



**Opp City Board Of Education**  
**ACCOUNTING PROCEDURES AND**  
**POLICIES MANUAL**

**Opp City Board Of Education**  
**305 East Stewart Avenue**  
**Opp, Alabama 36467**  
**Telephone: (334) 493-3173**  
**Fax: (334) 493-3060**  
**[www.oppcityschools.com](http://www.oppcityschools.com)**

**OPP CITY BOARD OF EDUCATION  
OPP, ALABAMA**

**TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
STATE DEPARTMENT OF EDUCATION ACCOUNTING MANUALS.....	1
ANNUAL BUDGET .....	2
FINANCIAL STATEMENT.....	3
DEPOSIT ACCOUNTS.....	4
CASH RECEIPTS.....	5-6
PURCHASING AND CASH DISBURSEMENTS.....	7-10
PURCHASING CARDS.....	11
PAYROLL.....	12-13
CAPITAL ASSETS AND INVENTORY.....	14-16
DEBT.....	17
LOCAL SCHOOL ACTIVITY FUNDS .....	18-20
FINANCIAL RECORD RETENTION.....	21
TRAVEL PROCEDURES.....	22-24
AMENDMENT.....	25
BUSINESS SERVICES BOARD POLICIES.....	26-47

**OPP CITY BOARD OF EDUCATION  
ACCOUNTING POLICIES AND PROCEDURES MANUAL**

**STATE DEPARTMENT OF EDUCATION ACCOUNTING MANUALS**

A current copy of the State Department of Education's FINANCIAL PLANNING, BUDGETING AND REPORTING SYSTEM FOR ALABAMA PUBLIC SCHOOLS, issued October 1, 2001 and the FINANCIAL PROCEDURES FOR LOCAL SCHOOLS approved by the State Department of Education June 10, 2010 must be kept on hand for reference and guidance. Periodic revisions are made to these manuals and are found on the State of Alabama Department of Education website; [www.alsde.edu](http://www.alsde.edu). This website should be checked periodically by school bookkeepers, central office accounting personnel and the CSFO for any changes to the manual. It is the responsibility for the accounting & bookkeeping personnel to stay abreast of any manual changes.

**OPP CITY BOARD OF EDUCATION  
ACCOUNTING POLICIES AND PROCEDURES MANUAL**

**ANNUAL BUDGET**

Preparation

The CSFO, superintendent and designated staff members shall prepare an annual budget prior to the beginning of the fiscal year. The budget shall be prepared on a basis of accounting consistent with U.S. generally accepted accounting principles, all state and federal guidelines on standard forms approved by the Alabama Department of Education.

Public Hearings

The Board shall hold at least two public hearings during a regular meeting of the Board open to the public. The meetings shall be held at a place and time convenient for the public. Copies of the proposed budget shall be provided to the public at each hearing on local forms that are provided by the State Department of Education. Opp City Schools shall seek and encourage input from administrators, teachers, parents and the public concerning the proposed budget and the allocation of resources. The date and time of each hearing shall be publicized in the local media in advance of the hearing. Additionally, a notice of each hearing shall be posted in a conspicuous place at the central office and each local school.

Budget Approval

The CSFO shall present after the two public hearings, the proposed annual budget to the Board for review and approval. Upon approval by the Board, the annual budget shall be presented to the State Superintendent of Education on or before the deadline approved by the State Department of Education.

Comparison to Actual

The CSFO and designated staff shall prepare a comparison of actual revenues and expenditures to budgeted amounts monthly and propose amendments to the budget as necessary. All amendments to the budget shall require the approval of the Board and the State Superintendent of Education.

Stewardship and Compliance

The Board shall not encumber funds in excess of anticipated revenues and current reserves.

**OPP CITY BOARD OF EDUCATION  
ACCOUNTING POLICIES AND PROCEDURES MANUAL**

**FINANCIAL STATEMENT**

Revenues and Expenditures

The CSFO and designated staff members will review the monthly revenues and expenditures during the preparation of the monthly financial statement.

Monthly

The CSFO, superintendent and designated staff members shall prepare or cause to be prepared, a monthly financial report for the School system. Each local school principal shall prepare or cause to be prepared a monthly financial report that will be uploaded to the Board and included in the monthly financial report. This report will be presented to the Board at the monthly meeting. Meetings with the Chief School Finance Officer and the Superintendent by the Board may be scheduled at any time to discuss the monthly financial report. Following Board approval, the financial statement and all required reports will be posted to the Board's website.

Annual

The Board's annual financial statement shall be prepared and submitted to the State Superintendent of Education annually on or before the deadline approved by the State Department of Education.

The Board shall publish annually, in the month of October in a newspaper in the City, a full and complete statement of receipts and disbursements of the School system for twelve months' period ending September 30.

Audit

A yearly business, financial and compliance audit of the Board shall be conducted as soon as possible after the end of the fiscal year. An audit review will be presented to the Board during a regular board meeting at the conclusion of the annual audit. The Board shall be made aware of any and all findings.

**OPP CITY BOARD OF EDUCATION  
ACCOUNTING POLICIES AND PROCEDURES MANUAL**

**DEPOSIT ACCOUNTS**

Creation

All deposit accounts created in the name of Opp City Schools must be approved by the Board. Deposit accounts of the Board shall be maintained only with federally insured financial institutions that participate in the Security for Alabama Funds Enhancement (SAFE) Program administered by the Treasurer of the State of Alabama. The CSFO shall confirm with the financial institution all deposit accounts reported to the SAFE program on or before September 30 of each year.

Receipts and Disbursements

All cash receipts deposited into Board deposit accounts shall be subject to the procedures outlined in the cash receipts section of this document. All disbursements from Board deposit accounts shall be subject to the procedures outlined in the purchasing section of this document.

Approved Signers

Approved check signers for Board deposit accounts shall be the superintendent, the CSFO, and the payroll accountant. Designation of an individual as an approved check signer shall require the approval of the Board. Dual signatures are required on all checks.

Reserve Funds

The Board shall, in accordance with Alabama law, maintain a minimum one month's operating reserve to support normal operations of the school district.

Reconciliation to Books of Record

The CSFO and other designated accounting staff shall reconcile monthly statements received from financial institutions holding Board deposits to the books of record monthly.

Investment of Funds

The Superintendent or his designee shall invest temporarily idle funds with qualified depositories to earn the maximum return for the period available. Priority will be placed on safety and liquidity of funds. Local school principals may invest temporary idle funds in qualified depositories after the approval of the Superintendent and CSFO.

**OPP CITY BOARD OF EDUCATION  
ACCOUNTING POLICIES AND PROCEDURES MANUAL**

**CASH RECEIPTS**

Requests for Federal Funds

Requests for funds for federal programs shall be made through the State Department of Education's website via EGAP or any other method approved in the future by the Alabama Department of Education. The request for funds shall be prepared by the CSFO monthly. The CSFO shall request the Superintendent review and approve the ES2 request for funds. The CSFO shall maintain copies of the ES2 requests as well as the supporting documentation.

The Board will minimize the time between the receipt of federal funds and the disbursement of those federal funds. Funds will only be requested to meet immediate cash needs for reimbursement not covered by prior receipts and anticipated disbursements that are generally fixed. Disbursement will be made within 25 days after receipt of funds. Federal funds cash balances will be routinely monitored and procedures will prevent federal funds cash balances from earning \$500 or more when maintained in interest bearing accounts. Federal funds will be maintained in insured checking accounts that are subject to the state requirement for public deposits under the SAFE program.

Receipt of Funds

The Secretary shall open all incoming mail and endorse all checks received for deposit only in the name of Opp City Schools. All (non-CNP) receipts shall be forwarded to the CSFO. The funds shall be receipted in a standard pre-numbered receipt book. The funds shall be deposited on a daily basis as funds are collected. Deposits shall be delivered to the financial institution by accounting personnel or remotely deposited. Validated deposit slips shall be printed or obtained from the financial institution and maintained on file. The CSFO or designee will follow the Board's approved policy regarding all insufficient funds and worthless checks.

Posting

Receipts shall be batched by the CSFO or designee and entered into the accounting information system no less than once per month. Supporting documentation shall be filed in sequential order by receipt number.

**OPP CITY BOARD OF EDUCATION  
ACCOUNTING POLICIES AND PROCEDURES MANUAL**

**CASH RECEIPTS  
CHILD NUTRITION PROGRAM (CNP)**

Requests for Funds

The CNP director shall prepare a monthly request for reimbursement from monthly meal count summaries prepared by the local school bookkeeper.

The monthly request for reimbursement shall be prepared using standard forms approved by the Alabama Department of Education. The CNP director shall review the monthly meal count summaries for accuracy and maintain them on file. The CNP director shall forward the completed request for reimbursement to the superintendent for approval. Once approved, the CNP director shall forward the monthly reimbursement request to the Alabama Department of Education for processing.

Receipt of Funds

State Funds - The secretary shall open all incoming mail. Child nutrition program receipts should be forwarded to the CNP director. The CNP director shall document the receipt of funds in a standard pre-numbered receipt book. The CNP director shall endorse all funds for deposit only in the name of Opp City Schools. The funds shall be delivered to the financial institution by accounting personnel or remotely deposited. The CNP director will follow the Board's approved policy regarding all insufficient funds and worthless checks.

Local Funds – All funds received at the school lunch rooms shall be entered into a cash register by lunch room staff. The lunch room manager and local school bookkeeper shall count all cash received and reconcile to the total received per the cash register. The lunch room manager shall prepare a daily cash receipt report and forward to the CNP director. The local school bookkeeper shall deposit all receipts daily. Validated deposit slips shall be forwarded to the CNP director at the end of the month by the local school bookkeeper.

Posting

The CNP director shall reconcile the validated deposit slips to the daily cash reports prepared by the local school bookkeeper. The CNP director shall enter the receipts into the accounting information system monthly.



**OPP CITY BOARD OF EDUCATION  
ACCOUNTING POLICIES AND PROCEDURES MANUAL**

**PURCHASING AND CASH DISBURSEMENTS**

**General**

**Initiation and Approval**

Purchase orders are to be used for all non-recurring expenditures and are to be approved by the CSFO, superintendent or the principal of the school. Purchase orders shall be sequentially numbered and all numbers are to be accounted for. Voided purchase orders shall be available for review in the accounting system.

Procurement: The Board will follow state laws for procurement of property and services. All procurement transactions will be subject to the Board's Conflict of Interest Policy and the procurement decisions will:

- Avoid acquisition of unnecessary or duplicative services;
- Use the most economical and efficient approach for acquisitions;
- Award contracts to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement;
- Consider contractor integrity, compliance with public policy, record of past performance, and financial and technical resources prior to awarding contracts;
- Encourage participation by small and minority business contractors;
- Maintain records documenting the procurement process;
- Conduct procurement transactions in a manner that provides full and open competition.

Allowable Cost: Before initiating a financial transaction with federal funds, the federal programs director and the Chief School Finance Officer or designee will determine that the proposed purchase or transaction meet the requirements for allowable cost for the federal program. Assurances will be made that:

- The proposed expenditure is included in the federal program budget;
- The proposed expenditure is reasonable and necessary for the federal program;
- The proposed expenditure is consistent with procedures for financial transactions of the Board;
- Appropriate documentation will be maintained to support the allowability of the transaction.

Joint Purchasing: The Board shall allow joint purchases and joint purchase agreements with other school systems, government agencies, and other entities as provided for by law when advantageous to the Board.

**Competitive Bids:** All individual purchases of goods or services of \$15,000 or more shall require the solicitation of competitive sealed bids. The CSFO or designee shall be responsible for preparing bid solicitations, opening and summarizing bids for presentation to the Board, and for maintaining the necessary documentation and files supporting compliance with the competitive bid policy. Bids may be solicited through advertisement in local newspapers, posting to school bulletin board or direct mail notice to all persons or firms known to specialize in or market the goods or services in question. The solicitation shall specifically identify the goods or services to be purchased. The solicitation shall also contain specific instructions for submitting the bids, communicate the deadline for submitting a bid, and identify the time and place the bids are to be opened. **Emergency purchases exception:** Purchases of goods or services of \$15,000 or more may be made without the solicitation of competitive sealed bids in the event of an emergency. The CSFO shall document the conditions surrounding the emergency purchase and the possible consequences of delaying the purchase for soliciting sealed bids. The Board will approve the Emergency Purchase Bid Exception. Quotes will be obtained from at least two sources. **Construction/Public Works bidding valued in excess of \$50,000.00 will require additional bidding time for required advertising.** All bid information and documentation will be maintained for a period of no less than seven years.

#### Receiving

The individual receiving the purchased items shall be responsible for verifying that all items listed on the purchase order have been received and that the items are in acceptable condition.

The receiving individual shall generally document their acceptance of the purchased items or service in writing on a vendor supplied packing list or invoice. The receiving documentation shall be forwarded to the accountant at the Board office. The accountant shall maintain the receiving information on file for matching with the original vendor invoice.

#### Posting and Payment

Vendor invoices shall be forwarded to the accountant to be matched to receiving documentation and filed alphabetically in batches with other unprocessed purchases. Batches shall be entered into the accounting information system generally twice a month by the accounts payable clerk. Once the batch has been processed, an edit report shall be reviewed by the CSFO prior to posting the batch and printing checks to ensure that there are no clerical errors. Checks requiring dual signatures shall be prepared by the CSFO for each purchase and forwarded to the payroll accountant for signature. The checks are then sent to the superintendent for signature along with supporting purchase orders and vendor invoices. The superintendent shall review all supporting documentation prior to signing the checks. The approval of the superintendent shall be documented by signature or initials on the supporting invoices.

Batches are posted to the general ledger by the accounting information system when the checks are prepared. The signed checks and supporting documentation are forwarded to the accounts payable clerk for distribution to the vendors. The accounts payable clerk shall cancel each invoice (stamp paid noting the check number) and shall file the supporting documentation alphabetically by month.

**PURCHASING AND CASH DISBURSEMENTS**  
**CHILD NUTRITION PROGRAM (CNP)**

Initiation and Approval

Lunch room managers shall prepare a listing of items required to be purchased on a weekly basis. The lunch room manager shall forward the listing to the Child Nutrition Program (CNP) director. The CNP director shall order the items listed on the order forms prepared by the lunchroom manager and shall maintain the listings on file. Purchase orders shall not be required for purchases from vendors who are under contract with the CNP program or who are listed on the bid list maintained by the Alabama Department of Education. All contracts entered into by the CNP program shall be subject the competitive bids requirement as described under the initiation and approval section of the general purchasing policies.

Receiving

Lunch room managers shall be responsible for receiving the purchased items. The lunch room manager shall document acceptance of the order on a copy of the vendor invoice or packing slip. Receiving documentation shall be forwarded to the CNP director no less than weekly.

Posting and Payment

The CNP director shall batch the receiving documentation and enter into the accounts payable module of the accounting information system no less than once per month. Once a batch has been processed, the CNP Director shall review an edit report to ensure that there are no clerical errors. The CNP Director shall forward the approved batch to the CSFO who shall review the edit report and prepare the checks. Checks shall require dual signatures and shall be forwarded to the payroll accountant and superintendent for signature. The processed batch is posted to the general ledger by the accounting information system once the checks are prepared. The signed checks shall be forwarded to the CNP director who shall cancel the vendor invoice (stamp paid noting check number) and distribute the checks to the vendors. The CNP director shall file the canceled supporting documentation alphabetically by month.

**OPP CITY BOARD OF EDUCATION  
ACCOUNTING POLICIES AND PROCEDURES MANUAL**

**PURCHASING CARDS**

The use of purchasing cards requires the Opp City Board of Education to utilize a voucher system to account for expenditures for classroom materials and supplies. Ala. Code s 16-1-8.1 (as amended by Act No. 99-389) offer the voucher system as an alternative to purchasing classroom instructional support under the Alabama Competitive Bid Law. Purchases made for classroom instructional support under the voucher system are limited to items costing \$15,000 or less per item.

The Opp City Board of Education requires all local schools to participate in the Purchasing Card Program thereby giving each certified employee the opportunity to utilize the purchasing card. Certified employees that use the purchasing card will receive the “Purchasing Card Agreement”. The employee will be provided the Purchasing Card Agreement and sign indicating their acknowledgement of the procedures, rules and guidelines.

All purchasing card receipts will be maintained by the local school bookkeeper for reconciliation to the detailed monthly statement. The Bookkeeper will reconcile the monthly statement with the teacher purchasing receipts. The monthly statement and receipts will be filed together in the monthly paid check file.

The Bookkeeper must review the receipts to ensure purchases are made for classroom instructional support only. Supporting documentation justifying questionable purchases must be maintained with the monthly statement and receipt.

**OPP CITY BOARD OF EDUCATION  
ACCOUNTING POLICIES AND PROCEDURES MANUAL**

**PAYROLL**

**Initiation and Approval**

All persons employed by Opp City Schools must be approved by the Board. Once approved by the Board, employees excluding substitute teachers shall be required to sign a letter of appointment with Opp City Schools. A permanent file shall be maintained for each employee containing at a minimum a signed copy of the employee's letter of appointment, signed payroll tax withholding forms, signed employee benefit forms, and documentation of approved pay rates. The payroll accountant shall be responsible for preparing all required documentation and for maintaining employee personnel files. Access to employee personnel files shall be restricted to the CSFO, payroll accountant, assistant superintendent and superintendent. Access to employee personnel files by other personnel must be approved by the superintendent.

**Payroll Computation**

Employees of Opp City Schools shall be paid on the last working day of each month. The bookkeeper of each school shall prepare a monthly payroll report summarizing the hours worked for support staff and leave hours used by all employees. The report shall be reviewed and approved by the school principal. The approval shall be documented by the principal's signature. The principal shall forward the monthly payroll report to the annual leave clerk. The annual leave clerk shall be responsible for updating leave records for all employees. The annual leave clerk shall forward the monthly payroll report to the payroll accountant who shall be responsible for entering all payroll information into the payroll module of the accounting information system. Once the information has been entered, the payroll accountant shall review an edit report to ensure that there are no clerical errors. The payroll accountant shall print a monthly payroll distribution report and shall forward to the superintendent for review and approval. The superintendent's approval shall be documented by signature. The approved monthly payroll distribution report shall be returned to the payroll accountant who shall maintain the report on file.

**Posting and Payment**

The payroll accountant shall process all payroll checks. The payroll is posted to the general ledger automatically by the accounting information system at the completion of the check run. Payroll checks shall require dual signatures. Payroll checks shall be signed by the CSFO and superintendent.

**OPP CITY BOARD OF EDUCATION  
ACCOUNTING POLICIES AND PROCEDURES MANUAL**

Payroll Taxes and Employee Benefits

The payroll accountant shall be responsible for preparing all federal and state withholding tax returns and for remitting the returns and payments to the appropriate taxing agencies in timely manner. All withholding tax returns should be reconciled to the books of record. The payroll accountant shall also be responsible for preparing all filings and remitting all withholdings related to employee benefits.

Bonded Personnel

The Superintendent & the Chief School Financial Officer shall be bonded at an amount fixed by the State of Alabama. The Superintendent or his/her designee shall secure surety bonds in an amount agreed upon by the Board for all employees of Opp City School System who may be charged with the responsibility of handling public school funds.

**OPP CITY BOARD OF EDUCATION  
ACCOUNTING POLICIES AND PROCEDURES MANUAL**

**CAPITAL ASSETS**

Definition

All purchases of real and personal property with an original cost of \$5,000 or more shall be designated by the Board as a capital asset.

Risk Management Insurance

The Board shall insure for full value all property for which it has title, including but not limited to buildings and contents. Errors & omissions liability coverage will be maintained by the Board.

Purchasing

All purchases of capital assets shall be subject to the procedures outlined in the purchasing and cash disbursements section of this document.

Disposal

All disposals of capital assets must be approved by the Board. For capital assets acquired with federal funds, the fixed asset manager must receive approval from the applicable government agency prior to disposing of the capital asset.

Maintenance of Records

The fixed asset manager shall maintain a perpetual listing of all capital assets of the Board. The capital asset listing shall contain the following information at a minimum; acquisition date, identifying number, description, original cost, funding source, estimated useful life, method of depreciation, accumulated depreciation at the beginning of the period, depreciation expense incurred for the period, and accumulated depreciation at the end of the period. The fixed asset manager shall prepare a fixed asset inventory card for all purchases of capital assets. The fixed asset cards shall be prepared in duplicate. One copy shall be maintained on file by the fixed asset manager. The other copy shall be forwarded to the school having custody of the capital asset. The fixed asset manager shall assign a number to the capital asset at acquisition and shall cause the number to be affixed to the capital asset in such a manner as to ensure that the capital asset can be readily identified. The fixed asset manager shall update the capital asset register for additions and disposals not less than quarterly. The transfer of a capital asset from one location to another shall require the written approval of the fixed asset manager prior to transfer.



**OPP CITY BOARD OF EDUCATION  
ACCOUNTING POLICIES AND PROCEDURES MANUAL**

Physical Inventory Observation

Each location having custody of capital assets shall perform a physical inventory of capital assets and document the results of the inventory in a report. The physical inventory report shall include at a minimum; the identifying number and description of the capital asset and an assessment of the current condition of the capital asset. The reports shall be approved and signed by the supervisor of each location (i.e. principal) and forwarded to the fixed asset manager. The fixed asset manager shall reconcile the physical inventory reports to the perpetual capital asset listing.

**INVENTORY ITEMS**

Definition

All purchases of personal property with an original cost of less than \$5,000 shall be designated as inventory items.

Purchasing

All purchases of capital assets shall be subject to the procedures outlined in the purchasing and cash disbursements section of this document.

Inventory Stickers

All purchases of personal property with an original cost of \$500 or more shall be assigned an inventory number. Electronic items such as I pad's, monitors, tablets and other items as deemed appropriate by the inventory clerk shall be recorded as inventory items and be given an inventory sticker. Other items such as furniture and fixtures will not receive inventory stickers.

Annual Inventory

Each school shall be responsible for obtaining an inventory report prior to May 30<sup>th</sup> of each year. This report shall include all items in the classroom (offices) with inventory control stickers and those without. Items of insignificant value (materials and supplies) shall not be included. Reports shall be maintained in the school office and a copy shall be sent to the central office.

### Transfer & Disposal

Any request to transfer or dispose of inventory should be made by completing a Transfer / Disposal form.

### Lost or Stolen Property

The Principal or designee shall notify the Superintendent or CSFO when any Opp City School System property has been vandalized, stolen or lost.

**OPP CITY BOARD OF EDUCATION  
ACCOUNTING POLICIES AND PROCEDURES MANUAL**

**DEBT**

Approval and Issuance

All debt issued in the name of Opp City Schools shall require Board approval. All related contracts shall be executed by the Board Chairman or superintendent after approval by the Board.

Debt Limits

The Board shall not incur any bonded indebtedness that shall require annual payments on the principal and interest in excess of eighty percent (80%) of the anticipated revenue of the ad valorem tax pledged to retire such bonds.

Debt Service Payments

Debt services payments shall be prepared by the CSFO in compliance with applicable debt contracts. Debt service payments shall require dual signatures.

Short Term Notes

The Board has the authority during any fiscal year, upon the recommendation of the Superintendent to borrow money in anticipation of current revenues for that fiscal year and to pledge the current revenues for said fiscal year for the payment of such loans if funds on hand are not sufficient to meet current expenses. All notes or other indebtedness of the Opp City Board of Education shall be signed by the Board President and Superintendent and shall be limited as prescribed by law.

**OPP CITY BOARD OF EDUCATION  
ACCOUNTING POLICIES AND PROCEDURES MANUAL**

**LOCAL SCHOOL ACTIVITY FUNDS**

Cash Receipts

Receipt of Funds

Teachers shall document the receipt of funds in a standard pre-numbered receipt book. Teachers shall forward receipt books and cash collected to the local school bookkeeper daily. The local school bookkeeper shall count the funds remitted by the teacher and reconcile to the teacher's receipt book. Once the money has been reconciled to the teacher's receipt book, the local school bookkeeper shall document the receipt of the funds from the teacher using a standard pre-numbered receipt book. The bookkeeper shall affix a copy of the receipt to the last receipt contained in the teacher's receipt book. The bookkeeper shall endorse all checks for deposit only in the name of the local school. The bookkeeper shall prepare a deposit slip and deliver the funds to the financial institution. **Athletic event gate receipts & any event where admission is charged:** Pre-numbered tickets shall be issued for paid entrance into all events where admission is charged. A report of ticket sales shall be prepared for each event. Unsold tickets shall be transported back to the principal's office at the local school at the conclusion of the event. Receipt and the report of ticket sales from the events shall be delivered to the financial institution by the principal for safekeeping if the event is after school business hours. Receipts should be picked up from the financial institution on the next business day. The local school bookkeeper shall count the receipts and reconcile to the number of tickets sold to the report of ticket sales. Once the gate receipts have been reconciled to the ticket sales, the local school bookkeeper shall prepare a deposit and forward to the local school secretary. The local school bookkeeper or principal shall deliver the deposit to the financial institution. The local school bookkeeper will follow the Board's approved policy regarding all insufficient funds and worthless checks.

Posting

Receipts shall be batched by the local school bookkeeper and entered into the accounting information system no less frequently than once per month.

Cash Disbursements - Initiation and Approval

Individuals requesting purchases shall complete a purchase requisition specifically identifying the funding source, goods requested, the quantities requested, the vendor and the unit price (if known). The requesting individual shall sign the completed purchase requisition and forward to the local school bookkeeper.

**OPP CITY BOARD OF EDUCATION  
ACCOUNTING POLICIES AND PROCEDURES MANUAL**

After verifying funds are available for the purchase, the bookkeeper shall prepare a purchase order using the completed purchase requisition. The bookkeeper shall forward the completed purchase order to the principal for approval. The principal shall review the purchase order and document their approval by signature. The principal shall forward the approved purchase order the bookkeeper who shall process the order, distribute one copy to the originator and retain one copy in the open purchase order file.

Receiving

Purchased goods shall be received by the individual requesting the purchase whenever possible. Goods received shall be compared to the vendor invoice or packing slip to ensure that all items have been received. Acceptance of the goods shall be documented in writing on the packing slip or vendor invoice and forwarded to the local school bookkeeper.

Posting and Payment

The local school bookkeeper shall match the receiving documentation and vendor invoice to the approved purchase order and file alphabetically with other unprocessed purchases. The bookkeeper shall enter batches into the accounting information system generally twice each month. Once the batch has been processed, the bookkeeper shall review an edit report to ensure that there are no clerical errors. Checks requiring dual signatures shall be prepared by the bookkeeper. The bookkeeper shall forward the checks to the principal and assistant principal for signature. The principal shall document approval by signing or initialing the supporting invoice and then signing the check. The principal shall forward the signed checks and approved invoices to the local school bookkeeper. The bookkeeper shall mail/distribute the checks and file supporting documentation alphabetically by batch by month.

School Stores

Local schools may operate stores selling merchandise that is needed by students. School stores shall operate as a convenience to the students and shall not in any way interfere with the education process. Separate records, subject to audit, shall be kept for school stores and profits derived from sales shall be used for general items supporting the school as a whole.

**OPP CITY BOARD OF EDUCATION  
ACCOUNTING POLICIES AND PROCEDURES MANUAL**

Fund Raising for School Projects & Activities

Fund raising activities and projects within the Opp City Schools shall be the responsibility of the principal. The school staff shall conform to any directives by the Superintendent. A full accounting must be made of the total revenues and expenditures of each fundraising event. The “Fund Raiser Request Form” and the “Fund Raiser Final Report” form must be completed on all fundraising events. A copy of the final report indicating the profit or loss of each activity must be submitted to the bookkeeper and kept on file for future auditing.

Fees/Tuition

Fees shall not be collected from children attending public kindergarten or any of the first six grades of the School System. No fees shall be collected in secondary schools for courses required for graduation. Reasonable fees shall be set for laboratory and shop materials and equipment. Fees shall be waived for students who cannot afford to pay set fees.

Theft of School Funds

If a theft or loss of school funds occurs, notify the Superintendent and CSFO immediately.

Cash in School Buildings

All school funds collected at the schools shall be deposited in the bank on a daily basis, to include night depository. In the rare occasion that funds cannot be deposited in the bank, it is the local school principal’s responsibility to provide for the security of the funds until the next day the bank is open.

**OPP CITY BOARD OF EDUCATION  
ACCOUNTING POLICIES AND PROCEDURES MANUAL**

**FINANCIAL RECORD RETENTION SCHEDULE**

All records of the school must be filed and retained in compliance with the requirements of The Local Boards of Education Functional Analysis and Records Disposition Authority guidelines found at *<http://www.archives.alabama.gov/officials/localrda.html>* revised April 2014. Additionally, records being audited or that are the subject of unresolved audit questions must be kept until such time as all audit questions are satisfied. It is the responsibility of the accounting personnel to stay abreast of any guideline changes.

**OPP CITY BOARD OF EDUCATION  
ACCOUNTING POLICIES AND PROCEDURES MANUAL**

TRAVEL PROCEDURES

**Purpose:** To outline the procedures for the documentation and reimbursement of travel by administrators, teachers and support members of the Opp City Board of Education.

**Procedures:**

1. Employee Authorization for travel: A Professional Development/Travel request form (and registration form if applicable) must be submitted **at least 7 days prior** to travel (unless there are extenuating circumstances) and must be approved by the principal (for expenses reimbursed at the school level) and/or the Superintendent or Assistant Superintendent (for expenses reimbursed by the central office). **You are not required to submit a professional development travel request form for district requested training.** The leave request form must be accompanied by an agenda, brochure or some other form of documentation to substantiate the need for travel. A travel request shall normally be limited to that for which funds have been appropriated in the annual budget.
2. Prepayments: Once approval has been given, registration, and lodging may be paid in advance. If the employee cancels the trip and a replacement employee can't attend, expenses shall be repaid to the Board by the employee.
3. Authorized Expenses: The Board of Education will reimburse the employee for lodging, meals, registration, and mileage for personal vehicle, parking and toll fees. All receipts should be presented for payment, and they shall be itemized.

Hotel expenses will be reimbursed for conferences and events located beyond a 90-mile radius only.

If the school district requires an employee to participate in an organization as a part of the duties of his/her job or if participation in the organization is required for students to participate in events, the Board will pay or reimburse the individual for membership dues in the professional organization. The payment or reimbursement for this expense **does require prior approval** from the Superintendent.

4. Unauthorized Expenses: The Board of Education will not reimburse the employee for alcoholic beverages, snacks, personal supplies, internet or entertainment.



**OPP CITY BOARD OF EDUCATION  
ACCOUNTING POLICIES AND PROCEDURES MANUAL**

5. Employee Reimbursement Requests: Within **five** working days following the employee's return to work from travel, the employee will submit the Travel Expense Reimbursement form (available on the Opp City Schools website) with each section completed and any required attachments with all of the necessary supporting documentation to his/her supervisor for review and approval. The form will then be forwarded to the bookkeeper. If the form is complete, the bookkeeper will submit the Travel Expense Voucher form for payment. Requests that are not complete will be returned for completion. Once the Travel Expense form is approved for payment, a travel reimbursement check will be included in the first available accounts payable check run. Check runs are generally scheduled on the 10<sup>th</sup> and the 23<sup>rd</sup> of the month.
  
6. Meal Allowances: Employees traveling may be reimbursed the actual costs of meals within the maximum limits established in these travel regulations.

The daily meal allowance shall be capped at \$50 per day for overnight trips - \$30 for day trips.

An employee will be reimbursed for actual expenses up to the prescribed limit. A gratuity of **up to 15%** may be included. Daily unused meal allowances may not be applied to other day's allowances. *Expenses in excess of the prescribed limits will not be reimbursed.*

No meal allowance may be claimed if a meal is included in conference registration.

7. Mileage Reimbursement Rate: Employees may be reimbursed for business miles traveled in a personal vehicle at the Standard Mileage Rate prescribed by the Internal Revenue Service. Reimbursement is for point-to-point mileage only.
  
8. Required Documentation of Allowable Expenses (reimbursement of authorized expenditures will be made only if substantiated):
  - a. **Registration fee** – documented by publication or by invoice/receipt or a copy of check showing payment. This is usually paid in advance by the board.
  - b. **Meals** – (including gratuities actually paid not exceeding 15%) – ***dated, itemized receipt.***
  - c. **Lodging** – original itemized invoice.

**OPP CITY BOARD OF EDUCATION  
ACCOUNTING POLICIES AND PROCEDURES MANUAL**

- d. *Mileage for personal vehicle* – substantiated by a map attached to the expense account form from point to point; no incidental mileage will be paid.
- e. *Parking and Toll fees* – substantiated by dated receipt.
- f. *Other expenses* – documented by dated receipts.

**Please note:** Cash register tapes, scraps of paper or other reimbursement claims that are not determinable as to the date, the place and the type of expenditure will be disallowed for reimbursement.

- 9. Employee Responsibilities: Employees are responsible for ensuring the most reasonable rates for all expenditures. If at all possible, employees traveling to the same location for the same purpose should carpool.
- 10. Other Provisions: The Superintendent or Assistant Superintendent/CSFO may authorize exceptions to the provisions set forth if he/she deems the exceptions necessary to meet the needs of the School Systems operations. Principals or Central Office Administrators, accompanied by an explanation of the circumstances that justify the need for making the exception, will request the Superintendent's or Assistant Superintendent/CSFO's authorization of exceptions in writing.

**OPP CITY BOARD OF EDUCATION  
ACCOUNTING POLICIES AND PROCEDURES MANUAL**

**AMENDMENT**

This manual may be revised and amended in the future as necessary in response to changes in laws and regulations, generally accepted accounting principles, and acceptable business practices. All amendments to this manual shall require Board approval.

Revised and updated – January 2017  
Board approved – \_\_\_\_\_



# Opp City Board Of Education

## ACCOUNTING POLICIES

The following policies are Board approved and are the foundation for the guidance provided in this manual. This manual will be continually updated as new policies or changes to existing policies are adopted. These policies are to be followed completely and are subject to annual audit.

## Opp City Schools Approved Business Services Policies

- 7.10 - Budget Development
- 7.12 - Financial Statement
- 7.13 - Monthly Financial Record Reconciliation
- 7.14 - Local School Funds
- 7.15 - Depository Of Funds
- 7.20 - Accounting And Reporting
- 7.21 - Fees/Tuition
- 7.22 - School Stores
- 7.23 - Payroll Procedures
- 7.24 - Travel Expense Reimbursement
- 7.25 - Cash In School Buildings
- 7.31 - Food Service Funds
- 7.32 - Investment Of Funds
- 7.33 - Reserve Funds
- 7.35 - Financial Accounting For School Clubs & Organizations
- 7.40 - Bonded Personnel
- 7.41 – Indebtedness
- 7.42 - Insufficient Funds & Worthless Checks
- 7.50 – Audits
- 7.60 - Purchasing & Bidding
- 7.61 - Acquisition, Use & Exchange Of School Property
- 7.62 - Property Sale, Transfer, Disposal
- 7.63 - Lost Or Stolen Property
- 7.64 - Inventories & Property Management
- 7.65 - Purchase Orders
- 7.70 - Risk Management Insurance
- 7.90 - Fund Raising For School Projects & Activities
- 7.91 - Short Term Notes
- 7.92 - Expenditure Of Funds
- 7.93 - Determination Of Allowable Cost – Federal Funds
- 7.94 - Conflict Of Interest – Procurement Transactions
- 7.95 - Cash Management Of Federal Funds

## **7.10 BUDGET DEVELOPMENT**

- I. The Opp City Board of Education shall provide for the preparation and adoption of the annual budget for the school system. The Board delegates the responsibility for preparation of the budget to the Superintendent and appropriate members of his/her staff. Staff members preparing budgets shall involve appropriate school system personnel, community members, and stakeholders in data gathering, input, and consultation regarding priorities and interests. Providers of budget information shall adhere to all state and federal guidelines, and the budget shall be prepared on forms and in accordance with such rules and regulations as may be prescribed by the Alabama State Board of Education and the federal government.
  - A. The budget shall be presented to the Opp City Board of Education at its regular August meeting or at a special meeting that may be necessitated by the date set by the State Department of Education for budget submission.
  - B. The fiscal year shall be October 1 through September 30 inclusive.
- II. Public Hearings – The Opp City Board of Education shall hold at least two open public hearings pertaining to its proposed annual budget.
  - A. Copies of the proposed budget shall be provided to the public at each hearing on local forms and those provided by the State Department of Education.
  - B. The Opp City Board of Education shall seek input from the public concerning the proposed budget and the allocation of resources.
  - C. The hearing shall be held during a scheduled Board meeting in a place and at a time convenient for the general public to attend.
  - D. The date and time of each hearing shall be publicized in the local media in advance of the hearing. In addition, notice of each hearing shall be posted in a conspicuous place at the central office and at each school.
- III. Proposed Budget – The proposed budget shall:
  - A. Reflect the total amount of resources available to the Opp City Board of Education from all funding and revenue sources.
  - B. Reflect the projected enrollment and the total proposed expenditure by the Board and for each school shall be available at the public hearings.
  - C. Clearly delineate the number of teachers, librarians, counselors, administrators and other support personnel projected to be employed at each Opp City school.
  - D. Clearly list the operating costs by category or function at each school.
  - E. Delineate by school those operating resources earned including, but not necessarily limited to, those items contained in the Instructional Support Program

of the Foundation Program, designating the amount of funds earned at each school per item based on average daily membership.

- IV. Final Budget – After at least two (2) public hearings have been held, the Opp City Board of Education and Superintendent shall develop, consistent with state laws, a final budget.
  - A. The budget adopted under these procedures shall not show expenditures in excess of income estimated to be available plus any balances on hand, except under conditions set forth by the laws of the state governing the issuance of school warrants.

*Reference(s): Code of Alabama 16-13-140 To 16-13-145, Alabama Administrative §290-2-01*

### **7.12 FINANCIAL STATEMENT**

The Superintendent shall have the responsibility for preparing any and all reports related to accounting of school funds that may be required by law or requested by the State Board of Education or the Opp City Board of Education.

The State Board of Education shall prescribe regulations for keeping accounts and records and for making reports by or under the supervision of school boards. These accounts and records shall at all times be available for inspection and audit by authorized officials and shall be preserved as the laws of Alabama may prescribe.

A complete statement shall be published annually in the month of October of the receipts by source and disbursements by function in an appropriate newspaper in the County, on the Opp City School System's website, and on the State Department website.

Said accounts and fiscal records shall be available during normal business hours for inspection by the public. They shall be preserved for the period of time prescribed by Policy 8.80, Records Retention and Disposal, for such a period as specified by the State Department of Education or appropriate authorities.

*Reference(s): Code of Alabama 16-13a-13*

### **7.13 MONTHLY FINANCIAL RECORD RECONCILIATION**

All bank accounts of the Opp City Board of Education and its local schools shall be reconciled to the financial records. The Chief School Financial Officer shall be responsible for verifying that monthly LEA bank statements are reconciled to the financial records by the 25<sup>th</sup> of each month for review by the Superintendent.

The Chief School Financial Officer shall also be responsible for verifying that monthly local school account bank statements are reconciled to the financial records by the 20<sup>th</sup> of each month for review by the Superintendent.

Said reports shall ensure accurate monthly financial statements, and shall be accompanied by a copy of the corresponding bank statement, copy of the bank reconciliation report, report of outstanding encumbrances, and report of accounts payable.

*Reference(s): Code of Alabama 16-11-9, 16-13-143*

#### **7.14 LOCAL SCHOOL CHECKING ACCOUNTS**

Local school principals shall establish a checking account(s) with a banking establishment located in the City and that is a qualified public depository by the Security for Alabama Funds Enhancement (SAFE) Program administered by the Alabama State Treasurer. This must be an interest-bearing account. All checks in the name of the school shall be drawn upon such account(s).

All financial transactions of a local school shall be paid for by check; no cash payments shall be made.

*Reference(s): Code of Alabama 16-13a-6*

#### **7.15 DEPOSITORY OF FUNDS**

The Board requires that all funds of the School System (federal, state, and/or local) to be deposited in a bank located in the City. Said bank shall be approved as a qualified depository by the Security for Alabama Funds Enhancement (SAFE) Program administered by the Alabama State Treasurer.

All monies retained in school buildings shall be safeguarded in secure areas at all times. The Opp City Board of Education shall assume no responsibility for funds lost in a school, unless it is determined or suspected that an employee has misused funds for any purpose.

The Board requires that school funds be deposited on a daily basis, regardless of amount, by a bonded individual at each school.

*Reference(s): Code of Alabama 16-13a-6*

### **7.20 ACCOUNTING AND REPORTING**

#### **I. Financial Accounting**

- A. The Opp City Board of Education shall, following recommendations by the Superintendent, prescribe regulations for the keeping of accounts and fiscal record and the making of reports by all under the Board's jurisdiction who are charged with such responsibility. Prescribed regulations shall be consonant with those of the State Board of Education, the Division of Administration and Finance of the State Department of Education, the directives of the state Department of Examiners of Public Accounts and Generally Accepted Accounting Principles.



- B. Line items in the budget may be changed, with Opp City Board of Education approval, at any time during the fiscal year provided such change is consistent with existing laws and regulations of the state and federal government.
- C. The Superintendent shall keep the Board informed through monthly financial statements concerning the status of the budget.
- D. Said accounts and fiscal records shall be available during normal business hours for inspection by the public. They shall be preserved for a five-year period of time or for such period as specified by the State Department of Education's retention schedule.
- E. The Superintendent shall develop specific procedures to ensure that accounting practices throughout the system are consistent with generally accepted accounting principles.

**II. Annual Financial Report**

The Board shall publish annually a complete statement of receipts and disbursements as well as a statement of outstanding funded and unfunded indebtedness of the school system for the 12-month period ending the preceding September 30. Such statements shall be drafted on the forms required by the State Superintendent of Education.

*Reference(s): Code of Alabama 16-6b-6, 16-6b-7, 16-11-22, 16-11-24, 16-12-14, 16-13-31, 16-13-106, 16-13-140, 16-13-143, 16-13-144, 41-5-14, Alabama Administrative Code §290-1-4-.01*

**7.21 FEES/TUITION**

The Opp City Board of Education shall not collect fees of any kind from children attending public kindergarten or any of the first six (6) grades of the school system.

No fees shall be collected in secondary schools for courses required for graduation. The Opp City Board of Education shall set reasonable fees in non-required courses, *e.g.*, reasonable fees for laboratory and shop materials and equipment. Such fees shall be waived for students who cannot afford to pay set fees.

*Reference(s): Code of Alabama 16-10-6, 16-11-26*

**7.22 SCHOOL STORES**

The Opp City Board of Education authorizes the Superintendent to grant permission for the operation of stores selling merchandise that is needed by pupils to facilitate classroom instruction. School stores shall operate as a convenience to the students and shall not in any way interfere with the educational process or cause any student to be in class less than the minimum number of hours in the Opp City Board of Education approved day.

Separate records, subject to audit, shall be kept for school stores, and profits derived from sales shall be used for general items supporting the school as a whole.

*Reference(s): Code of Alabama 16-11-9, 16-11-22*

## **7.23 PAYROLL PROCEDURES**

### **I. Payroll Preparation**

- A. The Opp City Board of Education delegates payroll preparation for the payment of employee salaries to the Superintendent or his/her designee. The payroll shall be in accordance with the salary policy approved by the Board, any rules or regulations promulgated by the State Superintendent of Education, and state law.
- B. Payroll checks shall be released on the last week day of the month on a twelve (12) month basis.

### **II. Salary Deductions**

- A. The Opp City Board of Education will make salary deductions that are considered statutory, including federal income tax, state income tax, retirement, etc., in accordance with applicable laws and regulations.
- B. New authorization for payroll deductions may be added during open enrollment or upon state required enrollments.
- C. Upon termination, amounts owed under the authorization of an employee shall be deducted from an employee's final pay.
- D. When amounts have been correctly deducted and remitted by the Opp City Board of Education, the Opp City Board of Education shall bear no further responsibility or liability for further transactions. The Board shall not be liable for any error while acting in good faith to make the subject deductions.
- E. Whenever an employee is separated from the system prior to the end of the contract period, the terminal pay shall be computed on a per diem basis.
- G. The school system will deduct teacher retirement contributions for all employees eligible for participation in the State Teacher Retirement System according to applicable laws and regulations.
- H. The school system may make other deductions as a service to employees when requested, in writing, by the employee and approved by the Superintendent. Such deductions may include, but are not limited to, political contributions and dues for membership to the national, state, and local education association representing the majority of employees. Such deductions shall be made only with written authorization of the employee and shall remain in effect until cancelled in writing by the employee.

*Reference(s): Code of Alabama 16-12-17, 16-13-10, 16-13-231, 16-13-232, 16-22-5, 16-22-6, 16-22-7, 16-22-17, 36-1-4*

## **7.24 TRAVEL EXPENSE REIMBURSEMENT**

- I. Travel expenses incurred by employees and Board members or other authorized persons involved in conducting Opp City Board of Education business may be reimbursed when authorized by the Superintendent or the Board.
- II. Opp City School System employees must receive approval in advance from the Superintendent or designee for travel. Out-of-state and overnight travel by employees with students must be approved by the Board of Education.
- III. Any person requesting reimbursement for travel expenses shall provide required documentation. Actual expenses, vehicle mileage costs, and other allowable travel reimbursement may be established. No person shall receive reimbursement from the Opp City Board of Education and from other sources for the same travel expense, nor shall payment be made for personal items or entertainment. Travel reimbursement will be in accordance with approved rates established by the Opp City Board of Education and authorized by the Internal Revenue Service (IRS).
- IV. The Superintendent shall establish uniform procedures to implement this policy and prescribe forms and procedures necessary for maintaining accurate, uniform records. Travel procedures shall ensure reasonable economy.
- V. In order to compensate certain office personnel for expenses for intercity travel incurred while performing daily duties required by the school system, vehicle allowances will be paid as approved by the Superintendent. When principals reimburse themselves from local school funds, they shall obtain the signature of approval from the Superintendent.
- VI. Reimbursements and payments for travel expenses of employees paid from federal funds shall be consistent with the travel costs for board employees paid with state or local funds.
- VII. Violation of this policy or falsification of required records shall be grounds for disciplinary action including dismissal.

*Reference(s): Code of Alabama 16-1-16, 16-11-9, 16-12-3, 16-13-3*

## **7.25 CASH IN SCHOOL BUILDINGS**

It shall be the policy of the Opp City Board of Education that all school funds collected at each school or school activity of the Board shall be deposited in a bank on a daily basis, to include night depository. In the event that due to an unforeseen or emergency situation it is impossible to deposit said funds on the day of receipt, it is the responsibility of the local school principal to provide for the security of the funds until the next day the bank is open.

The Board requires that any school funds collected be deposited with an approved financial institution as soon as practical on the day collected or the next business day.

*Reference(s): Code of Alabama 16-11-9*

## **7.28 GOVERNMENTAL FUNDS**

The following definitions will be used in reporting activity in governmental funds. The Opp City Board of Education may or may not report all fund types in any given reporting period, based on actual circumstances and activity.

- The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.
- Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.
- Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest, even if it is being accumulated for future years' payments. Debt Service Funds should be used to report resources if legally mandated.
- Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Fund balances will be reported in governmental funds under the following five categories using the definitions provided by GASB Statement No. 54:

- A. Non-spendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Examples of non-spendable fund balance reserves for which fund balance shall not be available for financing general operating expenditures include: inventories, prepaid items, and long-term receivables.
- B. Restricted fund balances consist of amounts that are subject to externally enforceable legal restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. Examples of restricted fund balances include: restricted grants.
- C. Committed fund balances consist of amounts that are subject to a purpose constraint imposed by formal action of the Board before the end of the fiscal year and that require the same level of formal action to remove the constraint.
- D. Assigned fund balances consist of amounts that are intended to be used by the school system for specific purposes. The Board authorizes the Superintendent or Chief School Finance Officer to make a determination of the assigned amounts of fund balance. Such assignments may not exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund. Assigned fund balances require the same level of authority to remove the constraint.
- E. Unassigned fund balances include all spendable amounts not contained in the other classifications. This portion of the total fund balance in the general fund is available to finance operating expenditures.

When expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the Board to consider restricted amounts to have been reduced first. When an expenditure is incurred for the purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the Board that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

The Opp City Board of Education along with the Superintendent and Chief School Finance Officer will periodically review all restricted, committed, and assigned fund balances. The Chief School Finance Officer will prepare and submit an annual report of all restricted, committed and assigned funds for the Board of Education.

*Reference(s): GASB Statement No. 54*

### **7.31 FOOD SERVICE FUNDS**

The Opp City Board of Education requires that all Child Nutrition Program funds be accounted for in accordance with policies and procedures set forth by the local, state, and federal requirements.

*Reference(s): Code of Alabama 16-11-21, 16-11-22, 16-12-3(A), (F), 16-12-12, 16-13-31, 16-22-11, Alabama Administrative Code §290-080-030-.03*

### **7.32 INVESTMENT OF FUNDS**

- I. Based upon a written system of internal controls and operational procedures, the Superintendent or his/her designee shall invest temporarily idle funds to earn the maximum return for the period available. Highest priority shall be placed on the safety and liquidity of funds. Funds may be placed in the following types of investments:
  - A. Bids from qualified depositories;
  - B. Certificates of deposit;
  - C. Time deposits;
  - D. Securities of the United States government including obligations of the United States Treasury; or,
  - E. Investment pools managed and directed by an approved agency of the state.
- II. The principal may invest temporarily idle internal account funds in qualified depositories at the best available return subject to the advice of Opp City School System staff trained in investment practices and procedures.
- III. Other investments may not be made unless specifically authorized.

*Reference(s): Code of Alabama 16-11-9, 16-12-3, 41-14a-1, et seq., Alabama Administrative Code §290-2-1-5*

### **7.33 RESERVE FUNDS**

The Opp City Board of Education, in accordance with Alabama law, directs that a General Fund reserve fund balance be maintained of an amount not less than one month's operating expenditures. Operating expenditures shall include all funds necessary to support normal operations of the school district for one month.

The Superintendent or Chief School Financial Officer will inform the Board, before the Board votes on a budget or budget amendment, if the approval of the budget or budget amendment will prevent the establishment or maintenance of a one-month's operating balance.

A one-month's operating balance shall be determined by dividing the General Fund expenditures and fund transfers out by twelve. In determining the General Fund expenditures and fund transfers out, the proposed budget or budget amendment, shall be used.

*Reference(s): Code of Alabama 16-11-21, 16-11-22, 16-12-3(A), (F), 16-12-12, 16-13-31, 16-22-11*

### **7.35 FINANCIAL ACCOUNTING FOR SCHOOL CLUBS AND ORGANIZATIONS**

The Board endorses and supports rules and regulations by the Alabama State Department of Education and by AdvancED accreditation standards pertaining to fund-raising activities by school-related clubs and/or organizations.

Permanent, accurate records must be kept of all fees collected by or through the school, and of all funds received and expended by the school or its agencies, such as athletic associations, club and class organizations, band-parent organizations, and others.

**In-school Clubs and Organizations:** All in-school student clubs, organizations, etc. must follow the regulations as stated. In-school organizations maintaining financial accounting through the school may take advantage of the school's tax-exempt status by purchasing school supplies, materials, and equipment through the school.

All drafts for the expenditure of funds from the club and/or organization account shall be authorized by said club and/or organization and the club sponsor and a check shall be signed by the principal. The principal shall maintain a separate subsidiary account for each club and/or organization.

**School-Related Clubs and/or Organizations:** The Board recognizes the value of certain clubs and/or organizations that support the school's purposes and desires to work with such groups as the PTA, PTO, band and athletic boosters, foundations, etc. for continued school improvement.

The organizations may maintain separate financial accounts and records if they so desire. Any such club and/or organization is required to present an annual financial report to the school principal. All such clubs and/or organizations using the schools or the School System's name to collect or solicit funds must have prior approval of the school principal. Clubs and/or organizations maintaining separate financial entity from the school may not take advantage of the tax-exempt status of the school.

**Donations by Clubs and/or Organizations To The School:** In the event a club and/or organization wants to purchase goods or services from the school or to make a donation to the school, the organization's treasurer should make a check payable to the school for the donation or for the cost of the item(s) to be purchased. The principal should, in turn, give the treasurer of the organization a receipt for the amount of money received from the organization. The principal shall deposit and send all monies through the school's uniform local accounting system. A separate subsidiary account shall be maintained for each such club and/or organization.

**Concession Sales at School Activities:** Concession sales at school activities and concession sales operated by school or student groups shall be deposited in the appropriate school account and shall be disbursed in accordance with Board policy, Standards of the Southern Association of Colleges and Schools, and State Department of Education regulations. All such funds shall be subject to audit by the Board. Income from such activities and sales by parent groups shall be handled in accordance with the guidelines outlined in the above section related to clubs and/or organizations.

*Reference(s): Code of Alabama 16-11-9*

#### **7.40 BONDED PERSONNEL**

The Superintendent and the designated Chief School Financial Officer (CSFO) shall be bonded at an amount fixed by the State of Alabama in a reputable surety company authorized to do business in Alabama. A certified copy of such bond shall be placed on file with the State Department of Education.

The Superintendent or his/her designee shall secure surety bonds, in an amount agreed upon by the Board, for all employees of the Opp City School System who may be charged with the responsibility for handling public school funds.

School principals, bookkeepers, and CNP managers shall be bonded for not less than one thousand (\$1,000) dollars.

The Board shall be authorized to make payment from public funds for surety bonds.

*Reference(s): Code of Alabama 16-11-7, 16-13-8 to -9, 16-22-4, Alabama Administrative Code §290-2-5-.02*

#### **7.41 INDEBTEDNESS**

Any Opp City school employee or other person shall be personally liable for creating any bill of indebtedness against a school or against the Opp City Board of Education unless authority exists under duly adopted policy of the Opp City Board of Education or unless authorized in writing by the Superintendent. Any employee violating the provisions of this rule may be subject to cancellation of his or her contract or dismissal from employment.

**Bonded Indebtedness:** The Opp City Board of Education shall not incur any bonded indebtedness that shall require annual payments on the principal and interest in excess of eight percent (8%) of the anticipated revenue of the ad valorem tax pledged to retire such bonds.

**Current Indebtedness:** Tax proceeds, which are not pledged to retire bonded indebtedness, shall be used for current expenses. All funds borrowed for current expenses shall be repaid before the end of the fiscal year in which such funds are borrowed.

The Board shall not spend or obligate to spend more money in any fiscal year than the income received during that year plus the balance on hand at the beginning of said fiscal year.

*Reference(s): Code of Alabama 16-13-70, 16-13-144 through -146, 16-13-140*

#### **7.42 INSUFFICIENT FUNDS AND WORTHLESS CHECKS**

Whenever a check is returned to the Opp City School System for insufficient funds, an entry will be made to decrease the revenue source and the cash account. It will then be logged on the “Bad Check Log” and the procedures for Bad Check Collection will be followed.

Only cash, money order, or cashier’s check shall be accepted as payment for a worthless check. If payment is received within ten (10) days of sending the “Notice to the Maker,” the money is deposited with both the notation of redeposit and the name on the returned check written on the deposit slip. After money has been received to cover the amount of the check and the service charge, the returned check may be returned to the person who wrote the check.

If the returned check is not collected, it will be turned over to the District Attorney’s Worthless Check Unit. When collection is made, the deposit is re-entered into the books by debiting cash and crediting the revenue source.

*Reference(s): Code of Alabama 16-11-9, 16-12-3, Alabama Administrative Code §290-080-030-.03*

#### **7.50 AUDITS**

Fiscal audits shall be completed by a licensed auditing firm approved by the Opp City Board of Education. Auditors shall conduct audits in accordance with the procedures set forth by standard auditing procedures and shall, within that scope, furnish such schedules as the Opp City Board of Education may require. No audit shall fail to provide a comprehensive report on all accounts assigned for audit by the Board.

The Superintendent shall prepare a report of all local audits summarizing the effect of the year’s operations for presentation to the Board. Audits other than annual audits shall be performed as the need is indicated.

*Reference(s): Code Of Alabama 16-4-7, 16-13-9, 41-5-14; Alabama Administrative Code §290-2-1-4*



## **7.60 PURCHASING AND BIDDING**

- I. Bidding – The Opp City Board of Education directs that expenditures of public school monies in excess of \$15,000 made by the Board for labor, services, work, the purchase or lease of materials, equipment, supplies or any other personal property, with limited exceptions established by state law, shall be contracted by free and open competitive bidding with sealed bids and shall be awarded to the lowest responsible bidder meeting specifications.

Bids for building/capital improvement projects exceeding \$50,000 must comply with the state Public Works Act.

All schools and the Central Office shall place technology bids with the Director of Technology. The Director of Technology shall insure bids are in compliance with state law and shall combine bids and/or purchases in order to obtain the best price and quality for equipment and services.

### **II. Local Purchasing**

- A. The Opp City Board of Education should purchase locally provided products of equal quality that are readily available from local suppliers at prices equal to other non-local vendors. Pursuant to state law the Board, when purchasing personal property or contractual services, shall give preference to commodities produced in Alabama or sold by Alabama persons, firms or corporations.
- B. The Opp City Board of Education shall not be limited to making purchases within the local community or the state of Alabama when such local purchases within the local community or the state of Alabama do not meet the quality or competitive price of goods or services available from vendors outside the local community or state of Alabama.
- C. Preference may be given to a local vendor having a place of business in the county or municipality for the purchase of personal property, when a bid submitted by such a resident bidder is no more than three (3) percent greater than the bid of the lowest responsible bidder.
- D. Opp City Board of Education shall require that a requisition/purchase order system be established and followed.
- E. Local school purchases exceeding five thousand dollars (\$5,000.00) must have the signature of the principal and the Superintendent.

- III. Joint Purchasing -- The Board shall allow joint purchases and joint purchase agreements with other school systems, government agencies, and other entities as provided for by law when some purchasing or agreements is advantageous to the Board.

- IV. Advertising – Proposed purchases in excess of the current legal base shall be advertised by posting a notice on a designated bulletin board in the central office, posting to the school system website or in any other manner that may be desired. Requests for sealed bids shall be solicited in writing to all individuals or firms who have placed written

requests with the Board. If an individual or firm fails to respond to three solicitations, said vendor will be removed from the bid list.

V. Procurement – The Board will follow state laws for procurement of property and services. To the extent allowed by state laws, the Board will utilize state, local, regional and national purchasing agreements when appropriate for the procurement or use of goods and services. All procurement transactions are subject to the Board's Conflict Of Interest Policy and the procurement decisions of the board will:

- Avoid acquisition of unnecessary or duplicative services.
- Use the most economical and efficient approach for acquisitions.
- Award acquisition contracts only to the responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement.
- Consider contractor integrity, compliance with public policy, record of past performance, and financial and technical resources prior to awarding procurement contracts.
- Encourage participation of small and minority business contractors.
- Maintain records sufficient to document the history of the procurement.
- Conduct procurement transactions in a manner that provides full and open competition.

Procurement transactions that are not subject to the state procurement laws, but exceed the aggregate amount of the federal micro-purchase threshold, will be obtained by utilizing price and rate quotes from two or more qualified sources if not purchased from a state, local, regional or national purchasing agreement.

The Board will request proposals for professional service contracts (excluding architectural and engineering services) that are not subject to the state procurement laws if the contract exceeds \$150,000 and will be paid from federal funds. The Board will utilize a team of three or more qualified individuals to conduct technical evaluations of proposals received and for selecting recipients. As part of the evaluation, the individuals on the evaluation team will sign an assurance that each of the individuals is in compliance with the Board's Conflict of Interest Policy.

**Reference(s):** Code of Alabama 41-16-50, 41-16-51, 41-16-57, 39-2-1, et seq., Alabama Legislative Act 2006-621

## **7.61 ACQUISITION, USE AND EXCHANGE OF SCHOOL PROPERTY**

### **I. Acquisition**

- A. All property purchased through system funds, internal funds, or donations from outside sources shall be acquired using system purchasing procedures.

- B. All property, including vehicular equipment, shall be under the full control and name of the Opp City Board of Education.
  - C. All property with a value of five thousand dollars (\$5,000.00) acquired through internal accounts or donations, shall be reported immediately by the principal or worksite supervisor to the designated property records office on the prescribed forms.
  - D. Principals and supervisors of facilities shall be responsible for determining that all property is identified and accounted.
- II. **Exchange** - Each principal and supervisors of facilities shall determine the property needs for his/her school or department. The Opp City principal or system department head shall declare any property that is not needed, upon approval of the designated property control office, and may requisition additional property through proper procedures.
- A. Surplus property shall be reported on proper forms to the designated property records office that shall be responsible for acquiring and storing the surplus property.
  - B. Property items with a value of \$5,000 (as described in paragraph I section C above) may be exchanged between system departments and schools when approval is granted by the designated property records office and subsequently by the appropriate Opp City administrator. Notification of each approval shall be filed in writing with the designated property records office to adjust property records of schools and system departments.
  - C. Opp City Board of Education equipment shall not be used for gainful outside employment or private use of employees or by any for-profit group or organization.

*Reference(s): Code of Alabama 16-8-40, 16-20-8, 16-20-9*

### **7.62 PROPERTY SALE, TRANSFER, DISPOSAL**

The Opp City Board of Education shall be advised by the Superintendent in the event that certain real or personal property is no longer needed for public school purposes. Prior to presentation to the Board, the Superintendent shall determine that the property is not needed by any Opp City school facility. The Superintendent is authorized to store property for later use if that property is determined to have value and the Superintendent believes the property will be used in the future by a Opp City School System facility.

The Board, upon receipt of such report, may at such time as it deems proper and at its discretion declare that such property is no longer needed for public school purposes.

Once real property is declared surplus by the Opp City Board of Education, the Superintendent or his/her designee shall be authorized to take appropriate action in disposing of such property as outlined below:

- A. Obtain an appraisal(s) reflecting the fair market value of all real property and significant personal property.
- B. Notify local governmental authorities that such property is no longer needed for school purposes and invite a proposal if there is a need for such property.
- C. Follow the procedures in the manner prescribed by state law for the sale of real property, including public notification using local newspapers or other suitable media.

**Reference(s):** Code of Alabama 16-4-7, 16-4-8, 16-11-22, 41-5-14, 41-5-23, Alabama Administrative Code §290-2-1-4

**7.63 LOST OR STOLEN PROPERTY**

- I. The principal or designee shall notify the following individuals when any Opp City School System property has been vandalized, stolen, or lost:
  - A. The proper law enforcement agency immediately to provide such information as may be available if the property is believed to have been stolen;
  - B. The system office by telephone; and,
  - C. In writing with a copy of such notice being sent to the Superintendent or the clerk of fiscal assets.
- II. The custodian of the property records, or their designee, shall prepare a written report and recommendation to the Superintendent if the property is not recovered within thirty (30) days of notification. Inventory records including serial and/or model number(s) of missing items shall be used in the preparation of reports.
- III. The Superintendent shall report to the Opp City Board of Education any property that has been lost or stolen if not recovered within thirty (30) days after the discovery of the loss or theft except major losses shall be reported to the Board immediately. Such a report shall include a recommendation that the property record be made inactive and any information applicable to personal liability shall also be reported.

**Reference(s):** Code Of Alabama 16-11-9, 16-12-3

**7.64 INVENTORIES AND PROPERTY MANAGEMENT**

The Superintendent or designee shall maintain an adequate and accurate record of all tangible personal property of the Opp City School System. The record shall indicate the date of acquisition, the fund from which purchased, identification number, and property record number, and shall be consistent with all controlling requirements of Alabama statutes and rules. School inventories shall be verified by administration at the Superintendent’s direction.

- I. All equipment that has a value or cost specified by the Opp City Board of Education shall be listed in property inventories. Property inventories shall be performed annually. It

shall be each principal's duty to designate a person to make an annual inventory of all school property within his/her building(s). This report shall include recommendations for the disposition of obsolete and surplus equipment and equipment beyond economical repair. The principal shall also be responsible for inventories of properties not listed in section I above such as library books, films and tapes, and other materials as deemed appropriate. These inventory records shall remain on file in the individual school.

- II. Any incoming principal and the facilities supervisor shall make an inventory of all school equipment when the new principal assumes the duties of the position. This inventory shall be checked against the last inventory made at the school and a report shall be filed with the central office to identify any shortages or discrepancies.
- III. All equipment purchased by the various school organizations or by outside organizations for school or system use shall become Opp City Board of Education property and shall be recorded and inventoried in the same manner as all other equipment of a similar nature.
- IV. The Superintendent or designee shall maintain a current and perpetual inventory of all stock in Opp City Board of Education warehouses and shall file an annual end-of-the-year report of the count and value of such items with the finance department.
- V. The Superintendent shall report to the Opp City Board of Education any property that has been lost or stolen if recovery is not made by the next regular Board meeting after the discovery of the loss or theft. Such report shall include a recommendation for inactivation of the property record and information concerning possible personal liability that may be appropriate as the circumstance may indicate.

*Reference(s): Code of Alabama 16-11-21 To -22, 16-13-31 to -32, 16-13-38(D), 41-5-14, 41-5-43, Alabama Administrative Code §290-2-1-4(3)(C)*

## **7.65 PURCHASE ORDERS**

Purchase orders are required by the Opp City Board of Education for all materials, equipment and supplies paid for out of the general fund of the Opp City Board of Education. The following procedures must be followed:

1. A purchase order is obtained from the Central Office by submitting a requisition following approved procedures.
2. Special instructions should be noted on the requisition in such a way as to be easily detected by the Purchase Order Clerk or school secretary.
3. Only the designated Purchase Order Clerk is authorized to order items requiring a purchase order.
4. Invoices received which do not have a purchase order number will not be the responsibility of the Opp City Board of Education; the person placing the order has sole responsibility for payment in such cases.

“Blanket” purchase orders may be issued by the Purchase Order clerk to vendors from whom materials are purchased on a regular basis. This blanket purchase order will be valid only during the month in which it is issued unless otherwise approved by the Superintendent. Total purchases for a blanket purchase order shall not exceed \$2,500.00.

*Reference(s): Code of Alabama 16-13a-5, 16-13a-6*

## **7.70 RISK MANAGEMENT INSURANCE**

No new policy or procedure will be adopted or approved by the Opp City Board of Education without first giving careful consideration to the School System’s risk exposure.

When the purchase of insurance coverage is deemed necessary, such purchase will be made on the basis of service offered by the insurer or self-funded programs, the reliability and financial stability of the insurer or self-funded program, and the price of the coverage as competitively determined.

Insurance Coverage – The Opp City Board of Education shall insure for:

- Full value of all property for which it has title, including but not necessarily limited to buildings and contents.
- Errors and omissions liability coverage to protect Board members, Board employees and the school system.

*Reference(s): Code of Alabama 16-11-12, 16-11-27, 16-12-5, 16-22-5*

## **7.90 FUND-RAISING FOR SCHOOL PROJECTS AND ACTIVITIES**

All fund-raising projects and activities by schools or groups within the Opp City School System shall contribute to the educational and extracurricular experiences of students and shall not be in conflict with the overall instructional program as administered by the Superintendent.

The determination of the fund-raising projects and activities for a school shall be the responsibility of the principal and the staff and shall conform to the following conditions and any directives by the Superintendent.

Fund-raising activities and projects within all Opp City schools shall be kept within a reasonable limit. Before approving any project or activity, the principal shall require full justification of the need and explanation of the manner in which the funds will be expended.

When the sale of food items during school hours is approved as a fund-raising project, accreditation standards and CNP regulations shall be followed. Food items not of a high nutritional value may not be sold or distributed during the school day.

Merchandising projects shall be kept to a minimum.

*Reference(s): Code of Alabama 16-11-9, 16-12-3, Alabama Administrative Code §290-080-030-.03*

### **7.91 SHORT-TERM NOTES**

In accordance with state law, the Opp City Board of Education has the authority during any fiscal year, and upon recommendation of the Superintendent, to borrow money in anticipation of current revenues for that fiscal year and to pledge the current revenues for said fiscal year for the payment of such loan or loans if funds on hand are not sufficient to meet current expenses. All such loans shall be recommended by the Superintendent and approved by the Board. Rates of interest on any loans shall not exceed the maximum allowed by law.

All notes or other evidence of indebtedness of the Opp City Board of Education, unless specified otherwise by law, shall be signed by the Chairman of the Board and Superintendent and shall be limited as prescribed by law.

*Reference(s): Code of Alabama 16-13-145 to -146*

### **7.92 ALLOCATION AND EXPENDITURE OF FUNDS**

#### **I. Expenditure of Funds**

- A. Any and all funds of the school system, whether received from federal, state, local or other resources shall be disbursed only on the written order of the Superintendent or his/her designee. The actual signature of the Chief School Financial Officer (CSFO) or Payroll Supervisor and the Superintendent shall be required on all drafts and checks drawn against any bank account of the Opp City Board of Education.
- B. In order to promote academic excellence and recognize significant contributions to education, the Opp City Board of Education may expend public funds for the purchase of trophies, plaques, academic banquets, and other appropriate honors to recognize special contributions by students, faculty, staff, and the public that strengthen public education in the school system and the state of Alabama.

#### **II. Allocation of Funds**

- A. All funds allocated for the current school year shall be spent for the benefit of the students and to assist teacher in their endeavor to educate students enrolled in the school for the current year. Funds should be spent in a timely manner to insure that they are spent prior to the end of the current year. Items should be purchased as early in the school year as possible to maximize the benefit to students. Selection of equipment and/or supplies should reflect the most critical needs and expenditures should be prioritized accordingly.
- B. All funds and/or monies allocated for any program for the current school year should be spent by August 15<sup>th</sup> annually to allow adequate time to receive the

purchased items and to complete financial accounting procedures by September 30<sup>th</sup> each year.

*Reference(s): Code of Alabama 16-13-32, Alabama Administrative Code §290-1-4(5)(B), Alabama Legislative Acts 95-313 And 95-314*

### **7.93 DETERMINATION OF ALLOWABLE COSTS – FEDERAL FUNDS**

Before instituting a financial transaction that will require the expenditure of federal funds, the federal programs director and the Chief School Financial Officer or designee will determine that the proposed transaction meets the requirements of allowable costs for the federal program.

Actions to determine allowable costs will assure that:

- The proposed expenditure is included in the federal program budget.
- The proposed expenditure is reasonable and necessary for the federal program.
- The proposed expenditure is consistent with procedures for financial transactions of the Board including purchase order procedures, contract review and approval procedures, and applicable competitive purchasing procedures.
- Appropriate documentation will be maintained to support the allowability of the transaction.

Before payments are made from federal funds, the federal programs director and the Chief School Financial Officer or designee will determine that the federal program expenditure complies with generally accepted accounting principles and complies with state, local and federal laws, rules, and regulations.

*Reference(s): Code of Alabama 16-8-40, 16-20-8, 16-20-9, Code of Federal Regulations 2 C. F. R. 200*

### **7.94 CONFLICT OF INTEREST FOR PROCUREMENT TRANSACTIONS**

No employee, officer, or agent of the Board shall participate in the selection of, or in the award or administration of a contract supported by federal funds if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from the firm considered for the contract. The Board's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subcontractors.

*Reference(s): Code of Alabama 16-8-40, 16-20-8, 16-20-9, Code of Federal Regulations 2 C. F. R. 200*

### **7.95 CASH MANAGEMENT OF FEDERAL FUNDS**

The Board will minimize the time between the receipt of federal funds from the United States Treasury, the Alabama Department of Education, and other pass-through entities, and the disbursement of those federal funds. Funds will only be requested to meet immediate cash needs for reimbursement not covered by prior receipts and anticipated disbursements that are generally fixed. Generally, disbursement will be made within 25 days after receipt of funds.

The Chief School Financial Officer will maintain financial records that account for the receipt, obligation, and expenditure of each federal program fund. The Chief School Financial Officer will routinely monitor cash balances in all federal programs. Board procedures will minimize cash



balances and prevent federal fund cash balances from earning \$500 or more when maintained in interest bearing accounts. Federal program funds will be maintained in insured checking accounts that are subject to the state requirement for public deposits under the SAFE program.

**Reference(s):** *Code of Alabama 16-11-9, 16-12-3, Alabama Administrative Code §290-080-030-.03, Code of Federal Regulations 2 C. F. R. 200*