

SECONDARY FINANCIAL PROCEDURES  
Table of Contents

GENERAL

Accountability.....	1
Accepting checks from patrons.....	1
Not accepting checks from previous NSF patrons .....	1
Post dated checks .....	2
Auditing	
Internal audits .....	2
External audits .....	3
Accounts receivable - students charging fees (discouraged) .....	4
ACH (automatic check withdrawal).....	5
Journal Entries .....	5
Principal Signature Stamp .....	6
School Security (Password Protection for Financial Programs .....	6
Cash/checks/credit cards .....	8
“My School Fees” .....	8
Banking .....	8
Choosing a bank .....	8
Three check signers on account .....	8
Banking supplies .....	8
Checking balances.....	8
Wire transfer .....	8
Cell tower income .....	9
Bookstores .....	10
Booster Clubs (basic) .....	10
Budgeting - student funds .....	11
Fees should benefit student who provided the fee .....	11
All activities must be budgeted .....	11

CASH PROCEDURES

Student fees .....	13
Separation of financial duties .....	13
Faculty Sunshine Fund .....	14
Not cashing faculty checks .....	14
Documentation for all cash activity .....	14
Students handling school cash .....	15
Student registration procedures .....	15
Student deposit refunds .....	16
Fines, fees, lost uniforms or equipment .....	16
Types of refunds .....	16
Reconciliation .....	17
Stale checks/unclaimed property .....	17
Media center financial accounting .....	18

DONATIONS

Patron Donations .....	19
------------------------	----

Charitable Organization Donations .....	20
In-Kind Contributions (Teacher) .....	20
<b>FOUNDATION (ALPINE)</b>	
Employee Donations .....	21
Requesting Foundation Funds .....	21
Use of Foundation Money .....	22
Items Purchased With Foundation Funds.....	22
<b>GRANTS</b>	
Accountability .....	21
Reporting .....	21
Incentives for Excellence (Matching Grants) .....	23
Business/Patron Sponsorship .....	24
LEGISLATIVE MONEY (Teacher's) .....	24
<b>GATE RECEIPTS</b>	
Cash boxes for school events .....	26
Facility conditions where gate receipts will be received .....	26
Reconciling gate proceeds .....	27
Concessions .....	27
<b>FUND RAISERS</b>	
Approvals and Authorizations .....	28
Supervision .....	29
Raffles/Lotteries .....	29
<b>PETTY CASH.</b>	
Establish a petty cash fund .....	30
Petty cash usage .....	30
Replenish petty cash .....	30
Security .....	31
<b>VENDING MACHINES</b>	
Faculty vending machines .....	31
Student vending machines.....	31
<b>DISTRICT REQUIREMENTS</b>	
Monthly Reports.....	31
District Budgets .....	31
School Book Receivables .....	32
Purchase Cards .....	32
Textbook Fees .....	32
SECONDARY BUDGET ACCOUNTS THAT WASH .....	33

## SECONDARY FINANCIAL PROCEDURES

Hundreds of thousands of dollars are received by all of our schools for various activities each year. Administration has a stewardship for the proper accounting of all cash received in the school. Cash controls need to be constantly monitored to ensure that adequate procedures are maintained. The cost of any control should not exceed its benefit. School staff need to constantly monitor all cash activity.

The purpose of cash controls are to:

- ▶Safeguard cash which is entrusted to the school
- ▶Protect those that handle cash
- ▶Discourage theft
- ▶Teach participants responsibility and accountability

**Yearly, administration should review the District's cash procedures with all faculty members to ensure that good procedures are in place.** Additional detailed information is available in the form of a sample letter which may be distributed to the faculty.

### I. GENERAL

#### A. **Accountability - involves reporting back to someone.**

1. The responsibility of handling cash should never be given without the accountability being outlined.
2. Written procedures and training should be made available to those who handle cash.
3. Yearly, the principal needs to discuss cash controls and purchasing procedures of the District with their faculty.
  - a. It is suggested that a written statement regarding cash controls and purchasing be given to all faculty members at the beginning of each school year for their reference throughout the year.
  - b. See sample memorandum (Secondary Cash Controls and Purchasing Guidelines)

#### B. **Accepting checks from patrons**

1. Patrons should write checks out to the school and not a teacher.
  - a. If this does happen the teacher should endorse the check and give it to the school.
2. Accepting checks from patrons is a convenience for the patron. The school does not have to accept checks from individuals who have written insufficient funds checks, or shown financial irresponsibility.
  - a. Rather than embarrass a student it is recommended that the school contact the patron by mail, or phone and tell them that they can no longer accept checks from that family.
  - b. If patrons have made good on insufficient funds checks the school at their discretion may accept future checks.

3. Two-party checks
  - a. Checks made out to a teacher for the school should be endorsed by the teacher and turned into the financial office for deposit.
  - b. The school should not cash checks made out to a student from a vendor or other source.
4. Post dated checks
  - a. It is unlawful in the state of Utah to write a check that there are not funds to cover the check at the bank.
  - b. Schools should not accept post dated checks for the following reasons:
    - 1- Post dated checks may not meet the three day banking rule
    - 2- Checks not deposited on date requested.
    - 3- Checks may become misplaced and deposited significantly later when the bank account may have been closed or there are not funds to cover the check.
5. Patrons having non-sufficient funds checks
  - a. Anyone writing a check to the school/district that does not clear the bank has written a NSF check (non-sufficient funds). Immediately the check should be processed through the schools bank within the next 24 hours.
    - 1- Yearly schools should check with their bank to make sure that checks written to the school are processed twice before being sent to E Partner Net for collection.
  - b. NSF payments at school- Often a patron will come to school to pay for the non-sufficient funds check to avoid paying E Partner Net the service fee.
    - 1- School personnel may tell the patron that the account has been turned over for collection and the school cannot accept the patron's money.
    - 2- If the school desires to they may accept the money from the patron. They would need to call E-Partner net and tell them how much money was paid to the school.
      - a- This money is taken out of the next check sent to the school.

**C. Auditing**

1. Internal Audits by the District
  - a. Periodic audits are performed by the District internal auditors.
  - b. Schools will be notified prior to the audit regarding what is to be audited.
  - c. Internal audits are intended to be educational as well a review of internal controls of the school or department.
  - d. At the conclusion of the audit, the auditors will have an exit audit with the administrator and others involved in finances for the school.
    - 1- Material weakness and infractions will be reviewed
    - 2- Basic recommendations will be made and educational information will be shared.

- e. The internal auditor will write up a district response to the audit which will be reviewed by the business administrator before being sent to the school/department.
  - f. The administrator over the school/department will need to respond to the audit with a corrective action plan of how district recommendations will be incorporated into the school/district financial practices.
2. External Audits
- a. On a three-year rotating basis, schools/departments will be audited by an external audit company.
    - 1- Principals leaving the district will have an audit before they leave the district.
    - 2- Principals moving to another school will not necessarily be audited, but may request an internal audit if they desire.
    - 3- Financial secretaries leaving the district may receive an internal audit.
  - b. Membership audits are done based on the October 1<sup>st</sup> enrollment.
  - c. The financial and fixed audit is completed in the Spring of the school year.
    - 1- Appointments are made in advance
    - 2- Schools receive a list of items to be audited
    - 3- It is recommended that the administrator be at the school during the audit. If the administrator is not available, a designee may represent administration.
    - 4- At the conclusion of the audit the external auditors will have an exit audit with school personnel and discuss problems and infractions.
  - d. The information obtained during an audit is given to the Business Services Department to review and write up a district response to each individual audit.
    - 1- The department will provide district guidelines and resources to help schools/departments make necessary improvements in the financial internal controls of the school.
    - 2- The business administrator approves the district response and sends out to the schools/department.
  - e. Each entity being audited has a fiduciary responsibility to respond to the audit and represent in writing improvements that will be made and controls that are being put in place to answer the concerns found during the audit.
    - 1- Schools are required to respond in writing to the audit within two weeks of receiving the district comments.
  - f. Helpful information when being audited:
    - 1- During the audit be honest and truthful.
    - 2- Provide the information requested.
    - 3- Don't be defensive- be careful not to overstate your position.

- g. When responding to the audit:
  - 1- Address each item listed on the document.
  - 2- Make response to audit items short, stating action taken to resolve the problem.
  - 3- If exposure or problem is minor, state so with facts and a statement of a commitment to improve.
  - 4- Show or demonstrate you are in control.
- 3. School Internal Audit
  - a. Administration should perform periodic and unscheduled audits for all cash activity.
  - b. Audits can be formal or casual visits.
  - c. All activities involving cash must be supervised by an adult. Part of the supervisor's responsibility is to ensure adequate controls are in place.
- 4. District Audit Committee
  - a. The audit committee is comprised of two board of education members, the superintendent, business administrator, director of accounting an elementary and secondary principal and representatives of the District's external auditing company.
  - b. The audit committee reports back to the Board of Education.
  - c. Those schools being audited will be contacted in the fall of the school year they are to be audited.
- 5. Meet periodically to review the internal and external audits of the district.
  - b. Receive analysis of audited concerns and infractions.
  - c. Offer input and direction to the District for financial internal controls.
  - d. Elementary and secondary administration are invited to the meeting where the external auditors report on their audits of the schools. Other monthly financial documents for four years (one year after an external audit)

**D. Accounts receivable- students charging fees (discouraged)**

Under certain circumstances a secondary school student who is unable to pay their school fees before the first day of the current school year will need to have their parent/guardian work with an administrator to receive approval to charge fees. A "Fee Charge Form" is the document used.

- 1. The "Fee Charge Form" should be signed by parent/guardian before fees are charged.
- 2. The "Fee Charge Form" should include a statement that says a 10% service fee may be added to accounts that become thirty (30) days past due.
  - a. The form should include a statement that unpaid amounts are turned over to our collection agency on June 30<sup>th</sup> of the current school year.
- 3. Accounts receivable statements will be sent to parent/guardian at least quarterly.
- 4. Students should not be allowed to charge for yearbooks, or other non curricular items.
- 5. If a check written does not clear the bank that payment is charged back to the students account as soon as it is known that the check did not clear.

6. Three collection letters should be sent prior to the accounts receivable being turned over for collection.
  - a. The first letter states that the parent/guardian has ten (10) school days to bring back lost items for refund and pay any amount owed.
  - b. The second letter states that the students account is being prepared to turn over for collection in five school days. A “*Fee Waiver*” form, if applicable could be included with the letter.
  - c. A brief note sent to the parent/guardian telling them the date that they are being turned over for collection. Include the name and telephone number of the E partner Net collection agency.
    - 1- Send letter certified mail where a signature is needed to receive the letter. Keep on file for seven years.
7. The collection agency moves quickly on accounts that are turned over to hem. Within three months they will be asking you to sign a C-2 legal form authorizing them to take the account for legal action.
  - a. Before signing the C-2 form check with the Food Services Department to see if the family would have qualified for “*free and reduced*” lunches had they applied.
  - b. Try to telephone the family and tell them that their account is going to be sent to the attorneys for legal action and they need to pay owed amounts immediately.
  - c. When C-2 have been signed please send a copy of the document to Carol Winters to keep on file.

\*\*\*Please be aware that if a student would have been eligible for a “fee waiver,” even though they did not apply for one, a judge will not charged against them. It would be better to have not turned the family over for legal proceedings.

- a. Imaged cancelled checks should be filed with the bank statement.
  - d. Actual cancelled checks should be filed separately in a check box or envelope for that purpose.
7. Errors on the Bank Statement
    - a. All errors need to be researched; what may seem like a small error may in fact be a large error when all parts of the puzzle are put together.
    - b. After complete research, you may adjust your bank statement either way by \$5.00. Anything \$5.00 or more requires a call for district support.

#### **E. Journal Entries**

1. Approvals
  - a. Administrator/designee must review and sign all journal entries.
  - b. Signatures may be done on each journal entry, or on the monthly journal entry register.

#### **F. Documentation**

1. Journal entries need some type of documentation to initiate the journal entry.
  - a. Staple behind the journal entry, or the journal entry register

**G. Reporting**

1. Documentation should be kept with other financial information.
2. Monthly, a copy of the journal entry register should be sent to the District with other financial information.

**H. Principal's signature stamp**

1. It is important to have checks and balances in place by having two authorized individuals review and sign important financial documents.
2. The use of a principal's signature stamp should be limited to a few exceptions. The following are guidelines for using the stamp:
  - a. Used under extreme exceptions
  - b. Principal and designees extended absence - two weeks or more
  - c. Secondary deposit refunds
3. Security precautions
  - a. Stamp must be kept locked up except when in use.
  - b. Principal/designee should have the only key.
  - c. The financial secretary may use the key in the absence of the principal/designee for extreme exceptions.
  - d. A log should be kept with stamp recording; date used, who used it and check sequence.

**I. Security in the Schools**

**Password Protection for Financial Programs** - Security precautions should be in place for the school's financial programs and the school safe.

1. Passwords and combinations should be changed with principal or financial secretary changes.
2. In case of an emergency, the principal should have a knowledge of what the financial secretary's passwords are.
3. Who to call for changing combinations and passwords
  - a. Safe combinations call the maintenance department
  - b. GroupWise passwords contact the technology department
  - c. AS400 district passwords contact data processing
  - d. TES accounting now has password capability contact accounting support personnel.
4. Limited access should be given to the safe combination and access to the financial computer.
5. Safes in Schools - Adequate precaution should be taken to secure cash and provide for the safety of personnel handling cash within the school.
  - a. Safe combinations and keys should be changed as personnel changes.
  - b. Principals are responsible to limit the number of people that have access to the combinations, and safeguard written combinations.
  - c. Cash should not be stored in areas where general staff or students have access.
6. Principals need to evaluate the safety of money and the protection of employees on a regular basis.

7. Principals should review their situation and request in their capital outlay budget when they feel there is a need to purchase a safe to safeguard cash. Adequate sized safes should be at each of the school. If the safe is a portable one it should be bolted to the floor.
8. Once a bank deposit has been prepared it should be kept in a safe location until picked up by the district mail driver.

**J. School Accounts with a Deficit Balance**

1. As a general rule, no school account should end the year (June 30<sup>th</sup>) with a deficit balance.
2. All “*Accounts*” within an “*Activity*” will be used to bring a deficit account to a zero balance. Teacher’s will use all sources of money before the administrator will pay for deficits in their accounts. Example: Foundation money.

**K. School Fund Balances (Equity Accounts) -** Fund balances are created when the “*Activity’s*” previous years fund balance plus current year income is greater than current year expenditures.

1. All “*Activity*” accounts have the possibility of money being available in the fund balance.
- 2.. Teacher’s should not make purchases during the summer months with intended Foundation money that is not at the school. This creates a problem in closing out the schools financial accounts.
3. Many balances are transferred into the administrators fund balance to be reallocated in the next school year.
4. Cabinet level recommendations for school fund balances:
  - a. Senior high administrative fund balance no more than \$90,000
  - b. Junior high administrative fund balances no more than \$60,000
5. Schools with excessive fund balances:
  - a. Administrator’s should actively work to purchase items, or achieve the goals established
6. Fund balance money for long-term projects
  - a. Monies needed to achieve a long- term project may be designated by having its own fund balance within the administrator’s general fund balance account.

**L. ACH (automatic check withdrawal) -(preferred form of accounts receivable)**

1. Patrons sign up at the school to have regular payments withdrawn from their checking or savings account. Generally this is done on a monthly basis.
2. A minimal monthly fee may be charged to the patron for this service.
3. After the school has received two notifications that the ACH payment did not go through, patrons are contacted to find a better method of payment.
  - a. Genuine delinquent accounts may be turned over for outside collection at this time.

**M. Cash/checks/credit cards**

1. Patrons may come to school during school hours and pay student fees with cash, checks or with a major credit card.
2. Some schools have limitations on the type of credit cards they can receive payment on.
3. Two-party checks
  - a. Checks made out to a teacher for the school should be endorsed by the teacher and turned into the financial office for deposit.
  - b. The school should not cash checks made out to a student from a vendor or other source.

**N. “My School Fees”**

1. Patrons may go on-line and access the website of a secondary school who is using the program and pay fees and charges.
  - a. There may be a small charge to the patron for this service.

**O. Banking**

1. School’s must have district approval before choosing or changing banks.
  - a. Increased numbers of schools makes the economy of choosing a limited number of banks that deposits will be dropped off to necessary.
  - b. Safety and traffic concerns for the delivery drivers make limiting the banks schools may bank with necessary.
2. School’s must have three signers on the signatory card at the bank.
  - a. ***The three check signers should never sign a check made out to themselves.***
3. Banking supplies
  - a. Deposit slips are purchased from the banking entity
  - b. Checks must have the District’s accounting format, contact the accounting department when checks need to be re-ordered.
  - c. Disposable bank bags may be obtained from the delivery driver picking up your bank deposits.
  - e. School Disposable Bag Transaction Record form may be obtained from district website under district forms.
4. Banking balances – schools are encouraged to keep checking account balances low and investments high to receive more interest on their money.
  - a. Schools should have no more than one months cash flow in their checking account.
  - b. Schools are encouraged to draw down money from investments to cover check runs.
  - c. The schools TES accounting program Asset - Cash-in-bank account should be reviewed each time checks are issued.
    - 1- If necessary transfer money from investments/savings to schools checking account.
5. Wire transfers between checking and investment accounts
  - a. The District uses the Chase Bank as its clearing house for wire transfers.

Please be aware that there is a 24-48 hour turn around time from when

requests are made. It is recommended that a request for transfer be made by 9:00 a.m. on the day funds are requested.

- 1- Fax (756-8501) requests to accounts payable department on the District wire transfer form. (Copies found on Alpine website.)
- b. Journal entries to record entries in the TES accounting program
  - 1- Wait to do investment transfers journal entries until the school has received notification that the transfer has been made from the District..
  - 2- Do **NOT** do wire transfers between checking and investments between June 25 - July 2. It could affect year end closing.
  - 3- Examples of wire transfers:  
The type of journal entry is a T=Transfer journal entry

Wire Transfer *into* Checking Account:

\$5,000 ASSET =Cash-in-bank D (Debit)

\$5,000 ASSET =Investments C (Credit)

Post and Print

\*Remember that a debit to an ASSET account increases balance

Wire Transfer into Investment/Savings

\$5,000 ASSET = Investments D (Debit)

\$5,000 ASSET = Cash-in-bank C (Credit)

- c. Interest received from District investments
  - 1- Quarterly the interest is computed for each school and a check mailed to the school for deposit into ADM=Interest income.
- d. Cell tower income for schools
  - 1- Cell tower income is receipted into the schools district investment account.
  - 2- At the school an income journal entry will be created.
    - a. Debit ASSET= Investment
    - b. Credit ADM= Cell Tower Income
6. Deposit overages/shortages
  - a. Record overages or shortages daily.
  - b. Charge to account 10-2001-000
  - c. Slush funds cannot be used to balance daily receipts.
  - d. Because of time constraints excessive amounts of time should not be spent on variances of less than \$1.00.
  - e. Helps for dealing with variances between cash and the receipt register:
    - 1- Recount cash
    - 2- Match checks to receipts
    - 3- Match credit card slips to receipts
    - 4- Review all voids

- 5- Ensure all voids have been processed
  - 6- Review receipts/register listing to ensure the correct fee amounts have been recorded.
  - 7- Look for missing receipt numbers in register listing.
  - 8- If the variance is divisible by 9, chances are that a number has been transposed.
  - 9- Compare cash tally slips with actual money and checks.
7. Three day banking rule
- a. Funds received in a school should be deposited daily where possible, where this procedure is not possible school personnel must receipt money and send to the bank at least every third school day.
  - b. Where possible money should not be left in the school safe overnight.

**P. Bookstores**

The bookstore sells a variety of supplies and products. It is normally used as part of the school's business curriculum. The bookstores are staffed by students with teacher's overseeing the operation. In most cases it is a profit making operation. The following procedures should be followed:

1. Bookstores must be well lit and behind locked doors.
2. A school administrator and the teacher should be the only key holders.
3. Proceeds must be given to the financial secretary before the end of the day.
  - a. The funds should include a "*Cash Tally Sheet*" which has been signed and dated by the teacher, or person collecting the funds.
4. Cash cannot be held in the bookstore over night.
5. The cash change box must be locked and put into the school safe at the end of the bookstore's business hours.
6. As much as possible, different students must be rotated through the operation and additional care should be given to the cash handling procedures.
7. Set up cash for change box
  - a. A check should be issued to the school and charged to an asset account called "Bookstore Petty Cash."
  - b. A Bookstore "*Activity*" account is created if the account will be managed by a teacher.
    - 1- Create expenditure accounts for the purchases and sales of the "*Activity*."
    - 2- The financial secretary will apply sales tax to all appropriate bookstore activity at the time the proceeds are receipted in the accounting system.
  - c. An Admin= Bookstore expenditure account should be created when funds are used for the general purposes of the schools.

**Q. Booster clubs/ camps and clinics**

The purpose of District guidelines are to provide direction and procedures for camps, clinics and other extra-curricular activities. Because of the magnitude of important issues

this topic is covered in its own section later in the *Procedures Handbook under the Camps & Clinics Section*.

**R. Budgeting - student funds**

\*\*\*Please Note: Secondary schools are required to submit their projected budgets for the following year, and the revised current year's budgets by April 1 of the current school year.

1. Budgeting is a team effort
  - a. To create ownership, those held accountable (teachers/departments) must be provided an opportunity to submit their input.
  - b. The input should then be reviewed and approved by school administration.
2. Budgets should reflect spending consistent with the purpose for which the fees were collected.
  - a. Fees collected should be used to support the program for which they were collected.
  - b. The dollar amount of the fee should be for what is needed for the current year. Excess funds should be avoided.
  - c. Excess funds must be used to benefit students participating in the program.
  - d. Excess student funds cannot be used for entertainment, parties, food or any administrative or teacher activities.
3. Fees should benefit students who provide the fee.
  - a. Accumulated fees may not be used to buy equipment that students who provided the fee, will not personally benefit from.
  - b. It is appropriate to use lab fees that will allow for the orderly replacement of equipment.
    - 1- These funds must be transferred into a designated fund balance account that can accumulate funds until the replacement equipment is purchased.
4. All "Activities" must be budgeted.
  - a. Teachers should submit a budget that records their program financial requirements (supplies, trips, etc.) along with how they expect to generate funds (fees, fund raisers, etc.) to support their program.
  - b. Budgets should be submitted even for those "Activities" that may be difficult to estimate, i.e. resale activity.
  - c. Monitoring budgets versus actual's (revenues and expenditures) and comparing income to expense, potential problems can be avoided.
5. Balancing budgets
  - a. The emphasis is not creating surpluses but providing the necessary resources to support the activities in the classroom or program.
    - 1- Current year budgets should be based on needs not expected receipts.
  - b. There are times when current year budgets for income and expense may not equal.
    - 1- Prior year fund balance may be used for expenditures.
    - 2- Administration may be asked to provide discretionary money to

- various “*Activities.*”
- 3- Sponsor’s of “*Activity*” accounts may need to generate additional funds through fees, fund raising, or grants.
  - 4- When projected income is not realized, expenditures may need to be reduced. Mid year, or mid program is a good time to review budgets.
  - c. Administration should review all “*Activities*” that have not been budgeted for, but may have a potential problem.
    - 1- Surplus fund balances will be eliminated by having administration budget for all contingencies.
    - 2- Monthly, the fund balance accounts should be monitored to help prevent excess surpluses or deficits.
  6. The account structure should match user’s revenue and spending categories.
    - a. Income accounts should identify where the sources of revenue will come from, i.e. fees, fund raisers, grants.
    - b. Expenditure accounts should identify how the money will be spent, i.e. supplies, equipment, uniforms and camps.
  7. Budgets should not be static.
    - a. Budgets should be reviewed periodically and changed as circumstances change.
  8. Monthly reviews.
    - a. Once a month the principal, or designee, should review with the financial secretary all financial reports.
    - b. Budgets to revenue/expense and revenue to expense comparisons for each “*Activity*” code should be reviewed.
  9. Programs/classes will be treated as cost centers
    - a. All receipts and disbursements (participation fees, transportation, officials, etc.) associated with a program/class will be charged directly to that program/class.
    - b. The goal is to be able to accurately determine the cost to run a program/class.
    - c. Fees from one program cannot be used to fund another program.
  10. Classes/programs can carry balances over from year to year
    - a. When current years fund balance plus income is greater than expenditures the difference is carried over into the next years fund balance.
    - b. Administration should use their professional judgement to set limits on “*Activities*” that will have carry-over money (fund balances).
      - 1- When these fund balance accounts become excessive, administration should review and take corrective action.
      - 2- This can be done by reducing fees, reducing fund-raising efforts or by reducing the allocation from the principal’s discretionary receipts.
    - c. Teachers/department heads should have defined goals for using fund balance monies.

## II. CASH PROCEDURES FOR SECONDARY SCHOOLS

### A. Student fees, etc.

1. Student fees, dues, contributions, fines, class projects and all other activities where money is received from a student must be paid directly to the school financial office.
2. Receipts will be generated at the time money is received.
  - a. It is the students responsibility to keep the receipt to show to teachers and others that money has been paid.
3. Current school year fees should be paid by the first day of school . However, special arrangements may be made between the administrator and a parent to pay fees throughout the school year. The last day for accepting money for the current school year is the last school day of the year. After the last school day unpaid student amounts will be turned over to the District collection agency for collection.
4. Do not accept “post dated” checks for payment of any type.
5. Checks made out to an individual/teacher instead of the school.
  - a. The person/teacher needs to endorse the back of the check and write below their name, “Pay to the order of” and print the name of the school on the back of the check.
  - b. As soon as a secondary payer’s check is received it should be stamped with the “For Deposit Only” with the school’s stamp.

### B. Separation of duties - high schools

1. With the volume of money received in the high schools, no one person should be responsible for all aspects of receipting and banking money.
2. Each secondary school should have a current plan for the separation of duties for financial transactions.
3. Daily the receipting secretary should provide a reconciled “*Print items to Deposit*” report for the financial secretary’s review.
4. Vending checks and other monies received through the mail should be opened by the financial secretary and receipted by the receipt secretary.
  - a. A credit received from a vendor in the form of a check could be a potential problem for dishonest behavior if dual controls are not in place.
5. The financial secretary will do the bank reconciliation and account for the various deposits.

### C. Separation of duties - junior highs

Junior high financial secretaries perform all aspects of the finances at their school. The minimum requirements are listed below:

1. It is recommended that one of the secretaries in the front office open and record checks received in the mail.
  - a. A record should be kept including date, vendor and amount received.

2. Periodically the principal/designee should review the bank deposit substantiation during an in-house audit.

**D. Employees Depositing Money into a Personal Account**

1. School or district personnel should never deposit money collected for school/district purposes into their own personal bank account. It is considered a criminal offense and will be prosecuted.

**E. Faculty Fund (Sunshine Fund)-** Most schools have a faculty fund which generates money through annual donations paid by each faculty member. This account is generally used for flowers, gifts, or cards in the case of a birth, death, marriage etc.

1. If the faculty fund is run through the school books, it is necessary that all district procedures be followed.
  - a. Prior approval of purchase
  - b. Bids for purchases over \$1,000
2. Faculty members may designate a teacher to be responsible for this account.
  - a. The teacher may choose to open a separate checking account to manage the various expenditures.
  - b. If a separate account is opened, nothing should be processed through the school.
  - c. The teacher representative should reconcile the bank statement monthly and provide a financial report to the faculty at least yearly.
3. The faculty "Sunshine" fund should never be in a deficit situation.
4. Sales tax should be paid on these purchases because they benefit faculty and not students.

**F. Faculty check cashing**

1. The financial office should not cash checks for the faculty members.
  - a. The school is unable to reconcile cash and checks to the daily deposit report.
  - b. An insufficient funds check from a faculty member becomes awkward for the school to collect.

**G. Documentation - all cash activity, receipts, disbursements, journal entries should be substantiated by supporting backup documents.**

1. Documents should be available and demonstrate that proper cash controls are in place.
2. Required documentation for receipts:
  - a. "Cash Tally Sheets," signed and dated
  - b. Supporting documents from checks received, usually called the "voucher" part of the check.
  - c. "Print Items to Deposit" report.
  - d. Copy of the bank deposit slip
  - e. The end strip from the disposable bank bag
  - f. Copy of the bank transaction record

## **H. Students and cash**

1. Generally students should not be responsible for handling cash at the school. However, in the educational environment where students are learning about marketing, business or dealing with money, checks and balances should be in place to help students learn the proper methods of handling money. The following procedures should be followed:
  - a. Students should be supervised by a teacher, or administrator when they are working with cash.
  - b. Students from business clubs or classes may be used in the gate receipt process if it is part of their curriculum.
  - c. Adequate on-site adult supervision is required for all students help
  - d. Two students who are closely supervised by a teacher should count money and fill out a reconciliation report, which is then signed by both students and teacher.
2. Students should **not** be asked to empty vending machines.
3. Students should not have access to, or use of, the school purchase cards. Students should not make purchases for the school, or faculty advised clubs.

## **I. Student registration procedures**

1. Change boxes for each registration work station.
  - a. Issue a check in the name of the person going to the bank and on the name line the following "FPO petty cash." Charge check to "petty cash."
  - b. Prior to registration personnel assigned to each work station will receive a cash box and verify the money in the box.
  - c. Initial the "*Remote Receipt Registration Worksheet Reconciliation*" form.
  - d. At the conclusion of each days registration the workstation personnel will complete the reconciliation for that station and prepare the deposit slip.
    - 1- Money and checks will be removed from the cash box.
    - 2- Initial petty cash amount will be returned to the box.
    - 3- Petty cash boxes will be locked in the safe at the end of the day.
  - e. Registration personnel and the financial secretary will review each stations deposits.
  - f. The money, deposit slip, registration register, "*Remote Receipt Registration Worksheet Reconciliation*" form, receipts, and registration disk should be put into an envelope and given to the financial secretary.
  - g. At the end of registration the petty cash used will be deposited back in the bank. It should be credited back to the petty cash fund bringing it back to zero.
2. ACH(accounts receivable payments)
  - a. Where applicable it is recommend to have separate work station hat handles ACH accounts receivable payments.
  - b. Students using a parents credit card to pay for fees needs to have parents approval either in writing, or verbally by phone.

3. End of the day
  - a. The financial secretary will review each work stations reconciliation and bank deposit slip before money is taken to the bank.
  - b. The secretary will download the various work stations data into the main TES accounting program.
  - c. An administrator along with another person, preferably a policeman, will deliver the bank deposit to the bank.

**J. Student deposit refunds**

At the end of the school year the students are given their student deposit in the form of a check being mailed to the home, or cash being signed for by the student at the school.

1. Fines, fees, lost uniforms or equipment
  - a. Before a refund is issued any charges owed to the school in the form of fines, fees, lost uniforms or equipment will be deducted from the deposit refund.
  - b. The TES accounting system will generate a report showing the amount of the deposits and any accounts receivable activity for all students.
  - c. This report is used to determine the amount of the refund.
  - d. It is important that all students be notified of the dates when fines and fees are due.
  - e. The dates should be prior to yearbook distribution.
  - f. Every effort should be made to collect fines before yearbooks are distributed and the deposit refunded.
  - g. Every effort should be made to notify parents and students that all deposits not picked up/or cashed within a described time frame will be considered a donation to the school. A public address announcement, bulletin board postings and student newsletters can be used.
  - h. A central file must be maintained documenting all efforts to make available student refunds and demonstrating that those not picked up are donations. In instances where a file is not kept, all unclaimed refunds must be sent to the “Unclaimed Property Tax Division of the Utah State Tax Commission.”
  - i. Any time a patron/student requests a refund for previous years that the student did not received it must be refunded.
2. Types of refunds
  - a. Cash refunds
    - 1- It is strongly recommended schools refund deposits by check. The District will not be responsible for any cash theft that may occur.
    - 2- It is suggested that a police officer is present during the delivery of funds to the school and distribution of funds to students. If a police officer is unavailable an administrator must be present.
    - 3- Large amounts of money cannot be left in the schools overnight.
    - 4- An individual envelope with the students refund is prepared.
    - 5- Junior high schools prepare the envelopes by the student’s home room.

- 6- Senior high school students receive their refund from a central distribution area. (The cafeteria is a good location)
  - 7- Students sign a sheet that they have received their refund.
  - 8- Senior students may sign a form donating their refund to the class project for the year.
  - 9- If money will be put into envelopes, arrangements should be made with the bank to keep the envelopes in their safe overnight.
  - 10- At the end of school all left-over cash refunds minus \$200 must be deposited in the bank. The \$200 can be used for additional student refunds. It must be locked in the school safe over night. The \$200 cash can be replenished as needed. The second week after school is out all cash must be deposited in the bank and future student refunds given by check.
- b. Check refunds
    - 1- The District encourages that checks be created for the refunds and mailed home to parents.
    - 2- Checks are written to "*The Parents of:*" and then the students name.
    - 3- To avoid the hassle of having to send outstanding student refund checks to Unclaimed Property the school may enter the following comment on all refund checks: "If you would like to make a donation to the school please do not cash this check. If this check is not cashed within 30 days it will be considered a donation to the school and will be void."
    - 4- When crediting outstanding checks to the Unclaimed Property account all outstanding student refund checks can then be credited to the ADM-Miscellaneous donation account.
    - 5- If student refund checks are cashed later a journal entry can be made charging the ADM- Miscellaneous expense account.
  - c. Reconciliation
    - 1- A reconciliation must be performed if cash is used to refund students their deposits.
      - a) Send reconciliation to the District Office along with other May financial reports.
      - b) Forms are available on line for this information.

**K. Stale checks/unclaimed property**

- 1. School checks that are six months old or older need to be voided, or written off from the school books.
  - a. Before checks are written off it should be determined if payments were made in some other way, such as by purchase card.
  - b. Vendors should be contacted to see if they have outstanding invoices.
    - 1- If invoices are still open a stop payment should be placed on the check by the bank, and then reissue the check to vendor.

- c. Often the checks were written to a teacher, or student, who is embarrassed to say that they lost the check.
    - 1- Be gracious about voiding the check and reissuing a new check.
    - 2- Explain to the individual that they must cash the check within thirty days.
  - d. Checks written in the previous fiscal year will need to have a journal entry completed to write of the stale check.
    - 1- Inside bank reconciliation menu do an expenditure journal entry.
    - 2- Credit the account the check was written on.
    - 3- Debit the ASSET=Cash-in Bank account
    - 4- Clear the stale check and clear the journal entry.
    - 5- Re-issue check from appropriate account.
2. Unclaimed property
- a. When it is determined that the stale check is truly outstanding and it is not possible to re-issue the check the information must be given to the Utah State Tax Commission's - Division of Unclaimed Property.
  - b. A journal entry will be completed crediting the GEN-Unclaimed Property account and debiting the ASSET - Cash in bank account.
    - 1- Inside the bank reconciliation menu clear the journal entry and the outstanding check.
  - c. A check will be written to Alpine School District for the total amount and charged to the GEN -Unclaimed property and sent to the District.
    - 1- Include with your check the name of the individual, and the dollar amount.
    - 2- Send the checks to the attention of Charlie Lamb in accounts payable.
  - d. The District issues one check to the State Tax Commission on November 1<sup>st</sup> each year.
  - e. The school should keep a central file for unclaimed property.
    - 1- Information should be kept for six years.
    - 2- It should contain the following:
      - a) copies of outstanding checks, invoices, addresses & follow-up information.
      - b) Student deposit refunds not refunded, lists with amounts including the date and address.
      - c) List of unclaimed property sent to the District
      - d) List of school donations by students/parents.

**L. Media centers financial accounting**

- 1. Media centers need to account for the product sales, copying services, lost books and fines.
- 2. Using the Alexandria program the "*Cash Drawer*" report should be printed and accompany the weekly deposits to the financial secretary.
  - a. Reconcile the "*Cash Drawer*" report to the funds turned in.

- b. Non Alexandria activity (product sales, copying services) should be accounted for separately from general Alexandria activity such as lost books, and fines.
- c. At a minimum, all media activity funds collected must be given to the financial secretary each Friday morning, or the last school day of the week.
- 3. Change box may be kept in media center.
  - a. The box should contain no more than \$25.
  - b. The box needs to have a lock on it and kept in a stored locked cabinet when not needed.
  - c. The number of people with access to the box should be limited.
- 4. Media center purchases
  - a. Actual money collected in the media center may not be used to make purchases.
  - b. Purchases must conform to District purchasing guidelines by having a budget, or prior approval for all purchases.
    - 1- The purchase card should be used for purchases up to \$1,000.
    - 2- Purchases for \$500- \$1,000 or more must have three telephone bids, be on the sole source or state contract. A “*Purchasing Authorization*” form must accompany these purchases.

### III. DONATIONS

The school has a fiduciary responsibility to the public to spend funds for the purposes for which they were collected. Upon request the school must be able to demonstrate this fiscal responsibility during an audit. Consequently, all income and purchases relating to that fund or fee must be applied to the correct “*Activity*” and “*Account*.” Generally, funds should be spent in the school year they are collected.

#### A. Patron Donations - General

- 1. Donations for class projects, trips, projects need the prior approval of the administrator.
- 2. Patrons should be made aware that when they pay money for a class project or trip, they are “donating” the money to the school thus the unused funds do not need to be reimbursed.
- 3. Trips and class projects should not be used as fund raisers for other organizational needs.
- 4. Patrons donating to the Alpine Foundation.
  - a. Appropriate donations- Patrons donating **in general** to the school, a classroom, a project, trip or event.
    - 1- Example: A patron of A.F. High School donating to the band program.
    - 2- A patron donating to one of their children’s class **in general**.
  - b. Inappropriate donations- Patrons may not pay for fees, projects, trips or activities by donating to the Foundation and having it be applied to a specific student to pay for those things.

- 1- Example: A parent of a A.F. High band student donating to the Foundation to pay for their student to go on a band trip.
- 2- Donating to the Foundation to pay for a student's project materials.
5. Donation checks to the Alpine Foundation should be made out to the the Foundation.

**B. Donations to Charitable Organizations or Individuals in Need**

When schools sponsor a fund raiser for a charitable organization or an individual in need and the entire amount collected will be given to them, the school should do the following:

1. The sponsor of the event should have all checks made out in the name of the recipient/designee of the fund raiser.
2. The sponsor will collect all of the money on a daily basis, put in an envelope with the name of the fund raiser written on the front, and bring to the office to be locked in the school safe, or placed in a "over night" depository bag and put in the night depository at the schools bank.
3. **The financial secretary will not receipt the money into a school account.**
4. At the conclusion of the fund raiser the sponsor will take everything collected to the organization or individual.
  - a. Where others are receiving 100% of the money, the school should not accept the liability of insufficient funds checks.
5. Following these procedures will save a significant amount of time for the financial secretary.

**C. Teacher In-Kind Contributions**

1. Teachers may receive a receipt for personal tax purposes for in-kind contributions of equipment and supplies which are donated to classrooms of schools within the District.
2. Teachers should keep receipts for their purchases and they should be retained in an envelope available through the Foundation, or in the Teacher Learning Center.
3. The date, description of item purchased, and amount should be registered on the front of the envelope.
4. At the end of the calendar year, envelopes with receipts enclosed should be sent to the treasurer of the Alpine Foundation.
  - a. Receipts will be checked and an "in-kind" receipt issued to the teacher for tax purposes.
  - b. These contributions are from personal funds and not from purchases made with Legislative, or class fees, or donation money.

**IV. GRANTS**

Most schools receive money for various grants. Grants have been written with specific criteria and goals in mind. Guidelines for the grants need to be followed.

**A. Finances -Accountability**

1. When the grant is accepted a file folder should be created to contain the following:

- a. Copy of the grant with authorized signatures
- b. Name of the person who will administer the grant
- c. Name and address of the individual/organization who provided the grant
- d. During the course of the grant note in the file if a different person assumes the responsibility for the grant.

**B. Reporting**

- 1. Quarterly a financial report should be given to the sponsor of the grant
- 2. At the end of the grant a detailed and summary report should be placed in the grant file for future reference.

**V. ALPINE FOUNDATION**

The Alpine Foundation is a non-profit fund raising organization of the District. They are a great resource for the schools. Teachers, employees, patrons, PTA's and others should be encouraged to donate to the Foundation. The following are guidelines for schools and teachers in donating to, and requesting funds from the Alpine Foundation. Money received in the Foundation is deposited into separate accounts. Once the money is requested from the school it is put into a *liability* account for the purpose it was received; such as a teachers Foundation account, reading program, band or drama account.

**A. Teacher/Employee Donations to the Foundation**

Payroll deductions are a great benefit to schools, classrooms, grants, programs, etc. Having a payroll deduction allows you to qualify for a tax deduction on your income tax as well as reduce out-of-pocket expenses you may have for your classroom or work site.

- 1. Sign-up for Payroll Deductions
  - a. All employees may sign up for the payroll deduction program.
  - b. Once an employee has signed up for the deduction the funds become the property of Alpine School District and Alpine Foundation. **These funds do not belong to the employee.**
  - c. In January the Foundation provides those who have contributed a donation slip for tax purposes with the IRS.
- 2. Cancel a Payroll Deduction
  - a. Fill out a "*Alpine School District Cancellation Form*" Payroll Dept.
- 3. Requesting Funds from the Foundation
  - a. Schools will have on hand the "*Request for Alpine Foundation Funds*" form.
  - b. The person requesting the funds from their account should fill out the form. (*Not the school secretary*)
  - c. The principal's signature is required on the form.
  - d. The Foundation treasurer will send a check within 3-5 days from receiving the form.
  - e. The school must protect and maintain the confidentiality of each teacher's payroll deduction, and their Foundations funds balances which are available.

- 1- Charitable donations are a private matter. **This information is not for general distribution.**
- f. Money received from the Foundation is receipted into each account individually and a receipt is issued to the teacher/sponsor of grant.
- 4. Criteria for Teachers using their Foundation Money
  - a. May be used for teaching supplies and materials, both expendable and non-expendable, equipment, supplementary books and resources. This definition should be broadly construed in so far as the materials are used by the teacher for instructional purposes in classrooms, lab settings, or in conjunction with field trips.
    - 1- Foundation money **may not be used for personal items** such as registration, gas, food for a conference or membership in an organization
  - b. All purchases need to have prior approval.
  - c. Teachers may be reimbursed for small purchases from their own personal funds:
    - 1- This method of payment should be the exception not the rule.
    - 2- No item purchased should be for more than \$50.
    - 3- Items purchased must be on a separate sales slip from the teachers personal items.
    - 4- No sales tax will be reimbursed
    - 5- Teachers should not be reimbursed for small amounts of money, they should wait until they have at least \$50 of receipts to be reimbursed for personal purchases.
    - 6- The principal will determine how often teachers will be reimbursed for personal purchases.
    - 7- The District recommends that reimbursements happen quarterly.
  - d. The use of the purchase card is encouraged for items under \$1,000
  - e. Purchases \$1,000 or more need three telephone bids and the “*Bid Authorization*” form filled out, dated and signed by teacher, or person obtaining the bids.
    - 1- Where applicable, a purchase order should be used.
  - e. Foundation accounts may not have a deficit balance at the end of the fiscal year (June 30<sup>th</sup>).
    - 1- Teachers should request enough of their Foundation money from the District to cover the deficit balance in their school account.
- 5. Ownership of Items Purchased with Foundation Money
  - a. **Once an employee has signed up for payroll deduction all monies/or items purchased become the property of the District and the Foundation.**
  - b. Teachers are allowed to be the steward of the account and purchase the items for the classroom/grant.

- c. If a teacher transfers to another school or location within the District, the items purchased with Foundation money may travel with the teacher.
  - d. If a teacher transfers to another district, or retires, those items which have been purchased with Foundation money remain at the last school that the teacher works in.
  - e. If a teacher is leaving the District and there is a balance in their school Foundation account, the funds may be given to the teacher taking their place or they may have the money transferred into the schools' general Foundation account.
  - f. If a teacher/employee is leaving the District and they still have money in their District Alpine Foundation account, they need to contact the treasurer of the Foundation and designate how they want the money used.
6. Keeping Track of Account Balances
- a. District Funds
    - 1- Monthly, a report is sent from the Foundation treasurer to each school stating the balance of each account within that school. The financial secretary will know everyone's balance.
    - 2- Telephone Alpine Foundation (756-8425 or 756-8403) during office hours for the balance of an account.
  - b. School Foundation Accounts
    - 1- Foundation accounts are *liability* accounts and balances carry-over from year to year.
    - 2- A *Teacher's Sponsors* report shows the activity and balances for the year. This report may be accessed by the secretary upon request.
    - 3- Teachers will be provided with a Teacher's Sponsors report on a quarterly basis.

**B. Incentives for Excellence- (Matching Grants)**

Schools may receive matching funds for grants or specific projects by earning one half of the funds needed for the project.

- 1. When schools anticipate that they are going to ask for an "*Incentives for Excellence Grant*", the source of income should be identified as a *Foundation liability* account at the school. Example: Gold C, picture money.
  - a. A specific Foundation account may be created within the *Foundation Activity* if the school wants to keep track of the specific project. (See TES Accounting Manual to set up account)
  - b. Monies received, disbursed and sent to the Foundation will be recorded in this account.
  - c. If it is determined "after-the-fact" that the grant will be sought the school will cut a check out of the fund raising income account to send to the Foundation for their matching part of the grant.
    - 1- When the grant money is returned to the school the entire amount of the check is receipted into the Foundation Incentives for Excellence account.

2. PTA's or business partnerships will donate directly to the Foundation and those monies will be credited directly to the school's *Incentives for Excellence* grant.
  - a. The school should write thank-you notes to contributors.
3. When the Foundation receives the school's portion of the money, a receipt will be issued to the school.
  - a. To access the money, the school needs to submit a "*Request for Alpine Foundation Funds*" form.
4. Money that is not expended for the grant/project carries over into the next fiscal year.
  - a. Money carried over should be used as designated in the grant/project.

**C. Business and Patron Sponsorships**

In Alpine School District we are fortunate in that we have many supportive businesses and patrons who are willing to provide grants, or additional funds to our schools and teachers. With the new accounting model, we need to account for these funds in the appropriate way. The following are guidelines that schools should follow when establishing and using these types of donations.

1. The donation should originate by the business or the patron sending a check to the Alpine Foundation stating the purpose the money is to be used for.
2. The Foundation will send a receipt to the school/teacher, who in turn should send a thank-you note to the contributor.
3. Monthly, the Foundation treasurer sends a statement to each school informing them of their donation balances.
4. Money is requested from the Foundation on a "*Request for Alpine Foundation Funds*" form.
5. When the check is sent to the school, the money is receipted into the teacher's/school's Foundation account.
  - a. This account is a liability account, meaning that money is receipted into and expenditures come out of the same account. (10-2410-002-000)
  - b. More than one Foundation account may be created for the school/teacher as needed by changing the last three digits of the account number. (Example: Business Partnership 10-2410-002-**001**)
6. Expending the money
  - a. Expenditures must meet the criteria for receiving the grant/money.
  - b. District purchasing procedures must be followed.

**VI. TEACHER'S STATE LEGISLATIVE MONEY**

Yearly the Utah State Legislature determines if they will appropriate a portion of their budget for teacher supplies and materials. Generally by March, the District knows if teachers will receive Legislative money for the following school year. The funds are not distributed to the schools until the State has verified the final teacher FTE (Full-Time Equivalency) with the District. The money is usually given to the District on the October State Allotment Memo and a check is sent to the school in November. Listed below are state and district guidelines:

*Effective on July 1, 2005*

**State Regulations:** (R277-459-1.Definitions)

- A. “Board” mean the Utah State Board of Education.
- B. “Classroom teacher” means a permanent teacher position filled by one or more teachers employed by a school district, the Utah Schools for the Deaf and the Blind, the Edith Bowen Laboratory School, and charter schools and paid on the teachers’ salary schedule or a charter school salary schedule. Teachers shall be employed for an entire contract period and shall provide instructional services to students.
- C. “Field trip” means a district, or school authorized excursion for educational purposes.
- D. “Teaching supplies and materials” means both expendable and non-expendable items that are used for educational purposes by teachers in classroom activities and may include such items as;
  - 1. Paper, pencils, workbooks, notebooks, supplementary books and resources;
  - 2. Laboratory supplies, e.g. photography materials, chemicals, paints, bulbs (both light and flower), thread, needles, bobbins, wood, glue, sandpaper, nails and automobile parts;
  - 3. Laminating supplies, chart paper, art supplies, and mounting or framing materials;
  - 4. This definition should be broadly construed in so far as the materials are used by the teacher for instructional purposes in classrooms, lab settings or in conjunction with field trips.
- E. “USOE” means the Utah State Office of Education.

**Authority and Purpose R277-459-2.**

- A. This rule is authorized under Utah Constitution Article X, Section 3 which gives general control and supervision of the public school system to the Board, by Section 53A-1-401(1)(b) which directs the Board to establish rules and minimum standards for school programs, and by state legislation which provides a designated appropriation for teacher classroom supplies and materials.
- B. The purpose of this rule is to distribute money through school districts, the Utah Schools for the Deaf and the Blind, the Edith Bowen Laboratory School, and charter schools to classroom teachers for school materials and supplies and field trips.

**Distribution of Funds R277-459-3.**

- A. Each school district, the Utah Schools for the Deaf and the Blind, the Edith Bowen Laboratory School, and charter school, shall provide the USEO with a teacher count of full-time classroom teachers, as defined above, as of October 1 of each year.
- B. The USOE shall distribute funds through each school district, the Utah Schools for the Deaf and the Blind, the Edith Bowen Laboratory School, and charter school proportionally per eligible position to the extent of the appropriation.
- C. Individual teachers shall designate the uses for their allocations with the criteria of this rule. Districts and other eligible schools shall develop procedures and time lines to facilitate the intent of the appropriation.
- D. Each school district shall ensure that each eligible individual has the opportunity to receive the proportionate share of the appropriation.

- E. If a teacher has not spent, or committed to spend the individual allocation by April 1, the school or district may make the excess funds available to other teachers or may reserve the money for use by teachers the following years.
- F. These funds are to supplement, not supplant, existing funds for these purposes.
- G. These funds are to be accounted for by the district or eligible school using state or district procurement and accounting policies.

**Other Provisions R277-459-4.**

- A. District, the Utah Schools for the Deaf and the Blind, the Edith Bowen Laboratory School, and charter schools shall allow, but not require, teachers to jointly use their allocations.
- B. Districts, the Utah Schools for the Deaf and the Blind, the Edith Bowen Laboratory School, and charter schools shall allow part-time or job-sharing teachers a proportionate allocations.

**VII. GATE RECEIPTS**

Secondary schools receive hundreds of thousands of dollars in gate receipts every year. Gate receipts include fees for sporting events, dances and plays. It is important that the gate personnel and school administration have a good understanding of the environment surrounding the event, so that appropriate cash controls can be instituted.

**A. Cash boxes for school events**

- 1. Cash boxes should not contain more money than is absolutely necessary. The amount will differ between a high school and a junior high.
- 2. Those handling the money for a school event should sign a cash tally sheet indicating they have received the money that will be used to make change.
- 3. After the event, the initial amount of cash will be returned to the box and locked in the school safe.
- 5. All cash box transactions must be recorded in the cash box accounts on the TES accounting balance sheet.

**B. Facilities where gate receipts will be received**

- 1. The facility must be safe, secure and have a physical layout that will ensure effective money collection.
- 2. The physical layout will require limited access to the event.
- 3. Fences, gates, and entrances need to be reviewed for security purposes.
  - a. The fewer entrances to the event the better.
  - b. The objective is to make the monitoring of events simple and easy.
- 4. Workstations must be well lit and very visible.
  - a. Cash boxes in all ticket workstations, or booths must be placed so that they are inaccessible to patrons in case of crowding, or disruption.
  - b. A reasonable distance between those that collect the money and those taking the tickets should be maintained for security purposes.

**C. Reconciling the gate proceeds**

1. Prior to the event, the financial secretary and the gate personnel need to determine the method used to verify the money collected.
  - a. Tickets, machine tape, hand stamping, count and sign up sheets are all possible choices.
2. Major events (basketball, football, plays, dances, etc.) where proceeds will be over \$500, or more than 100 people attend will use the tickets or machine tapes for recording participation.
  - a. Those leaving the event may need to have their hand stamped.
3. Events under \$500, or less than 100 people attending may use other verification methods, such as hand stamping.
4. Whenever possible pre-sale tickets before the event, using a different colored ticket.
5. The financial secretary will tell the gate personnel how many pre-sale tickets were sold.
6. A locked well lit room which is visible to the administrative staff is essential.
7. The room needs enough space to have some office equipment and provide a good working environment to reconcile the proceeds.
8. After the event, the money will be reconciled to ticket sales, or other means of recording attendance and recorded on the cash tally sheet.
  - a. Two people will reconcile money received and sign cash tally sheet.
  - b. As money is counted the denominations are recorded on the cash tally sheet.
  - c. Before the money is placed in the bank bag the administrator for the event will review the deposit and sign the cash tally sheet.
  - d. A bank deposit will be prepared and taken to the bank by two individuals, preferably an administrator and a police officer.
9. Periodically, the financial secretary should audit gate activity/procedures.
10. Students used in the gate receipt process must be supervised by adults. See Section II. Cash. F.

**D. District forms**

1. The following forms are available on line to assist with gate receipts:
  - a. Cashier's cash & ticket reconciliation form, cashier's gate slip form, cash tally sheet form and cash register gate reconciliation form.

**E. Concessions**

Most concession activities in a school environment are held during athletic events. They are staffed by volunteer parents and students. Usually the merchandise sold is candy and pop. It is bought and then resold with the intention of making a profit. The following procedures are listed below:

1. Sales tax
  - a. Concessions can be exempt from sales tax if the conditions for non-taxable are met. (See the fund raiser section for details)

- b. Sales tax must be remitted to the State where applicable. This is done through the school financial secretary.
- 2. Safety and security
  - a. Concession stands must be well lit and visible to those responsible for monitoring the activity. However, not in a corner by itself.
  - b. Concessions should be located in areas that will not interrupt the flow of traffic.
  - c. When proceeds are reconciled they should be taken to another room or area. It is suggested that the money be taken to where the gate receipts are being accounted for.
  - d. A bank deposit will be prepared and given to those preparing the gate receipts bank deposit bag.
  - e. As with other school activity funds the cash tally sheet must be signed by two individual's counting money as well as an administrator.
  - d. Proceeds must not be left in the school overnight.
- 3. Reconciliations
  - a. Cash procedures are the same as for gate receipts, please see above.
- 4. Concession sales
  - a. A separate account should be set up to record and track concession activity.
  - b. Periodically the account should be reviewed by individuals responsible for the activity.
  - c. At the end of the sport season, the balance can be transferred to the appropriate account (football, basketball, baseball, etc.).
  - d. Cash purchases must not be made from the cash proceeds received.
  - e. Recording the proceeds and costs separately will provide a better audit trail and the ability to analyze the activity.

## **VII. FUND RAISERS**

Fund raisers involve student participation with the intent of providing a service or product to raise money for a class or school activity. The environment from one fund raiser to another can vary greatly. Consequently, it is necessary to have adequate security, supervision and cash controls.

### **A. Approvals and authorizations**

- 1. All public and internal fund raisers must have the school administrator's written approval, including those organized and run by booster clubs and parent groups in advance of the activity.
- 2. The request must state the purpose and description of the activity, dates involved, supervision provided, time involved, participants, proceeds expected and any other pertinent information.
- 3. Approved fund raiser information should be kept on file.

4. When it is anticipated that a check to a fund raiser vendor will be \$5,000 or more, a purchase order should be created by the District and invoices received paid by accounts payable. Example: year book fund raiser for \$20,000 needs to be paid by the District.
5. To ensure that the taxability of all fund raisers are handled correctly, a copy of all approved requests must be given to the financial secretary.

**B. Supervision**

1. All fund raisers must have adequate adult supervision.
2. The number of adults per student may vary depending on the activity.
3. Supervision must ensure proper security and that school and district policies are followed.

**C. Fund raiser cash procedures**

1. If product is being sold an inventory must be counted and recorded prior to the actual fund raiser.
2. All cash procedures as listed in section “III. Gate Receipts,” listed above must be followed.
3. Before inventory is returned to the vendor it should be counted and amounts sold recorded.
4. The proceeds should not remain in the school or a teacher’s home, or office overnight.
  - a. If the activity will happen at night or on a weekend the teacher, or responsible adult should have banking information from the financial secretary.
5. Fund raisers that involve multiple days should **not** have all proceeds turned in at the completion of the event.
  - a. Where possible the money should be receipted daily with a minimum of every three school days.
6. At the conclusion of the fund raiser the costs and receipts should be compared.
7. Fund raiser proceeds should be receipted into the appropriate fund raiser income account.
  - a. Product should be paid for from the appropriate activity expense account.

**D. Raffles or lotteries**

1. Under Utah law, it is illegal to operate a scheme where a person gives something of value in order to obtain a chance to win something of value.
2. A raffle or lottery which requires the purchase of a ticket to obtain a chance to win a prize is illegal.
3. Door prizes are legal as long as the tickets used are the price of admission to the event.
  - a. Additional tickets cannot be sold for more chances to win.
4. Refer to Utah Criminal Code 76-10-1101, 76-10-1102

## VIII. PETTY CASH FUND

Purchase cards have reduced the need for more than one petty cash fund in a school. Some schools find it necessary to pay for small items such as freight, parcel post, etc. Because the school is at risk for multiple petty cash funds, schools are limited to one petty cash fund which is managed by the financial secretary, who acts as the custodian of the fund. A \$50 cash limit has been approved for schools having a petty cash fund. The petty cash fund should not be confused with the change boxes used for various activities at the school. The following procedures will establish, manage and reconcile the petty cash account.:

### A. Establish a petty cash account

1. Write a check to the school and charge to the ASSET- Petty Cash account.
2. Take the check to the bank and cash in the denominations desired.
3. Placed in a locked cash box
4. A record book should be established

### B. Usage of the account

1. Individual needing petty cash will fill out a petty cash voucher (see example under District Forms on Alpine Website.)
  - a. Record date, vendor, what is being purchased and an estimate of how much will be spent.
  - b. Person receiving the money will sign the voucher that they have received funds.
  - c. The custodian of the account, (the financial secretary) will approve the voucher and give the said amount of cash.
2. When the purchase is complete the rest of the voucher will be completed showing:
  - a. Actual amount spent
  - b. Amount returned
  - c. The signature of the secretary for the amount of money returned.
3. In order to avoid the appearance of impropriety, administrators should not access the petty cash fund when the custodian (financial secretary) is not present.

### C. Replenish petty cash

1. When cash becomes low it is time to replenish the cash in the box.
  - a. A check is written out in the name of the school.
2. Rarely will the replacement check be for the total amount of the petty cash account.
  - a. Various account numbers have been charged on the vouchers it is necessary to charge those expenditure accounts when replenishing petty cash.  
Example: Petty cash established for \$50 voucher receipts for \$33.25 the new check will be for amount used \$33.25, **not** \$50.
  - b. Receipts plus remaining cash should equal beginning balance.
  - c. Never replenish petty cash by using the ASSET-petty cash account.
3. The sum of the vouchers plus the remaining cash must always equal the amount of the petty cash account.

4. In order to avoid the appearance of impropriety, administrators should not access the petty cash fund when the custodian (financial secretary) is not present.

**D. Security**

1. The financial secretary and one administrator should have the only keys to the petty cash box.
2. The petty cash box should be kept locked in the safe until needed and then returned to the safe.

**VIV. VENDING MACHINES**

**A. Faculty vending machines**

- 1- Generally not considered profit making.
- 2- Proceeds may be used by principal for staff meetings, supplement the Sunshine Fund and other staff related functions.
- 3- Certain guidelines must be followed:
  - a. Faculty vending machines need to be self supporting.
  - b. Periodically the account needs to be reviewed to see that product is not being taken without being paid for.
  - c. Monies received need to be recorded through school books.
  - d. Monies from the machines should not be used to make cash purchases, or pay for product.
  - e. Sales tax **should** be paid on product purchased.
  - f. Students should not stock or empty machines.
  - g. No money should be left in vending machines over the weekend.

**B. Student vending machines**

1. Schools should work with vendors to stock and empty machines.
  - a. Vendor's will pay sales tax on the products.
2. Proceeds from student vending should go to benefit students.

**X. DISTRICT REQUIREMENTS**

**A. Monthly reports to the District**

1. School will submit their monthly financial information to the District by the 15<sup>th</sup> of each month.
2. Information required:
  - a. Computer bank reconciliation
  - b. Copy of actual bank statement signed and dated by principal.
  - c. Copy of monthly "Checklist"
  - d. Monthly check register with purchasing authorizations and bid sheets.
  - e. Monthly balance sheet
  - f. Copy of journal entry register

**B. District budgets**

1. Monthly District budget sheets must be reviewed and reconciled to school books.

2. Minimum reconciliation procedures:
    - a. Each expenditure account needs to be reconciled in a consistent way.
    - b. Data should be reviewed and issues resolved
    - c. Check to make sure that charges in the accounts are appropriate and have been charged to right location.
    - d. If others have agreed to pay part or all of an item, have those charges been paid correctly?
    - e. Have vendor credits and District journal entries been done?
  3. A file should be kept containing notes of changes expected in a future period that will reconcile a specific account.
  4. Compare ending district balances with budgets to project spending throughout the year.
  5. When budget expenditures are going to exceed balances the financial secretary should work with the principal to develop a plan to pay for expected budget overages.
  6. Monthly request District reimbursements of Fund 30 accounts.
- C. School books receivable (8100.007.0000.10.XXX)**
1. District charges to the school will appear on the 8100.7 account and should be paid monthly.
    - a. Charges shown on the 8100.7. account:
      - 1- Purchase card activity
      - 2- Transportation charges
      - 3- Technology charges
      - 4- Printing
      - 5- Maintenance
      - 6- Various miscellaneous charges from the District
    - b. Payments are due by the last school day of the month.
  2. Schools are required to complete and submit a “ 8100 Reconciliation Sheet” with their checks.
    - a. Unpaid items should be listed on the sheet.
    - b. Schools are expected to pay any unpaid item within 90 days of original charge.
- D. Purchase cards**
1. Purchase cards should be reconciled before the month (financial period) is closed. Preferably by the last school day of the month.
  2. School charges will show up on the 8100.007 account and may be paid with that report.
  3. The reconciled report should be held at the school until other monthly reconciliation materials are sent to the District on the 15<sup>th</sup> of the month.
- E. Textbook fees**
1. Textbook fees are collected from all 9-12 grade students.
  2. The money is remitted to the district.

- a. Reimburse 90% of collected textbook money by October 31 of current school year.
- b. The remaining 10% will be sent to the District before June 30<sup>th</sup> of the current school year.
3. Students attending multiple schools within the district should be charged one fee at their resident school.
4. Part-time students may have their textbook fee pro-rated.
  - a. The minimum proration is 50%.
5. UVSC textbooks are an additional charge and are not pro-rated.

**XI. SECONDARY DISTRICT BUDGET ACCOUNTS THAT WASH**

- A. The following district budget accounts wash through each other so that schools may overspend one budget and underspend another budget.

FTE - Hourly Certified Salary	1000.0135.0000.10.XXX
FTE - Teacher/Computer Aides	1000.0162.0000.10.XXX
Junior High's on Productivity Model	Account per School
Risk-Management-Equipment	1000.0703.0500.10.XXX
Activity Field Trips - Dist. Transportation	1000.0571.0500.10.XXX
Textbooks (Budget Only)	1000.0644.0500.10.XXX
Education Materials and Supplies	1000.0610.0500.10.XXX
Health Supplies	2130.0610.0500.10.XXX
Media Materials and Supplies	2220.0610.0500.10.XXX
Media Books	2220.0644.0500.10.XXX
Media Subscriptions	2220.0650.0500.10.XXX
Media Audio-Visual	2220.0660.0500.10.XXX
Hourly Office Assistant	2410.0157.0500.10.XXX
Administrative Office Supplies	2410.0610.0500.10.XXX
Custodial	2610.0610.0500.10.XXX
Equipment Repair	2650.0440.0500.10.XXX
Telephone Service	2612.0630.0500.10.XXX
Teacher Conference & Conventions	2834.0581.0500.10.XXX
Instructional Equipment (Capital Outlay)	4600.0732.0500.30.XXX
Musical Equipment/Marching Band Equip)	4600.0746.0500.30.XXX
Education Plan (SEOP's) Hrly. Tch	1000.0135.1515.10.XXX
At Risk Students - Tracker's	1000.0162.5215.10.XXX
Radio Stations - Schools Applicable	