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6610 - **SCHOOL INTERNAL FUNDS**

The School Board is responsible for the administration and control of internal funds of the School District. "School internal funds" are those held by specific schools which are not part of the Board's regularly adopted budget. School internal funds shall be used to benefit activities authorized by the Board and administered by each individual school in accordance with policies of the Board, the Constitution of the State of Florida, Florida statutes, rules of the State Board of Education, and the Financial and Program Cost Accounting and Reporting for Florida Schools, as revised.

All funds handled by employees during normal working hours shall be included in, and become part of, the internal funds of the school unless accounted for in the District-level accounting system. All employees responsible for handling and recording internal funds financial transactions shall be bonded through the District.

All organizations of the school or organizations operating in the name of the school, that obtain money from the public shall be accountable to the Board for receipt and expenditure of those funds.

Annual Audit

All school internal funds will be audited annually.

A. Uniform Records and Accounts

The principal of each school shall be responsible for the safe and proper handling of all monies collected and disbursed within the school and shall keep all accounts in accordance with regulations of the Board and State Board of Education and the Financial and Program Cost Accounting and Reporting for Florida Schools. A complete and accurate record of each and every transaction and a suitable classification (chart of accounts) of all receipts and expenditures shall be kept on approved forms.

B. Receipts of Monies Collected

All funds collected within the school for any purpose shall be deposited with the principal together with such substantiating records as may be required.

C. Safekeeping of Monies, Certificates, and Bonds

All monies received shall be promptly deposited in a qualified public depository and provisions shall be made for the adequate safekeeping of all monies and other financial assets that may come into the possession of the school.

1. Funds shall be promptly deposited in the qualified public depository. Schools shall make deposits at least weekly, and more frequently if the funds on hand in the school exceed \$200.00.
2. All funds received shall be recorded, banked, and reconciled to the proper receipts and accounts.

D. Expenditures

All expenditures from school funds shall be made by check, except that provision may be made by administrative procedures for the use of a small petty cash fund in each school where needed. Invoices or other approved substantiating evidence shall be required for all payments from school funds, including payments from petty cash. All checks are to be signed by two (2) persons, the principal and designee.

1. Overspending Limitations

School expenditures from internal funds shall not exceed the cash balance of resources of that school during any fiscal year without written approval of the Superintendent or Board.

2. Regulations Concerning Expenditures

- a. Where expenditures require prior approval, the school should anticipate needs in time to permit processing and proper clearance of written authorization requests. Expenditures shall not be made until approved in writing by the principal.
- b. Authorization for expenditures expire one (1) year after date of approval.
- c. No school internal fund shall be obligated for any student or teacher expenditure not previously approved in writing by the principal. A principal shall be responsible for any expenditures made or approved by him/her which are not permissible under the laws and regulations of the State or policies of the Board.
- d. Competitive bidding is encouraged whenever practical. However, no purchase may be made by a school amounting to over \$1,000.00, including series or group purchases, except through obtaining three (3) or more written competitive bids based upon definite specifications in the same manner as used by the purchasing department, except that when advanced individual orders are taken from students, staff, or patrons, competitive bids shall not be required. Items purchased "on consignment" need not be bid.

3. Expenditures Requiring Prior Approval

The following is a list of expenditures requiring prior written authorization from the Superintendent or designee:

- a. All equipment which is to be attached to the buildings, or requires remodeling, including the installation of utility service other than that which presently exists in the building. Examples of such purchases are as follows: air-conditioning, ice machines, equipment which uses 220 current where only 110 service exists, those that require the installation of water or sewage lines, etc.
- b. Buildings, permanent attachments to buildings, or other structures.
- c. Bleachers or equipment involving risk to users.
- d. Services and purchase made for any employee of the District.
- e. Membership in and contributions to any noneducational organization.

- f. Each principal may employ persons and authorize payment from internal account funds for supplemental positions consistent with the current supplemental salary schedule.

4. Expenditures Prohibited from Internal Funds

The following is a list of expenditures which cannot be made from internal funds.

- a. Professional books and magazines, except school professional libraries and personal memberships in professional organizations when purchased through trust funds to which employees contribute.
- b. Articles or services for personal use of Board employees or other persons.
- c. Equipment, supplies, and services for rooms and areas not used primarily for student body benefit, unless raised specifically through employees or other persons or authorized by a student organization.
- d. Wages or supplements to any persons engaged in regular part-time or temporary employment except as provided by the Board.
- e. Loans, credits, or accommodations to Board employees or other persons, including students except as provided in Policy 6550 - Travel and Per Diem.

5. Cooperative Activities Permitted

The general provisions for cooperative activities for which internal funds are permissible are as follows:

- a. Outside groups. There shall be a definite written agreement between both parties.
- b. The principal must approve cooperative activities.
- c. Cooperative activities must be beneficial to students.
- d. Collections for The School Board of Lake County, Florida.
- e. Trust funds, drives, professional dues, etc.
- f. Foundation funds (donations by outside organizations or persons for a definite educational purpose).
- g. Flower and gift funds.

6. Promotion and Public Relations Funding

The Superintendent or designee and principals are authorized to expend funds from a designated internal account for the purpose of promoting the school and for public relations.

Funds derived from auxiliary enterprises and undesignated gifts shall be disbursed in accordance with rules of the Board for such purposes as are deemed to be for the benefit of the District. Funds from auxiliary enterprises are defined as profits from enterprise type activities of the District, excluding food service activities, which may include, but are not limited to, vending machines, school stores, and other internal account fund profits not specifically designated for student or school level purposes and from funds received from other agencies making purchases from warehouse inventories in excess of the actual costs to the District.

Such funds shall be administered in accordance with procedures included in the Financial and Program Cost Accounting and Reporting for Florida Schools.

E. Fund Raising

School principals are to be made aware of, approve, and oversee all fundraising activities and actions conducted on a school campus and approve all fund-raising activities in the name of the school. Any fund-raising activity conducted on school property is a school-connected activity.

1. Each fund-raising activity shall be planned to finance a specified objective.

2. Each fund-raising activity shall have the approval of the organization sponsor and the principal.
3. The superintendent acts as the custodian of all school property and may delegate responsibilities to the school principal. The principal shall control the fund-raising activities conducted in the name of the school and ensure that the purposes are worthwhile.
 - a. Raffles and other activities of chance shall not be conducted by the school or on school property, including raffles conducted by charitable, nonprofit organizations leasing school property. Encouraging or permitting minors to participate in games of chance by playing or betting money or other valuable things is prohibited. Only a charitable, nonprofit organization exempt from Federal income taxation pursuant to the Internal Revenue Code may conduct raffles or drawings by chance in the name of the school if the organization complies with all applicable provisions of F.S. Chapter 496, and F.S. 849.0935, and the raffle is not conducted on school property.
 - b. Fund-raising activities for which students are charged an admission shall not be presented during school hours.
4. When any school organization or group is involved in a fund-raising activity or any function exposing the Board to extraordinary liability, approval must be obtained in advance from the superintendent.
5. Collections for all school-sponsored fund-raising activities must be deposited in the internal fund, and all transactions in connection with the activity must be conducted in accordance with Board policy.

6. Fund Benefits

Funds collected for the benefit of a specific student organization shall be expended for the benefit of said organization unless otherwise designated in minutes of the organization. General fund monies collected from the student body as a whole shall be expended to benefit students directly, except that Board authorized salary supplements for sponsors of student activity programs may be paid from these funds.

7. Commissions or Profits

Funds from commissions such as school pictures, etc., may be credited to the general fund or some designated account. Contracts for such activities must comply with bid requirements and be approved by the principal.

F. Student Travel

1. Advance Arrangements

When travel by students is necessary in the pursuance of an approved student activity, advance travel arrangements shall be made when possible. Advance arrangements shall include transportation, meals, registration or entrance fees, and lodging. Checks may be prepared in advance for the exact amount and payable to the corporation or proprietor providing the service. The faculty sponsor accompanying the students shall be the temporary custodian of the checks and responsible for obtaining an invoice for the exact amount of the check from the corporation or proprietor upon presentation of the check.

2. Advance to Sponsor

When advance arrangements for meals or lodging are impractical because service to be rendered is en route, or the student group is of such number to make prior knowledge of the exact number impossible, advancement may be made to the faculty sponsor for distribution to the students. Each student shall sign a signature sheet certifying that s/he received their meal or lodging allowance. In such situations, students are to be made aware of the amount of the allowances at least twenty-four (24) hours prior to travel departure so as to permit them to make adequate financial arrangements personally or with their parents.

3. Limits

Under no circumstances may the amount paid from District or internal funds be in excess of rates established in F.S. 112.

G. Student Activity Funds

For purposes of this policy, a "student activity fund" may include, but not be limited to, co-curricular and approved extra-

curricular activities such as clubs, publications, etc. Each school organization should operate within a budget formulated by the organization members. The format of the budget shall be prescribed by the principal.

The Superintendent is directed to obtain annually.

The Board authorizes the maintenance of approved student activity funds.

The Board authorizes the principal at each school to review and approve each expenditure from a student activity fund prior to disbursement. In approving an expenditure, the principal shall ensure that it is related to achieving one (1) or more of the stated purposes for which the student activity has been organized.

Classes, Clubs, and Departments

The sponsor of each school club or organization is responsible for providing adequate financial documents and records to the principal and is responsible for retaining duplicates of said documents and records. These records may include an organization budget; duplicate receipts for all income from dues, fund-raising activities, entertainment, assessments, and donations; and approved requests for payment.

All collections received by any club or school organization must be deposited in the school internal fund.

All disbursements by any club or school organization must be made by an internal fund check or from an approved petty cash fund. Disbursements shall be approved by the appropriate organization officer (when the organization has officers), the sponsor, and the principal.

A financial report shall be filed with the principal's office at the close of each fund-raising activity. To accommodate collection of data for this report, a separate account for the activity may be established.

The organization sponsor shall participate, along with the finance clerk, in the designation of transactions to be recorded in each of the organization's accounts.

Class and club monies shall be expended for the benefit of the class or club or for purposes designated by the class or club that participated in generation of the revenues.

1. Any remaining balance in the account of a class that has graduated shall be transferred to the general miscellaneous account at the discretion of the principal.
2. Any remaining balance in the account of an inactive student organization shall be considered as belonging to the general miscellaneous account and shall be closed at the end of the following fiscal year.

Departments may be structured similarly to classes and shall conduct financial activities subject to the principles already outlined.

The principal shall ensure that all student activity funds are managed, recorded, and deposited in accordance with law and sound fiscal practice.