

Financial Accounting and Reporting

Procedures for School Activity Funds



**SchoolFunds
Online**
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The Financial Accounting Manual for School Activity Funds was developed as a reference and to give guidance to Principals, Bookkeepers, fund managers and any other staff who may be working with the school activity funds.

The procedures set forth in the manual are for proper accounting and handling of the Commonwealth of Virginia's local school activity funds.

Cash Receipts Procedures

To accomplish sound internal controls over cash receipts, each school Principal is responsible for assuring that these cash receipts procedures are followed.

All funds collected by teachers/employees must be received in the Principal's office on a daily basis, posted in the proper activity fund account and deposited on a daily basis.

Teacher/Employee Receipt Procedures *(Rev. 07/01/22)*

Any teacher/employee collecting funds from students shall provide an activity fund receipt to the student and to the Principal's office. Each individual routinely collecting funds for the Suffolk Public School system will maintain a cash receipt book.

Example: Classroom Teacher
Club Sponsor
Fundraiser Sponsor
Librarian

At the beginning of each School Year, a receipt book should be issued to any full-time employee who will be collecting money. Part-time coaches should turn over any monies collected to a full-time contracted employee. The Bookkeeper should keep on record an inventory of ALL receipt books issued each year. The individual must sign for the receipt book and a copy of the Financial Policies and Procedures that outlines the money policy for your school. The same receipt book may be issued to the same person for subsequent years. If at all possible, Bookkeepers should not collect money directly from students or parents. This provides a separation of duties for collecting and depositing of funds as recommend by the external auditors.

A receipt should be issued to each individual turning in money. The receipt should be completely filled out with the date, amount, name, signature, and purpose of the receipt. Each teacher/employee shall remit any funds collected, along with the activity fund receipt copies, directly to the Principal's office on a daily basis. School Board policy states that no funds should remain in the classroom or be taken home by staff.

Receipt Books: White copy - student
Yellow copy - Bookkeeper
Pink copy - receipt book master copy

Students who collect small amounts (less than \$5.00) daily for a charitable organization may turn in this money to a teacher without the teacher being required to write individual student receipts. However, the teacher must prepare a daily list including the date,

student name and amount submitted. The Teacher must prepare a single receipt for the total daily collections that were under \$5.00 or more. All receipts must be submitted to the Bookkeeper for deposit on a daily basis.

Bookkeeper Receipt Procedures (Rev. 03/16/15)

Bookkeepers will add the copies of activity funds receipts to assure that the proper total amount of cash and checks has been remitted by the teacher. The Principal should designate a secure place to count the money other than the front office. Any discrepancy must be reported to the Principal immediately.

Note: Violation letters are to be issued if a staff member does not comply with school board financial procedures (Appendix F).

Bookkeepers will generate a receipt from the School Funds Online accounting software system (SFO) that will show the staff person's name and amount received. A copy of the generated receipt will be provided to the staff person to complete the staff records. A Deposit Analysis report will be generated to verify the total daily deposit.

At a Glance Receipt Creation:

1. Create a New Receipt
2. Review Receipts
3. Print Receipts
4. Post Receipts
5. Post Deposit
6. Deposit Analysis Report

Complete deposit package:

Keep on File for Auditors

Student activity receipts
SFO receipts
Deposit Analysis Report
Stamped & Unstamped deposit slip

The bank deposit slip will be prepared in triplicate and will list each check individually (check number or last name). Two copies will be sent to the bank within the deposit bag and one copy will remain in the office. If deposit receipt package is complete, two part deposit slips are permitted. The Principal will designate an employee who will deliver the deposit to the bank each day, as well as an alternate. This employee must sign for the bank bag on the Daily Cash Reconciliation form. The stamped copy of the deposit slip will be returned to the Bookkeeper.

All deposits are to be made during regular bank hours, either in the lobby or drive-thru, except in the case of an emergency. Funds are to be verified by the bank teller in the presence of the school employee making the delivery. If a school has an individual circumstance that would not allow deposits to be made during regular bank hours, they

should contact the Senior Accountant of Finance directly or by e-mail. Schools should have a cut off time for accepting deposits each day. Any deposits turned in after the cut-off should be dated the next day.

Designated Alternative Employee

The Principal will designate an alternative employee to handle the cash receipts in the absence of the Bookkeeper. All funds collected each day by a designated employee, shall be tabulated by denomination on the Daily Cash Reconciliation form (*Appendix A*) and included in the bank deposit for that day. This Daily Cash Reconciliation form will include the total cash and checks received each day. This form must be provided upon the Bookkeepers return for entry in School Funds Online.

Auditing of Receipt Book

Daily:

Check the dates, amounts, and signatures on each receipt. Make corrections daily to avoid confusion and to point out mistakes to the teachers. Corrections should always be done in carbon. Issue violation letters when required.

Yearly:

Run a calculator tape adding all the receipts in the receipt book, then subtracting out the office receipts attached to the book. The total **must** be zero. If it is not, you have not accounted for the money or there is an office receipt missing. Research and find out what the problem might be and fix it prior to the audit.

After the receipt books are turned in at the end of the year and checked by the Bookkeeper, they may be reissued after the audit to the same teacher for the new year. The Bookkeeper needs to note in the receipt book where the old year ends and the new year begins. Teachers who leave during the school year should turn in their book when they leave. A new book would then be issued to the new teacher. All new teachers should be given a new book.

Entering and Posting a Receipt as “Void”

This feature may be used to void receipts in School Funds. The Void Receipt Proof Sheet must include an explanation, must be signed by both the Bookkeeper and Principal and kept on file for auditing purposes.

Procedures for collection of money for Book Fair / School Store *(Rev. 07/01/22)*

For book fair and/or school store sales, you should at least maintain a daily listing of items sold, noting the date, the buyer, the item(s), the amount and the total for the day turned in for deposit. A copy of this should be turned in with the money collected. A general description, such as: "books", "pencils", "books and supplies" is adequate. The Media Specialist/Teacher must prepare a single receipt for the total daily collections to be turned in with the money collected.

For book fairs, profits should be transferred to the library fund. This is required so that the book fair account only includes book fair transactions and the resulting profit is clearly reported.

Fundraisers *(Rev. 07/19/23)*

All fundraisers, either a school-wide fundraiser or a fundraiser benefiting a specific class, organization or activity, should be documented by a Fundraiser Request located on the Staff web page under forms. This form must be approved by the Chief Financial Officer. This includes pictures, yearbook and fundraisers for charity organizations.

All fundraiser monies collected must go through the school books and posted to the fundraiser account. After all expenses have been paid, profits may be transferred to the account for which the fundraiser was intended or to a sub-account setup under the general fund. Monies donated by check and made payable to a charity may be sent directly to the charity without going through the school books.

If a fundraiser is held and the flyer states that prizes (gift cards) will be given out to students as incentives for sales, it is permissible to pay for gift cards for students. This would also apply to the Crime Stoppers Club that gives gift cards as rewards for crime tips.

Fundraisers for faculty fund must be clearly stated and advertised as such. Advertisements and/or flyers for the fundraiser must state the percentage of profits that will be designed for the faculty fund. This applies to all fundraisers including pictures, yearbook, spirit wear, etc. Upon completion of the fundraiser, the percentage of any remaining profits as advertised may be transferred to the faculty fund.

Club members do not have to issue receipt for monies donated. However, club members must be receipted by the club sponsor for monies turned in each day.

Ticket Sales (Rev. 7/01/22)

All school activities involving students, faculty and the school facility and for which an admission fee is charged, will normally be controlled by the use of serially numbered tickets supplied from an inventory of tickets under control and supervision of the Principal or designee.

Each Principal shall designate a Ticket Manager who is responsible for the ticket inventory as well as an alternate to serve in the absence of the manager. The Ticket Manager will control and document the ticket inventory on a ticket inventory form to include all of the following ticket transactions.

- Recording of opening inventory
- Purchase of Tickets
- Issue of Tickets for an event
- Return of Unused Tickets from an event
- Destruction of Tickets

The ticket inventory form must document all ticket inventory and activity for the entire school year and kept on file for review.

As tickets are needed for fee admission events, they will be issued and recorded on the Ticket Sales and Deposit Report. This form serves as the record of tickets sold by an individual. One form should be completed by each ticket seller. Do not allow a single form to be used by more than one ticket seller. Make sure that all ticket sellers understand their financial responsibility, the importance of this form and how to complete the form.

Prior to a fee admission event, a school issued ticket box containing the tickets, the Ticket Sales and Deposit Report and change funds (if applicable) must be provided to each ticket seller. Upon completion of the event, the ticket seller will turn over the cash remittance and unused tickets to the ticket manager or box office manager and will sign the report to certify its correctness.

Ticket boxes containing the tickets, the Ticket Sales and Deposit Report, and cash must be returned to the School Bookkeeper. For admission events that occur after business hours, the ticket boxes may be locked in a safe in the school to be included in the deposit the next business day. Ticket boxes are not permitted to be taken off school grounds.

Bookkeepers will verify the Ticket Sales and Deposit form to assure that the proper total amount of cash has been remitted by the ticket seller. The Principal should designate a secure place to count the money other than the front office. Any discrepancy must be reported to the Principal immediately.

Online School Payment Procedures *(Rev. 01/14/19)*

To accomplish sound internal controls over online school payments, each school Principal is responsible for assuring that these procedures are followed.

Online School Payments Process

Online portal allows parents/guardians, students and staff the convenience of having an option to pay for various school fees, activities and events by using a credit or debit card (VISA or MasterCard) on a secure online payment system that is fully integrated with School Funds Online. This option of online payments should be made available for all products offered for sale by the school, and payments required by the school for various fees, activities and events.

1. Product is created in the management portal by the Bookkeeper.
2. Product goes online automatically at the scheduled date.
3. Parents/Students visit the online store using the link provided by the school
4. Parents/Students credit card is charged.
5. Emails are automatically sent to the Teacher/Sponsor, Bookkeeper and Parent/Student.
6. Money is deposited into the school bank account.

Purchase Fees with Online School Payments

A 4% service fee on the items selected plus \$.35 per order fee will be added to the total cost when completing the purchase. The fees are retained by the software vendor and the credit/debit card companies. They are not collected by Suffolk Public Schools.

Refunds for Online School Payments

Refunds may be processed by the Bookkeeper within 90 days of the original date of purchase. Funds will return to the original card within 48 hours. Only line item amounts are refunded. Funds will be withheld from all future positive statement periods until the refund amount is repaid in full. If there is still an unpaid amount, the software vendor will send an itemized bill at the end of the school year to collect the remaining amount. Funds are never taken from the school bank account. For refunds after 90 days of the original date of purchase, a check may be created for a refund.

Bank Deposit Dates

Sales from the 1st of the month through the 15th of the month will be deposited on the 16th of the month. Sales from the 16th of the month through the 31st of the month will be deposited on the 1st of the following month.

Online Payment System to School Funds Online Process *(Rev. 07/01/22)*

1. A deposit is made into the school bank account
2. A deposit statement is created by the software vendor.
3. An email is automatically sent to the Bookkeeper.
4. Log in to OSP and print the deposit statement.
5. Create a Journal Entry to post the deposit in School Funds Online.
 - a. Select the journal entry for Bank Interest and Other Credits
 - b. Use the deposit date as the date for the journal entry
 - c. Use the multiple accounts option, if needed.
 - d. Enter the total amount for each account number as shown on the statement.
 - e. Print and post the Journal Entry

Documentation for the auditors:

- **OSP statement**
- **Signed Journal Entry Proof Sheet**

Cash Disbursements Procedures

To accomplish sound internal controls over cash disbursements, each school Principal is responsible for assuring that these cash disbursements procedures are followed.

Purchase orders must be generated using the School Funds Online accounting software and approved by the Principal before orders are placed or in store purchases are made.

Teacher/Employee Purchasing Procedures *(Rev. 07/01/22)*

At the beginning of each school year, staff should be given a copy of the schools purchasing procedures. Purchase requisition forms should be completed by staff members requesting items to be ordered and submitted to the Bookkeeper. This form is available on the Staff Portal under forms. Information from this form will be used to generate a school purchase order in School Funds Online for approval by the Principal. Purchase orders must be approved by the Principal before orders are placed or in store purchases are made.

Note: Violation letters are to be issued if a staff member does not comply with School Board financial procedures (*Appendix F*).

Documentation Requirements *(Rev. 03/16/15)*

Complete disbursement package:

<i>Keep on File for Auditors</i>	Approved Purchase Order Invoice/Receipt/Correspondence stamped "Paid" Proof Listing of Payables (<i>May be kept in a binder</i>) Check copy or stub
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The above documents are appropriate documentation to support the issuance of a check. The paperwork should be able to stand on its own and support why the funds were disbursed. No one on staff should have to explain a disbursement to the auditors. All disbursements must be supported by proof of purchase such as sales ticket, receipts or an invoice. In the event that reimbursement is being made for several receipts, a calculator tape should be attached to prove the amount paid. If personal items are included on the receipt or tape, circle the items being reimbursed and make a calculator tape that proves to the amount being paid. Invoices must be marked to verify that the items have been received.

Purchasing Process *(Rev. 03/16/15)*

Purchase orders must be generated using the School Funds Online accounting software (SFO) for approval of all items to be ordered/purchased equal to or greater than \$50.00. Purchases under \$50.00 (confirmations previously allowed) may be paid without issuing a purchase order. Items such as individual reimbursements and monthly billings may be estimated if necessary. Under the purchase order menu, purchase orders can be entered for any date, and the accounts will be encumbered at the time the purchase orders are posted. Purchase orders must be approved by the Principal before orders are placed. Purchase orders can be printed at any time, and each purchase order can include multiple items and account numbers. Purchase Orders are liquidated via the check writing process.

At a Glance Purchase Order Creation:

1. Create New Purchase Order
2. Review
3. Print the purchase order
4. Post the purchase order

Blanket Purchase Orders *(Rev. 06/07/17)*

It is recommended that a blanket purchase order be used for routine monthly payments such as copying charges and paper charges. One purchase order may be created and approved for the annual estimated expense. This purchase order may be used each month when paying the monthly invoice. An additional purchase order may be created at a later time, if the annual expense is more than originally estimated.

If it is later determined that the estimated amount of the blanket purchase order is more than the actual expense incurred, the purchase order may be liquidated. Liquidating the purchase order will return the unused funds to the available balance of the account.

Purchase Orders for Vendors Contracted with SPS *(Rev. 07/01/22)*

Purchase orders equal to or greater than \$10,000 created for vendors that are contracted with SPS should include the contract number on the purchase order. Contract numbers may be obtained from the Purchasing Department.

Check Writing Process *(Rev. 03/16/15)*

The SFO check writing process is designed to enter, print, and post checks to accounts.

- To pay a vendor:
1. Enter a New Check
 2. Review Checks
 3. Print Proof Listing of Payables
 4. Print Checks
 5. Post Checks

Proof Listing of Payables *(Rev. 03/16/15)*

A Proof Listing of Payables form must be printed for each check using SFO. This form must be signed by the Bookkeeper and Principal for each check.

Printing and Posting Checks *(Rev. 03/16/15)*

After checks have been entered in SFO, they are ready to print and post to their accounts. Checks may be printed by selecting “Print Checks” menu or selecting the print icon on the New Check menu. Once you confirm the checks have printed correctly, they will be ready to post to the accounts using the Post Checks menu or icon.

Manual Checks *(Rev. 03/16/15)*

In the event that a check cannot be printed, a manual check may be written. All information must be included on the check/stub and a copy made for supporting documentation. Manual checks may be entered and posted in SFO by entering the check number in the New Check menu.

Check Detail

All Suffolk Public School system activity fund checking accounts require dual signatures.

Signers:	Principal Assistant Principals Bookkeeper Coordinator of Instruction for those schools that do not have an assistant Principal. Principals designee (non-clerical)
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All facilities of the Suffolk Public School system must maintain a restricted location for the storage of activity fund documents (check stock supplies) in places such as safes and locking file cabinets. It is extremely important that access to and use of the activity fund checks be limited to defined personnel and storage of documents is restricted.

The Principal, Assistant Principal, Bookkeeper, and possibly one other individual designated by the Principal should have access to the restricted storage space. In the case of personnel changes, combinations and locks should be changed.

Note: it is against school board financial policy to issue blank checks.

Note: purchases made without the prior approval of the Principal and proper documentation on file, will be the responsibility of the person who placed the order.

Void Checks

School activity checks may be voided using the void checks menu option under the Checks menu in SFO. When applicable, voided checks should be noted as “voided” and kept in a voided check file in accordance with state retention requirements.

If a school activity fund check has been issued and is then reported lost or stolen, a stop payment may be made with the bank. The circumstances surrounding the situation should be carefully evaluated to determine the feasibility of incurring the stop payment charge from the bank.

Note: When complete disbursement packages are entered in the School Funds Online accounting system and the checking account is reconciled for the month, the check disbursement process is complete.

Activity Fund Vendors *(Rev. 07/01/22)*

When setting up new vendors in School Funds, please use the following format: “Last name, First name”. The full address is required to be entered in School Funds Online for all vendors.

Vendor information must be entered in SFO by the Finance Department for vendors that are potential service providers and should be selected as a 1099 Vendor.

Substitute Form W-9

Vendors to be paid for services or materials and services combined that are not listed on the Suffolk Public Schools master vendor listing, must be sent a W-9 form immediately with the requirement that it be returned immediately. The vendor list in Google Drive provided by the Finance Department must be reviewed before any vendor is paid. If the vendor is not listed, the **Substitute W-9 Form (Appendix B) must be sent to the vendor with the requirements that it be completed and returned before they can be paid.** This form must be submitted to the Finance Department and a copy should be kept for the school’s records. This procedure should be done at the same time of the agreement to use the vendor’s services. This will allow the W-9 Form to be completed, before the service is rendered and before the invoice is received so that the payment can be released.

Reporting of Vendor Payments for IRS form 1099 *(Rev. 03/16/15)*

Internal Revenue Service (IRS) regulations require that all payments for services and for services and materials combined be reported on IRS Form 1099. Because the entire school division has a single federal identification number, the Finance Department must accumulate and summarize all payments to each reportable vendor. This includes payments made by all schools and the School Administrative Offices.

The SFO files will provide most of the data needed for this report. During the year, school vendors that are potential service providers should be selected as a 1099 Vendor.

Purchasing Procedures

All purchasing activities for Suffolk Public Schools shall be conducted in accordance with Suffolk City School Board Policy Chapter 4, Article 6, Section 4-6.1 through Section 4-6.2 and Suffolk City School Board Regulations Chapter 8, Article 1, Section 8-1.1 through 8-1.3. Any individual participating in purchasing activities shall be familiar with these School Board policies and regulations. Below is a quick reference of purchasing procedures.

Quick Reference Purchasing Procedures *(Rev. 1/13/2020)*

No Competition	Competition is not required when the estimated value of a single order or term contract is \$10,000 or less. Pricing at this level may be conducted by the school or department.
Three Price Quotes	Three price quotes via phone, fax or email are required when the estimated value of a single order or term contract is more than \$10,000 but \$30,000 or less. Purchase orders greater than \$10,000 along with three price quotes must be submitted in advance to the Senior Accountant in the Finance Department for the required approval by the Purchasing Manager prior to distribution to the vendor.
Written Price Quotes	Written price quotes from four qualified vendors or an Informal Request for Proposal or Request for Quote is required when the estimated value of a single order or term contract is more than \$30,000 but \$100,000 or less.
Formal Procurement	An Invitation to Bid or a Request for Proposal is required when the estimated value of a single order or term contract is expected to be greater than \$100,000. Best value concepts may be considered when established in the bid solicitation.

Purchase Order Procedures (Rev. 7/01/2022)

Suffolk Public Schools Purchase Orders or School Purchase Orders shall be issued for all purchases made with public money unless direct payment is approved in advance by the Chief Financial Officer. **School Purchase Orders greater than \$10,000 must be submitted in advance to Ty Carr in the Finance Department for the required approval by the Purchasing Manager prior to distribution to the vendor.**

Purchase Requisitions shall be submitted in a timely manner to allow for necessary procurement. An electronic version of the Purchase Requisition is available on the Finance Department website. Purchase Requisitions not submitted in that format must be typed or printed legibly. To ensure that the correct materials/items are ordered, it is vital that the following information is included on a purchase requisition: delivery location, item numbers and detailed description, and shipping charges. If there is no charge for shipping, indicate that as well. In addition, any discount must be taken off the individual unit price not off the total. Any requisition submitted that is incorrect or incomplete will be returned for correction.

Term Contracts

Purchasing develops, maintains and administers term contracts for numerous goods and services. Administrators and staff that are involved in receiving these services should be aware of requirements, the terms and conditions specific to each contract. Any problems or concerns with the daily operation of a term contract should be reported to the Purchasing Department.

Surplus Property

Furniture and equipment is considered to be surplus property when it is beyond economical repair and/or no longer of any value to the school division. When a school or department determines that it has furniture or equipment that is beyond economical repair or is no longer useful to the school or department they shall submit a list to the Purchasing Manager. Such list shall include a detailed description of the furniture or equipment, the quantity, and the fixed asset number. The furniture and equipment will be evaluated and scheduled for transfer or declared surplus property. The school or department will be responsible for storing the surplus property until arrangements are made for removal.

Vendor Relations

No vendor, agent or sales representative may enter the schools to advertise or sell goods or services to employees or students unless otherwise provided herein. Any person/persons found soliciting goods or services to students and employees in the schools or on school property during school hours will be subject to legal action.

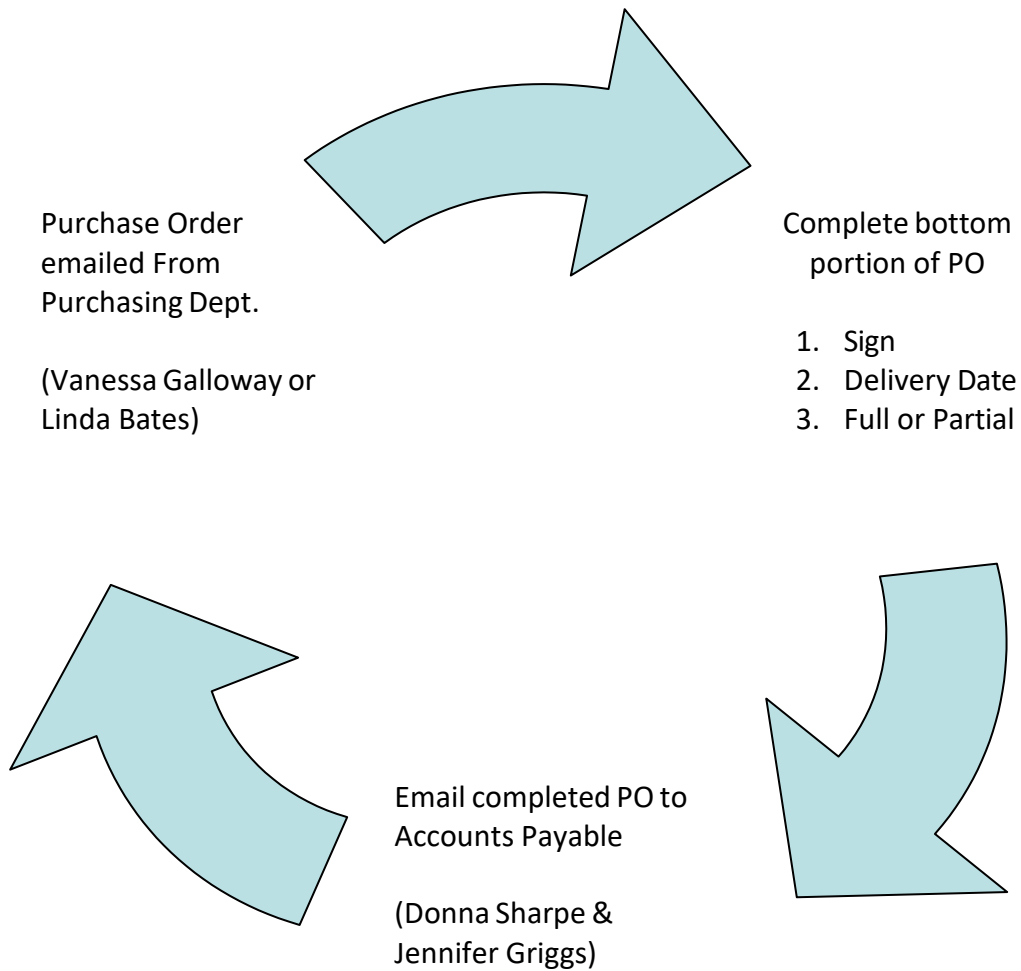
Vendors will not be permitted to make appointments with individual School Board employees without the authorization of the Executive Director of Finance and the School Principal. No vendor will be permitted to arrange demonstrations of products or services, take orders for goods or services to be used for a trial period, or take orders to be billed to the school or school division without prior authorization from the Superintendent or designee and the Principal.

This does not prevent authorized representatives of firms regularly supplying goods and services to the school division from having access to the schools in the course of their routine business duties.

Purchase Orders from SAO (Rev. 05/12/17)

Purchase Orders generated by SAO, for items that are ordered for a school, will be emailed by the Purchasing Department directly to the Bookkeeper. The Purchase Order should be kept on file until the items are received. All order deliveries to a school should be received by the Bookkeeper and then sent to the appropriate staff member.

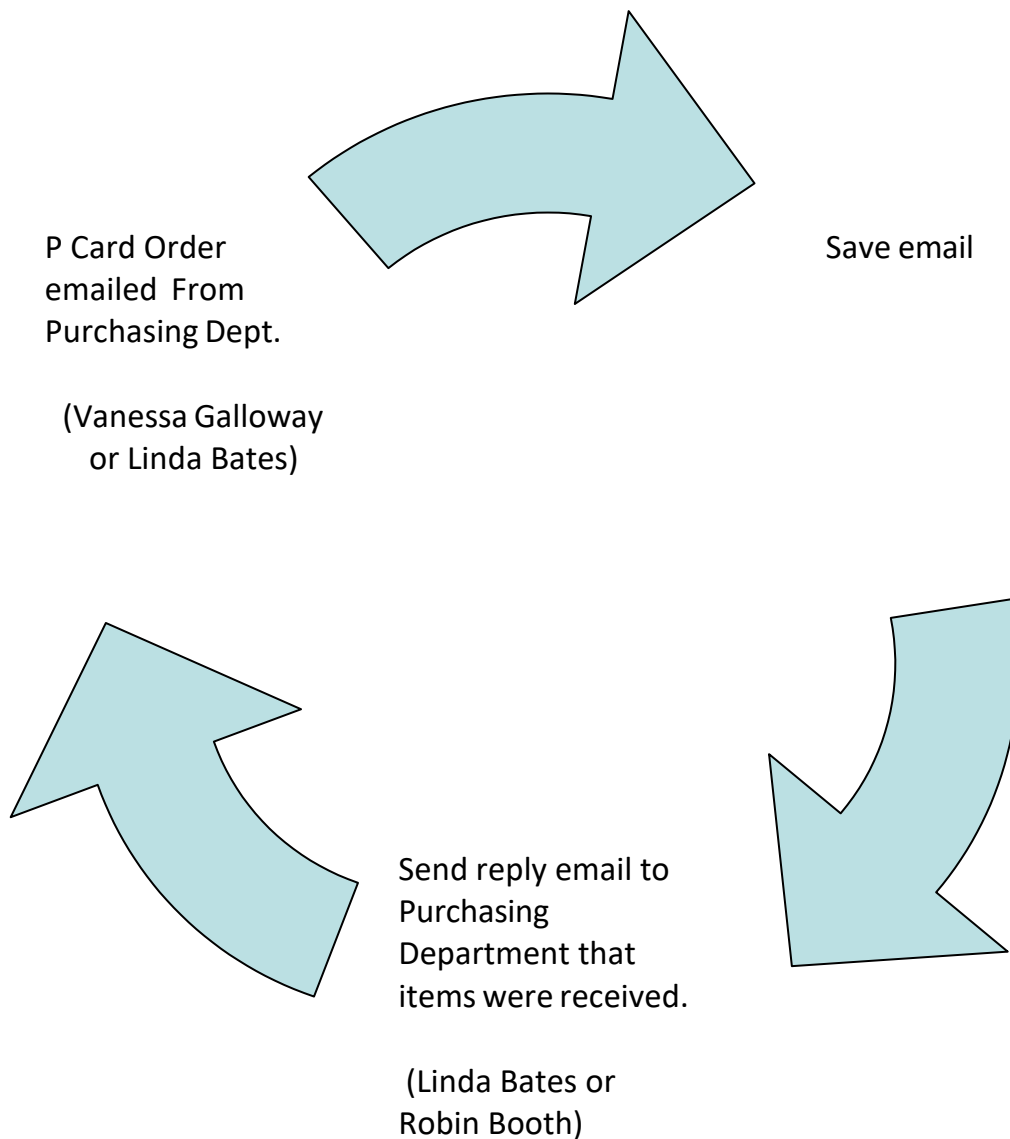
Once the order is received, a copy of the Purchase Order, previously emailed by the Purchasing Department, is required to be signed and dated with the delivery date. The appropriate box on the PO should be checked to indicate either a "Partial" or "Final" payment. Once completed, a copy of the PO must be emailed to the Accounts Payable staff. This will allow the payment for the vendor to be processed and will complete the required supporting documentation.



Purchasing Card (P Card) Orders (Rev. 05/12/17)

For orders that are placed using the Purchasing Card (P Card), an email notification will be sent from the Purchasing Department directly to the Bookkeeper. The email must be saved until the order is received. All order deliveries to a school should be received by the Bookkeeper and then sent to the appropriate staff member.

Once the order is received, a reply email must be sent to the Purchasing Department, confirming the order was received and the delivery date. A copy of the packing slip must be included as an attachment to the email. The original packing slip should be kept on file. Please do not send copies to the Finance Department in the pony mail.



Journal Entries *(Rev. 03/16/15)*

Journal entries may be created in School Online Funds to post an increase or decrease in one or more cash accounts and/or fund accounts.

Example: Correct posting error
 Record bank interest
 Record a bank service charge
 Record a returned check

Documentation must be provided to support the necessity of the adjustment such as a receipt or a disbursement. An adjustment for a bank charge or returned check may be supported by highlighting the transaction on the bank statement. Upon completion and posting, a Journal Entry Proof Sheet must be printed for approval by the Principal. Journal Entry Proof Sheets along with supporting documentation should be kept on file in accordance with state retention requirements.

Fund Transfer *(Rev. 03/16/15)*

Transfers may be created in SFO to move funds from one fund account to another fund account. Upon completion and posting, a Journal Entry Proof Sheet must be printed for approval by the Principal. Journal Entry Proof Sheets should be kept on file in accordance with state retention requirements.

Financial Monthly Procedures

Bank Reconciliation *(Rev. 03/16/15)*

School Funds Online (SFO) provides a bank reconciliation program to reconcile School Funds Online to the bank statement balance. Before beginning the bank reconciliation process, all transactions to be reconciled for the month, including checks, receipts and journal entries must be posted. The bank reconciliation must be performed each month using SFO under the menu title Bank Recon by completing the following steps:

1. Confirm statement ending date
2. Select deposits that have been posted
3. Select the "Cleared checks"
4. Confirm bank balance
5. Print the Bank Reconciliation Report.

The Bank Statement including check copies must be uploaded to School Funds by the 15th of the following month.

Note: Once you have verified that all the final amounts for the month are correct and have completed the bank reconciliation, the prior month's ending balances will be brought forward to the new month.

Month-End Reports *(Rev. 03/16/15)*

The Month to Date report must be printed and signed by the Bookkeeper and Principal by the 15th of the following month. This report must be retained until after the audit, and then destroyed in accordance with state retention requirements.

Financial Yearly Procedures *(Rev. 07/01/22)*

It is necessary to perform a year-end process in School Funds Online so that your ending account balances from June can carry over as the beginning account balances for July. The year-end closeout also moves the "Year-to-Date" account activity into the "One-Year-Ago" fields in your account datafiles. Last year's transactions will remain available for viewing or printing. All open purchase orders will carry over into the new year.

The year-end process will be completed by your District Administrator and will take place after your June bank statement has been reconciled and all necessary reports have been printed for the year. **Year-end must be completed before posting any July transactions.** June will be the only month that you will hold your books open until you have reconciled, printed all required reports, and received word from your District Administrator that the year-end has been completed for your school. All year-end reports must be stored in a binder labeled, "Year End Closing 20xx" and kept on file in accordance with State Record Retention Requirements".

After Year-End Notes

If you have accounts with a zero balance that you will not be using in the new year, ask your district administrator to inactivate these accounts for you. If you need to add new accounts, your district administrator can also do this for you.

If you have receiptees that you will not be using in the new year, you may make them inactive by going to DataFiles, Receiptee and changing the "Active" box to "No".

If you have vendors that you will not be using in the new year, you may make them inactive by going to DataFiles, Vendors and changing the "Status" to "Inactive". *(If you are not allowed to edit vendors, please skip this step.)*

If you are using the Event Code feature, any Event Code with no activity in the past three years will automatically be deleted when the year-end process is done.

Allocations *(Rev. 07/18/19)*

The School Board provides annual allocations for various office expenses and student activities by category/subject area. The types of allocations vary between elementary, middle and high schools. A separate fund is set up in School Funds Online for each allocation. Allocation funds should never be co-mingled with non-allocation funds. Balances at the year-end must be returned to the School Board.

Allocation Guidelines *(Rev. 07/01/22)*

- All allocations received from SAO must be receipted to the **Allocations Received** account no. **400.00**.
- Meetings should be conducted with your Principal and/or Leadership Team to determine how to best utilize these funds for the school year.
- Allocations must be transferred from the Allocations Received account to the individual allocation accounts prior to the start of the new school year.
- Allocation accounts should be monitored throughout the school year to assure funds are being utilized appropriately and in a timely manner.
- Expenses must be charged to the proper allocation account for which they are intended. Transfers may be made between allocation accounts as needed.
- All ESI payments (for applicable schools) and Print Shop billings must be charged to the Copy Charges Allocation account no. 401.00.
- All copy paper expenses must be charged to the Copy Charges Allocation account no. 401.00.
- **General Instruction Supplies** (410.00) account may be used for general instructional supplies and materials such as construction paper, pencils, etc. These are supplies that are stocked for general use in the classroom.
- Allocations are intended for materials and supplies only unless otherwise noted.

Unspent Allocations

Unspent Allocations must be returned at the end of each fiscal year using the Unspent Allocations form available on the Staff web page under forms. This form must be completed and a check prepared to return any balances to Suffolk Public Schools.

Audits

State regulations require that all school activity funds shall be audited annually by a duly qualified accountant or accounting firm approved by the School Board. Such audits will be conducted under the direction of the Chief Financial Officer as soon as possible after the close of the fiscal year.

Objectives

The primary objective of the annual audit is to contribute to the overall administration and management of school activity funds in accordance with sound business practices. Accordingly, the purpose of the audit is to permit the auditors to arrive at opinions which will result in advice to the Superintendent and Principals as to the overall condition of the school activity funds.

Reports of Annual Audits

Reports of annual audits will be published as soon as possible after completion of the audit work, setting forth the financial condition of the school activity funds, a narrative discussion of audit findings, and recommendations in regard to exceptions taken. All items appearing in the report will be discussed with the Principal and/or Bookkeeper at an exit interview after completion of the audit work. The audit report will be forwarded to the Principal concerned, and to others as deemed appropriate.

Response to Annual Audits

The response will state concurrences or non-concurrences with the audit findings and recommendations, outlined action taken or contemplated in areas of concurrence, and provide target dates for completion of action.

State Financial Records Retention Requirements

To assist schools regarding compliance with state financial record retention requirements, is the State Record Retention Requirements for School Finance/Payroll Records (*Appendix C*). This report lists the various types of financial records, the state series number and required retention period for each. Principals must comply with the record retention requirements schedule when purging records to assure that all records are maintained for the required holding period. Also attached is the required state Certificate of Records Destruction form and related instructions (*Appendix D*).

The RM-3 Form (*Appendix E*) must be completed once the volume of records needed to be destroyed has been determined. Completed RM-3 Forms must be sent to the Chief Financial Officer, who will verify compliance and then forward it to the Designated Records Officer for Suffolk Public Schools. Principals must wait for the returned copy, signed by the records officer, before shredding the records. ***Do not destroy the records before approval by the records officer.***

These forms RM-3 (in various formats) and the instructions are available at the Library of Virginia website, which is www.lva.virginia.gov (Click on What We Do – Services for Government; Records Management – Records Management Publications and Forms – Blank RM Forms). Or Principals may click here to go directly to the forms page www.lva.lib.va.us/whatwedo/records/forms/index.htm

Account Procedures

Change Fund *(Rev. 03/16/15)*

Schools are authorized to provide a change fund as needed for such activities as a school store, athletic events and the cafeteria.

Checks for change funds should be payable in the following format:

Employee Name, Custodian of
School name and Description
School Address
Suffolk, VA 23434

The custodian of funds should cash this check to use as a change fund for the activity or event and return the total to the school at the end of the event or school year.

Cafeteria Change Fund

Change may be provided to the Cafeteria Manager in an amount not to exceed as follows:

Elementary	\$ 50.00
Middle	\$100.00
High	\$250.00

Sample format for cafeteria change fund:

Cafeteria manager name, Custodian of
School name Cafeteria Change Fund
School address
Suffolk, VA 23434

The manager should cash this check to use as a change fund during the school year and return the total to the school at the end of the school year.

Faculty Fund

Faculty fund accounts are designed to track faculty related receipts and expenditures. This fund is used at the Principal's discretion to pay for courteous gestures such as flowers to a faculty member who is ill or has a death in the family or for social events such as faculty lunches or holiday parties. Expenditures may not include alcoholic beverages.

Grant Funds *(Rev. 07/01/22)*

Schools may receive grants for multitude of purposes and from a variety of sources, often referred to as "mini grants". Grant award documentation must be kept on file in a grant folder for audit purposes. Grant funds must be expensed following the guidelines and timeline outlined in the grant award. Schools must establish a separate fund for each grant received by creating a sub account under the main grant account no. 600.00. All disbursements related to the grant should be charged to that fund. This will aid the Bookkeeper in providing documentation for use of the funds. Grantors may require a final project report including a financial report. Some grantors may require unused funds to be returned.

High School Class Funds

Inform each class that funds will be held in the trust account for one fiscal year after graduation (to pay for late invoices, etc.). Any remaining funds at the end of the subsequent fiscal year shall be transferred to the general fund to be used for school- wide student-related expenditures.

Issues of Special Concern:

Copy Paper Orders *(Rev. 7/01/23)*

Orders for copy paper will be submitted by the Bookkeeper in the Maintenance ordering system. Orders will be delivered to the school each month and documented in the system by the delivery driver. Receipt of the delivery will be confirmed in the system by the Bookkeeper. Invoices will be generated and sent to the school by Finance.

Court Documents

The schools should not sign to receive any documents from Deputy Sheriffs or other officers of the court, as the schools are not a legal entity. This includes any judgments, garnishments or levies. Court officers, sheriffs or process servers should be directed to the School Administrative Office and documentation should be addressed to Suffolk Public Schools.

Faculty Appreciation Gifts *(Rev. 3/30/23)*

Appreciation gifts such as cash, checks, gift cards, gift certificates or money orders are not allowed from any source of funding. These items constitute additional compensation and would have to be reported on the employees' W-2 form. Faculty appreciation meals, receptions and gifts of minimal value (not exceeding \$50.00) are allowed. Such acts of appreciation should be charged to the faculty fund.

Gifts and Bequests Received by Schools *(Rev. 3/30/23)*

Gifts, donations, or bequests will be accepted or solicited only with the approval of the Principal. Such gifts become the property of the school and must be appropriate for school use, free of limitations, contain no obligation for overt advertising or the furtherance of commercial interests, and should include the cost of installation. Class gifts to an individual school are in this category. Gifts of cash may be accepted by the Principal or individual schools provided that the donor specifies, in writing, the purpose of the gift. Gifts of cash shall be accounted for in the specified account or an account established for that purpose. Donations received in the form of gift cards must be documented including the date, card vendor and amount. Once the card is given to a student or employee as designated by the Principal, a signature for receipt must be

obtained and kept with the documentation. A detailed explanation for its intended use must also be added to the documentation. It is the intent of this section to encourage gifts, donations, or bequests from the business community, but their appropriate use will be the decision of the School Administration. It is suggested that a thank you letter detailing the donation, number of cards and value be sent to the donor.

Interviews for Bookkeeper Position

The Senior Accountant should be included on any interview panel for potential Bookkeepers being hired at the schools. The Senior Accountant is responsible for all training of new Bookkeepers and can provide helpful insight in the hiring of a potential Bookkeeper.

Lost or Damaged Electronic Devices *(Rev. 3/30/23)*

The Technology Department will generate an invoice for the repair/replacement of an electronic device to be forwarded by the school to the parents or guardian. All fees will be collected at the school level and remitted to the Suffolk Public Schools Finance Department at the conclusion of each semester. Payments for the conclusion of the second semester should be remitted on August 1st. If payment is not received after a minimum of three attempts, the invoice along with documentation of the attempts may be forwarded to the Finance Department for potential collection. Schools may choose to waive fees for students, however those fees will be deducted from the school Technology Supplies Allocation account 412.00. In this instance, payment must be remitted immediately to the Finance Department along with a copy of the invoice.

Ordering Checks *(Rev. 01/14/2020)*

Checks may only be ordered from the School Funds Online supplies site. Information and a link to the supplies site may be found in School Funds Online by selecting the “Help” button. Checks must include the following statements: “Two Signatures Required” and “Void after 90 days”.

Password Access *(Rev. 03/16/15)*

To increase internal controls regarding Bookkeeper computer files, it is required that each Bookkeeper change his/her School Funds Online accounting System password at least once every six months. Please note the date of each change for the auditors.

Reimbursement for Officials

To receive reimbursement for athletic officials, schools should submit the School Administrative Office Payment Voucher, signed by the Principal, invoice(s) and a copy of each of the approved check requisitions for which you are requesting reimbursement. Please maintain the invoice with the activity fund files for subsequent audit.

Returned Checks *(Rev. 11/14/12)*

A sign must be posted in the office to indicate that a fee will be charged for returned checks. In the event of a returned check, a notification letter should be mailed home. The school will not accept additional checks until the returned check has been resolved. Payment may be made to the school by cash or money order.

Every effort should be made to collect the amount of the returned check along with the assigned fee. In the event that all efforts fail, returned checks must be reported on the SAF Returned Check Log spreadsheet located on the staff web page under forms. The form should be completed and submitted to Finance along with a copy of the check/letter using the following schedule:

August 31 st	February 28 th
October 31 st	April 30 th
December 31 st	June 30 th

Once the form has been submitted to Finance, funds may not be received by the schools for the returned check. In accordance with state law, returned checks will be processed for collection and allowable bank and collection agency fees will be charged.

Sales Tax *(Rev. 11/14/12)*

Every effort should be made to avoid paying sales tax. The only type of tax that we can legally avoid is sales tax. This can be made possible by planning ahead and using vendors that do not charge sales tax. Schools may submit form ST-12 to vendors to avoid sales tax.

SPS Online/Virtual Virginia *(New 4/11/24)*

Our district will begin collecting payments for the SPS Online/Virtual Virginia Program for those parents/students that are approved for a reduced rate. Parents/students will be informed of the payment amount and due date by the SPS Auxiliary team. These payments will be made to the zoned school. Please note that all other payments will be made directly to Virtual Virginia. To make this process run smoothly, please follow the guidelines below for recording and remitting collections to SAO.

1. Create a sub account under the Tuition account in SFO using account number 387.10.
2. Record all receipts and disbursements for this program using account 387.10
3. Add a product to OSP titled "SPS Online/Virtual Virginia" listing Douglas Wagoner as the Sponsor and selecting the price type of variable.
4. For payments by check, send a confirmation email to Douglas Wagoner and Ty Carr to confirm the check has cleared. Be sure to include the parent/student name and amount. This email is extremely important and time sensitive as it will prompt enrollment for the student in the scheduled Virtual Virginia classes.
5. Lastly, submit a payment to SPS for the account balance at the completion of each semester.

Unclaimed Property *(Rev. 02/24/14)*

Outstanding checks that are more than 90 days old should be replaced if the expense is still valid. If all attempts to contact the vendor fail, then an Unclaimed Property report must be completed. To report your unclaimed property, complete the information for each unclaimed check on the Unclaimed Property Report located on the staff portal website. After you have completed the spreadsheet, place a stop payment on each check and void each check in School Funds Online. Reports must be submitted to the Finance Department along with a check made payable to Suffolk Public Schools for the total amount of the unclaimed property. Unclaimed checks for \$10.00 and below may be voided and not reported as unclaimed property.

Frequently Asked Questions

The following is an answer to frequently asked questions.

1. What if the company only sends a statement showing the balance due for open accounts?

Answer: You must have the itemized invoice or receipt attached to the school requisition before payment can be made. If not, contact the company and request a copy of the invoice.

Example: Open charge account with Office Max or Sams Club. The Principal must approve all open charge accounts. At the time of purchase; a school purchase order must be completed and approved by the Principal. After the purchase is made, the company will give you a receipt or invoice to attach to the school requisition. Payment is held until a statement is received. Remember to prove all statements, making sure outstanding payments and credits are applied properly prior to issuing payment.

2. The Principal would like to give a cash gift to an employee as a show of appreciation. How do I handle the payment?

Answer: You can not write a check to cash or issue a check directly to an employee for any reason. You may purchase a gift and present the gift to the person.

3. The Principal would like to pay a custodian and COE student for working extra hours during the PTA open house. How do I handle the payment?

Answer: Never pay an employee directly. Employee's should submit approved additional hours on the appreciate time record and submit to Finance for payment.

4. How can the School Activity Funds be reimbursed for purchases through the SAO budget?

Answer: Complete a payment voucher with the required information. Attach a copy of the school requisition, invoice or receipt and cancelled check. Follow normal purchase order procedures.

5. What is the procedure to write a violation letter?

Answer: Identify the violation. Complete one of the two sample violation letters. Print three (3) copies of the letter: 1 for the Principal, 1 for the Bookkeeper and 1 for the teacher. Do not leave the violation letter in the teacher's mailbox. Discuss the situation with the teacher in person.

SAF Quick Reference Guide (Rev. 01/13/2020)

<p>Complete Deposit Package:</p> <p><i>Keep on File for Auditors</i></p>	<ul style="list-style-type: none"> ➤ Student activity receipts ➤ Review the Proof Listing of Receivables ➤ SFO receipts ➤ Deposit Analysis Report ➤ Stamped & Unstamped deposit slip
<p>OSP Deposit Package:</p> <p><i>Keep on File for Auditors</i></p>	<ul style="list-style-type: none"> ➤ OSP Statement ➤ SFO Receipt ➤ Deposit Analysis Report
<p>Designated Alternative Employee: <i>(In Bookkeepers Absence)</i></p>	<p>All funds collected each day by a designated employee, shall be tabulated by denomination on the Daily Cash Reconciliation form (<i>Appendix A</i>) and included in the bank deposit for that day. This Daily Cash Reconciliation form will include the total cash and checks received each day.</p>
<p>Voids</p> <p><i>Keep on File for Auditors</i></p>	<p>Void Proof Sheets must include an explanation and be signed (Checks, Receipts, PO's, JE's, etc).</p>
<p>Complete Disbursement Package:</p> <p><i>Keep on File for Auditors</i></p>	<ul style="list-style-type: none"> ➤ Approved Purchase Order ➤ Invoice/Receipt/Correspondence stamped "Paid" ➤ Proof Listing of Payables (<i>May be kept in a binder</i>) ➤ Check copy or stub
<p>School Vendors:</p>	<p>When setting up new vendors, please use the following format: "Last name, first name".</p>
<p>1099 Vendors:</p>	<p>Vendor information must be entered in SFO by the Finance Department for vendors that are potential service providers and should be selected as a 1099 Vendor. W9 form must be submitted to Finance.</p>
<p>Purchase Order</p>	<p>Purchase orders must be generated using the School Funds Online accounting software (SFO) for approval of all items to be ordered/purchased equal to or greater than \$50.00. Purchase orders must be approved by the Principal before orders are placed.</p>
<p>Purchase Order > \$5K</p> <p><i>Keep on File for Auditors</i></p>	<p>All purchase orders greater than \$5,000 must be submitted to Ty Carr in the Finance Department for the required approval.</p>
<p>Journal Entries</p> <p><i>Keep on File for Auditors</i></p>	<p>Journal Entry Proof Sheets must be printed and signed by the Principal and kept on file along with supporting documentation.</p>
<p>Fund Transfer</p> <p><i>Keep on File for Auditors</i></p>	<p>Journal Entry Proof Sheet must be printed for approval by the Principal.</p>
<p>Bank Reconciliation:</p>	<ul style="list-style-type: none"> ➤ Complete Bank Reconciliation in SFO by the 15th of each month ➤ Print the Bank Reconciliation Report ➤ Upload Bank Statement to SFO <p>Note: Once you have verified that all the final amounts for the month are correct and have completed the bank reconciliation , the prior month's ending balances will be brought forward to the new month.</p>
<p>Month-End Report:</p> <p><i>Keep on File for Auditors</i></p>	<p>The Month to Date Report is required to be signed by the Principal.</p>