



Boaz City Schools

Accounting Manual

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Preface

The position of Administrator/Principal carries with it the full responsibility for all financial matters relating to the district/school. It is imperative that the Administrator/Principal gives his/her personal attention to the collection, expending, reporting and overall supervision of financial activity. The Administrator/Principal has the responsibility for collecting and disbursing all monies in a manner approved by the Board of Education and in accordance with generally accepted accounting principles and procedures.

The purpose of this manual is to assist the Board of Education in establishing financial policies and procedures for financial operations. The local school board has a variety of requirements for overseeing the financial activity of the Boaz City School System. The Board is allowed to adopt alternative forms and procedures for the district and local school financial operations subject to the following requirements:

- a) Generally accepted accounting principles will not be diminished.
- b) Compliance with state and federal laws will be maintained.
- c) Internal accounting controls will allow the tracking of financial transactions to the responsible individual.

The following are some general rules regarding the financial affairs of the schools. These rules, as well as the accompanying policies and procedures, will be subject to audit.

- 1) All money collected at the school for any purpose will be receipted and deposited in the school account on a timely basis.
- 2) Expenditures will be paid by check and supported with proper documentation.
- 3) Purchases will be approved by the Administrator/Principal before the purchase is made.
- 4) Bank statements will be reconciled monthly.
- 5) Monthly financial reports reflecting accurate balances and activities of the accounts of the school will be reviewed and approved by the Administrator/Principal.
- 6) Schools must conform to all Board policies concerning local school funds and activities.

The Administrator/Principal must be familiar with all district/local school financial policies so that he/she will not permit practices contrary to the policies. The Administrator/Principal is directly responsible in the handling of monies received at the district/school. It is the ultimate responsibility of the Administrator/Principal for any shortages resulting from the failure to follow or to require others to follow, the financial procedures for the handling of school monies. The Administrator/Principal should work with members of the central administration staff who have general supervision of particular functions. The Accounting Department or the Chief School Finance Officer should be consulted if accounting problems are encountered.

The Alabama Department of Education and the State Examiners of Public Accounts retain the authority to require local boards of education to modify forms and procedures for local school financial operations.

I. Legal Compliance Guidelines

Local school funds are classified into two categories: public and non-public. Public funds are listed as fund type twelve (12) and non-public funds are fund type thirty-two (32).

A. Public Funds

Public funds are funds that are generated school wide and can be used for all students. These public funds are restricted to the same legal requirements as board funds. Funds received from public (tax) sources or used for public purposes are subject to the control of the school principal.

Examples of public funds:

General – may consist of vending machine commissions, proceeds from school fundraisers (school pictures, coupon books, etc.), student parking, appropriations from the Board, interest income, and other miscellaneous revenue. Its primary purpose is to pay for the general operations of the school and is totally controlled by the Principal.

Library – accounts for late charges on returned library books, funds collected for lost library books, and expenditures incurred for purchasing library books.

Athletic – may consist of income from gate receipts, parking at athletic events, advertising commissions, game program sales, and donations from athletic booster clubs. Separate accounts may be established for individual sports, if desired. Expenditures include athletic uniforms, equipment, and supplies; membership dues to athletic organizations; registration fees for coaching clinics; travel and transportation; game officials and expenditures related to athletic events including expenses for practicing and preparing for athletic competitions and exhibitions.

Concession and Student Vending – may consist of concessions operated by the schools at athletic events and vending machines or concessions for students operated at the school during the day.

Fees – school imposed course fees for certain non-required academic courses, field trips, workbooks, and supplemental instructional materials. These funds are used to cover the costs associated with the course or purpose for which the funds are collected.

Locker Fees – funds collected from students that are used to cover the costs associated with maintaining the student lockers.

Faculty Vending – consists of funds collected and used for items sold in faculty lounge areas that, although not accessible to students or the public, are totally controlled by the Principal (See Section III.)

Allowable expenditures from public funds include:

- 1) Professional development training
- 2) Refreshments expended for an open house at a school where the public would attend
- 3) Pregame meals for student athletes and coaches
- 4) Academic incentives for students
- 5) Athletic and band uniforms for students to participate in school activities
- 6) Memberships in professional organizations
- 7) School landscaping, maintenance, furnishings, and decorations
- 8) Recognition for education excellence and service, such as plaques, receptions. Certain exceptions do apply, for example: one retiree from a group of retirees at a local school can not be recognized while the others are not, excessive spending should be avoided (steak dinners, etc.), gifts of monetary value should not be given, recognition should be comparable between certified and support staff.

Unallowable expenditures from public funds include:

- 1) Gifts for employees
- 2) T-shirts for office staff
- 3) Food items for teachers
- 4) Faculty and staff party
- 5) Flowers for employees and family
- 6) Planned lunches for employees
- 7) Meal expenditures for spouses
- 8) Donations to various organizations
- 9) Dues to private clubs
- 10) Christmas cards
- 11) Alcohol
- 12) Late fees
- 13) Scholarships for students

B. Non-Public Funds

Non-public funds are restricted for expenditures subject to the intent and authorization of the organization's sponsors and officers and not used for general operations of the school. The Principal does not direct the use of these funds, but does have the authority to prohibit inappropriate expenditures.

Examples of non-public funds:

Clubs and classes – Student organizations may have self-imposed fees, but not academic course fees. The participants often impose their own fees for participation in these clubs and classes. These student organizations often conduct fund raising events. Clubs and classes include: FBLA, Student Government, Spanish Club, Key Club, Beta Club, Band, etc. Student organizations are self-governed by officers elected by the participants.

Other School Related Organizations – Parent or parent/teacher organizations can have the organization's funds in the school accounts. These organizations are governed by officers elected by its members. PTO, PTA, Band boosters and various athletic booster support groups are considered school related organizations (See Section VII).

Some expenditures that are **not allowable** purchases from **public** funds but may be **allowable** expenditures from **non-public** funds include:

- 1) Food for social gatherings
- 2) Class prom entertainment
- 3) T-shirts for club members or faculty
- 4) Donations to various organizations
- 5) Transfers to other non-public accounts
- 6) Travel expenses to club events
- 7) Faculty appreciation gifts
- 8) Scholarships
- 9) Flowers for funerals

C. Public and Non-Public Funds and Regulations

Public funds should not be transferred to non-public accounts. If funds are transferred from public to a non-public account, the funds are considered commingled and the non-public account becomes a public account.

Non-public funds can be transferred to a public account. However, once transferred, they become public funds incurring all the legal restrictions.

II. Receipting Money

Master receipts, reports of ticket sales, teacher receipts and alternative receipt listings are all important documentation for assuring that all funds collected for the school are deposited in the school's account. Because the documentation needed to protect the funds collected is vital, the collection of funds by teachers should be limited or eliminated. Pre-numbered documents and log sheets to track the assignment of these documents are part of assuring the security of school funds.

A. Master Receipts

All monies must be receipted in receipt books that are pre-numbered and duplicated. Each school Principal is responsible for furnishing pre-numbered receipt books for use in the school office and for individual teachers. Master receipts should be completed and issued in numerical order at the time the funds are received. Because only one Master Receipt book or record is to be in use at a time, all pre-numbered receipts in a receipt book or record should be issued before another Master Receipt book or record is put into use. Master receipts cannot be pre-signed and must contain an original signature of the person receiving the funds. A signature stamp is not acceptable.

Receipts written in the Master Receipt book must be recorded in the NextGen and deposited on the day received. Schools may establish a reasonable daily cut-off time after which funds will not be received and receipted. This receipt book must be handled with utmost accuracy.

- 1) Receipts should be written in ink. Receipts are never to be destroyed or changed. If a mistake is made, write VOID on both copies and staple the original to the duplicate. No correcting fluid or agents is to be used for any mistakes.
- 2) Receipts are to be issued only when money is received. Under no circumstances are receipts to be issued in advance.
- 3) The check stub or copy of the check received from a business must be retained for audit purposes.
- 4) Interest earned on bank accounts does not constitute "money received" in the school office; therefore, a receipt is not necessary. The amount of interest earned must be entered into NextGen as a journal entry at the end of each month.
- 5) NSF deposits, online payment, night deposits and change deposits constitute "money received" and should be receipted in the Master Receipt book.
- 6) A master receipt should also be issued for each check received by mail.
- 7) Funds collected by a teacher must be brought to the office along with the teacher receipt book or record, alternative receipt form, or report of ticket sales.
- 8) Funds should be counted and verified with the amounts in the teacher receipt book or record, alternative receipt form, or report of ticket sales.
- 9) The person receipting the money must **never** write a receipt to his or herself.
- 10) Under no circumstances, should checks be cashed out of funds received for payment.
- 11) Receipts must be completely filled out including the date, to whom receipted, source of funds, amount received in cash and checks, and signed by the person receipting the funds. The original copy of the receipt must be detached and given to the person turning in the monies.
- 12) Do not cash checks with school funds. Deposit funds intact.
- 13) **Any shortages resulting from error or otherwise in the handling of school monies should be reported to the Chief School Finance Officer as soon as possible.**

The Principal is directly responsible in the handling of monies received. It is the ultimate responsibility of the Principal for any shortages resulting from error or otherwise in the handling of school monies.

B. Teacher Receipt Books

The Principal will provide a pre-numbered duplicate receipt book or record to teachers (Appendix A) and other individuals who collect school funds (other than CNP funds). Receipt books should be secured and a log should be maintained to track the receipt books by receipt numbers to the individual responsible for issuing the receipts.

Each Principal has the option of waiving the requirement to write a receipt to each student in a class when the amount being collected from each person does not exceed forty dollars (\$40). The Teacher should complete and submit the **Receipt Log of Less Than \$40** (Appendix B) to the office.

Teacher Receipts should be completed and issued in numerical order at the time funds are received. All pre-numbered receipts in a receipt book or record should be issued before another Teacher Receipt book is put into use. Teacher Receipts cannot be pre-signed and must contain an original signature of the person receiving the funds. A signature stamp is not acceptable.

- 1) A Teacher receipt should be issued after counting or verifying the amount of the receipt at the time the funds are actually received.
- 2) Voided receipts must be retained with the receipt book.
- 3) No correcting fluid or agents is to be used for any mistakes.
- 4) The funds received must be secured.
- 5) Do not cash checks with the funds received.
- 6) Checks should only be accepted for the amount owed.
- 7) No money should be left in the classroom overnight. The teacher is responsible for all monies collected until turned in to the office and meeting the cut off deadline.
- 8) The **Daily Deposit Form** (Appendix C-1) and the funds collected should be taken to the office on a daily basis. Do not hold funds until all funds for an activity, fundraiser or other purposes are collected. The school is required to make timely deposits according to the Board policy.
- 9) All money received by the bookkeeper must be accompanied by a daily deposit form. The bookkeeper will balance the receipt book and the activity daily deposit form to the money turned in. The bookkeeper must issue a Master Receipt to each teacher for all money brought in to the office. The Teacher should verify the information on the Master Receipt. The Teacher is to attach the original Master Receipt to the last receipt used in the Teacher Receipt book. If a discrepancy occurs, it is the receipt book holder's (teacher, etc.) responsibility to get with the Master Receipt holder (bookkeeper) to help reconcile the discrepancy.
- 10) Money and receipt books should never be sent through interoffice mail. Items should be delivered to the bookkeeper directly. Money should never be left on the bookkeeper's unattended desk.
- 11) Teacher Receipt books containing the receipt copies and unused receipts should be returned to the bookkeeper at the end of the school year or earlier.
- 12) If a receipt book is lost, the person to whom the book is issued should submit a written explanation to the Principal. This explanation should be initialed by the Principal and filed with the other student receipt records.

C. Banking

A school should have no more than one checking account. Establishing separate bank accounts is not necessary to avoid co-mingling of public and non-public funds. Funds not needed for current operations, whether invested in CD's, money market accounts or savings accounts, must be recorded in the school's accounting records and included in the school's financial statements.

School funds must be maintained in a Qualified Public Depository (QPD). A QPD is an Alabama banking institution that provides protection for school funds under the Security for Alabama Funds Enhancement Program (SAFE), administered by the Alabama State Treasurer's office. At the end of each fiscal year, the bank should be required to provide a letter confirming that all school funds are listed on the bank's records as SAFE Program Accounts.

D. Deposits

At the end of each day, all monies on hand in excess of \$100 should be deposited with the bank. In order to make timely deposits, schools may establish a reasonable daily cut-off time after which funds will not be received and receipted. The following procedures must be followed:

- 1) Pre-printed, duplicate deposit slips should contain the name of the school account and the bank account number.
- 2) When the Master Receipt is written, payments received by check should be endorsed with the words "For Deposit Only" along with the name of the school bank account and bank account number.
- 3) The deposit date should be indicated on the last Master Receipt included in the deposit.
- 4) Daily receipts should be deposited intact. **Do not cash checks with the funds received.** Do not use cash receipts for change cash. Do not use cash received for payments.
- 5) Do not use correcting fluid or erasures for mistakes on deposit slips.
- 6) The original and the duplicate slip should accompany the deposit to the bank to be validated. The duplicate slip must be retained for the audit.

E. Acceptance of Checks

Boaz City Schools will accept checks as a form of payment. Outdated checks (checks over 30 days) will not be accepted.

All checks issued to the school should have adequate information on the checks before being accepted in the school. This information is necessary should an insufficient funds check be issued to the school and need to be turned over for collection. Checks accepted from individuals should contain the following information:

Full name

Current residence address

Valid phone number

- 1) The check should be made payable to the school.
- 2) A two party check should never be accepted.

F. Worthless Checks

Returned checks must be handled according to Boaz City Schools Policy:

The face value of a check returned for insufficient funds (NSF) and any subsequent fees incurred may not be absorbed as a cost by state, federal, or public local funds. An uncollected check is considered a bad debt, which is not an allowable expenditure for any state, federal or public local funds.

Each principal or other school administrator must exercise due diligence in the acceptance of checks and in the collection of NSF. A list of individuals who have submitted uncollectable worthless checks should be maintained in order to prevent the receipt of any further checks from those individuals.

Each school must take necessary actions to collect the face value of the check as well as any subsequent fees incurred by the school and must document those actions and procedures. Non-sufficient fund checks or account closed checks used for meal or school payments will automatically be sent to a collection agency by the bank used by the Boaz City Schools. Boaz City Schools may apply fees for uncollected checks. The fees collected for return checks may be used for related expenses and recovery of uncollected checks by Boaz City Schools or by a contracted agreement with the check collection agency.

Nonpublic funds must be used to cover any uncollectable worthless checks in state, federal or public local fund accounts. The nonpublic local funds must not be restricted or designated for any other purpose, such as for a club or other fundraising purpose. If a school utilizes nonpublic local funds to cover NSF checks rather than an NSF fee, the school must have documentation on file to reflect transfers to the appropriate funds that received NSF checks that were not covered. It is the Principal's responsibility to see that all NSF checks are collected within a reasonable period of time.

The county District Attorney's Worthless Check Unit may be utilized to collect worthless checks.

G. Web-Based Payment Systems

The Boaz City Schools system only accepts payments via web by approved companies set by the district finance department. No individual is to set up a web-based fund accepting program without prior approval from the chief financial officer. Web-based funding may include, but not limited to, ticket sales, CNP payments, student fees, fundraisers and donations.

H. Change Cash

Change cash may be requested for special events or daily operations. Special event funds should be deposited at the end of the event. Daily operating accounts should be deposited at the end of the current school year. The bookkeeper will record the change cash funds in account code 0115. If the change cash is lost or stolen, the bookkeeper should be notified immediately.

III. School Income

A. Ticket Sales/Admissions

Tickets should be sold **at all events where admission is charged**. Admission events include football, basketball, baseball, softball, volleyball, soccer, wrestling, swimming, track, and other athletic events, as well as, beauty pageants, dances, theatrical performances, talent shows, carnivals, festivals and other school-related events. The use of tickets for admission events, when properly managed, assures that entrants to events paid the admission fee and that all admission charges are deposited in the school's bank account. Pre-numbered tickets may be printed for a specific event or may be sold from a roll of generic tickets. If generic tickets are sold for seasonal events, such as football or basketball games, ticket colors should be alternated. Security practices, such as having a ticket collector tear tickets in half, may be necessary at some events to avoid the re-use of tickets by entrants to the event. The ticket collector should not be the ticket seller.

A **Ticket Sales Form** must be issued for each individual selling the tickets at the time the tickets are provided to them for the event (Appendix D).

An **Event Deposit Form** (Appendix C-2) should be completed and a Master Receipt should be issued to an individual for the cash collected from ticket sales and change cash. All cash collected must be deposited intact. **Do not use cash collected or change cash to cash any checks, including school checks issued for officiating, security, ticket sellers, or ticket collectors.**

Boaz City Schools may grant complimentary pass to certain individuals provided the granting of the passes furthers and enhances school purposes. Public employees and officials and their family members receiving a complimentary pass are responsible for compliance with the State Ethics Law.

An employee with a valid Boaz City Schools identification badge will be admitted free of charge to any athletic events sponsored by Boaz City Schools.

B. Fundraisers

The Principal and Superintendent must approve each school fundraising activity conducted by students, teachers, school employees, or school-related organizations. The Board may exempt school-related organizations from this requirement if the activity of the organization is not under the control of the Principal. Students must not be involved in any door-to-door solicitations or sales. **No fundraisers may sell food of minimal nutritional value during the school day.**

Before approving a fundraising activity, a Principal should consider the safety of students involved in the activity. The potential profitability for the efforts expended on a fundraising activity should also be considered.

A **Fundraiser Authorization Form** (Appendix E) must be completed and signed by both the principal and Superintendent prior to the start of the fundraising activity. This includes posting the information on social media. The form must be retained by each local school bookkeeper for the audit.

Approved fundraising activities must comply with financial procedures for school funds including Master Receipts, depositing, and expenses. All fundraiser money, along with proper receipt book and a **Fundraiser Reconciliation Form** (Appendix F), must be turned into the local school bookkeeper (and filed for the audit) within 10 days of the fundraiser deadline. The Fundraiser Reconciliation Form, documenting the result of the activity in support of the revenues reported should be submitted to the principal.

A school employee cannot receive a gift or gratuity from the fundraising vendor.

Failure to follow policy and procedures may result in forfeiting that fundraiser for the following year.

Each fundraiser/sale should be organized as follows:

- 1) One person should be designated to be in charge of the fundraiser/sale.
- 2) As money is submitted by the students to the Teacher, all receipting procedures as outlined under 'Receipting Money' must be followed.
- 3) All fundraising expenses must be presented to the Principal for payment by check.
- 4) The school is not allowed to give CASH prizes from public or nonpublic funds.
- 5) Athletic Camps held as a fundraiser on school campus must be classified as Public Funds.

There must be accountability for the total number of items purchased. Details for amounts not collected, spoiled, or stolen must be maintained.

C. Crowdfunding

Crowdfunding is considered a fundraiser; therefore, Boaz City School's policies and procedures for fundraising must be followed, as well as, the Alabama Department of Education's Financial Procedures for Local Schools. Crowdfunding refers to the practice of raising money by soliciting individuals/groups to support a project or cause, typically via the internet. The following procedures must be followed:

- 1) A **Fundraiser Authorization Form** must be completed and approved by the Principal and Superintendent prior to starting or posting any information for a crowdfunding campaign.
- 2) The Principal, sponsor and bookkeeper should understand the terms of the crowdfunding operation prior to the start of the campaign. A timeframe should be established which determines the start and end date of the campaign/project, and once complete, it should be removed from the crowdfunding site and social media.
- 3) No crowdfunding accounts may be established in an individual teacher/staff member's name. **All crowdfunding accounts must be set up under the school's name and address.**
- 4) All monetary donations should be recorded by the school bookkeeper in the accounting system at each school. No school banking information should ever be given out. A check should be requested to be mailed to the school, **in the name of the school**, not an individual person.
- 5) Any non-monetary items (supplies, equipment, etc.) received are the property of Boaz City Schools and all inventory procedures apply.
- 6) All materials and equipment purchased through crowdfunding campaigns are the property of Boaz City Schools and should be handled according to the policies and procedures for materials and equipment. The materials and resources may move with a teacher from classroom to classroom within the building as long as the item has not been physically attached to the building.

- 7) If the crowdfunding campaign/project includes hardware, software or web-based subscription purchases, prior approval must be received from the District's Technology Coordinator.
- 8) If the crowdfunding campaign/project includes land improvements, building improvements, repairs, renovations or construction of buildings or facilities on school property, prior approval must be obtained from the Facilities Director and Superintendent.
- 9) If the crowdfunding campaign/project includes a reward program, all monetary and non-monetary items received are the property of Boaz City Schools.
- 10) When selecting a crowdfunding option, be mindful of the possible disadvantages such as fraud, scams, ethics violations, high fees, etc. Research all crowdfunding options to be sure they are legitimate prior to completing a Fundraiser Authorization Form. *A violation of the Alabama Ethics Law occurs when an employee uses his/her official position or office for personal gain. This can occur if an employee receives monetary or non-monetary benefits that are not recorded on the school's books.*
- 11) When posting pictures/videos/images of any students or staff, all Boaz City Schools policies and procedures must be followed.
- 12) A **Fundraiser Reconciliation Form** must be turned into the school bookkeeper within 10 days of the fundraiser deadline. The form should be accompanied by a detailed receipt report from the online site.
- 13) A file is to be maintained at the school with the written campaign/project details, copies of all agreements and a final report of the campaign/project.

D. Commissions and Vending

The local school may enter into contracts with vendors in which the vendor will issue the local school a check representing profits from a particular activity. The contract should be written to provide the school with substantially the same net income as if the school handled all of the activity. A vending contract should require the vending company to furnish statements that identify the count of items stocked in the machines with each delivery. A school employee will verify the stocked items. The use of the statement of stocked items to calculate the expected profit from the machines will determine if the school is receiving the expected income from the vending company.

Foods of minimal nutritional value may not be sold during the school day.

A school may have an area set aside for school employees that has one or more vending machines that are not accessible by students or the public. Because the vending machines are on public property using electricity paid with public funds, as well with the principal directing the use of the vending machine proceeds, the profits are considered public funds.

E. Concessions

Concessions include event concessions, school concessions, and school stores. Because all concessions involve cash, and neither cash receipts nor tickets are used to control the exchange of money, proper accounting for the sale of products and income is essential. An inventory of items purchased, items sold by sales price, and items unsold should be reconciled to the cash collected. The following procedures must be followed:

- 1) Do not cash checks with concession funds. Deposit funds intact.
- 2) Payments should be made by check.
- 3) Funds should be collected on a timely basis.

- 4) A Master Receipt should be issued after counting or verifying the amount of the receipt at the time the funds are actually received.
- 5) Supporting documentation of items sold should accompany the funds collected.

F. Student Fees

State laws and administrative rules of the State Board of Education restrict the collection of fees from students:

Alabama Code § 16-13-13 Fees for courses. It is the intent of the Legislature that no fees shall be collected in the future in courses required for graduation. In courses not required for graduation, local school boards may set reasonable fees for courses requiring laboratory and shop materials and equipment, provided, however, that such fees shall be waived for students who cannot afford to pay the fee. Any funds collected in fees shall be spent on the course for which the fee was levied. This section shall not be construed to prohibit community groups or clubs from fundraising activities, provided, however, that students shall not be required to participate in such fundraising activities.

Alabama Code § 16-6B-2 Core curriculum. (a) The following words and phrases used in this section shall, in the absence of a clear implication otherwise, be given the following respective interpretations: (1) **REQUIRED COURSES.** Courses which are required to be taken by every student enrolled in public schools in the State of Alabama.

Alabama Code § 16-10-6 Incidental fees in elementary schools. No fees of any kind shall be collected from children attending any of the first six grades during the school term supported by public taxation; provided, that any county or city board of education shall be authorized to permit any school subject to its supervision to solicit and receive from such children or their parents or guardians voluntary contributions to be used for school purposes by the school where such children are attending; provided further, that the provisions of this section shall in no way affect or restrict the right or power of a school board to fix and collect tuition fees or charges from pupils attending schools under the jurisdiction of such board but who live outside the territory over which such board has jurisdiction.

AAR 290-3-1-.02 Driver Education. (a) No fee shall be charged any child whose family is unable to pay the fee. (b) Thirty dollars (\$30) per student, per semester, is the maximum driver education fee to be charged by local boards of education without approval from the State Superintendent of Education. (c) The State Superintendent of Education may approve a higher fee upon the request of a local superintendent approved by the local board of education with sufficient documentation of actual costs in excess of the maximum. (d) Each board of education shall establish criteria by which the ability of families to pay the fee may be determined and submit same to the State Superintendent of Education for approval. (e) Local boards of education shall take reasonable steps to insure that students for whom no fee is required shall not be identified.

In reading the guidance above, it can be noted that academic fees during the regular school term (excluding driver education) may only be charged for materials and equipment used in instructional courses, and that the fees collected may only be used in the course for which the fee was collected. **Actions against a non-paying student, such as withholding grades, report cards, transcripts, academic recognitions, and graduation activities, are prohibited. However, state laws governing textbooks may require the withholding of additional textbooks for a student due to unpaid lost or damaged textbook fines. (See Alabama Code § 16-36-69).**

Parking Fees – Students will be charged a non-refundable fee per year for student parking. If the permit is lost, stolen or otherwise needs to be replaced, an additional fee may be charged. The costs of the hang tags will come from the fees collected from the students. Parking fees cannot be reduced or waived. Parking is a privilege and may be revoked at any time.

G. Donations and Voluntary Contributions

Voluntary contributions may be requested for various items purchased by the school that are used by the students in academic courses and classes including workbooks, supplemental instructional materials, lockers, sheet music, and other academic purposes. The voluntary nature of the contribution must be clearly stated in the request for the contributions. **Nonpayment of requested contributions cannot be used against a student and the student must be provided the same instructional items as if payment was made on behalf of the student.**

Donations may be requested for specific school purchases, including janitorial products, cleaning supplies, paper products, copier expenses, software maintenance, and other school purposes. The voluntary nature of the donation must be clearly stated in the request for the donation. **Nonpayment of requested donations cannot be used against a student and the student must be provided the same instructional items as if payment was made on behalf of the student.**

Donations may be requested for general school purposes, including communication services, additional personnel services approved by the school board, playground upkeep, equipment, maintenance, student lunches, etc. The voluntary nature of the donation must be clearly stated in the request for the donation. **Nonpayment of requested donations cannot be used against a student and the student must be provided the same instructional items as if payment was made on behalf of the student.**

Teachers have NO AUTHORITY to request or establish student fees, contributions, or donations without the approval of the Principal, unless directed by the Superintendent. The Principal or Superintendent should approve requests to collect school fees, contributions and donations.

Actions taken against a student for non-payment of student fees, contributions or donations including the withholding of grades, report cards, transcripts, diplomas, honor rolls, participation in graduation events and student recognition events, membership in honors organizations, and other actions that would subject the student to embarrassment or ridicule, are prohibited.

The Board can provide guidance on collections from students for meals, snacks, and refreshments; library fines; student parking; charges for participating in extra-curricular activities; summer school; extended day; weekend, before school and after school programs; dual enrollment programs; tutoring; and requests for donations from school vendors.

IV. Purchases

A. Requisitions and Purchase Orders

All items purchased through the school must follow the purchase order system. **If a purchase order is not properly obtained the person that orders the items could be held financially responsible for the items.**

Purchase of goods and/or services by the local school should follow these procedures:

- 1) A Requisition should be completed by the Teacher/Sponsor specifically identifying items to be purchased, the price of each item, and the vendor information from which the purchase is to be made. Do not order by item number alone.
- 2) The bookkeeper will check funds for availability.
- 3) The requisition must be submitted to the Principal for his/her signature **prior** to a purchase order being issued.
- 4) A computer-generated purchase order that flows sequentially in numeric order should be completed by the accountant/bookkeeper for each purchase. **All purchase orders must be signed by the Principal prior to the purchase being made.**
- 5) The original purchase order should be filed and matched with the invoice when received.
- 6) When the invoice is received by the bookkeeper, receipt of goods should be verified before payment (ex. Packing slip).
- 7) The invoice should be matched with the related purchase order and placed in a file for payment processing.
- 8) **A purchase order MUST be issued for all goods and services.** Exceptions such as recurring monthly bills do not require a purchase order (i.e. telephone bills, copier bills, change cash, official checks, student refunds, travel reimbursements, etc.)
- 9) **No employee should have authorization to purchase or order goods or services without the proper approval from the Principal in the form of a purchase order.**

Purchase of goods and/or services by the central office should follow these procedures:

- 1) A **Central Office Purchase Requisition** (Appendix G) should be completed specifically identifying items to be purchased, the price of each item, and the vendor information from which the purchase is to be made. Do not order by item number alone. The requisition should be signed by the Director and given to the Central Office Accountant or the Chief School Financial Officer.
- 2) Funds will be checked for availability and expenses will be compared to the budget.
- 3) Items will then be ordered with the appropriate PO number. **Items are not to be ordered without a signed Requisition.**
- 4) A computer-generated purchase order that flows sequentially in numeric order should be completed for each purchase. All purchase orders must be approved by the Chief School Financial Officer or the Superintendent.
- 5) The original purchase order will be filed to match with the invoice and packing slip, when received.
- 6) Once all appropriate documents have been received, the invoices will then be paid.
- 7) **A purchase order MUST be issued for all goods and services.** Exceptions such as recurring monthly bills do not require a purchase order (i.e. telephone bills, copier bills, change cash, official checks, student refunds, travel reimbursements, etc.)

8) No employee should have authorization to purchase or order goods or services without the proper approval from the Superintendent in the form of a purchase order.

When numerous purchases are made with a given vendor during the month, it is permissible to issue the vendor a purchase order at the beginning of the month, with a specified dollar limit that is to be used during the month.

It is the responsibility of the Bookkeeper to check open purchase orders monthly. If a purchase order remains open after a reasonable period of time has passed, the Bookkeeper should determine if the purchase order is complete or should be voided or should remain open.

All purchase orders should have a printed message “PURCHASE ORDER VOID AFTER 90 DAYS”.

B. Technology Purchases

Due to the increase of risks associated with technology in today’s environment, it is critical that all technology and technology-related purchases follow the correct process in order to maintain safe and secure networks/systems and to ensure that the purchases follow all state and federal procurement guidelines. These procedures are applicable to all purchases of technology, regardless of funding source. Technology includes, but is not limited to, laptops, desktops, tablets, printers, Promethean boards/panels, TVs, streaming devices and software. Prior to preparing a requisition, email the Technology Director letting them know the type of item you are in need of (e.g. laptop, printer, etc.) and any additional information that may aid in selecting the item(s) that will best suit your needs. The Technology Director will request a quote from authorized vendors and return to you via email. The normal requisition/purchase order process should then be followed to complete the purchase. A copy of the quote must be attached to the requisition/purchase order. Technology items must be processed through the technology department when received.

C. Bid Law

The Alabama Competitive Bid Law requires that all purchases and/or contracts for labor, services, materials, equipment, and supplies for such amounts as set by the State of Alabama (currently \$40,000 or greater), shall *except as otherwise provided in the law*, be let by free and open competitive bidding, or sealed bids, to the lowest responsible bidder. Competitive, sealed bids shall be requested by the Central Office. The Boaz City Board of Education is authorized to use all State of Alabama contracts when they are advantageous to the Board.

The State of Alabama Bid Law does not apply to purchases made by individual schools of the county or municipal school systems from moneys other than those raised by taxation or received through appropriation from state or county sources.

Contracts, including service contracts for landscaping, maintenance, tutoring or copier leases, must have the approval of the Superintendent except for routine services such as school pictures, yearbooks, copiers, class rings, senior supplies, etc.

Additional Bid Law guidance can be found in the Boaz City Board of Education Policy Manual under section 3.10.5.

D. Purchasing Card Program

All local schools participate in the Purchasing Card Program thereby giving each eligible employee the opportunity to utilize the purchasing card. Employees wishing to use the purchasing card will receive the **Purchasing Card Agreement** (Appendix H). The employee should read and sign the Purchasing Card Agreement and return a signed copy to the local school Bookkeeper. The local school Bookkeeper should have each employee sign the **Purchasing Card Sign In/Out** (Appendix I) upon receipt and return of the purchasing card.

All purchasing card receipts, credit memos and credit receipts should be entered on the **Receipt Log** (Appendix J) by the cardholder and verified by the Bookkeeper. The receipts and the Receipt Log should be kept with the same security protection as cash receipts. The Receipt Log serves as documentation that items have been received and as an audit trail for receipts. Receipts (and any supporting documentation) should be turned in daily. Supporting documentation can include itemization of purchases (if not a detailed receipt) and explanations justifying purchases that could appear questionable. To help reconcile the monthly statement, the reference number from the Receipt Log should be written on the receipt.

The local school will receive a detailed monthly statement. The Bookkeeper should reconcile the monthly statement to the receipt log and receipts. The Bookkeeper should forward the reconciled statement to the central office by the 10th of the following month for payment.

General Guidelines:

- 1) Only Boaz City Schools' employees will be allowed to use the card.
- 2) Anyone using the purchasing card to obtain items for personal use may be subject to cancellation of purchasing card privileges.
- 3) Itemized receipts must support items purchased with the purchasing card.
- 4) Boaz City Schools will determine the purchasing limit of each purchasing card.
- 5) Notification of lost or stolen purchasing cards must immediately be made to the school Bookkeeper. The Bookkeeper must then immediately notify the CSFO of the loss.
- 6) Cardholders violating any guidelines or terms contained herein will be subject to immediate cancellation of purchasing card privileges.
- 7) Each cardholder will be required to sign a Purchasing Card Agreement before any purchases can be made.
- 8) Each cardholder will be required to sign the Purchasing Card Sign In/Out register upon receipt of card and upon return of card.

Contractual Provisions:

- 1) The cardholder agrees to reimburse the local school for purchases that are determined to be unallowable expenditures.
- 2) The cardholder agrees to obtain a legible receipt with an itemized listing for each purchase made with the card. The receipt must include the name and address of the vendor, description of items purchased, quantities, individual prices, extended totals and receipt grand total.
- 3) The cardholder agrees to reimburse the local school for purchases made and not supported by an itemized receipt.
- 4) The cardholder agrees to inform merchants that purchases made with the card are exempt from Alabama sales tax.
- 5) The cardholder agrees to reimburse the local school for Alabama sales tax charged to the card.

- 6) The cardholder agrees to reimburse the local school for purchases made in excess of the individual purchase limit.
- 7) The cardholder agrees to adhere to the Boaz City Schools' guidelines for purchasing cards.
- 8) The cardholder understands that purchasing card privileges will be suspended upon failure of the cardholder to follow the terms of this agreement.

V. Expenditures

A. Invoices

An original invoice must be obtained for each purchase order before payment is made. If an original invoice cannot be produced, a copy or fax will be accepted. No payment will be made solely from a statement. The invoices must be itemized and include the name and address of the vendor.

The requestor of the purchase order must sign off on the invoice or packing slip when all items have been received. Payments will not be made before all merchandise has been received and verified.

The check stub should be attached to the invoice and purchase order. The check documentation should be filed in alphabetical order by vendor or by month.

An IRS Form W-9 should be completed and maintained on file for each individual or vendor for IRS Form 1099 reporting and for E-Verification purposes.

Please be advised that school boards are exempt from the payment of Alabama Sales Tax. However, the local school may pay rental tax if it is written in the contract.

Gifts, prizes or other merchandise obtained from the purchase of school items are the property of the school and the Board. School employees are prohibited from purchasing personal items through the school. School personnel will neither solicit nor accept funds or gifts from vendors.

B. Check Procedures

All obligations of the district/local school are to be paid by a computer generated check. Payments for all school expenditures should be made from the district's/school's checking account. **Checks should be properly safeguarded when not in use (stored and locked in a secure place).** The Superintendent/CSFO/Principal or designee should sign all checks. No signature stamp may be used in place of the Superintendent/CSFO/Principal's signature on the check.

The following procedures should also be followed:

- 1) Do not write checks to "Cash".
- 2) Do not sign checks that do not contain the check recipient's name and amount of check.
- 3) Do not pay for items in advance of receipt of materials, supplies or equipment. If vendor requests advance payment, contact the Central Office Accountant or the CSFO for approval.
- 4) Invoices and supporting documents should be provided with the check to be signed.

- 5) Vendors should be paid on a timely basis. Late charges, penalties and interest should be avoided by making payments by the due date.
- 6) Checks should be used in numerical order.
- 7) Checks must be secured at all times.
- 8) Voided checks must be retained for audit purposes.
- 9) Sales tax should not be paid on purchases.
- 10) School employees may not use the school's tax exemption for personal purchases.
- 11) Checks outstanding more than 60 days should be investigated.

C. Vendors and E-Verify

All vendors should have a **Form W-9** on file with the Boaz City Board of Education. Payments made to individuals, partnerships, LLC, lawyers and medical groups should receive a Form 1099 at year end. These vendors must be marked as a 1099 vendor in NextGen and have a Vendor Federal ID number. The number should be marked either SSN or TIN, never other. Employees being paid for work related items must be approved by the Board and be processed through payroll instead of a 1099.

- 1) **Employees** - After enrolling in the federal E-Verify program, the school board is required to verify the immigration status of a newly hired employee (including a substitute employee) as part of the employment process by utilizing the E-Verify program. School boards are prohibited by federal laws from using E-Verify to pre-screen potential employees. However, school boards may inform applicants and potential employees that the school board now uses the federal E-Verify program for newly hired employees by providing the following notification:

Alabama school boards are required by state law to verify the employment eligibility of newly hired employees by using the federal E-Verify program. New employees are required to provide a Social Security number, an unexpired identity document that contains a photograph, and other acceptable documents that establish employment eligibility. In addition to determining whether a new hire is authorized to work in the United States, E-Verify will confirm that the employee's name and Social Security number match. The U. S. Department of Homeland Security (DHS) has a service for employees to check their own employment authorization status before going through the E-Verify process at a new job. The E-Verify Self Check gives new employees some additional time to correct any problems they find with their DHS or Social Security Administration records before employment begins. Self Check is located on the right side of the E-Verify web site www.uscis.gov/everify.

- 2) **Contracts** - Act No. 2012-491 defines the term "contract" as "...a contract awarded by the state, any political subdivision thereof, or any state-funded entity that was competitively bid..." Business entities or employers with one or more employees working in Alabama should be notified of the requirements to enroll in the E-Verify program before the contract is signed or bids are awarded. The E-Verify documentation may not be necessary for some contracts awarded by the school board because the contracting entity does not have any employees working in Alabama. The law does not address the documentation required in these situations. A letter, fax, e-mail, or some type of documentation should be obtained from the business entity or employer stating that the contracting entity does not have any employees working in Alabama. State law does not require that bid specifications include specific language addressing the requirements of the Beason-Hammon Alabama Taxpayer and Citizen Protection Act. However, including the immigration requirements in the bid specifications would be beneficial in approving the contract after the bid is awarded.

Including the following language in bid specifications could avoid questions from potential bidders:

Alabama laws require that, as a condition for the award of a contract by a school board to a business entity or employer with one or more employees working in Alabama, the business entity or employer must provide documentation of enrollment in the E-Verify program. During the performance of the contract, the business entity or employer shall participate in the E-Verify program and shall verify every employee that is required to be verified according to the applicable federal rules and regulations. The contractor's E-Verify Memorandum of Understanding must be included with the bid. If you do not believe these requirements are applicable to your entity, include an explanation justifying such exemption. An entity can obtain the E-Verify Memorandum of Understanding upon completion in the E-Verify enrollment process located at the federal web site www.uscis.gov/everify. The Alabama Department of Homeland Security (<http://immigration.alabama.gov>) has also established an E-Verify employer agent account for any business entity or employer with 25 or fewer employees that will provide a participating business entity or employer with the required documentation of enrollment in the E-Verify program. An Employer Identification Number (EIN), also known as a Federal Tax Identification Number, is required to enroll in E-Verify or to establish an E-Verify employer agent account.

Act No. 2012-491 requires school boards to include the following clause in all contracts or agreements: *"By signing this contract, the contracting parties affirm, for the duration of the agreement, that they will not violate federal immigration law or knowingly employ, hire for employment, or continue to employ an unauthorized alien within the state of Alabama. Furthermore, a contracting party found to be in violation of this provision shall be deemed in breach of the agreement and shall be responsible for all damages resulting therefrom."*

D. Travel Expense Reimbursement

Pursuant to Board Policy 3.12, employees will be permitted reimbursement for actual travel expenses while such employees are conducting school business. All trips that require reimbursement must be preapproved by the Superintendent and expense forms must be completed and signed. Trips taken without preapproval may not be reimbursed. A copy of the brochure and/or agenda must be attached to your **Travel Expense Form** which can be found on the Boaz City Schools website under Departments & Services/Finance/Forms. Reimbursement for mileage should only be paid to those employees that drive a vehicle and provide transportation for travel. Mileage will be reimbursed at the established federal mileage reimbursement rate for business use. An employee's personal vehicle should only be used if one of the Board's vehicles is not available. Meals will be paid at the following rates:

Breakfast	\$8.00
Lunch	\$12.00
Dinner	\$25.00

Itemized receipts will be required for all expenses in order to be reimbursed. You may not claim a meal, if that meal is provided in the meeting, conference, workshop or training session you are attending. Meals included in the cost of lodging are not reimbursable.

Alcoholic beverages are not reimbursable.

VI. Payroll

A. Payroll Procedures

Payroll checks are issued on the last working day of each month. All contracts are paid over a 12-month period. New employees may opt for 13 months for the first year.

New employees are paid at the end of the month after the first time sheet is submitted to payroll.

Payroll checks are direct deposited. Manual payroll checks will not be issued for additional jobs/duties performed. Pay stubs are available through Document Services at <https://payroll.boazk12.org/EmployeeSelfService/Account/Login>. Questions regarding payroll checks should be directed to the Bookkeeper or the Central Office Accountant.

The Central Office should be contacted immediately if any employee terminates employment. This will eliminate the employee being overpaid.

All employees are paid through payroll which may include Coaches, Assistant Coaches and CNP Workers. Booster Clubs or other organizations are not allowed to pay coaches or assistant coaches directly. All supplements, including National Board Certification incentives, should be paid through the payroll process.

Payroll Time Sheets

Payroll Time Sheets are created within TimeClock Plus.

It is the responsibility of the employee to clock in/out in TimeClock Plus daily. Time Sheets should be thoroughly examined by the Bookkeepers each week for accuracy.

- 1) Each day listed on the time sheet should include the time in/time out or the appropriate leave from TimeClock Plus.
- 2) Leave is reported in increments of no less than half days.
- 3) An employee must take some form of leave when not performing his/her normal job functions.
- 4) The employee should approve each time sheet in TimeClock Plus.
- 5) Availability of leave taken should be verified by the Bookkeeper.

All employees are required to fill out an absence within TimeClock Plus when not performing his/her normal duties. Leaves and Absences are detailed in Board Policy 5.9. All Vacation, Professional and Personal Leave should be approved in advance by the Principal and Superintendent.

Employee Sign-In

All certified and salaried employees are required to sign in every morning upon arrival. This is to be done at the TimeClock Plus via cell phone app or the employee's computer.

Non-salaried employees and substitutes should sign in on the TimeClock Plus upon arrival. Both groups should sign out at the end of their duty.

Substitute List

A Substitute List is located within TimeClock Plus. All valid substitutes are on the Substitute List. This is the most up-to-date information the Central Office has available.

Minimum Wage and Overtime

Minimum wage and Overtime are addressed in Board Policy 3.11.5 as follows:

In compliance with the Fair Labor Standards act (“FLSA”), the Board will pay required minimum hourly wages and overtime to all employees who are not exempt employees under FLSA. For purposes of determining overtime, the workweek begins at 12:01 a.m. on Saturday and ends at midnight on the succeeding Friday. All non-exempt employees who work more than forty (40) hours in a workweek will be paid overtime. Employees must accurately report all time worked for the Board. Non-exempt employees are not authorized to work more than forty (40) hours in a workweek without specific direction or authorization to do so by the Superintendent, the employee’s supervisor, or the supervising school Principal.

Compensatory Time

Compensatory Time is addressed in Board Policy 3.11.6 as follows:

Non-exempt employees who work more than forty (40) hours in a workweek may, upon agreement between the employee and the Board, be paid overtime in the form of compensatory time. Compensatory time will be based on the time worked beyond forty (40) hours in a workweek, and will be recorded in minimum time units of one-quarter hour rounded to the nearest quarter of an hour. No more than two hundred forty (240) hours of compensatory time may be accumulated. The Board reserves the right to require an employee to use compensatory time as its needs require and may “pay down” any compensatory time balance in its discretion. The Superintendent is hereby authorized to develop procedures and forms for use in implementing this policy.

Non-exempt employees should complete an **Overtime/Compensatory Time Off/Lunch Break Form** (Appendix K) and submit it to the Payroll Accountant. If monetary compensation is selected, then overtime hours will be paid on the same schedule as the normal monthly payroll. If compensatory time off is selected, then overtime hours will be accrued at time and a half on a workweek basis. At the end of each quarter (December, March, June and September), all accrued compensatory time sixteen (16) hours will be paid out monetarily. The remaining sixteen (16) hours of accrued compensatory time will carry over to the next quarter. Any changes to an employee’s election between monetary compensation and compensatory time off during the fiscal year will require the approval of the Superintendent.

Leave of Absence

Any leave of absence request must be submitted to the Central Office and approved by the Board.

B. Federal Time Distribution Procedures

If federal funds are used for salaries, then time accounting records are required. Any Boaz City Schools employee paid in whole or in part with federal funds must maintain documentation showing that their time is allocable to a federal program. Allocable means the item or person's time benefits the federal grant in proportion to the percentage that the federal grant pays for the item or person's time.

Time & Effort must include the following:

- Full time and part-time employees
- Federal stipends that are considered salary expenses
- Substitute teachers (if considered employees), etc.

The following three components must be met for acceptable use of federal funds:

- Necessary
- Reasonable
- Allocable (time proves allocability)

1. 100 % Staff Certifications

District staff who are fully funded (100%) from a Federal grant source and/or an employee paid from both a Federal source and other source **but** perform same duties each day will be required to complete a semiannual certification. This process will include a list of all employees 100% funded and partially funded from each federal source, the federal programs director will certify the time distribution.

2. Time and Effort Certification for Multi-funded Positions

District staff who are funded from multiple sources including federal and other sources and perform different duties each day, will complete a monthly time and effort report. The time and effort report must represent, in percentages totaling the agreed upon contractual amounts, the total activity for which each employee is compensated. Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by time and effort documentation. The time and effort documentation must include:

- Employer's Name
- Employee's Name and Position
- Federal Program/ Cost Objective
- Reporting Period, including the date and month
- Number of Hours Worked per month
- Total number of hours worked on each cost objective
- Percent allocation spent on each cost objective
- Month percent allocation
- Effort Statement of 100% of Work Activities
- Employee's and direct supervisor's signature. In order to know who is paid from federal funds (in part or 100%), a payroll report will be generated from the Boaz City Schools finance office to confirm the list of employees. The list will be given to each department so that they may complete their required certifications.

VII. Guidelines for School-Related Organizations

A. Student Organizations

Student clubs and classes are recognized as school activities. The student officers and Faculty Sponsor operate the organization while the school Principal acts in a fiduciary capacity over the organization's funds. The school's accounting records contain a separate account to record financial operations of each student organization. Income from the student organization is recorded by receipts and deposited in the school bank account. The school Principal approves the purchase orders, signs the checks, and maintains the supporting documents for expenditures.

Some organizations consisting of students from the school may not be school activities. Some students belong to social organizations that operate off-campus. Community recreation leagues may consist solely of the school's students and operate under other entities that are not under the control of the school. Although the activities of these organizations may benefit the school's students, these organizations have a separate employer identification number (EIN), a separate mailing address, and maintain their own records and accounts.

B. Athletics

School athletics are extra-curricular activities that must be under the control of the school principal. Coaches and other school employees cannot maintain a separate bank account that supports or benefits from a school extra-curricular activity. Funds received to support an athletic activity at a school from sponsors, vendors, or other sources must be included in the school's financial records under the fiduciary control of the school principal. Funds from gate receipts and other sources may be recorded in one or more separate accounts for a particular sport in the school's financial records. However, a separate account for each sport is not required. When athletic events are held on locations other than school property, the school Principal's control over the financial operations of the event, including ticket sales, concessions, and parking fees, will be determined by agreement with the entity in control of the event location.

C. Parent Organizations

Parent and parent/teacher organizations provide a vital role in the education of students. In Alabama public schools, the PTA and PTO are the most common parent organizations. Many parent organizations join a national organization that serves the individual school organizations. Each of the national organizations publishes guidance for the financial operations of the individual school organizations. **These organizations must have a separate employer identification number (EIN) and a separate mailing address in order to maintain their own records and accounts outside the control of the school.** However, these organizations will become school activities if:

- a) Both parties mutually assent to the fiduciary control of the Principal.
- b) A school employee leads the fund-raising or maintains the accounting records for the organization.

Specific Requirements:

Parent organizations (PTA/PTO) that maintain financial operations outside the control of the school could create a negative image for the school by failing to maintain proper accounting

controls. Accountability for the funds these organizations control includes an agreement between the school and the organization that:

- 1) The organization has obtained an employer identification number from the IRS.
- 2) The organization provides a report

D. Booster Organizations

All school sponsored extra-curricular activities must be under control of the school. However, booster organizations are often formed to support the operations of these activities in a variety of ways. While providing additional financial support for a particular extracurricular activity, the volunteers in the booster organizations also enhance community support that often extends to benefit all of the students at a school. Because some of the activities of a booster organization may be intertwined with the extra-curricular activity it supports, some of the organization's activities may be under the control of the school Principal while other functions of the same booster organization are not school activities. The determination that a particular booster organization is a school activity must be made on a case-by-case basis according to the actual facts and circumstances of the organization's operations at a school. **These organizations must have a separate employer identification number (EIN) and a separate mailing address in order to maintain their own records and accounts outside the control of the school.** However, these organizations will become school activities if:

- a) Both parties mutually assent to the fiduciary control of the Principal,
- b) A school employee, who is associated with the activity supported by the booster organization, serves/holds a leadership position in the organization, or,
- c) A school employee leads the fund-raising or maintains the accounting records for the organization.

Specific activities of a booster organization may come under the control of a school principal if:

- 1) The organization collects admission to the school function,
- 2) The organization operates a concession operation on school property at the school function,
- 3) The organization collects parking fees for the school function,
- 4) The organization operates a training camp that includes students of the activity it supports, or
- 5) The organization operates an exhibition or competition that includes students of the activity it supports.

VIII. Miscellaneous Items

A. Month End Close

Local School Month End: Monthly reports and uploads are due in the Central Office by the 10th of each month. The Bookkeeper at each school is responsible for month end close procedures of the books. Upon receipt of the bank statement (or a print out), the Bookkeeper should reconcile the book balance to the bank balance. After balancing, monthly reports should be run for each school. The **Checklist for Local Schools** (Appendix L) should be attached to the reports and forwarded to the Central Office for verification. The financials records of the local school are public records and should be made available to any person(s) upon written request. Monthly activity reports should be distributed to all Teacher/Sponsors.

District Month End: All district bank statements must be reconciled on a monthly basis. Revenues and expenditures must be reviewed monthly for proper classification. Once the local schools' books have been imported and all monthly and adjusting entries have been posted, financial reports are uploaded to the state and added to the agenda for Board approval of bank reconciliations and cash management. After Board approval, the financials will be published to the district website.

B. Calendar Year End

Local School Calendar Year End: In order to begin the calendar year end process, all December check runs (including off-line) and invoices must be completed. Print and verify the Missing/Invalid TIN Report for 1099 vendors. Once this has been verified, complete the 1099 process as follows:

- 1) Rebuild Vendor Amounts
- 2) Print Vendor Dollar Amount
- 3) Export Vendor Data to the Central Office
- 4) Notify the Central Office after the upload is complete.

District Calendar Year End: In order to begin the calendar year end process, all December check runs must be completed and posted. The year end 1099 process is as follows:

- 1) Print and verify the Missing/Invalid TIN Report for 1099 vendors
- 2) Rebuild Vendor Amounts
- 3) Print the Invoice by Vendor Report with the following selected: 1099 vendors only, paid by credit card, and check date by calendar year
- 4) Create 1099 work tables
- 5) Import local schools' 1099 data
- 6) Process 1099s for the district/local schools
- 7) Send 1099s to the vendors, IRS and State of Alabama

C. Fiscal Year End

Boaz City School's fiscal year runs from October 1st – September 30th. September's monthly reports are due in the Central Office no later than October 10th. The following list must be completed before the books are exported:

- 1) All invoices through September 30th must be paid.
- 2) All money collected on or before September 30th must be turned in, receipted and deposited in September.
- 3) All Teacher books must be collected.
- 4) Internal transfer in/out must balance.
- 5) Bank statement must be in balance.
- 6) Fundraisers should be paid for in the same fiscal year as the money is collected.

No activity should end the fiscal year with a negative balance. The Principal must transfer funds to the appropriate account to cover the amount the activity is short. Non-public activities cannot end the year with a negative balance.

D. Fixed Assets/Inventory

Boaz City Board of Education defines an inventory asset item as an item of value such as a camera, CPU, two-way radio, laptop, iPad or any other item that the employee feels is a high risk item, as well as items over \$500. These items should be coded to object code 491-499. All items over \$5,000 are considered capital asset items and should be coded to object code 500-599. The goals of these capital assets/inventory procedures are to safeguard assets and to assist in the audit process toward an unqualified audit financial opinion and to assign responsibility and accountability for the security of these assets within the district.

Any items donated for district purposes to the school, work sites, employees or departments are considered property of the district and will follow the guidelines set for reporting such items. Any received technology equipment or items that qualify for inventory must be tagged/barcoded. Technology items in need of repair should be submitted to the Technology department to process. For inventory disposal/deletion, a memo must be sent to the CSFO with corresponding asset tag, reason and method of disposal. No item may be disposed of without Board approval.

Lost items will be investigated by the appropriate department supervisor or local school administrator. The findings will be documented and reported on a separate disposition form and submitted to the CSFO. The findings should also be reported to the program director or supervisor for items purchased in whole or in part with federal funds.

Fees cannot be charged for the use or recovery of lost devices purchased in whole or in part with federal funds.

E. Disposition of Records

Local schools have the responsibility to administer the policies of the Board and the State Department of Education. This includes the responsibility of adhering to the minimum retention period for records created or maintained by the local schools. Local schools should forward their Local Government Records Destruction Notice to the Central Office for approval and then the notice will be forwarded to the Alabama Department of Archives and History, Records Analysis and Appraisal Division. Any records involved in litigation should be retained until the case is resolved.

The local schools financial records are created to document adherence to requirements made by the Board as well as to provide a sound record keeping system for each school year. All financial transactions of the school system should be retained upon the release of three audit reports and settlement of any claims due before being destroyed.

F. Journal Entries

Journal entries are used to correct posting errors and to record monthly checking account interest. Journal entries should have a Local School **Journal Entry Form** (Appendix M) with the Superintendent/CSFO/Principal's signature for approval.

G. Transfers

Under legal Compliance Guidelines Section C, public funds cannot be transferred to non-public accounts. If the funds are transferred from public to a non-public account, then funds are considered co-mingling and the non-public account becomes a public account.

Internal transfers should be used when transferring money from one activity to another. These should only be made with the permission of the principal or club sponsor via the **Funds Transfer Form** (Appendix N). Internal transfers in and out must balance each month.

External transfers should be used when transferring funds from one school to another or to the central office. These should be made when paying for transportation. They should not be used when paying for postage or reimbursing for items.

H. Field Trips

Teachers often request approval to take students off campus during the school day as enhancement of academic content in fulfilling the course curriculum. Voluntary contributions may be requested to pay the costs of transportation, meals, or admission charges. The voluntary nature of the contribution must be clearly stated in the request for the field trip costs. **Nonpayment of requested contributions cannot be used against a student and the student must be provided the same participation as if payment was made on behalf of the student.**

Field trips during the school day cannot generate a profit, but may establish a per student amount that exceeds the individual student costs to provide funds for the non-paying students, if the costs for the non-paying students are not paid by private sources or non-public school funds. Additional costs should be considered in establishing the per student field trip amount to accommodate for special needs students.

Documents providing information about the field trips to parents and guardians should include information on the disposition of excess field trip funds paid for the students including the cancellation or postponement of the field trip; a student's inability to participate in the field trip due to absence, illness or disciplinary action; and, requirements to receive a refund for the field trip payment.

The Central Office can provide guidance on student meals, transportation, and approval procedures. Board Policy 6.05 should be referenced as well.

Student trips that extend overnight, are held outside of school hours, or are held on a day that school is not in session are considered extra-curricular activities. Generally, extra-curricular activities are not subject to the requirement to provide participation for non-paying students.

A Transportation Request Form should be completed and approved by the Transportation Department prior to the date of the activity.

Trips that involve travel outside the State of Alabama and/or overnight stay must be presented to the Board of Education for approval.

The Transportation Secretary should report the activity run for the full amount of time on the Bus Driver Extra Pay Report. A monthly invoice will be issued to the school for reimbursement on the activity trips that are to be paid by the local school.

I. Academic Incentives for Students

Amendment 558 of the Alabama Constitution permits the use of public funds to promote educational excellence by students. Students may receive food items (but not foods of minimal nutritional value), school supplies, admissions, T-shirts publicizing school academic accomplishments, and other tangible incentive incentives for attendance, honor rolls, test scores, and other academic achievements. Academic excellence may also be recognized with plaques, trophies, and award banquets. Academic incentives with a significant monetary value may be provided to a group of students or by selecting individual recipients. (Scholarships and tuition programs outside of the school's academic program are not permitted.) By preparing and following formal incentive award procedures a school can minimize auditor questions and public scrutiny when the incentive recipients are announced. Procedures for providing academic incentives with a significant monetary value to students should be established before the incentive recipient is determined and should include:

- 1) Action required for a student to receive an incentive.
- 2) Relationship of the required action to educational excellence.
- 3) Description of the planned incentives.
- 4) Value of the planned incentives, if known.
- 5) Process for determining the incentive recipients.

Academic incentives, whether purchased with school funds or donated by other entities or private sources, should be secured until provided to the incentive recipients. The student receiving the incentive should sign a form documenting the student's receipt of the academic incentive, excluding those items of insignificant value. The school official that is giving the incentive to the student, along with a witness should also sign and date the form.

Amendment 558 of the Alabama Constitution also permits the use of public funds to recognize significant contributions to education by faculty, staff and the public in the form of trophies, plaques or academic banquets.

J. Live Work Projects for Students

Live work projects consist of work done by career tech students as part of their training program. Work can be done either in school or on a job location and includes service, repair, or production jobs of all types, excluding work done by cooperative education students. Live work will be conducted when, in the opinion of instructor and school administrator, the training program requires the work for acquisition of occupational skills leading to employment. The instructor, as part of the student's training program, will assign live work to individual students or groups of students. Administration and control of live work in accordance with local school board policies are the responsibilities of the school administrator. All live work performed must be approved by the administrator who shall be responsible for the determination and collection of all charges and maintenance of appropriate records.

Live work can only be performed when tasks are directly related to the knowledge acquired and skills currently being taught in the program as part of the course of study or to reinforce acquired knowledge and skills previously taught. Live work will be performed in specific projects for specific individuals and organizations. The scope and extent of each project will be well defined and documented before acceptance. Live work projects can be conducted for:

- 1) Students
- 2) Public employees
- 3) Tax supported programs and institutions
- 4) Charitable organizations that are supported by donations
- 5) Other individuals and organizations if:
 - a) The live work project is not in competition with private enterprise.
 - b) The circumstances involved are unusual and justify the acceptance of the live work project.
 - c) The instructor and the school administrator do not have a family or business relationship with the client.
 - d) The instructor justifies in writing why the live work is necessary for the training program and files a signed copy with the school administrator.

Liability Waivers

The person, program, institution, or organization for which live work is done shall:

- 1) Assume responsibility for the results of the work being done by students.
- 2) Accept responsibility for the total costs of materials and parts involved.
- 3) Pay a service charge according to the schedule established by the administrator of the school to cover indirect expenses.
- 4) Sign a form agreeing to the above conditions and specifically stipulating the work to be performed.

Charges for Live Work Projects

The total charges (cost plus a service charge) for live work will be as follows:

- 1) Actual cost of parts and materials, plus at least 20% for the service charge
- 2) Live work projects that do not include parts and materials provided by the school will be assessed a reasonable service charge according to a schedule or pricing sheet approved by the administrator.
- 3) A training program leading to a license, such as cosmetology or barbering may charge for services under a pricing schedule approved by the administrator.

Because state laws do not allow a school to extend credit, all charges must be collected at the conclusion of a live work project. Deposits and advance payments should be considered, if appropriate.

Work Orders

All live work projects must be documented with a signed liability waiver, authorization for work, and schedule of estimated costs for each customer. The liability waiver must be signed by the customer before the work begins. Customer approval of significant increases in estimated costs must be documented. At the conclusion of the work, the customer must be provided an itemized

statement of charges. A receipt must be provided to the customer when payment is made. The required documents may be separate forms or combined in the form of a work order.

Proceeds from Live Work Projects

Live work project proceeds are school funds subject to the same financial requirements as other school funds, including receipts, daily deposits, purchase orders, and invoices. Live work projects must be included in the school budget and are recorded in the school's accounting records with a separate account for each instructor. The income from live work projects and the expenditures from live work accounts are public funds and cannot be co-mingled with club or class funds. The administrator must approve all expenditures from live work funds. Funds from live work accounts may be transferred to other public fund accounts upon approval of the administrator. The local school superintendent may require the transfer of funds from live work accounts to reimburse the school board for expenditures related to live work projects.

K. Internal Controls

Boaz City Schools internal controls are audited annually to ensure compliance and reduce the risk of fraud, waste and abuse of federal funds. The audit is conducted by an independent external auditor. Any deficiencies are addressed in the audit report for correction. Boaz City Schools receives unqualified opinions each year with no noted deficiencies. Boaz City Schools upholds the same policies and procedures in off-monitoring years as in year when it is monitored.

IX. Accountability

A. Fraud

School bookkeepers are responsible for notifying the Central Office if they feel any money is unaccounted for or if employees are not following proper procedure. The bookkeeper will need to fill out a **Risk Notification Form** (Appendix O) and send it to the Central Office as soon as the issue has occurred. The Central Office Accountant and/or the CSFO will research the notification. The CSFO will decide if any action should be taken. If any action is needed, the CSFO and school Principal will meet with the employee and a **School Fiscal Accountability Form** (Appendix P) will be completed. That form will then be presented to the Board of Education and may be recorded in the board minutes. A completed copy will be filed in the employee's personnel file. If further problems occur, a CPA firm will be notified for a more extensive audit and further prosecution may be considered.

B. Acknowledgement of Procedures

The Boaz City Schools Accounting Manual can be found on the Boaz City School district website. Employees will be required to sign the **Accounting Manual Acknowledgement Form** (Appendix Q) stating that they understand and will adhere to the Accounting Manual, before any money is collected or any PO is requested.