

STUDENT ACTIVITY FUNDS MANUAL



RICHMOND PUBLIC SCHOOLS

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STUDENT ACTIVITY FUND PROCEDURES MANUAL

PURPOSE

The Student Activity Fund Procedures Manual provides the standard operating procedures for student activity funds. The procedures and guidelines are intended to provide a reasonable and systematic means for administering and operating student activity funds including administrative procedures; an effective system of management, delineation of responsibilities; appropriate internal controls, accounting, reporting, and record-keeping. This manual incorporates but remains subject to applicable federal laws, the Code of Virginia, State Department of Education regulations, School Board Policies, and Division Regulations.

SCOPE

The Student Activity Fund Procedures Manual applies to all schools and division employees operating the student activity funds.

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INTRODUCTION

The purpose of this manual is to establish division-wide policies and accounting procedures to ensure uniformity in the administration of student activity funds and; establish proper management procedures for student activity fund accounts. The manual is based on local policies that were instituted at the direction of the Richmond School Board in compliance with regulations and procedures established by the State Department of Education. Therefore, the manual for Richmond Public Schools is based on both the state guidelines and local policies. The policies and guidelines provide both administrative and accounting controls to safeguard assets and ensure the reliability of the financial records. Adhering to these guidelines and policies will help to prevent the misappropriation or abuse of funds as well as protect individuals who work with activity funds. The manual should be viewed as a working document rather than complete. As such, it will be necessary for the manual to be reviewed and updated regularly. Please contact the Finance Department with any questions and/or recommendations.

STATE REGULATIONS

The authority for the Richmond Public School Board to establish and operate school activity funds is provided for in the Bylaws and Regulations of the Board of Education of the Commonwealth of Virginia according to the Code of Virginia. The State Board of Education defines Student activity funds as, “All funds received from extracurricular school activities, such as entertainment, athletic contests, cafeteria, club dues, etc., and all activities involving personnel, students, or property.” Each school is permitted to have Student activity funds maintained per regulations authorized by the state and local boards of education. The purpose of the Student activity funds regulations is to provide administrative control over the receipt and disbursement of monies for school activities and organizations to provide an accurate record of all financial transactions of each fund account at all times.

SECTION 1: BASIC PRINCIPLES

Basic Principles of Student Activity Funds

The basic principles established to assist school divisions in administering student activity funds are as follows:

- Student activity funds shall be used solely for the purpose for which such funds are collected.
- Projects for raising student activity funds shall contribute to the educational experience of pupils, and shall not conflict with the instructional program.
- Funds derived from the student body, as a whole shall be used to benefit the student body as a whole.
- Generally, student activity funds should be spent in a way that benefits those pupils who are in school and who have contributed to the accumulation of such funds.
- Student representation is encouraged in the management of funds raised by the student body and spent for its benefit, subject to faculty supervision.
- Student activity funds shall be managed per the best business practices, including sound budgetary and accounting procedures.
- Student body business shall be conducted in such a manner as to offer minimum competition with commercial concerns.

Authority to Use Student Activity Funds

It is contrary to the School Board policy to permit the use of student activity funds to pay for the operation of the school systems other than through approved clearing account procedures. The restriction would apply to salary advances, purchase of academic supplies and materials, purchase of building maintenance materials, etc. that are properly payable from School Board funds.

Student Personal Accommodations Activity Funds

Student activity funds may not be used for any purpose that represents an accommodation, loan, or credit to School Board employees or persons other than pupils. Emergency loans for carfare and similar items may be made to pupils at the discretion of the principal. School Board employees or others may not make purchases through Student Activity Fund to take advantage of student body purchasing privileges.

Internal Control

The State Comptroller defines internal control as:

“The conscious inclusion in an agency’s operations of a series of actions to achieve certain specified objectives relating to the control over assets and accounting and record-keeping practices. Broadly, the objectives of internal controls are to give management reasonable, but not absolute, assurances that assets are safeguarded from unauthorized use or disposition and those financial records are reliable to permit the preparation of financial statements and make meaningful decisions regarding the allocation and use of financial resources.”

Internal controls encompass continuous and qualified supervision by the principals to ensure that approved procedures are followed and that the levels of responsibility and accountability are clear. Reasonable care should be taken to ensure, through education and training, that key personnel has high levels of competency and integrity. The most important financial activities in handling student activity funds are the receipt and disbursement of cash. The sensitive nature of cash demands strong internal control procedures. The basic standards of internal controls are defined as follows:

- **Documentation-** Internal controls shall be clearly described in writing, in an orderly manner, and documentation shall be readily available in a designated location.
- **Recording of Transactions** - Transactions shall be recorded as executed and shall be properly classified.
- **Execution of Transactions** - Independent evidence shall be maintained that authorizations are issued by persons acting within the scope of their authority and transactions conform to the terms of the authorizations.
- **Separation of Duties** - Key duties such as authorizing, approving, and recording transactions, issuing or receiving assets, making payments, and reviewing or auditing such transactions shall be assigned to separate individuals to maximize the effectiveness of internal control and to minimize the risk of loss. Internal control depends largely on the elimination of opportunities to conceal errors or irregularities. Such control, in turn, depends on the assignment of work in such a manner that no individual is responsible for all phases of an activity or transaction, thereby creating a situation that would permit errors or irregularities to go undetected.
- **Supervision** - Qualified and continuous supervision shall be provided to ensure that approved procedures are followed. Lines of responsibility and accountability shall be clearly defined.
- **Access to Resources** - Access to resources shall be limited to authorized personnel. Access includes both direct physical access and indirect access through the preparation or processing of documents that authorize the use and disposition of resources. A periodic comparison shall be made of the resources used with the recorded balance to detect any discrepancies.

- **Competent Personnel** - Reasonable care shall be taken to ensure that key personnel have high standards of integrity and are competent. This can be achieved through education, training, and relevant experience.
- **Reasonable Assurance** - Internal controls will provide reasonable, but not absolute, assurance that the objectives will be accomplished. This standard recognizes the cost of internal controls should not exceed the benefits to be derived from the controls. The benefits consist of significant reductions in the risks of failing to achieve the stated objectives.
- **Records** - Procedures shall be implemented to ensure that records, regardless of medium, be secure from unauthorized use, alteration or destruction, and be retained per the policies of the Library of Virginia, and be readily available for audit.

SECTION 2: SAFEGUARDING AGAINST STUDENT ACTIVITY FUND LOSSES

Fidelity Bond

The School Board fidelity bond covers all employees. Funds are protected against loss due to deliberate negligent action on the part of School Board employees. It does not, however, protect the employee against a subsequent claim by the bonding company for any loss sustained through a settlement of a claim due to the intentional negligence on the part of an employee. The bond protects the assets of the fund covered and not the individual charged with the responsibility for such funds. The responsibility of safeguarding student activity funds lies directly with the principal and the finance officer, and their actions and authority should be governed and respected accordingly.

Insurance

Physical property is covered under fire insurance carried by the School Board. Liability insurance of the School Board protects the Student activity funds when the program is on school-owned premises. Any loss of cash, checks, equipment, merchandise, etc., will be promptly reported by telephone to the Superintendent, Chief of security, Coordinator of Risk Management, Finance department, and senior internal auditor.

Safeguarding Assets

It is very important to provide adequate controls in the safeguarding of assets. Since revenues are in the form of cash receipts, the maintenance of the receipts is extremely important. Bank deposits should be made daily for cash and checks totaling \$25.00 or more. However, during the interim period between the collection of the receipts and the bank deposit, all revenues should be stored in a safe. The safe should be kept in an area that is limited to authorized personnel only. All cash receipts, club cards, procurement cards, checkbooks, as well as

expensive items that are susceptible to personal use or sale should be maintained in a safe. The number of people with the combination of keys to the safe should be limited to authorized personnel only. The combination should not be left available for others to read. The combination and keys should be changed whenever there is a change in an authorized person who has access to the safe.

Bank Guidelines

All student activity funds shall be deposited in a financial institution that carries deposit insurance coverage with the Federal Deposit Insurance Corporation or equivalent agency. To open new bank account please contact the Department of Finance. Checking or savings accounts should be monitored carefully to avoid having funds on deposit not covered by insurance for any significant length of time, and fraudulent activity. Online activity is limited to view only with the intent to have access to bank statements timely. Fees allowable through the use of student activity funds are:

- Check images
- Fraudulent monitoring services
- Bank service fees

SECTION 3: SALES TAX

State Sales Taxes

The state sales or use tax does not apply to purchases made by public schools when the items purchased are for use or consumption by the school. The school should provide the seller with a valid exemption certificate. The purchase must be made according to official purchase orders and paid for out of public funds. The tax does not apply to:

- Purchases made from Student activity funds for such things as athletic equipment, band instruments, etc., that become the property of the local school board when purchased
- School lunches sold and served to pupils and employees of the school
- School textbooks sold to students
- Sales by the PTA (but does apply to purchases by the PTA)

The tax does not apply to purchases or rental of tangible personal property, such as yearbooks, class rings, caps and gowns, photographs, school supplies. Also, the tax does not apply to other fund-raising programs for which a school conducted not for profit receives a

commission or the net proceeds after payment of vendor and other direct expenses. Sales and Use Tax Certificate of Exemption may be secured from the Purchasing Department

SECTION 4: RECORDS RETENTION

Richmond Public Schools follow the Records Retention and Disposition Schedule (General Schedule GS-02) of the Library of Virginia

Specific Records for Student Activity Funds

Cash and Bank Reports	3 years after the end of state fiscal year
Bank statements	
Reconciliation documentation (sequential list of checks, outstanding checks list, activity ledger report, transfer vouchers, and canceled checks)	

Financial Accounting Reports	3 years after the end of state fiscal year
Documentation for income and expenditures of the student activity fund	

Audit Records : Internal	8 years after the end of state fiscal year
Audit reports and work papers	

Audit Records : External	Permanently
Prepared audit report and work papers	

Student activity fund records are to be retained in the school building.

SECTION 5: RESPONSIBILITIES

This section outlines some of the duties that must be performed by the principal and others to achieve proper security and management of funds.

Superintendent

The Superintendent shall have the responsibility and authority to implement all policies and rules about the supervision and administration of student activity funds in schools as established by the School Board City of Richmond.

Principals

The responsibility for safeguarding, accounting, and managing the student activity funds rests solely with the principal. The duties to be performed in providing proper management and security may be delegated only in the absence of the principal, but the responsibility remains with the principal. These duties can only be delegated when the principal is out of the school building for extended periods (family or personal illness and/or emergency, vacation, and conferences).

The following management practices are considered minimal:

- Be familiar with and enforce the provisions of this manual.
- Ensure that the finance officer is properly instructed as to duties to be performed, the methods and procedures to follow, with adequate supervision and guidance.
- Obtain accurate and timely reports from the finance officer covering the results of operations and the status of student activity funds.
- Sign **all** checks before checks are disbursed unless the principal is out of the building for an extended period (definition stated above). The principal may designate another authorized signer to sign in his/her absence.
- Approve all transfers between activity accounts and journal entry adjustments.
- Deposit funds daily (if \$25 or more cash and checks). Designate a backup to make deposits when the principal is unavailable (finance officer cannot assume this responsibility)
- Review all fundraiser requests to ensure the proper fundraiser forms and documentation is filed with the finance officer. All fundraiser requests must be approved before the start of any fundraiser.
- Designate a backup finance officer that will perform daily tasks related to issuing receipts and preparing bank deposits.
- Provide instruction to all teachers and sponsors in the proper handling of school activity funds.
- Review all Field Trip Request forms to ensure all forms have the proper documentation and are submitted timely. All field trips must be approved at the beginning of the school year.
- Review and analyze the status and operations of the student activity fund at least monthly. The review process should involve the finance officer, department heads, and fund sponsors.

The review should include, but not necessarily be limited to, areas such as:

- Questioning of inactive accounts and deficit account balances.
- Noting the cash position, considering reserved funds and outstanding obligations.
- Assessing the reasonableness of reported receipts and disbursements, by account and in total, to include a comparison with prior periods.
- Assessing the adequacy of and compliance with cash control provisions.
- Review financial reports and indicate review by signing and dating the reports.
- Review purchase orders or expenditure vouchers and checks presented for signature to assure that expenditures are properly authorized and supported.
- Assure that adequate facilities and physical controls are available, and are used for the protection of cash and other assets.
- Monitor the operation of revenue-producing activities to avoid any major losses.
- Monitor the implementation of approved audit recommendations and management decisions.
- Notify the Human Resources Department, Finance Department, and Internal Audit Services upon the transfer, retirement, or termination of the finance officer/secretary.

Assistant Principals

Assistant principals will perform duties as delegated by the principal. All assistant principals should be familiar with the provisions of this manual even if no duties have been delegated.

Finance Officers

Under the supervision of the principal, the finance officer will receive, receipt, account for, and disburse all funds flowing through the student activity fund accounts. The finance officer's duty to disburse funds will not be construed as authority to sign checks. Check signing must be performed by the principal and an authorized signer. The finance officer, under the supervision of the principal, will comply with all pertinent provisions of this manual and perform the following duties:

- Receipt all funds and prepare the deposit slips.
- Submit the funds ready for deposit with supporting documentation to the principal for review.
- Maintain all required records on a current and accurate basis.
- Meet with the principal at least monthly to discuss financial reports and the financial status of all student activity fund accounts.
- Submit all reports promptly and accurately to the principal for review.
- Submit all reports to the finance department no later than the 20th of each month and submit a final report (June 30) no later than July 15th of each year.
- Issue checks when properly authorized by the principal and all pertinent documentation (an invoice, and a signature that all items have been received) are in order.

- Maintain a record of all fund transfers and related supporting documentation/ authorization of such transfers.
- Keep the principal informed of all issues and/or problems.
- Perform other duties as specified by the principal.

Fund Sponsors and Other School Personnel

Fund sponsors, department heads, student representatives, and other individuals with duties affecting student activity funds will become familiar with and assure compliance with the portions of this manual that are pertinent to their duties. Such individuals must deal with the finance officer in a sincere spirit of cooperation, performing their functions in a complete, accurate, and timely manner. Those persons responsible for activities for which a student activity fund account is maintained will review the financial operations and position of the account monthly.

All student activity fund activities will be supervised and guided by a fund sponsor appointed to that position by the school principal. Fund sponsors may be responsible for more than one fund or activity.

Fund sponsor responsibilities include:

- Submitting an activity fund budget to the principal for approval.
- Collecting funds and issuing receipts for funds received from the students.
- Ensuring all money collected from pupils on school premises or through school organizations are submitted to the school finance officer for proper recording daily. Ensure settlement sheets are sent along with funds collected to the finance officer daily.
- Submitting purchase requests or expenditure vouchers along with supporting documentation to the finance officer.
- Reviewing invoices received by the finance officer for accuracy before the final payment.
- Assuring the finance officer receives copies of contract agreements, etc., that have been negotiated and signed by the principal that applies to obligations of the fund account.
- Assuring the fund account remains solvent and does not incur a deficit balance.
- Reviewing fund account balances monthly for accuracy.
- Assessing fund accounts to ensure there is activity yearly.
- Submit Fundraising Requests to the principal for prior approval of fundraising activity.

Director of Finance/School Board

The Director of Finance will assist the principal by establishing rules, regulations, and procedures for the management and operations of student activity funds per state guidelines, school board policy, and sound business practices.

Department of Finance

The Finance Office serves the needs of the principal, school staff members, students, parents, and vendors. The office should be centrally located and, convenient to most users. It should be arranged in a manner that will assure the safeguarding of funds, documents, and files.

- Provides assistance, training, and guidance, to assure compliance with the provisions of this manual.
- The Department of Finance will conduct in-service training sessions annually. All personnel responsible for maintaining the student activity fund accounts must attend the in-service training. In addition to training sessions, The Department of Finance will assist the principal in training new finance officers when personnel changes occur. The principal should strive to arrange overlaps when new finance personnel is hired, i.e. training of the new employee while the departing employee is still present.
- Review monthly SAF reports for accuracy
- Guide how to properly handle any discrepancies involving student activity fund transactions.
- Reviews the disposition of student activity fund assets when schools are temporarily or permanently closed.

Cash Control

All Student Activity Fund receipts flow through the Finance Officer. Great care must be exercised in the control and safeguard of cash and instruments convertible to cash. The following considerations are applicable:

- In addition to the daily deposits, required visits to the bank are to be made on an irregular schedule, i.e., a detectable habit as to the time of day the deposits are made should be avoided.
- Checks are not to be drawn to "Cash."
- Cash and checks with unqualified endorsements are not to be sent through the mail or the interoffice mail system.

Internal Audit Services

The objective of the internal auditing function is as follows:

- Conduct annual audits of student activity funds in compliance with state guidelines.
- Conduct audits at each school that has a turnover in principal and/or finance officer.
- Randomly conduct audits of schools that are considered high risk.
- Review compliance with policies and regulations established by the School Board and management.
- Communicate any findings or deficiencies found during the internal audit in such a way as to enhance the objective of improving the school's operation and management of student activity funds.

- Assess the adequacy of internal controls and physical safeguards for student activity funds.
- Examine the validity and propriety of financial transactions.
- Evaluate management practices in the administration of student activity funds.
- Review and follow up on the principal's responses to audit reports.
- Provide fraud, waste, and abuse training to all principals and finance officers.

Monthly Reports Submitted to Finance

All monthly reports are due to the Department of Finance by the 20th of each month. June/Yearend reports are due on the 15th with no exceptions. The following list of reports should be included with your reconciliation:

- Bank Reconciliation
- Copy of the bank statement
- Reconciliation GL Report
- Outstanding Checks
- Sequential List of Checks
- Activity Ledger

Reports should not be backdated when submitting to the Department of Finance. This action will result in an audit finding for your school.

SECTION 6: ACTIVITY FUND ACCOUNTS

Account Structure

Prudent and effective fund management and accounting depend upon the account structure established for financial transactions. Too few accounts will provide management with not enough information for proper control and segregation of funds. Too many will burden the finance officer with the recording of trivial information. No student activity fund or fund account will be established without the approval of the school principal. All student activity funds will be accounted for within one set of accounts under the control and direction of the principal.

Account Titles

There is an established chart of accounts from which to choose account numbers for the most commonly recorded transactions. All funds collected, as well as all disbursements, should be posted to an account that accurately describes the transaction. The school's Ledger Report should then reflect the type of accounts that represent the transactions most common for the school.

Club Accounts

Club accounts are funds to be used for the benefit of a distinct group of students enrolled in the local school division who have formed themselves into an organized entity with officials elected by the group. The activity is planned to occupy the attention and interest of the group concerned as opposed to the interest and concern of the entire student body.

Characteristics of a club account include the following:

- Must be organized with elected student officers
- Is of concern or interest to a limited group
- Is not involved in a competitive sense with other schools
- Accumulates funds for its use

Examples of club accounts include, but are not limited to, the following:

Chess Club	History Club
Class of (year)	Key Club
Future Farmers of America	National Honor Society

Instructional Accounts

Instructional account funds are to be used for the benefit of specific instructional programs. Funds available to each instructional account are spent in support of the appropriate instructional program to the extent deemed necessary by the principal. Characteristics of an instructional account include the following:

- It contains funds primarily denoted to support instruction.
- May receive general and/or specific revenue.
- Funds can be spent only by the authority of the instructional department involved and the principal.

Examples of instructional accounts include, but are not limited to, the following:

Art	Music
Marketing Education	Physical Education
Science	Foreign Languages

Major Activity Accounts

Major activity accounts contain funds to be used for the benefit of the entire student body or school. Most student activities that generate revenue from fee admissions, fundraising drives, grants, and donations are in this category. Students involved in these activities may serve as official representatives of the school in activities or competitions with other schools. Authority for expenditures rests jointly with student officers or fund sponsors and the

principal, where student participation is not appropriate. Characteristics of a major activity account include the following:

- It May be used by the school to finance competitive events
- Is denoted for the benefit of the entire student body
- Comprises most of the major revenue producers

Examples of major activity accounts include, but are not limited to, the following:

Athletics	Debate
Drama	Yearbook

Non-Student Body Activities and Scholarship Accounts

Non-student body activities are those activities that concern the school or that take place on school premises and do not involve the student body directly but may involve the handling of funds through the student body with the approval of the principal. Characteristics of non-student body activities and scholarship accounts include the following:

- It contains funds primarily generated by auxiliary groups and donated to the school.
- Funds are spent by written instructions from the donor of funds.
- Deficit balances are not allowed at any time.

Donations	Vending
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Clearing Accounts

Clearing accounts are accounts in which funds flow in and out in equal amounts so that a zero balance is achieved over some time, usually the school year. In general, these accounts hold fund balances which will be forwarded to destinations outside the school (or in some cases, inside the school), and any deficit balances will be cleared by reimbursement by submitting the proper documentation such as invoices, register receipts, etc. to Finance monthly. **Under no circumstances can student activity funds be used to clear deficit balances in these accounts.** Clearing accounts are generally dedicated for specific purposes and are not available for use in other school activities. Characteristics of a clearing account include the following:

- Is not available for school activities
- An end-of-year balance of zero.

Examples of clearing accounts include, but are not limited to, the following:

Postage	Fees and Fines
Vandalism	Principal's Expense

Sub Accounts

Account type can be used to further organize or allocate funds for an activity account involving multiple grade levels or groups.

General Ledger Accounts

Asset accounts are accounts that reflect the cash, certificate of deposits, and savings held by a financial institution.

Deficit Balances

Deficit balances are not allowed in any of the student activity fund accounts. The principal expense account and the principal expense postage account are considered clearing accounts that could have a deficit balance at various times during the school year but should be eliminated by reimbursement of funds by year-end.

SECTION 7: TYPES OF ACTIVITY FUND ACCOUNTS**Purpose**

Student activities are established as an adjunct to, and in support of, the educational program. Student activities are self-supporting and generate the revenue necessary to establish and maintain the activity. Student activity fund revenues may be generated from several sources including athletics, concessions, publications, club activities, gifts, field trips, and other activities. Most revenues are in the form of cash receipts; therefore, maintenance of adequate cash control procedures is extremely important.

Clubs and classes

Activity accounts related to clubs and classes can be credited with funds raised by all revenue-producing activities such as dues, assessments, donations from members, sales of club or class sweaters, emblems, insignia, cards, and announcements to members, etc. Entertainment, dances, and parties open to the general student body may be sponsored by groups like a club or class with the prior approval of the principal. Class or club accounts may not be overdrawn, except in cases of advance expenses against reasonable anticipation of revenue. Off-campus clubs are not permitted to carry accounts on student body books. Any remaining balance in the account of a graduated class, and after the class has had a reasonable opportunity to determine the disposition of the balance, may be considered to belong to the general student body. These funds may then be transferred with the approval of the class sponsor and principal to a reserve or general account of the student body. This applies to the balance in the account of any club that has become inactive after the club members have had a reasonable opportunity to determine the disposition of the balance.

Field Trips

The school board recognizes that field trips, when used as a device for teaching and learning, are educationally sound and important ingredients in the instructional program of the schools. Such trips can supplement and enrich classroom procedures by providing learning experiences in an environment beyond the classroom. Principals should encourage only those field trips that are relevant. All groups going on field trips shall be under the direction of the teacher. All field trips must be approved by the principal at the beginning of the school year. Documentation of the principal's approval must include the principal signature and date on the Richmond Public School Trip Request or the Out of Town Trip Request forms. A copy of the Richmond Public School Trip Request, or the Out of Town Trip Request, as well as the Field Trip Checklist, must be completed and a copy should be retained by the teacher and finance officer for all field trips. The sponsoring teacher should properly receipt and present all collected money to the finance officer daily. All monies collected for each field trip should be expended for that specific field trip account. Sub accounts should be used if multiple grade levels are attending the same field trip as it will allow the allocation of funds between the grade levels for the same overall trip. This will help the principal determine which accounts are deficit and inactive so that those accounts may be rectified immediately. Field trips that take students out of the city or are planned to keep students out of the district overnight must be approved in advance by the Chief of Talent Office.

Principals shall ensure the safety of students and that parental permission is obtained before a field trip is taken. Each field trip must be integrated with the curriculum and coordinated with classroom activities. Effort shall be made to ensure that no pupil shall be denied the opportunity to participate in an approved field trip due to a lack of funds. To assist with any issues that may arise, reference the Field Trip Checklist located in the Appendix.

If the remaining balance for a field trip exceeds 10% of the amount collected, the remaining balance should be refunded to the students. Any remaining balance in the field trip account (less than the 10% amount covered above) that amount should stay in the field trip account. These funds may not be transferred to another account including the general fund. The funds would be expended on future field trips.

Field Trip Refunds

If students are unable to attend a field trip for any reason, students are entitled to a refund. The finance officer should fill out a refund/reimbursement request form with the student's name, date, amount to be refunded, the reason for refunding the funds. All refunds should be issued in the form of a check disbursement. A copy of the original receipt refunded receipt and a copy of the reimbursement check should be attached to the refund/reimbursement request form. All documentation should be filed and retained for audit purposes. No refunds or partial

refunds may be given if stated in the initial field trip paperwork. The preferred method for refunds is payment via check.

Photography Sales and Commissions

Photographs of pupils in elementary schools may be taken in the school building provided the PTA administers the entire program. School staff members are not to participate in any manner except to provide the time and most appropriate location for the pictures to be taken. This does not apply to picture contracts for annual pictures and other student publications. Principals must work with the procurement department to procure valid picture contracts. A copy of picture contracts must be retained at the school for audit review.

Publications

The principal and activity sponsor must approve at the beginning of the school year all contracts for school newspapers, yearbooks, and other publications. The selling price of student body publications should be established so that all costs are recovered and the maximum number of pupils may benefit from the publications.

Yearbook

The yearbook represents a large investment of both time and money. It is, therefore, necessary that accurate financial records be maintained regarding all aspects of the yearbook operation. Proper inventory records are also required. The purchasing of yearbooks must follow the procurement guidelines.

Sale of Yearbooks

A record must be kept by the yearbook sponsor of students who have ordered yearbooks and the amount paid. A tally should also be kept of the yearbooks sold. Any yearbooks remaining can be sold after all others have been issued. Any adjustments to unsold yearbook prices should be recorded.

Sale of Yearbook Ads

- Any student or faculty member soliciting ads should give information for ads and any money collected to the yearbook sponsor.
- A receipt should be prepared by the yearbook sponsor for any money received.
- A record should be made of those individuals and businesses that are to be billed.
- Statements should be prepared and mailed with a photocopy of the ad to the individuals and companies to be billed. A portion of the statement should be returned to the school with the payment.
- All receipts should be written by the yearbook sponsor, when payments are received, along with a portion of the statement.

- A log should be kept of all ads showing the size of the ad, the amount of ad, date of payment, and the check number.

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Procedures for Inventory

- When the shipment of yearbooks arrives, the books should be counted to verify that all books ordered have been received
- Yearbooks not sold should be put on sale on a first-come-first-served basis
- Any unsold yearbooks should be inventoried

Distribution of Yearbooks

When yearbooks are issued, access to the area where books are stored should be limited to the yearbook staff members and sponsors.

Vending/Concession Machines

Schools should retain a copy of all vending contracts before allowing any equipment to be placed in the schools. If the school does not have a valid vending contract, the principal must work with procurement to procure a contract. It is the principal's responsibility to ensure all vending contracts are valid and have not expired. Management of vending/concession machines should be maintained with proper controls.

- Machines are maintained by the product supplier. This method allows the supplier to stock the machine, collect the money, and pay the school. There may be a charge for this service.

Accounting for Vending/Concession Activities

Receipts and disbursements related to the sale of vending products should be the only items recorded in vending accounts. The profit from vending operations should be transferred to the general fund or another designated account for disbursement. An approved transfer voucher should be completed before the transfer. Unrelated disbursements should not be recorded in vending accounts. For schools on a commission-only basis, vending accounts should not have any disbursements recorded in them. For schools having vending machines operated by school personnel, vending accounts should only have disbursements for the purchase of soft drinks, nabs, candy, etc. The profit must be transferred to the general fund or another designated account and disbursed from the general or the designated account. All money received for the sale of vending products should be recorded as a receipt in the vending account. For schools on a commission-only basis, the only items that should be recorded as receipts are the commission checks received from the vending company. For schools having machines operated by school personnel, all money received for the vending product must be recorded as a receipt. When items such as drinks are sold to the school or clubs

that money needs to be recorded as a receipt. Schools should not record this transaction by making a transfer from the club account into the vending account. With this method, the money related to the sale never shows up as a receipt in the vending account.

Proceeds from vending machines located in faculty breakrooms are considered faculty funds and can be kept in the activity accounts for staff needs.

Cooperative Activities

Extracurricular school activities which involve the students, faculty, and school facility, and which are conducted with participation or support of an outside organization (PTA, PTO, VHSL, Booster Clubs, etc.) are classified as cooperative activities, funds derived from such activities are school activity funds and are to be managed and accounted for accordingly. Such activities may be held on or off the school grounds and usually take the form of money-raising events such as salvage drives, carnivals, or pay entertainment. The distinction between school activity funds and an outside organization's funds is determined by the principal and agreed to by the outside organization before the event/activity.

- If the event/activity is determined to be considered a school activity, then all funds raised are considered school activity funds and remain subject to this manual.
- If the event/activity is determined to be considered an outside support group activity, then all funds raised are the responsibility of the outside support groups and are not subject to the regulations for school activity funds. No monies raised by an outside support group/organization shall be deposited into a school activity funds account.
- District personnel, including principals, finance officers, sponsors, and administrators are not responsible for assets held by parents, booster, and/or teacher organizations. Funds derived from these organizations are external funds that cannot be commingled with the activity funds.

Cooperative Activity Agreement

Cooperative activities will be conducted with the written approval of the principal and an official agreement that sets forth the operating conditions of the activity and the division of revenue and expenses between the student body and the outside group. Expenses must be offset by an equal amount of revenue to assure that the cooperative activity is self-supporting and not utilizing funds that belong to another account of the Student Activity Fund.

Revenue Controls for Cooperative Activities

All revenue derived from the cooperative activity will be receipted for and deposited to the Student Activity Fund. A check will be drawn to the organization for the division of revenue as prearranged in the agreement mentioned. If the cooperative activity involves the

payment of an admission fee, such fees will be controlled through the use of serial numbered tickets obtained through and controlled by the ticket manager.

Parent-Teacher Organizations (PTA) and Booster Clubs

PTA's and Parent Controlled Booster Clubs are considered by the Internal Revenue Service (IRS) to be separate financial entities from the school division and thus are prohibited from using the Division's tax-exempt status in making purchases. However, PTA's are tax-exempt under the National PTA umbrella and must comply with IRS rules regarding commerciality. The PTA is a charitable 501(c) (3) organization whose purchases and sales are exempt from sales tax when made in carrying out its charitable functions and activities. Booster Clubs do not have tax-exempt status unless they have filed individually with the IRS. IRS 501(c) (3) provides an exemption from federal income tax for organizations that are organized and operate exclusively for educational, charitable, or other exempt purposes. Under no circumstances should a PTA or Booster Club use the school division's federal tax identification.

Virginia High School League Subsidy

The School Board allocates to each high school a subsidy for the Virginia High School League (VHSL) activities. Each high school receives the allocation of less estimated transportation costs at the beginning of the school year. These funds are to be deposited in the Student Activity Fund's checking account and are to be used for VHSL activities only.

Athletics

The following are approved sources of income from athletics, provided they are in accord with the Virginia High School League requirements and policies and regulations of the School Board:

- sale of tickets,
- share of gate receipts or guarantee from schools visited per mutual agreements,
- television and radio rights,
- program sales,
- concession sales such as popcorn, candy, and soft drinks,

Pay Entertainment

Entertainment with admission charges should be kept to a minimum, and admission charges should be fixed to permit the maximum number of pupils to attend.

Fees, Fines, Deposits, and Other Collections

Fees, charges, contributions, and deposits shall be collected from pupils only as authorized by the administration. These charges are of two types: (1) those made for the cost of services related to voluntary activities of pupils, and, (2) those made for services or materials rendered by the School Board.

School Store

The merchandise sold must be needed by the pupils to facilitate classroom instruction and must offer a minimum of competition to local merchants. Merchandise must be sold as close to cost as possible.

Donations

Individuals, businesses, community groups, and civic organizations often desire to make contributions for the benefit of the school or school activity. These contributions may be in the form of cash, actual physical items, or other forms of consideration. Such donations will be purely voluntary and the establishment of a quota or other scheme suggesting achievement in obtaining donations will be avoided.

Accounting for Gifts

A specific account name should be set up on the general ledger to account for gifts of cash accepted for a specific purpose. For example, XYZ Company Gift. The documentation must be retained for audit purposes.

Gifts of Equipment

Gifts of equipment may be accepted on behalf of the School Board. Donors should be informed that all equipment located in a school facility is the property of the School Board and is subject to transfer or redistribution if the needs so dictate. The Property Management Division of the Purchasing Department must be notified of the equipment so that it can be added to the equipment list for insurance purposes.

Spacing

Memorial Gifts or Bequests

Memorial gifts or bequests should be accepted with a written record designating the purpose or intended use of the funds. If a record is not received, or the donor declines to provide a written record, the funds will be used as determined by the principal.

Gifts to the Student Body by Classes or Clubs

Any gift identified as given exclusively by a particular pupil group must be financed entirely by that group, including installation and other incidental expenses. This shall not prevent the club or class from contributing toward a project undertaken by several classes or clubs or by the student body. All gifts to the student body must first receive the approval of the activity sponsor or sponsors. All gifts from a class to a school must be approved by the School Board.

Profits from General Student Body Activities

Profits resulting from activities supported by the general student body are Student activity funds. They may not later be diverted to any accounts of special groups except by written approval of the principal.

SECTION 8: TRANSFERS AND ADJUSTMENTS

Transfers

Transfers are the movement of fund balances between two or more activity accounts. Transfers can never be made between a cash account and an activity account. The source document used to transfer funds from two or more activity accounts is called a transfer voucher.

A. Cash Transfers

Cash to cash transfers is prohibited

B. Fund Transfers

Fund transfers are recorded when one activity fund account is providing funds to another activity fund account. As an example, profits from a fundraising account are usually transferred to other activity accounts that will use the profits. Another example is when funds are transferred between activity accounts to clear deficit or inactive balances. The following procedures must be followed for transfers:

- Fund transfers between activity accounts must bear evidence of approval by the principal and the sponsor/teacher. However, there should be a limited number or no transfers involving club accounts unless a club has terminated operations, or the club is reimbursing another fund for expenditures paid on its behalf.
- Funds transfer must be posted in the appropriate accounts in the same month that the transfer is authorized.
- Written notification of the transfer should be given to the sponsor/teacher of each activity account affected by the transfer.
- Typically, transfers to the General Fund may not be made from fund activities (unless the activity has terminated operations), athletic funds, and specific revenues funds (e.g. scholarship, gifts for specific purposes, etc.).

- Transfers among athletic accounts should be authorized by the athletic director or fund sponsor. Athletic funds may not be transferred to the General Fund or non-related funds without documentation detailing the reason for the transfer.
- There should be no transfers to activity funds except the General Fund to cover activity deficits that will not be recovered through future activity operations, or to correct instances where receipts have been classified to the incorrect accounts.
- Vouchers are to be filed in a transfer voucher file and retained for audit review.
- Post the transfer in the activity account in EPES.

Journal Adjustments

Journal adjustments must be approved by the principal for transactions including but not limited to:

- Deposit corrections by the bank
- Banking fees
- Checks clearing for amounts different than those posted in EPES.

SECTION 9: DONATIONS

A donation letter should accompany any donation received and include the donor's expectations for the use of the funds. The donation letter should be filed and kept in accordance to record retention requirements. The letter can be attached to check requests as supporting documentation.

Donations of \$1,000 or more must be forwarded to the Department of Budget and Planning where a donation account will be created for schools to use the funds. A copy of the donation letter should be forwarded with the check.

An activity account should be created for each donation to accurately track revenue and expenditures.

SECTION 10: FUNDRAISERS

Fund-raising serves as a source of revenue for the school and student projects. Fundraising is permitted by students attending middle and high schools, provided such activities are approved in writing and carefully monitored and regulated by the school principal. Elementary schools may not conduct any sales campaign, project, or other processes that require, encourages, or otherwise promotes the utilization of students in the door-to-door solicitation. The principal must develop and maintain a list of all fund-raising activities. The school principal is responsible for all types of pay, entertainment, or money-raising activities carried out with the school or sponsored by the school.

A Fund Raising Activity Permission Request Form and Fund Raising Operating Report must be completed by the teacher or sponsor and approved by the Principal before the beginning of the activity. These forms are to be completed for each fund-raising activity conducted during the school year. All monies collected from these activities must be deposited in the Student Activity Fund Bank Account. Also, all payments to vendors must be made with a check from the student activity bank account. Cash payments to vendors are prohibited. These forms must be maintained for review by the audit department.

SECTION 11: SURPLUS FUNDS

Normally funds obtained by student activity funds should be expended in the current year since such funds should benefit the student who contributed to the accumulation of such funds. In actual practice, however, the accumulation of funds for dedicated future use is in keeping with sound business practice, e.g., reserve funds for class trips or a build-up of funds for class organizations in anticipation of graduation year expenses.

Surplus funds are funds above the immediate cash needs of a club, class, or activity. The amount of surplus at the end of the school year should be governed by the needs of the activity within the school. The principal must monitor activity account balances and investigate any account balance above 25 percent of the annual gross receipts. Surplus funds should be maintained in the club, activity, or class account and should be used to offset future expenditures.

To minimize surplus funds, the finance officer will provide quarterly financial reports for each activity account to the fund sponsors. Teachers/sponsors should also obtain quotes from vendors before collecting money from students.

Use of surplus funds:

- Students must receive a direct benefit from the expenditure of surplus funds
- The expenditure of surplus funds must be per the established purchasing policies and procedures
- All expenditures require prior approval of the principal
- Excess surplus funds belong to the club class or activity that generated the funds. The expenditure of the surplus funds must be agreed upon in writing by the club president and sponsor

SECTION 12: DISPOSITION OF ASSETS AND DISPOSAL OF EQUIPMENT

Disposition of Assets at Closing of School

A school may be closed either permanently or temporarily, e.g., during a renovation. The principal of the school being closed should present a written proposal to the Superintendent outlining the suggested disposition of funds. Approval by the Superintendent will be the authority to proceed with the disposition of student activity fund assets.

Temporary Closing

Student activity funds should be retained in the name of the school being closed if the school is to be reconstituted with a student body within two years after closing. There must be an individual responsible for closing out the funds and maintaining custody of residual funds.

After the liquidation of inventories, all accounts receivable have been collected, and all obligations paid, the checking account should be closed. Inventories of items held for resale should be disposed of by sale to other schools. Inventory that is not subject to deterioration and that is not readily disposable (e.g., notebooks with the school name) may be boxed, labeled, and stored.

Permanent Closing

As a general rule, residual funds should be distributed to receiving schools based on the number of students going to each school. Inventories of items held for resale should be sold to other schools or returned to the vendor for credit. Items remaining may be given to other schools or disposed of following instructions of the Superintendent. After the

liquidation of inventories, ensure that all accounts receivable have been collected and all obligations paid. Savings accounts should be closed and balances deposited in the checking account. The checking account should be closed, by drawing checks to dispose of residual funds. When liquidation is complete, a final audit should be requested. Spacing

SECTION 13: RECEIPTS AND DEPOSITS

The sensitive nature of cash demands strong internal control procedures that provide reasonable assurance that cash is safeguarded against loss from unauthorized use while being properly and adequately documented and maintained. Also, adequate internal control measures protect all individuals who process cash transactions.

Policies and Procedures

Internal controls over receipts should include, but not be limited to, the following areas:

- All collections should be receipted by a pre-numbered receipt form, written promptly upon receipt of funds.
- All checks received should be receipted to the vendor in which it was received and deposited in the proper activity fund.
- The responsibility for receiving funds and writing receipts, preparing and making bank deposits, and posting financial records should be segregated.
- All funds should be turned into the school office daily.
- Cash receipts are not to be pre-signed or pre-dated.
- All checks should be endorsed for deposit only immediately upon receipt (stamp or write on the lines on the back of the check: “for deposit only” and account number check is to be deposited).
- Bank deposits should be made daily. Richmond Public Schools' administrative guidelines state that no more than a \$25.00 combination of cash and/or checks can be kept in a school overnight. All monies should be submitted to the finance officer before the end of the school day. If funds are received at the end of the day (athletics, concerts, etc.) the individual responsible for making deposits should use the night deposit bag.
- All collected funds should be deposited intact.
- All funds should be secured and not left unattended or accessible to unauthorized personnel.
- Appropriate security measures, locked cash boxes, safes, and vaults, should be used to protect all cash, checks, and cash items.
- Post-dated checks will not be accepted from any source.

- Checks should be properly written and verified before receipting the check. Checks should include name, address, and phone number, dollar amount written and numerical and endorsed by the payer.
- All deposits must be entered into EPES the same day funds are received and receipted by the finance officer.
- All receipts must be written the same day funds are submitted to the finance officer.
- It is the sole discretion of the finance officer to have all funds counted by a second counter however, it is suggested that all funds \$200 or more should be counted by the finance officer and a second counter. Verification of that count must be initialed on the settlement sheet by the finance officer and the second counter.
- Monies for fundraisers must be turned in daily and a receipt must be given to the teacher/sponsor.
- A copy of all checks received should be kept in the school's file for audit purposes.
- At the end of the school year, all money collected must be deposited before closing the books on June 30th.

Preferred method of payment cannot be established for schools. All forms of payments must be accepted unless bad check is written and documented.

The district does not have a preferred method and schools cannot make this determination. What happens when a bad check is written?

Receipt Form to be used by Teacher or Student Collector

This receipt form should be prepared each time money is collected by a teacher or sponsor. The receipt should be prepared in duplicate; the original should be given to the payer and the duplicate should remain in the book. Receipts should include:

- Activity or fund for which the collection is made
- Date and amount
- Name of the individual from whom money was received
- The purpose for which money was collected
- Signature of the individual receipting the money

When receipt books are completed, they should be returned to the school finance officer for audit and retention.

Settlement Sheet

The use of a settlement sheet is not needed when collecting monies for fundraising activities, bake sales, candy sales, etc. A settlement sheet must be completed by the teacher /sponsor recording the amount collected from individual students. Teachers or sponsors should use the yellow copy of the pre-numbered receipts and the settlement sheet to submit collections from students to the finance officer. The settlement sheet and receipts should equal the amount collected. The settlement sheet should include:

- Name of School
- Name of Teacher/Sponsor

- Reason for collection
- Date of collection
- Account name and number
- Student name
- Receipt number
- Amount collected per student
- Total amount collected
- The money intake form should be completed with the total breakdown of coins, checks, and currency collected
- Signature and date of teacher/sponsor
- Signature and date of finance officer

Receipt Form to Be Used by Finance Officer

The receipt Form is to be prepared when money is collected by the school finance officer. This receipt is used in posting collections to the EPES Accounting Software (Transaction File). Therefore, it is necessary that the name of the fund for which the collection is made be written on the face of the receipt. Also, the receipt must include the date monies were received, payer, amount numerical and dollar, and signed by the finance officer. The receipt should be prepared in triplicate. The original is to be given to the payer; the duplicate is to be used as a posting copy to the EPES Accounting Software (Transaction File) and the triplicate remains in the receipt book for audit purposes. Under no circumstances will student activity funds be used for cashing personal checks.

Voiding Receipts

When an error is made on a receipt, it should be voided and a new receipt issued. When a receipt is voided, the original must remain in the book and the word "VOID" written across both the original and the duplicates. If the original has been removed, it must be securely replaced in the receipt book over its corresponding duplicates. Void receipt copies should remain intact with the reason of the void and an approving signature on the face of the receipt.

If a receipt is issued in error or a receipt is posted to the accounting system in error, the finance officer may need to void the receipt. Follow the void receipt directions on page 14 of the EPES procedural manual. The manual provides directions on voiding a receipt entered in EPES and receipts not entered in EPES.

Deposits to Checking

The following procedures and considerations apply to the documentation of deposits to checking:

- Each deposit made to the checking account is to be evidenced by a copy of the deposit slip in the finance officer's file. If deposits are made by individuals other than the designated employee, e.g., athletic events, the deposit slips are to be turned over to the

finance officer in exchange for a receipt for the amounts shown on the deposit slips submitted. Prepare the receipt for the total amount of the deposit slips and attach the deposit slips to the yellow copy of the receipt. Athletic deposit slips are to be marked.

- The deposit slips retained by the finance officer are to be filed chronologically by month.
- The bank copies of deposit slips and any debit or credit memoranda returned with the monthly bank statement are to be kept together.
- Funds received should be deposited, in total, on the day received. Funds receipted in one month are not to be combined with receipts of another month in a single deposit.

Bank deposit slips must include the following:

- The date of the deposit.
- The amount of the deposit, broken down by cash, coins, and checks.
- List single checks by the last name of the maker.
- Multiple checks can be stacked in groups (run an adding machine tape to obtain a total and securely attach that tape to the deposit worksheet; record the total from the tape on the bank deposit slip)
- The original deposit slip will accompany the deposit and will be retained by the bank.
- Copies of receipts applicable to a deposit must be attached to the deposit slips(s), or the receipt numbers noted on the deposit slip(s). A copy should be retained by the finance officer.

Change Funds

Change funds may be established to provide money for change-making in connection with sales activity. Funds should be limited to those activities where there is a proven need, and the amounts should be limited to the minimum that will serve the change-making needs. Change funds will be established in the name of the individual responsible for the proper safeguard and timely return of the funds and will be recorded in an account titled "Change Fund" and not to the account of the activity that uses the change fund. The responsible individual will be held financially liable for loss or failure to return money issued for change operations. Change funds will be returned intact and redeposited to the checking account soon as the need for the fund has passed. Change funds will not be used for making disbursements. In some cases, there may be a need that continues throughout most or all of the school year. However, there should be no change fund in existence at the end of the school year.

NSF or Dishonored Checks

When a check is returned by the bank, a reasonable effort should be made to contact the person who wrote the check to have him or her make the check good. The payer must also pay the associated bank service charge.

- Accept only cash, certified check, or money order for the redeposit.

- If repayment is made by cash, certified check, or money order, the bad check should be returned to the person who wrote the check.
- Prepare a separate deposit slip and mark it —Redeposit. Several re-deposits may be combined on a single deposit slip marked —Redeposit.
- If payment cannot be collected, the principal may consider sending a certified letter stating that unless payment is received within ten days from receipt of the letter, further action will be taken.
- Contact the Department of Finance with guidance on accepting future checks from the individual/company.
- Keep ALL UNCOLLECTED checks for audit.

The dishonoring of a check is sufficient grounds for a refusal to accept future check payments from the makers of such checks. After one NSF check occurrence, refusal to accept future check payments will go into effect. Personal checks will not be accepted but certified checks can be used. Keep a log of individuals who have written bad or dishonored checks this will help the principal determine if a check from that individual is allowable in the future.

Loss of Cash

Any loss of cash, including checks, must be immediately reported by telephone to the Chief of Safety and Security, Coordinator of Risk Management, Finance Department, and the Internal Audit Department. The telephone report will be followed up by a written report directed to the security department, with information copies to the Chief of Schools, Coordinator of risk management, and the senior internal auditor. The written report will include the facts and circumstances and the steps that will be taken to prevent a recurrence. If necessary to establish the amount of the loss, assistance should be requested from the Department of Finance.

SECTION 14: DISBURSEMENTS

The principal must approve all disbursements made from a school's activity fund. To make a purchase, a purchase order, and/or an expenditure voucher must be submitted and approved by the principal. All disbursements should be made by check and should be supported by complete documentation, regardless of the nature of the expenditure. Supporting documentation may include invoices, receiving document/packing slip, completed purchase orders (when applicable), and with written approval (signed purchase orders/expenditure vouchers) by the principal. Check signers should review the supporting documentation before signing all checks. **W9's are required for all payments to vendors-no exceptions.**

Common internal control features for cash disbursements include the following:

- Checks will be pre-numbered sequentially. All checks will be accounted for in the accounting system.
- All expenditures should be made by check. The check must be signed by the principal and an authorized individual. At least three signatures should be authorized at the bank. No blank checks may be signed in advance.
- Under no circumstances can rubber signature stamps be used in place of the principal and designated individual's original signature (checks, expenditure voucher, purchase order, etc.).
- Disbursements will be made from an activity fund account only for the purpose for which the account was established.
- A purchase order must be entered in CIMS for all purchases from the activity fund above \$1,000.00.
- All purchase orders and/or expenditure vouchers must be approved by the principal **before** materials or services are ordered from the vendor.
- Canceled checks cannot be used as evidence for expenditures.
- The principal shall have firsthand knowledge of receiving the merchandise before approving the invoice for payment. Approval is indicated by the principal's initials and the date placed on the face of the invoice. The individual receiving the item must sign the delivery ticket/receipt.
- All bills, invoices, and other obligations should be paid by the date or terms indicated on the bill, invoice, and obligation however, if no date or terms are listed all bills, invoices and obligations must be paid within 30 days of the bill, invoice and obligation date.
- **Reimbursement requests for items that are the responsibility of the school board must be submitted as soon as possible or monthly to ensure they are reimbursed by fiscal year-end.**
- Checks should not be made payable to cash or bearer but only to a designated payee. (ex. Individual(s) or organization(s))
- If a check is voided, the number of the check will be recorded on the transaction file of the EPES Program in proper sequence and explained as void. When checks are voided they should be marked "**VOID**", and the signature portion of the check torn or cut off. The void check should be kept in the checkbook for audit purposes.
- Checks will be issued based on itemized invoices only and **not from statements**. Reimbursement to school personnel is to be based on a substantiating invoice, cash register tape, sales ticket, or receipt.
- Check-imaging if not already obtained, should be requested from your financial institution. The fee for this service is allowable through the student activity fund. Please contact the Department of Finance to have this feature added to your account.
- When goods are returned for any reason, accurate accounting is necessary to ensure that the school receives proper credit for the return. Never return goods to a vendor

without first contacting the vendor for the procedure to be followed in shipping the merchandise and a return authorization number if the vendor requires one.

Conflict of Interest

The appearance of a conflict of interest should be avoided. Student activity funds may not be deposited in any bank or other financial institution in which the principal or any other official of the school holds a position of trust or authority. The position of public trust held by the School Board employees requires that any impropriety or appearance of impropriety be avoided at all times. The School Board demands compliance with both the word and intent of the State and Local Government Conflict of Interests Act. School Board employees are prohibited from utilizing the buying services of the Student Activity Fund for personal purchases.

Checking Accounts

Only one checking account will be established for the student activity funds for each school. The account will be titled, —Richmond Public Schools, the name of the school, and the school’s address. The primary endorser will be the principal. School principals should designate an alternate endorser. Two signatures are required for check disbursement. The finance officer charged with maintaining the student activity fund records will not be designated as an alternate endorser, or as a co-signer for dual signatures.

Expenditures Requiring Prior Authorization

Expenditures for certain items out of Student activity funds require written authorization from the Superintendent. All such authorizations for expenditures expire one year after the date of approval. The Superintendent must approve expenditures from activity funds for all purchases, rented, or borrowed equipment that is attached to the building or that requires the use of public utilities.

Where expenditures require prior authorization, schools should anticipate needs in time to permit processing and clearance of written authorization requests. No school is responsible for an expenditure made by a pupil, teacher, or by any employee who has not first received authorization from the principal. The individual shall be held personally responsible for the unauthorized purchase.

Prohibited Expenditures from Activity Funds

Equipment and supplies for curricular, classroom or administrative purposes are the responsibility of the School Board. Therefore, Student activity funds may not be used for such items. The principal may use a principal's expense account of the Student Activity Fund as a

working fund, which is to be reimbursed by the School Board. Below is a list of allowable and unallowable expenditures from student activity funds.

USES OF STUDENT ACTIVITY FUNDS ALLOWABLE EXPENDITURES VERSUS UNALLOWABLE EXPENDITURES

Student activity funds shall be used solely per the purpose for which such funds are collected.

NOTE: The list should be considered a —working list. Due to the variety of expenditures; the list is not intended to be all-inclusive.

Allowable Expenditures

1. Welfare expenditures that help members of the student body carry out their work in school.
2. Hospitality meals for representatives on official business for the student body.
3. Equipment purchased for athletics, social entertainment, musical, play days, carnivals, etc.
4. Equipment costing \$500 or less (except that which is to be attached to the building or requires the use of public utilities), supplies and forms exclusively for student body use.
5. Purchase of merchandise to be sold in student body stores.
6. Awards to students in recognition of outstanding service to the school.
7. Curriculum-related field trips during school hours.

Unallowable Expenditures

1. Accommodations, loans, or credit to Richmond Public School employees or persons other than pupils.
2. Welfare expenditures for family relief.
3. Equipment, supplies, forms, and postage for curricular or classroom use or Richmond Public Schools business.
4. Equipment, supplies, and services for rooms and areas not used primarily for student body activities.
5. Repair or maintenance of equipment purchased with the school's operating budget.
6. Flowers and plants for offices, classrooms, and other areas when not used primarily for the student body.
7. Articles for the personal use of Richmond Public School's employees or other persons.
8. Custodial supplies and equipment.
9. Salaries for services are the responsibility of the School Board.
10. Professional books and magazines and memberships in professional organizations
11. Memberships in and contributions to any out-of-school organizations not directly related to the school or school program.
12. Contributions to fund-raising drives from general Student activity funds

13. Post-dated checks or personal checks may not be cashed for anyone.
14. Purchases of alcohol, tobacco, and illicit substances are specifically prohibited. The purchase of such items may result in disciplinary action of the purchaser.
15. Fundraising for Scholarships

Purchasing

No purchase may be made from student activity funds without the approval of the principal. A purchase requisition and a purchase order system should be established. Also, the internal controls should ensure to the greatest extent possible that:

- The purchasing, receiving, and accounting functions are segregated.
- Purchase orders are sequentially pre-numbered.
- Proper notification of the receipt of goods is made.
- Dollar limits of purchasing authority are established and adhered to.
- Procedures are adequate to ensure that purchases are accurately processed as to the quantity, price, and vendor.

The Virginia Public Procurement Act applies generally to every public body in the Commonwealth. Therefore, it can be interpreted to apply to school divisions and to individual schools that may be involved in purchasing goods or services. Purchases from student activity funds come under the Procurement Act as defined. However, there are dollar limits that help to facilitate the purchasing process.

The Procurement Act does not apply to the sale of photographs, class rings, or other merchandise sold by a vendor to students. Recent opinions of the Attorney General state that such a transaction is a distinctly separated purchase agreement by which the vendor agrees to sell and the student agrees to buy merchandise.

The principal or his duly authorized representative may authorize an obligation against Student activity funds for the purchase of services, provided such purchase does not exceed \$1,000.00. Payments for these obligations must be made before June 30th of the current year.

Purchase Regulations and Procedures

The following procedures must be strictly adhered to for the acquisition of goods and or services:

Purchase Orders

Purchases of goods or services over \$1,000.00, which obligate activity or special-purpose funds, must be entered online via an unapproved purchase order on CIMS to the Division of Purchasing. The online requisition must indicate the account code to which the purchases will be charged, the ship-to code, and the responsible person. The Purchasing

Division will determine the appropriate method of procurement. Procurement of goods or services less than \$1,000.00 may continue to be procured by the principal, department head, or designee.

When a purchase order is entered for student activity fund purchases, a check drawn against the activity fund account must be written. The purchase order itself must contain the school's operating budget code. The amount of the check should not be written until the exact amount of the purchase is determined, which is at the point that the requisition is entered into CIMS. The check should then be written to the School Board City of Richmond. The purchase order number and the school's operating budget code must be written on the memo line of the check. The check should be sent to the Department of Finance for credit to the school's operating budget code. If no check accompanies a requisition, regardless of the item purchased, it will be assumed that the use of the school operating budget is intended. If there is a variance between the amount of the check and the total paid by the Department of Finance, please select one of the following procedures:

- Prepare a departmental invoice payable to the school when the amount of the check is greater than the total paid.
- Prepare a department invoice payable to the School Board City of Richmond when the amount of the check is less than the total paid.

Caps and Gowns, Photographs, Class Rings, Yearbooks, and Graduation Announcements

For single or term contracts for caps and gowns, photographs, class rings, yearbooks, and graduation announcements that do not exceed \$30,000, principals may continue to follow the present practice of procurement. However, all transactions shall provide for competition wherever practicable. If an occasion should arise in which a school or school-related organization desires to enter into a contract that will result in sales of \$30,000 or more, the competitive negotiation method of procurement shall be used. The following steps will be taken:

- With the assistance of the Division of Purchasing, construct a basic Request for Proposals and mail it to all vendors who have requested to conduct business with the school or organization, and to any other vendor with whom you wish to conduct business.
- Once proposals are received, assemble a panel to review them using an objective rating system. A representative from the Division of Purchasing should be on the panel as a nonvoting member to provide advice on procurement procedures.
- Invite two or more of the top prospects (vendors) in for interviews. ☐ Select the vendor who has made the best proposal, negotiate, and award a contract to that vendor.

Transactions that will continue to be processed by the principals:

- Payment to visiting teams.
- Shared expenses of game officials
- Trip expenses--meals, transportation, etc. for ball games.
- Class trips.
- Athletic banquets.
 - Other award banquets o Book fairs
 - Fundraisers – payment for merchandise, e.g. gifts sales
 - Club memberships – e.g., FBLC o Proms – facility rental, catering, etc.
 - Student awards
- School logo – containing novelties such as tee shirts, cups, pens, etc.

Athletic Equipment Reconditioning

The Division of Purchasing awards annual contracts for the reconditioning of athletic equipment. For schools to have their equipment reconditioned, the Athletic Director must submit an unapproved purchase order that specifies the number of pieces and a description of the item(s) to be reconditioned along with a written estimate of the extent of damages prepared by the contracted vendor.

Penalty for Unauthorized Procurement

Several instances have occurred where employees of the Richmond Public Schools have made purchases of greater than \$1,000 directly from a vendor. This violates the Richmond Public Schools’ administrative regulations and procedures. With the exceptions of purchasing transactions discussed above, all purchases for the school system are to be made by the Department of Procurement.

Additionally, some locations are forwarding to the Purchasing Division requisitions marked —Confirming. This means that someone has placed an order for materials or supplies and is asking Purchasing only to process the paperwork for payment. In the future, such purchase orders, if not previously coordinated with personnel in the Division of Purchasing, may be returned to the end-user without action. Written justification for having made such purchases will have to be provided to the Superintendent.

Any person or persons making unauthorized purchases for a school for school system could be held personally and severally liable to the Richmond Public Schools for payment of such

purchase, and such action may reflect upon one's management proficiency. This paragraph is applicable for all types of funds used by the Richmond Public Schools.

Verifying Invoices for Payments

The finance officer will cross-check the invoice against supporting documentation before paying invoices. Any discrepancies will be brought to the attention of the fund sponsor who will research the discrepancy to determine the correct payment for the finance officer.

Fund sponsors are additionally charged the responsibility of verifying their applicable billings with the finance officer before the disbursement of funds. These cross-checks are important to verify that the purchased merchandise has been received acceptably. Delivery dates will be prominently noted on invoices.

Expenditure Voucher

Expenditure vouchers must be completed and submitted to the finance officer before making a purchase. Also, all vouchers must be approved by the principal (signature and date) before making a purchase. The expenditure voucher should include the following:

- Name of the school
- Name of the vendor
- Name of Teacher/Sponsor
- Date of purchase
- PO number if applicable
- Quantity, description, unit, unit price, amount
- Expenditure approval (principal signature and date)
- Fund to be charged
- Amount
- Date of Payment
- Check number
- Payment approval (principal signature and date)

Stale-dated Checks/ Unclaimed Property Process

Checks that were previously written by the school's finance officer that have not cleared the bank are called outstanding checks. All outstanding checks will remain in the outstanding check report until they have either cleared the bank or have remained outstanding for 180 days. Once an outstanding check has been carried in the outstanding check file for 180 days it is considered a stale-dated check. All outstanding checks must be researched by the finance officer to determine why the check has not cleared the bank. Richmond Public Schools follows the state's unclaimed property process where the holder (district) has to attempt to contact the owners of the accounts by mailing a due diligence letter to the last known address. Failure to perform due diligence can result in a civil penalty. Documentation should be kept at the school and submitted to the Department of Finance. Due diligence should be performed once

the check is 120 days outstanding. The vendor/payee has 60 days after the due diligence letters are sent out to respond. There is 3 courses of action within the waiting period. The first two actions can be completed once you receive the following response: Vendor responds payment is still due - void the original check and reissue a new check from original activity account, Vendor responds payment is not due - void the original check, sending funds back to original activity account. Vendor does not respond after 60 days – void the original check then complete a transfer from the original activity account to activity account 945-Unclaimed Property. Complete transfer form. Submit check to Finance Department with due diligence letter as supporting documentation. Make sure unclaimed checks are submitted within their reporting year based on the previous yearend date (6/30/20XX).

Stop Payment Action on a Check

If a Student Activity Fund check has been issued and is then reported lost or stolen, stop payment action may be taken. The stop payment action will be taken on all checks \$100.00 and over. Remember the threshold when taking action on outstanding checks and responding to the due diligence letters that involve voiding in the process.

Reimbursement for Expenditure of Personal Funds

Reimbursements for the expenditure of personal funds must be supported by receipt invoices, register tapes, etc. Canceled checks are not an acceptable form of documentation in support of reimbursements. Reimbursements for expenses are only allowable with adequate documentation.

Refunds

Refunds are issued based on the circumstances of the given activity account. All refund details should be stated before the collecting of funds for the account. Refunds preferred method is via check. All refunds should be documented in the school's request for refund form.

Postage

Postage stamps that are reimbursable by the School Board may be purchased through the Student Activity Fund using the Principal's Expense-Postage Account (981). The postage account is a clearing account, in which funds flow in and out in equal amounts. A typical transaction would consist of a check being disbursed from the student activity account to purchase stamps. The reimbursement for the purchase would be submitted to the Department of Finance for processing. Once the reimbursement check has reached the school, it would be deposited into the Student Activity Fund account, eliminating the deficit created by the initial disbursement. Postage meters may be used, but only the exact postage charges are reimbursable by the School Board. Service and use fees for postage meters will be charged against the administrative fund. Reimbursement will not be requested for the cost incurred in connection with mailing for the PTA.

Principal Expense Other Account

The Principal Expense account (982) is a clearing account that is often used by the principal to purchase items that are the responsibility of the school board such as seminars, professional dues, instructional material, and supplies, etc. The principal expense account normally has a zero balance at year-end. A deficit balance should indicate that reimbursement from the school board is due and must be cleared by the year-end.

Remittance of School Board Fees

Principals are responsible for collecting fees for lost and damaged textbooks, laboratory fees, library fines, building rentals, testing fees, before and aftercare, etc. Funds collected are deposited in the school activity account and a check is drawn on that account and sent to the finance office quarterly and prior to June 30th (yearend) of each year. A Remittance Statement must be prepared and submitted to the Department of Finance. Before and after school childcare programs, reference the guidelines for the before and after child care program. This document can be located on the RPS website.

Charges for Lost or Damaged Books

Principals are responsible for collecting fees for lost and damaged textbooks. Funds collected are deposited in the school activity account and a check is drawn on that account and sent to the Finance Office for such fees quarterly and before June 30th (yearend) of each year. Charges for lost or damaged books are determined by the condition of the book at the time of the issue. The principal must adhere to the schedule of charges for lost or damaged textbooks contained in School Board policy 3-3.12. If a lost book is found within the school year, a refund should be made to the student and the book returned to inventory.

Student Activity Fund Employees

The procedures outlined below will be used for paying individuals from student activity funds. These procedures will allow the school division to comply fully with IRS guidelines for reporting earned income.

Payments to RPS Employees

All Richmond Public Schools employees who perform extra duties must be paid through our payroll system. The time worked for those individuals should be turned in with the regular payroll on the Timesheet for RPS Employees. This time must be approved by the appropriate person (principals, assistant principal, athletic director, etc.).

Payments to non-RPS Employees

Internal Revenue Service regulations require that payments for services to certain business entities over \$600 in a calendar year be reported. When making payments to non-employees, it is important to distinguish between purchases of goods or services. A service is defined as any purchase that does not involve the procurement of finished goods. A purchase may

include both goods and services, but IRS regulations require only the service portion to be reported. Example of service providers includes bus services, performers, speakers, disc jockeys, costume/prop rentals, and video services.

For those persons who are paid and are not Richmond Public Schools employees, the timesheet for non-RPS Employees should be submitted to the Finance office monthly. This report should include who was paid, their social security number, their address, and the amount paid that month. It should be submitted no later than ten (10) working days after each month. This also applies to all companies that provide services or goods that are not incorporated. This information is necessary because these individuals/companies will receive 1099's at the end of the calendar year. It is important to note that although your school may pay a vendor significantly less than \$600, we must still have the Non-RPS Employee Timesheet so that Finance Account Payable can summarize the payments and properly report to the IRS.

Payments to Police Officers for Athletic and Non-Athletic Events

Richmond City police officers are considered Non-RPS employees and must follow the procedures for payments to Non-RPS employees. Police officers can be paid the day of the event directly from the SAF Account.

Payments to Athletic Officials

Athletic officials for major athletic events can also be paid directly from student activity funds. Generally, bills that list the names of the officials and the dates of the games served are presented to the school for payment. Such bills are paid directly to the billing organization. A W9 is required to pay vendors (individuals and organizations). No check should be written without a W9.

Equipment Records

A list or file of equipment purchased from student activity funds will be maintained in the Property Management Section of the Department of Procurement. New items will be added as purchases are made. Items purchased for resale, consumable supplies, and items such as athletic wearing apparel are specifically excluded from the provisions of this paragraph.

Minimum information should be maintained as follows: date of purchase, voucher number, description of the items to include a serial number if appropriate, cost, location of equipment, and disposition of the items if it is no longer on hand. Equipment records are permanent i.e. the records will be carried forward to each year.

SECTION 15: TICKET MANAGEMENT AND SALES

Control of Revenue for Admission Events and Ticket Management

All school activities that involve students, faculty, and the use of school facilities, and for which an admission fee is charged, will normally be controlled by the use of serial numbered tickets supplied from an inventory of tickets under the control and supervision of the principal or designee.

Control of Serial Numbered Tickets

Tickets used for control of admission revenue have a monetary value. School authorities must be able to assure proper control of admission revenue and be able to prove their fidelity in response to inquiries from the public. To that end, one or more persons will be designated by the principal to control and supervise the use of tickets used in the school. The person or persons so designated will be known as ticket managers.

The principal may require that one ticket manager be responsible for all tickets, or various persons may be designated to perform ticket management duties in specific areas. For those tickets not controlled by one overall ticket manager, the ticket management duties will normally be delegated to the sponsor of the event for which the tickets are used.

Ticket manager duties will include ticket security, accounting for tickets, supervision of ticket sales, and reporting discrepancies to the principal. If tickets are used in elementary schools, records will be kept that provide for the ready determination of the following information:

- The quantity contained in inventory at the beginning of the school year and the quantity purchased during the year.
- Sale of tickets by numbers, day of the event, and price.
- Other disposition, e.g., issued free, destroyed, lost, or stolen, by date of the incident.

High School Athletic Director

- Handles all gate receipts for athletics, music, drama, banquets, and all activities where admission is charged
- Have serial numbered tickets printed
- Supervises distribution and sale of tickets
- Works with either students or teachers
- Request signatures for tickets for which they will be responsible
- Balances all accounts before door sales (i.e., checks on the return of unused tickets) Supervises door sales
- Deposits all money

- Completes written reports accounting for all receipts and other duties as assigned by the principal.

An exception to Use of Serial Numbered Tickets

Some activity events are conducted where the admission charge would be items of value other than cash.

Such events need not be controlled by serial numbered tickets if that is the desire of the principal. Additionally, some events are conducted on a casual basis and revenue is minor, e.g., a dance after a basketball game. In such cases, serial numbered tickets need not be used if the principal ensures adequate controls over cash such as the use of locked cash boxes, adult supervision, etc. The exception does not apply to events for which an admission fee is a normal practice, such as athletic events, band concerts, plays, etc.

Ticket Security

Tickets will be stored in a secure place, and in a manner to facilitate physical count. Access to the tickets will be restricted to authorized personnel.

Ticket sales

- 1) Pre-numbered tickets shall be used with **ALL** events for which admission is charged (including athletic events, dances, concerts, plays, prom, or season passes).
- 2) Unused tickets shall be stored in a secure location.
- 3) The Report on Ticket Sales is to be used to report and reconcile the number of tickets sold and the funds collected.
- 4) The principal or finance officer, who shall not be the person in charge of sales, is to have the safekeeping of the pre-numbered tickets (be the ticket controller). The finance officer shall not sell tickets either.
- 5) The person in charge of sales requests one or more rolls of tickets (more than one color if there are to be a different adult and student ticket prices) from the ticket controller.
- 6) The person in charge of sales records the beginning ticket numbers and notes the amount of change received or “none” if none is received, and signs the Ticket Requisition section.
- 7) Two people (ticket seller, ticket taker) should work the gate. The ticket seller gives the entire ticket to the customer as they collect the entrance fee.
- 8) The ticket taker tears the ticket in half gives half to the customer and retains half until after the Report of Sales section is completed.

- 9) The number of tickets collected is reconciled with the number of tickets sold on the Report of Ticket Sales. The amount of cash collected and the total sales amount is compared to the amount to be deposited. Cash collected is compared to the number of tickets sold with any Cash Over/Short identified before turning the form and money into the finance officer.
- 10) The person in charge of sales is responsible for the safekeeping of the ticket sales money collected.
- 11) The person in charge of sales, the ticket taker, the finance officer, and the Athletic Director must sign the Report of Ticket Sales.
- 12) The money and the report are to be given to the finance officer for the first workday following the event.
- 13) The finance officer will retrieve or confirm with the bank amounts placed in the night deposit.
- 14) The person in charge of sales and the finance officer shall verify the beginning and ending numbers of tickets and account for money collected. Discrepancies must be resolved immediately.
- 15) The finance officer prepares a receipt and attaches a copy to the Report of Ticket sales and the original signed receipt is given to the Person In charge of Sales.
- 16) Money collected shall be promptly deposited. If collected after business hours, the money for deposit shall be placed in a night depository or night drop.
- 17) A change fund shall be initiated with a check written to the Athletic Director or responsible person. The change fund money shall be kept in a secure location between games and redeposited at the end of the season on a separate receipt and not comingled with gate or concession receipts

Report on Ticket Sales

The —Report of Ticket Sales should be prepared in duplicate for each ticket sold by the box office manager whenever tickets are sold for school functions. The first and last numbers of each type of ticket issued to each ticket seller should be noted in the columns provided on the respective reports. This report should be transcribed to the names of each ticket seller and the total sales, change fund, accountability, and remittance of each seller. Upon completion of the report, certified copies by the ticket seller and the original should be submitted with the money to the box office manager. The ticket seller should sign and date on both the original and duplicate of the report and retain the duplicate as evidence of remittance. The report should be totaled and certified by the box office manager. The box office manager should sign in the spaces provided on both the original and duplicate of the

report to indicate receipt of the money. The box office manager should submit the money and the supporting Reports of Tickets Sales to the finance officer. The finance officer should document receipt of the money by issuing a receipt to the box office manager for the amount of the remittance.

Financial Report on Sharing of Revenue

The athletic director of the host school must complete a —Athletic Financial Report. The report should reflect total receipts minus expenses. If there is a gain or profit for the event, the schools will equally share the profit. The —Athletic Financial Report shown in Chapter 9 may be modified or adapted to meet the needs of the athletic director.

SECTION 16: SCHOOL STORES

The purpose of the school store is to provide convenience to the students and school staff for the purchase of items associated with the instructional program of the school and items that contribute to the development of school spirit. Revenues, excluding change fund, will be deposited intact with the finance officer daily. Cash from sales will not be used to make payments for supplies.

Merchandise for Sale

Merchandise offerings should be limited in selection, and competition with local business firms should be minimized. Items will be sold directly to the purchaser; no drawing accounts or minimum purchase limits will be established that would suggest the payment of a fee for supplies as opposed to separate and individual purchases. Merchandise should be purchased for sale only if they can be sold during the school year.

State Sales Taxes

Sales taxes will be paid to the vendor by the school store for all items purchased for resale for personal use. No state sales taxes will be levied directly upon the school store customer. Contact the Purchasing Department to receive the Sales Tax Exemption form.

Inventory Control

A physical inventory of goods held for sale by the school store will be accomplished at least twice yearly as a means of determining any profit or loss trend and to provide a learning opportunity for students operating the store. A final end-of-school inventory will be taken and the inventory report filed with the finance officer for audit purposes.

Inventory Losses

School store merchandise held in storage during the summer months should be checked against the End-of-Year Inventory Report when the school store opens at the beginning of the school year. Losses noted at that time will be reported to the principal. Positive steps will be taken to fix the responsibility for the loss. Any losses attributed to pilferage should result in steps being taken to further secure access to the inventory.

School Store Profits

Unless otherwise established by School Board regulation or sale agreements with vendors, the school store profit margin will not exceed 25% of the costs of goods sold. Profit in this sense applies to gross sales and not to each item sold. Pricing of individual items should be based upon considerations of local competition and rounding to a convenient sale price.

Saleable Inventories

Inventories of Student Activity Fund saleable merchandise represents, in the fullest sense, funds that are the property of the students and must be safeguarded and managed accordingly.

Accounting for Sales of Inventory

Sales that produce general revenue and involve inventoried merchandise, such as athletic clothing, school store items, etc. must be accounted for inappropriately titled accounts as a means of determining profit and loss. Only the revenue and expenses attributed to the sales activity will be included in these accounts, except that profits may, of course, be transferred to appropriate accounts. Sales that produce minor specific revenue may be accounted for within the account of the sponsoring school activity.

Inventory Valuation

Inventory of saleable merchandise will be taken frequently during the school year as both a learning and responsibility factor for the students concerned with the sales activity, as well as a control and safeguarding tactic. Inventory values will be set at the latest cost price of the items as reflected in the latest vendor invoice, including sales tax and delivery charges. When it becomes apparent that inventory items cannot be sold for an amount at least equal to the invoice value, adjusted values should be used, based on the judgment of the fund sponsor concerned, for inventory valuation.

Sale Price of Inventoried Items

Profit from sales of inventoried merchandise will not normally exceed 25% of the cost of goods sold, or such other percentage as may be specified. The 25% limitation is established in a gross sense, and need not apply to each specific item for sale within an activity. Pricing should consider change transactions and round to a convenient sales figure, as well as local

competition. Inventory items that are deemed not saleable at the normal price due to age, damage, unsuitability, etc., should be disposed of by return to the vendor for credit if possible, or by reduced sale prices, or as ultimately determined by the principal.

Inventory Security

Substantial losses to Student activity funds can occur due to losses of saleable inventory. Inventory security can best be obtained by the rapid turnover of merchandise and limiting inventory to minimal amounts during the time the school is closed. Access to stored inventory should be limited to that personnel charged with the responsibility for the sale of the merchandise. The absence of a means to limit access to stored inventory inhibits charging anyone with the responsibility for the merchandise and generally results in no security at all. The use of locks accessible with a master key system alone is discouraged.

SECTION 17: GIFT CARDS

Student activity funds cannot be used to purchase gift cards for students or staff. If gift cards are donated to the school for staff and/or students, the donor letter must be retained for audit purposes. All gift cards should be locked in the school's safe with all other financial resources. The proper way to document a gift card receipt from a donor is as follows:

- Create a gift card log (a log for students and a log for staff)
- The log should include the name of the vendor labeled on the card (i.e. VISA, MasterCard, Chili's, McDonald's, etc.), the date the gift card was received, the amount of the gift card, and the name of the recipient (individual the school will be giving the gift card to).
- The recipient must sign and date receipt of the gift card.
- For students in grades K-2nd, the teacher and/or finance officer may sign on their behalf.
- Students in grades 3rd through 12th can print their names on the gift card log.

SECTION 18: FORMS

Forms are available on the District website in PDF format and the inventory forms are available in PDF and Excel format. Forms must be used for all SAF documentation.

- i. Fundraiser – Request Form
- ii. Fundraiser – Operating Report
- iii. Settlement Sheet
- iv. Ticket Sales Report
- v. Athletic Financial Report
- vi. Remittance Statement
- vii. Expenditure Voucher
- viii. Ticket Inventory Report
- ix. Request for Refund Report
- x. Returned Check Log
- xi. Write-off (Returned) Check Log
- xii. Transfer Voucher Form
- xiii. NSF Letter
- xiv. NSF Returned Check Log
- xv. Reimbursement Allocation Form
- xvi. Field trip checklist
- xvii. Field trip approval form

Richmond Public Schools

Name of School

Report of Ticket Sales

Event Title and Date

Adult Cost: _____

Child Cost: _____

Discounted Cost: _____

Total Tickets Sold: 0

Total Ticket Sales: \$0.00

Beginning ticket inventory number	
Ending ticket Inventory number	
Change Fund:	\$
Cash Over (Under):	\$

Name	Adult	Child	Discounted
Person 1			
Person 2			
Person 3			
Person 4			
Person 5			
Person 6			
Person 7			
Person 8			
Person 9			
Person 10			

X

Box Office Manager

X

Ticket Seller Signature



Ticket Inventory Record

Name of School: _____ Fiscal Year: _____

Color of Ticket Roll: _____ Page _____ of _____

Date	Event	Beginning Ticket Number	Signed Out By	Ending Ticket Number	Return Verified By	Number of Tickets Sold

A separate ticket inventory record must be used for each ticket roll. Use multiple sheets until the entire roll is consumed.

Record Prepared by: _____ Date: _____
(Signature and Title)

Principal Signature: _____ Date: _____

FOR OFFICE USE ONLY RECEIPT NUMBER: _____ DATE: _____
--

STUDENT ACTIVITY FUND SETTLEMENT SHEET

NAME OF SCHOOL

TEACHER/SPONSOR NAME

DATE OF COLLECTION

REASON FOR COLLECTION

ACCOUNT NAME AND NUMBER

	STUDENT NAME	RECEIPT NUMBER	AMOUNT
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			



13			
14			
15			
16			
17			
18			
19			
20			

TOTAL AMOUNT: \$ _____



RICHMOND PUBLIC SCHOOLS -ACTIVITY FUND MONEY INTAKE FORM

CHECKS: NUMBER _____ \$ _____

 NUMBER _____ \$ _____

 NUMBER _____ \$ _____

 NUMBER _____ \$ _____

CASH: \$100 x _____ \$ _____

 \$50 x _____ \$ _____

 \$20 x _____ \$ _____

 \$10 x _____ \$ _____

 \$5 x _____ \$ _____

 \$1 x _____ \$ _____

 \$0.50 x _____ \$ _____

 \$0.25 x _____ \$ _____

 \$0.10 x _____ \$ _____

 \$0.05 x _____ \$ _____

 \$0.01 x _____ \$ _____

TOTAL CHECKS: _____

TOTAL CASH: _____

RECEIPT NUMBER: _____

TEACHER/SPONSOR

DATE RECEIVED

FINANCE OFFICER

DATE VERIFIED

**RICHMOND Public Schools
REQUEST FOR REFUND**

School Name:

Date:

For:

Account:

	Refund Issued To	Receipt Number	Amount	Check Number
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
Total Payments			\$	

Payment Requested By: _____

Payments Verified By: _____

Payments Approved By (Principal Only): _____



Month, Date, Year

Ms. XZX
1234 Shady Lane
Richmond VA 23221

RE: Your check #, dated Month, Date, Year

Dear Ms. XZX:

Your check made payable to **(Name of School)** in the amount of **(\$)** for **(Name of Activity)** for **(Student Name)** has been returned to us for insufficient funds, after our bank attempted to present it twice for payment.

Please bring or send **(\$ Total Amount)** (the amount of the check, plus \$35.00 for the bank's service charge for returned checks) to my attention by **(Specify date)**. We must ask that this amount be paid by cash, certified check, or money order. If you should have any questions, please don't hesitate to call me at **(School Phone Number)** between 8:00 a.m. and 4:00 p.m. weekdays.

Sincerely,

(Finance Officer Name)
Finance Officer
(Principal Name)
Principal



Richmond Public Schools
REQUEST TO CONDUCT A FUNDRAISER

Name of School: _____

Date of Request: _____

Sponsoring Organization/Class: _____

Beginning and End Dates: _____ **To** _____

Type of Fundraiser (Example: donut sale, raffle, t-shirts, etc.):

Product or services will be sold (check one) **School wide** **Sponsored group**

Details of Fundraiser (purpose, the cost to class/club, selling price, etc.):

The following activity fund account(s) will receive the net proceeds:

I have requested to conduct a fund-raising activity, and I will be responsible for the preparation of the Operating Report. I will be responsible and accountable for all monies collected after the fundraising activity.

Sponsor Signature: _____ **Date:** _____

NOTE: The Fundraising activity request form must be completed and submitted for approval at least three weeks prior to the fundraising activity.

OFFICE USE ONLY

Principal Signature: _____ **Date:** _____

- Approved** **Denied**
- Copy for Finance Officer**
- Copy for Sponsor**



Richmond Public Schools
Fundraiser Operating Report

Name of School: _____

Date: _____

Sponsor/Organization: _____

REVENUE

Total number of items acquired: _____

Total number of items unsold: _____

Disposition of unsold items: _____

Total number of items sold: _____

Selling price per item: _____

Total amount collected: _____

(Total amount collected = Total number of items sold x Selling price per item)

Receipt Number	Date	Recipient	Amount

EXPENSES

Total expenses merchandise/services sold: _____

Other fundraising expenses (Describe): _____

Total expenses: _____

Check Number	Date	Payee	Amount

PROFIT

Net Proceeds: _____

(Total expense - Total amount collected)



Richmond Public Schools
Fundraiser Operating Report

Sponsor Signature

Date

Principal Signature

Date

Note:

All monies collected must be turned in daily. Cash payments and purchases are prohibited. All disbursements must be made from activity fund checks. The disposition of funds will be known because the collection was made for a specific purpose.

The Operating Report must be prepared upon the completion of the fundraising activity. The distribution of the completed fundraising operation report is as follows:

- Original- Retain with the school activity funds records (finance officer)
- Duplicate Copy- Given to the sponsor

Attach a copy of the Fundraiser Request form receipts and supporting documentation for audit purposes.



EXPENDITURE APPROVAL VOUCHER

NAME OF SCHOOL

VENDOR:

TEACHER/SPONSOR: _____
DATE OF PURCHASE ORDER: _____
PO NUMBER: _____
W9 provided : Yes _____ No _____

EXPENDITURE APPROVAL: _____

(PRINCIPAL SIGNATURE AND DATE)

QUANTITY	ARTICLE AND DESCRIPTION	UNIT	UNIT PRICE	AMOUNT

FUND TO BE CHARGED: _____

AMOUNT: \$ _____

DATE OF PAYMENT: _____

CHECK NUMBER: _____

PAYMENT APPROVAL: _____

(PRINCIPAL SIGNATURE AND DATE)



Athletic Financial Report

(School Name)

Event/Sport: _____

Date: _____

Location: _____

Opponent: _____

Receipts	Number of tickets sold	Cost per ticket	Total
-----------------	-------------------------------	------------------------	--------------

Pre-Sales:

Gate Sales:

Expenses	Number	Amount	Total

Total Expenses: \$ _____

Net Gain/Loss: _____

Opponent's Split Total: _____

Host's Split Total: _____

Student Activities Director

Date



RICHMOND PUBLIC SCHOOLS STUDENT ACTIVITY FUND TRANSFER FORM

From Account #	Account Name	Amount	Document #
Total			

To Account #	Account Name	Amount	Document #
Total			

Reason for transfer:

This form is required to document the transfer of funds from one internal account to another. Number all transfer forms consecutively, beginning with the fiscal year and then number 1 (21-001), and post this number as the document number in EPES.

All transfer forms must be signed by the principal.

Signature of Teacher/Sponsor

Date

Signature of Finance Officer

Date

Signature of Principal

Date



Remittance Statement

Name of School: _____

Date: _____

The following listed funds of the School Board have been collected and are herewith remitted:

<u>Fund</u>	<u>Rev</u>		
100	4121	Building Rentals	\$ _____
100	4122	Testing Fees	\$ _____
100	4123	Laboratory Fees	\$ _____
100	4125	Library Fines	\$ _____
100	4126	Damaged & Lost Textbooks	\$ _____
100	4183	Instructional Materials	\$ _____
		Chromebook Charges	\$ _____
		Unclaimed Property	\$ _____
Miscellaneous (Give details)			\$ _____

Total Remittance: \$ _____

(Principal Signature)

(Date)

Mail to:
Richmond Public Schools
Department of Finance
301 North Ninth Street, 16th floor
Richmond, VA 23219

SECTION 19: ACKNOWLEDGEMENT FORM

I have reviewed and understand the information in the Student Activity Fund Procedures Manual.

Principal Signature

Date

Finance Officer Signature

Date