

FINANCIAL PROCEDURES

FOR THE

AUTAUGA COUNTY BOARD OF

EDUCATION

FINANCIAL PROCEDURES FOR THE AUTAUGA COUNTY BOARD OF EDUCATION

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INTRODUCTION

AUTAUGA COUNTY BOARD OF EDUCATION ACCOUNTING REGULATIONS FOR SCHOOLS

The position of Principal carries with it the full responsibility for all financial matters relating to the school. It is imperative that the Principal gives his/her personal attention to the collection, expending, reporting, and overall supervision of financial activity. The Principal has the responsibility for collecting and disbursing all monies in a manner approved by the Board of Education and in accordance with generally accepted accounting principles and procedures.

The purpose of this manual is to assist the local board of education in establishing financial policies and procedures for financial operations. The local school board has a variety of requirements for overseeing the financial activity of the Autauga County School System subject to the following requirements:

- Generally accepted accounting principles will not be diminished.
- Compliance with state and federal laws will be maintained.
- Internal accounting controls will allow the tracking of financial transactions to the responsible individual.

The following are some general rules regarding the financial affairs of the schools. These rules, as well as the accompanying procedures and policies, will be subject to continual audit by the Business Office as well as external auditors.

- (1) **All money collected at the school for any purpose must be receipted and deposited in the school account on a timely basis.**
- (2) **All expenditures must be paid by check and supported by a valid invoice based on a purchase order issued and signed by the Principal prior to the purchase being made.** All purchases must conform to the policies of the Board of Education and Alabama bid laws, when applicable.
- (3) Bank statements must be reconciled monthly.
- (4) Monthly financial reports reflecting accurate balances and activities of the accounts of the school must be reviewed and approved by the Principal.
- (5) Any school entering into a contract must attain the written approval of the Superintendent and Board of Education.
- (6) Schools must conform to all Board policies concerning local school funds and activities.

The Principal must be familiar with all local school financial policies so that he or she will not permit practices contrary to the policies. The Principal is directly responsible for the handling of monies received at the school. It is the ultimate responsibility of the Principal for any shortages resulting from the failure to follow, or to require others to follow, the financial procedures for the handling of school monies. The Principal should work with members of the central

administration staff who have general supervision of particular functions. The Chief School Financial Officer should be consulted if accounting problems are encountered.

The Alabama Department of Education and the State Examiners of Public Accounts retain the authority to require local boards of education to modify forms and procedures for local school financial operations.

Autauga County Board of Education Overview of Accounting Procedures

TO: Autauga County Board of Education Employees

FROM: Lesley Poe, Chief School Financial Officer

The following guidelines and regulations pertain to the handling of financial records for schools under the supervision of the Autauga County Board of Education.

The computerized accounting system is designed to record the receipts and disbursements of each school and to establish control measures over cash and other assets. The local school practices the 'Modified Accrual Basis' of accounting.

- **All monies received from any source in or about the school by any employee or group is regarded as School Funds.**
- Funds are received, receipted, deposited, and then recorded in the system at the school in a timely manner.
- Expenditures are incurred only under the authorization of the Principal. Such authorized expenditures are paid by checks disbursed at the local school level.
- The activity at the local school is summarized at the end of every month and compiled into monthly financial statements. The financial statements report on transactions that affect accounts throughout the month. These monthly financial statements are submitted to the Board of Education according to a scheduled date each month.

The monthly financial reports serve as the source of information necessary for the Principals to properly manage the schools. **Because records are the basis of the monthly financial reports, it is essential that each school's records are accurate, current, and they exhibit the true financial position of the school funds.**

LEGAL COMPLIANCE GUIDELINES

II. LEGAL COMPLIANCE GUIDELINES

The funds maintained at the local schools can generally be divided into two major categories:

1. Public Funds -- referred to as Fund 12
2. Non-Public Funds -- referred to as Fund 32

Various factors must be considered in determining the proper classification, which affects the degree of expenditure restriction.

A. Public Funds - Restricted to the same legal requirements as Board funds:

Funds received from public (tax) sources or used for public purposes are public funds subject to the control of the school Principal.

Funds are generally classified as public funds when the following criteria are met:

- Money generated school-wide
- Money that can be used for all students
- Money controlled by the Principal or any school employee

Examples of public funds:

- General Fund- may consist of vending machine commissions, proceeds from school fundraisers (school pictures, coupon books, etc.), student parking, appropriations from the Board, interest income, and other miscellaneous revenues. Its primary purpose is to pay for the general operations for the school and is totally controlled by the Principal.

- Library – accounts for late charges on returned library books, funds collected for lost library books, and expenditures incurred for purchasing library books.
- Athletic – may consist of income from gate receipts, parking at athletic events, advertising commissions, game program sales, and donations from athletic Booster clubs. Separate accounts may be established for individual sports, if desired. Expenditures include athletic uniforms, equipment, and supplies; membership dues to athletic organizations; registration fees for coaching clinics; travel and transportation; game officials, and expenditures related to athletic events, including expenses for practicing and preparing for athletic competitions and exhibitions.
- Concession and Student Vending – may consist of concessions operated by the school at athletic events and vending machines or concessions for students operated at the school during the school day.
- Fees – school-imposed course fees for certain non-required academic courses, field trips, workbooks, and supplemental instructional materials. These funds are used to cover the costs associated with the course or purpose for which the funds are collected.
- Locker Fees – funds collected from students that are used to cover the costs associated with maintaining the student lockers.
- Appropriations - funds such as maintenance, school allocation, helping school tag revenues, legislator’s donations, and other fees that are sent to the local schools to pay for expenditures incurred at the local school level.

Allowable expenditures from public funds include:

1. Professional development training.
2. Refreshments expended for an open house at a school where the public would attend.
3. Pregame meals for student athletes and coaches.
4. Academic incentives for students.
5. Athletic and band uniforms for students to participate in school activities
6. Memberships in professional organizations. (Membership dues for the local athletic association must be paid from an athletic account.)
7. School landscaping, maintenance, furnishings, and decorations.

- B. Non-Public Funds-** restricted for expenditures subject to the intent and authorization of the organization’s Sponsors and Officers and not used for general operations of the school. **The Principal does not direct the use of these funds but does have the authority to prohibit inappropriate expenditures.**

Non Public Funds can become subject to the same expenditure restrictions as public funds if separate accounting records are not maintained for each of the non-public funds.

Funds are generally classified as non-public funds when the following criteria are met:

- Money generated for a particular group
- Money used for that particular group
- Money controlled by the students and/or a parental organization

Examples of non-public funds are:

- Clubs and Classes – Student organizations may have self-imposed fees but not academic course fees. The participants often impose their own fees for participation in these clubs and classes. These student organizations often conduct fund raising events. Clubs and classes include FBLA, Senior Class, Student Government, Spanish Club, Cheerleaders, Band, Show Choir, Beta Club, National Honor Society, Key Club, etc. Student organizations are self-governed by officers elected by the participants.
- Courtesy (Faculty) -Money collected from faculty/staff to purchase flowers or gifts.
- Other School Related Organizations – Parent or Parent/Teacher organizations can have the organization’s funds in the school accounts. These organizations are governed by officers elected by its members. PTO, PTA, Band Boosters, and various Athletic Booster support groups are considered school related organizations.

C. Public and Non-Public Funding

Regulations concerning public and non-public funds are as follows:

- (1) Public funds **cannot** be transferred to non-public accounts. If funds are transferred from public to a non-public account, then funds are considered co-mingled, and the non-public account becomes a public account.
- (2) Non-public funds can be transferred to a public account. However, once transferred, they become public funds incurring all the legal restrictions.
- (3) Some of the expenditures are not allowable purchases from public funds but may be allowable expenditures from non-public funds include:
 1. Food for social gatherings
 2. Class prom entertainment
 3. T-Shirts for club members or faculty
 4. Donations to various organizations
 5. Transfers to other non-public accounts
 6. Travel expenses to club events

7. Championship rings
8. Faculty appreciation gifts
9. Scholarships
10. Flowers for funerals/Courtesy Fund

(4) If in doubt, consider it PUBLIC FUNDS.

RECEIPTING MONEY

III. RECEIPTING MONEY

A. Deposit Policy

- At the end of each day, all monies on hand should be deposited with the bank.
- A deposit slip should be prepared in duplicate, listing each check separately, by recording the issuer of the check and the amount.
- The original and the duplicate slip should accompany the deposit to the bank to be validated.
- The responsible party should check the accuracy of the bank's validation **before** leaving the bank.
- The original duplicate deposit slip (yellow copy), along with supporting documentation of each item deposited, should be returned to the local school bookkeeper. Local School Bookkeeper will be responsible for the entry made in the Receipt module.
- Daily receipts should be totaled and should match the total of the deposit slip.
- All money is to be deposited in a bank to the credit of one account.
- Do not cash checks with school funds. Deposit funds intact.

BANK ACCOUNT

Alabama banking institutions often accommodate local schools by waiving fees and providing banking features not available to individual customers. In some cases, an interest-bearing checking account has additional fees and charges that negate the interest income. Fortunately, many banks will waive the fees and charges upon request.

A school should have no more than one checking account. Establishing separate bank accounts is not necessary to avoid co-mingling of public and non-public funds. Funds not needed for current operations, whether invested in CD's, money market accounts, or savings accounts, must be recorded in the school's accounting records and included in the school's financial statements.

School funds must be maintained in a Qualified Public Depository (QPD). A QPD is an Alabama banking institution that provides protection for school funds under the Security for Alabama Funds Enhancement Program (SAFE), administered by the Alabama State Treasurer's office. At the end of each fiscal year, the bank should be required to provide a letter confirming that all school funds are listed on the bank's records as SAFE Program Accounts.

B. Acceptance of Checks

All checks issued to the school should have adequate information on the checks before being accepted in the school. This information is necessary should an insufficient funds check be issued to the school and need to be turned over to the District Attorney for collection.

- Name, address, and phone number of issuer should appear on the front.
- The check should display a current date. (no postdated checks)
- The check should be made payable to the school.
- A two-party check should **never** be accepted.
- The check must be signed.
- The back of the check should have the proper endorsement stamp prior to being deposited.
- The long-handwritten amount of the check should be used to determine the amount of the check **not** the numeric written figure.
- The person accepting the check should initial the check and write the activity number the money is being deposited into.
- If a company's check is received, an owner's name will need to be noted on the check in case the check is returned.
- The school office or lunchroom should **never** cash a check.
- Whenever possible, a driver's license number should be written on the check.

C. Cash Receipts

All monies received must be receipted in the NextGen Accounting Software Receipt Module with a pre-numbered receipt returned to the Teacher/Sponsor.

All funds **must** be deposited on the day in which they are received according to the deposit policy. Schools may establish a daily cut-off time after which funds will not be received and receipted.

Receipts are never to be destroyed or changed. Do not use correcting fluid or erasures for mistakes. If a mistake is made, write **VOID** on the receipt, and staple it to the back of the receipt sheet. Receipts are only to be issued when money is received. Under no circumstances are receipts to be issued in advance. If time does not permit proper receipting, money should not be accepted.

When monies are received, a cash receipt should be prepared in its entirety and the original is to be given to the person making the payment. The person making the payment should wait for a master receipt to be prepared and verify the information on the master receipt before leaving the office (within reason). The person receipting the money must **never** write a receipt to his/herself.

The check stub or copy of the check received from a business must be retained for audit purposes.

D. Teacher Receipts

The Bookkeeper will provide each individual(s) who will be collecting school funds with a log in and password for Remote Receipting through NEXTGEN.

The receipt of money is the original link in an audit trail of all funds handled by the school system. All funds collected must be receipted and remitted to the office daily.

No money shall be left in classrooms overnight. The Principal may set exact turn-in procedures. Generally, teachers, sponsors or coaches are allowed up to three days to turn in receipted monies for weekend events, however, this shall take the place of the sound practice of turning in receipted monies daily. Teachers, sponsors or coaches shall take money, recap sheet or Report of Ticket Sales to the office personally, unless the Principal has approved an acceptable procedure. Money will not be accepted in the Bookkeeper's Office without an Alternative Receipt Log, printed Recap Log from the Remote Receipting Program or a Report of Ticket Sales. Under no circumstances shall a teacher, sponsor or coach cash checks from receipted monies. Any teacher noting a shortage of funds shall report it immediately to the Principal who will report it to the Superintendent and the CSFO.

The Principal has the option of waiving the requirement to write a receipt to each student when the amount being collected from each person is \$5.00 or less. (See Exhibit #R1) An Alternative Receipt Log shall be used and turned in to the Bookkeeper's Office. Anything such as field trips, supplies, in-house programs, etc. can be receipted on Alternative Receipt Log. Fundraisers shall be receipted even if the monies collected are \$5.00 or less.

*****Receipting Reminders*****

v Once the receipt has been written, a copy of the receipt is given to the individual (student) who delivered the funds.

v The funds received shall be secured until turned into the Bookkeeper.

- v No money shall be left in the classroom overnight.
- v The Teacher is responsible for all monies collected until turned in to the Bookkeeper's Office and meeting the cut off deadline.
- v The Teacher Receipt Page(s) and funds collected shall be personally taken to the Bookkeeper's Office on a daily basis by the teacher, sponsor or coach.
- v Students shall not take funds to the Office.

The Bookkeeper shall issue a receipt from the Master Receipt/Receipt Module to each teacher, sponsor or coach for all funds brought to the Office. The Bookkeeper shall verify funds turned in to the office equal the amount receipted on the teacher's recap page. The Bookkeeper shall also verify the amount of cash and checks equal the receipt amounts, checks turned in have a current date and the Teacher Receipt Page(s) has been written within 24 hours.

Voiding a Teacher Receipt

If a teacher, sponsor or coach must void a receipt, the following procedures should be followed:

1. Must print out an original receipt.
2. In RED ink write "void" on the receipt and why it must be voided.
3. Staple the voided receipt to the back of the recap page.

Do not cash checks with school funds, deposit funds intact.

Remote Receipting (NEXTGEN) for teachers

Teacher, sponsor or coach shall be issued a log in and password for the NEXTGEN software by the LSA Personnel at Central Office. The Bookkeeper shall issue each teacher, sponsor or coach a "Station ID" along with a password. The Bookkeeper will set up each Station ID with the proper Revenue-Type Codes and description. The Bookkeeper at the local school and the LSA Personnel at Central Office shall give proper training to the teacher, sponsor or coach for using the Receipt Module in the NEXTGEN software for the purpose of receipting funds remotely.

The Receipt Module is set up to post funds to the school books immediately after receipting the funds from students.

The following procedures shall be used to enter receipts remotely:

1. Sign in to the NextGen Software using log in and password.
2. Log onto Station ID with assigned password.
3. Date - Defaults to the current date
4. Payer ID - The specific purpose for receiving money. Never type "Field Trip" in the "Payer ID" space. Be specific (i.e.: ASF, Montgomery Zoo, Biscuit Game, computer fees, etc.)
5. Payer Name - The name of the individual (student) from which the money was received. (Receipts shall always be written to the student or a person. A teacher, sponsor or coach shall never write a receipt to his/herself.)
6. Revenue -Type - Select the correct Revenue-Type where the funds are to be credited. Enter the amount received from the individual (student).
7. Cash or Check - Choose the correct method the funds were received.
8. Check Number - If funds are in the form of a check, enter the check number.
9. Click Update

10. Print Receipt - The receipt shall be given to the individual (student) who delivered the funds.

11. Receipt Number - The receipt number is automatically assigned by the NEXTGEN Software.

Once all funds have been receipted, the teacher, sponsor or coach shall print a Recap Report and verify that all funds have been receipted correctly and balance to the Recap Report and initialed for verification. One copy of the Recap Report and the money shall be taken to the Bookkeepers Office and verified. Once the Bookkeeper verifies funds are in balance with the Recap Report, checks turned in have a current date and the receipt was entered within 24 hours, the bookkeeper will close and post the receipts to the General Ledger in the NEXTGEN Software. A copy of the Recap Report shall be kept in the teacher, sponsor or coach's bookkeeping activity folder.

E. Refunds

The term refund as used here refers specifically to refunds from vendors and/or refunds for expenditures made or to be made on the school's books. It is imperative that a refund received by the school be handled properly, to avoid inflating an expenditure or revenue.

- **Receipting the Refund:**

The refund should be receipted in the NextGen Receipt Module to "miscellaneous".

When issuing a check for a refund, the journal code that was used to record the revenue should be used as the journal code when issuing a check.

NOTE: If the refund is received for an expense that occurred in a previous fiscal period, the refund should be coded as other revenue and handled in the normal fashion.

- **Issuing Refunds:**

To meet banking regulations, refunds may be made to the parent rather than the student, to whom it is due. However, proper supporting documentation should accompany the request for refund. The check should be signed for by a parent/guardian or mailed. Checks should not be given directly to students.

F. Child Nutrition Program Deposit

The Lunchroom manager is responsible for verifying the lunchroom deposit and taking the deposit to the bank. The following steps will ensure a correct lunchroom deposit:

- (1) Break apart and recount all money.
- (2) Run a report totaling the day's activities and declare the amount.
- (3) Denomination of bills and coins should match the deposit summary.
- (4) Deposit slip should be checked for complete and accurate information.
- (5) Two individuals should be responsible for the counting of the money.
- (6) The validated deposit slip should be checked for accuracy before leaving the bank.

G. Transfers

Public funds **cannot** be transferred to non-public accounts. If funds are transferred from public to a non-public account, then funds are considered commingled, and the non-public account becomes a public account.

- **Between Activities**

Transfers made between activities at the local school should be made only with the permission of the Teacher/Sponsor and with the Principal's approval. Transfers of this nature should be processed only if the money is to be moved permanently and not as a loan. A 'Transfer Voucher' should be completed and turned in to the Bookkeeper for processing. The Bookkeeper should check the balance in the activity that monies are being transferred from, to ensure funds are available.

When entering a transfer in the computer, cash will be moved between public and non-public funds.

- **Between Local School and Central Office**

Transfers received from Central Office should be receipted in the Cash Receipt's Journal using journal number, ACTV 12-4-9230-000-CCTR-7101-0-0000-(0000, designated special use code). Examples of transfers from Central Office are Helping School Tags, Maintenance, Fee Replacement, Impact Aid.

Transfers from the local school to Central Office are remittances for day care salaries, substitute pay, instructional fees, and lost and damaged textbooks. The Central Office transfer out journal number, ACTV 12\32-5-9910-923-CCTR-7101/7501-0-9700-0000, should be used when issuing the check to Central Office. **All** checks issued to the Autauga County Board of Education should

be sent to the local school accounting office and should be accompanied by the appropriate supporting documentation.

H. Journal Entries

Journal Entries are used to correct posting entries and to post the monthly checking account interest. Journal Entries may be processed at the local school. The Principal/CSFO must review and approve each Journal Entry.

A separate form ‘Change Cash Deposit Journal Entry’ should be used when depositing the change cash from an athletic event. Proper completion of this form will ensure that the change cash is debited and credited to the correct fund and activity.

If a Journal Entry is made between public and non-public funds it is necessary to move the cash between the funds as well.

It is not necessary to receive permission from Central Office to process a Journal Entry. However, if you are uncertain or uncomfortable with the process please contact the central office for assistance.

I. School Income

1. Student Fees

State laws and administrative rules of the State Board of Education restrict the collection of fees from students:

Alabama Code 16-13-13 Fees for Courses. It is the intent of the Legislature that no fees shall be collected in the future in courses required for graduation. In courses not required for graduation, local school boards may set reasonable fees for courses requiring laboratory and shop materials and equipment, provided, however, that such fees shall be waived for students who cannot afford to pay the fee. Any funds collected in fees shall be spent on the course for which the fee was levied. This section shall not be construed to prohibit community groups or clubs from fundraising activities, provided, however, those students shall not be required to participate in such fundraising activities.

Alabama Code 16-6B-2 Core Curriculum. (a) The following words and phrases used in this section shall, in the absence of a clear implication otherwise, be given the following respective interpretations: (1) REQUIRED COURSES. Courses which are required to be taken by every student enrolled in public schools in the State of Alabama.

Alabama Code 16-10-6 Incidental fees in elementary schools. No fees of any kind shall be collected from children attending any of the **first six grades (K-5)** during the school term supported by public taxation; provided, that any county or city board of education shall be authorized to permit any school subject to its supervision to solicit and receive from such children or their parents or guardians voluntary contributions to be used for school purposes by the school where such children are attending; provided further, that the provision of this section shall in no way affect or restrict the right or power of a school board to fix and collect tuition fees or charges from pupils attending schools under the jurisdiction of school board but who live outside the territory over which such board has jurisdiction.

AAR 290-3-1-.02 Driver Education. (a) No fee shall be charged any child whose family is unable to pay the fee. (b) Thirty dollars (\$30) per student, per semester, is the maximum driver education fee to be charged by local boards of education without approval from the State Superintendent of Education. (c) The State Superintendent of Education may approve a higher fee upon the request of a local superintendent approved by the local board of education with sufficient documentation of actual costs in excess of the maximum. (d) Each board of education shall establish criteria by which the ability of families to pay the fee may be determined and submit same to the State Superintendent of Education for approval. (e) Local boards of education shall take reasonable steps to insure that students for whom no fee is required shall not be identified.

In reading the guidance above, it can be noted that academic fees during the regular school term (excluding driver education) may only be charged for materials and equipment used in instructional courses, and that the fees collected may only be used in the course for which the fee was collected. **Actions against a non-paying student, such as withholding grades, report cards, transcripts, academic recognitions, and graduation activities, are prohibited. However, state laws governing textbooks may require the withholding of additional textbooks for a student due to unpaid lost or damaged textbook fines. (Alabama Code 16-36-69)**

- Procedures for Waiver of Fee or Reduced Fee and Application for Waiver of Fees or Reduced Fee are available for your use. The Application for Waiver of Fees or Reduced Fee should be completed, signed by the Principal, and forwarded to the Fee Waiver Committee for approval.

- Parking Fees—Students will be charged a non-refundable fee for student parking

Due to student safety issues with bumper and window stickers, hang tags are suggested. The costs of the hang tags will come from fees collected from the students. Proceeds collected from parking can only be used to maintain school parking lots.

Parking fees cannot be reduced or waived with a fee waiver. Parking is a privilege and may be revoked at any time. The board is not responsible for loss, damage, or theft to student vehicles during the school day or during extra-curricular activities.

2. Donations and Voluntary Contributions

Wish Lists

Voluntary contributions may be requested for various items purchased by the school that are used by students in academic courses and classes including workbooks, science lab materials, supplemental instructional materials, lockers, sheet music, and other academic purposes. Donations may also be requested for specific school purchases, including janitorial products, cleaning supplies, paper products, copier expenses, software maintenance, and other school purposes. The voluntary nature of the contribution must be clearly stated in the request for the contributions. **Non-Payment of requested contributions cannot be used against a student and the student must be provided the same instructional items as if payment was made on behalf of the student.**

The Principal or the Local Superintendent should approve requests to collect school fees, contributions and donations.

Actions taken against a student for non-payment of student fees, contributions, or donations including the withholding of grades, report cards, transcripts, diplomas, honor rolls, participation in graduation events and student recognition events, membership in honors organizations, and other actions that would subject the student to embarrassment or ridicule, are prohibited.

State Ethics ACT

Autauga County Board Employees have **NO AUTHORITY** to request or accept student fees, contributions, or donations.

The Principal and other employees should adhere to the State Ethics Act, particularly Code of Alabama (1975), Section 36-25-5, which provides that “no public official or employees shall use an official position or office to obtain direct personal financial gain for him/herself, or his/her family, or any business with which he/she or a member of his/her family is associated unless such use or gain is specifically authorized by law.” Section 36-25-5 provides that “expense associated with social occasions afforded public officials and employees shall not be deemed a thing of value within the meaning of this section or prohibited thereby.” There is general agreement that the acceptance of items donated to the school such as pens, pencils and note pads, which are distributed for advertising purposes, would not violate the Ethics Act as long as such items are used by the school and are considered to be the property of the school. This section

has been generally interpreted to mean that public officials or employees should not solicit or accept a thing of value that would influence their official actions.

The local school board office can provide guidance on collections from students for meals, snacks, and refreshments; library fines; student parking; charges for participating in extra-curricular activities; summer school; day care; weekend, before school and after school programs; dual enrollment programs; tutoring; and requests for donations from school vendors.

3. Fundraisers

The Principal, CSFO and Superintendent must approve each school fundraising activity conducted by students, teachers, school employees, or school-related organizations. The local school board may exempt school-related organizations from this requirement if the activity of the organization is not under the control of the Principal.

Before approving a fundraising activity, a Principal **should consider the safety of students involved in the activity.** Standing on roadways at Stop signs and other traffic signals is not permissible because it is a safety hazard for students. Also, students must not be involved in any door-to door solicitations or sales.

Fundraisers may not involve the sale of foods of minimal nutritional value during the school day.

The potential profitability for the efforts expended on a fundraising activity should also be considered. Students will not be allowed to sell items or products during instructional time. Selling by students that is a required component of a specific class or organization and /or part of the educational process will be permitted with the approval of the Principal.

Approved fundraising activities must comply with financial procedures for school funds, including:

- a. All funds collected must be delivered to the Sponsor/Teacher for a Receipt. Do not cash checks from collections.
- b. Income from fundraisers must be deposited on a timely basis. Teachers and Sponsors of fundraisers should be reminded not to hold fundraiser income until the fundraising project is complete.
- c. All fundraising expenses, including sales awards to students, must be noted on the Fund-Raising request form.

- d. **A school employee cannot receive a gift or gratuity from the fundraising vendor.**

Within a reasonable time after completion of the fundraising activity, a form should be submitted to the Principal that documents the result of the activity.

Any funds raised by a group associated in any way with the school should be under the control of the school Principal and be an **integral part** of the school's accounting system with the same constraints and requirements of other accounts of the school.

Best Value for Items Purchased or Sold

The Autauga County School System will make use of a selection process when choosing items for purchase or sale in order to ensure the best product value to students, parents, and the public. The school Principal and other board employees shall be able to support decisions made regarding items purchased or sold at individual schools.

Procedures for Fundraisers

A 'Request for Fundraising Activity' must be completed and approved by the Principal prior to the activity. A 'Report of Fundraising Activity' must be completed at the conclusion of the activity and filed for audit purposes.

A School wide fundraiser is defined as a fundraiser that covers all grades with the proceeds benefiting general purposes and /or Teacher activities.

Proceeds from school sponsored fundraisers are for school purposes only.

The following are not considered School wide Fundraisers:

- Yearbook Sales
- Fall and Spring Pictures
- Charitable Organizations (MDA, MS, Jump Rope for Heart, etc.)

Guidelines for Specific Grade Groups

Fundraisers will follow the school year and not the fiscal year. Fundraisers that are conducted during the summer months will count toward the next school year.

A variety of fundraiser/sales occur during the school year, however, each is essentially handled in the same manner. A listing of common fundraisers/sales conducted by the local schools is:

- Discount Cards
- Magazine Sales
- Fruit Sales
- Wrapping Paper / Candy Sales

Each fundraiser/sale should be organized as follows:

1. One person should be designated to be in charge of the fundraiser/sale. The bookkeeper should not be the designee.
2. As money is submitted by the students to the Teacher, all receipting procedures as outlined under 'Receipting Money' must be followed. These receipts must also be recorded on the Teacher's control sheet, along with any unsold merchandise returned to the designee in charge of the sale. The designee must reconcile the total money collected and merchandise returned to the total number of merchandise originally issued.
3. The school should work with the vendor and request the vendor to provide the rewards for the students. The school is not allowed to give **CASH** prizes from public or nonpublic funds. When planning the fundraiser the Principal may approve additional incentives from school funds such as gift cards, electronics, limo/lunch excursions, etc.

*If an individual pays an entry fee / admission fee (example: golf tournament) the school may award cash prizes. The cash for these prizes may be held out of the entry / admission fees if the winner signs a document detailing the event and the dollar amount received.
4. Profits received from all fundraisers in the form of Gift Cards should be treated as CASH and classified as Public Funds.
5. The sale of raffle tickets is illegal according to the Autauga County District Attorney's Office because it is considered a form of gambling. If reported, the District Attorney's office can prosecute any school involved. Examples of raffles are scratch cards, cow patty drops, and any games of chance.
6. Prior to holding a bingo game the local school must obtain a license from the License Commissioner's Office and receive approval each time from the County Commission.

7. Athletic Camps held as a fundraiser on school campus must be classified as Public Funds.
8. Small Claims Court should be used for students whose money and or merchandise were not collected. A certified letter, return receipt requested, should be mailed to the verified current address. The following items are needed to present to small claims court:
 - Completed "Statement of Claim"
 - A Check for the filing fee

It is very important to stay in contact with the small claims court. When necessary, the Satisfaction of Judgment and the Notice of Dismissal may need to be filed.

There must be accountability for the total number of items purchased. Details for amounts not collected, spoiled, or stolen must be maintained.

4. Commissions and Vending

The local school may enter into contracts with vendors in which the vendor will issue the local school a check representing profits from a particular activity. The local school bookkeeper does not issue a purchase order or a check to the vendor, nor does the bookkeeper receipt the monies collected at the local school. For these reasons it is in the schools best interest to contract with vendors on a commission basis.

Examples of commissions are:

- School Pictures (mandatory)
- Vending Machines (mandatory)
- Yearbook Sales
- Class Rings
- Magazine Sales

The check stub or copy of the check issued for commissions should be kept on file at the local school for audit purposes.

All vending machines must be full service. The vendor is responsible for extracting the money from the machines and issuing the local school a commission check.

A vending contract should require the vending company to furnish statements that identify the count of items stocked in the machine with each delivery. A school employee will verify the stocked items. The use of the statement of stocked items to calculate the expected profit from the machines will determine if the school is receiving the expected income from the vending company.

Because the vending machines are on public property using electricity paid with public funds, as well with the Principal (a public employee) directing the use of the vending machine proceeds, the profits are considered Public Funds.

5. Concessions

Concessions include event concessions, school concessions, and school stores. Because all concessions involve cash, and neither cash receipts nor tickets are used to control the exchange of money, proper accounting for the sale products and income is essential. Ideally, a cash register would be used to account for the cash collected. The purchaser would receive a cash register receipt and the cash register would generate a record of sales. An inventory of items purchased, items sold by sales price, and items unsold should reconcile to the cash collected.

The following procedures are recommended:

- Do not cash checks with concession funds. Deposit funds intact.
- Do not make payments from cash collected. Payments must be made by check.
- Funds should be collected on a timely basis.
- A Master Receipt should be issued after counting or verifying the amount of the receipt at the time the funds are actually received.
- The person presenting the funds for receipt should wait for a Master Receipt to be prepared and verify the information on the Master receipt before leaving the office.
- Supporting documentation of items sold should accompany the funds collected.

Foods of minimal nutritional value may not be sold during the school day.

Internal Control Procedures

The following procedures need to be followed when establishing a school store and/or operating concessions or vending machines at a school or any athletic event. All areas should be covered as far as putting proper controls in place for cash receipts and inventory.

- Two people should count the cash collected each day before it is turned in to the Bookkeeper (then reconciled with the Bookkeeper).
- If cash registers are used, the register tape should be reconciled to receipts and deposits and attached to them.
- Deposits should be made on a daily basis.
- A separate activity code for school vending (concessions) should be used to track receipts and disbursements (separate from school supplies). Receipts and disbursements should be compared on a regular basis.
- A beginning inventory should be taken for whatever month selected to begin. Purchases for the month should be added to the beginning inventory, and at the end of the month, another inventory should be taken and subtracted to have an idea of the number of items that were sold for the month. Take projected items sold and multiply by the price (easier if one price for all items or one price for drinks and one price for all other items). Take this total to determine the amount of revenues/ receipts you should have for that month. Compare to actual revenues/receipts for the month (investigate differences if it is a material amount).

OR

A separate School Store or Concessions activity may be set up to quickly compare expenses against revenues to determine if a profit is made.

- Also a profit analysis should be prepared on a regular basis, at least quarterly. Costs vs. sales (less any overhead). Usually the concessions are run by Teachers or Aides and no overhead is calculated.

6. Admissions/Ticket Sales

Go Fan should be utilized and heavily promoted as the mechanism to purchase tickets to events. ACT 2023-355, however requires one cash gate. A small cash box will be required at all events.

Go Fan should be utilized and heavily promoted as the mechanism to purchase tickets to events. ACT 2023-355, however requires one cash gate. A small cash box will be required at all events.

Tickets should be sold **at all events where admission is charged**. Admission events include football, basketball, baseball, softball, volleyball, soccer, wrestling, swimming, track, and other athletic events, as well as beauty pageants, dances, theatrical performances, talent shows, carnivals, festivals, and other school-related events.

Proms and other events are excluded when advance admission payments are received on a teacher receipt sheet and no admission is collected at the door. The use of tickets for admission events, when properly managed, assures that entrants to events paid the admission fee and that all admission charges are deposited in the school's bank account. Pre-numbered tickets may be printed for a specific event or may be sold from a roll of generic tickets. If generic tickets are sold for seasonal events, such as football or basketball games, ticket colors should be alternated. Security practices, such as having a ticket collector tear tickets in half, may be necessary at some events to avoid the re-use of tickets by entrants to the event. The ticket collector should not be the ticket seller.

When tickets for athletic events are issued, a 'Report on Sale of Tickets' and an 'Activity Verification Report' should be prepared for each seller to whom tickets are issued.

The Bookkeeper should complete the top portion of both forms, the tickets issued section and complimentary section on the Report on Sale of Tickets. Tickets and a copy of both forms should be given to the designated person(s).

When the event is over, the tickets returned section should be completed and the report on Sale of Tickets should be signed. The money should be counted and the Activity Verification Report completed and signed. The unused tickets, Report on Sale of Tickets, and the Activity Verification Report should be turned in to the Bookkeeper. The Bookkeeper should pick up the money on the date of the event or the following morning (whichever is reasonable), prepare the deposit and complete the reconciliation of the tickets. All cash collected must be deposited intact. Do not use cash collected or change cash to cash any checks including school checks issued for officiating security, ticket sellers, or ticket collectors.

Upon completion of the ticket reconciliation, the Bookkeeper should sign the reconciliation and then forward it to the Principal for his/her signature. A copy of the report on Sale of Tickets, Activity Verification Report, and all unused tickets must be forwarded to the local school accounting office by Thursday of the week following the event.

Complimentary tickets may be issued to other schools outside the district but limited. The Principal or person receiving the tickets must sign for them in order to comply with accounting procedures.

An employee with a valid Autauga County Schools Identification badge will be admitted free of charge to any athletic event sponsored by Autauga County Schools (State Playoffs are excluded). Under the Alabama Ethics Law, 1st Extraordinary Session 2010, Act No. 2010-764, Acts of Alabama under Section 36-25-1 (33) (b), subsection 8, free admission to a sporting event offered by an educational institution

is allowed for faculty, staff, and administration of the institution. The Ethics Law does not include family members or guests.

Admission prices for athletic events are voted on and approved by the Board. The local school should not change an admission price set by the Board.

Since the parking is on school property, **the parking charge for the games is considered public money and must be receipted into a public activity.**

Through written agreement Booster clubs/organizations may sell season passes for games and parking. The actual cost as approved by the Board of the ticket and parking fee must be paid to the school. Any amounts over paid to the Booster organization for the collection of gate receipts/parking should be handled as a separate transaction and at a reasonable percentage.

Participation Fees are not allowed for athletics; however, athletic events such as swimming, golf, etc. that do not charge admissions may collect a participation fee from students to cover event expenses. However, schools may charge a rental fee or equipment usage fee to cover the necessary repairs and upkeep of the equipment for safety purposes. The schools may also charge for personal items that the students will keep once the athletic event is over.

TRAVEL

IV. Travel - Requests/Reimbursements

TRAVEL PROCEDURES

Educational benefits accrue to the Board by having board members, administrative and other employees attend State, regional, and national professional meetings. Accordingly, the Board authorizes the Superintendent or his/her designee to approve attendance based on program needs and the availability of funds. Upon approval by the Superintendent or his/her designee the Board shall reimburse these employees for their actual, reasonable, and necessary incurred expenses for such items as transportation, lodging, and registration while attending such meetings provided their reimbursement claims are supported by itemized expenses as evidenced through paid receipts. The Superintendent must approve the rental of vehicles in advance. **Requests should be submitted at least 10 working days prior to the conference.**

The Workshop Approval/Leave Request Form must include all costs of mileage, commercial transportation, meal per diem, lodging, registration fees and any other allowable expenditure. Unauthorized travel/expenses not documented on this form will be at the expense of the employee.

Please follow the following steps when requesting authority to travel:

1. **Complete the Request to Workshop Approval form (Go to our website, click Departments- Business & Finance – Forms & Procedures).**
2. **Each request should have an agenda, memo, email, registration or some format that indicates as to what is the travel purpose. (*MapQuest support no longer required.*) Also, the correct general ledger account # should be included on the form.**
3. **Sign request and submit to your supervisor for approval. (Follow the appropriate submission line of approval).**
4. **Submit request to the Central Office for CSFO and Superintendent for signature.**
5. **Upon receiving all of the appropriate signatures, the Workshop Approval form will be returned to the originator. Keep your originals for your records.**

NOTE: YOU MUST KEEP THE ORIGINALS UNTIL YOU HAVE BEEN PAID FOR THAT PARTICULAR REQUEST.

Registration Fees

After your travel request has been approved you will need to complete your registration by either submitting a requisition for your registration or utilize the Workshop Approval form as your requisition (account code listed).

Remember...central office does not maintain your Workshop Travel form. It is up to the employee to submit the registration information separately after approval.

Upon return from approved travel event...

1. Complete the Reimbursement Form (Go to our website, click Departments-Business & Finance – Forms & Procedures).
2. Attach the previously approved Workshop Travel form with the Reimbursement and any required supporting documentation.
3. Sign request and submit to your supervisor for approval. **(Superintendent will only sign in absence of the appropriate supervisor and for his direct reporting staff.)**
4. Submit all forms, both Request and Reimbursement, together to the Central Office Accounting Specialist (– Stacey Roberts) or the appropriate local school bookkeeper.
5. Accounts Payable will process for payment.

Reimbursement will be made for meals and other incidentals at a stated per diem rate of \$50.00 (in state) or \$65.00 (out of state). If due to your departure or arrival times, you are unable to claim one or more meals, the following rates will apply:

<u>In State</u>	<u>Out of State</u>
Breakfast \$10.00	Breakfast \$13.00
Lunch 15.00	Lunch 20.00
Dinner <u>25.00</u>	Dinner <u>32.00</u>
Total \$50.00	Total \$65.00

No meal reimbursement will be allowed for in-county professional development.

If professional development does not require overnight stay, breakfast will only be allowed for travel that begins at 6:30 a.m. or before, and a dinner meal will be allowed if the traveler returns to base after 5:30 p.m. (only normal travel time considered).

No receipts are required for meals. Gratuity will not be reimbursed as a separate item; it is included as part of the per diem rate.

Employees may be reimbursed the actual cost of lodging with return of an original itemized invoice/receipt. Employees sharing rooms should be cautious of the name in which the room is billed unless a split invoice/receipt is issued. Only the employee listed on the invoice/receipt will receive reimbursement for the trip. The employee requesting lodging reimbursement should be the employee who received prior approval on his or her Workshop Request Form. The receipt must show a zero-balance due reflecting the cost of the room has been paid in full.

Costs of commercial transportation are limited to air fare (coach only) and baggage handling fees (\$40.00 maximum each way) providing the return of the original itemized receipt.

Additionally, the Superintendent is authorized to prepay such reasonable sums as may be required for registration, lodging accommodations, and travel expenses (airline, train, bus, etc.) for Board members and employees to participate in approved meetings and conferences provided the proper documentation is submitted.

Other allowable miscellaneous expenses will be reimbursed provided the return of the dated receipt reflecting such costs. Such expenses include parking and toll fees (no receipt required) as well as Uber, Lyft, and taxi costs, related to the transportation between the airport and hotel. The Board of Education will not reimburse the employee for unallowable expenditures such as alcoholic beverages, snacks, meal delivery fees, convenience fees, personal supplies, hotel internet or entertainment.

The employee understands that failure to attend prepaid conference items may result in the employee being required to reimburse the board for such expenses. Exceptions for failure to attend may be made due to illness, death, or superintendent approval.

Requests for Travel Approval and Travel Reimbursement Forms must contain all required signatures (Principals, Department Heads). Principals and Department Heads should seek approval from the Superintendent. Advances to employees will not be granted. Travel authorization must be within the framework established by applicable State and Federal laws and regulations.

Each employee is responsible for paying his/her own expenses and claiming his/her own reimbursement. Employees should never pay for another employee's expenses and expect to be reimbursed for these expenses. Reimbursement is granted for PERSONAL expenditures only.

PURCHASES

V. PURCHASES

A. Requisitions and Purchase Orders – Local Schools

Purchase of goods and/or services by the local school should follow these procedures:

- (1) A 'Requisition' should be completed by the Teacher/Sponsor specifically identifying items to be purchased, the price of each item, the vendor information filled out in its entirety from which the purchase is to be made, and the type of funds (Activity) that are to be used. Do not order by item number alone. Omitting any of these steps will delay your requisition being processed.
- (2) Principal must sign the Requisition.
- (3) Please ensure that the vendor you are using is in the local school/central office accounting system. If not, they need to be added to the system **before** a purchase order can be issued. *It might be easier to request this information as you are getting a quote.* Please have the vendor complete the W-9 form. Please follow the same procedures if the vendor is an individual/sole proprietor. They will need to fill out a blank W-9 if they do not have one. You can see the school bookkeeper to obtain these documents.
- (4) A verification of the activity should be completed to ensure fund availability prior to the purchase order being issued.
- (5) The requisition must be submitted to the Principal for his/her signature **prior** to a purchase order being issued.
- (6) The requisition attached to any necessary documentation should be given to the bookkeeper.
- (7) A computer-generated purchase order that flows sequentially in numeric order should be completed in triplicate for each purchase. **All purchase orders must be signed by the Principal prior to the purchase being made.**
- (8) Copies of the purchase order should be distributed to the appropriate requester if not the originator of the PO.
- (9) The packing slip(s) and invoice should be matched with the related purchase order and placed in the designated location for the centralized bookkeeper to process payment.

- (10) **A purchase order MUST be issued for all goods and services.** Exceptions such as recurring monthly bills do not require a purchase order (i.e., telephone bills, copier bills, official checks, student refunds, travel reimbursements, etc.)
- (11) **No employee should have authorization to purchase or order goods or services without proper approval in the form of a purchase order. Reimbursements should not be made to any Teacher/Sponsor who purchases goods in the school's name without a purchase order.**
- Schools that make numerous purchases with a given vendor during the month will be permitted to issue the vendor a purchase order at the beginning of the month, with a specified dollar limit that is to be used during the month. This arrangement is to be used on a very limited basis. **Example:** A school purchases many small items at a hardware store where obtaining a purchase order would delay the work of the custodian or others. The hardware store should write a sales ticket (invoice) with all the items listed in legible form with prices included. The school employee picking up the items must sign the invoice, which must also have the purchase order number recorded on it. The Principal must approve such purchases. Students should never be allowed to purchase items on such purchase orders.
 - It is the responsibility of the Bookkeeper to check open purchase orders monthly. If a purchase order remains open after a reasonable period of time has passed, the Bookkeeper should make a copy of the purchase order and give it to the person that requested the purchase order.

All purchase orders should have a printed message "PURCHASE ORDER VOID AFTER 90 DAYS".

B. Requisitions and Purchase Orders – Central Office

Purchase of goods and/or services for centralized purchases, federal purchases, maintenance, transportation, CNP, etc. should follow these procedures:

- (1) A 'Requisition' should be completed must be completed in the NextGen system using the Requisition Entry menu. The electronic Requisition (RQ) should specifically identify items to be purchased, the price of each item, and the vendor information from which the purchase is to be made. (*See How to Process Requisition Instructions for screen information.*) The requisition will be electronically sent to the approver(s). (*See Approval Process Instructions.*)
- (2) A computer-generated purchase order that flows sequentially in numeric order as assigned by the system for each purchase will be electronically sent to the originator of

the requisition after all approvals have been processed and the RQ has been transferred to a PO.

- (3) A copy of the purchase order should be distributed to the appropriate requester if not the originator of the PO.
- (4) When the goods or services have been received or completed, the invoice should be attached to the PO and the requestor should sign and include the packing slips.
- (5) The original signed invoice and PO should be submitted to Accounts Payable for payment processing.
- (6) **A purchase order MUST be issued for all goods and services.** Exceptions such as recurring monthly bills do not require a purchase order (i.e., telephone bills, copier bills, utility bills, official checks, student refunds, travel reimbursements, etc.)
- (7) **No employee should have authorization to purchase or order goods or services without proper approval in the form of a purchase order.**
- (8) Departments, such as maintenance and transportation, that make numerous purchases with a given vendor during the month will be permitted to issue the vendor a purchase order at the beginning of the month, with a specified dollar limit that is to be used during the month. **Example:** Maintenance may make many small purchases for items at a hardware store where obtaining a purchase order would delay the work of the custodian or others. The hardware store should write a sales ticket (invoice) with all the items listed in legible form with prices included. The school employee picking up the items must sign the invoice, which must also have the purchase order number recorded on it. At month end, all invoices associated with the purchase order should be submitted to Accounts Payable for processing.

Routing Approval Process

Step 1 – Requestor enters Requisition (RQ)

Step 2 – RQ is electronically sent to the first approver. An email is generated and sent to the approver making him/her aware of the requisition. The email will have the RQ attached.

Step 3 – After each approver signs off electronically, the system sends to the next approver until all have electronically signed.

Step 4 – RQ is transferred to a PO.

Step 5 – An email is generated to the originator of the RQ. The PO is attached. (Central Office does NOT keep a copy of the PO.) No need to go into system and print out.

C. Bid Law

The Alabama Competitive Bid Law requires that all purchases and/or contracts for labor, services, materials, equipment, and supplies for such amounts as set by the State of Alabama (currently \$40,000 or greater), shall, *except as otherwise provided in the law*, be let by free and open competitive bidding, or sealed bids, to the lowest responsible bidder. Competitive, sealed bids shall be requested by the Purchasing Department. The Autauga County Board of Education is authorized to use all State of Alabama contracts when they are advantageous to the Board.

The State of Alabama Bid Law does not apply to purchases made by individual schools of the county or municipal public-school systems from moneys other than those raised by taxation or received through appropriations from state or county sources.

Contracts, including service contracts, must have the approval of the Superintendent.

EXPENDITURES

VI. EXPENDITURES

A. Check Procedures

All obligations of the school are to be paid by a computer-generated check. (Off-line checks are prohibited unless authorized by Central Office.) Only authorized school expenses are to be paid in this manner. **Checks should be properly safeguarded when not in use (stored and locked in a secure place).** All checks written (including VOID checks) should be kept on file in numerical order. A check should never be destroyed when an error is made; the check should be marked **“VOID”** and the signature portion of the check should be cut out. The proper handling of the school bank account is the primary responsibility of the Principal. No signature stamp may be used in place of the Principal’s signature on the check. The following procedures are recommended:

1. Do not write checks to “Cash”.
2. Do not sign checks that do not contain the check recipient’s name and amount of check.
3. Do not pay for items in advance of receipt of materials, supplies, or equipment.
4. Invoices and supporting documents should be provided with the check to be signed.
5. Invoices should be cancelled (marked PAID) when the check is signed.
6. Vendors should be paid on a timely basis. Late charges, penalties, and interest should be avoided by making payments by the due date.
7. Checks should be used in numerical order.
8. Checks must be secured at all times.
9. Voided checks must be retained for audit purposes. All checks must be voided by the CO.
10. Sales tax should not be paid on purchased from in-state vendors unless the items do not qualify for the sales tax exemption (school pictures, class rings, etc.).
11. School employees may not use the school’s sales tax exemption for personal purchases.
12. Checks outstanding more than 60 days should be investigated.

B. Checks Issued to Central Office

When payment is made to Central Office, the proper documentation needs to be included on the coversheet. The coversheet should note exactly what expense the payment will cover. If payment is being made for an invoice that Central Office billed a school for, include the invoice number on the check stub. The 'Checks Issued to Central Office' form should also be attached to any payment that is made to Central Office and forwarded to the local school accounting office.

****NOTE**** A separate check should be issued on all Child Nutrition Program (CNP) related monies.

C. Invoices

An invoice must be obtained for each purchase order before payment is made. An **original, or emailed** invoice must be secured to serve as a basis for issuing any check; **statements are insufficient documentation from which to pay an invoice.** (Payments are not to be made from a statement in order to prevent duplicate payment and to ensure accurate accounting records). The invoice must include the name and address of the vendor, a full description of the items purchased an itemized listing of prices, and the total amount to be paid. The person for whom the purchase is intended must sign off on the invoice before payment is to be made. The school should not allow partial orders of merchandise, nor should back orders be allowed. **Payment of an invoice should never be made BEFORE all of the merchandise is received.** The invoice should be matched with the applicable purchase order before payment is made.

If the vendor does not have an invoice, the Bookkeeper may furnish an 'Invoice' to the vendor. For example, if the school contracts with John Doe to paint the school flagpole for \$50.00 and Mr. Doe does not have an invoice to submit, the school will need to use this invoice. This invoice should include the purchase order number, name and address of the vendor, a description of the work performed, the date, and must be signed by the vendor who is to receive the check.

An IRS Form W-9 should be completed and maintained on file for each individual or vendor for IRS Form 1099 reporting.

Please be advised that school boards are exempt from the payment of Alabama Sales Tax. However, the local school may pay rental tax if it is written in the contract.

The invoice must be stamped paid. It is suggested that a rubber stamp be used to document payment. Once the paperwork is marked paid the check copy must be stapled on top. If duplicate checks are not used, the check number and check date must be stamped on the invoice. Each month's paid invoices must be put in numerical order by check number and filed together according to the month in which they are paid.

If for any reason a check is outstanding for sixty (60) days, efforts must be made to ascertain that the check reached the proper party. A letter should be sent to the vendor to verify the status of the check before the check is voided. School checks should be printed with the statement "void after 90 days".

Gifts, prizes, or other merchandise obtained from the purchase of school items are the property of the school and the Autauga County Board of Education. School employees are prohibited from purchasing personal items through the school. School personnel will neither solicit nor accept funds or gifts from vendors.

MISCELLANEOUS ITEMS

VII. MISCELLANEOUS ITEMS

A. Field Trips / Activity Runs

Teachers often request approval to take students off campus during the school day as enhancement of academic content in fulfilling the course curriculum. Voluntary contributions may be requested to pay the costs of transportation, meals or admission charges. The **voluntary nature** of the contribution must be clearly stated in the request for the field trip costs. Non-payment of requested contributions cannot be used against a student and the student must be provided the same participation as if payment was made on behalf of the student.

Field trips during the school day cannot generate a profit but may establish a per student amount that exceeds the individual student costs to provide the funds for the non-paying students, if the costs for the non-paying students are not paid by private sources or non-public school funds. Additional costs should be considered in establishing the per student field trip amount to accommodate for special needs students.

Documents providing information about the field trip to parents and guardians should include information on the disposition of excess field trip funds paid for the students including the cancellation or postponement of the field trip; a student’s inability to participate in the field trip due to absence, illness, or disciplinary action; and, requirements to receive a refund for the field trip payment.

The local school board office can provide guidance on student meals, transportation, and approval procedures. School board policies may place limitations and restrictions on school field trips.

Student trips that extend overnight, are held outside of school hours, or are held on a day that school is not in session are considered extra-curricular activities. Generally, extra-curricular activities are not subject to the requirements to provide participation for non-paying students.

- During the school day—Field Trip
- After school hours at Night or on Weekends—Extra Curricular Activity

A ‘Field Trip Request’ should be completed in Trip Direct and approved **two weeks prior** to the date of the activity.

1. The person requesting the bus should complete the request section, except for name of driver, bus number assignment.
 2. The transportation department should assign bus numbers and drivers.
 3. The bookkeeper will print the driver ticket once approved. The driver of the bus should complete the Bus Driver section and turn it in to the Bookkeeper upon completion of the activity.
 4. The Bookkeeper will complete the Report section in Trip Direct.
 5. The hours for field trips/activity runs are reported on the Extra Curricular Activity Report. The copy should be retained at the local school.
 6. Transportation may be provided by the school system for Swim Safety, Starbase, and transition trips depending on fund availability. A decision will be made annually.
- The bookkeeper will submit mileage monthly to the Central Office with payroll.

B. Academic Incentives for Students

Amendment 558 of the Alabama Constitution permits the use of public funds to promote educational excellence **by students**. Students may receive food items (but not foods of minimal nutritional value), school supplies, admissions, T-shirts publicizing school academic accomplishments and other provide tangible incentives for attendance, honor rolls, test scores, and other academic achievements. Academic excellence may also be recognized with plaques, trophies, and award banquets. Academic incentives with a significant monetary value may be provided to a group of students or by selecting individual recipients. (Scholarships and tuition for programs outside of the schools' academic program are not permitted unless nonpublic funds are used.) If public funds are used, procedures for providing academic incentives to students should be established at the beginning of the school year and a copy sent to central office and should include:

1. Action required for a student to receive an incentive.
2. Relationship of the required action to educational excellence.
3. Description of the planned incentives. (Laptop, gift card, etc.) No cash.
4. Process for determining the incentive recipients.

Academic incentives, whether purchased with school funds or donated by other entities or private sources, should be secured until provided to the incentive recipients. The student receiving the incentive should sign a form documenting the student's receipt of the academic incentive, excluding those items of insignificant value. The school official giving the incentive to the student, along with a witness, should also sign and date the form.

Amendment 558 of the Alabama Constitution also permits the use of public funds to recognize significant contributions to education by faculty, staff, and the public in the form of trophies, plaques, or academic banquets.

C. Guidelines for School Related Organizations (Refer to Parent Support Organization guidelines for details)

D.

1. Student Organizations

Student clubs and classes are recognized as school activities. The student officers and Faculty Sponsor operate the organization while the school Principal acts in a fiduciary capacity over the organization's funds. The school's accounting records contain a separate account to record the financial operations of each student organization. Income from the student organization is recorded by receipts and deposited in the school bank account. The school Principal approves the purchase orders, signs the checks and maintains the supporting documents for the expenditures.

2. Athletics

School athletics are extracurricular activities that must be under the control of the school Principal. Coaches and other school employees cannot maintain a separate bank account that supports, or benefits from, a school extracurricular activity. Funds received to support an athletic activity at a school from Sponsors, Vendors, or other sources must be included in the school's financial records under the fiduciary control of the school Principal. Funds from gate receipts and other sources may be recorded in one or more separate accounts for a particular sport in the school's financial records. However, a separate account for each sport is not required. When athletic events are held on locations other than school property, the school Principal's control over the financial operations of the event, including ticket sales, concessions, and parking fees, will be determined by agreement with the entity in control of the event location.

3. Parent Organizations (PTA/PTO)

Parent and Parent/Teacher organizations provide a vital role in the education of students. In Alabama public schools, the PTA and the PTO are the most common parent organizations. Many Parent organizations join a national organization that serves the individual school organizations. Each of the national organizations publishes guidance for the financial operations of the individual school organizations. These organizations must have a separate employer identification number (EIN) and a separate mailing address in order to maintain their own records and accounts outside the control of the school. However, these organizations will become school activities if:

- a. Both parties mutually assent to the fiduciary control of the Principal.
- b. A school employee leads the fund-raising or maintains the accounting records for the organization.

Specific Requirements:

Parent organizations (PTA/PTO) that maintain financial operations outside the control of the school could create a negative image for the school by failing to maintain proper accounting controls. Accountability for the funds these organizations control includes an agreement between the school and the organization that:

- a. The organization has obtained an employer identification number from the IRS.

- b. The organization provides a report of the annual audit of the organization to the school.
- c. The organizations make its financial records available to the school's auditors and authorized school employees upon request.
- d. The organization provides required financial reports.
- e. **The organization provides proof of a fidelity bond for the treasurer.**
- f. The organization will not provide any payment or benefit to a school employee (or a family member of a school employee) in violation of the State Ethics Law.

4. Booster Organizations

All school sponsored extra-curricular activities must be under control of the school. However, Booster organizations are often formed to support the operations of these activities in a variety of ways. While providing additional financial support for a particular extra-curricular activity, the volunteers in the Booster organizations also enhance community support that often extends to benefit all of the students at a school. Generally, the activities for Booster organizations are considered non-public funds. However, these organizations will become **public school funds** if:

- a. A **school employee** serves/holds a leadership position in the organization
- b. A **school employee** is involved with fund-raising or maintains the accounting records for the organization.

D. Month End Close

Monthly reports are due in the Central Office according to the monthly calendar.

The Bookkeeper at each school is responsible for month-end close procedures of the books. Upon receipt of the bank statement (or a print out), the Bookkeeper should reconcile the book balance to the bank balance. After balancing, monthly reports should be run for each school. The 'Monthly Reports Checklist' should be attached to the reports and forwarded to the Central Office for verification.

The financial records of the local school are public records and should be made available to any person(s) upon request. Monthly activity reports should be distributed to all Teacher/Sponsors.

E. Disposition of Records

Public records must be kept in the office where created or in a depository approved by the state or local records commission.

Local schools have the responsibility to administer the policies of the local board of education and the State Department of Education. This includes the responsibility of adhering to the minimum retention period for records created or maintained by the local schools. **Local schools should forward their 'Local Government Records Destruction Notice' to the local board of education for approval and then the notice should be forwarded to the Alabama Department of Archives and History, Records Analysis and Appraisal Division. Any records involved in litigation should be retained until the case is resolved.**

Uniform Accounting System for Local Schools Financial Records

The local schools' financial records are created to document adherence to requirements made by the Board as well as to provide a sound record keeping system for each school year. **All financial transactions of the school system should be retained upon the release of three audit reports and settlement of any claims due before being destroyed.**

F. Fixed Assets/Federally Funded Purchases

A fixed asset or capital asset is defined as having a useful life of one year or more and acquired at a specified dollar amount greater than \$5,000.00. Coding of those assets fall within the 500-599 object codes. These items whether purchased by the individual local school or the district will be added to the asset inventory program within the financial software. At fiscal year-end, each location will receive a printout of capitalized items. The principal and/or designee will seek out each item and verify location and item's condition. All reports will be submitted back to the CSFO for review.

Federally funded equipment purchases no matter the dollar amount must be inventoried. The following information must be listed within the inventory program:

1. Description of item
2. Serial number of item if applicable
3. Source of funding
4. Acquisition date and cost of item
5. Location
6. Use and condition
7. Tag number
8. Purchase order information attached as available
9. Student or staff member assigned to the item

The equipment must be tagged and labeled by funding source.

Each principal will have a designee assigned to placing items in the inventory program prior to disbursement or use of items.

A physical inventory of all capital assets (greater than or equal to \$5,000) and supplemental assets (less than \$5,000) must be completed once a year.

G. Disposition of Fixed Assets

The Autauga County School System may at times have property that is obsolete and no longer used or needed. Before the property is disposed as surplus, the Autauga County Board of Education and the Superintendent should determine whether it may be utilized by another school or department. No fixed assets of the school system may be disposed of without board approval. Federally funded supplemental equipment may not be disposed of until after five years of initial purchase no matter the condition. Personal property (equipment) is disposed of by submitting a written request that includes the following:

- (1) Reason for removing item from fixed assets
- (2) Description of item
- (3) Decal number
- (4) Serial number

Acceptable reasons for removing items from fixed assets:

- (1) When any fixed asset reaches a point where it is no longer usable, or when it is broken beyond repair, the Principal may ask permission to “scrap” the item.
- (2) When any fixed asset is stolen, the theft must be reported to Central Office. Unless there is evidence of forced entry (visible signs of a break-in) a fixed asset cannot be classified as being disposed of by theft. Any break-in should be reported to the local law enforcement agency, and a copy of their report sent to the Central Office. State property insurance requires a copy of the investigation report.
- (3) Any fixed asset damaged or destroyed by lightning must be reported to Central Office.

H. Procedures for Surplus Designation

When a school or department determines that property is no longer usable, procedures should be followed to have the property designated as surplus or obsolete, removed from the property records, and disposed of according to policy.

- (1) Complete and submit a ‘Fixed Asset Change or Disposition Form’ detailing the property to receive designation, to the Finance Department.

- (2) The Finance Department shall prepare a report of all requests for disposals and submit the report to the Board of Education during the following month's Board of Education meeting.
- (3) If the Board of Education votes to approve the designation, the property shall be scheduled for pickup and disposed of in a manner that is in the best interest of the Autauga County Schools.
- (4) The pickup of designated property shall be scheduled and coordinated with the Technology Department. It is the school Principal's responsibility to have all property designated for pickup assembled together and placed in an easily accessible location before the scheduled pickup time. The Technology personnel will pick up only that property that has been properly designated as surplus/obsolete.

H. Method of Disposal

The Purchasing Department shall be responsible for the sale of surplus and obsolete property. Sales may take place in one of the following manners:

- (1) Sealed bids
- (2) Public auction
- (3) Sale to another local unit of government for a fair market price
- (4) Gov Deals

Criteria for determining the manner of disposal shall include location of the property, quantity, quality, and availability of clientele, and time limit in which property must be moved.

The Autauga County School Board has the right to reject any or all bids for school surplus or obsolete property, subject to the following:

- (a) Fair market value
- (b) Retention cost
- (c) Dynamics of the marketplace

J. Fund Balance Reporting and GASB Statement No. 54 (Effective 9/30/11)

Purpose: The following policy is necessary to address the implications of Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Definitions. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer classifications and consistency among governmental agencies.

Governmental Fund Definitions. The following definitions will be used in reporting activity in governmental funds. Based on actual circumstances and activity, the Board may or may not report all fund types in any given reporting period.

The General Fund is used to account for the general operations of the Board and to 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, both current year and the carryover or accumulation for future years' payments. Debt Service Funds are used to report resources that are 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. Nonspendable 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 in-tact. Examples of nonspendable 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 and bond indebtedness.
- C. Committed fund balances consist of amounts that are subject to a purpose or constraint imposed by formal action of the Board before the end of the fiscal year and requires 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 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 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.

PROCEDURES FOR EXPENDITURES OF STATE

INSTRUCTIONAL SUPPORT FUNDS

VIII. PROCEDURES FOR EXPENDITURES OF STATE INSTRUCTIONAL SUPPORT FUNDS

A. Budgeting Requirements

Classroom instructional support may be defined as library enhancement, classroom materials and supplies, professional development, technology and other classroom instructional support approved by the State Board of Education.

Budget Committee

- Composed of five members-consisting of four Teachers and Principal (or Principal's designee)
- Teachers on committee shall be elected annually by secret ballot by majority vote of the Teachers voting at each school
- Committee must elect Chairperson and Secretary
- Minutes must be kept of the meetings
- Budget committee shall propose budget for classroom instructional support
- Budget for technology and professional development shall be consistent with latest plan developed at local school level and submitted by the local board to the State Superintendent of Education
- Media specialist must be consulted in budgeting library enhancement funds

Budget

- Must outline common purchases and must specify the common items which may be purchased
- Must specify the amount to be allocated for each Teacher
- "Proposed Budget" submitted to Teachers at annual meeting
- Majority must approve budget "Budget Approval"
- Must have at least two work days to review proposed budget before vote

- Any budget not approved by majority must return to the budget committee for revision

Reports

- Report on approved Proposed Budget must be submitted to local superintendent
- Local superintendent shall submit a notarized affidavit to the State Superintendent of Education

(Please refer to Section 16-1-8.1 Code of Alabama)

PAYROLL PROCEDURES

XI. Payroll Procedures

- It is the employee's responsibility to clock in and out each day. Hourly employees must also clock out for lunch and back in at the end of their lunch break. If an employee fails to clock in/out as required, they must see the individual designated at their work location that is responsible for correcting errors and fill out a clock exception form which must also be approved by their principal/supervisor.
- It is the employee's responsibility to enter their absences in FrontLine as soon as they realize that they need to be absent. If they are unable to do so, they need to contact their principal/supervisor to inform them of their absence ASAP. The principal/supervisor or individual designated may then enter the absence for the employee. If a sub has been pre-arranged for the absence, the sub needs to be assigned to the absence in FrontLine.

TYPES OF LEAVE:

1. Field Trip
 2. FMLA/Paid Sick Leave - Only if you have been approved for FMLA. If employee has exhausted their sick and sick bank leave, this will convert to an unpaid day at the employee's daily rate of pay.
 3. FMLA/Unpaid - Only if you have been approved for FMLA, but have no available sick or sick bank leave. The employee's pay will be docked at his/her daily rate of pay.
 4. Jury Duty – Employee has been summoned for Jury Duty
 5. School Paid- Athletics, Other Assignments related to curriculum and instruction
 6. Personal Leave – Employees receive 2 paid personal leave days per school year. See Board policy 4.36
 7. Professional Leave – PD relating to their work position
 8. Sick Leave – Personal or Family Illness. If the employee does not have sick leave available and this option is chosen, it will convert to an unpaid day.
 9. Unpaid – no available leave
 10. Vacation Leave – only available to 12-month employees
- Payroll schedules are provided to principals/supervisors and designated individuals before July of each year, and the schedule is also available online under the employee section. In order to begin processing payroll, each individual school and work location must have all clock exceptions corrected by the clock exception corrected by date listed on the payroll schedule. Principals/Supervisors must also have all timesheets approved by that date as well.

X. Time and Effort Certification for Payroll

In accordance with Uniform Guidance 200.403(a) and 200.430(i), federal law requires all employees, including teachers, paraprofessionals, and other staff who are paid with federal

funds, to document the time and effort they spend within that program. The portion of the federally paid salary should be reflective of the time and effort the individual has put forth for that federal program. The district is required to maintain auditable “time and effort” documentation that shows how each employee who is paid with federal funding has spent his or her compensated time.

Procedures for Time and Effort Documentation

1. Documentation must be:

- a) Completed after-the-fact.
- b) Account for the total time for which the employee is compensated with federal funds.
- c) Coincide with one or more pay periods.
- d) Be approved by the employee and countersigned by an administrator or supervisor.

2. Staff funded 100% from Federal Funds – Documentation must:

- a) Must be completed at least twice a year or quarterly (Time and Effort Documentation Sheet)
- b) Certification must include:
 - i. Time Period to be covered
 - ii. Identification of the federal program (fund source)
 - iii. Statement that identified individual worked solely in activities supported by the federal program grant; and
 - iv. Signature and date of employee and supervisor having first-hand knowledge of the work performed by the employee
 - v. Job title of the employee
- c) Documentation to support this certification will be:
 - i. Permanent schedule
 - ii. Time sheets in electronic time clock system

3. Staff who maintain a set schedule and are funded a partial percentage from Federal funds with the remaining percentage charged to other revenue sources:

- a) Documentation must be completed quarterly – (Time and Effort Documentation Sheet)
- b) Certification must include:
 - i. Period to be covered
 - ii. Identification of the federal program
 - iii. Statement that identified individual worked in activities supported by the federal grant
 - iv. Signature and date of employee and supervisor having first-hand knowledge of the work performed by the employee.
 - v. Job title of the employee

4. Stipends and other supplemental contracts:

- a) Document of time and activity of federal grant (sign in sheet or paper timesheet)