

SCHOOL FUNDS

School funds are those funds managed and accounted for by the individual school. The Chief Financial Officer is responsible for prescribing the forms and procedures to provide strong internal controls to safeguard the assets and provide proper accounting records. These procedures are to be followed by all personnel when handling the funds of the individual schools. The Finance Department shall provide training for the treasurers and other school personnel in the proper performance of the procedures for the school funds.

The Superintendent shall nominate to the New Hanover County Board of Education a responsible employee in each school other than the principal as treasurer of the school. Faithful performance of duties by all school personnel as specified in these regulations is expected and required. The Superintendent may remove from office a treasurer who, after notification that the procedures were not being properly carried out, does not correct the specified deficiency within a reasonable time.

Receipts and Deposits

Individual schools may choose as their depository a bank which uses the pooling method of collateralizing public funds. The Chief Financial Officer shall maintain a list of approved banks.

All funds received are deposited and kept at interest until needed for expenditure. All investments of school funds are made by the Chief Financial Officer or designee. Interest earned shall be credited to the revenues of the general fund net of any other service charge.

All funds received by a school employee or agent other than the school treasurer shall be delivered promptly on the same day and/or the next business day to the school treasurer. All amounts received by the treasurer shall be deposited when the amount on hand at the end of the day equals \$250 or more, or in any event a deposit shall be made on the last business day of the month.

All student fees for school sponsored clubs shall be approved by the Board as per [Board Policy 8560](#). See [Board Policy 8550](#) for fund raising activities.

Contracts and Purchasing

Contracts are required for all services paid through school funds and shall be approved by the principal. No principal shall enter into any contract extending beyond the end of the current school year. The Superintendent or designee may authorize a contract beyond the end of the current school year after adequate assurances are received that there are now, or will be, available adequate funds to make all required payments under contract, when such contracts are necessary for continued operations such as school pictures, athletic scheduling, and newspapers.

Schools shall not enter into lease agreements without the written approval of the Chief Financial Officer. Lease purchase agreements require Board approval and must be in compliance with North Carolina General Statutes 115C-528.

Disbursements

All payments shall be made by check signed by both the principal and treasurer of the school. Checks may also be signed by the Chief Financial Officer or Director of Finance. No expenditures shall be made from cash receipts.

No salaries shall be paid directly from school funds to any employee. All payments shall be made through the central payroll process. Athletic officials are not considered school employees. Payments may be made to them directly; however, these payments shall be properly reported to the Internal Revenue Service and the N.C. Department of Revenue on Tax Form 1099.

School Accounts

The School Funds Chart of Accounts is defined in the Treasurer's Manual. Accounts are classified into four (4) categories as follows:

- **Restricted Funds** – Those accounts for which the principal is in effect, a trustee of the funds and charged with the responsibility of managing and expending the funds for their intended use. It is the responsibility of the principal to determine which additional funds are to be treated as restricted funds. Restricted fund account balances carry forward from year to year. In some instances, a restricted fund account may be terminated at the end of the school year if the purpose of the restricted fund account no longer exists.
 - a. **School Organizations and Clubs** – Such organizations include but are not limited to clubs, classes, and school activities such as chorus and athletic activities.
 - b. **Special Projects** – Accounts established to track specific projects, such as field trips, grants, or third party donations.
- **School Revenue** – These accounts are used to record receipts and expenditures related to specific fundraisers and provide a detailed accounting of such activities. Expenditures are restricted to only those related to the purpose of the revenue activity such as school store, pictures, and vending. Proceeds from these activities shall be transferred into the General Fund when the fundraiser is complete, but no later than the last day of this fiscal year.
- **The General Fund** – This nonrestricted school fund is used to account for the general revenue of the school. Disbursements are limited to such expenditures that benefit the students or school as an entity, support the goals and strategies of the School Improvement Plan, and/or accomplish expectations set forth by the Superintendent. The Superintendent or designee shall maintain General Fund Guidelines for appropriate expenditures.
- **Cash Accounts** – The following three (3) cash accounts may be authorized for School Funds:
 - a. **Cash** – The cash account records all cash activity in the school bank account.
 - b. **Cash Management** – The cash management account records those funds invested by the Finance Department on behalf of the school.
 - c. **Change Fund** – Principals may authorize change funds as needed in an amount not to exceed \$250 for Elementary and Middle Schools or \$2,500 for High Schools. No expenditures are allowed from change funds.

No obligation shall be incurred in excess of the current amount unobligated in a specific account.

Transfers from one account to another are acceptable to prevent over obligation; however, when such transfers exceed \$500 within the school year, written notice shall be given to the Chief Financial Officer.

LEGAL REFS: NCGS 115C-443, 444, 445 and 448, 115C-528

CROSS REFS: Policy 8550 School-Sponsored Fund Raising Activities
Policy 8560 School-Sponsored Clubs And Student Activity Fees

Adopted: 06/04/85

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