.

Trust and Agency Funds - Funds used to account for money and property held by a governmental unit in the capacity of trustee, custodian, or agent.

Vendor - A dealer, distributor, merchant, or other seller providing goods or services that are required for the conduct of the program.

Voided Check - A check that has been declared void. A check on which an error has been made in writing, such as an incorrect amount, signature, or a discrepancy in the information included. The check is made void by mutilating the signature space and the check is retained.