

## **LOCAL SCHOOL ACCOUNTING AND REPORTING (GENERAL POLICIES)**

Local school principals shall be responsible for ensuring that the following financial guidelines are complied with in their respective schools:

1. The principal shall be responsible for the proper handling of all business affairs in the school. This includes the establishment of bank depository accounts, savings accounts, receipt and disbursement of funds, financial records and reports. The principal, as trustee, is responsible for replacement of student activity money improperly spent.
2. The school bookkeeper shall be responsible to the principal, and shall receive and account for all school funds in accordance with procedures prescribed by these policies.
3. Only authorized local school employees shall receive and disburse school funds and incur indebtedness on behalf of or in the name of the school.
4. All money collected from students on school premises and all money collected at school-sponsored activities, on or off the premises, shall be accounted for through the school accounting system.
5. All local school funds shall be deposited in one central bank account, with the exception of cafeteria funds that shall be in a separate school cafeteria account. All funds shall be deposited in a banking institution insured by the Federal Depositors Insurance Corporation and located in the County.
6. All money received by the school shall be deposited as promptly as possible, daily if feasible.
7. All checks received by the school should be endorsed for deposit immediately upon receipt.
8. The use of a petty cash account should be avoided if possible. If petty cash funds are established, they may be used only to initiate the daily operation of school stores and lunchrooms. Purchases may not be paid for from such funds.
9. School financial records shall not be destroyed without the authority of the Superintendent of Schools for the periods of time specified in Policy EIB. All personnel records, earnings records, student records, and the general ledger are considered permanent records and should be retained in the department permanently.

FILE: DNB  
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10. Funds shall not be transferred from one account to another by borrowing or otherwise, except as authorized in writing by the principal, faculty sponsor, and student representative if applicable. (See File DNB)
11. All school instructional fees, charges, contributions, and deposits shall be collected only as authorized by the principal and not contrary to the established policies of the Board.
12. Any funds excess to the school's immediate needs should be invested in a savings or interest-bearing check account that is insured by the FDIC.
13. A teacher/individual receipt should be given for all money collected in a school with the following exceptions:
  - a. money collected through the sale of tickets to be used as admission to a public performance,
  - b. money collected as an admission fee to a public performance,
  - c. money collected for lunches,
  - d. money collected through the sale of merchandise in a school store.
14. A master receipt shall be prepared for all money received in the school office.
15. All funds should be turned in to the school office as soon as possible after receipt.
16. All funds collected in a school shall be expended for the expressed purpose for which they were collected. All funds generated from continuing or recurring events, school store or athletic events should be used to support that activity and other purposes that will benefit the student body.
17. A local school purchase order approved by the principal shall be issued for all purchases requested by school employee or sponsor.
18. Supporting documents shall be on file for all expenditures. Supporting documents shall consist of a canceled check, approved local school purchase order and itemized invoice signed by an authorized representative of the school to verify receipt of the goods or services.
19. All checks shall be personally signed by the principal or in his/her absence, a designee.
20. Local school funds shall not be expended for personal long-distance telephone calls, personal loans, or for any other purpose other than a direct benefit of the school or student body.

21. Funds collected from students for lost textbooks shall be accounted for by the schools and the balance forwarded to the Central Office at the end of the school year.
22. Funds collected from students for Driver Education fees shall be forwarded to the Central Office at the end of each semester/trimester.
23. Travel expenses reimbursed from local school funds shall be in accordance with State and Board policies. This applies to all local school personnel. An approved travel requisition for reimbursement must be on file to document expenditures. Only reimbursement for travel related to school business that has prior approval of the principal will be allowed.
24. Supplemental salaries or bonuses to regularly employed full-time (20 hours or more per week) school employees shall not be paid directly from local school funds. Such payments shall be made through the normal payroll procedures at the Central Office, and the school will reimburse the Central Office for the salary and applicable employment taxes.
  - 24.1 Local school principals may contract on a short-term basis with individuals to perform temporary job tasks (example, students to clean football stadium, work in lunchroom, etc. and adults to mow grass or perform custodial-type functions, etc) and pay such individuals a contracted price directly from local school funds. Such individuals shall be considered as contracted personnel and shall not be considered as employees of the Board. Said individuals shall not be eligible for any benefits provided to regular full-time employees.
  - 24.2 Local school principals shall be required to follow regular employment practices (recommendation of Superintendent of Schools, a majority vote of the Board, and action recorded in the Board's minutes) when securing the services of individuals to be paid from local school funds on a regular (more than 3 consecutive months) basis. In such cases, the salary or wages of such employed individuals shall be reimbursed to the Central Office by the local school principal from school funds and such individuals will be paid through normal payroll procedures from the Central Office.
25. The State Bid Law shall be complied with when purchasing goods and services. The Superintendent of Schools or designee must be contacted regarding procedure to be followed when letting bids. All bids in the name of the School District and local schools must be let through the Central Office.
26. Equipment with a per unit cost of \$5000.00 or more shall be considered as a fixed asset, shall be assigned an inventory number, and added to the Equipment Inventory List. The inventory number assigned by the local school shall be permanently placed on all such items for identification purposes. Local school personnel must complete a Fixed Asset Inventory Card on all equipment purchases costing \$5000.00 or more and send the card to the Central Office. All other equipment purchases costing less than \$5000.00 must be

added to the school's Supplemental Equipment Inventory Sheet. Equipment is defined as: Equipment items costing less than \$5000.00 per unit will be classified as "materials and supplies", and will not be considered as fixed assets. Examples are small tables, electric pencil sharpeners, and file cabinets. However, a supplemental inventory of these items will have to be maintained for fire insurance and other purposes. You should also include on this supplemental inventory maps, globes, stop watches, microscopes, expensive instructional tapes or materials, and other items of value. School principals shall be required to maintain all inventory forms, with the original sent to the Central Office at the end of each scholastic year (by May 30) and a copy retained in the principal's office.

27. Each principal shall be responsible for the monthly financial report that shall show the financial status of his/her school. A copy shall be sent to the Superintendent of Schools at the end of each month. Send a copy of the bank statement with the diskette.
28. An accounts payable report for the general fund shall be prepared and sent to the Central Office at the end of each school year. Accounts with repayment schedules extending beyond the next scholastic year should be identified. An explanation of the proposed repayment schedule should be included in with the year-end accounts payable report. (See 6(i), page 10)
29. Receipts and expenditures shall be classified in accordance with guidelines stated in the policies of the Board.
30. No contributions to fund-raising drives for charitable organizations may be made from the school's general fund. However, funds may be collected for such a purpose and should be recorded (receipts and disbursements) in the Accommodations Account.

SOURCE: Winston County Board of Education, Double Springs, AL

ADOPTED: Sep. 26. 1986; REVISED: May 16, 2000; July 31, 2003; April 22, 2004; May 3, 2007

LEGAL REF.: The Code of Alabama, 16-13-32, 16-13-38(d), 41-5-23, State Department of Education, Bulletin Number 32, 1982.