

Finance Policy and Procedures

September 2025

Table of Contents

Introduction **9**
Finance Policy & Procedures 9
Anti-Fraud Programs & Procedures 10
Delegation of Responsibility 10
Guidelines 10
Clients and Vendors 10
Entertainment, Gifts, and Favors 11
Seeking or Accepting Improper Influence 11
Organization Funds and Other Assets 11
Organization Records and Communications 12
Prompt Communications 12
Privacy and Confidentiality 12
Internal Controls **12**
Accounting System 13
Control Procedures 13
Internal Controls Systems 14
1. Control Environment 14
2. Risk Assessment 14
3. Control Activities 15
4. Information and Communication – 15
5. Monitoring Activities – 15
6. Conflict of Interest – 15
Government Fund Accounting Systems **16**
Types of Funds: 17
Governmental Funds: 17
Self-Balancing Accounts: 18
Accounting Coding System **18**
Account Number Structure 18
1. Fund Number: 19
2. Function and Program: 19
3. Location: 20
4. Object: 20

5. Project:.....21
Budgeting.....21
Annual Budget.....22
Budget Calendar.....22
Budget Transfers.....24
Budget Monitoring.....24
Capital Budget.....24
Debt Service Budget.....24
Special Revenue.....25
General Information.....25
Apply for a Grant.....25
Grant Files.....26
Grant Award Notification (GAN).....26
Payment Processing.....27
Claims Processing.....29
Period of Performance:.....30
Claiming Deadlines.....31
Collaboration.....31
Resolution for Grant Authorization.....31
Federal Fiscal Compliance - EDGAR.....31
Procurement.....34
Accounts Payable.....34
Deadlines, Check Schedules, Mailings.....35
Vendor Setup.....35
1099 Vendors.....36
Invoices.....36
Statements.....37
Sales Tax, Use Tax, & Exemptions.....37
Stop Payment/Cancelled Check.....38
Conflicting Business Interests.....39
Employee vs. Subcontractor.....39
Payroll.....39
Responsibilities.....40

New Hire Process....40
Employee Changes....40
Assignment Changes....40
Withholding or Direct Deposit Changes....41
Salary Changes....41
Payment of Salaries....41
Direct Deposit....42
Notifications....42
Time Collection....42
Manual Time Sheets....42
Time Clock System....43
Absences & Leaves....43
South Carolina Retirement....44
Emergency Pay Procedures....44
Fair Labor Standards Act....44
Docked Pay....44
Deductions....44
Summer Payrolls....44
Travel....45
Lodging....45
GSA Exceptions:....46
Meals....46
Mileage/Travel....47
Control of Cash....49
Depository of Funds....49
Bank Reconciliations....49
Warrants....50
Cash Receipts....50
Teacher Receipt Books....50
Elementary Schools....50
Middle and High School....50
Batch Proof Summary/Analysis of Deposit....51
Bank Deposits....51

Returned Checks....51
Secure Handling Deposits....51
Purpose....51
Installation and Use of Secure Safe....51
Deposit Procedures....52
MUNIS Time Management System Adjustment....52
Security and Compliance....52
Imprest Checking Account....52
Disbursements....53
Voiding a Check....54
Bank Reconciliation....54
Fixed Assets....54
Definition of Fixed Assets....54
Fixed Asset Classification....54
Land....54
Land Improvements....55
Buildings....55
Building Improvements....55
Machinery and Equipment....55
Licensed Vehicles....56
Textbooks and Library Books....56
Mobile Classrooms....56
Construction in Progress....56
Works of Art and Historical Treasures....56
Capitalization Policy....56
Depreciation....56
Date Placed into Service....57
Cost or Acquisition Value....57
Salvage Value....57
Estimated Useful Life....57
Depreciation Method....57
Fixed Assets Inventory Procedures....58
Account Numbers....58

Disposal Transfers....59
Important Reminders....59
Least Capitalization Policy....61
Purpose....61
Policy....61
General Ledger Responsibility....63
Bank Reconciliation - Concentration Account....63
Cash Receipting - Concentration Account....63
Journal Entry Corrections....63
Financial Statements....63
Student Activity....63
Student Activity Forms....64
Responsibility....64
Duties of Assistant Principal....65
Duties of Campus Financial Specialist....65
Duties of Fund Sponsor or Other School Personnel....66
School Store....66
Store Objective....66
Principal's Responsibilities....67
Sponsor's Responsibilities....68
Opening A Store....68
Food Products....69
Purchasing....69
Pricing....70
Sales Tax....70
Internal Control....71
Interfund Transfer....72
Physical Inventories....72
Slow-Moving and Unsalable Merchandise....72
Losses or Significant Profit Shortfalls on Store Operations....73
Discontinuing Store Operations....75
Financial Records and Reports....75
Sponsor Records....75

Event Ticketing **76**
Change Funds 76
Athletics 77
Concessions **77**
Accounting for Concession Stands 77
Concession Seller's Report 78
Tests of Cash Receipts and Inventory 78
Donations **78**
Fundraising Projects **79**
Request for Fundraising Project 79
Fundraising Report 79
1. Long-term Fundraising 80
2. Recurring Fundraising 80
3. One-time Projects 80
Crowdsourcing 80
Fundraiser for Charitable Organization 80
Online Fundraisers 80
Record Retention **81**
Purpose 81
Policy 81
Administration 81
Suspension of Record Disposal in Event of Litigation or Claims 81
Applicability 81
EXAMPLES OF SOME FINANCIAL RECORDS RETENTION SCHEDULES 81
Work Instructions and Forms **84**
Revision History **84**
Date 84
Current 84
Revision 84
Approver 84
Date 85
Current 85
Revision 85

Approver 85
09/15/2025 85
Accounts Payable....85
Added: Electronic deadline is Thursday; Distribution day is Friday....85
K. Yinger....85
09/15/2025 85
Employee Reimbursement 85
Reimbursements are now electronic direct deposits. 85
K. Yinger....85
09/15/2025 85
Time Keeping 85
Changed the work “timeclock” to “employee device” for clocking in and out. 85
K. Yinger....85
09/15/2025 85
Budget....85
Changed the budget transfer one line-item exceeding limit from $5,000 to $25,000. Removed “Transfers outside of program function exceeding $50,000 must be approved by the Board of Education.” And “Only the Superintendent or CFO is authorized to approve transfers of salary line items in the general fund”....85
K. Yinger....85

Introduction

Finance Policy & Procedures

Beaufort County School District believes that the quantity and quality of learning programs are directly dependent on the funding provided and the effective, efficient management of those funds. Therefore, achievement of the District's purposes can best be made through excellent fiscal management. To achieve this, a system of accounting practices and procedures is necessary for the District to account for the receipt and disbursement of funds in an accurate and efficient manner as well as providing for the safeguarding of the District's assets.

Inherent in the governing process of Beaufort County School District is that district employees who are entrusted with public funds are expected to safeguard those funds and assets and expend funds in a manner that is efficient, economical, and effective to achieve the purpose for which they were provided to the District. Employees who handle such funds must provide a full accounting of their activities to both the public and to other entities of government.

The Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* addresses two separate components of financial accountability.

1. Fiscal accountability requires that districts demonstrate compliance with public decisions concerning the raising and spending of public funds in the short term, which is usually a single budgetary cycle, or one year.

2. Operational accountability requires that a district demonstrate the extent to which it has met and can continue to meet its operating objectives in an efficient and effective manner.

The District is responsible for compliance with both Federal and State Regulations that govern aspects of operations, recordkeeping, and financial reporting. Annually, the South Carolina State Department of Education publishes the following:

- Financial Accounting Handbook
- Funding Manual
- Single Audit Guide

In addition, the Federal Government's Office of Management and Budget (OMB) has issued The Education Department General Administrative Regulations (EDGAR).

Since Beaufort County School District receives state and federal funds, it must always comply with the requirements outlined in the above authoritative publications. Any procedures listed in this manual that conflict with the procedures required by the above publications, then the procedures required by the above publications will be followed.

The Finance Department has prepared this manual for use in all schools and departments of Beaufort County School District. The policies and procedures in this manual have been developed in accordance with Board Policy, other State and Federal regulations, Generally Accepted Accounting Standards (GAAPS), and Generally Accepted Auditing Standards (GAAS). All Beaufort County School District personnel should adhere to these procedures.

This manual shall be easily accessible to necessary personnel. Changes and/or additions may be periodically distributed and replace amended sections or are added to appropriate sections as instructed. Manuals should be current at all times.

Anti-Fraud Programs & Procedures

The Beaufort County School District and its employees must comply with all applicable laws and regulations, without exception. Beaufort County School District will not condone the activities of employees who participate in violation of the law or unethical business dealings.

Delegation of Responsibility

While engaged in business on behalf of Beaufort County School District, employees shall behave in a manner that both professionally and ethically represents the District well. All business conduct shall be above minimum standards required by law. Accordingly, employees shall avoid actions that create the appearance of improper influence with respect to business decisions on behalf of the District.

Guidelines

Beaufort County School District expects that all employees will perform their duties conscientiously, honestly and in accordance with the best interests of the District. Employees must not use their positions, or their knowledge gained as a result of their positions for private or personal advantages. Regardless of the circumstances, if an employee senses that a course of action he/she has pursued, is presently pursuing, or is contemplating pursuing may involve a conflict of interest with the District, he/she should immediately communicate all facts to his/her supervisor.

Clients and Vendors

Beaufort County School District employees shall avoid investing in or acquiring a personal financial interest in any business organization that has a contracted

relationship with the District if such investment could influence or create the impression of influencing their decisions in the performance of duties on behalf of the District.

Employees responsible for taking or recommending official action involving contracting or procurement shall not use their positions or any confidential information received through their positions for their personal financial benefit, financial benefit of an immediate family member, or the financial benefit of a business with which the employee or a member of the employee's immediate family is a director, officer, owner, employee or has a financial interest comprising more than five percent (5%) the equity or indebtedness of the business. The preceding guidance does not include an action having de minimis economic impact.

Entertainment, Gifts, and Favors

Beaufort County School District employees must not accept entertainment, gifts or personal favors that could influence or appear to influence business decisions in favor of any person or organization with whom or which the District has, or is likely to have, business dealings. Further, District employees must not accept any other preferential treatment which would create the perception that an obligation has been created.

Seeking or Accepting Improper Influence

While engaging in business activities on behalf of the District or recommending official action involving contracting or procurement, employees may not solicit or receive payments, commissions or anything of monetary value, including gifts, loans, rewards or promises of future such benefits from vendors, suppliers or other entities doing business with Beaufort County School District, except as expressly authorized in advance by resolution of the Board. Violation of the prohibition will result in prosecution to the fullest extent of the law and immediate termination from employment.

Organization Funds and Other Assets

District employees who have access to the District's funds in any form must follow the prescribed procedures and policies for recording, handling, and protecting money. The District imposes strict standards to prevent fraud and dishonesty. If an employee becomes aware of any evidence of fraud or dishonesty, the employee should immediately advise their supervisor so that the District can promptly investigate further.

When a District employee is authorized to spend school and/or student activity funds or incur any reimbursable personal expenses, that individual must exercise good judgment on the District's behalf to ensure that good value is received for every expenditure and that District procurement policy is followed.

All assets of the District are for the District's purposes and not for personal benefit. This includes personal use of the District's assets, such as vehicles and equipment, and the use of District purchasing arrangements and charge accounts, even if personally reimbursed.

Organization Records and Communications

Accurate and reliable records of many kinds are necessary to meet Beaufort County School District's legal and financial obligations and to manage the affairs of the District. The District's books and records must reflect in an accurate and timely manner all business transactions. The employees responsible for accounting and recordkeeping must fully disclose and record all assets and liabilities and must exercise diligence in enforcing these requirements.

Beaufort County School District employees must not make or engage in any false record or communications of any kind, whether internal or external, including but not limited to:

• False expense, attendance, financial or similar reports or statements

• False advertising or other misleading representations. This includes alteration of any District documents, whether paper or electronic.

Prompt Communications

In all matters relevant to parents/guardians, community members, suppliers and governmental authorities, District employees must make every effort to achieve complete, accurate and timely communications, responding promptly and courteously to all proper requests as per District policies and procedures.

Privacy and Confidentiality

When handling financial and personal information about employees, students, vendors, or others with whom the District has dealings, the following principles should be followed:

- Collect, use, and retain only the personal information necessary for the District's business. Whenever possible, obtain any relevant information directly from the person concerned. Use only reputable and reliable sources to supplement this information.
- Refrain from emailing or otherwise providing personally identifiable information of students or staff required by state or federal officials or auditors unless a secure portal is provided.

Internal Controls

The District's internal control system comprises the policies and procedures established to provide reasonable assurance that specific District objectives will be achieved. Accounting responsibilities, procedures, and policies should be implemented and designed to prevent:

1. Misstatement of account balances because errors go undetected (both intentional and unintentional);

2. Misappropriation of cash and other resources of the District.

These objectives are pursued through a sound internal control structure, which is carefully established, meticulously followed, and monitored by Finance personnel. Such an internal control structure will also promote operational efficiency.

From a financial statement perspective, the District's internal control structure is comprised of the accounting system, control procedures, and internal control systems.

Accounting System

The accounting system encompasses the methods and records established to identify, assemble, analyze, classify, record, and report the District's transactions and to maintain accountability for the related assets and liabilities. An effective accounting system gives appropriate consideration to establishing methods and records that will:

1. Identify and record all valid transactions;

2. Describe on a timely basis, the transactions in sufficient detail to permit proper classification of transactions for financial reporting;

3. Measure the value of transactions in a manner that permits recording their proper monetary value in the financial statements;

4. Determine the period in which transactions occurred to permit recording of transactions in the proper accounting method;

5. Present properly the transactions and related disclosures in the financial statements

Control Procedures

Control procedures encompass those policies and procedures that the administration has established to provide reasonable assurance that specific District objectives will be achieved. Control procedures pertain to:

1. Proper authorization of transactions and activities.

2. Segregation of duties to reduce the opportunities of any employee to be in a position to both perpetrate and conceal error or irregularities in the normal course of his or her duties. A sound segregation of duties entails assigning different employees the responsibilities of authorizing transactions, recording, and reconciling transactions, and maintaining custody of assets.

3. Design and use of adequate documents and records to help ensure proper recording of transactions and events, such as monitoring the use of pre-numbered documents.

Internal Controls Systems

The internal control system includes six components and their associated principles. These components and principles are as follows:

1. Control Environment - The control environment is the set of standards, processes, and structures that provide the basis for carrying out internal control across the District. The Board of Trustees and administration establish the tone at the top regarding the importance of internal control including expected standards of conduct.

• The District will demonstrate a commitment to integrity and ethical values.

• The Board of Trustees will demonstrate independence from management and exercise oversight of the development and performance of internal control.

• With Board oversight, District management will establish structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of District objectives.

• The District will demonstrate a commitment to attract, develop, and retain competent individuals in alignment with District objectives.

• The District will hold all staff members accountable for their internal control responsibilities in the pursuit of District objectives.

2. Risk Assessment – Risk assessment forms the basis for determining how the District will manage various risks from external and internal sources. This involves a dynamic and iterative process to identify and assess risks to the achievement of the District's objectives.

• The District will specify objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives.

• The District will identify risks to the achievement of its objectives and will analyze risks as a basis for determining how the risks should be managed.

• The District will monitor and identify the potential for fraud in assessing risks to the achievement of its objectives.

• The District will identify and assess changes that could significantly impact the District's internal control system.

3. Control Activities – Control activities are the actions established through policies and procedures that help ensure that management's directives to mitigate risks to the achievement of objectives are carried out.

• The District will select and develop control activities that contribute to the mitigation of risks to the achievement of the District's objectives to acceptable levels.

• The District will select and develop general control activities over technology to support the achievement of the District's objectives.

• The District will deploy control activities through policies that establish what is expected and procedures that put policies into action.

4. Information and Communication – Information is necessary for the District to carry out internal control responsibilities to support the achievement of its objectives. Communication is the continual, iterative process of providing, sharing, and obtaining necessary information.

• The District will obtain or generate and use relevant, quality information to support the internal control system.

• The District will communicate information internally necessary to support the internal control system. This will include communicating the District's objectives and responsibilities for internal controls.

• The District will communicate with external parties regarding matters that affect the internal control system.

5. Monitoring Activities – Ongoing evaluations, separate evaluations, or some combination of the two are used to ascertain whether each of the five components of internal control, including controls to affect the principles within each component, is present and functioning. Findings will be evaluated and deficiencies will be communicated in a timely manner.

• The District will select, develop, and perform ongoing and/or separate evaluations and internal audits to ascertain whether the internal control components are present and functioning.

• The District will evaluate internal control deficiencies in a timely manner and communicate to those parties responsible for taking corrective action.

6. Conflict of Interest – The District addresses conflicts of interest for school board members in Administrative Regulations Policy GC-8, "Board Members Conflict of Interest," and for staff members in Administrative Regulation HRS-6, "Staff Ethics".

Government Fund Accounting Systems

The need to account for separate operations differently and the fact that many school district revenue sources carry legal restrictions regarding how they can be spent have together resulted in the development of fund accounting for school districts. Fund accounting emphasizes separate detailed accounting and reporting for each of the several subparts of a district, called funds, rather than accounting and reporting for the District as a whole. Significant importance is placed upon the need for the accounting system to ensure that spending restrictions and reporting requirements are met.

The Governmental Accounting Standards Board has defined the term “fund” as follows:

As a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Funds are generally classified into three categories. The first category of funds is governmental funds. Governmental funds are often called “source and disposition,” “expendable” or “government-type” funds. Most school district functions are typically financed through these funds. The acquisition, use and balances of the District’s expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through this fund category (general, special revenue, special revenue –EIA, capital projects, and debt service funds).

The governmental funds are, in essence, accounting segregations of financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used: current liabilities are assigned to the fund from which they are to be paid, and the difference between governmental fund assets and liabilities, the fund equity, is referred to as “fund balance.”

GASB Statement No. 34 creates, in addition to the five “traditional” governmental funds, a sixth governmental fund type, to be known as a “Permanent Fund.” The role of the permanent fund is “to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support reporting government’s programs-that is, for the benefit of the governmental or its citizenry.”

The second major fund category is proprietary funds. These funds are sometimes referred to as “income determination,” “nonexpendable,” or “commercial–type” funds. They are used to account for the District’s ongoing organizations and activities that are similar to those often found in the private sector (enterprise and internal service funds).

All assets, liabilities, equities, revenues, expenses, and transfers relating to the District's business activities are accounted for through proprietary funds.

The third major category of funds is the fiduciary funds. These are funds used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds, and include Agency Funds. Under GASB Statement No. 34, significant changes have been made in the fiduciary funds. These are discussed later in detail under Types of Funds.

Generally accepted accounting principles have established a fourth category, the self-balancing accounts, to demonstrate accountability for and control of the District's general capital assets and general long-term liabilities. The District's general capital assets are comprised of all capital assets except those accounted for in proprietary or trust funds. They are not financial resources available for expenditure. The immature principal of the District's general long-term liabilities (long-term liabilities not accounted for in proprietary funds or trust funds) do not require an appropriation or expenditure (use of financial resources) during the current accounting period. Consequently, neither is accounted for in the governmental funds, but in the self-balancing accounts. These accounts are not funds since they do not reflect available financial resources and related liabilities. They are purely accounting records of the capital assets and general long-term liabilities, respectively, and certain associated information.

Types of Funds:

The School District's accounting records should be maintained in a manner which permits the preparation of separate reports on the different types of funds. Districts should maintain the minimum number of funds consistent with legal and operating requirements, since too many funds can result in inflexibility, undue complexity, and inefficient financial management. The following major fund types and two self-balancing accounts should be used by the District, when applicable.

Governmental Funds:

The General Fund – This fund is the chief operating fund of the District and accounts for all financial sources and uses of the District except those required to be accounted for and reported in another fund.

Special Revenue Fund – Accounts for financial resources provided by federal, state, and local projects, and grants.

Special Revenue Fund–EIA – Accounts for revenue from the South Carolina Education Improvement Act of 1984, which is legally required by the State to be accounted for as a separate special revenue fund.

Food Service Fund – Accounts for the United States Department of Agriculture's required school breakfast and lunch program.

Debt Service Fund - Accounts for the accumulation of resources for, and payment of, all long-term debt principal, interest, and related costs.

Capital Project Fund – Accounts for financial resources to be used for site acquisitions, construction, equipment, and renovation of all major capital facilities except for those financed in the Enterprise Fund.

Pupil Activity Funds – Accounts for funds that are held in a custodial capacity by the District for individuals, private organizations, or other governments; may account for student activities.

Self-Balancing Accounts:

General Capital Assets – These assets are not specifically related to activities reported in the Proprietary Funds but generally result from expenditures in the governmental funds. They should not be reported as assets in governmental funds but should be reported in the governmental activities' column in the government-wide financial statements.

General Long-Term Liabilities – This group includes the un-matured principal of bonds, warrants, notes, or other forms of non-current long-term general obligation indebtedness. General long-term debt is not limited to liabilities arising from debt issuances but may also include non-current liabilities on lease- purchase agreements and other commitments that are not current liabilities properly recorded in governmental funds. General long-term liabilities should not be reported as liabilities in the governmental funds but should be reported in the governmental activities' column in the government-wide statement of net assets.

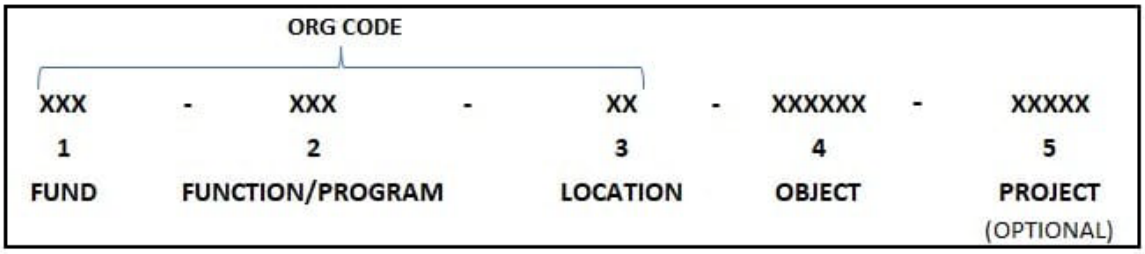
Accounting Coding System

General Information

The State Department of Education publishes a Financial Accounting Handbook and Funding Manual, which serve as the basis for the account code structure used by the District. The Department has mandated the account structure used by all school districts in the State of South Carolina in order to provide a level of consistency and comparability statewide. State, Federal, and Local Agencies, as well as the District and community, utilize the information provided by our account numbers for a variety of purposes. Because numerous agencies rely on the information provided through our account structure, revenues and expenditures must be recorded accurately and in the appropriate categories.

Account Number Structure

Account codes are made of five different components. The following information outlines the account number structure and explains each component in detail.



1. Fund Number:

The first three digits are assigned to funds utilized by the District. It identifies the grant or allocation of money that has been awarded to the district. It tells the user the funding source.

100 – General Funds – Local and state revenue used for general operations of the school district

200 – Special Revenue – revenue received from the Federal Government

300 – Special Revenue – revenue received from the State Government (EIA/EFA)

400 – Debt Service – used to accumulate monies for payment of interest and principal on long-term General Obligation Bonds

500 – Capital Funds – used for the acquisition and construction of major capital faculties

600 – Food Service – used for operations of District's food service program

650 – Internal Service Fund – used as an insurance reserve fund

700 – Pupil Activity – used for monies under the direct control of the principal/director

800 – Special Revenue – revenue received from local and state sources

900 – Special Revenue – revenue received from the State Government, Lottery Funds, and Local Sources

2. Function and Program:

The Function and Program is the second set of digits and describes activities for which services or material objects are acquired. The first number indicates the Function- the activities of a school district are classified in the five broad functional areas listed below. The Program specifies the department or group of employees or students within the Function who will benefit from the funds.

This is not a complete list of programs

Function:

100’s – Instruction

Program (Examples):

111-Kindergarten

112- Primary/Elementary

113- Middle

114- High School

115- Vocational

120s- Special Education

200’s – Support Services

Program(Examples):

211-Attendance & Social Work

213- Health Services

252- Finance

232- Superintendent

233- School Administration

300’s – Community Services

400’s – Other Charges

500’s – Debt Service

3. Location:

Identifies the location expending the money.

4. Object:

The object and defines the service or item obtained as the result of a specific expenditure. There are seven object classifications, and these broad categories are subdivided to obtain more detailed information about objects of expenditures.

100’s – Salaries

200’s – Fringe Benefits

300’s – Purchased Services

400’s – Supplies

500’s – Capital Outlay

600's – Other Objects

700's - Transfers

5. Project:

Not commonly used and only used as an internal tool to categorize construction projects and expenditures for certain instructional programs (MLL, IB, Gifted & Talented, Math, Science, etc.)

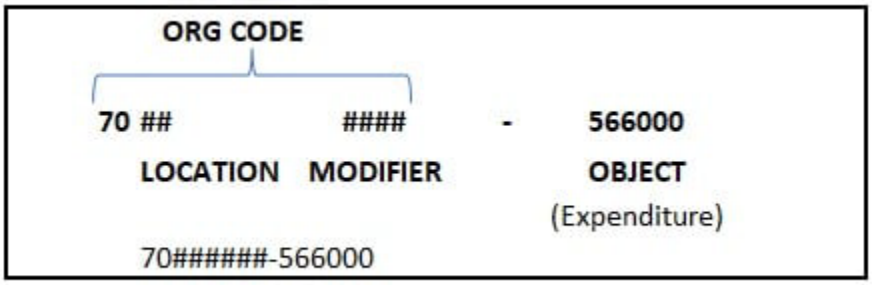
Student Activity Account Number Structure

Modifier:

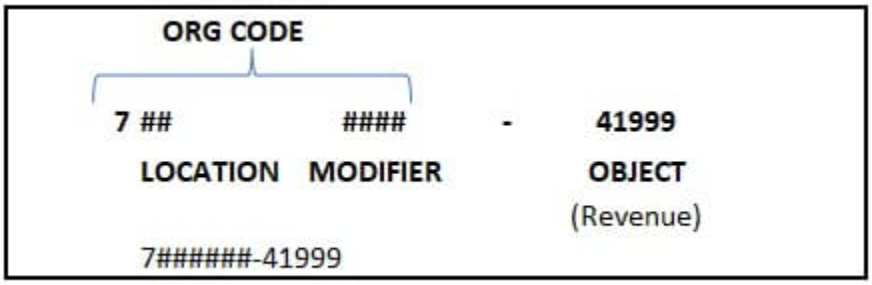
Applies only to Pupil Activity account numbers. The modifier is used to distinguish like accounts from one another.

The Fund is a three-digit number- 7+location number; in the expenditure account code zero is a place holder before the location number.

Expenditure Example:



Revenue Example:



Budgeting

Legal and Administrative Considerations

The basic legal requirements pertaining to school districts, including budgeting are contained in Title 59, Chapter 1 of the South Carolina Code of Laws. This governs the basic framework within which budgeting must be carried out. For Beaufort County School District, additional guidelines are provided through Operational Expectations developed and adopted by the Board of Education.

Administration's Role

The administration's role in the budgetary process involves the following activities:

1. Preparing budget proposals for consideration by the Board of Education.
2. Explaining and clarifying current fiscal conditions, fiscal prospects, and budgetary proposals to the Board.
3. Receiving formal adoption of the proposed budget by the Board.
4. Preparing budget proposals for consideration by the Beaufort County Council, for three formal readings including one public hearing to comply with state law.
5. Receiving official ordinance by Beaufort County Council to levy local taxes to support the proposed budget.
6. Implementing the budget approved by both the Board and County Council and monitoring performance to ensure that programmatic and fiscal objectives are met.

Administrators must be involved in the details of the budget development and implementation. They must also seek to summarize these details and present information in a way that complements the Board's policymaking function and to comply with State law in order to receive an ordinance from the county to levy taxes.

Annual Budget

The annual budget is the financial plan for the operation of the school district. The general operating budget provides the framework for both expenditures and revenues for the year. The general fund budget is approved annually by the Board of Education. Annual general fund allocations are made to each school based on student enrollment. State and federal program budgets are approved by the State Department of Education and developed in accordance with guidelines provided in grant budget documents and the State Department of Education Funding Manual. The general fund budget is developed to translate educational programs and priorities for the district into financial terms.

Budget Calendar

Planning the budget is a continuous process which involves long-term thought, study, and deliberation. The Superintendent has the responsibility for budget preparation; however, the final approval of the budget would not be possible without the collaboration

of months of efforts by the Superintendent, the Board of Education, administrative staff, teachers, parents, and citizens of Beaufort County.

An annual Budget Calendar is developed to guide the budget process and establish key dates to ensure the goal of executing the budget prior to the start of the fiscal year.

Beaufort County School District Budget Calendar

January

- Enrollment projection and Staffing allocation templates completed
- Distribute Budget Resource Packets to Departments and Schools

February

- Budget Resource Packets due from Departments and Schools
- Meeting with School Administration related to staffing allocations
- Gain input on District priorities from students through Student Advisory meetings, Principals, staff, and community

March

- Budget data finalized and loaded into ERP system
- Brief Board on first update of State mandates
- Leadership Team First Review

April

- Initial reading of Superintendent's Proposed Budget to Board
- Updates on State mandates and initial revenue projections
- Present proposed budget at two Public Forums (Northern Beaufort County and Southern Beaufort County)
- Second reading of Proposed Budget to Board with recommended adjustments
- Presentation of Proposed Budget at Principal's meeting

May

- Third reading of Proposed Budget to Board of Education - Certification
- Present School District Budget to Beaufort County Council Finance Committee
- First reading of Certified Budget to Beaufort County Council

June

- Second reading of Certified Budget to Beaufort County Council - Public Hearing

- Third reading and adoption of Certified Budget to Beaufort County Council – ordinance executed

Budget Transfers

The Superintendent grants principals/department heads the discretion to make non-salary budget transfers at the school/department level. Budget transfers may only occur within a single fund. Budget transfers with one line-item exceeding $25,000 per OS-5 Board Policy, must be approved by the Chief Financial Officer. Requests for changes to a school/department budget may be made by an electronic budget transfer.

The administrative staff shall operate the school system within the budget established for department and schools. Carryover funds in General Fund accounts are not permitted.

Budget Monitoring

Each school/department head should delegate the responsibility of generating monthly financial reports to the Campus Finance Specialist. It is the responsibility of the principal/department head to review the financial reports for accuracy and to monitor spending and budget availability closely.

Capital Budget

Each year a facilities assessment is completed to determine the capital renewal and improvement needs of the District. From this assessment, the Facilities, Planning and Construction Office (FPC) prepares a project listing and seeks approval by the Board of Education. Funding is typically provided through the sale of General Obligation Bonds.

Budget transfer requests within the capital projects funds are requested by the project manager via e-mail and approved contract amendments. Transfers within a school location are authorized by the project manager. Transfers to/from the District’s contingency accounts must be authorized by the Chief Operations Officer.

Debt Service Budget

Through a collaborative effort of the Finance staff and the District's financial advisor and bond counsel, the budget for the debt service fund is determined by the financial needs to meet the principal and interest requirements on the outstanding debt. The amounts needed are equated to a tax levy value, approved by the Board of Education and the appropriate levy is established by the Beaufort County Auditor.

Special Revenue

General Information

The Office of Special Revenue is responsible for the overall management and supervision of the district's federal, state, and private foundation grants. This management and supervision include fiscal management and program compliance management.

A grant represents funds requested from a state, federal, or private source. The grant is a commitment from the source to provide funds for specified purposes. Grants can be applied for or awarded to schools, teachers, or the district. Each project, grant or state initiative is accounted for in a designated fund, generally determined by the State Department of Education. Copies of all major grant documents, including applications, awards, budgets, amendments, and other pertinent documents must be submitted to the Office of Special Revenue, to account properly for all funds received. Documents for smaller grants, such as teacher grants, may be maintained at the school level. However, funds may not be encumbered or expended until grant monies are received. *Exception- Federal Funds entitlements, which are allowable to when the grant is submitted to SCDE in an approved form.

Apply for a Grant

All grant applications or proposals $5,000 or greater written by teachers, schools, and departments must be approved by the Office of Special Revenue prior to submission. Schools receiving grant funding or allocations have the primary responsibility for maintaining school-based documentation and an accounting system for those programs.

To process a grant, the following steps must be completed before any commitments for purchases or employment are made:

- Submit to Special Revenue:
    - A complete copy of the grant application with all required signatures if an application is required.
    - A copy of the signed award letter from the granting agency specifying the amount of the grant and clearly indicating approval. Someone must sign the award letter from the granting agency.
    - A copy of any reporting requirements and any deadlines for the grant.
    - A complete budget for the grant. The budget must be prepared using the functions and objects of expenditure shown in the Financial Accounting Handbook published by the State Department of Education.

- If the grant allows indirect costs, it **must** be included in the grant proposal. Consult the grant website for up-to-date information.
- Expenditures cannot be made until the Finance Department has reviewed the above information and has given approval for spending.
- All monies received in the district for special grants must be expended in accordance with established District accounting procedures and the assurances that any special regulations that pertains to the grant.
- If the grant involves the hiring of employees (part-time or full-time), all Human Resource policies and procedures must be followed including any time and effort procedures. Contact Human Resources about the advertising of positions. Positions will be hired after notice of award is received.
- Grants requiring annual approval will be budgeted according to the anticipated revenue and expenditure amounts provided by the program coordinator. These budgets will be revised when the grant is reapproved.

In most cases, all federal grants are highly restricted and cannot be moved between function and object levels without State Department of Education approval. This makes it very important to plan future federal budgets as accurately as possible, so that minimum amendments are necessary. State grants are restricted and are limited as to the function and object levels that are approved by the State Department. Most state grants allow for carryover of funds into the following year; however, this is determined on an annual basis by the legislature.

Grant Files

A file for each grant should be maintained by the Office of Special Revenue or by the school/department for smaller grants. Having organized files allows grant documents to be quickly accessed upon request. The following information should be included in the grant file:

- Grant award notification
- Copy of grant budget
- Copy of grant reimbursement request
- Applicable special guidelines for the grant

Grant Award Notification (GAN)

When a grant is awarded, BSCD receives a notice of award. This notice can take different forms such as a formal Grant Award Notice (GAN), memorandum of understanding or agreement, or other forms, such as a letter. The grantors do not send these notices to the same person each time. It is important that all forms of notice of award are provided to the Office of Special Revenue.

Payment Processing

All payment requests, timesheets and requisitions processed with grant funds flow through the Office of Special Revenue. These expenditures are checked to make sure the appropriate account code is used regarding fund, program, location, and object code. The item is also checked to verify that the expenditure is allowable according to several applicable regulations or guidance documents such as the Education Department General Administrative Regulations (EDGAR), the State Department of Education, Grant Award Notification (GAN), and any other specific program assurances for each grant. The expense is also verified against the budget to prevent overspending. Whichever allowability requirements are stricter will govern whether a cost is allowable.

The cost principles for federal funds set out the basic guidelines to test the allowability of costs. To be allowable under federal awards, costs must meet every one of the following criteria.

General allowability determination factors include the following:

- **Be Necessary and Reasonable for the performance of the federal award.** A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision to incur the cost was made. For example, **reasonable** means that sound business practices were followed, and purchases were comparable to market prices. When determining **reasonableness** of a cost, consideration must be given to:
    - Whether the cost is a type generally recognized as ordinary and necessary for the operation of the district or the proper and efficient performance of the federal award.
    - The restraints or requirements imposed by factors, such as sound business practices; arm's-length bargaining; federal, state, and other laws and regulations; and terms and conditions of the federal award.
    - Market prices for comparable goods or services for the geographic area.
    - Whether the individual incurring the cost acted with prudence in the circumstances considering responsibilities to the district, its employees, its students, the public at large, and the federal government.
    - Whether the district significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the federal award's cost. (2 CFR Sec. 200.404)
    - Whether a cost is **necessary** will be determined based on the needs of the program. Specifically, the expenditure must be necessary to achieve an important program objective. A key aspect in determining whether a cost is necessary is whether the district can demonstrate that the cost

addresses an existing need and can prove it. When determining whether a cost is necessary, consideration may be given to:

  - Whether the cost is needed for the proper and efficient performance of the federal award program.
  - Whether the cost is identified in the approved budget or application.
  - Whether there is an educational benefit associated with the cost.
  - Whether the cost aligns with identified needs based on results and findings from a needs assessment.
  - Whether the cost addresses program goals and objectives and is based on program data.

- **Allocable to the federal award.** A cost is allocable to the federal award if the goods or services involved are chargeable or assignable to the federal award in accordance with the relative benefit received. This means that the federal grant program derived a benefit in proportion to the funds charged to the program. (2 CFR Sec. 200.405)
- **Consistent with policies and procedures that apply uniformly to both federally financed and other activities of the school entity.**
- **Conform to any limitations or exclusions set forth as cost principles in Part 200 or in the terms and conditions of the federal award.**
- **Consistent treatment.** A cost cannot be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been assigned as an indirect cost under another award.
- **Adequately documented.** All expenditures must be properly documented.
- **Be calculated in accordance with generally accepted accounting principles (GAAP), unless provided otherwise in Part 200, with assistance from the district's finance office.**
- **Not included as a match or cost-share, unless the specific federal program**
- **Authorizes federal costs to be treated as such.** Some federal program statutes require the nonfederal entity to contribute a certain number of nonfederal resources to be eligible for the federal program.
- **Be the net of all applicable credits.** The term "applicable credits" refers to those receipts or reduction of expenditures that operate to offset or reduce expense items allocable to the federal award. Typical examples of such transactions are purchase discounts; rebates or allowances; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the state relate to the

federal award, they shall be credited to the federal award, either as a cost reduction or a cash refund, as appropriate. (2 CFR Sec. 200.406)..

- The grant requirements for special revenue funds (grants, federal programs, etc.) must be followed and be restricted to certain account codes. Budget transfers and Amendments for special revenue funds are approved by the grantor or by state rules.

Claims Processing

BCSD does not accept advance payments of federal grant awards and seeks reimbursement through a claiming process. BCSD does not maintain grant funds in a separate bank account unless it is required by the grant regulations. The district does not earn and record back account interest for federal grants. All grant expenditure reimbursement requests (claims) are prepared by a Grants Accountant with supporting accounting records on a quarterly basis or more often if the grant program requires.

Financial reports are submitted to the appropriate agency using the required claiming system. Claims are entered by the Grants Accountant and each claim is reviewed by the Director of Special Revenue and approved by the Director of Internal Controls. The Grants Accountant keeps any pertinent information for reconciling purposes. Journal entries are completed setting up the accounts receivable and posting the revenue and indirect cost for each claim which are also approved by the Director of Internal Controls. The signature of the Superintendent is obtained on paper copies and retained with grant documents.

All claims entered through GAPS and reimbursed through the SC Department of Education (SDE) are posted to the SDE Website. This process is completed by the SDE weekly. Once the Grants Accountant verifies that BCSD has been reimbursed for any claims, the list of payments is printed and labeled with the appropriate revenue code. This list is given to the Revenue Accountant for entry into BSCD's financial accounting system.

Direct Cost: Expenditures charged directly to a federal grant award will follow all district policies and procedures as well as federal requirements applicable to those costs, including, but not limited to; procurement requirements, property standards, travel policies, and cost criteria established by 2 CFR Part 200, Subsection E, as identified in the allowable cost policy. Additionally, all direct expenditures will be allowable under the terms of the grant award and program regulations. Requirements followed will be the more restrictive of the local, state, or federal regulations associated with a particular type of expenditure.

Indirect Costs: Federal grant awards will include an amount of indirect expenditures that districts are entitled to for organization wide costs of the grantee that benefit the federal program being administered by the district, unless specifically disallowed by the terms of the grant award.

Indirect cost rates are negotiated by the district's cognizant or oversight agency and can be applied to all Federal awards the district receives.

There are two types of federal indirect costs. A restricted rate is used for any federal program that has a "supplement, not supplant" requirement, which means the federal money is used to supplement the amount of money that a district has to spend on a particular program and is not used " in place of' state /local funds. An unrestricted rate is used for programs that do not have a "supplement, not supplant" requirement.

IF THE OBLIGATION IS FOR:	THE OBLIGATION WAS MADE:
Personal services by an employee of the district	When the services are performed
Personal services by a contractor who is not an employee of the district.	On the date on which the district makes a binding written commitment to obtain the services
Performance of work other than personal services	On the date on which the district makes a binding written commitment to obtain the work
Travel	When the travel is taken
Rental of real or personal property	When the district uses the property
Public utility services	When the district receives the services
Acquisition of real or personal property	On the date on which the district makes a binding written commitment to acquire the property

Period of Performance:

Federal funds may be obligated on the latter date funds become available or the submission date of the grant application, either in full form, or "Substantially Approvable Status (SAS)," depending on the terms of the Federal award.

Federal funds may not be expended subsequent to the end date of the grant except to liquidate allowable obligations that were made on or before that date. All liquidations of

prior obligations must be made within 90 days of the grant-end date, or an earlier date established by the granting agency.

Claiming Deadlines

The normal flow of paperwork requires processing for Accounts Payable every week, Payroll every two weeks, P-Card expenses monthly, as well as daily requisitions. Although each grant can be unique in reporting requirements and closing dates, most state, federal and local claims are filed every quarter with some exceptions. Documentation is then sent to the proper funding sources by November 15, February 15, May 15, and August 15. The State Department may provide adjustments to these deadlines.

Collaboration

The Office of Special Revenue must collaborate on a regular basis with grant recipients, school principals, campus financial specialists, directors, members of finance department, as well as state, federal and local agencies to provide assistance and knowledge during the life of the grant. This includes reporting on a regular basis the status of the grant.

Resolution for Grant Authorization

Pursuant to South Carolina Department of Education requirements, the Board shall annually approve a resolution authorizing the Superintendent, or his designee, to apply for, sign, submit, and administer local, state, Federal, and foundation grants and cooperative agreements. OS-7 II (B).

Federal Fiscal Compliance - EDGAR

The list provided contains policy and procedure requirements from various EDGAR trainings. The list is not all inclusive but a quick reference for requirement referrals.

Time and Effort Policy

Key 2 CFR Part 200 Policies and Procedures

2 CFR Part 200 Policies and Procedures	**BCSD Cross Reference**
200.33 - Fixed Assets	BCSD Fixed Assets Policy and Procedures

200.12 - Conflict of Interest	BCSD Procurement Code, Procurement Policies and Procedures, and Vendor Handbook
200.318 - Conflict of Interest	BCSD Procurement Code, Procurement Policies and Procedures, and Vendor Handbook, BCSD Regulation HRS-6 Employee Handbook
200.113 - Mandatory Disclosure	BCSD Procurement Code and Vendor Handbook
200.430 - IHE compensation of non-faculty members	BCSD Regulation HRS - 49 Substitute Teachers
200.431 - Compensation Re: Fringe, Leave, Pension, and Severance Pay	BCSD Regulation HRS - 16 Staff Leaves and Absences
200.437 - improving working conditions, employer/employee relations, employee health, and welfare	BCSD Regulation HRS - 11 Employee Health
300.464 - Relocation cost of employees	BCSD Regulation HRS - 5 Staff Contracts and Compensation
200.474 - Travel re: allowable, rates, participation	BCSD Travel Policy
200.510 - Accounting	BCSD Finance Policies and Procedures

200.302 - Cash Management: Payments, Allowability of Cost	BCSD Finance Policies and Procedures, Section - Accounting Code System
200.313 - Equipment Management, Re: Maintenance, Sales	BCSD Fixed Assets Policy and Procedures
200.318 - Procurement, Organizational Conflicts of Interest, Procurement	Does not apply to BCSD - BCSD does not have any affiliation with non-governmental procurement agencies.
200.319 - Procurement: Competition	BCSD Procurement Code, Procurement Policies and Procedures, and Vendor Handbook
200.320 - Micro-Purchases: reasonable cost and equitable distribution, small-purchase, technical evaluation of proposals	BCSD Procurement Code, Procurement Policies and Procedures, and Vendor Handbook
200.324 - Self-certifying procurement procedures	BCSD Procurement Code, Procurement Policies and Procedures, and Vendor Handbook
200.416 - Centralize service cost	Does not apply to BCSD - BCSD does not supported any central service operations.
200.430 - Professional Service Contracts and Accounting	BCSD Procurement Code, Procurement Policies and Procedures, and Vendor Handbook
200.431 - Compensation: Fringe allocated to federal awards	BCSD Regulation HRS - 5 Staff Contracts and Compensation

200.333 - Written Documentation Retention Policy or Procedures	BCSD Finance Policies and Procedures, Section: Record Retention

Procurement

The Procurement department offers support services for the school district with the function of overseeing and assisting the acquisition of goods and services for day-to-day operations and the education of the students. The Procurement Program is designed to improve the efficiency and effectiveness of the BCSD purchasing processes.

The purpose of the **Procurement Policies and Procedures Manual** is to inform BCSD employees and stakeholders of the District's policies, procedures, and objectives regarding the Procurement Program. This manual will outline the practices to be followed to protect the integrity of the procurement process and to mitigate the risk of fraudulent activity within or outside of the organization. This manual will also acquaint BCSD personnel with the procurement program and the proper policies and procedures associated with the program.

The Procurement Team monitors all purchases exceeding the procurement small dollar purchase threshold, serves as the contract administrators for the District, and monitor the performance of the Procurement Card Program. If directed, the Chief Financial Officer has the authority to the Procurement department to suspend or revoke purchasing authority if circumstances arise to mitigate financial exposure. The success of the Procurement Program depends on your participation and cooperation. All questions or concerns should be directed to the Procurement Department.

Procurement Code

2021ModelSchoolDistrictProcurementCode-Final.pdf (finalsite.net)

Accounts Payable

All disbursement of District funds must be made in accordance with District procedures. We are accountable to the taxpayers who provide these funds, and we are audited each year to ensure we follow establish practices for making disbursements.

As directed by the Superintendent, the Accounts Payable division of the Finance Department will make all payments for goods and services only under these conditions:

- Against invoices submitted with payment request and approvals received.
- Against invoices, properly supported by authorized purchase orders
- Against properly submitted expense reports covering authorized expenses.

In addition, the accounts Payable Division of the Finance Department is responsible for the following:

- 1099 tax reporting
- Interaction with vendors, purchasing, and other departments for information, training, and problem resolution.
- Providing internal and external auditors with information and access to accounts payable records.
- Ensuring compliance with the BCSD policies and regulations.

Deadlines, Check Schedules, Mailings

All invoices approved for payment must be received in Accounts Payable by the end of day on Thursday. A payment request is required for invoices that do not have a purchase order or was not paid with the purchasing card.

Checks are processed every Thursday with a Friday check date for distribution. Occasionally, holidays or other circumstances may warrant an altered deadline or check run date. When this is necessary, an email will be sent from the Finance Department with information regarding the altered schedule.

When sending documents to be paid by Accounts Payable, sufficient time must be allowed for all approvals. Invoices received without proper approval and without all the correct information will not be processed until all required documentation is present.

Reimbursement checks payable to an employee will be deposited electronically to the employee's bank. All other checks will be mailed to the vendor address currently on file. In accordance with district policy, no checks will be held for pick up at the district office by employees or vendors.

Vendor Setup

If a new vendor is required, please contact the Procurement Office with your request.

The following is required for vendor setup. Failure to provide the information will delay the process of the purchase or payment.

- Vendor's W-9

    - A form W-9 is required for any new vendor receiving payment for services rendered. The district will not issue payment to any vendor that has not provided a form W-9.
    - A new form W-9 is required when the vendor changes its name or when a contracted vendor changes his/her address.
    - Request for changes in name or address must be verified by Procurement and Internal Controls staff prior to change.
- Reason for request
- Copy of vendor's invoice, if available

An email will be sent once the vendor has been approved and established in the financial software system. Rather than setting up a vendor for each unique vendor, a procurement card should be utilized for those one-time vendors.

1099 Vendors

Occasionally, payments are made to individuals that have contracted to perform certain services. These payments are taxable, and an IRS Form W-9 should be completed by the individuals performing contracted services. Invoices for services must be submitted and paid directly by Accounts Payable; employees will not be reimbursed for any 1099 payments. Under no circumstances is an employee to be paid for services through Accounts Payable. Employees must be paid through payroll if they perform additional services beyond their job description.

Invoices

Invoices are sent to Accounts Payable or the Campus Financial Specialist from various vendors. The Accounts Payable Department and Campus Financial Specialist matches the invoices to the purchase order approved for payment.

The following is required:

- All requisitions are reviewed and converted by the Procurement Coordinator or Procurement Specialist.
- The payment request must include an invoice or purchase order. Both must have a legible signature or electronic signature time stamp.
- The Campus Financial Specialist will verify that goods and services have been received/completed. Goods or services must be received prior to any payment.
- Invoice must not exceed 110% of the purchase order amount, unless written approval is obtained. The approval must accompany all backup documentation.
- Vendor name on the purchase order and invoice must match.

- Payments can only be made from an invoice. Statements, quotes, order forms or packing slips are not acceptable replacements for invoices.
- Invoices may not be paid against an “After the Fact” purchase order. This occurs when a purchase order is created after the order has already been placed and the invoice date is earlier than the purchase order date. A procurement violation will be issued per incident.
- Altered Invoice (handwritten changes) are prohibited. Contact vendor to secure a corrected invoice.
- Invoices and/or purchase order should be entered into financial software or sent to Accounts Payable in a timely manner.

Statements

Statements are provided by vendors as a recap of invoices due for a period. Statements do not provide proper detail for payments, such as items purchased, item amounts, quantities purchased etc. Any statements mailed to a school should be forwarded to Accounts Payable. These will be used to ensure all invoices are being paid.

Sales Tax, Use Tax, & Exemptions

The District is NOT exempt from paying sales tax on most purchases. We are required to pay sales or use tax on all purchases made unless they are specifically exempt by state law. Currently, the District is only exempt from paying sales and use tax on materials directly related to curriculum, as defined by state legislation.

Most South Carolina businesses are aware that school districts are not exempt from payment of sales tax on purchases. However, some out of state businesses do not charge sales tax on items sold to the district. The Accounts Payable department will track invoices that do not contain sales and use tax payments. A monthly sales and use tax return, along with payment, will be filed with the SC Department of Revenue. These payments will be charged back to the accounts and departments that made the purchase.

Educational Exemptions (Excerpt from Sales & Use Tax Manual 2022):

Code Section	Description
12-26-2120(3)	Textbooks, books, magazines, periodicals, newspapers, and access to online information used in course of study or for use in a school or public library. These items may be in printed form or in an alternative form such as microfilm or CD Rom. Communication services and equipment subject

Code Section	Description
	to tax under SC Code §§12-36-910(B)(3) and 12-36-1310(B)(3) are not exempt
12-36-2180(8)	Newspapers, newsprint paper, and the South Carolina Department of Agriculture Market Bulleting
12-36-2120(10)(a)	Meals or food used in furnishing meals to K-12 students in schools (not for profit)
12-36-2120(26)	Television, radio, and cable TV supplies, equipment, machinery, and Electricity
12-36-2120(27)	Zoo plants and animals
12-23-2130(2)	Exhibition rentals for museums (charitable, eleemosynary, or governmental museums)

Stop Payment/Cancelled Check

Occasionally checks may be lost, stolen or incorrect which requires a stop payment and reissue of the check. Accounts Payable is responsible for issuing a replacement check. All checks should be sent directly to the vendor, and not the requestor, to prevent payment being posted late or the check being lost.

Individuals requesting a stop payment on an Accounts Payable (non-payroll) check should contact the Accounts Payable department immediately upon realizing a check is lost or stolen.

Accounts Payable issues the stop payment with the bank.

A replacement check will be issued generally 14 business days after the date of the check at no fee to the vendor.

Accounts Payable is also responsible for maintaining the check cancellation function. If a check must be cancelled for any reason and a replacement is not needed, the check must be sent to Accounts Payable with a note indicating the check must be cancelled.

Conflicting Business Interests

(HRS-6) An employee of the Beaufort County School District shall not engage in selling goods or services to the public school system and shall not engage in or a have a financial interest, directly or indirectly, in any activity that conflicts or raises a reasonable question of conflict with duties and responsibilities in the school system.

No school employee may serve as an agent for any manufacturer, merchant, dealer, publisher, or author of any merchandise to be used in Beaufort County School District.

(HRS-7)No school employee may receive any gift, reward, or promise of reward for recommending or procuring the use of any goods by Beaufort County School District.

Employee vs. Subcontractor

Employers are legally required to withhold income tax on the wages of workers classified as employees. If the work is legitimately characterized as an independent contractor, the employer is not responsible for employment-related taxes.

Definitions of the term "employee" and "independent contractor" may provide a helpful context within which to make the correct employment decision. An employee is an individual who performs services that are subject to the will and control of an employer-both what must be done and how it must be done. The employer can allow the employee considerable discretion and freedom of action, so long as the employer has the legal right to control both the method and the result of the services.

An independent contractor is an individual over whom the employer has the right to control or direct only the results of the work and not the means and methods of accomplishing the result.

Determining the correct employment relationship is often an ambiguous task. The IRS has provided a list of 20 common law factors to assist in determining if the service provider is an employee or an independent contractor.

These factors, which appear in IRS Revenue Ruling 87-41, are intended as guidelines rather than strict rules. The closeness of most of a situation's face to one relationship or the other will often determine what the appropriate classification should be. If the proper relationship is unclear after analyzing these factors, the employer-employee relationship should be established.

Payroll

Employees shall be paid wages and/or salary in accordance with salary schedules or contracts recommended by the Administration, adopted by the Board of Trustees, and

reported to Payroll by the Human Resources Department. Current year salary schedules can be found on the District's website.

Responsibilities

As a division of the Finance Office, the Payroll Department is primarily responsible for the preparation of payroll checks and direct deposit advices for all Beaufort County School District employees. Other duties include:

1. Define types of pay
2. Define types of leave
3. Define new deductions
4. Accrue employee leave
5. Enter and track usage of leave
6. Maintain for each employee month, quarter, calendar, and fiscal year information Complete and submit payroll information to organizations including, but not
7. limited to, the Internal Revenue Service, Social Security Administration, SC Department of Employment and Workforce, SC Retirement System, and SC Department of Revenue
8. Post Payroll information to the general ledger
9. Issue W-2s
10. Collect overpayment of wages via personal payment or SC Debt Setoff program

New Hire Process

All applications for employment are maintained by the Personnel Department of Human Resources. Principals/Department Heads will select candidates to interview from the Human Resources Office. After the interview process is complete, a Recommendation to Hire (RTH) Form will be completed and submitted to the Personnel Department. After all functions are complete (SLED check, Board approval, etc.), the department will enter the new hire into the Human Resources Management System (HRMS). New employees will sign up for health insurance benefits, tax withholdings, and retirement with the Benefits Specialists.

Employee Changes

Demographic Information

Changes in employees contact information or name change shall be updated in Human Resources Management System(HRMS).

Assignment Changes

A PAF is completed for any changes to an employee’s current position and are sent to the Human Resources Department and the Budget Office.

Withholding or Direct Deposit Changes

Employees requesting changes to payroll through withholdings or direct deposit should be completed in Human Resources Management System(HRMS). Changes will be made upon receipt of a source document. The source document will then be filed in the employee's personnel file. Some examples of such changes and source documents are W-4 for a change in withholding exemptions, Direct Deposit Form for a change in banking accounts, etc.

Salary Changes

The Human Resources Department is responsible for changes in an employee's salary (number of contract days, assignments, etc.). Appropriate documentation should be filed in the employee's personnel file and a copy sent to the Payroll Manager. All changes in pay must be approved by the Superintendent or his designee.

Payment of Salaries

All employees are paid bi-weekly, except for board members who are paid monthly on the last pay day of each month. As a rule, when payday falls on a holiday or weekend, the District will pay employees on the day before or the day of the last workday prior to the holiday or weekend.

A payroll schedule, including check dates and deadlines for information to be submitted to Payroll, is published each July. A copy is emailed to the school's principal and office manager when finalized. In addition, the schedule is available on the District's website. These schedules and deadlines should be adhered to in order to ensure proper payment for all employees.

260-day employees are paid on a bi-weekly (every two weeks) pay period ending on the Friday before payday. Pay for this group of employees is one week in arrears.

All other full-time employees are paid based on their daily rate of pay, not a pay period. Pay is pro-rated evenly over 26 paychecks.

Employees paid on a timesheet are paid on a bi-weekly (every two weeks) pay period ending two Fridays before payday. Pay for this group is two weeks in arrears, and are updated on the last paycheck of the month.

School board members are paid once per month.

All leave balances are reported or shown on an employee's pay stub is two weeks in arrears.

Direct Deposit

Direct Deposit is mandatory for all wages and salaries. Enrollment requires the employee to submit a Direct Deposit Authorization Form specifying the bank where the deposit will be sent and submission of a voided check or a letter from the bank with the account number and routing information. Employees can request changes to their direct deposit in Human Resources Management System(HRMS).

The District reserves the right to electronically draw back any funds it believes have been overpaid by direct deposit to an employee. Electronic withdrawals may only be initiated within 5 days of the payday. After the fifth day, requests for reimbursements to the District must be made by cash or check. Adjustments must then be made to the employees' W-2 information.

Notifications

Direct deposit notifications are available to employees via email and Munis ESS. The district does not mass print the notifications for each payroll.

Time Collection

A timesheet is completed by all classified staff on a bi-weekly basis via the District's time clock system. All employees that work an extra job must also clock in/out of their extra job in the time clock system. Extra jobs are jobs beyond the regular school day such as, before and after school programs, intercession, summer school, and athletic events and are paid at an hourly rate as set by Human Resources. Employees will be notified by the payroll department if a manual timesheet is required to be completed.

Classified employees working in excess of 40 hours per week in more than one job will receive overtime pay. Overtime hours in more than one job at two different pay rates will be paid at a blended overtime rate. Overtime must be approved in advance by the Principal or Department Head. Stipends to classified employees are not allowable.

Manual Time Sheets

In the event that a manual timesheet is required, the following applies:

1. The work week is Monday to Sunday.
2. Actual sign-in and out time should be used.
3. Employee must sign the paper timesheet and submit them to the Office Manager.
4. The Office Manager will verify the total hours worked and submit the timesheet to the Principal or supervisor for approval.
5. Approved time sheets must be sent to payroll by the bi-weekly payroll deadlines.
6. Overtime is not a budgeted item and must have advance approval in writing by the employee's supervisor.

7. Extra hours to be paid must be submitted electronically on the appropriate payroll form and accompanied by the employee's monthly timesheet. Any extra hours not submitted for payment are recorded as compensatory time.

Time Clock System

1. Classified Employees are required to clock in when arriving to work and must clock out when they go off duty.
2. Certified Staff working a before or after school activity must clock in at the start of the activity and out when the activity ends.
3. To clock in/out, Employees use their biometrics at the timeclock, or their BCSD issued device via the web portal.
4. Employees traveling between schools should stay clocked in until leaving the last location of the day.
5. BCSD locations and departments auto-deduct a lunch.
6. In the event an employee is not able to clock in or out (i.e., the time clock is not working), or forgets to clock in or out, the employee should notify their campus user of their missed punch.
7. Employees may view their time sheet by logging in to the timekeeping kiosk on their computer.
8. Overtime is not a budgeted item and must have advance approval by the employee's supervisor.
9. An employee should not clock in or out for another employee.
10. Violating clock in/out procedures may result in disciplinary actions.

Absences & Leaves

Leave time should be entered in Leave Management System depending on employee category and need for a substitute. Leave should be entered prior to the leave day, if possible. If not, the leave should be entered the day of the absence.

Staff Leaves and Absences is detailed in Administrative Rule HRS-16. Employee Vacations and Non-Workdays is detailed in Administrative Rule HRS-18.

Sick Leave Bank

The District has a sick leave bank for catastrophic illness and/or accident for full-time employees. The sick leave bank is established by employees of the district donating one day of their sick leave to the bank. Enrollment for new employees in the District is voluntary. After leave days have been contributed, they may not be reclaimed by the donor unless the donor qualifies for the days in accordance with the policy.

South Carolina Retirement

As a condition of employment, permanent full-time employees must join the South Carolina Retirement System or the State Optional Retirement Program, unless specifically exempted by statute. Employee contributions are withheld based on the State approved rates. Additional information on retirement benefits can be obtained by contacting the South Carolina Retirement System at (803) 737-6800 or by visiting their website: **www.retirement.sc.gov**.

Emergency Pay Procedures

The District has developed procedures for paying employees who are either authorized or called back to work during a declared emergency period. An emergency is an event or period declared by the Superintendent or his/her designee or the Board when a condition out of the control of the Board occurs, such as a hurricane, tornado, windstorm, flood, pandemic or any other act of nature or humankind.

Fair Labor Standards Act

The District is subject to the provisions of FLSA, including those related to minimum wage and overtime pay for non-exempt employees. The District's compliance with the FLSA provisions is detailed in Regulations HRS-41.

Docked Pay

If an employee takes leave in excess of his/her leave balance, pay is docked based on the daily rate of pay. Based on guidelines set forth by the SC Department of Education, teachers receiving National Board Certification supplements are also docked a daily rate.

Deductions

Documentation of an employee's consent of payroll deductions must be kept in the employee's personnel file. Payroll deductions will not be made until the employee's written consent has been submitted. Garnishments and levies are deducted immediately upon receipt and do not require the employee's consent.

Each payday, one-half of a monthly insurance premium is deducted from employees choosing to participate in the employee insurance programs. This equates to a full year's premium being paid in full in 24 paychecks. Since the District is paid on 26 paydays, insurance deductions are not withheld from two payroll checks in the month of June.

Summer Payrolls

Teachers (and employees **not** on a 260-day schedule) will receive summer paychecks that are dated in June. Summer payroll checks are posted in the month of June for budget purposes.

Travel

District employees who incur reasonable and necessary travel expenses in the course of carrying out their authorized duties will be reimbursed upon submission of a district travel expense reimbursement request form that is properly completed and approved.

Excess costs, circuitous routes, delays, or luxury accommodations, unnecessary or unjustified in the performance of an assignment, to include valet parking, are not considered acceptable. Travel by commercial airlines will be accomplished in economy, coach, or tourist class.

Transportation to and from points of arrival and departure will be accomplished by the most economical method. To maintain the highest standards of integrity and accountability, employees of Beaufort County School District are prohibited from personally benefiting from hotel or airline memberships or loyalty programs that issue reward points or airline miles while traveling on district- funded trips. This policy ensures that all district resources are utilized responsibly and ethically. **All employees are expected to be frugal and remain cognizant of public accountability when traveling at district expense.**

Please see detailed procedures (Travel Procedures)

Travel and subsistence expenses, whether paid from state, federal, or local funds, shall be allowed under the following provisions:

Lodging

a. All lodging costs (room charges and taxes ONLY) should be reserved via your school/department's bookkeeper using the P card. Lodging shall not exceed the current maximum rates allowed by the U.S. General Services Admin. (www.gsa.gov). If a higher rate is being requested, the reason must fall under the GSA Exceptions listed at the end of this procedure and is subject to Superintendent (or Designee) approval. If the higher lodging rate does not fall under a GSA Exception, you must submit your lodging request to the Finance Accounting Specialist for review and approval. If the employee wishes to stay outside the GSA approved hotels and does not have a valid exception, employees must pay for this expense out of pocket. Employees will only be reimbursed the allowed GSA rate for that area. Federal Funds **may not** be used for lodging cost over the GSA rate. Even if the travel request allows the stay at a conference hotel, federal funds can only pay a portion(up to the GSA rate). The expense must be allocated between federal and general funds.

b. Every effort should be used to reserve a room at the lowest rate available. Please refer to www.gsa.gov for a listing of hotels that offer government rates. At least three hotels within the vicinity should be contacted to secure the lowest lodging rate.

See **sample listing** of hotel options that offer government rates in the Columbia, SC and Myrtle Beach, SC areas. This is not an all-inclusive list and others may be contacted. While there is no restriction on family members accompanying the employee on official travel, the district's liability will be for the **minimum cost of lodging for the employee alone**.

c. **Fifty-mile Rule**: No lodging cost is reimbursable within 50 miles of the employee's home-base and/or residence.

d. Lodging is reimbursable for the night immediately preceding the start of an event if departure would be required before 7am to arrive by the opening session; the night following an event if departure immediately after the closing session would cause return after 9pm.

GSA Exceptions:

a. After checking the GAS website for available hotels, traveler requested that hotel accommodations provided at the Federal lodging rate was denied. At least three hotels must be contacted within the vicinity to secure the lowest lodging rate. Provide details of the inquiry: hotel employee name, date, and time. Forward to finance for assistance and review.

b. Event is being held at the conference site. In this instance, the rate can exceed the GSA rate. **Federal Funds only cover GSA rate, allocate to another fund accordingly.**

c. A block of rooms is being held for attendees at a special conference rate. If the rate for blocked rooms exceeds the GSA rate, you must research the most economical rate available in the area, including GSA rate, and attach a comparison as backup documentation.

d. Hotel distance is cost effective for traveler to conduct business versus the cost of mileage, Uber, or taxi.

e. Traveler is sharing a room with another employee.

f. Hotel selection is based on legitimate safety considerations for employee traveling alone (provide documentation)/

Meals

a. All employees traveling out of county may claim the allowable amount of per **meal reimbursement** without receipts being required (see per diem allowance). Meals provided to conference attendees may not be included in the per diem claimed even if the employee chooses not to partake in the meal. A continental breakfast, brunch or box lunch is considered a meal for purposes of these procedures.

b. Breakfast is reimbursable if the employee must depart before 6:30am or return after 11am. Lunch is reimbursable if the employee must depart before 11am or return after 1:30pm. Dinner is reimbursable if the employee must depart before 5:15pm or return after 8:30pm. Meals are not reimbursable for in district travel.

PER DIEM ALLOWANCE

	In-State	**Out-Of-State***
Breakfast	$8.00	$10.00
Lunch	$10.00	$15.00
Dinner	$17.00	$25.00

***Exception - Savannah, GA is considered "In-State".**

Mileage/Travel

a. Beaufort County School District reimburses mileage in accordance with the Internal Revenue Service reimbursable rates as published annually.

b. In traveling on the business of the district, employees are required to use the **most economical mode of transportation,** due consideration being given to urgency, schedules and like factors without exceptions for personal preference. In the event an employee chooses to use a more costly option, his/her reimbursement will be limited to the lower amount (such as driving when airfare would be cheaper). Reimbursement for out of district travel (driving) shall not exceed the cost of flying to the same destination. Cost comparison must be attached as backup documentation.

c. When booking airfare, additional insurance or preferred seating are **not allowable expenses,** unless a documented medical condition requires an exception. Baggage fees of one checked bag, each way (under 50 lbs. or airline restriction) will be reimbursed as long as original receipts are provided. Overweight or excess baggage fees will not be reimbursed. A documented medical condition requires an exception.

d. Rental vehicles are only allowed if this is the most economical mode of transportation **to** a conference. Rental vehicles are not allowed after flying to your

conference destination. . Costs incurred for fuel and upkeep for a **rented vehicle** will be reimbursed if submitted on the district travel form and original receipts are attached.

e. When an employee uses her/his **personal vehicle** traveling on official business for the district, a reimbursement for mileage may be requested by means of the Travel Request/Reimbursement Form (see mileage chart/reimbursement rates). Costs for fuel and upkeep for personal vehicles may not be claimed. Other travel-related costs such as taxis, Uber, tolls & parking for District related travel will be reimbursed if **original receipts** are submitted with the form. **Valet Parking is not an allowable expense.** Tips of 15% or less will be reimbursed for taxis, Uber, etc.

f. All travel must include a **MapQuest** printout (directions only, do not print map) to validate mileage (see item "g." below for the only exception). Please include beginning and destination locations.

g. All local travel must be submitted utilizing Munis Employee Self Service, Expense Reports. MapQuest validation is required when traveling to locations other than schools or District Office. Please refer to helpful tools such as the Travel Request Reimbursement In-District form and BCSD Mileage Calculator found in the work instructions and forms section.

h. Mileage between an employee's home and **assigned home-base** is generally not subject to reimbursement. However, when an additional trip is required outside of the normal workday, reimbursement is allowed. If leaving on a business trip directly from home, on Saturday or Sunday, the employee is eligible for reimbursement for actual mileage beginning at her/his residence.

i. District office personnel, school administrators, and other employees required by their assignment to travel between work sites within the county during the same day may request mileage reimbursement. If the first site of a given day is closer to the employee's ***residence*** than their home base, the official travel measurement would begin at that point. If the first site of a given day is farther than their home-base, the difference between the home-base and their first work site of that day may be claimed for mileage. In cases where numerous trips are required weekly, the **location where the majority of the employee's time is spent must be designated as the home-base.**

NOTE: All out-of-state travel must be approved by a Chief Officer. All Principal's travel, in or out-of-state, must be approved by the Chief Instructional Services Officer.

CONFERENCE NOTE: *If door prizes or other random drawings are awarded at a conference and they are purely by chance and not provided from registration fees or otherwise given as a connection to an employee's position with the district, and if the*

employee has in every way adhered to the written travel policies of the district, it is the policy of the BCSD that the prize will be deemed to be property of the employee to use or dispose of at will.

Control of Cash

Depository of Funds

Through Request for Proposal (RFP) the Superintendent and the Chief Financial Officer (CFO) shall name all depositories from BCSD school funds, including any special funds acquired by the district which are not required by law to be deposited in the Beaufort County Treasury. These accounts include concentration, student activities, food service, and workers compensation. School imprest bank accounts shall be named by the school principal.

BCSD is enrolled in a Deposit Reconcilement Plan for the student activities bank account. The plan enables BCSD to maintain multiple deposit locations while only using one demand deposit account. The plan provides management information, control and simplifies the reconcilement process.

A standard monthly report includes:

- Deposit Detail
- Recap
- Demand Deposit (DDA) Statements

Bank Reconciliations

BCSD is enrolled in a Full Account Reconcilement Plan to include:

- Electronic Positive Pay
- Electronic Issue File Maintenance
- Online Stop Payments

BCSD provides our bank with complete detail check issue information. The check issue information is input into our bank's Account Reconcilement system. As paid check information is posted to the BCSD account, the system matches the paid checks against the issue data we provide. The matching process includes comparing both the check numbers and the amounts of the paid and issued data.

BCSD receives reporting for all of our checks, including check number, dollar amount, date paid and sequence number. We receive, by check number, the listing of checks that were not paid during that cycle, including dollar amounts. The listing determines

BCSD's outstanding checks. All outstanding checks carry forward from month to month unless we submit void transactions.

Warrants

A warrant is a document prepared after each account payable and payroll check run to indicate the amount of money needed to be deposited into the BCSD concentration bank account. The warrant is prepared by a member of the Finance Office and e-mailed to the Beaufort County Treasurer's Office. The county wires the requested amount to the BCSD concentration account.

The Beaufort County Treasurer, unless otherwise agreed to by the BCSD Board and Beaufort County Council, shall make all disbursements of BCSD funds. The Treasurer may pay out of district funds only on warrants carrying the signature of the Superintendent.

The Superintendent and the Chief Financial Officer (CFO) are designated as the persons authorize to sign all warrants drawn on BCSD funds.

Cash Receipts

All receipts are to be entered into the BCSD financial software. In the event the system is not accessible, all receipts should be processed manually using the hand-written receipt processing procedures.

Teacher Receipt Books

All handwritten receipts must be issued in strict numerical sequence.

All money turned into the school office should be counted by the Campus Financial Specialist in the presence of the individual presenting the money.

Elementary Schools

Teachers collecting any type of funds must have a receipt book. All money must be turned into the Campus Financial Specialist the same day it is collected. All monies collected by the teacher must be receipted in the book to include student fees (field trip collections, book damage fees, club collections, dues, fundraisers, etc.)

Middle and High School

All middle and high school student payments must be receipted by the school's Campus Financial Specialist.

School Store and Media Center may designate a staff member for collecting money, documenting, and turning in the money to the Campus Financial Specialist.

All money must be turned into the Campus Financial Specialist the same day collected.

Batch Proof Summary/Analysis of Deposit

When the Campus Financial Specialist is ready to make a bank deposit, he/she prepares a Batch Proof Summary/Analysis of Deposit. The document is summarized by account, the total funds collected and deposited in the bank that same day.

Bank Deposits

All funds collected by the Campus Financial Specialist shall be deposited intact in the BCSD student activity bank account. Deposits must list a breakdown for all cash received on the bank deposit slip or a separate sheet. The following expectations shall be strictly adhered to:

- Cash must be counted in the presence of two people.
- Under no circumstances shall purchases be made or invoices paid from undeposited funds.
- Under no circumstances shall checks be cashed from undeposited cash on hand.
- Under no circumstances shall funds totaling over $50.00 be left in a BCSD facility overnight.
- Under no circumstances shall school funds be taken home by an employee.

Returned Checks

When a non-sufficient check has been returned, BCSD's third party service provider handles immediately all returned items with the exception of stop payments, closed accounts, and requests to pay at school. The exceptions are reviewed by BCSD and submitted to the third-party service provider accordingly.

Secure Handling Deposits

Standard Operating Procedure (SOP): Secure Handling of Athletic and Daily Deposits When a Bank Branch is Not Available Within a Reasonable Distance or Time Frame to Your School

Purpose

To ensure the secure handling, storage, and deposit of funds collected from athletic events and daily school operations, while minimizing risk and improving efficiency.

Installation and Use of Secure Safe

1. Safe Installation

Each school shall purchase and install a secure safe with a drop-in door (similar to a bank night deposit box). The safe must be securely bolted to the wall or floor in the Campus Finance Specialist (CFS) office, which has restricted access.

2. Access Control

Only the CFS and the Principal shall have the combination to the safe. No other staff or personnel are permitted access to the safe. When either the CFS or Principal leaves employment at this location, the safe combination will be changed for security purposes.

Deposit Procedures

1. Athletic Event Deposits

   After each athletic event, the Athletic Director shall place all collected funds into the safe via the drop- in slot. The CFS will record each day's deposits into the accounting software as normal procedure. The CFS will retrieve and deposit these funds during the next scheduled bank run.

2. Daily Deposits

   The CFS shall place all daily collected funds into the safe at the end of each business day and record each day's deposits into the accounting software as normal procedure. A single weekly bank run will be conducted by the CFS to deposit all accumulated funds. This should be completed the last workday of the week so no funds are on site during the weekend except weekend athletic game deposits.

3. Imprest Funds for Athletic Events

   The CFS shall maintain a cash Imprest fund of $600.00 in the safe for use during athletic events. This eliminates the need for issuing Imprest checks and reduces the handling of funds between events. Funds from daily deposits shall not be used to supply this change fund.

MUNIS Time Management System Adjustment

On weekly deposit days, the CFS will alert the Office Manager to adjust their time due to the time spent making this deposit.

Security and Compliance

All funds must be logged and tracked in accordance with district financial policies. A logbook will be kept in a discrete location near safe. Any staff making deposits into the safe must log each deposit by date, amount, event, initials. CFS will then log the date deposit was taken to the bank and initial. Any discrepancies or security concerns must be reported immediately to the Principal and District Finance Office. Periodic audits may be conducted to ensure compliance with this procedure.

Imprest Checking Account

Each BCSD School will have only one checking account that will be used for emergency purchases only, not to exceed the following:

- Elementary Schools - $500.00

- Middle Schools - $1,000.00
- High Schools - $1,500.00

In addition to these amounts, Middle and High Schools are allowed extra funds in their imprest account for gate change disbursement only.

- Middle School - $1,000.00
- High schools - $2,000.00
- Bluffton High School - $3,000.00

There shall be no other bank account with the school or a District Employee as the agency or the primary holder.

- The principal may use the bank of their choice for the imprest bank account.
- The imprest account should only be used for those emergency expenditures that cannot wait for processing through accounts payable.
- Money shall not be spent on a student for economic reasons. All monies shall be spent for educational purposes.
- All major purchases and reimbursement to staff members must be planned and processed through account payable. Turnaround time should not exceed two weeks.

Disbursements

- Disbursements from the imprest account will be reported in the BCSD financial system when account is replenished.
- Checks should be written only when supported by documents indicating evidence of receipt of goods and the appropriate approval.
- Pre-numbered checks printed with the exact name and address of the BCSD school, and the account number should be used for all disbursements.
- Checks shall not be signed blank or signed in advance.
- Signature stamps are strictly prohibited.
- Checks shall never be issued payable to "Cash". A vendor or individual must always be the payee.
- Contracted Service Vendors (1099) shall not be paid from the imprest account (Ex. Catering, Officials, DJs, etc.) This will cause inaccurate 1099 forms for these vendors.
- Imprest bank statements must be reconciled monthly. If account is below the maximum balance level, a replenishment should be requested by the Campus

Financial Specialist. If needed, a replenishment can be requested more than once per month.

- All unpaid invoices and obligations of BCSD shall be paid prior to June 30 of each year.

Voiding a Check

All void checks shall be listed as void on the BCSD imprest checking reconciliation form.

Bank Reconciliation

Each Month the bank sends the BCSD school the bank statement and canceled checks paid and charged to the school's imprest account. Depending on the financial institution, some statements are available online. The bank statement shows a beginning balance, deposits, checks paid, other charges and credits, and the month end balance. Imprest accounts should be reconciled to the bank at the schools designated amount monthly to ensure any service charges, interest, etc. are not missed.

All imprest bank accounts are to be reconciled monthly and a copy forwarded to the district Finance office by the 20th of the following month.

Fixed Assets

Accurate fixed assets records are vital to our School District. In addition to providing values for insurance coverage and proper reporting in the preparation of our financial statements, accurate fixed asset records are instrumental in formulating adequate policies and guidelines regarding acquisition, maintenance, retirement, and replacement of fixed assets. Without adequate records, it is impossible to have responsibility for the custody of fixed assets or to safeguard the School District’s sizeable investment. The purpose of these procedures is to provide a strategy to ensure that the District maintains accurate, complete, and up-to-date records of fixed assets.

Definition of Fixed Assets

For purposes of the District accounting system, a fixed asset is defined as property or equipment acquired by the District (whether purchased, donated, or traded) that is actively used in the operations, must have significant value, and provides benefit for a period exceeding one year. Fixed assets are reported and, with certain exceptions, depreciated in the financial statements.

Fixed Asset Classification

Land

The land account includes all land purchased or otherwise acquired. It should be capitalized but not depreciated. Purchased land should be carried on the records at

historical cost and should remain at that cost until disposal. Donated land should be recorded at its appraised value at the time of the donation. If land and a building are acquired as a single parcel, the value of the land should be determined separately from the building and only that amount carried in the land account; the value of the building should be recorded in the building account. Costs relating to the razing of a structure and other costs relating to the land are normally capitalized and included in the land account. A gain or loss on the sale of land is reported as a special item in the statement of activities.

Land Improvements

Land improvements include permanent improvements that add value to land. It would include such items as site improvements (e.g., excavation, sidewalks, fencing, and retaining walls) and some infrastructures (e.g., driveways, roads, sidewalks, bridges, parking lots, and outdoor lighting). If items categorized as infrastructure are purchased during the construction of a new building, they will be included in the cost of the building. Items not included in land improvements are landscaping, demolition, and land acquisition, which are included in the land account.

Buildings

The buildings account normally includes the value of all buildings at their acquisition costs or construction costs. The cost should include all charges applicable to the building, including broker fees, architect's fees, and permits. For a donated building, appraised fair market value at the date of donation should be used. In addition, buildings include components (e.g., roof, air conditioner system) that should be recorded separately when they have significant values because these building components have different useful lives. The value of each component should be determined and placed within in its own category.

Building Improvements

Improvements that extend the useful life of the building should be classified as building improvements and should be capitalized. They are recorded at either acquisition cost or appraised fair market value in cases of donated assets. Examples of building improvements include roofing projects, remodeling, additions to buildings, and replacing major building components. Major maintenance projects will be evaluated periodically to determine if they should be included in this account.

Machinery and Equipment

Machinery and equipment includes a wide range of assets. A few examples are as follows: furniture, computer equipment, office machinery, athletic equipment, uniforms, etc. The property should be recorded at acquisition cost, including freight, installation and other charges incurred to place the asset into use. If acquired through donation, fair market value should be determined and assigned to the asset. The assets' materiality and significance should be considered when determining how it is reported.

Licensed Vehicles

Licensed vehicles include cars, trucks, vans, buses, aircraft, watercraft, and other motorized forms of transportation. They should be recorded at acquisition cost or fair market value if donated.

Textbooks and Library Books

Textbooks and library books will not be classified as fixed assets due to the capitalization policy. A complete set of new library books for new schools will be classified as a fixed asset.

Mobile Classrooms

Mobile classrooms are temporary structures added to the building site. They are of significant value and should be recorded as a fixed asset and depreciated over their useful lives.

Construction in Progress

This account should be used when reporting amounts expended on an uncompleted building or other capital construction project. Construction in progress should not be depreciated. Three subclasses such as building, improvements, and equipment might be used. When the project is complete, the cumulative costs are transferred to another appropriate fixed asset account. Unspent debt proceeds from capital assets related debt should be reported in the net assets section of the statement of net assets as “restricted for capital projects.”

Works of Art and Historical Treasures

Works of art and historical treasures should be recorded at historical costs or, if donated, fair market value. Depreciation is not required for collections or works of art that are inexhaustible. An example of a work of art might be an original painting.

Capitalization Policy

The capitalization of assets acquired by the District shall equal the Federal capitalization rate of $5,000.00. All additions to fixed assets with an individual value greater than or equal to the capitalization rate will be capitalized and depreciated, if applicable. If assets that are individually valued at greater than $5000.00 but are purchased as a group, they may be subject to reporting as a bulk fixed asset at the auditor’s discretion.

Depreciation

Depreciation is the process of allocating the cost of tangible property over a period of time, rather than deducting the cost as an expense in the year of acquisition. The decline in the value of fixed assets must be considered if the District’s net assets are to be correctly stated. It shall be the policy of the District to depreciate fixed assets in excess of $5,000 over their useful lives. There are five factors which must be known in

order to calculate deprecation: the date the asset was placed in service, the asset's cost or acquisition value, salvage value, estimated useful life, and the depreciation method.

Date Placed into Service

When acquiring a new asset, the date placed into service must be determined. When adding an asset to the District's record which was already placed into service but omitted from the Fixed Assets Inventory, this date may not be readily available. Inquiring to the appropriate department to assign an estimated date will be sufficient.

Cost or Acquisition Value

Fixed assets should be reported at historical cost and should include the cost of freight, site preparation, architect, and engineering fees, etc. If something other than cash is used to pay for the asset, then the fair market value of the non-cash payment or consideration determines the asset's cost or acquisition value.

If the asset is of significant value (e.g., land or building), an appraisal will be needed to determine its value. In situations where assets are identified that have been omitted from the Fixed Assets Inventory, the historical cost may be researched. If there is no information available on the original cost of the asset, the amount will then be estimated based on the values of similar assets.

Salvage Value

The salvage value of an asset is the value it is expected to have when it is no longer useful for its intended purpose. This amount will be determined by (1) internal experience, and (2) general guidelines provided by professional organizations (such as GFOA).

Estimated Useful Life

The estimated useful life of an asset is the number of months or years that an asset will be able to be used for the purpose for which it was intended. A schedule of recommended various categories of useful lives of Fixed Assets is provided in a following section.

Depreciation Method

The Straight-Line method of depreciation will be used to calculate depreciation on the District's fixed assets. The annual depreciation will be calculated by subtracting the asset's salvage value from its acquisition cost and dividing by the estimated useful life. Under this method, the asset is written off evenly over its useful life (i.e., the depreciation is the same every year). The total amount depreciated can never exceed the asset's historic cost less salvage value. The composite method of depreciation may need to be used for groups of assets. The weighted average method of depreciation should be used for these assets.

Fixed Assets Inventory Procedures

Because the Beaufort County School District is subject to independent audits, it is required to maintain a Fixed Asset Management System. The School District utilizes its financial accounting software to track and maintain fixed assets. Inventory is the most important part of the Fixed Asset System. Without proper maintenance and monitoring of the system, it will deteriorate quickly requiring inventory to be recreated.

It is the ultimate responsibility of each department head and principal of each school to maintain the accuracy of the fixed assets within their jurisdictions in their departments. The Accounting Specialist/Accountant is centrally responsible for monitoring the District's property records and to ensure compliance with policy and current regulations. Each Director/Principal, or their designee, will maintain an annual physical inventory, and should report all stolen items to the appropriate police agency and the Finance Office. Each Director/Principal shall maintain a custodial record of all district property assigned to the site. The custodial record will include the location of each asset and the signature of the person who has custody and responsibility for the asset.

Donated or purchased used equipment meeting the definition of a capital asset must be functional and be processed through the Accounting Office for inclusion in the District's property records. All equipment donated by Booster Clubs and PTAs must be reported within 30 days of purchase and reported to the Board of Education if valued at $5,000 or more.

The Beaufort County School District has a list of fixed assets compiled for each department/school. The Accounting Specialist updates these lists on a regular basis. Additions, transfers, or disposals will have to be controlled by properly completing the necessary forms to update the fixed asset records. Selective samples of physical inventories will be coordinated through the Finance Office and performed every year for randomly selected departments/schools. Once the fixed asset system is in place, periodic spot checks are performed. The Accounting Specialist/Accountant should be contacted when unserviceable equipment is being sold, transferred, or stored.

The additions of fixed assets to a school inventory is done through the add/edit option on the fixed assets module of the School District's financial software. No less than quarterly, the Accounting Specialist will input the required information through the add/edit option by using the information given on the invoice and/or purchase order on each piece of equipment that falls within the capitalization policy. Once the Accounting Specialist/Accountant has completed the add/edit process, the Accounting Office reconciles the assets to the Construction in Progress and Fixed Assets schedules, in preparation for the annual financial audit.

Account Numbers

Capital outlay accounts should only be used for items that are determined to be fixed assets. All others should be coded to supply accounts. This is necessary for year-end

reconciliation of fixed asset additions with the capital outlay accounts in the general ledger.

Account Number Sample
xxx xxx xx - 5 540 xx
fund program location - expenditure object sub-object
org object

Disposal Transfers

Disposals and transfers of fixed assets should only occur after proper authorization. This should be done to maintain the accuracy of the records, ensure the assets are properly safeguarded and to obtain the best possible terms upon disposal. In many cases, parts from an asset to be disposed of may be salvaged and used with an existing asset or saved for future utilization. No asset should be disposed of without authorization.

Important Reminders

- Always retain a copy of all forms for your records prior to sending them to the District Office.
- Make sure forms are property completed, including signatures and locations.
- Asset number is the key identifier for District assets. Once an asset number is assigned, ensure that number is on all correspondence related to that asset.

Beaufort County School District
Recommended Useful Lives of Fixed Assets

Object Codes	Asset Category	Useful Life
510	Land	Not Applicable
530	Land Improvements	30
520	Buildings	50
525	Building Improvements	25

540	Office Furnishings	10
540	Office Machines	10
540	Instructional Furnishing	10
540	Instructional Machines	10
540	Audio-Visual Equipment	10
540	Films, Tapes, Records, Kits, etc.	10
560	Library Books	5
545	Computer Equipment	5
540	Science Laboratory Equipment	10
540	Machinery/Shop Furnishings	10
540	Appliance/Home Economics	10
540	Musical Instruments & Access	10
540	Uniforms	5
540	Athletic Equipment	5
540	Appliance/Equipment/Kitchen	10

540	Cafeteria Furnishings	10
540	Nurses Equipment	10
540	Maintenance Equipment	10
540	Miscellaneous Equipment	10
550	Licensed Vehicles	10
560	Textbooks	3
570	Construction in Progress	Not Applicable
580	Mobile Classrooms	75
585	Works of Art & Historical Treasures	7*

* Works of Art and Historical Treasures should be depreciated over a period of 7 years unless the asset is
determined to be inexhaustible.

Least Capitalization Policy

Purpose

Capitalization Thresholds for Leases and Subscription-Based Information Technology Arrangements (SBITA).

Policy

In accordance with the Governmental Accounting Standards Board (GASB) Statements 87 and 96, the district will reflect operating and capital leases and Subscription-Based

Information Technology Arrangements (SBITA)s as liabilities and assets on financial statements.

For the purpose of this policy and in accordance with the GASB Statements referenced above, the following definitions are used:

1. A “lease” is a contract which conveys control of the right to use another entity’s nonfinancial asset for the time specified in the contract for an exchange or exchange-like transaction.
2. A “subscription-based information technology arrangement” is a contract that conveys the right to use another entity’s software, alone or in combination with tangible capital assets, for the time specified in the contract for an exchange or exchange-like transaction. Software that is insignificant to the cost of the underlying asset is excluded.

Accordingly, the district establishes lease and SBITA capitalization thresholds to identify the financial significance of district leases and SBITAs for purposes of reporting on financial statements.

The lease capitalization threshold is three and a half million dollars ($3,500,000.00) and is based on approximately 1% of budgeted expenditures. The lease capitalization threshold applies to all capital and operating leases with a maximum possible term of more than one (1) year.

The SBITA capitalization threshold is three and a half million dollars ($3,500,000.00) and is based on approximately 0.5% of budgeted expenditures. The SBITA capitalization threshold applies to all SBITAs with a maximum possible term of more than one (1) year.

Leases of similar type and SBITAs of similar type will be aggregated together when evaluating if they meet or exceed the district thresholds. Leases or SBITAs of a maximum term of less than one (1) year that do not meet the capitalization threshold, either individually or in the aggregate for similar types, are deemed immaterial.

Legal References:
Governmental Accounting Standards Board (GASB) Statement No. 87, *Accounting for Leases*
Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*

General Ledger Responsibility

Bank Reconciliation - Concentration Account

The Cash Management Accountant is responsible for reconciling the concentration, food service, and student activity bank statements. The Director of Finance has oversight and will review and approve reconciliations.

Cash Receipting - Concentration Account

All cash receipts, except student activity and food service funds are deposited into the concentration bank account. Daily, all cash receipts are received and logged by an Accounting Specialist or Accountant. The Accounting Specialist/Accountant prepares bank deposits at least weekly, which are then delivered to the bank. The corresponding information is entered into BCSD financial software cash receipts module and posted to the general ledger. Food Service receipts are entered and posted by the Food Service Accountant.

Federal and state funds due to BCSD are sent directly to Beaufort County Treasurer. A copy of the voucher is sent to BCSD notifying the funds have been sent. Once the voucher is received, the revenue is recorded into BCSD's accounting records, and the revenue is available to be drawn down and used for District expenses.

Journal Entry Corrections

If an error occurs where revenue and expenditure transactions have been incorrectly recorded a request for the original coded accounts must be submitted in writing to the appropriate department. When the corrective entry is made supporting documentation must be included. All journal entries are reviewed and approved prior to posting.

Financial Statements

Quarterly financial statements will be prepared and reported to the Board of Education. In addition, the revenues and expenditures will be reviewed monthly.

Student Activity

Student Activities are established in support of the educational process. It is intended that student activities be self-supporting.

Student activities monies are defined as “All monies raised with the approval of the Governing Board of a school district by the efforts of students in pursuance of or in connection with all activities of student organizations, clubs, school plays or other student entertainment (hereafter referred to as Clubs) are student activities monies.”

These monies must be accounted for separately from district operating funds. Accounts should not hold a deficit balance for longer than 30 consecutive days during the

academic year, and each account should hold a positive or zero balance at the end of the academic year. No student activity will be conducted for the sole purpose of producing revenue.

Student Activity Forms

Imprest Account Voucher

Imprest Account Activity

Analysis of Deposit

Monthly Crystal Report Balance

Student Activity Transfer

Concession Sellers Report

Responsibility

The responsibility for safeguarding, accounting, and managing the student activity funds rests solely with the principal. Duties that must be performed in providing proper management and security may be delegated to the degree desired by the principal, but the responsibility and accountability remain with the principal.

Duties of Principal

The following management practices are the responsibility of each Principal.

- Be familiar with and enforce the provisions of this manual.
- Ensure that the Campus Financial Specialist is properly instructed as to duties to be performed, instructed in proper methods and procedures, and given adequate supervision and guidance.
- Ensure the preparation of accurate and timely reports covering the results of operations and status of school activity funds.
- Review and analyze the status and operation of the school activity funds at least monthly. The review should include but not necessarily be limited to areas such as:
    - Questioning of potentially deficit or deficit account balances.
    - Questioning of excess account balances and preparing a plan for use of such funds
    - Noting the cash position, considering reserved funds, and outstanding obligations.

    - Assessing the reasonableness of receipts and disbursements by account and in total, to include comparison with prior periods.
- Review check requests to determine validity and necessity of *"emergency."*
- Review checks, which are to be written from school bank account only in cases of emergency, presented for signature to ensure that expenditures are properly authorized and supported. An initialed invoice is evidence of their examination.
- Protection of cash and other assets.
- Ensure that deposits are made to the bank safely and in a timely manner.
- Monitor the operation of revenue-producing activities with a view to avoiding unanticipated losses and compliance with these policies and procedures.
- Monitor progress in implementation of approved internal and external audit recommendations.
- Initiate appropriate plans of action to ensure that procedures are followed for ***all*** situations. (Normal, everyday circumstances, as well as special, one-time situations.)
-

Duties of Assistant Principal

Assistant Principals will perform duties as delegated by the Principal. All Assistant Principals will be familiar with the provisions of this manual even if no duties have been delegated.

Duties of Campus Financial Specialist

Under supervision of the Principal, the Campus Financial Specialist will receive, receipt, account for, and disburse all funds, via Purchase Orders or Payment Request, flowing through the student activity fund accounts, except as otherwise directed by the principal. A second person, when possible, will deposit funds, in a locked bag or a sealed plastic bank bag, into the bank, and return the deposit receipt to the Campus Financial Specialist. When deposits are night deposit drops, arrangements should be made by each school to either have someone pick up receipts on a regular basis or have the bank mail receipts to the school. The Campus Financial Specialist, under the supervision of the Principal, will comply with all pertinent provisions of this manual and perform the following duties:

- Prepare and deposit ***all*** funds in excess of $50 daily and intact, in accordance with Board policy.
- Maintain all required records on a current and accurate basis.
- Submit all required reports promptly and accurately (i.e., deposit records).

- Keep the principal informed of all real or potential problems.

Duties of Fund Sponsor or Other School Personnel

Fund sponsors, student representatives, and other individuals with duties affecting student activity funds will become familiar with and assure compliance of this manual. Those individuals are responsible for the activity's financial operations and account. All Student Activities will be supervised and guided by a fund sponsor appointed to that position by the school principal. Principals may assign additional financial responsibilities to fund sponsors and other school personnel, as they deem necessary. Fund sponsor’s responsibilities include:

- Assisting Campus Financial Specialist by providing proper documentation for funds collected and items purchased.
- Collecting and receipting for funds received from the students.
- Depositing such funds promptly with the bookkeeper.
- Adhering to the School District policies and procedures

Fund sponsors are initially responsible for the solvency of the fund account and the propriety of the school activity. Final responsibility and accountability lie with the Principal.

School Store

These procedures provide instructions and guidance for the operation of school stores in the Beaufort County School District (BCSD). It is intended to give the school Principal maximum responsibility and accountability for the operation of the school store, with a minimum of specific requirements or restrictions.

These procedures are for the use of Principals, Campus Financial Specialists, store sponsors, students, and any other BCSD employees involved in school store operations. It also may be applicable in the administration of other school programs that are like school stores (coffee shops, kiosks, etc.)

Store Objective

School stores are generally operated with one or more of the following objectives:

- To provide a convenient place for students to purchase merchandise that contributes to the educational program, or which is purchased for other approved activities.
- To generate earnings to help support other school activities.

- To provide business experience to the students in business pathways (e.g., DECA student organization)
- To promote school spirit by selling items of clothing and school supplies bearing the school's name.

The relative emphasis placed on these four objectives may vary from school to school, but these variances do not in any way affect the applicability of the provisions of these procedures.

Principal's Responsibilities

- The principal has the authority to decide whether a store shall be operated on the school premises. He/she has the authority to establish a school store where none is in existence or to abolish an existing store when, in his/her judgment, it is in the best interest of the school to do so.
- The principal shall appoint the school store sponsor to be responsible for the day-to-day operation of the store. Some of the qualities that the principal should look for in a sponsor are:
    - integrity
    - dependability
    - rapport with students
    - retail, business, or accounting experience
    - availability when the store is open
    - interest and enthusiasm
    - willingness to devote the time and effort necessary to ensure a successful store operation.
- The Principal may establish such policies, requirements, and restrictions for the operation of the school store as he/she deems appropriate if they are not inconsistent with the requirements of the financial policies or other applicable BCSD Board policies or administrative rules.
- The Principal is responsible for ensuring that the merchandise offered for resale is appropriate for a school store. The Principal may approve or restrict a specific list of items to be sold.
- The Principal should make a general review of store operations quarterly and evaluate stock levels, pricing practices, profitability (including a review of the profit or loss statement), and type of merchandise offered for resale.

- The Principal should examine monthly financial reports prepared by the school Campus Financial Specialist, and be responsive to problems, such as excessive purchases in relation to sales, a substantial decrease in sales compared with the previous month or previous year, theft of store funds, improper cash management, or a deficit in the account. If additional information is desired, a monthly Account History Report is also available showing all the transactions incurred by the store during the month.
- Upon written request of the sponsor and approval of the Principal, profits from school store operations may be transferred to other student activity accounts (e.g., transfer from school store account to DECA account) for use in financing other authorized school activities**.**

Sponsor's Responsibilities

- The sponsor is responsible for the day-to-day operation of the school store in compliance with the requirements of these procedures and BCSD Financial Policies and Procedures.
- Subject to any instructions or restrictions prescribed by the Principal, the sponsor is responsible for:
    - establishing the operating hours of the school store
    - selecting and supervising students who work in the store.
    - obtaining quotes and working with Campus Financial Specialist for purchasing merchandise for resale
    - establishing the selling price of merchandise
    - ensuring the physical security of merchandise and cash
    - ensuring that periodic physical inventories of merchandise are taken
    - ensuring the cleanliness of the store premises, particularly if food items are sold
    - maintaining necessary store records
    - furnishing the Campus Financial Specialist with the data needed to maintain the school and store account in the district's financial accounting software
    - preparing a profit or loss statement at least quarterly.

Opening A Store

- After a decision has been made to open a school store, a sponsor must be appointed (see item A.3.b above). The Principal and/or sponsor must determine

the location of the store, the hours of operation, the types of merchandise to be sold, and the quantity of each item to be stocked.

- In selecting a location for the store, consideration should be given to a central location convenient to students and one that can meet the security criteria (see item 5).
- At most BCSD schools that have school stores, the stores open before the first class of the day, during the lunch period, and/or after the last class of the day.
- Depending upon the objectives of the school store, the school may elect to sell such items as school supplies, items of clothing bearing the school's name or other accessories.
- Upon initial opening of a store, it is recommended to be conservative in the quantities purchased. Overly optimistic estimates of demand can result in excess inventory, which may eventually have to be sold at a loss. Schools of comparable size that have had stores for several years may be a good source of information about probable demand.

Food Products

Due to Federal regulation 7CFR.210.11(b) prohibiting the sale of foods of minimal value, the sale of food or drinks that are not considered a "healthy snack" is prohibited in the school store. Bottled water is allowed.

Purchasing

- Merchandise should be purchased only from reliable vendors with a record of supplying high quality merchandise. Store sponsors are encouraged to exchange information about sources and reliable vendors with sponsors at other schools. Purchasing policies and procedures should be followed.
- The store sponsor may request assistance from the BCSD Purchasing Office as warranted by the size or nature of purchases. For example, repetitive purchases of high-volume items by one or more stores may provide an opportunity for the consolidation/coordination of requirements and concentrated buying efforts by the Purchasing Office.
- Merchandise should be purchased in quantities that can reasonably be expected to be sold within one year. Beware that purchasing large quantities to obtain a lower price could result in a false economy by tying up funds and negating any future discounted prices. Make sure you understand the terms and possible consequences of buying in bulk. Sponsors should exercise special care in ordering items bearing the school’s name or insignia. They should also be cautious when ordering quantities of high-priced items, such as articles of clothing, which may be beyond the means of most students. Sponsors should have a clear understanding of the vendor's policy concerning the return of unsold

merchandise. For expensive items, including lettered, non-returnable clothing, it may be desirable to have advance sales before making large purchases, to avoid losses from unsold merchandise.

- The sponsor should receive, inspect, and count incoming merchandise to ensure that it is the correct merchandise and quantity ordered and that it is in good condition. Damaged or defective merchandise, as well as merchandise that is not the type or quantity ordered, should be returned promptly, within five days, to the vendor.
- The sponsor should establish a relationship with vendors so that purchases can be made via local school check or school purchasing card. Purchases may also be made on procurement requisition or procurement card and charged to a student activities code. All purchases must be made in accordance with the BCSD Procurement Code and Procurement Policies.

Pricing

- The sponsor, in accordance with any instructions or guidelines received from the Principal, should establish the selling price of merchandise.
- In commercial practice, selling prices are generally established by addition of a percentage - known as the "markup"- to the cost of each item. For example, a 20 percent markup on an item with a unit cost of $0.50 results in a selling price of $0.60. A sponsor may use the same markup for all items purchased for resale or use a different markup for different items or classes of items.
- Selling prices should be set at or below cost only when necessary to sell slow-moving or obsolete merchandise.

Sales Tax

Due to all merchandise being sold to raise funds, sales tax is not applied to any merchandise within the school store.

Security

- The school store should be in an area that can be securely locked and where forced entry would be difficult.
- The number of keys to the store should be kept to a minimum. Keys should be given only to those people who need unrestricted access to the store. This is the greatest control mechanism in reducing shrinkage (theft) of inventory. Under no circumstances should a student have keys.
- If a key is lost or if there is reason to believe that a key is in the hands of an unauthorized person, the sponsor should change the lock to the school store.

- The store sponsor or another authorized adult school employee should open and close the store. Students should not open or close the store.
- Students may work as salespersons under the supervision of the store sponsor or another authorized adult school employee. The school store sponsor or other authorized adult school employee should oversee operations whenever the store is open. The number of people in the store at any given time should be limited to those that will allow the sponsor or authorized school employee to adequately observe sales transactions.
- If high-priced items are carried in stock, sponsors should pay particular attention to the security over the inventory and should control sales of such items.

Internal Control

- The school store's operation must be reflected in the district's financial records. All receipts must be turned in to the school campus financial specialist for deposit in the student activities account. The store may not maintain a separate bank account.
- Disbursements must not be made by cash out of store receipts, except to pay for merchandise returned by customers. School store operations are subject to periodic audit by the BCSD Finance Department.
- The sponsor may establish a change fund of $100.00. Any additional funds must be approved by the BCSD Director of Finance.
- A cash box will secure all cash funds to include the school store fixed change fund. Any customer change will be maintained through the cash box.
- Each sale, cash or debit/credit will be recorded in the BCSD online payment portal. The online payment software will record detailed sales records and maintain a perpetual inventory of each item sold.
- All cash receipts must be turned in daily to the school Campus Financial Specialist.
- Cash receipts should always be turned in to the school Campus Financial Specialist in amounts that are exactly equal to sales, not in round amounts. Therefore, after receipts have been turned in, the only cash left in the cash box should be the fixed change fund.
- Any shortfall of funds will be deducted from the daily profits. The fixed change fund amount of $100.00 must be maintained.
- The change fund and any cash receipts held overnight at the school must be stored in a locked safe.

Interfund Transfer

Occasionally, school store merchandise may be requisitioned for use by the school office, by a teacher for use in a classroom, or by another school activity. Sponsors should treat such transfers of merchandise as sales and should report such sales to the campus financial specialist for entry in the district's accounting software.

Physical Inventories

The school sponsor must take a physical inventory at the end of each school year for two purposes:

- To include the inventory in the school’s annual financial report.
- To prepare a yearly profit or loss report

Making frequent physical inventories is desired and the sponsor may take these at other times, as directed by the principal. Please note that it is necessary to take a physical inventory whenever a profit or loss statement is prepared, or the sponsor is changed.

- If the store has been operating at a loss or with an unexplained large profit shortfall, a physical inventory should be taken at more frequent intervals to closely monitor operations and help determine the causes of losses.
- If there is a break-in at the school store a physical inventory should be taken before the store reopens for business to obtain an estimate of the loss.
- Whenever possible, the physical inventory should be taken by or with the assistance of independent people (i.e., people other than the store sponsor or sales personnel).
- The physical inventory shall be recorded on BCSD form

Slow-Moving and Unsalable Merchandise

- Despite the best efforts to limit quantity purchases that can be sold within a year, occasionally, changing fashions, circumstances, or mistakes in purchasing may result in the accumulation of excess quantities of merchandise.
- The Principal and the sponsor should be constantly alert to the accumulation of excess quantities of merchandise. The total physical inventory should be considerably less than total sales for the year, and a comparison of these two figures may reveal an obvious problem. Even if the total inventory is not excessive, there may be excess quantities of individual items. The sponsor should analyze the physical inventory and check the purchase dates of any items for which large quantities are on hand. Any items purchased more than a year earlier, and any items purchased during the current year, for which few sales have been made, should be considered for special action

Losses or Significant Profit Shortfalls on Store Operations

- Whether or not the generation of earnings to support other school activities is a primary objective of the school store, the store should break even or realize a small profit. The monthly and year-end General Ledger report and the monthly status report provide only a general indication of the health of the school store's operation. The fact that receipts exceed disbursements and that the closing balance shows a surplus in the school store account does not necessarily mean that the store has operated at a profit.
- To determine whether a profit has been realized or a loss has been incurred, the sponsor must prepare a statement of profit or loss, considering the beginning and ending inventories and accounts payable related to store operations.
- If the profit or loss statement is accurately prepared and a loss is incurred, it is usually an indication of serious problems in the operation of the store. This also can apply to unexplained significant profit shortfalls, provided that the computation of expected profits is accurate. In some cases, the causes are known, and the loss (or profit shortfall) is anticipated, but in many cases, the statement of profit or loss is the first indication of trouble and comes as a surprise to the principal and the sponsor.
- Before any time is spent searching for the cause of the loss (or profit shortfall), the statement of profit or loss should first be checked for accuracy and that a loss has been incurred. Further, if a large profit shortfall is indicated, the accuracy of the expected profit computation should be specifically checked. This is especially important for stores selling items with varying profit margins within a single store account. Have the instructions been followed correctly and do the figures agree with the figures on the district's financial reports were indicated? Are the school store inventories listed on the beginning and ending inventory statements? Are the accounts payable listed on the beginning and ending accounts payable statements accurate, and do they include only liabilities related to store operations? The sponsor must recheck all additions and subtractions.
- The possible causes of a loss (or large profit shortfall) for store operations are many and include incomplete or inaccurate physical inventories, sales, or other disposition of excess merchandise at below costs, giveaways, errors in accounting, and theft. In searching for the cause of loss (or profit shortfall), some or all the following questions should be asked:
    - Is the ending inventory complete and accurate? Understanding the ending inventory would increase the cost of sales and reduce the profit for the period. The sponsor should scan the inventory for omissions of major items or any unit costs or totals that appear incorrect. If there is any question about the accuracy of the inventory, a second count should be made, preferably by two people or by someone other than the person who

made the first count. All unit costs, multiplications, and additions should then be checked, preferably by someone other than the person who previously performed these functions.

- Was the beginning inventory accurate? Any overstatement of the inventory at the end of the previous period would have inflated the profit for that period and would reduce the profit for the current period. The sponsor should scan the inventory for any quantities, unit costs, or totals that appear incorrect. While it is too late to verify any quantities which appear suspect, it is still possible to recheck the unit costs, multiplications, and additions of the prior period's ending inventory.
- Has any merchandise been sold or included in the ending inventory at below costs or given away? If the record (mentioned in 9.h above) has been maintained, it should be possible to make an accurate estimate of the loss on sale or disposal of merchandise at below costs and to compare it with the overall results for the period.
- Has the sponsor maintained the sponsor records required and compared them with the accounts maintained by the campus financial specialist? If not, and if the statement of profit or loss was prepared from Local School records, the Local School records should be checked to ensure that all cash receipts turned in by the school store sponsor have been properly credited to the school store account. The records also should be checked to ensure that there have been no erroneous charges to the school store account that should have been charged to other Local School accounts.
- Has any merchandise been used by the school office, by a classroom, or by another Local School account activity without being paid for by a transfer of funds from another account?
- Have the security procedures been followed? Have all keys to the store always been accounted for? Is there any reason to suspect that a key may have fallen into the hands of an unauthorized person?
- Was there any evidence of a break-in at the store during the period? If so, was a physical inventory taken immediately to obtain an estimate of the loss? Was a report made to a competent authority?
- Has the store always been opened and closed by the sponsor or another authorized adult school employee and has an adult always been present when the store has been open?

- If the answers to the above questions do not provide a satisfactory explanation for the loss (or significant profit shortfall), it is suggested that the lock on the school store be changed. Further, store operations should be closely monitored during the ensuing year. This should include the taking of a physical inventory

and preparing a profit or loss statement at least once or twice during the school year in addition to the year-end, so that the principal can review and evaluate continuing operational results.

- If theft has occurred, contact the district's Chief Financial Officer.

Discontinuing Store Operations

- If the principal decides to abolish the school store, the decision should be made as early as possible in the school year to provide time for an orderly liquidation of the inventory.
- Once such a decision has been made, purchasing of merchandise should be discontinued or limited to small quantities of popular items that are certain to be sold before the end of the school year.
- Sales of items that are in large supply should be closely monitored. If it does not appear that these items will be sold by the end of the school year, then they should be marked down and advertised at an early date.
- The methods described in section B.9 above should be used to dispose of merchandise that cannot be sold by the end of the school year.

Financial Records and Reports

- A school store account should be established in the financial accounting software if it has not already been established.
- A monthly status report (Account History) of the account is sent to the sponsor. This report should be compared with the sponsor's informal records (see below). Any discrepancies should be immediately resolved with the Campus Financial Specialist. A copy of the report should be kept on file.

Sponsor Records

- Records and Reports

As discussed above, the sponsor receives from the Campus Financial Specialist a monthly report showing all transactions recorded in the account. The sponsor should reconcile the retained copies of receipts and disbursements, and transfer documents to the Account History report monthly. All discrepancies should be resolved promptly with the campus financial specialist.

- Purchases

The sponsor must maintain a detailed record of all merchandise purchased. The record must provide the cost of each item for use in pricing the physical inventory and the date of purchase of each item for use in identifying slow-moving or unsalable merchandise. A

file of paid invoices organized in a manner to facilitate ready retrieval of information usually is sufficient to meet this requirement.

- Marked-down Merchandise and Giveaways

As noted in section B.11.e, the sponsor should maintain a record of merchandise marked down below cost or disposed of other than by sale, including any giveaways. The record should include the quantity of each item, the unit cost, and the marked-down price. For merchandise disposed of other than by sale, the method of disposal should be recorded.

Profit or Loss Statement

- A statement of profit or loss should be prepared at least quarterly. The sponsor should prepare it with the assistance of the campus financial specialist, as necessary. Where conditions are warranted, a statement should be prepared at least once or twice during the school year, in addition to the year-end. If separate accounts are established by class of merchandise (e.g., clothing, supplies, etc.), separate profit or loss statements should be prepared. If a change of sponsor occurs during the school year, a profit or loss statement (along with a physical inventory) must be made at that time.
- After computing the gross profit or loss, a profit or loss analysis must be made. The fact that the school store account shows a profit does not necessarily indicate that operations are being managed effectively or that profit shortfalls are not occurring. The actual results need to be compared with the expected profit. If actual results are not in line with expected profits, the reasons should be determined. The possible causes for losses or profit shortfalls are described in section B.11. It should be noted that the determination of profit shortfalls depends on the accuracy of the expected profit computation.
- Sponsors should review the completed profit or loss statement with the Campus Financial Specialist, if applicable. A copy should be forwarded to the Principal with any necessary explanations for losses or profit shortfalls.

Event Ticketing

Admission to any Beaufort County School District ticketed events will be administrated by utilizing the BCSD ticketing software. Ticketing is designed to support online sales and/or in-person sales. All events will offer a purchasing option of credit/debit card or cash. Event ticketing sales are final unless a BCSD event cancellation is announced.

Change Funds

Change funds shall be provided to any event to support the selling of event tickets. The amount of the change fund is determined by the principal, Campus Financial Specialist,

and event organizer. Change funds will be disbursed from the imprest account. Checks will only be written payable to the Athletic Director, Athletic Director Assistant, or other designee. Checks must be signed by the Principal. Checks should never be written payable to "cash" or the Campus Financial Specialist. When the event is complete the change fund is deposited into the same imprest account. All event proceeds must be deposited into the BCSD Student Activity Bank Account.

Athletics

Board of Education Policy provides that all middle and high schools will charge the same admission price to athletic events. The tickets issued at each event are electronically accounted for through the ticketing software. All event ticketing is made available online or at the venue gate(s). All athletic events will offer a purchasing option of credit/debit card or cash.

Concessions

Most schools have concession stands operating at various athletic events. In some cases, these are operated by the PTSA or Boosters Club. This section applies only to schools where the concession stand is operated by the school or school sponsored organization.

- The Principal shall appoint a concession stand sponsor who is responsible for safeguarding the inventory, completing the "Concession Seller's Report", and making deposits. The sponsor should have only these responsibilities and should not operate the stand.
- Schools often have a faculty member operate the stand and have another (usually Athletic Director) act as sponsor. If the school has a faculty member operating the stand and cannot find another one to act as a sponsor, then the principal must assume these responsibilities.

Accounting for Concession Stands

- Concession stands transactions should be recorded in Student Activities Account.
- Prior to beginning operations, a change fund is usually established. This should be done by writing a check payable to the sponsor or some person (checks should not be written to "cash" or the Campus Financial Specialist).
- Using a dual control cash method, all funds must be reconciled.
- Change funds shall not be held overnight or on weekends by any individual or at the school. If the stand operates after school or on a weekend and the sponsor cannot turn in the money to the Campus Finance Specialist, then the bank's night depository should be utilized. The sponsor should prepare the deposit the funds

immediately after completion of the event. In no cases should concession stand receipts be held overnight or over weekends by any individual or at the school.

- If a change fund is needed for any event the next day, a separate check should be written to establish it.

Concession Seller's Report

Each time the stand is open for business, the sponsor should check out the person operating the stand on a "Concession Seller's Report". The top portion is completed at this time and acknowledges that the seller has received the change and inventory. At settlement, the seller returns all inventory and change to the sponsor, who completes and signs the bottom portion. If the sample form does not allow enough room, then a similar one that does should be designed.

Concession items such as candy, crackers, can drinks, etc., are easily listed on the report as there is a definite number of units and sale price (i.e., 10 candy bars at 50 cents each, 10 can drinks at 45 cents each). Items such as fountain drinks or items being sold from bulk (i.e., popcorn) are more difficult. Estimates can be used for these items, or some other method such as counting cups for fountain drinks or bags for popcorn.

Tests of Cash Receipts and Inventory

The concession stand sponsor is held accountable for all goods on hand and monies collected. To document this accountability, a test of cash receipts and inventory should be completed quarterly. A practical schedule to follow would be to perform the test at the end of football, basketball, and baseball seasons, and at the end of the year. To perform the test, a "Test of Inventory Items Held for Sale" form should be completed. The instructions for this form under CONCESSIONS should be followed. As with the Concession Seller's Report estimates will have to be used for fountain drinks and bulk items.

Donations

Completion of the Donation Form is required prior to the district's consideration of a proposed donation to the Beaufort County School District. This form is to be completed in its entirety and submitted to the Chief Financial Officer prior to receipt of any donated goods, services, or monetary donations of $1,000 and above. Donations of $5,000 or greater must be approved by the Board of Education.

Fundraising Projects

The Board of Education Policy and Regulations specifies that all school fundraising is to be approved in advance by the Principal. Fundraising may either be sponsored by the school or by a club.

Request for Fundraising Project

- The Campus Financial Specialist will assist the school, school clubs, and outside organizations to the ensure that the proper forms are completed for each fundraiser. All school fundraisers require:

1. Advance Principal approval
2. Inventory form (when selling goods)
3. Summary form
4. Daily deposits

- All fundraising activities must be reviewed and approved in advance by the principal on a "Request for Fundraising Project" form. This form is to be prepared in triplicate with the principal and Campus Financial Specialist retaining one copy each in an approved file and the sponsor retaining the third copy.
- Schools and school organizations are encouraged to prepare the requests at the beginning of each school year. This allows the principal to study all requests and attempt to foresee any conflicts which may arise between planned fund raisers.

Fundraising Report

- Once the Request for Fundraising Project forms have been prepared by a school or submitted by school organizations, the school should prepare a "Fundraising Projection Report". The Fundraising Projection Report lists all planned fundraisers for the school year. The form should be approved by the principal.
- Any changes or amendments to the Fundraising Projection Report should be approved by the principal before the activities are undertaken.
- Copies of the approved Fundraising Projection Report should be retained with the approved Request for Fundraising Project forms.
- All school-wide fund raising is to be approved as previously noted. Any changes to the original Fundraising Projection Report, including dates or nature of the activity must be approved by the Principal. To do so, an amended Fundraising Projection Report should be filed, and the approved copy retained by the school.
- School-wide fundraising generally is of three types: 1) Long term, 2) Recurring, and 3) One-time projects.

1. Long-term Fundraising

These are projects that occur throughout the year and usually carry over to the following years. Activities such as concessions, newspapers, and school stores are examples

2. Recurring Fundraising

These are projects that occur every year but do not occur throughout the entire year. Examples are yearbooks, pictures etc.

3. One-time Projects

One-time projects may not occur every year and generally are short-term in nature. Examples would include a school-wide sale (such as magazines or sweatshirts), dances, book fairs, banquets, drama plays, and band concerts, talent shows, and students faculty basketball games.

Crowdsourcing

Fundraisers are those that raise funds using social media and email addresses to reach out to the public to request funds. These must be approved by the Principal and the Chief Financial Officer in advance and listed on the Fundraising Projection Form. Crowdsourcing fundraisers for schools must use approved websites that have been vetted by the Finance Office. If the website has not been approved, the Campus Financial Specialist should send the Crowdsourcing Request for Fundraising Project form to the Finance Department for review. Outside organizations such as Booster Clubs, PTAs and PTOs must also request approval before doing a fundraiser, but the school district does not require them to use the approved websites. Schools must take precautions to protect students' privacy regarding email addresses and using the student photos in these fundraisers (this includes outside organizations). Approved Crowdsourcing Sites can be found here.

Fundraiser for Charitable Organization

Schools and clubs may hold fundraisers to support charitable organizations. These go through the same guidelines as other fundraiser. When the fundraiser is complete, the principal should sign a memo requesting that a check be issued to the charitable organization. Do not use the p-card.

Online Fundraisers

Online fundraisers are those that sell items online. These must be approved by the principal in advance and listed on the Fundraising Projection Form. These follow the same guidelines as a fundraiser that is selling items to the public.

Record Retention

Purpose

The purpose of this Policy is to ensure that necessary financial records and documents of the Beaufort County School District are adequately protected and maintained and to ensure that records that are no longer needed by Beaufort County School District are discarded at the proper time.

Policy

The Beaufort County School District follows the “General Records Retention Schedules for School District Records” which is published by the South Carolina Department of Archives and History. For more information, please go to https://scdah.sc.gov/records-management/schedules.

Administration

Attached is a Records Retention Schedule of some of the most common financial records for the Beaufort County School District.

Suspension of Record Disposal in Event of Litigation or Claims

In the event the school district becomes aware of a governmental investigation, audit, or litigation concerning the school district, then any further disposal of documents shall be suspended until such time as the Chief Financial Officer determines otherwise. The Chief Financial Officer shall take such steps as are necessary to promptly inform all staff of any suspension in the further disposal of documents.

Applicability

This Policy applies to all original physical and electronic financial records generated during the course of the school district’s operation. Some of the school district’s records are stored permanently in financial management software. This permanent storage exceeds some of the SC Department of Archives and History’s requirements; therefore, the school district does not retain the paper documents for as long because these would be considered duplicates.

EXAMPLES OF SOME FINANCIAL RECORDS RETENTION SCHEDULES

File Type	Description	DOA Guidelines	BCSD Guidelines	BCSD Guidelines

			for Finance Department	**for Bookkeepers**
Federal Project Files	Federal money spent by approval of State Dept. of Education	5 years after completion date of activity	7 years	N/A
General Correspondence and Subject Files General Administrative Files	Correspondence, reference material, reports related to routine activities, notes	5 years	5 years	5 years
General Correspondence and Subject Files General Housekeeping Files	School calendars, evacuation routes, key distribution list	Until no longer needed for reference	Until no longer needed for reference	Until no longer needed for reference
Grant Files Applications, Reports	Applications, Grant Contract Agreements, Annual and Final Grant Project Report	Permanent	Permanent	N/A

Grant Files Other Records	Records relating to grant administration.	3 years after completion of project	5 years	5 years
Banking Records	Cancelled checks, written deposit slips, statements	5 years	5 years	5 years
Paid Invoices	Invoices paid by P-Card and check: invoices, approvals, quotes, packing slips	5 years	Digital-permanent	Current plus previous fiscal year
Purchase Orders	Orders, quotes, vendor information	3 years	Digital-permanent	Current plus previous fiscal year
Receipts (Receipt Books)	Copies of receipts for funds received.	3 years	3 years	3 years
Ticket Sales for School Events	Records documenting ticket sales, income, and other pertinent records	3 years	3 years	3 years
Uncollected Fees Documentation	List of students owing fees to the schools	3 years	3 years	3 years

Requisitions	Record of request for Purchase Orders, order info., quotes, vendor info.	3 years	Digital-permanent	Current plus previous fiscal year

Work Instructions and Forms

BCSD work instructions provided are for reference only. Work instructions and required forms are hyperlinked in their prospective areas to support easy access for users and can be found **here**. Please contact the Finance Business Systems Team if required information cannot be located.

Revision History

Date	Current	Revision	Approver
03/03/2024	-	Added Anti-Fraud & Internal Control Section	C. Philips
03/03/2024	Section: Cash Control Subsection: Bank Deposit - Under no circumstances shall funds totaling over $25.00 be left in a BCSD facility overnight.	Section: Cash Control Subsection: Bank Deposit - Under no circumstances shall funds totaling over $50.00 be left in a BCSD facility overnight.	T. Crosby
03/03/2024	Student Activity Policy	Student Activity Policy has been subdivided into Section: Cash Control and Section: Student Activity	T. Crosby

09/15/2025	Formatting update	Added Searchable Table of Contents	K. Yinger
Date	Current	Revision	Approver
09/15/2025	Accounts Payable	Added: Electronic deadline is Thursday; Distribution day is Friday.	K. Yinger
09/15/2025	Employee Reimbursement	Reimbursements are now electronic direct deposits.	K. Yinger
09/15/2025	Time Keeping	Changed the work “timeclock” to “employee device” for clocking in and out.	K. Yinger
09/15/2025	Budget	Changed the budget transfer one line-item exceeding limit from $5,000 to $25,000. Removed “Transfers outside of program function exceeding $50,000 must be approved by the Board of Education.” And “Only the Superintendent or CFO is authorized to approve transfers of salary line items in the general fund”	K. Yinger