

**SCHOOL BOARD OF BROWARD COUNTY, FL**  
**INTERNAL FUNDS ACCOUNTING**

**STANDARD PRACTICE BULLETIN**  
**AUGUST 1, 2000**

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**YEAR END CLOSING AND FINANCIAL REPORTS**

**TOPICS IN BULLETIN:**

- I. YEAR END CLOSING
- II. YEAR END CLOSING REPORTS
- III. RETAINING RECORDS (BOOKKEEPER'S FILES)

**EXHIBITS REFERENCED:**

- 1 Fund Raising Financial Report Form
- 2 Checklist for Year End Closing
- 3 Year End Inventory Form
- 4 Statement of Revenue and Expenditures
- 5 Unpaid Liabilities Form
- 6 Prenumbered Ticket Inventory Form

**I. YEAR END CLOSING**

Standard Practice Bulletin **A-425 YEAR-END REQUIREMENTS FOR INTERNAL ACCOUNTS** is issued by the Superintendent's Office every spring prior to year end closing.

It is very important all income and expenses be recorded in the applicable school year if possible. The following is a synopsis of A-425.

**A. STUDENT ACTIVITY ACCOUNTS**

- 1. All fund account balances should be reviewed by the Principal or designee. Inactive accounts should be closed by transferring balances to appropriate accounts.
- 2. **SENIOR CLASS MUST** furnish the Principal and bookkeeper with written authorization as to the disposition of any remaining senior class fund balance. **THESE FUNDS MAY NOT BE KEPT AT THE SCHOOL or HANDLED BY THE SCHOOL FOR THE CLASS' USE AFTER GRADUATION.**

**I. YEAR END CLOSING (Continued)**

- 3. Negative Fund balances **MUST** be cleared prior to the closing date.

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4. **FUNDRAISING FINANCIAL REPORTS** (Exhibit 1) for **EACH** fundraising activity **MUST** be completed and available for audit purposes.

**B. VOCATIONAL, TECHNICAL AND ADULT EDUCATION**

Many of the community school program's moneys are reflected in the day school's internal accounts. Normally during the day school's closing time, the community and vocational schools are making collections for their summer sessions. A-425 explains the accounting procedures to be followed with regards to those collections and their applicable transmittal dates.

**C. CHILD CARE COLLECTIONS**

A-425 covers the collections and transmittals for Child Care Sessions A and B.

**D. INTERNAL ADVANCES AND PLACE PROGRAM BUDGET PETTY CASH FUNDS**

1. Personnel holding Internal Advance Funds not necessary for summer operations (**EXAMPLES** of summer operations are community school program, summer school petty cash, etc.) **MUST** deposit the funds with the bookkeeper before the end of the school year.
2. Internal Advance Funds **NOT** turned in before the year end closing are to be recalled and receipted after JULY 1. If the funds are to be issued again, they then will be issued for the new year's period.

**I. YEAR END CLOSING (Continued)**

3. Place Program Budget Petty Cash Funds **MUST** be cleared with the Accounting Department prior to the June closing date.

**II. YEAR END CLOSING REPORTS**

A file has been loaded on to each bookkeeper's hard drive. The file is titled Internal Account Forms. All forms required to complete the year end closing requirements can be found in this file. In addition, the **CHECKLIST FOR YEAR END CLOSING** (Exhibit 2) of the Manatee system can be found in this file. Standard Practice Bulletin

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A-425 Year End Requirements for Internal Accounts refers to this disk and lists the forms found in the file.

**A. INVENTORIES**

1. Each and every continuous merchandising activity (school stores, P.E. uniforms, vending machines not on commission, etc.) must have an inventory cut off.

**NOTE:** An inventory price list for each school year **MUST** be maintained and be available for audit. The price list must show each item sold and the price at which it was sold. Any deviation from this price list must be documented (specific item discounted, discounted price and quantity discounted.)

2. A physical inventory must be taken and recorded on Exhibit A **INVENTORY FORM** (Exhibit A) located in the Internal Accounts file located on the bookkeeper's hard drive.

**II. YEAR END CLOSING REPORTS (Continued)**

3. Completion of the inventory exhibit requires:
  - a. Description of the items (**MUST** be same as on the inventory price list)
  - b. Selling price
  - c. Kind of unit (how sold to purchaser, each; dozen; box; etc.)
  - d. Units on hand (classification, each; dozen; etc. must agree with 3c) This is the actual physical count.
  - e. Cost per unit (What did we pay the vendor for the units broken down as in 3c)
  - f. Total Cost (the computer will do the mathematics for this column)

**B. STATEMENT OF REVENUE AND EXPENDITURES**

A Statement of Revenue and Expenditures (Exhibit B) is required to be completed for **ALL** continuous merchandising activities. This form is a profit

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and loss statement for the activity. In addition, this form is used to summarize other fundraising activities when it is not possible to obtain an exact accounting of items available for sale such as popcorn sales when the popcorn product is purchased and bagged in smaller portions.

**EXTREMELY IMPORTANT TO NOTE:** Any adjustments to inventory purchases; sales (sold product for less; gave product away); purchase adjustments (bought product at a cheaper price) **MUST** be reflected on the Statement of Revenue and Expenditures.

In addition, instructions for the completion of the Statement of Revenue and Expenditures are provided in SPB I-402.

**II. YEAR END CLOSING REPORTS (Continued)**

**C. ALL UNPAID LIABILITIES**

The Unpaid Liabilities form (Exhibit C) is used so the school can report any moneys owed to Vendors or the School Board of Broward County at the year end closing. Conditions requiring the completion of this form are:

1. An invoice has not been paid due to a conflict with vendor and further action is required
2. VTAE Fees to be remitted to the District
3. Receipt of invoice due during closing period

**D. PRE-NUMBERED UNUSED TICKET INVENTORY**

Any and all schools who have pre-numbered tickets in their possession are required to maintain an inventory of the unsold ticket numbers. The Pre-Numbered Unused Ticket Inventory (Exhibit D) is an annual report of unused pre-numbered tickets. Due care should be taken when completing this inventory.

**E. CHECKLIST FOR YEAR END CLOSING - MANATEE**

The Checklist for Year End Closing (Exhibit 2) of the Manatee Bookkeeping System is **VERY IMPORTANT**. The checklist takes the bookkeeper step by step through the computerized bookkeeping closing. The steps must be

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completed in the order they are presented on the checklist. Failure to follow the steps will result in an improperly closed year end.

As part of the year end closing the bookkeeper **MUST** print the following reports and maintain the reports in a binder. This step is very important since this information provides the basis for researching information and auditing purposes.

**Reports to be printed are:**

- 1. Receipts Register**
- 2. Receipts Journal**
- 3. Disbursements Journal**
- 4. Transfers Journal**
- 5. Adjustments Journal**
- 6. Check Register**
- 7. General Ledgers for all accounts \$0010 - H8001**

**III. RETAINING RECORDS (BOOKKEEPER'S FILES)**

The following items **ARE** to be retained by the bookkeeper:

- A. Fund Raising Financial Reports
- B. Manatee Year End Reports as described in II, E above
- C. Back up Disks
- D. Canceled/Voided/Skipped Checks
- E. Bank Statements
- F. Copies of Principal's Monthly Reports
- G. Check Vouchers with backup documentation
- H. Pre-numbered unused tickets, unsold special print tickets, and ticket reports
- I. Unsold inventories other than school stores (yearbooks; one file copy of all publications; pom poms; candles, etc.)
- J. Any information that is pertinent to the year closed and may be needed for the audit such as Newspaper/Yearbook Contracts; Picture Bids; Quotations for Field Trips, etc.
- K. Used and unused Moines Collection Envelopes
- L. Used and unused BC-40P Departmental Receipt Books
- M. Price list for each sales operation summarized on a Statement of Revenue and Expenditures and any documented price deviation