

ORANGE COUNTY
BOARD OF EDUCATION

AGENDA ITEM ABSTRACT

Meeting Date: December 5, 2011

AGENDA ITEM No. 11-12-11

ACTION ITEM: (Y/N) N

SUBJECT: Financial Services Report

INFO. CONTACT: Donna Brinkley PHONE: 919-732-8126

- ATTACHMENTS:
1. State Public School Fund
 2. Local Current Expense Fund
 3. Federal Grant Fund
 4. Capital Outlay Fund
 5. Other Restricted Fund
 6. Prepayment of Teachers
 7. General Financial Guidelines for PTA/PTO/Booster Club Organizations

PURPOSE: The purpose of this agenda item is to provide several financial related reports for the Board of Education, including the latest information on pending teacher pay date changes and Finance Department training.

BACKGROUND: The Orange County Board of Education adopted a final budget on September 6, 2011. This presentation serves as one of the regular financial updates administration will deliver.

New legislation now prohibits prepayment of teachers for the month of August. The North Carolina School Boards Association and other organizations have proposed technical corrections which address these changes (see attached). Finance Director Brinkley will provide information related to how Orange County Schools may address this issue.

The Finance Director will also provide background on the recent training sessions held for school booster organizations, bookkeepers and principals.

FINANCIAL IMPACT: None at this time.

RECOMMENDATION: The Superintendent recommends the Board of Education receive the report for information.

STATE PUBLIC SCHOOL FUND

OCTOBER 31, 2011

	2011-2012	YEAR-TO-DATE	BALANCE	PERCENT	
	BUDGET	EXPENDITURES	REMAINING	SPENT	
PRC 001 Classroom Teachers	\$ 19,933,559	\$ 5,243,683	\$ 14,689,876	26%	Position allotment
PRC 002 Central Office Administration	678,937	260,460	418,477	38%	Spending state funds first
PRC 003 Non-Instructional Support Personnel	1,537,082	727,932	809,150	47%	Spending state funds first
PRC 005 School Building Administration	1,864,500	533,837	1,330,663	29%	Months of employment
PRC 007 Instructional Support	2,261,145	660,727	1,600,418	29%	Position allotment
* PRC 009 Non-Contributory Employee Benefits	-	401,478	(401,478)		
PRC 012 Driver's Education	144,544	42,839	101,705	30%	
PRC 013 Career and Technical Education - MOE's	2,100,608	556,228	1,544,380	26%	Months of employment
PRC 014 Career and Technical Education - Program Supp.	102,898	38,278	64,620	37%	Spending state funds first
PRC 015 School Technology Fund	88,377	325	88,052	0%	Will be spent on equipment
PRC 024 Disadvantaged Students Supplemental Fund	213,253	66,691	146,562	31%	
PRC 027 Teacher Assistants	1,780,024	510,041	1,269,983	29%	
PRC 029 Behavioral Support (Willie M.)	26,671	15,381	11,290	58%	Receiving addit'l allot. Of \$26,671
PRC 032 Children with Special Needs	3,507,628	1,027,349	2,480,279	29%	
PRC 034 Academically & Intellectually Gifted	351,670	141,223	210,447	40%	Spending state funds first
PRC 054 Limited English Proficiency	321,003	122,625	198,378	38%	Spending state funds first
PRC 056 Transportation of Pupils	2,053,559	853,226	1,200,333	42%	Spending state funds first
PRC 061 Instructional Supplies	241,463	101,010	140,453	42%	
PRC 063 Developmental Day	15,237	5,021	10,216	33%	Contracted/Flow Thru
PRC066 Assistant Principal Interns	8,144	-	8,144	0%	
PRC 067 Assistant Principal Interns-Full Time Student	40,702	12,211	28,491	30%	
PRC 068 Alternative Programs and Schools	75,816	19,853	55,963	26%	
PRC 069 At Risk Student Services	980,308	280,178	700,130	29%	
PRC 096 Teacher on Loan	89,088	30,060	59,028	34%	
PRC 130 Textbooks	102,693	-	102,693	0%	Journal entry @ year end
TOTAL STATE PUBLIC SCHOOL FUND	\$ 38,518,909	\$ 11,650,656	\$ 26,868,253	30%	

* PRC 009 is a guaranteed allotment.

LOCAL CURRENT EXPENSE FUND

		OCTOBER 31, 2011			
		2011-2012	YEAR-TO-DATE	BALANCE	PERCENT
		BUDGET	EXPENDITURES	REMAINING	SPENT
PRC 001	Classroom Teachers	\$ 6,473,881	\$ 1,837,960	\$ 4,635,921	28%
PRC 002	Central Office Administration	1,153,714	321,636	832,078	28%
PRC 003	Non-Instructional Support Personnel	3,940,308	856,845	3,083,463	22%
PRC 005	School Building Administration	1,074,881	233,883	840,998	22%
PRC 007	Instructional Support	846,689	227,533	619,156	27%
PRC 009	Non-Contributory Employee Benefits	380,086	153,926	226,160	40%
PRC 013	Career and Technical Education	4,248	-	4,248	0%
PRC 027	Teacher Assistants	739,883	105,948	633,935	14%
PRC 032	Children with Special Needs	418,029	63,440	354,589	15%
PRC 034	Academically & Intellectually Gifted	320,828	44,647	276,181	14%
PRC 036	Charter Schools	850,000	201,575	648,425	24%
PRC 054	Limited English Proficiency	115,511	2,645	112,866	2%
PRC 056	Transportation of Pupils	942,262	55,983	886,279	6%
PRC 061	Instructional Supplies	171,392	21,379	150,013	12%
PRC 069	At Risk Student Services	186,000	15,592	170,408	8%
PRC 103	Literacy Coordinator	43,737	-	43,737	0%
PRC 509	HCS Study Grant	2,101	1,213	888	58%
PRC 513	Project House	145,395	-	145,395	0%
PRC 701	Middle School After School	125,000	23,971	101,029	19%
PRC 706	Non-Yellow Bus Transportation	10,000	1,404	8,596	14%
PRC 801	Curricular Services	494,010	64,502	429,508	13%
PRC 802	Operation of Plant	3,579,130	968,217	2,610,913	27%
PRC 803	Human Resources	95,252	31,056	64,196	33%
PRC 804	Financial Services	405,967	103,612	302,355	26%

Spending state funds first

Spending state funds first

Spending state funds first

Spending state funds first

Spending state funds first

Spending state funds first

Spending state funds first

Spending state funds first

O/S P.O.s for \$17,116

Spending state funds first

Spending federal PRC 103 first

Grant

O/S P.O.s for \$35,726

PRC	Account Name	\$	9,863	\$	164	\$	9,699	2%	GovDeals receipts included
PRC 805	Support Services								Billed for 2 months only
PRC 840	DSS Family Social Worker	354,000		14,411		339,589		4%	Spent during 2nd semester
PRC 850	Project Graduation	12,000		-		12,000		0%	1st semester supplements, pd. in Nov.
PRC 851	Cultural Arts	47,803		660		47,143		1%	\$50K is band grant
PRC 854	Band	63,940		7,024		56,916		11%	
PRC 860	Co-Curricular Athletics	611,013		206,504		404,509		34%	
PRC 861	Co-Curricular Clubs	48,579		-		48,579		0%	
PRC 890	Board of Education	221,783		71,516		150,267		32%	
PRC 891	Executive Administration	26,000		8,492		17,508		33%	
PRC 900	Public Relations	76,570		25,128		51,442		33%	

TOTAL LOCAL CURRENT EXPENSE FUND \$ 23,989,855 \$ 5,670,866 \$ 18,318,989 24%

FEDERAL GRANT FUND

OCTOBER 31, 2011						
	2011-2012	YEAR-TO-DATE	BALANCE	PERCENT		
	BUDGET	EXPENDITURES	REMAINING	SPENT		
PRC 017	\$ 67,928	\$ 31,840	\$ 36,088	47%		
PRC 023	17,185	3,618	13,567	21%		
PRC 044	30,479	22,752	7,727	75%		
PRC 048	270	270	-	100%		
PRC 049	52,714	17,713	35,001	34%		
PRC 050	911,567	145,476	766,091	16%		
PRC 060	2,628,191	642,922	1,985,269	24%		
PRC 103	209,379	48,273	161,106	23%		
PRC 104	59,587	9,711	49,876	16%		
PRC 105	13	-	13	0%		
PRC 107	57	-	57	0%		
PRC 110	200,000	21,564	178,436	11%		
PRC 111	18,109	3,889	14,220	21%		
PRC 118	20,984	14,732	6,252	70%		
PRC 119	10,000	9,999	1	100%		
PRC 141	18,514	18,485	29	100%		
PRC 145	176	164	12	93%		
PRC 146	1,160	-	1,160	0%		
PRC 155	1,383,856	391,783	992,073	28%		
PRC 156	94,603	46,073	48,530	49%		
	\$ 5,724,772	\$ 1,429,264	\$ 4,295,508	25%		

TOTAL FEDERAL GRANT FUND

CAPITAL OUTLAY FUND

		OCTOBER 31, 2011			
		2011-2012	YEAR-TO-DATE	BALANCE	PERCENT
		BUDGET	EXPENDITURES	REMAINING	SPENT
PRC 901	Recurring Capital	\$ 1,165,500	\$ 233,885	\$ 931,615	20%
PRC 996	Contributions & Donations	267,138	150,223	116,915	56%
PRC 997	Qualified School Construction Bonds	3,629,654	1,404,493	2,225,161	39%
PRC 998	Lottery Proceeds	704,316	2,542	701,774	0%
PRC 999	Pay As You Go	2,027,672	181,487	1,846,185	9%
TOTAL CAPITAL OUTLAY FUND		\$ 7,794,280	\$ 1,972,630	\$ 5,821,650	25%

OTHER RESTRICTED FUND

OCTOBER 31, 2011						
	2011-2012	YEAR-TO-DATE	BALANCE	PERCENT		
	BUDGET	EXPENDITURES	REMAINING	SPENT		
PRC 007	\$ 200,457	\$ 50,321	\$ 150,136	25%		
PRC 110	3,822	-	3,822	0%		
PRC 309	183,937	51,072	132,865	28%		
PRC 343	306,806	64,382	242,424	21%		
PRC 413	211,253	57,704	153,549	27%		
PRC 501	38,534	-	38,534	0%		
PRC 515	2,384	-	2,384	0%		
PRC 611	30,000	16,000	14,000	53%		
PRC 705	16,200	4,216	11,984	26%		
PRC 740	16,056	5,702	10,354	36%		
PRC 802	282,912	-	282,912	0%		
PRC 803	5,000	-	5,000	0%		
TOTAL OTHER RESTRICTED FUND						
	\$ 1,297,361	\$ 249,397	\$ 1,047,964	19%		



PATRICIA COLEMAN <patricia.coleman@orange.k12.nc.us>

Prepayment of Teachers

1 message

Leanne Winner <noreply@eboardsolutions.com>

Tue, Nov 29, 2011 at 4:13 PM

Reply-To: lwinner@ncsba.org

To: patricia.coleman@orange.k12.nc.us

Dear Board Members, Superintendents and Finance Officers (for whom we have e-mail addresses):

Unfortunately, the General Assembly did not address the technical correction on the prepayment of teachers' issue which had been requested by the NC School Boards Association (NCSBA), NC Association of School Administrators (NCASA) and NCAE. It was placed in a conference report with other items. There was some objection to one of the other items so the report was not considered. We have been told that the issue will hopefully be dealt with at the February special session.

I have attached two documents to this e-mail. One is the technical correction itself. Great thanks goes to DPI for helping us draft this and making sure that all the issues that have been raised have been addressed. Additionally, I have attached a Q and A based upon the technical correction passing. Please note that the last part of the technical correction allows local boards of education to delay the implementation of the provision for an additional year, if the board so chooses.

I would suggest that you come up with Plan A based upon the technical correction passing. As an LEA you will have the four options that have been laid out previously. There may be other options out there but these are the ones we have heard about. They are:

*Option 1: Change the pay date to the end of the first month(not calendar month) of employment - If a teacher reports to work on **August 16** their first pay date would be on September 15 and on the 15th of each of the following 9 months; if the employee elects to be paid over 12 months, which will still be allowed, the last pay date would be **August 15**.*

Option 2: Partial Payment at end of August and full payment at the end of September – LEAs can keep the pay date at the end of the month and make a partial payment in August and make a full payment in the subsequent month.

Option 3: Convert to semi-monthly or bi-weekly payment – This will allow teachers to receive either 2 checks a month or payment every 2 weeks. While some districts have expressed interest in this, many do not have the staffing capacity to do this.

Option 4: Semi-monthly-end of month – Teachers would receive semi-monthly payments until the end of September and then receive end of the calendar month payments for the rest of the year.

Note: Under no version of this legislation can the first payment be delayed until the end of September.

It is important that the board chair and/or superintendent request that your legislative delegation support the technical correction that is being supported by NCSBA, NCASA and NCAE and that the General Assembly pass it the next time they reconvene and not wait until May.

If this technical correction does not pass and the law remains the way it was passed last year, then the new language will control any statutory conflicts thus resulting in the only option being Option 2 and no authority to delay implementation for another year.

Effective when Section 5 of S.L. 2011-379 becomes effective, G.S. 115C-301.2(b) as rewritten by Section 5 of S.L. 2011-379 reads as rewritten:

(b) Salary Payments. – State-allotted teachers shall be paid for a term of 10 months. State-allotted months of employment for vocational education to local boards shall be used for the employment of teachers of vocational and technical education for a term of employment to be determined by the local boards of education. However, local boards shall not reduce the term of employment for any vocational agriculture teacher personnel position that was 12 calendar months for the 1982-83 school year for any school year thereafter. In addition, local boards shall not reduce the term of employment for any vocational agriculture teacher personnel position that was 12 calendar months for the 2003-2004 school year for any school year thereafter.

~~Each local board of education shall establish a set date on which monthly salary payments to State-allotted teachers shall be made. This set pay date may differ from the end of the month of service.~~ Each local board of education shall set dates on which salary due to State-allotted teachers shall be paid. These set pay dates may differ from the end of the month of service. Pay dates shall be spaced no more than one month apart, provided the January pay date may be as late as January 31. All payments shall include a full payment for salary due for that pay period. For teachers not employed on year round calendars, the first payment for teachers employed at the start of a school year shall be only for the days employed. The daily rate of pay for teachers shall equal midway between one twenty-first and one twenty-second of the monthly rate of pay. Except for teachers employed in a year-round school or paid in accordance with a year-round calendar, or both, the initial pay date for teachers shall be no later than August 31 and shall include a full monthly payment. Subsequent pay dates shall be spaced no more than one month apart and shall include a full monthly payment.

~~Teachers shall be paid only for the days employed as of the set pay date. Payment for a full month when days employed are less than a full month is prohibited, as this constitutes prepayment.~~

A teacher who fails to attend scheduled workdays or who has not worked the number of days for which the teacher has been paid and who resigns or is dismissed shall repay to the local board any salary payments received for days not yet worked. A teacher who has been prepaid and who continues to be employed by a local board but fails to attend scheduled workdays may be subject to dismissal or other appropriate discipline. [NOTE: REINSERTS LANGUAGE DELETED IN 2011-379 TO EXPLICITLY PROVIDE FOR RECOVERY OF LIMITED PREPAYMENTS NOW ALLOWED ABOVE.]

Any individual teacher who is not employed in a year-round school may be paid in 12 monthly installments if the teacher so requests on or before the first day of the school year. The request shall be filed in the local school administrative unit which employs the teacher. The payment of the annual salary in 12 installments instead of 10 shall not increase or decrease the teacher's annual salary nor in any other way alter the contract made between the teacher and the local school administrative unit. Teachers employed for a period of less than 10 months shall not receive their salaries in 12 installments.

Notwithstanding this subsection, the term "daily rate of pay" for the purpose of G.S. 115C-12(8) or for any other law or policy governing pay or benefits based on the teacher salary schedule shall not exceed one twenty-second of a teacher's monthly rate of pay."

Effective when Section 5 of S.L. 2011-379 becomes effective, G.S. 115C-316(a)(1) reads as rewritten:

“(a)School officials and other employees shall be paid promptly when their salaries are due provided the legal requirements for their employment and service have been met. All school officials and other employees employed by any local school administrative unit who are to be paid from local funds shall be paid promptly as provided by law and as state-allotted school officials and other employees are paid.

Public school employees paid from State funds shall be paid as follows:

- (1) Employees Other than Superintendents, Supervisors and Classified Principals on an Annual Basis. – ~~Each local board of education shall establish a set date on which monthly salary payments to employees other than superintendents, supervisors, and classified principals employed on an annual basis, shall be made. This set pay date may differ from the end of the calendar month of service. Employees may be prepaid on the monthly pay date for days not yet worked. Each local board of education shall set dates on which salary due to employees other than superintendents, supervisors, and classified principals employed on an annual basis shall be paid. These set pay dates may differ from the end of the month of service. Pay dates shall be spaced no more than one month apart, provided the January pay date may be as late as January 31. All payments shall include a full payment for salary due for that pay period. For employees other than superintendents, supervisors, and classified principals employed on an annual basis not employed on year round calendars, the first payment for such employees employed at the start of a school year shall be only for the days employed.~~ An employee who fails to attend scheduled workdays or who has not worked the number of days for which the employee has been paid and who resigns or is dismissed shall repay to the local board any salary payments received for days not yet worked. An employee who has been prepaid and who continues to be employed by a local board but fails to attend scheduled workdays may be subject to dismissal or other appropriate discipline. The daily rate of pay shall equal the number of weekdays in the pay period. Included within their term of employment shall be annual vacation leave at the same rate provided for State employees, computed at one-twelfth (1/12) of the annual rate for state employees for each calendar month of employment. On a day that employees are required to report for a workday but pupils are not required to attend school due to inclement weather, an employee may elect not to report due to hazardous travel conditions and to take one of the employee's annual vacation days or to make up the day at a time agreed upon by the employee and the employee's immediate supervisor or principal. On a day that school is closed to employees and pupils due to inclement weather, an employee shall work on the scheduled makeup day. Included within their term of employment each local board of education shall designate the same or an

equivalent number of legal holidays as those designated by the State Personnel Commission for State employees.

Section 7 of S.L. 2011-379 reads as rewritten:

Section 5 of this act becomes effective July 1, ~~2012-2012~~, except a local board of education may choose by resolution to defer its effectiveness within its school administrative unit until July 1, 2013. The remainder of this act is effective when it becomes law and applies beginning with the 2011-2012 school year. (Note: This non-underlined part is carried over from S.L. 2011-379 and applies to the other provisions in the bill.)

Question & Answer on Technical Correction for Prepayment of Teachers

Q) Is prepayment a common practice in any industry?

A) It is very uncommon, if not unheard of, for a business or governmental entity to prepay for work in a month that is not *recouped* for 10 months (August, June). It is important for our governmental entities to be good stewards of our public taxpayer monies and this is not a sound business practice.

Q) Why is this necessary?

A) Prepayment has raised issues for both administrators and teachers; especially when a teacher leaves and the district is mandated to track him/her down to collect payment. There has also been confusion by teachers when he/she is not paid in June due to the fact that they have already been paid for the weeks they work in June in their August paycheck.

Q) Will teachers now receive a paycheck in June?

A) Yes, teachers will now receive a paycheck in June.

Q) Will teachers be paid less?

A) Absolutely not. Teachers will receive the same amount of annual compensation. However, 2012 W-2s will be less as the compensation is moved to when it is earned (i.e. June).

Q) What happens to employees in year-round schools?

A) Year-round school employees will still be allowed to be prepaid as their employment situation is a unique one where they intermittently get three weeks off. Year-round school employees are not receiving a large pre-payment at the beginning of the school year.

Q) When will a teacher receive their first check?

A) It will depend on how the district implements the provision and when employees return. The first paycheck by law can be no later than the end of the first month of employment. It is still possible for all teachers to receive a pay check at the end of August, for the days employed in August, under this provision.

Q) Why has this process been rushed?

A) It hasn't been rushed. The General Assembly delayed implementation for a year in order to deal with any issues that arose from this process. Further delay may lead to even more confusion. It is also important to note that the current language must be amended because the adopted language includes contradictory instructions.

Q) Who asked for this?

A) Administrators, especially finance officers, have complained about this for years. It was contained in a bill that eliminated burdensome provisions on school districts and teachers so that more resources could be dedicated to the classroom. NCAE, NC School Boards Association (NCSBA) and NC Association of School Administrators (NCASA) all worked collaboratively on the bill. All three organizations have continued to work diligently on this item once the drafting errors were identified. All three organizations support the technical correction.

Q) Will teachers receive a paycheck for August?

A) It will depend on the district; however they will be eligible for a paycheck either the end of the calendar month (for the actual number of days employed) or the end of the first month of employment depending on the districts pay periods.

Q) If snow days or non-paid leave days etc. occur will districts be prohibited from issuing paychecks?

A) No, this will only limit prepayment in the first pay period of employment.

Q) Will districts be allowed to pay for a full month in December so that teachers can receive their full months pay before Christmas?

A) Yes, this legislation will only affect the first pay period of employment.

Q) My district receives a weather waiver. How does this apply to it?

A) In all honesty, for those district that start earlier in August, this one time transition will be much easier. Many teachers in districts with weather waivers return early enough so that they will receive a full or almost a full month's pay at the end of August.

Q) How will this affect the State Health Plan?

A) DPI is working with officials at the State Health Plan. The State Health Plan understands the problem and has dealt with similar situations in the past. They have committed to working out a plan with DPI so that a teacher will not have to pay for two months of dependent care out of the first pay check.

Q) What role does the State Employees Credit Union (SECU) play in this?

A) SECU can play several roles. First, they are working with districts and employees who use their program to spread 10 paychecks over 12 months to make sure that funds are spread further to cover the two weeks. Additionally, SECU has given assurances that employees will not incur any penalties on mortgages and other loans due to a school district changing its pay date.

Q) How will this change affect teachers who have requested the school district spread payments over twelve pay periods instead of 10?

A) This option will still be available going forward. For teachers who have this option they will still receive their last paycheck for this fiscal year at the end of July. Dependent upon what their school district chooses they will be in the same situation as other teachers for their August paycheck.

Q) When will longevity payments be made?

A) Longevity bonuses will be made in the first pay period if an employee's anniversary is then.

Q) Why is the following language being added: A teacher who fails to attend scheduled workdays or who has not worked the number of days for which the teacher has been paid and who resigns or is dismissed shall repay to the local board any salary payments received for days not yet worked. A teacher who has been prepaid and who continues to be employed by a local board but fails to attend scheduled workdays may be subject to dismissal or other appropriate discipline.

A) This language was in the statute until this past summer's legislation. Because the correction allows for some limited prepayment it needed to be reinserted to allow for recovery of those funds. It makes this statute consistent with other employee statutes.

Q) Has the General Assembly given enough time for this to be implemented?

A) At the request of NCAE, the original provision did not go into effect until July 1, 2012. That gave districts and teachers more than a year to adjust to upcoming change. Because of the confusion, school districts will be able to delay it an additional year if they feel that the district and its employees would be better served by a delayed implementation.

Q) Will teacher only be paid once a month?

A) It depends on the district. For the first time this legislation will authorize districts to pay more than once a month if they have staffing levels to support more payrolls. The solution may vary from district to district.

General Financial Guidelines

for

PTA/PTO/Booster Club Organizations

of

Orange County Schools

General Financial Guidelines

PTA/PTO/BOOSTER CLUBS have many responsibilities to the federal government, the state, the District, and to the students they support. Part of this responsibility is to keep accurate and updated records so that the organization may complete the necessary filing requirement with the state and the IRS. In addition, these records will help you prepare your annual Financial Report and Review Committee Report.

With this in mind, this section has been prepared to assist you in establishing a general record-keeping system and a general system of internal controls, and to guide you in preparing the Financial Report and related Review Committee Report. Establishing a good record-keeping system is an essential step in creating a successful organization.

Most of the reporting requirements of a PTA/PTO/BOOSTER CLUB are dependent on the financial records kept; therefore, the office of PTA/PTO/BOOSTER CLUB Treasurer is an extremely important and vital position that should not be taken lightly. Even though the Treasurer may assign certain duties to another person (i.e., Fund-raising Chairperson, etc.), the Treasurer is ultimately responsible for assuring that all financial records are maintained accurately for the PTA/PTO/BOOSTER CLUB.

PTA/PTO/BOOSTER CLUB officers also have day-to-day responsibilities to the club, as well as the students they support. Some of these responsibilities include:

- ❖ Setting up a bank account properly,
- ❖ Accounting properly for fund-raiser income and expenses,
- ❖ Analyzing the outcome of each fund-raiser to determine its financial success/failure,
- ❖ Establishing and maintaining money handling procedures,
- ❖ Becoming knowledgeable of District policies concerning use of District building and distributing flyers, and
- ❖ Preparing and filing the IRS 990 form.

Orange County Schools Day-to-Day Responsibilities for Parent Organizations

1.0 General Information

- 1.1 Orange County Schools encourages the participation and involvement of parents in the educations of their children. One way parents can be involved is through participation in voluntary parent organizations such as PTA's, PTO's, other similar organizations and booster clubs.
- 1.2 The purpose of this section is to provide general, not specific and/or all-inclusive, tax information to principals and officers as it relates to PTA/PTO/BOOSTER CLUBS. It is each PTA/PTO/BOOSTER CLUB'S sole responsibility to seek competent professional tax assistance for its own tax reporting requirements. PTA/PTO/BOOSTER CLUBS should strive to remain in good standing with all federal and state agencies.
- 1.3 The responsibility for accounting, safeguarding and disbursement of funds rests with the PTA/PTO/BOOSTER CLUB officers. The principal may act in an advisory capacity only.
- 1.4 A parent organization may not represent the District nor bind the District or any of its employees to a third party with which the organization may conduct business.
- 1.5 All meetings of parent organizations must be public meetings.
- 1.6 Minutes of all PTA/PTO/BOOSTER CLUB meetings should be kept in writing in the permanent records of the organization.
- 1.7 Each parent organization shall operate under bylaws and shall submit a copy to the school principal and the District's Public Information Officer.
- 1.8 Property purchased with PTA/PTO/BOOSTER CLUB funds becomes the property of the school district and must be used exclusively at that school.
- 1.9 Payment from PTA/PTO/BOOSTER CLUB funds may not be made directly to any OCS employees for services rendered to/for that organization.
- 1.10 PTA/PTO/BOOSTER CLUB funds and/or assets that are donated to a school must be coordinated with the School's principal.

2. Bank Accounts

- 2.1 Bank accounts should reflect the official name of the parent organization and carry the tax ID number of the organization. Each PTA/PTO/BOOSTER CLUB must have a separate bank account at a facility in proximity to the school.
- 2.2 The school system's tax ID number CANNOT be used on a parent organization's bank accounts or financial documents. Do NOT use the social security number of an officer or member to open your bank account.
- 2.3 A basic checking account is the best type of account to open. Instruct the bank that no debit or credit cards should be issued for the bank account and that no funds should be wired from the account or transferred from this account to any other account. Also, do NOT have the bank issue ATM cards. This will prevent money from being removed without the proper Board member's approval and two authorized signatures on each check.
- 2.4 The signature of the organization treasurer **and** the signature of either the organization president or vice-president shall be required on all checks.
- 2.5 Each monthly bank statement should be delivered to the organization's president, and reviewed by him/her before it is given to the Treasurer to be reconciled.
- 2.6 The parent organization bank records should be reconciled by the treasurer no less than one time during each three month period the organization exists. The bank records should then be reviewed by the organization president.

3.0 Responsibility Guidelines

- 3.1 The responsibility for the proper collection, disbursement, and safeguarding of all money and all other PTA/PTO/BOOSTER CLUB assets and the proper reporting of each PTA/PTO/BOOSTER CLUB'S activities to the Internal Revenue Service, N.C. Department of Revenue and to Orange County Schools rests solely with each PTA/PTO/BOOSTER CLUB'S officers, jointly and severally, not the school district or any of its employees.
- 3.2 Principals should encourage the use of PTA/PTO/BOOSTER CLUB funds in manners that benefit all students.
- 3.3 The commingling of PTA/PTO/BOOSTER CLUB money with school money is not permitted.
- 3.4 School employees may not accept loans of funds from PTA/PTO/BOOSTER CLUBS.
- 3.5 Incoming officers should never accept financial records from the prior officers without having them audited.
- 3.6 Each PTA/PTO/BOOSTER CLUB should select a qualified individual or a review committee of members independent of the financial activities to conduct an annual audit, which must be permanently maintained in the organization's records with a copy provided to the school principal and the school district's Finance Department.
- 3.7 A PTA/PTO/BOOSTER CLUB should be absolutely sure it has or will have the money necessary to meet its financial commitments. A PTA/PTO/BOOSTER CLUB does not have the authority to commit or to represent in any way that Orange County Schools is responsible for any of its obligations in the way of paying bills and/or fulfilling any other agreement.
- 3.8 PTA/PTO/BOOSTER CLUBS should seek competent tax and legal advice on their own and at their expense on an as-needed basis to assist and to advise them on legal and tax matters.
- 3.9 Each PTA/PTO/BOOSTER CLUB that has 501(c)(3) status must provide the school principal and the district's Public Information Officer with a copy of the appropriate completed IRS Form 990.
 - 3.9.1 Almost ALL non-profit, tax-exempt organizations must file some form of the 990. You should check the IRS web site or contact a tax advisor to determine the applicable form for your organization.

- 3.10 Each PTA/PTO/BOOSTER CLUB must complete the "PTA/PTO/BOOSTER CLUB Information Sheet" annually and send to the school principal and the district's Public Information officer.
- 3.11 Each PTA/PTO/BOOSTER CLUB should publish a calendar of scheduled meetings, both Board meetings and general membership meetings, at the beginning of the school year. This will allow all members to reserve meeting dates and should increase attendance and participation. As soon as dates are selected for fundraisers and other activities, these should be added to the calendar.

4.0 Officer Duties: This is a list of *sample* duties that need to be stated in the by-laws for any new organization or adopted for existing organizations.

4.1 Listed below are general duties of the president of a parent organization.

- 4.1.1 Oversee the review committee or external person who will audit/review the financial records at year-end.
- 4.1.2 Review the year-end audit and ensure that all questions are answered by the Treasurer before records are turned over to the new officers.
- 4.1.3 Provide copies of the year-end audit to the school principal no later than October 1.
- 4.1.4 Ensure a year-end financial report is prepared by the Treasurer and presented to the organization's Board, with copies to the school principal, no later than October 1.
- 4.1.5 Responsible for all financial affairs of the organization and associated reporting thereof including any duties that may be delegated.
- 4.1.6 Review monthly bank statement **before** it is given to the Treasurer to be reconciled.
- 4.1.7 Submit all fund-raiser requests to the principal for his/her approval no later than October 1 of the fall semester and March 1 for the spring semester.
- 4.1.8 Preside at all meetings of the Directors.
- 4.1.9 Coordinate the work of the directors and/or committees in order that the organization's objectives may be promoted.
- 4.1.10 Coordinate the work so that the necessary reports are timely made to the appropriate state and federal agencies.
- 4.1.11 Co-sign organization checks
- 4.1.12 Ensure annual audit is performed.
- 4.1.13 Perform such other duties as deemed necessary by the Directors.

4.2 Listed below are general duties of the vice-president of a parent organization.

- 4.2.1 Assume the duties of the President in the event of the President's inability to serve or resignation.
- 4.2.2 Chair organization committees.
- 4.2.3 Maintain a roll of all members of the organization.
- 4.2.4 Co-sign organization checks as needed.
- 4.2.5 Perform such other duties as deemed necessary by the Directors.

4.3 Listed below are general duties of the secretary of a parent organization.

- 4.3.1 Record the minutes of all meetings of the Directors, and furnish a copy of such minutes to the president within one (1) week following the meeting.
- 4.3.2 Coordinate all correspondence relating to the organization.
- 4.3.3 Catalogue and supervise the property of the organization.
- 4.3.4 Publish all notices of meetings or other matters.
- 4.3.5 Co-sign organization checks as needed.
- 4.3.6 Perform such other duties as deemed necessary by the Directors.

4.4 Listed below are general duties of the treasurer of a parent organization.

- 4.4.1 Maintain financial records (keep and accurate record of receipts and expenditures).
- 4.4.2 Reconcile the bank statement monthly.
- 4.4.3 Prepare the budget and provide financial reports to the Board at least once during every three month period and at other times as requested.
- 4.4.4 Receive all funds for the organization and promptly deposit money in a bank designated by the Directors.
- 4.4.5 Pay out funds with proper approval and documentation in accordance with the approved budget.

- 4.4.6 Prepare all required tax returns (form 990/990EZ and sales tax) on behalf of the organization.
- 4.4.7 Establish good accounting procedures.
- 4.4.8 Establish permanent file for financial related records.
- 4.4.9 Prepare and present a year-end financial report to the Board with copies to the school principal and district Finance Office no later than October 1.
- 4.4.10 Cooperate with review committee or person assigned to audit/review financial records at year-end.
- 4.4.11 Turn over all financial records to the new treasurer.
- 4.4.12 Perform such other duties as deemed necessary by the Directors.

5.0 Accounting Procedures

- 5.1 Accounting records should be limited at all times to only those persons whose duties require access.
- 5.2 There should be written instruction on the recording of accounting transactions, preferably in the organization's by-laws.
- 5.3 The PTA/PTO/BOOSTER CLUB'S books should be reconciled to the bank statements no less than once during each three month period.
- 5.4 There should be adequate separation of duties for as many of the following duties as possible:
 - 5.4.1 Cash receipting
 - 5.4.2 Cash disbursements
 - 5.4.3 Authorization of disbursements
 - 5.4.4 Accounting records and entries
 - 5.4.5 Bank statement reconciliation
 - 5.4.6 Deposits
 - 5.4.7 Petty Cash Fund
 - 5.4.8 Receiving purchased goods
- 5.5 Bank statements should be mailed to the school, not the home of a PTA/PTO/BOOSTER CLUB member.
 - 5.5.1 The PTA/PTO/BOOSTER CLUB president should review the bank statement before it is given to the Treasurer to be reconciled.

6.0 Cash Receipts

- 6.1 The cashing of checks out of cash receipts or petty cash should be prohibited.
- 6.2 Incoming checks should be restrictively endorsed immediately upon receipt with an endorsement stamp that has the PTA/PTO/BOOSTER CLUB'S name, the bank's name, and the bank account number.
- 6.3 Multi-part Cash Receipts should be written **for all money received**. One copy should be given to the payee and another copy maintained in the Cash Receipts book. A third copy (if available) should be attached to any deposit documentation and filed with a copy of the deposit slip.
- 6.4 All monies received should be deposited on a daily basis and never held in a school nor taken home. Money collected should not be spent for needed items, but deposited. Checks should be written for all items purchased.
- 6.5 Receipt numbers and/or range of receipt numbers should be written on all deposit slips.
- 6.6 The bank validated deposit slip should be returned to the treasurer to verify each deposit.
- 6.7 All monies should be counted and receipted in the presence of the individual turning in the money.
- 6.8 All deposits must have supporting documentation verifying who the money was received from, make-up of the receipts (cash or check), date of receipt and purpose.
- 6.9 All checks for deposit should be listed separately on a deposit slip or supported by a calculator tape. A minimum of two calculator tapes should be run to ensure accuracy. A good practice is to write the number of checks deposited on the deposit slip when the checks are too numerous to list.
- 6.10 Post-dated checks should never be accepted. A post-dated check is a check that has been dated after the date the check is given to the payee.
- 6.11 Returned checks should be re-deposited immediately or otherwise promptly collected. Only accept cash or a cashiers' check in repayment for a returned check.
- 6.12 Accounting entries for each returned (NSF) check should be made upon receipt of the returned check from the bank.
- 6.13 All copies of voided cash receipts should be retained in the cash receipts book.

7.0 Cash Disbursements

- 7.1 All unused checks should be kept safe and secure at all times.
- 7.2 Checks should **never** be pre-signed.
- 7.3 "Blank" checks should **never** be issued.
- 7.4 Issuing checks to the order of **Cash** should be prohibited.
- 7.5 The sequence of check numbers should be accounted for when reconciling the bank statement to the books.
- 7.6 Reimbursements need to be pre-approved by appropriate members of the organization. A "Check Disbursement/Reimbursement Request Form" can be required for payment.
- 7.7 Original invoices, sales slips, or receipts should be attached to the file copies of all checks as support for payment. If several invoices or receipts are submitted for reimbursement, a calculator tape should be run and attached. This total should agree to the check total.
- 7.8 Purchases made by the PTA/PTO/BOOSTER CLUBS need to be voted upon and approved by the membership.