April 2011

INTRODUCTION

This manual was prepared to provide standardized accounting procedures for all schools and departments in the Salt Lake City School District. School principals, secretaries, club sponsors, and other parties involved in the handling of funds should familiarize themselves with the policies and procedures prescribed in this manual to ensure that financial records are uniformly maintained. This manual was reviewed and approved by Alan Kearsley, Accounting Director.

Each policy in this manual was thought out and felt to be appropriate. If you have a suggestion or idea on changes that may need to be made to improve the accountability of the District's finances or to streamline the accounting processes, please let us know.

As with most any manual, updates, additions, and corrections will need to be made periodically as needed. If you notice anything in the manual that is wrong or should be changed, please notify the accounting department. We want this manual to be useful, which means it must be as up-to-date and correct as possible.

The information in this manual supersedes all prior publications concerning school accounting procedures.

Please check the accounting department website for useful forms, flowcharts, and other documents.

Salt Lake City School District
School Accounting Manual

TABLE OF CONTENTS

TABLE OF CONTENTS

TABLE OF CONTENTS

TABLE OF CONTENTS

TABLE OF CONTENTS

1.1 Types of Activity Funds and Proper Classification

Two basic classifications of activity funds exist in the Salt Lake City School District (District): District activity funds, which belong to the school district and are used to support district programs, and Student activity funds, which belong to the students and are used to support student organizations and clubs. The purpose of these funds results in the following distinction:

1. **District activity funds** belong to the district, are used to support its co-curricular (activities outside the regular classroom that directly add value to the formal or stated curriculum) and extra-curricular (encompassing a wide variety of other district-directed activities, typified by organized sports and other non-academic interscholastic competitions) activities and are administered by the school under the District's direction. Approval for disbursing district activity fund monies, consequently, rests with the principal only as directed by the Board of Education (Board). The District determines how district activity fund monies are spent and the district programs that receive support.

Table 1. Examples of Authorized District Activity Funds

Athletic programs	Dances
Donations	Field trips
Fundraising activities	Grants
Picture sales	School plays
Soft drink sales	Yearbook sales

2. **Student activity funds** support activities that are based in non-co-curricular or non-extra-curricular student organizations. Students not only participate in the activities of the organization, but also are involved in managing and directing the organization's activities. Disbursing monies from the student activity fund may be subject to approval by the student organization and its sponsor, rather than by the Board.

Table 2. Examples of Authorized Student Activity Funds

Alumni funds	Non-curricular clubs
Memorial funds	Faculty funds

All activity funds must be reported in the school district's financial statements and are subject to the District's audit. Accordingly, all activities reported need to remain within the District's prescribed accounting structure.

1.2 Definition and Purpose of Activity Funds

Activities have become a part of the regular school program because of their value in supplementing academics and providing students with leadership skills training. Thus, the purpose of student activity funds should be to promote the general welfare, education, and morale of all students and to finance the normal, legitimate co-curricular activities of the student body.

Student activity funds belong to the student bodies of the various schools. These resources are in the custody of school employees but are the property of the students and not the Board of Education. However, the school and the District have a fiduciary responsibility to safeguard these funds and thus all Board Policies must be followed in receipting and disbursing of these funds.

Administrative policy of the District requires that income received for a specific school function or activity be disbursed only for that function. Additionally, activity fund monies should benefit those students who have contributed to the accumulation of such monies and significant balances should not be rolled over from year to year. Money required of the student body as a whole shall be expended so as to benefit the student body as a whole, and not for the benefit of a special group. In very unusual circumstances, the school principal may reallocate funds to the general function. Upon dissolution of any function, the school principal shall insure that any liabilities of that function are liquidated. Any remaining funds will be reallocated.

Student activity funds shall not be used for any purpose that represents an accommodation, loan, or credit to the Board of Education, its employees or other persons. Board of Education employees may not make purchases through student activity funds in order to take personal advantage of the school petty cash purchasing privilege.

1.3 Board Policies

NOTE: BOARD POLICIES ARE FOUND IN A SEPARATE TWO-VOLUME POLICIES MANUAL, A COPY OF WHICH SHOULD BE MAINTAINED AT EACH SCHOOL.

Following are some of the policies that relate to school accounting. Please acquaint yourself with the contents of these policies and others contained in the District policy manuals.

Staff Conflict of Interest Policy -- GBCA
Student Fees, Fines, and Charges -- JN
Gifts from the Public -- KH
Revenues from Non Tax Sources – DF
Grants from Private Sources – DFC

1.4 Basis of Accounting

Activity funds will be accounted for using the cash basis method of accounting which recognizes revenues when they are received and expenses when they are paid. Activity funds should also operate on a cash basis, meaning that no commitments or indebtedness may be incurred unless the fund contains sufficient cash.

1.5 Auditing of Activity Fund Records

Board policy states that all school activity funds should be regularly audited. These audits ascertain that (1) the school's funds are being properly reported, (2) District accounting policies and procedures are being followed, and (3) maximum efficiency is being attained from the use of these funds. Audits also give assurance to principals that their financial procedures are adequate to protect them and their personnel.

To meet this audit requirement and those of Section 51-2-1 of the Utah Code Unannotated, an annual external audit is conducted by a public accounting firm. As part of this audit process, the outside auditors select a sample of the District's schools and review their financial and administrative records in compliance with generally accepted auditing and accounting standards. Normally, the external auditors schedule their audits between April 1 and the end of the school year.

The District has also established an internal audit function to assist management in evaluating its financial systems and internal controls. The internal auditor will conduct audits of school activity funds on a regular basis. The auditor will contact individual schools to inform them of a scheduled audit and will also conduct periodic audits of specific items (petty cash funds, school lunch ticket sales, payroll attendance forms, distribution of payroll checks, etc.) throughout the year on a surprise basis. Upon completion, the auditor will discuss any audit findings with the school principal. An audit report, including school responses to any recommendations made, will be presented to the District Business Administrator. Within twenty (20) workdays after receipt of an internal audit report, the principal shall submit a signed, written reply on school letterhead to the internal auditor. The reply shall give explanations and/or actions taken, or to be taken, for any deficiencies or violations cited in the audit report. A compliance audit may be conducted approximately six months after the initial audit to determine whether the audit recommendations were implemented.

The approach we take with these school audits is to treat them as an opportunity to teach and to train. You are encouraged to ask questions. Audit findings usually have more to do with someone not knowing correct procedures rather than somebody making a choice to do something wrong. We would like to take the opportunity afforded by the audit to give answers and offer training. In the rare case, however, that there is an audit finding that occurred because of a conscious choice to disregard established policies and procedures, you can expect appropriate disciplinary action.

1.6 School Ledger Formats

The District provides all secondary schools with the TES School Accounting software package to track student activity funds. Elementary school accounting is done at the District level using the IFAS system. Under either system, the school should close off cash transactions at the end of each month and bring account balances up to date. All receipts on hand should be deposited within three (3) business days of receipt, but definitely by month end.

THE TES SCHOOL ACCOUNTING SOFTWARE

The TES Accounting package runs on IBM and IBM-compatible computers. Detailed instructions on the processes of receipting cash, recording deposits and expenditures, and closing, balancing, and reporting monthly financial transactions are located on the TES website (http://www.tessoftware.com/pdf_files/ActW.pdf). The District provides software support through a maintenance agreement with TES Software.

SECTION 2: DUTIES AND RESPONSIBILITIES

2.1 General Duties and Responsibilities

All individuals within a school should be aware that activity funds are public or fiduciary funds in nature. It is necessary to exercise good judgment, integrity, and due care in the handling of these funds.

General Responsibilities for both the Principal and Secretary Relating to School Finances include:

1. To account for all cash received by the school with the exception of School Food Service meal programs and Community School tuition.
2. To provide for the safekeeping and handling of all school money and other school property, irrespective of the source of such money or property.
3. To disburse funds only for appropriate items as intended at the time of collection, and to accurately document each disbursement.
4. To maintain current and accurate balances on all accounts under the control of the school.

2.2 Duties of School Principals

Duties and responsibilities of individual school principals include, but are not limited to, the following:

1. Notifying the District's Internal Auditor, at 578-8318, if the principal becomes aware of any evidence of fraud related to school funds. The Internal Auditor will, in turn, immediately notify the Business Administrator.
2. Implementing and complying with the regulations, standards, and procedures contained in this Manual and any other policies adopted by the Board or by the District's Accounting Department (Accounting) as authorized by the Board.
3. Preauthorizing purchases, approving invoices for payment, and signing checks.
4. Reviewing the TES system reports and the Principal's Cash Report (PCR) for accuracy and completeness and submitting these reports to Accounting to be compiled for Board on a timely basis.
5. Assuming responsibility for equipment located at the school, including equipment security, inventory control, care, and utilization.
6. Complying with purchasing procedures prescribed by the Board, including bid policies and procedures established for student activity and other internal school funds.
7. Notifying the District's Purchasing Director when equipment is stolen, misplaced, or destroyed. Also, complying with the Board's policy requiring notification of the District's Purchasing Director regarding the disposition or transfer of property before the disposition or transfer takes place.
8. Maintaining a current edition of the Manual on school premises and making it available to all school personnel.

2.3 Duties of School Financial Secretaries

Duties and responsibilities of individual school financial secretaries include, but are not limited to, the following:

1. Notifying the District's Internal Auditor, at 578-8318, if the principal becomes aware of any evidence of fraud related to school funds. The Internal Auditor will, in turn, immediately notify the Business Administrator.
2. Maintaining a record of day-to-day financial transactions.
3. Reconciling the checking account and bank statement to the school's financial records at the end of each month, and reporting the status of school funds by a monthly Principal's Cash Report.
4. Providing for the safekeeping and handling of all school money and other school property, irrespective of the source of such money or property.
5. Submitting reports and other materials to Accounting to be compiled for Board on a timely basis, as directed.

SECTION 3: CHART OF ACCOUNTS

3.1 Overview of Policy

To provide for greater uniformity throughout the school district and to comply with Utah State Office of Education reporting requirements, a standard chart of accounts (Exhibit 3-A) has been developed for elementary, intermediate and high schools. School activity fund accounts **must** be established in accordance with this standard chart of accounts. **Any school wishing to add any accounts to the Chart of Accounts provided must first receive approval from the District Accounting Office before the account is put into use.** Approval is not required for inserting subaccounts within the existing account structure.

To add a new account, add an account within the particular activity that summarizes the existing account you wish to make a subaccount for and copy the existing account number changing any of the last two digits. This allows up to ninety-nine (99) subaccounts for each of the accounts allowed in the existing chart of accounts.

On the Chart of Accounts, activity funds are grouped into five major classifications: General School (Administration), General Student Body, Instructional Classes, Other Instructional Programs, and Student Activity Funds. Each classification is further divided into individual accounts.

3.2 Account Classification/Definition

This section is included to provide a clear understanding of the five account classifications identified above and of the various accounts within each group. Cash receipts should be classified according to their source not their use. Cash disbursements should be classified according to the use of the funds not their source.

1. The <u>General School/Administration classification</u> is used to account for designated and undesignated funds. The general fund will be made up of general receipts and disbursements that do not fit any of the other categories.

2. The <u>General Student Body classification</u> is used to account for the receipts of student government sponsored fund raisers and expenditures on behalf of student government activities and to account for fees collected from students.

3. The <u>Instruction Classes classification</u> and the <u>Other Instructional Programs classification</u> are used to account for designated funds received and set aside for the benefit of a particular class or other school program.

4. The <u>clubs and organizations classification</u> also accounts for designated funds. These funds represent money received and set aside for a particular club or organization.

3.3 Fees and Fines

Fees and fines are funds collected on behalf of the District, such as summer school tuition and music bonds, and for student fines assessed for damages to school property. The District has authorized each school to expend library fines and textbook fines to replace damaged goods. Any unexpended funds **must** be transferred to the District at the end of the school year. Send all monies to the District Accounting Office with the appropriate information in order to credit the proper District account.

3.4 District Accounts

Legislative Supply - When the Utah Legislature appropriates money to be used statewide for teacher supplies and materials, the District divides its portion among qualifying teachers and counselors based on FTE. Locations have their money set up in budget accounts and will need to access the funds by submitting pay requests to the Accounts Payable department. Schools have responsibility for the following:

- Schools should set up a spreadsheet to track expenditure of each teacher's funds whether via reimbursement or District supply request.
- All materials become the property of the District and should remain at the school if the teacher transfers or leaves the system.
- Teachers will not be reimbursed for sales tax. An exemption certificate for purchases can be found on the Purchasing Department's website at http://www.slc.k12.ut.us/district/purchasing/pdf/TC-721.pdf.
- All expenditures should be completed by April 30.
- Under no circumstances may the remaining funds be spent at the school's discretion. Utah State Board of Education rule 277-459-3(E) states that excess funds must be made available to other teachers. In accordance with Board rule, any funds retained by the District will be distributed in the following school year to all teachers.

Building Rental – All checks for building rentals should be made payable to "Salt Lake City School District" and sent to the District Accounting department for deposit.

4.1 Recording Transactions and Documentation

Internal accounting requires all transactions pertaining to school money to be recorded in the accounting records daily. Accounting methods and procedures that exceed the minimum requirements presented in this manual may be implemented as considered necessary by the principal.

Original source documents form the basis for recording financial transactions in the accounting records. Such documents include, but are not limited to, prenumbered receipt books, collection logs, vendor invoices, delivery reports, receiving reports, payroll records, bank statements, bank-validated deposit tickets, canceled checks, inventory records, and property records. These source documents must be retained for future reference and audit purposes. The school should also maintain Board and/or principal authorizations, and written policies and agreements as necessary to support compliance with the provisions of this Manual.

4.2 Salary Supplements and Contracted Services

A. SALARY SUPPLEMENTS

Any supplemental compensation owed to employees for extracurricular activities must be processed through District payroll office in the same manner as salary and other payroll payments. Board of education employees may not be compensated directly by individual schools from internal school funds.

Each school should submit to the payroll department on a regular basis a payroll record for each individual who is to receive any supplemental compensation. The payroll record should be signed by the employee, and the principal should include the name of the employee, the date(s) and type of work performed, and the pay rate. The board of education will then calculate the amount of gross pay, employee withholdings (federal income tax, FICA, state retirement, insurance, etc.) and the employer's matching share and will include the salary supplement in the employee's regular payroll check received or in a supplemental paycheck from the board of education.

The board of education will invoice the school for reimbursement of the total amount of the gross salary supplement and the employer's share of the related payroll withholdings.

B. GIFT CERTIFICATES

Cash and cash equivalents such as gift certificates are not allowed to be given to school employees. This is considered a form of compensation and would require benefit and tax deductions.

4.2 Salary Supplements and Contracted Services, continued

C. CONTRACTED SERVICES

An individual/non-corporate company classified as an independent contractor MUST fill out a W-9 before payment can be made. The school should retain the form on file for future reference and audit purposes. The IRS requires anyone who makes payments totaling $600 or more during a calendar year to a noncorporate recipient (such as an individual working as a sole proprietor or a partnership) to report such payments to the Internal Revenue Service (IRS) and to provide the payee with a Form 1099-MISC.

Individuals who are employed by the District and wish to perform additional contracted services for the school(s) must demonstrate in advance that they meet the stringent IRS definition and test of an independent contractor. Generally, most board of education employees will not meet the IRS definition and test of independent contractor. (NOTE: One exception is District employees who officiate at athletic events through contract with UHSAA.) Information concerning the employee versus independent contractor relationship may be found in IRS Publication 15-A, Employer's Supplemental Tax Guide (Supplement to Circular E, Employer's Tax Guide, Publication 15).

4.3 Borrowing and Lending

Individual schools are not permitted to borrow or loan money for any reason or for any purpose. Schools are also not permitted to enter into lease agreements.

4.4 Transfers

A. GENERAL

When an amount is subtracted from one account and added to another, a transfer has occurred. Transfers do not involve a cash transaction. Part of the fund balance in one detail account is being "moved" to another account to be disbursed there. Transfers neither increase nor decrease total cash and are, therefore, recorded separately from Cash Receipts and Disbursements.

B. TRANSFERS FROM ONE SCHOOL ACCOUNT TO ANOTHER

School Activity Funds - A transfer is considered a donation or gift to the receiving fund or account. Internal school funds may not be transferred from a restricted fund account without the written permission of the club or activity group that raised the funds (Exhibit 4-A). Supporting documentation authorizing such a transfer must be retained on file for future reference and audit purposes.

4.4 Transfers, continued
TRANSFERS FROM ONE SCHOOL ACCOUNT TO ANOTHER, continued

District Activity Funds – During the course of the year, it may become necessary to transfer money from one school account to another. In all cases, the principal must be aware and approve by signature each transfer. The transfers and approvals must be on a form that is made available to the auditor.

C. REASONS FOR A TRANSFER

The following are examples of possible reasons for account transfers and are not intended to be all inclusive:
1. Profits from fund raising activities are transferred from the revenue raising account to the appropriate account where the profits are to be spent.
2. Certain accounts have overspent in the past and the principal authorized transfers from the General Fund to eliminate the deficits in the accounts (after notifying the accounting department).
3. The PTA donates funds which are recorded in the PTA account and transferred to several accounts where the money will be spent.

D. PROHIBITED TRANSFERS

Each primary account in the restricted fund must be self-supporting. Therefore, transfers may not be made from the general fund to a restricted fund account to eliminate an account deficit.

4.5 Waivers

Fee waivers must be reviewed and approved by the principal or his/her designee. An example fee waiver approval form can be found at Exhibit 4-B.

4.6 Personal Use of District Resources

All individuals using District resources (office supplies, stamps, long-distance phone calls, cellular phone calls, etc.) for personal purposes must reimburse the school or district for their cost.

4.7 Club and Class Accounts

Non-curricular clubs and class accounts are considered restricted fund accounts. Disbursements and transfers from these accounts must be approved in writing by the elected leadership of the group.

4.7 Club and Class Accounts, continued

Unexpended Account Balances

Accounts created for a class must be established on the basis of a graduation year so that account balances automatically follow the class until graduation. The graduating class should make provisions for the disposition of unexpended money prior to graduation, as such accounts must be closed at the end of the fiscal year. (For example, the class may choose to roll any remaining money into the subsequent year's class account to provide for a joint gift.) Accordingly, if disposition of remaining balances has not been made prior to graduation, the balances will be transferred to the general fund. The graduating class will be considered to have forfeited its vested interest in such money after graduation. The same guidelines apply to the remaining balance of any activity group account that has become inactive, after the activity group has had an opportunity to determine the disposition of the balance, but failed to do so.

Exhibit 4-A

TRANSFER APPROVAL FORM

____
Date Requested

Balance before Transfer		Balance after Transfer
	This is to request the transfer of $ _____________	
___________	from _____________________________ Account	___________
___________	to _______________________________Account.	___________

____
School

____
Sponsor

Approved: ______

Disapproved: ______

____
Principal

(Include a copy with the Principal's Cash Report submitted at the end of the month.)

Exhibit 4-B

WAIVER APPROVAL FORM

I have personally verified the required documentation and the above student is eligible for a fee waiver.

I have personally verified the required documentation and the above student is **NOT** eligible for a fee waiver.

____
Principal's Signature
(or authorized designee)

____
Principal's Signature
(or authorized designee)

☐ Waiver indicated in computer system

☐ Letter sent to parent stating approval or denial

SECTION 5: CASH RECEIPTS

5.1 Overview of Policy

Cash receipts are the necessary means of accurately recording cash received and of substantiating each bank deposit. It is district policy that all cash received within the school be properly accounted for; this means a pre-numbered cash receipt or a "Summary of Cash Received" form (discussed below) should be written for all money received. Note that the handling of cash from the School Food Service function and the Community School function is the responsibility of those respective organizations.

A receipt should include the following information:
1. The date the cash is received;
2. The name of the remitter (an individual, firm, or organization);
3. The amount received;
4. The purpose for which the money was received;
5. The account name and number which is to be credited with the receipt;
6. The signature or other identification of the person who prepared the receipt; the TES system doesn't print the secretary's initials on the receipt, but since the system is password controlled it will be assumed that the secretary prepared the receipt; and
7. The type of payment received, either cash, check, or money order.

The original receipt is to be given to the remitter and the duplicate will be retained for use as the source document for the deposit.

Cash receipts, once issued, should not be altered. If an error is made in the preparation of a receipt, void the receipt and issue a new one. The voided receipt should be retained along with any duplicates.

Money received from night activities should be counted by at least two individuals and locked in the safe or the Principal's office. The following morning, the financial secretary will recount the funds and then receipt them.

REMINDER:

Cash should be deposited on a daily basis unless there is under $50 in the cash drawer; in that case, the secretary can wait to make a deposit until it reaches $50. Without regard to the $50 limit, a deposit should be made a least once a week. Additionally it would be helpful to accounting if you made a deposit on the last day of the month.

5.2 Elementary Schools

Effective July 1, 2007, all elementary school accounting will be recorded at the District Accounting Office. Money received is to be receipted using manual receipt books. A receipt must be prepared for all money received at the time it is received. Three-part receipt books are recommended as they allow the school to retain a copy and to send a copy to the District office.

5.2 Elementary Schools, continued

Cash receipts are to be deposited in the central District deposit control account using the triplicate deposit slips provided by the accounting department. A copy of the deposit slip and the yellow copy from the receipt book are to be forwarded to the District office at least weekly to be recorded. Consecutive receipt numbers must be accounted for so please remember to include voided receipts.

5.3 "Summary of Cash Received" Form

This form has been designed to efficiently record small identical payments collected at the elementary school level. The use of this form is a substitute for writing an individual pre-numbered receipt when such a receipt is not required. Once a form or a series of forms, relating to a specific project is received, it is necessary to make a deposit. The school's treasurer should issue a receipt for each time a teacher turns in a "Summary of Cash Received" form. Teachers should submit this form to the treasurer at the end of each day along with the money collected in a sealed envelope. Teachers should not keep money in their desk or on their person overnight. The "Summary of Cash Received" form is the backup to the receipt to provide a proper audit trail. See exhibit 5-A.

Teachers may turn money into the school's treasurer in a sealed envelope and not wait for a receipt as long as the envelope has the teacher's name, **amount of money** and the purpose. The treasurer should count the money from these envelopes in a secure area where students and other people are not allowed. A receipt should be prepared and placed in the teacher's box after the monies have been counted.

5.4 Teacher Instruction On Cash Procedures

Teachers may not be aware of the district's procedures regarding cash; consequently a yearly update on cash procedures will be beneficial. Written procedures dealing with cash controls should be distributed at the first faculty meeting of the year. **Principals are responsible for making teachers aware of District policy.**

Elementary Schools - Following is a list of suggested topics to include in this distribution:

- Teachers need principal approval before asking patrons to send money to school to pay for field trips, class projects, etc. Written requests for this money being sent to schools need to be worded so that these monies are "donations."
- Teachers may collect money from students for school projects, trips, fundraisers, activities, etc. as long as the procedures for teacher envelopes are followed. All collections must be adequately documented (lists of names, dates, and amounts) on the "Summary of Cash Received" form. Teachers who collect money in their teacher envelopes are to turn in 100% of the money every day by 2:00 p.m. Teachers should never keep custody of school money overnight. This practice presents opportunity for theft and/or loss. The District does not reimburse lost or stolen money.

5.4 Teacher Instruction On Cash Procedures, continued

- Teachers need to make sure they receive a receipt from the financial secretary for all money turned into the office.
- All entries on the "Summary of Cash Received" form (Exhibit 5-A) are to be made in ink, as these entries become a permanent part of your receipt records.
- Teachers are not allowed to conduct sales of any kind unless they are part of an authorized and approved fundraiser. (Fundraisers must be documented as approved before being initiated.)
- Teachers and students should not stock or remove money from school vending machines.
- Teachers must fill out a Purchase Requisition form for all purchases $750.00 and over when using school funds. The dollar limit applies to each order invoiced. All necessary bids must be recorded on this form.
- Purchases must show evidence of prior approval from the principal (legislative money excepted). A "Request to Purchase" (Exhibit 6-A) must be obtained before any purchases are made or, if another approval method is used, the principal must initial the receipts to document their approval.
- Warehouse items should be used whenever possible.
- It is illegal to split a larger purchase into two or more smaller purchases (artificial division) in order to fall under specified dollar limits.

Secondary Schools - When new faculty members come to the District at the secondary school level, it may be helpful for them to have printed information on various cash procedures in the school. A sample memo has been provided (Exhibit 5-E).

5.5 Secondary Schools

Secondary school students should pay their monies to the school financial secretary and not to teachers. This will free up the teacher and provide full accountability for monies received. A receipt for monies paid will be issued at the time the student pays, and receipts can be put in the appropriate account at the same time. **Secondary school teachers who collect money are in violation of district policy.**

A. GATE RECEIPTS (ATHLETICS AND OTHER CHARGE EVENTS)

Gate receipts represent a significant source of revenue that requires internal controls to safeguard cash and protect employees. Each School has a different physical layout that requires different controls to insure all attendees are paying for events. The ticket method or the hand stamping method may be used depending on the size of the event. Larger events may require a team of individuals to provide adequate controls. Gate receipts controls are outlined as follows:

5.5 <u>Secondary Schools, continued</u>
GATE RECEIPTS, continued

1. <u>Sale of Tickets</u>:

   The ticket method is required for all major events (basketball, football, school plays, major dances, etc.). Tickets should be sold at a booth, with personnel other than the ticket seller stationed at each entrance of the facility to receive the tickets and to assure that all attendees pay admission fees. Hands may be stamped to discourage passing ripped tickets through the fence.

   a. A "Ticket Report" (Exhibit 3-B) is to be used. Issue a separate set of tickets with each cash box. The tickets are reconciled to determine that the cash received matches the number of tickets sold. Two people should be present to verify the counting of the cash and the comparison to tickets sold. Overages and shortages should be listed on the "Ticket Report" (Exhibit 3-B) with an explanation for the variance. The cash should be counted and each individual should sign the "Ticket Report" verifying amounts put into the bank bag. Completion of the "Ticket Report" aids the financial secretary in knowing which activity the funds are from and the various increments the money was in before it was placed in the locked bank bag.
   b. More expensive events warrant additional controls. See the attached document "FAST AND ACCURATE WAY TO SELL DANCE TICKETS." (Exhibit 3-D)

2. <u>Hand Stamping</u>

   a. The hand stamping method may be used for small events (under 100 people in attendance, or low admission dollar amount) if dual control is utilized during the cash collection and preparation of the bank bag after the event. Two people should be present to verify the counting of the cash. Each individual should sign the "Cash Tally" sheet (Exhibit 3-C), indicating that they have verified amounts put into the bank bag.
   b. An administrator should be assigned to each event, and is responsible to be part of the team that collects and prepares the bank bag. At times the event may be very small and the administrator could have one individual collecting the money while the administrator supervises the event. Where it is feasible, the administrator should count the people at the event and compare the count with the money collected. Overages and shortages should be explained.

3. <u>Money Deposit</u>

   a. Locked bank bags are recommended for use where the proceeds are secured and taken to the school's bank night depository.
   b. Money should be counted in a secured place away from the event by two people.
   c. Money from events should not be left in a school over night unless in a safe.

5.5 Secondary Schools, continued
GATE RECEIPTS, continued

d. The bank bag should be picked up the following day from the bank for preparation and accounting of the deposit, if a school safe isn't available.
e. When the actual bank deposit is prepared, a copy of the "Ticket Report" and "Cash Tally" sheet (Exhibit 3-B & C) prepared after the event should be attached to the schools' copy of the bank deposit slip. The school financial secretary should review the "Ticket Report" and the "Cash Tally" sheet. A bag of uncounted funds should not be given to the financial secretary the following day.
f. Students should not collect gate receipts or prepare bank deposit.

4. Trained staff

a. Schools require flexibility and need to explore available resources to get the trained staff needed for collection of gate receipts at school events. Certain principals have found it helpful to have a core of individuals that are trained and willing to serve on a continuing basis as the gate-receipt group that will work with the administrator(s) in charge of an event. Schools need to have a pool of trained people that could be drawn from for gate receipt events.

An additional insurance bond is not required for employees that assist with gate receipts.

B. SCHOOL VENDING MACHINES

The proceeds from vending machines represent significant revenue to the operation of our schools. If the school is responsible to stock the vending machines, the following steps should be implemented:

1. Students should not stock or collect money from the vending machines. This should be done by an administrator or a member of the faculty.
2. Two people should go together to collect the funds from vending machines, and all monies should be receipted by the treasurer. The receipts should be given to a designated administrator who reconciles receipts to inventory. Money received needs to be recorded to Vending Income (7095210*loc*-1614-00).
3. All invoices for vending items should be coded to Vending Food Purchases (7095100*loc*-0634-00).
4. Net proceeds from vending accounts are to be spent at the principal's discretion.
5. On a quarterly basis the designated administrator should reconcile the receipts, disbursements and the inventory of the vending machines. This can be done by one of the following methods:
   a. Quantity method:
      i. Have the treasurer print out all receipts and provide invoices for disbursements entered into the vending machine accounts for the quarter. Total quantities for different product purchases for the quarter.

5.5 Secondary Schools, continued
SCHOOL VENDING MACHINES, continued

ii. Count the vending machine product in storage and in the machines and subtract from product purchases. (This is unsold product.)
iii. Add the quantity of product in inventory from the prior quarter. This is the total number of products sold during the quarter.
iv. Multiply the number of products sold by the average sales price. This is your anticipated receipts.
v. Compare the anticipated receipts with the actual receipts recorded. Investigate significant or unexplained differences.

Example:

Total disbursements for soda	$ 200.00
Divide: Average price per can (off invoice)	0.40
# of cans purchased during current quarter	500
Less: Inventory on hand	(100)
Plus: Last quarter's inventory	75
Total # of cans sold during quarter	475
* Selling price per can	0.75
Anticipated vending receipts	356.25
Less: Actual Receipts	(350.00)
Cash shortage/(overage)	$ 6.25

b. Cost of Sales Method:
i. Have the treasurer print out all receipts and disbursements entered into the vending machine accounts for the quarter.
ii. Total all receipts and disbursements for the quarter.
iii. Count the vending machine product in storage and in the machines.
iv. Calculate the total cost of product in inventory (the cost per item multiplied by the number of items on hand).
v. Subtract the amount calculated in “iv” from the total amount of disbursements determined in “ii”. This amount is the total cost of product sold for the quarter.
vi. Determine the average markup for all the products. Markup is the difference between the cost of the item and the sales price divided by the cost. (E.g., the markup from $.48 cost/item to $.65 sale price is 35%.)
vii. Multiply the cost of the product - determined in “v” - by one plus the average markup - determined in “vi” – (1.35 in the above example). This amount should be close to the total of the monies collected from the machines or the total of the receipts in “ii”. If these two amounts are not close, then an investigation should take place.

_5.5_ Secondary Schools, continued
SCHOOL VENDING MACHINES, continued

Example:

Total receipts	$ 405.00
Total expenditures	$ 425.00
Total of inventory on hand	$ 115.00
Average markup on products	35%
Total expenditures	$ 425.00
Less inventory	115.00
Cost of product sold for quarter	310.00
Multiply by	1.35
Estimated gross receipts	$ 418.50
Estimated gross receipts	$ 418.50
Total receipts	405.00
Difference	$ 13.50

NOTE: The difference is within reason. This calculation may need to be done using different markups to determine the range of the difference.

6. No sales tax is paid on vending machine products. (See Sales Tax Guidelines)
7. The vending machines should be self-supporting.
8. No money should be left in vending machines over the weekend.

C. FACULTY VENDING MACHINES

Faculty vending machine profits are generally used by the principal for staff support, such as refreshments for staff meetings, Sunshine funds, etc. Principals want and need such funds to boost morale in their schools. While faculty funds are not material in nature and do not have the exposure associated with school vending, there are certain procedures which should be followed:

1. Faculty vending machines should be self-supporting. Account balances should be reviewed periodically to assure product is not being taken without being paid for.
2. Cash received from these machines should be deposited intact and recorded through the books. It should not be used to make cash purchases or pay for product.
3. Sales tax should be paid on product purchased.
4. Students should not stock or empty vending machines.
5. Money should not be left in vending machines over the weekend.

D. SAFES IN SCHOOLS

Adequate precaution should be taken to secure cash and provide for the safety of personnel handling cash within the school.

School Safe Procedures:

1. Safe combinations and keys should be changed as personnel changes.
2. Principals are responsible to limit the number of people that have access to the combinations, and safeguard written combinations.
3. Cash should not be stored in areas where general staff or students have access.
4. Principals need to evaluate the safety of money and the protection of students and employees on a regular basis.
5. Principals should review their situation and request in their capital outlay budget what they feel is required to safeguard cash.
6. It is important that bank deposits be made by someone other than the treasurer on a daily basis and that cash in schools be kept to a minimum.

E. DRIVER EDUCATION FUNDS

At the end of each quarter or trimester, send all Driver Education Funds to the District Accounting Dept. Include a report showing all the students that took drivers education for that time period as well as a year-to-date report. (The reports should include all students including those with fee waivers.) Indicate that the checks are for driver education. For summer driver education, give all funds to the District Accounting Dept., along with a report of the students' names.

_5.6_ Receipt Forms

Receipt books should be used to record school collections for those schools that are not on TES. Schools needing tractor fed receipt forms (mainly secondary schools on TES) should contact the Purchasing Department for the name of a printing business of where these forms can be obtained. Everyone should be given a receipt when they pay money to the school. It is proper and efficient to use a "summary of cash received" form (Exhibit 3-A) for funds collected in the classrooms (for elementary schools only); then write one official receipt for the total.

The school should not accept checks made payable to "Cash" or to someone else. **The school is not a bank.** The check should be made payable to the school and endorsed with the school's "Deposit Only" stamp as soon as received. Schools should not cash checks from cash on hand because this activity subjects the school to possible loss in the event the check is returned by the bank and becomes un-collectible. Purchases should not be made out of cash receipts but all receipts should be deposited intact daily. Cash should not be left unattended in view of others. It should be kept in a secure place not accessible to students or others. Cash should be deposited on the day it is received. Do not leave money in the school overnight and do not take it home.

5.6 Receipt Forms, continued

REMINDER:

***DO NOT*:**

1. Delay writing receipts.
2. Use cash to make purchases.
3. Carry school monies around in purse or briefcase.
4. Leave school monies in unlocked drawers, etc.
5. Cash checks.

5.7 Procedures for Preparation of Bank Deposit

Use a pre-printed, duplicate deposit slip provided by the bank when making deposits. The deposit slip should include the following information:

1. The date and amount of the deposit,
2. A listing of each check included in the deposit showing the amount of the check or an adding machine tape of the checks,
3. After the bank deposit slip has been prepared, the deposit should be entered into the TES system.
4. Deposits are entered separately from receipts. There are several places deposits can be entered. Deposits can be entered at Menu - #11, Item - #45; Menu - #21, Item - #12 (page 81 of the TES Windows manual). After selecting one of these options: enter -"N" - for new deposit; enter the beginning and ending receipt numbers; press - "ESC"; and press - "S" - to save deposit.
5. The amount of the deposit on the TES system should be equal to the amount on the bank deposit slip. If not, recount the monies, review each receipt and verify the addition on the deposit slip. Correct the problem before going on.

The stamped (verified) deposit slip should be attached to the supporting receipts and filed in the appropriate month.

Exhibit 5-A

SUMMARY OF CASH RECEIVED

Teacher:				
Class:				
Purpose:				
Receipt #	**Date**	**Student Name**	**Student #**	**Amount**

Exhibit 5-B

TICKET REPORT

Date: ____________________ Event: ____

Checked Out By: ____

STUDENT TICKETS	Beginning Ticket #	Ticket Color: __________	Sale Price: __________
After sales	__________		
Before sales	__________		
= Difference	__________	X $ __________	= $ __________ sales A
ADULT TICKETS	Beginning Ticket #	Ticket Color: __________	Sale Price: __________
After sales	__________		
Before sales	__________		
= Difference	__________	X $ __________	= $ __________ sales A
STUDENT TICKETS	Beginning Ticket #	Ticket Color: __________	Sale Price: __________
After sales	__________		
Before sales	__________		
= Difference	__________	X $ __________	= $ __________ sales A

BEGINNING CHANGE FUND				ENDING CHANGE FUND			
				Checks		Total	$ __________
$20s	______	Total	$ __________	$20s	______	Total	$ __________
$10s	______	Total	$ __________	$10s	______	Total	$ __________
$5s	______	Total	$ __________	$5s	______	Total	$ __________
$1s	______	Total	$ __________	$1s	______	Total	$ __________
$.25s	______	Total	$ __________	$.25s	______	Total	$ __________
		Total change fund	$ __________ B			Total change fund	$ __________ C

I certify that I checked the ticket color, beginning number and the change fund of this ticket seller box and found it to be correct as listed above.

______________________________ ______________________________

Signature of Treasurer Signature of Ticket Seller

Beginning change fund	$ ______________	B
+ Total ticket sales	$ ______________	Sum of As
+ Athletic fund donations received by ticket seller	$ ______________	
= Total due in ticket sales box	$ ______________	
- Total in ticket sales box	$ ______________	C
= BOX OVER or (SHORT)	$ ______________	

I certify that I checked the AFTER SALES beginning number of remaining tickets and collections from this ticket box and found them to be correct as listed above.

______________________________ ______________________________

Signature of Treasurer Signature of Ticket Seller

Exhibit 5-C

CASH TALLY SHEET

Date: ____________ Event: ______________________________

Checked Out By: ______________________________

Administrator's Attendance Count __________ X $ __________ (Sales Price) = $ __________ (Anticipated Receipts) A

BEGINNING CHANGE FUND				ENDING CHANGE FUND			
				Checks		Total	$ ________
$20s	______	Total	$ ________	$20s	______	Total	$ ________
$10s	______	Total	$ ________	$10s	______	Total	$ ________
$5s	______	Total	$ ________	$5s	______	Total	$ ________
$1s	______	Total	$ ________	$1s	______	Total	$ ________
$.25s	______	Total	$ ________	$.25s	______	Total	$ ________
	Total change fund		$ ________ B		Total change fund		$ ________ C

I certify that I checked the ticket color, beginning number and the change fund of this ticket seller box and found it to be correct as listed above.

______________________________ ______________________________
Signature of Ticket Seller Signature of Treasurer

Beginning change fund	$ ____________	B
+ Total ticket sales	$ ____________	A
+ Donations received by ticket seller	$ ____________	
= Total due in ticket sales box	$ ____________	
- Total in ticket sales box	$ ____________	C
= BOX OVER or (SHORT)	$ ____________	

I certify that I checked the AFTER SALES beginning number of remaining tickets and collections from this ticket box and found them to be correct as listed above.

____________________ ____________________ ____________________
Signature of Ticket Seller Signature of Administrator Signature of Treasurer

Exhibit 5-D

FAST AND ACCURATE WAY TO SELL DANCE TICKETS

1. Number a legal pad from 1 to ??? (How many tickets you think you will sell.) or use Exhibit 5-D-1. Usually number one page at a time.

2. Number your tickets and stamp them with a unique stamp to prevent forgery.

3. Have a cash box next to where you are selling tickets that is separate from your usual cash drawer. (Be careful not to accidentally mix your money.)

4. Sell tickets by collecting the correct amount and having the student sign the back of the ticket and the corresponding number on the list. Have the student remember their number on the page.

5. Daily, balance your cash box to the number of tickets sold, figure tax, and receipt into your main drawer. Tickets sold must match money collected.

6. Give list with student names and any leftover tickets to the person who will be taking tickets at the door. If a student has forgotten their ticket (or it got washed in their jeans) they can tell the number they bought and show some ID to get into the dance anyway. (The students love this because there are always students who forget their ticket.) Leftover tickets can be sold at the door. (We usually charge a dollar or two more at the door to encourage students to pre-buy their tickets.)

ADVANTAGES:

Very small cash box at the door. Students can move into the dances much more quickly because they already have their tickets. Students don’t need to carry as much cash to the dance. Lost or forgotten tickets aren’t a problem. Tickets lost or stolen before the dance and reported can be flagged so no one else can get in on that number. Before the dance, the administration can have an idea of how many students are coming for supervision purposes.

Exhibit 5-D-1

DANCE TICKET ROSTER

Date: ______________________ Dance: ______________________________________

Price per Couple: $ ____________ Checked Out By: ______________________________

#	NAME	#	NAME
01		26	
02		27	
03		28	
04		29	
05		30	
06		31	
07		32	
08		33	
09		34	
10		35	
11		36	
12		37	
13		38	
14		39	
15		40	
16		41	
17		42	
18		43	
19		44	
20		45	
21		46	
22		47	
23		48	
24		49	
25		50	

Exhibit 5-E

SCHOOL LETTERHEAD

(DATE)

MEMORANDUM

TO: High School Teachers and Staff

FROM: High School Principal

SUBJECT: **CASH CONTROLS WITHIN THE SCHOOLS**

The following cash controls were established for our school and are used throughout the district. Cash controls will protect not only our school but our teachers and staff as well.

1. A centralized method of receiving monies is used within our school. Teachers are required to have students pay all fees directly to the school financial secretary, or designee. This will free up the teacher and provide full accountability for monies received. A receipt for monies paid will be issued at the time the student pays, also unique items such as sales tax can be put in the appropriate account at the same time. For parent's convenience, they may now send one check to school (except for school lunch) and have it credited several different places.

2. Teachers need principal approval before asking patrons to send money to school to pay for field trips, class projects, etc.

3. Teachers should never keep money in their classroom, or on their person. This practice presents opportunity for theft. The district does not reimburse for lost or stolen money. **Teachers who collect money are in violation of district policy.**

4. Teachers must complete a Purchase Requisition for all purchases $750.00 and over when using school funds. The dollar limit applies to each order invoiced. All of these requisitions must be approved by the Purchasing Department. If this procedure is not followed, the teacher will personally be liable for payment.

5. Patron requests should be calculated on the actual cost of the project, trip, etc. However, if all expenses are paid, remaining funds, if any, may be used for children unable to pay or other items that will benefit the children in the class for that year.

SECTION 6: CASH DISBURSEMENTS

6.1 Overview of Policy

All disbursements of funds should be made by check; this includes invoice payments, transfers to the District, and refunds. In the normal flow of events, the merchandise should be verified as received, the invoice should be approved by the principal (or vice principals in High and Intermediate schools) for payment, and the invoice should be canceled to ensure duplicate payment is not made. **All disbursements are to be supported by an invoice or a receipt, including petty cash expenditures.**

6.2 Elementary Schools

Effective July 1, 2007 all elementary school accounting will be recorded at the District Accounting Office. All payments will be processed by the District's Accounts Payable Department. The School Payment Request Form is located on the District's website at http://www.slcschools.org/depts/accounting/pdf/schoolpayform.pdf. A copy of this form and the supporting receipts should be kept at the school.

6.3 Verification of Merchandise

All merchandise should be verified as received. This can be accomplished by having the person verifying the items as received, sign the packing slip or invoice (full signature - legible) which is then given to the financial secretary.

6.4 Approval of Invoice

All invoices must be approved by the principal before payment is made. This can be accomplished by having the principal sign the invoice or sign the "Invoice Approval Form". (Exhibit 6-A) This form not only provides the approval, but also the account to charge, and the purpose for the merchandise.

6.5 Cancellation of Invoice

All invoices and reimbursed receipts should be canceled to ensure that duplicate payments are not made. This can be accomplished by writing **"PAID"** on the invoice and include the check number. Use some type of marker that can be easily seen or have a stamp that marks the invoice **"PAID"**.

6.6 Filing of Invoices

Filing of invoices can be done in a variety ways, but in such a manner as to be easily located. The following are some suggestions:

A. File the invoice approval form (Exhibit 4-A) and the supporting invoice or document in a pocket envelope and complete the data on the front of the envelope or use a plain white letter envelope. File in numerical check order.

6.6 Filing of Invoices, continued

B. Have folders labeled from A to Z - and file the invoices by vendor; however, for those vendors in which a lot of invoices are received have a separate folder.

C. Checks from the TES system are duplicate. The duplicate copy of the check can be attached to the invoice approval form and the canceled invoice and then be filed by check number.

Note: Whichever method is used, be sure the checks and supporting documentation can be located.

6.7 Filing of Void Checks

If it should become necessary to void a check due to an error in preparation, "VOID" should be written clearly across the face of the check. All voided checks should be filed in numerical sequence along with the other checks.

6.8 Before Issuing a School Petty Cash Check - Remember

1. NO PETTY CASH CHECK CAN EXCEED $750 - except for items identify in a memo issued from the internal audit department dated April 7, 1997. This memo provides a list of categories in which the school's treasurers may issue checks for more than $750. All items in the memo deal with student funds, not District funds. See memo for more details.

2. Ensure that the invoices, order forms or other documentation to support the payment have the Principal's approval. All checks need to be supported with an invoice.

3. To avoid duplicate payments; if a purchase order number appears on the invoice, send the invoice to the District's Accounts Payable Office to be paid by the District.

4. If an invoice is lost, the Principal should prepare a memo to serve as the supporting document for the petty cash check. The memo should include the following information:

   - check number,
   - date of purchase,
   - the vendor,
   - the dollar amount of the purchase,
   - a description of the items purchased, and
   - confirmation that the purchase was valid.

   THESE MEMOS SHOULD NOT OCCUR OFTEN.

6.8 Before Issuing a School Petty Cash Check - Remember, continued

5. Blank checks are not to be signed and left in the checkbook for future use. Checks should be stored in a secure location to prevent their theft and fraudulent use.

6. Checks should always be made payable to a specific person, company, or organization. They should not be made out to "Cash" or to the school's name. The only time a check should be made out to the school, is to obtain petty cash for an activity or the school. To transfer money from one school account to another does not require writing a check. Use a journal entry to perform this task. Please document the reason for each journal entry.

7. District policy prohibits the payment of wages and/or salaries by school check to school district employees. See Section 4.2-A Salary Supplements.

6.9 Unclaimed Property

Unclaimed property refers to outstanding checks over one year old where there is no contact with the payee. All unclaimed property must be turned over to the State of Utah per the following instructions:

1. During the month of March the treasurers will review the February outstanding check list. On any checks older then one year as of December 31, the treasurers must perform the following procedures:

   a. Call or write the payee of the check and tell them to cash the check or contact you within ten days.
   b. If the payee calls and states he/she never received it or lost it, then VOID the outstanding check and issue a new check. Be sure to call the bank and place a stop payment on the lost check. To void a check see Section 6.7.
   c. If you receive no response to the letter or the call, then make the following journal entry:

SECONDARY SCHOOLS

		Debit	Credit
xxxx-xxx	Cash in Bank	XX.XX	
xxxx-xxx	Unclaimed Property Account		XX.XX

2. By the end of March, any school with unclaimed property will write a check to the District for this amount and debit the Unclaimed Property Account to zero it out. In addition, the school must send in a report listing the following items:

   a. Check number
   b. Full name of payee

6.9 Unclaimed Property, continued

c. Social Security Number
d. Payee's last known address
e. Amount of check
f. Reason for check - book deposit, student refund, etc.

See Exhibit 6-B for Unclaimed Property report.

The check and report should be sent to the Accounts Payable Department by the end of March.

Schools can reduce the work associated with the Unclaimed Property Report by observing the following procedures as part of the month-end bank reconciliation process:

- A review of checks outstanding more than 90 days from the date of issuance should be performed. The payee on each check should be contacted and encouraged to either cash the check or donate the amount to the school.
- If the payee has lost the check, initiate a stop payment on the lost check and issue a replacement check. Do not issue a replacement check until you have called the bank to request the stop payment. (If the check amount is minimal, you do not need to initiate a stop payment.)
- Refunds not returned to students are considered to be unclaimed property unless the school has a signed statement from the student's parent or legal guardian indicating the monies are donated to the school.

If a payee contacts the school to collect payment on a check that has already been sent in on an Unclaimed Property Report, have the payee contact Accounts Payable for a replacement check. If the money has already been forwarded to the State, we will refer the payee to the Unclaimed Property Division. (http://www.up.utah.gov/)

Exhibit 6-A

INVOICE APPROVAL FORM

INVOICE NUMBER:____

VENDOR:____

ACCOUNT DESCRIPTION:_____________________________________

ACCOUNT PROGRAM NUMBER:______________________________

DISTRICT FUNDS:_______ STUDENT FUNDS:_______

PURPOSE:____

TEACHER'S APPROVAL:_______________________________________

PRINCIPAL'S APPROVAL:______________________________

INVOICE APPROVAL FORM

INVOICE NUMBER:____

VENDOR:____

ACCOUNT DESCRIPTION:_____________________________________

ACCOUNT PROGRAM NUMBER:______________________________

DISTRICT FUNDS:_______ STUDENT FUNDS:_______

PURPOSE:____

TEACHER'S APPROVAL:_______________________________________

PRINCIPAL'S APPROVAL:______________________________

Exhibit 6-B

SCHOOL:

BANK: | Page #

BANK ACCT. #:

UNCLAIMED PROPERTY REPORT

CHECKS ISSUED PRIOR TO **12/31/0X** THAT ARE STILL OUTSTANDING, AND YOU HAVE BEEN UNABLE TO CONTACT THE PAYE

Check Number	Date Issued	Payee	Soc. Sec. #	Address (Last Known)	Check Amount	Unpaid Fees or Fines*	Purpose of check
				Totals:			

*Fees or fines refer to any amount that the student owes to the school and have not yet paid. This amount can be subtracted from the unclaimed check, but may not exceed the check.

Total due to Unclaimed Property (Total of checks minus total fees/fines):

Please issue a check to the Salt Lake School District and include it with this report. Send the report and check to the Accounting Dept. Attn. Karin no later than **3/16/0Y**

*I have overseen the review of all school checks and verify to you that all checks issued prior to **12/31/0X**, that are still outstanding, and have met the unclaimed property definition (unable to contact payee) are included in the above report.*

**   **

Principal   Date

Return by March 16, 200Y

SECTION 7: DISTRICT REIMBURSEMENT

STANDARDS FOR SCHOOL PETTY CASH CHECKS AND DISTRICT REIMBURSEMENTS

7.1 Principal's Responsibilities

Petty cash is becoming a very useful and important part of the cash picture in the school; therefore, an understanding of the District's petty cash procedures is necessary. Though much of the work involved in school purchasing (i.e. doing the actual buying and preparing and recording the checks) is delegated to various staff members, the overall responsibility rests with the Principal. The signing of checks and of requests for reimbursement indicates the Principal's approval of the purchases and of the account numbers to be charged.

7.2 Petty Cash Buying

The current limit for making a petty cash purchase is $750 - except as stated in the internal audit memo dated April 7, 1997 for schools dealing with student funds. It is not appropriate to issue two or more checks for less than $750 attempting to "artificially divide" a purchase that exceeds the $750 limit. If you are making a purchase in excess of $750 you must use a requisition and central purchasing. Do NOT use petty cash.

Items that are appropriate and inappropriate for petty cash buying are listed on Exhibit-5-A - "Buying at the School Level." Also covered on this exhibit are items which should be bought using a requisition and purchase order.

Payments for Workshops, Conferences and Seminars are discussed on Exhibit 5-C.

RECORD KEEPING PROCEDURES FOR SCHOOL PETTY CASH

7.3 Setting up the School Ledger Account

The District Reimbursement account for schools on TES are the Fund 30 accounts. Checks written to individuals or vendors for supplies and other qualifying items which will be reimbursed by the District should be recorded in this fund.

7.4 Issuing a School Petty Cash Check

GUIDELINES: See Section 6: Cash Disbursements in issuing a check.

7.5 Reimbursements

There are two methods for requesting reimbursement of school petty cash checks, only one of which can be used at a time. The most efficient and advantageous approach is the "Documentation Retained at School" method. This requires that you submit only a signed reimbursement request form (Exhibit 5-B) listing the checks issued. The second method requires that you submit the request form accompanied by copies of the invoices supporting each check disbursement. All schools can begin with the "Documentation Retained at School" method. The Accounts Payable Office will process the requests on a weekly basis. Whether you choose to retain the invoice documentation at your school or submit it with your petty cash request, the same standards for adequate documentation apply. A check must be supported by an original vendor's invoice or receipt, an approved order form, or other similar documentation.

IMPORTANT

No matter which method of reimbursement you use, requests should be made regularly each month. This will keep your budget report current and help to maintain your school bank account in the black. Your monthly request does not have to be made on the last day of the month. Choose a date that is convenient for you and stick with it each month. For the summer months, it is okay to submit a combination report for July and August. Submitting requests weekly or several times during a month is encouraged if it helps control your paper flow.

7.6 Completing a Reimbursement Request

These steps should be followed in preparing requests under both methods.

1. Fill in the top of the form (Exhibit 5-B) and check the appropriate method box.
2. The TES system can print out a listing of all the checks coded to the District Reimbursement account. On the request form write-in the:

    - check number
    - check date
    - amount of the check.
    - payee (who the check was made out to)

If the District refused payment, review the reason for the denial; resubmit if item was incorrectly processed but is an allowable reimbursable item.

3. For each check listed on the request form, obtain the budget account number to be charged from the - invoice, receipt, Invoice Approval Form, etc. Finally, verify the account numbers charged are all valid district budget account code numbers.

    a. If a P/C check is charged to more than one budget account, use multiple lines on the request form to record the various accounts.
    b. Take a second look at the account number. Please note that everything will not necessarily be chargeable to the basic, 0010, program supply account.

4. Total the form. If necessary, use several forms with a total on each sheet.

5. Have the principal review, sign, and date each form submitted.

7.6 Completing a Reimbursement Request, continued

6. Make a copy for the school files and send the original to the accounts payable office.

   Budget integrity is important for maintaining control and insuring correct financial reporting. When preparing a reimbursement request, be sure you are--

   - Using a valid budget account number for the item purchased,
   - Submitting a request for reimbursement in the current period, and
   - Using an account code that is correct for the items purchased. Supply items should be charged to supply accounts, and so forth.

7.7 Documentation Submitted with Request

Complete these additional steps when submitting a request with documentation attached.

1. On the original invoice, circle in red the petty cash amounts to be reimbursed.
2. Do not send a copy of the school check; retain all checks in your files with copies of the invoice to support the check amount.
3. Staple the original invoices to the request form. Total the red-circled amounts on the invoices and make sure it is equal to the grand total entered on the request form.
4. Remember to make a copy of the request for the schools files and send the original to Accounts Payable.

7.8 Receipting and Depositing

When a reimbursement check is received, receipt the check just like any other check. Deposits should be made on a timely basis and recorded immediately. The bottom part of the reimbursement check should be stapled to the Request For School Petty Cash Reimbursement Form. However, before any of this is done, be sure to verify that all requested reimbursements were paid for by the district. If any items were not allowed, investigate the reason why and resubmit for reimbursement when corrected. Those items that are not allowed, a journal entry will have to be done to clear them out of the district reimbursement account. The following entry will have to be made:

		Debit	Credit
XXXX-XXX	(Account number to be charged)	XX.XX	
Fund 30 Acct	District Reimbursement		XX.XX

7.9 State Sales Tax

All materials purchased specifically for use in the school are exempt from sales tax if paid for with a school check. If a teacher is being reimbursed for a purchase of supplies made with his/her own funds, the district's policy is not to reimburse state sales tax. See the Sales Tax Guidelines at the end of the manual or at the Utah State Tax Commission's website (http://tax.utah.gov/forms/pubs/pub-37.pdf) for more information.

7.10 Follow-up Reviews

A review of your school's petty cash process could be made at any time by individuals from the Accounting Department. After the review, you will receive a written report. If a review indicates that there are significant problems with the handling of petty cash in your school, you will be informed and any future reimbursement requests will need to be made using the "Documentation Submitted with Request" method. Examples of significant problems include spending over the $750 limit, not submitting requests on a regular basis, or paying for contracted services that should be handled centrally.

7.11 Year-end Closing

Review the Fund 30 accounts. At the end of the school year, the reimbursements should equal expenditures. If your account does not balance, the following are some reasons why not:

- Sales tax has been paid. The District does not reimburse sales tax.
- The District has denied a reimbursement due to inappropriate spending.
- Failure to send in a reimbursement request form.
- A reimbursement check from the district has not been received.

After adjusting the account balance for all these exceptions, the account should be reconciled. If the account still does not balance, a journal entry should be made to correct the account balance.

Exhibit 7-A

BUYING AT THE SCHOOL LEVEL

The following applies to purchases or requests that you make and intend to charge to a district budget account. It outlines which items can be purchased by the school with a petty cash check and which items require the district to issue a purchase order and make payment centrally.

Appropriate Items for a Requisition & Purchase Order

1. Basic supplies and textbooks
2. Repairs
3. Furniture and equipment -- always go on a requisition and re charged to fund 30
4. Contracted services for individuals, corporations, and other organizations - (Use the blue "Individual Contracted Service" form along with a requisition)
5. Consultants for professional services with the prior approval of a superintendent staff level administrator
6. Travel expenses for non-employees and early registration fees for employees

Appropriate Items for a School Petty Cash Check *(using the $750 purchase limit)*

1. Small immediate needs of school supplies and minor repairs
2. Registration fees for local workshops or training seminars requiring no per diem
3. Food for teacher development days, workshops, and other educational meetings if charged to a workshop or conference account within the "School Improvement" (discretionary) budget
   - Note: All adult food purchases require an associate superintendent’s authorization signature
4. Payments to non-incorporated entities/individuals for school assemblies & social activities
   - A blue Independent Contractor form must be completed for each of these payments
5. Student incentives

Not Appropriate under Any Circumstances

1. Gifts, including food, flowers, etc.
2. Personal expenses
3. Any payment to an employee for any service (see Section 4-2)
4. Registration fees for employees that are not local and/or include per diem
5. Per diem for any travel purpose
6. Airline or other travel tickets

Exhibit 7-B

SALT LAKE CITY SCHOOL DISTRICT
REQUEST FOR SCHOOL PETTY CASH REIMBURSEMENT

☐ Documentation Retained at School
☐ Documentation Submitted with Request

School ____________________ Vendor # ____________________
(L with your location #)

Summary of Key Points *(Additional items on back of form)*

1 Use only account numbers with your location code or cost center, unless you have a written authorization from another administrator to use his/her location code or cost center.

2 **A school petty cash check cannot exceed $750**, and several checks should not be written to "artificially divide" a purchase.

3 Do not prepare a district requisition to request a P.O. for items purchased with a petty cash check.

4 Petty cash checks cannot be reimbursed to accounts lacking sufficient funds.

5 Checks can only be made payable to employees for reimbursement of purchases based on a receipt.

6 No petty cash checks can be written to School Principals. Their requests are submitted on **Principal's Reimbursement Form**.

7 No reimbursements for Cell Phone Bills. Must reimburse with District PO.

8 *EMS users maintain vendor files and track payments to non-incorporated entities in* EMS. Non-EMS users, submit green assemblies form to A/P for each payment to non-incorporated entities.

9 Petty cash checks can be used to pay registration fees for local workshops and conferences requiring no per diem.

10 Petty cash checks issued to reimburse district accounts with an object # **8140** cannot be reimbursed back to the school.

11 Reimbursement requests are to be submitted on a weekly basis.

12 All checks are to be backed with receipts, order forms, and/or other documentation.

13 **NO** reimbursement for DISTRICT PURCHASING CARD purchases wil be allowed on petty cash forms.

Please refer to the written procedures for additional information.

CHECK # (Numeric Order)	CK DATE	ACCOUNT NUMBER TO BE CHARGED PROG	FUNC	LOC	OBJECT	FY	AMOUNT	CHECK MADE OUT TO
							$ -	

I certify that the above school petty cash checks were issued to purchase supplies and other qualifying items to be used at our school. I have approved each payment and certify that these purchases were made in compliance with district standards. I hereby authorize the accounts to be charged and request reimbursement to be made for our school account.

____________________ PRINCIPAL ____________________ DATE

SECTION 8: WORKING WITH YOUR BANK

8.1 Bank Accounts

Elementary Schools: Schools may not have bank accounts. See Section 5-2.

Secondary Schools: The Salt Lake City Board of Education authorizes each secondary school principal to establish a bank account for the school's student activity funds. ***THERE IS TO BE ONLY ONE CHECKING ACCOUNT*** for school activities which is to be under the direction of the school principal and usually handled by the school's financial secretary. The principal will be considered ultimately responsible for all financial transactions and proper check signatures. When opening a bank account, you must use the District's Federal Identification number which is 87-6000515 and must use a bank on the list of Qualified Depositories authorized by the State of Utah (this list can be found at http://www.treasurer.state.ut.us/qualdepo.pdf).

All cash receipts and cash disbursements (excluding disbursements from petty cash) must be through this single account. That means any money collected on behalf of the school must be deposited in this account and all money being spent at the school level must be done so via checks being written against this account. Transactions in cash (excluding petty cash) are not permitted for any reason.

School checking accounts should be interest bearing in nature with minimum fee charges. Many of you should qualify for "free" checking (i.e. no service charges on your account.) Most banks offer interest bearing checking accounts. Shop around at the banks in school area to get the best terms and review the various account options provided by their bank to ensure maximum returns on all cash balances. Make sure your bank statement cutoff date is the last day of each month. If it is not, please call Accounting and we will work with the bank to see that the School's and the District's needs are being met.

All checks require two signatures on them. Three names should be on file with the bank for authorized signatures on checks for situations in which either the principal or financial secretary are unable to sign. Examples of circumstances in which the third-party designee would sign checks are as follows: during an emergency, during an extended absence of principal, or that check is made out to principal or secretary.

8.2 Bank Account Information Form

At the beginning of each school year, the school should prepare the School Bank Account Information Form (provided in Exhibit 8-A). Any amendments to the information on this form during the year should be brought to the attention of the district's accounting department.

8.3 Handling Bank Errors

See Bank Reconciliation Procedures, Section 9.

Exhibit 8-A

School Name:____

Checking Account:

Bank Name:____

Account Number:____

Authorized Signature:_________________________________

Authorized Signature:_________________________________

Authorized Signature:_________________________________

Savings Account:

Bank Name:____

Account Number:____

Authorized Signature:_________________________________

Authorized Signature:_________________________________

Savings Account:

Bank Name:____

Account Number:____

Authorized Signature:_________________________________

Authorized Signature:_________________________________

SECTION 9: BANK RECONCILIATION

The following steps will make the bank reconciliation process easy on the TES system:

9.1 General Procedures

1. Bank reconciliations must be performed monthly.

2. **Entering Bank Balances.** From the bank statement, enter the beginning statement balance and then enter the ending balance.

3. **Clearing checks.** All the checks that are on the bank statement must be cleared on the TES system. Follow these steps:

   a) Locate the first check from the bank statement on the TES system.
   b) If the amounts agree - clear the check. Clear all the checks on the TES system that appear on the bank statement.
   c) After all the checks have been cleared, compare the total of cleared checks on the TES system to the total amount of cleared checks on the bank statement. If they equal, move onto the deposits. If they don't equal, ensure that the bank statement check balance only includes checks and not other charges. If the balance includes other charges, remove the charges and then compare the new total. If the totals still don't equal, go back and verify each check amount equals what is on the bank statement.
   d) If there is problem, correct it if you can or call your support person for TES and determine if they can help you figure out how to correct it.
   e) If you can not figure out how to correct your problem, call the internal auditor.

4. **Clearing Deposits.** Clearing deposits work the same way as clearing checks. If the amount from the bank statement does not equal the amount on the TES system, ensure that the interest or other credits are not included in the total deposits. If a deposit on the TES system does not equal the bank deposit, review the receipts which make up the deposit amount and ensure that they are all accounted for or there are no extra ones.

5. **NSF Checks** (non sufficient fund). If there are NSF checks on the bank statement, you must record them on the TES system. Most banks charge a NSF check charge. This charge must be recorded also on the TES system.

   NOTE:

   > For those schools that do not use a collection agency, when calling the patron about an NSF check, be sure to inform them that they need to reimburse the school for the amount of the check and the service fee. That they should bring in cash or a money order. Do not give them the NSF check until they have brought in the money for it.

9.1 General Procedures, continued

6. **Interest Income.** If the bank pays interest on the school checking account, this must be recorded in the TES system. This interest must be recorded on a journal entry.

7. **Service Charges.** If the bank charges a service charge on the school checking account, this must be recorded in the TES system. This service charge must be recorded on a journal entry to the interest revenue account.

8. **Clearing Other Items.** Now that you have entered NSF checks, interest on checking and service charges, you must clear these items.

9. **Balanced.** Look at the "DIFFERENCE" line. If this shows ".00" then you are in balance and **CONGRATULATIONS.**

10. **Not Balanced.** If the "DIFFERENCE" line does not show ".00" then follow these steps:

    a) Compare the beginning and ending balances on the bank statement to the amounts on the TES system.
    b) Compare the amount of checks on the bank statement to the amount cleared on the TES system.
    c) Compare the amount of deposits on the bank statement to the amount cleared on the TES system.
    d) Make sure that all NSF checks, NSF service charges, interest income and service charges have all been recorded and cleared on the TES system.
    e) Make sure that all cash receipts have been accounted for in one of the deposits.

11. **Still not Balanced.** If the reconciliation still does not balance, clear all items and start over. If that does not work, call your support person for TES or call the internal auditor.

12. **Reports.** After the reconciliation has been balanced, run the Bank Reconciliation reports from the TES system.

13. **Sending Reports.** Once all the reports have been printed, have the principal review and sign the reconciliation summary. The secretary will then send the reports to the internal auditor. The reports should be in the following order:

    a) Reconciliation Summary
    b) Outstanding Check List
    c) NSF Check List
    d) Balance Sheet
    e) Revenue Report
    f) Expenditure Report

9.2 Correcting Bank Errors

If the error is less than ten dollars, adjust your books to the bank's figures. If the error is greater than ten dollars, contact the bank and request an adjustment to your account. Verify that the correction has been made on the subsequent bank statement. If this causes your bank reconciliation to be out of balance, post it out of balance and include an explanation with your reconciliation. This out of balance status should be corrected in the following month when the bank corrects the error.

SECTION 10: BAD CHECK PROCEDURES

10.1 General Procedures

When patron checks are returned by the bank because of insufficient funds, the accounting problems will be minimized with the follow steps:

A. Schools That Use A Collection Agency

1. Since the NSF checks are sent directly to the collection agency, be sure all information on the NSF checks are sent from the agency by comparing the information to the bank statement.
2. Enter the NSF check information into TES. If you have questions, please read the TES manual on how to perform this function.
3. If the agency collects on the NSF check, the agency will send a check in the amount of the NSF check plus collection fee. The treasurer should clear the NSF check through the TES system, enter the amount of the check (which includes the bank charge) and save the entry. The remaining money from the collection agency should be receipted to the "Student Body Fees" account.
4. The money received from the patrons should not be receipted a second time through TES, because it has already been accounted for on TES.
5. When the NSF check has been determined to be uncollectible, such as bankruptcy, it needs to be written off. Enter the amount to be written off and the account to be charged. The account charged should be the one where the check was receipted.

B. Schools That Don't Use A Collection Agency - On TES

1. Contact the maker of the check immediately and explain that the check was rejected by the bank. In addition, explain that the school's bank has charged fees due to the NSF check and these fees must be paid for by the patron and that they must bring in cash to cover the check and service fee.
2. Enter the NSF check information into TES. If you have questions; please read the TES manual on how to perform this function.
3. When the patron brings in the cash for the NSF check and service fees, enter it into the TES system. (The service fee should be charged to the activity account from which it came. Ex: bookfair)
4. The money received from the patrons should not be receipted a second time through TES, because it has already been accounted for on TES.

5. When the NSF check has been determined to be uncollectible, such as bankruptcy, it needs to be written off. Enter the amount to be written off and enter the account to be charged.

10.2 Reminders

1. Record date, time, and details of conversation on each telephone collection effort. If letters are sent, keep a copy in your NSF file.

2. Cash only should be required for the remainder of the school year from an individual whose previous check(s) have been written off.

SECTION 11: PRINCIPAL'S CASH REPORT

11.1 Overview of Policy

The Principal's Cash Report (PCR) is a dual format report: first, it is a report of the school's year-to-date cash receipts and expenditures with the resulting account balances; and second, it is a reconciliation of the school's total cash assets, including a reconciliation of its checking account and a report of its savings and other investments. In order to remit this report on a timely basis, it is necessary to cut off cash transactions at the end of each month and bring the account balances up-to-date.

11.2 Due Date

During the school year, the Principal's Cash Report is due in the Internal Auditor's Office on the 15th of the month following the one being reported. For the months of July and August, the report can be combined and submitted on the normal due date for the August report. These reports are used to prepare a Board report, so timely preparation is essential. Any problems in completing this report should be referred to the Internal Auditor.

11.3 Procedures for Completing Report - TES System

To help in reconciling the TES system to the bank statement - see section 9 of this manual.

SECTION 12: SAVINGS AND INVESTMENTS

12.1 General Information

If the school is carrying an excessive amount of cash in its checking account, it should give serious consideration to opening a savings or other higher interest bearing account. The account should be of a flexible nature so that the principal can add to or withdraw funds at convenient times. This could be a passbook account or a time certificate of deposit (TCD) depending on the future need for the funds. A TCD carries a substantial interest penalty if withdrawn early, but normally pays a higher interest rate than passbook accounts.

12.2 Other Investments

Schools are not necessarily restricted to savings accounts. There are many forms of short-term investments which may be more profitable. One type of investment is with the District. If invested with the District, the school would have easy access to their money and would not be penalized when transferred out. However, the type of investments that school districts invest in is regulated by State Law. School funds should not be invested in anything of a risky or speculative nature. Caution must be taken to insure the security of school funds. Contact the District Accounting Office for additional information on the types of investment accounts that maybe used.

SECTION 13: SALT LAKE EDUCATION FOUNDATION

13.1 General Information

The Salt Lake Education Foundation Trust Fund was established to enhance school district/community cooperation. The Board of Education welcomes and encourages private donations to the Salt Lake Educational Foundation and/or to the individual schools to supplement tax revenue in support of educational programs.

13.2 IRS Deductibility of Patron Gifts

As of January 1994, in order to receive a charitable tax deduction, all donors must receive documentation from the tax exempt organization [IRS 501(c)3 status]. The Salt Lake Education Foundation has the 501(c)3 mechanism in place to facilitate tax deductible donations to the schools and can prepare the required letter for the donor.

This is mainly for large donations. The Foundation can send out the appropriate letter of thank you and the necessary documentation for the donor's taxes. In addition, as other needs of the District come to light, the Foundation can solicit previous donors. If a parent donates money to the school, the school receipt is the necessary documentation for the donor's taxes. Donations for field trips and other small activities should not be sent to the Foundation. Tax-deductible donations to the school cannot benefit a particular student—student welfare fundraisers excepted—so a donation belongs to the school, a particular grade, a particular classroom, or a program but does not move from grade to grade and classroom to classroom with the student.

All solicitations, funds, or donations received by the Foundation, directly or indirectly, that are designated for a particular school will be provided to the school through the normal budgeting and accounting process. 100% of these funds go back to the school since all Foundation overhead expenses are covered by the District.

14.1 General Information

The Development Department accounts (Fund 22) were established to provide schools to easier access to funds the Development Department helped raise but that are not held at the Foundation as the funds do not constitute a charitable donation under IRS guidelines.

14.2 Deposits

For funds taken to the Development Office, the Development Office will provide the Accounting Department with the appropriate accounts and amounts for recording the deposits.

14.3 Disbursements

All disbursements from Development accounts must have the Foundation Director's signature for authorization. A copy of the Payment Request Form can be found on the District's website at http://slef.slcschools.org/pdf/SLEF-Payment-Request.pdf. Please see the Development Department for any additional policies and procedures regarding the use of these funds.

SECTION 15: WORKSHOPS, CONVENTIONS, AND CONFERENCES

15.1 General Information

The District's written policy on workshops, conventions, conferences, etc. is covered by Section F-3 in the District Policy Manual. The following procedures are for clarifying these policies and controlling all related expenditures.

District policy on documentation of travel and administrative approval at the superintendent staff level apply to all these procedures.

- The Superintendent's staff coordinator is to receive all request forms. The Superintendent will review, approve, and sign those requests which comply with District standards.
- Requests must be accompanied by copies of program registration materials.
- Plan on having the necessary travel allowance and requisition forms to the District three weeks early to insure timely payments.

15.2 Request for Travel Allowance

Prior to the time of the convention, workshop, etc., a Request for Travel Allowance form should be prepared for obtaining a payroll travel advance. Information on per diem rates and procedures to be followed are included on the form. The form must be signed by the employee, by the supervisor having budget control responsibility, and by the superintendent's staff coordinator. Successful completion of this form will generate a payroll advance to the employee.

15.3 Early Registration Payments

When early registration payment is needed, a requisition should be prepared for the registration amount only. It should be signed by the administrator having program budget control responsibility and by a superintendent staff level administrator.

When the required approvals have been obtained, a requisition should be prepared The supervisor having budget control authority and the superintendent's staff coordinator will review and sign the requisition, retain a copy for coordination purposes, and send the original to Purchasing. After a purchase order is prepared, the supervisor having budget control responsibility should sign the purchase order receiving report copy and the registration form and send to accounts payable.

15.4 Non Employee Travelers

Expenses for parents, volunteers, and other non employees who are authorized to attend a workshop, convention, or conference will be paid through the use of a requisition. The Request for Travel Allowance form is for employees only. All requisitions require the approval of the supervisor having budget control authority and of the superintendent's staff coordinator. Requisitions should show the names.

15.4 Non Employee Travelers, continued

Expenses for non employees are handled as follows:

- Use the established per diem rates of the District.
- Travel can be by commercial airline or private vehicle.
- If traveling by personal car, the expense amount is limited to the cost of actual miles traveled at the current reimbursement rate or the lowest published commercial air fare, whichever is less.
- All restrictions of the District's F-3 policy apply.

The supervisor should use discretion in making plans relative to rooms, transportation, and other travel expenses. <u>The per diem rate is the limit that can be paid for hotels, meals and accommodations</u>. Less than per diem rates can be paid, if this is agreed upon by participants and necessary to stay within program budgets.

Written proof of participation is required prior to issuing an Accounts Payable check.

15.5 One Day Events

For a one-day workshop that does not require the payment of **ANY** per diem, it is okay to use a requisition for either employees or non employees. Allow three weeks processing time. Please notify Accounts Payable of date requirements and any other handling instructions. The superintendent's staff coordinator is also the monitor for these requests and will sign the requisitions.

15.6 Monitoring Participation

The school principal or department head is responsible for monitoring the participation of all who are scheduled to attend a workshop, seminar, conference, etc. Written proof of participation is required. The method used for documenting participation is at the discretion of the administrator.

If an individual cannot participate as scheduled, they should notify the administrator. If an advance has been made, the administrator is responsible to see that a refund of advanced expenses is submitted to the Accounting Department. If an Accounts Payable payment has been made to a vendor, the administrator is again responsible to see that a refund is obtained. If the payment has been authorized but not yet made, the Accounts Payable Office should be notified so the payment can be stopped.

Exhibit 15-A

TO: ALL ADMINISTRATORS AND SECRETARIES

Payment & Registration Procedures for Workshops/Conferences/Seminars

Attendee is Always Responsible for His/Her Own Workshop, Conference, or Seminar Registration and Travel Arrangements.

2 OPTIONS FOR PAYMENT (Use one or the other - not both)

1. Registration may be paid by an employee of the District and reimbursed through one of the two following methods:

a) *Requisition*: attach a copy of the registration form and proof of payment to the requisition and submit to the Purchasing department.

b) *Travel Allowance*: Complete a travel allowance form and submit to payroll department

* Use when going outside District and requesting per diem advances.

2. Registration may be paid by the School District

Steps to be followed:

a) Review the registration form or contact the provider of the workshop/conference/seminar and determine if they will accept a District purchase order and invoice the District after the workshop/conference/seminar has taken place.

If the workshop/conference/seminar will accept a District purchase order:

Submit a requisition to Purchasing dept. with "*PAY UPON RECEIVING INVOICE*" indicated on the requisition.

Upon receipt of an invoice, Accounts Payable will send the invoice to you for signature to approve payment.

If the workshop/conference/seminar will not accept a District purchase order:

Submit a requisition to Purchasing dept. with "PREPAY" indicated on the requisition and the following attached:

* Copy of the completed registration form

* Memo requesting Accounts Payable prepay registration and signed by authorized employee.

Note: All workshops/conferences/seminars must be paid for with funds from the fiscal year in which the workshop/conference/seminar is held.

Note: Non-District employees must be reimbursed through a requisition.

16.1 Purchasing Procedures

The District's written policy on Purchasing procedures is covered by F-2 in the District Policy Manual. The following procedures are for clarifying these policies.

A. GENERAL

1. The Purchasing Department is assigned the responsibility for the procurement of all District equipment, supplies, and services under the authority of the Salt Lake City School District Procurement Policies which incorporate the requirements of the Utah Code.

2. Questions regarding existing orders, vendors, availability of items, or other specific procurement problems should be directed to the Purchasing Dept. Reports of delays, inattention, or suggestions for improvements of purchasing methods are welcome by the Manager of Purchasing. Routine follow-up of purchase orders is the responsibility of the school or department submitting the requisition. If after contacting the vendor, a problem still exists, contact Purchasing.

B. POLICY

1. The Purchasing Department has been given the exclusive authority, unless otherwise stated, to:

   a. Initiate, conduct, and/or conclude negotiations concerning the purchase of materials, equipment, supplies, and services for the School District.

   b. Obligate the School District for goods and services.

      (1) Orders or commitments by the faculty or staff are not binding on the District.

      (2) Individuals who place orders which violate policy should expect to make settlement personally.

2. The Purchasing Department is not authorized to make personal purchases for faculty or staff members.

3. The Purchasing Department may question the quality, quantity, and kind of material requisitioned and suggest alternate items.

4. The selection of sources and vendors is the responsibility of the Purchasing Department. Sources may be suggested by departments and they will be considered whenever it is economically feasible or expedient to do so.

16.2 Requisition Preparation

POLICY

1. Requisitions are used in securing virtually everything except those purchases made from petty cash or school funds as described later. Requisitions are not to be used as purchase orders.

2. Many orders which are genuine emergencies such as repairs may be placed by telephoning the Purchasing Department. **See "16.4 Emergency Purchases."**

3. Standing Purchase Orders (SPO) may be requested when the services or supplies are required with some degree of regularity but the exact quantities are not easily determined. All SPO's expire on June 30 each year unless special arrangements are made. The SPO number must be given to the vendor each time an order is placed.

4. The School District may participate in all State Contracts. Copies of these contracts are available for review in the Purchasing Department.

5. The following guidelines are provided to assist departments in preparing requisitions. Each requisition must include, as a minimum, the following information:

   a. An accurate description and specification for each article listed including catalog numbers, sizes, color, etc.

   b. Authorized account number, with correct location code.

   c. Delivery instructions.

      (1) If delivery timing is important, state specifically when delivery is required.
      (2) Delivery will be made to the budget location (school location) unless otherwise specified.

   d. Estimated cost of each item on the requisition.

   e. Suggested source of supply. Provide copies of correspondence referring to specialty items whenever available.

   f. Signature of authorized person.

16.3 Bidding Requirements and Purchase Limits

POLICY

School board policy, as well as state law, imposes particular requirements for the different dollar amounts of purchase. The following limits are determined to be best to allow flexibility and yet still provide the control required by law and policy. Orders must not be split up so as to allow them to meet a lower category as this is considered to be **"artificially dividing"**, which is prohibited in the Utah Code. The Purchasing Department is responsible for all purchases of all goods, supplies, equipment, and services used by the Salt Lake City School District, except as allowed under the school and petty cash purchase provision.

1. Purchase Limits

   Schools may make purchases under the authority of the principal, up to $750.00. Any purchase exceeding this amount must be made through the Purchasing Department.

   School purchases under the $750.00 limit should be made in such a manner as to insure adequate and reasonable competition. Methods may include written or telephone quotes. The use of Standing Purchase Orders for recurring orders is also encouraged.

   Insofar as it is practical for small purchases of supplies, equipment, services, or construction between $750.00 and $50,000.00, Purchasing will solicit two or more businesses to submit written quotations. Telephone quotations may be used on procurement estimated up to $5,000.00. Award shall be made to the business offering the lowest acceptable quotation.

   Purchases above $50,000.00 require formal bidding and advertising procedures. Refer to District Procurement Policies.

2. Minimum Purchase Order Amounts

   Because of the costs involved in writing and processing a purchase order, as well as the reluctance of some vendors to process low-dollar orders, Purchasing discourages writing such orders under the amount of $50.00. Orders under this amount should be handled through the school's petty cash system. (Of course, some situations may arise which necessitate the writing of purchase orders under the $50.00 mark.)

3. School Purchases

   The $750.00 purchase limit is for all purchases, including those made by the Bookstore and Athletic Departments with "student funds".

16.3 Bidding Requirements and Purchase Limits, continued

4. Board Approval

   All purchase orders must be submitted for approval to the Board of Education before orders are placed. Except to expedite purchasing, the Board has authorized the Manager of purchasing to proceed with purchases of less than $50,000.00 and with purchases in excess of $50,000.00 with the approval of the Superintendent, as allowed by the District Procurement Policies. All of these purchases are ratified and approved at a regular Board meeting. For convenience of the Board, purchases over $50,000.00 are submitted for Board approval on a separate list.

5. Bidding

   Quotations are solicited from the widest practical selection of firms of proven performance from whom it has been established the best price can be obtained commensurate with quality, required delivery, and the general requirements of the purchase.

   Bid tabulations are referred back to the department or school for recommendations when bids require further review.

   In the selection of possible suppliers, all applications are given equal consideration if after investigation they are deemed qualified. Among the factors to be considered in this determination are: service, reputation, availability of stock, financial responsibility, technical competence, and proximity.

   While the use of brand names is an essential element in achieving simplicity in preparation of the requisition, brand names are used for descriptive purposes only, and except in "No Substitute" cases, should be followed by the words "or District-approved equal".

   When it appears impractical to obtain competition, or when substitutes are not acceptable, a full explanation covering the reasons for such restrictions should be included with the requisition. Such explanations may include:

   a. For repair or replacement parts;
   b. As supplementary components of the same manufacturer;
   c. As necessary to meet physical design or quality requirements;
   d. To satisfy delivery requirements;
   e. Single source of supply;
   f. Special equipment no longer manufactured or available from other sources.

16.4 Emergency Purchases

A. General

1. Departments should anticipate requirements as far in advance as possible to insure enough lead time to receive material on schedule.

2. The Purchasing Department will make every attempt to obtain materials as soon as possible.

3. Requisitions for items needed on a rush basis should be hand-carried directly to the Purchasing Department. These items will be processed immediately unless bidding or other requirements prohibit.

B. Procedure

1. In an emergency, call the Purchasing Department with the following:
   a. Reason for the emergency;
   b. The number of the completed requisition, which has been checked by the school or department for adequate funds;
   c. Any pricing or vendor information available; i.e. has the school already located the priced items?

2. If appropriate, Purchasing will record the requisition number and give the school the P.O. number. The school in turn, will give the P.O. number to the vendor and make arrangements for receiving the product. It may be appropriate for Purchasing to make calls to the vendor to help set up the order. This will be explained when you call Purchasing.

   The purchase order number will be held on file to await the normal routing of the requisition. The invoice cannot be paid until the requisition actually reaches Purchasing and a purchase order is written and distributed, so do not delay sending in the requisition.

16.5 Petty Cash

Most schools find it necessary to pay small amounts for such things as minor office supplies, freight, parcel post, etc. It is impractical to require that such disbursements be made by check, yet some control is necessary:

- Petty cash amounts are to be kept to a minimum. The District recommends that Elementaries have not more than $25.00, Jr. High's $50.00, and $100.00 or less for Senior High schools.
- Petty cash should be kept separately from any other cash on hand in a locked box.
- Only one person should be responsible for the petty cash fund (known as the custodian of the fund).

16.5 Petty Cash, continued

- Each expenditure from Petty Cash should be accompanied by a voucher slip showing the person to whom it was paid, the reason, the date, the fund, the amount, the principal's initials indicating approval, and the signature of the person to whom it was given.
- All purchases by schools are tax-exempt so always take a "Governmental Exemption Certificate" with you in case the vendor requires it.
- As the amount of petty cash remaining in the fund decreases, the dollar amount of the vouchers increases. At any time, the two taken together will total the original amount in the fund. When the petty cash fund balance gets low, it will be replenished by drawing another check payable to the custodian of the fund—elementary schools can request this check from the District Accounting Office. The amount of this check will be exactly equal to the total of the vouchers and should be charged to the accounts indicated on the vouchers. The check is cashed, and the money is placed in the petty cash box. Once again, the petty cash fund equals the total amount of which the fund was established originally.
- As with all other reimbursements, petty cash vouchers should be marked as paid when petty cash is replenished to prevent reuse.

NOTE: NO REIMBURSEMENTS OF PETTY CASH WILL BE MADE WITHOUT APPROPRIATE SUPPORT. If a school does not collect receipts to support the expenditure of petty cash, the privilege of having petty cash at the school will be revoked.

16.6 Receipt and Acceptance of Materials

POLICY

1. The school or department who receives the goods must inspect them for obvious damage, irregularities, or discrepancies. The requisitioning department is responsible for notifying the Purchasing Department immediately of damage, irregularities, or discrepancies. This notification should include the following information, and should be made the <u>same</u> day:

   a. Vendor's name and purchase order;
   b. Date received;
   c. Item or items damaged and condition;
   d. Condition of shipping container upon receipt.

2. All damaged materials should be preserved in their original state with shipping containers until instructions for disposal are issued by the Purchasing Dept. <u>This is very important. Before a claim can be filed, an inspection by the carrier must be made of the packaging and shipping material as well as the damaged merchandise</u>. Contact the Purchasing Department if you need help. Shipping and delivery problems must be processed the same day or the next day--**<u>DO NOT DELAY!!</u>**

16.6 Receipt and Acceptance of Materials, continued

3. Requests from the Accounting Department, i.e., information on delivery tickets, invoices, etc., should be sent to Accounting immediately since some cash discounts are based on early payment. **DO NOT DELAY!**

4. Notification should be made to the Purchasing Department when material is received which is not ordered, is defective, or in any way not acceptable. **DO NOT DELAY!** The Purchasing Department will arrange to correct the problem; if damage is evident, have the delivery driver acknowledge the damage or at least the condition of the shipping containers before you accept the shipment. If it is obvious that substantial damage exists, refuse the shipment based on that damage and contact Purchasing if you have any questions.

16.7 Repair of Equipment

A. POLICY

In order to provide the fastest response, most small repairs are handled by placing a telephone call to Purchasing. Most of the District's repairs are performed by a limited number of vendors who have established their competency and have demonstrated fair pricing in past dealings. For vendors who fall into his category, the District has negotiated a Standing Purchase Order (SPO) system which provides a single purchase order on which a number of repairs can be made. This means less paperwork for the District and the vendor and better response time for the school's repairs. Remember, all repairs must be authorized by Purchasing **before** a repair can be performed.

For larger repairs, the school sends a completed requisition to Purchasing describing the equipment to be repaired, i.e., name, serial number, model, and District inventory number.

1. Call Purchasing for repair order instructions on shop tools, appliances, sewing machines, musical instruments, and the like. For office machines and audio-visual equipment, call the Audio Visual Department. Be ready to provide a complete description of the machine and its problem.

2. When you contact the Purchasing Department by phone or memo, describe the equipment and its problem. If a SPO exists for a vendor who can remedy the problem, authorization will be given to have the repairs completed. Purchasing must authorize each time the SPO is used.

3. When the repairs are completed, check the invoice and if the vendor charges are proper, sign and forward to Accounting. **DO NOT DELAY!** Make sure the SPO number appears on the invoice and send it to the Purchasing Department, who approves if for payment.

16.7 Repair of Equipment, continued

B. PROCEDURE

4. Poor vendor performance should be reported to Purchasing as this is the only way that a high level of vendor performance can be maintained.

16.8 Surplus Property Disposition

A. GENERAL

The Purchasing Department is responsible for surplus. District Policy states, "_NO DISTRICT EMPLOYEE SHALL TRANSFER, SELL, OR TRADE IN ANY PROPERTY OWNED BY THE SCHOOL DISTRICT_ without written authorization of the Manager of the Purchasing Department." From a practical standpoint, books are treated differently from other surplus property as described below.

B. PROCEDURE

1. Report of Surplus Property

   Schools and Central office units shall notify Inventory Control of any disposition of fixed assets using the Surplus Property Disposal Form (http://www.slcschools.org/departments/purchasing/documents/Surplus-Property-Disposal-Form.pdf).

2. Transfer of Surplus Property

   Insofar as feasible and practical, the Manager of Purchasing will transfer surplus property between schools to fill needs. Upon transfer of property be sure to fill out an "Surplus Property Disposal Form" and mail to the Inventory Control Department.

3. Sale of Surplus Property

   Surplus property shall be offered to the general public through competitive sealed bids, public auction, or a public sale. (Ref. District Procedures 8-2)

16.9 Disposal of Obsolete Textbooks

A. GENERAL

As a rule, the School District needs to do everything it can to make sure that textbooks are truly obsolete and there is no reasonable use, either in the schools or in the community, before textbooks are destroyed.

16.9 Disposal of Obsolete Textbooks, continued

B. Procedure

Before declaring a textbook obsolete, remember that some schools may still be using that edition in their programs. After determining that the text is really obsolete, proceed as follows (for information, contact one of the specialists, extension 8257):

1. School Improvement Council

The School Improvement Council can refer to the school community council those books which are believed to be available for sale or other disposal. It is advisable, but not mandatory, to gain the support or approval of the school councils regarding disposal of books to avoid criticism from the community.

The School Community Councils or School Improvement Councils can also recommend that books be donated to worthy charitable organizations, such as overseas educational programs and the like. (It is noted that this is not generally a practical thing because of the great cost of shipping.)

2. School Sales

Schools are encouraged to have sales after they have determined that the books are truly obsolete. As an incentive to have sales, the District will allow the schools to keep any proceeds from such sales to be returned to their supply budgets. (This is the only sale of District property where sale proceeds may be retained by an individual school.) Books at a school sale should be priced to bring whatever the traffic will bear; this is usually between 10 cents and 50 cents a book but some would bring much more. Be sure to stamp all sale books as being obsolete or out-of-service, otherwise these books do have a way of finding their way back to the school years later when a parent discovers the book at home and does not remember it was purchased.

3. Used Book Dealers

Selling books to used book dealers is an acceptable method of book disposal. Proceeds from such sales may be deposited to the school's supply budget.

4. Transfer to Another School District

It is acceptable to transfer books to other school districts at no charge. This is preferable over all other disposal methods. The receiving district stands all costs of transfer, but no cost for the books. **See Exhibit 16-A.**

16.9 Disposal of Obsolete Textbooks, continued

5. Disposal

After all other reasonable avenues have been explored, the last resort is to discard the books. It is recommended that books be deposited in school dumpsters in small enough quantities that would not overload the garbage pickup equipment.

6. Library Books

Old library books generally have value to the public and can be effectively sold at surplus sales. (Old library books may also be sold at school book sales, with the school library keeping the proceeds.) Contact Purchasing (Extension 8257) for pickup of obsolete library books and specific instructions.

EXHIBIT 16-A

Disposal of Textbooks

R300-433 . Disposal of Textbooks in the Public Schools

R300-433-1. Definitions

"Textbook" means any book, workbook, or materials similar in function which are required for participation in a course of instruction. The term also includes texts approved for pilot or trial use by the State Textbook Commission or books used in classes for which textbooks are generally not adopted at the State level.

"Useable textbooks" means a set of at least 25 textbooks, as defined above that are not badly damaged, worn out, or outdated.

"USOE" means the Utah State Office of Education

R300-433-2. Authority and Purpose

This rule is authorized by Article X, Section 3 of the Utah Constitution which places general control and supervision of the public school system under the Board and by Section 53A-12-207, U.C.A. 1953, which requires the USOE to make rules providing for the disposal or reuse of textbooks in the public schools

R300-433-3. Disposal Procedure

Public school districts shall notify the USOE in writing by June 30 of each year of their intent to dispose of useable textbooks.

The USOE shall compile and distribute to all public school districts a list of available useable textbooks by August 1 of each year.

A school district or a school that desires to obtain books from another district shall notify the district that owns the books within four months of the publication and distribution of the books- available list.

Schools and school districts are responsible for negotiating the exchange of the books.

If a district does not receive timely notice, as defined above, of another district's interest in available books, the local district may dispose of the books consistent with district policy.

EXHIBIT 16-B

SALT LAKE CITY SCHOOL DISTRICT
INVENTORY CONTROL SYSTEM

Authorization for Equipment Pick-up/Transfer

Item Description:____________________________________ Date:________________

District Inventory Number:____________________________ S/N:_________________

Transfer From:______________________ Transfer To:________________________

Releasing School/Dept.:_______________ (Signature) Accepting School/Dept.:_______________ (Signature)

Director of Purchasing:________________ (Signature) Delivery Agent:_______________________ (Signature)

Comments:____

SECTION 17: INTERNAL CONTROLS

17.1 General Information

Internal control is a system in which employees' duties, records, and procedures are designed to make possible the effective supervision of assets, liabilities, revenues, and expenditures. Adequate internal controls will:

- prevent fraud and waste,
- ensure accuracy of accounting and operating data,
- promote adherence to stated policies,
- further the efficiency of operations, and
- ensure conformity with applicable laws.

17.2 General Controls

- The Principal's Cash Report provides the specific means and requirements for reporting the financial transactions of student activity funds to appropriate officials on a monthly and annual basis.
- An annual budget report for checking account funds should be developed by each school and submitted to the principal for review and approval.
- An inventory of fixed assets should be completed and submitted by each school on an annual basis. The report should be verified for accuracy and any discrepancies resolved.
- Forms and records should be used to ensure accuracy and completeness and evidence proper approval.
- Perpetual inventories should be maintained of tickets used for events.
- Facilities and procedures to safeguard fixed assets.

17.3 Revenue Controls

Student activity funds may be generated from a number of sources, including athletics, concessions, publications, club and class activities, gifts, and fund-raising drives. Because cash receipts are the most frequent source of fraudulent transactions, the establishment and maintenance of adequate cash control procedures is extremely important.

1. All funds should be accounted for by a pre-numbered receipt form, written promptly upon receipt of funds. This may take the form of pre-numbered tickets or cash register tapes.
2. **The responsibility of receiving funds and writing receipts, preparing and making bank deposits, and posting financial records should be segregated as much as possible.**

17.3 Revenue Controls, continued

3. All funds should be turned in to the school office (cashier) as soon as possible.
4. All checks should be endorsed "For Deposit Only" immediately upon receipt.
5. Bank deposits should be made as promptly as possible--daily if feasible.
6. All funds on hand should be deposited intact with each bank deposit.
7. Appropriate security measures--locked cash boxes, safes, and vaults--should be used to protect all cash and cash items.
8. Proper insurance coverage should be provided for cash not deposited daily.

17.4 Expenditure Controls

Expenditures include five basic areas: purchasing, the issuance and processing of checks, check-supporting documents, petty cash, and bank account reconciliation's. There should be appropriate segregation of duties, wherever possible.

1. Purchasing

   A purchase order system should be established and closely observed. The system should verify that all purchases are made on the basis of properly approved purchase orders. The internal controls should ensure to the greatest extent possible that:

   - the purchasing, receiving, and accounting functions are segregated;
   - purchase orders are sequentially numbered; and
   - proper verification of receipt of goods is made.

2. Issuance and Processing of Checks

   All expenditures should be made by a check written on the school's bank account.

   - All checks should be pre-numbered by the printer.
   - The account from which each payment is to be taken is written on the check.
   - Checks should not be made payable to "Cash".
   - Checks should be signed only after they are completely prepared.
   - Voided checks should be mutilated - (not destroyed) by writing void on the check to avoid re-use.
   - All checks are to be accounted for, including spoiled and voided checks.
   - Unused checks should be properly controlled and safeguarded.

17.4 Expenditure Controls, continued

3. Check-Supporting Documents

Student activity fund expenditures should always be supported by properly approved vendor invoices or payment vouchers.

- Expenditures are not to be made on the basis of vendor statements.
- Vendor invoices should be checked for mathematical accuracy and proper pricing.
- Invoices should be paid on a timely basis, and all cash discounts should be taken.
- Check-supporting documents should be properly stamped to avoid duplicate payments.
- Expenditures should be formally approved for charge to individual accounts and proper distribution made to those accounts.
- Expenditures are to be made only in compliance with the established purposes and conditions of the fund and programs.
- Expenditures are to be within the budget limitations established and approved for the fund.
- Significant expenditures should be properly identified, i.e., not classified as “miscellaneous” or “other”.
- Change funds should be separately identified when redeposited and should always be recorded to the “Cash on Hand” asset account the check was written out of.
- Disbursements should not be made in cash.
- Refunds should be adequately documented to ensure their propriety.

4. Petty Cash

Schools are discouraged, but not prohibited If a petty cash fund is used, it is to be handled on the imprest (or loan advance) system—meaning it is lent to a school employee to make a purchase on behalf of the school and any remaining change along with an original receipt must be returned to the financial secretary immediately. Petty cash expenditures are to be made only in compliance with established purposes and conditions of the fund and programs.

See 17-5 for petty cash procedures to be followed when the school is using a petty cash fund.

5. Bank Account Reconciliation

Depository accounts should be reconciled with book balances at least monthly. **See Section 9.**

SECTION 18: YEAR-END PROCEDURES

At the end of the District's fiscal year, June 30, the school's books should be "closed". This closing procedure is necessary so the books accurately reflect the financial transactions of a single year. Yearly totals are used to compare performance and to make accurate planning and budgeting decisions. Use the following check list to complete the closing procedure.

18.1 Closing Procedures

_____ 1. Deposit all outstanding revenue or other cash on hand.
_____ 2. Review any stale dated outstanding checks to determine if they should be voided or will become unclaimed property. See Section 6.9 for more information on unclaimed property.
_____ 3. Make any necessary journal entries to transfer funds between accounts, etc. (No accounts may have a negative balance.)
_____ 4. Ensure that all payments against student fines have been recorded.
_____ 5. Prepare final principal's cash report and post.
_____ 6. Roll TES into the new school year.

19.1 District Policy:

The District's written policy on Records Management is recorded in Board Policy C-7.

19.2 Accounting Records:

The District's policy is to follow guideline retention periods determined by the state records committee. A specific record retention schedule for Utah School Districts can be found at the Utah State Archives website under School District General Retention Schedule.
(http://archives.utah.gov/recordsmanagement/grs/sdgrslist.html)

General guidelines are provided below:

Records to be retained for 10 years:

1. Accounting records
   a. General ledger (green books)
   b. Balance sheet (report from EMS)
   c. Check registers
   d. Receipt registers
2. Copies of reports which have been submitted to other agencies or the District.
3. School lunch records.
4. Retained warrants.

Records to be retained for 4 years:

1. Accounts payable
2. Accounts receivable
3. Purchase orders
4. Purchasing requisitions

Records to be retained for 3 years:

1. Petty cash reimbursement forms.
2. Payrolls and payroll changes.
3. Budget records.
4. Carbon copies of checks
5. Receipt books
6. Subsidiary ledgers and journal files
7. Canceled checks
8. Bank deposit slips
9. Bank statements.
10. Cash receipts.

SECTION 20: CRIMINAL ACTS

20.1 GENERAL INFORMATION

When the school has been the victim of a criminal act relating to its financial resources (such as theft, check forgery, embezzlement, purchase kickbacks, etc.); the following checklist should be followed:

____The School Secretary or Treasurer should immediately notify the Principal and the District's Internal Auditor when they become aware of a situation. The Internal Auditor should immediately notify the Business Administrator and Director of Accounting.

____Determine the actual amount of the loss, if possible. For example, count receipts on hand for petty cash funds and subtract from the amount of the fund or match pop machine inventory records to pop still in machine. If you need assistance, call the District's Auditor.

____Collect as much information as you can about the incident. Prepare a written report outlining how you discovered the act, what the incident involved, who had access to the money or records, and any other pertinent information. Give a copy of this report to the Auditor.

____File a police report on the incident.

____The auditor will review the incident to determine if internal controls could be strengthened to prevent any reoccurrence. The auditor's findings and recommendations along with the school's response to any recommendations will be presented to the Business Administrator in a written report.

21.1 Fundraising Guidelines

1. Implementation Procedures/Guidelines

   a. Elementary Schools

   Each school shall conduct no more than two fund raising activities sponsored by either the school or the PTA per year that involve students. Other fund raisers that do not involve student participation may be permitted at the discretion of the principal and the School Community Council (SCC)/School Improvement Committee (SIC).

   b. Secondary Schools

   Each school SIC/SCC shall set a limit for the number of school-wide fund raising proects and fund raisers sponsored by student groups, clubs, departments, and the PTSA and other school-related organizations. Each school SIC/SCC shall determine procedures for approving fund raisers.

   c. All Schools

   i. All fund raisers must be recommended by the principal and approved by the SIC/SCC, including any classroom fund raising activity proposed by an individual teacher.

   ii. Purposes other than school-wide fundraisers must be communicated to potential donors.

   iii. Trips and class projects may be used only as fundraisers for their own sake and not for other organizational needs.

2. Charity Drive/Student Welfare Fund Raisers

   Each secondary school student association may conduct one charity drive each year. The proceeds for activities sponsored by nonprofit [501(c)3] organizations may be distributed to the organization in such a manner as the student council may desire; proceeds intended for student welfare activities may be distributed according to the student council's intent but subject to the principal's direction to ensure accountability of purpose and compliance with board policies.

   In conducting the charity drive, it must be clearly communicated that the school is not the intended beneficiary of the fundraiser.

3. Sale of Food Items

   All food and beverage items sold on campus must be consistent with the current USDA dietary guidelines and with the District Wellness Policy . Food and beverages sold at Utah High School Activities Association events are the only exceptions. The district policy can be found at http://www.slc.k12.ut.us/board/policies/suppserv/AP-EFCA.pdf.

21.2 Cash Control

Cash and inventory should be returned to the school as soon after a sale as possible. A reconciliation of the cash and inventory returned should be done immediately to insure that all items or the equivalent in cash is accounted for.

Cash should be kept at the school and secured in a locked box or safe at all times until deposited, and all fund raising money should be deposited frequently; daily, if possible. Prior to making a bank deposit, the receipts issued or inventory sold should be reconciled to the amount being deposited.

21.3 Inventory Control

Fundraising inventory should be shipped directly to the school in the principal's name. Each person taking possession of fundraising items should sign for those items indicating the quantity received and is responsible for returning those same goods or the equivalent in cash. Inventory should be handled as carefully as if it were cash.

21.4 Use of Fundraiser Proceeds

Before each fund raiser is approved, the intended use of the funds from each fund raiser shall be identified.

22.1 Procedures for the Formation of a Parent Group or Booster Club

The interested group should meet with the Principal to discuss the organization and obtain approval to proceed. A copy of this policy should be given to the group at this time along with any other policies, guidelines, and instructions which might relate. The group, if it decides to proceed, should then draft a constitution which states:

1. The group or club's purpose
2. Qualifications for membership
3. Officers of the group or club
4. Duties and terms of officers
5. Time and place of regular meetings and conditions for calling special meetings
6. Method of amending constitution
7. Effective date

The group should then submit the constitution to the school principal for approval. When the constitution has been approved, the group should develop and submit a budget to the principal.

22.2 Accounting Guidelines

A. Cash Receipts

1. Records should be maintained, including all receipt books and other numbered forms used to acknowledge the receipt of cash.
2. All copies of voided receipts should be retained for at least three years.
3. Issuance of receipt books or listing sheets (See Exhibit 5-A) should be properly recorded.
4. Cash received from individuals and activities should be identified with numbered receipts acknowledging initial receipt of the monies.
5. All cash should be recorded promptly when received.
6. Checks held for deposit should be endorsed with the bank endorsement stamp at the time they are received.
7. Details as to the number of items receipted and the unit price per item should be included.
8. Cash deposits should be made promptly and intact.
9. Personal checks should not be cashed from club funds.
10. Cash receipts from fund-raising activities should be turned in promptly. Receipts should be counted by two individuals.
11. Cash over/short should be properly used.

22.2 Accounting Guidelines, continued

B. Cash Disbursements

1. Expenditures should be approved in accordance with provisions of the organizations constitution.
2. Cash expenditures should be supported by a receipt including a notation indicating receipt of materials or services.
3. Checks should be completely filled out prior to signature.
4. Voided checks should be retained and have the signature space cut off.
5. Expenditures should be charged to the account title indicating the purpose of the expenditure.

C. Sales and Activities

1. Revenue producing activities should be in accordance with those approved by the club officers and school principal.
2. Adequate control should be exercised by the club over fund-raising activities to ensure that such activities are in keeping with the intent of the program.
3. All records of sales such as receipt books and order forms should be reconciled to cash deposited.

D. Purchases

1. All contractual obligations should be properly authorized in accordance with club by-laws.
2. Controls should be exercised to prevent expenditures in excess of funds.
3. Timely payments should be made on all purchases on account.
4. Purchases for donation to the District or school must be appropriate and have prior approval for maintainability.

E. Financial Statements and Reconciliations

1. Monthly reports of financial transactions should be prepared.
2. Periodic financial statements of budgeted and actual revenues and expenditures should be prepared and submitted to appropriate officers.
3. Bank accounts should be reconciled monthly to both the checkbook and the monthly financial reports. These reconciliations should be performed by the club's treasurer and reviewed by the president.
4. An annual budget and financial report should be filed with the District.

SECTION 23: SALES TAX GUIDELINES

23.1 Tax-Exempt Purchases

Use of the name or address of Salt Lake City School District and/or its sales tax exempt status for making personal purchases is expressly forbidden.

The procedures associated with governmental agencies making tax exempt purchases are as follows:

1. Purchases Less Than One Hundred Dollars ($750)
   For purchases not exceeding $750, the standard Tax Commission exemption certificate TC-721, completed by an individual authorized to sign a district purchase order, may be used to evidence exemption in lieu of a school or District purchase order, check, or voucher. (A copy can be found at on the District's website under Purchasing Department. High schools have their own tax ID # and will need to provide their own Exemption Certificate. A blank form can be found at http://tax.utah.gov/forms/current/tc-721.pdf.)
2. Purchases Greater Than One Hundred Dollars ($750)
   Schools making purchases in excess of $750 must produce a school or District purchase order, check, or voucher as evidence that the purchase is made by a government agency.

23.2 Taxable Transactions

The following types of transactions are subject to sales tax:

a) Sales of yearbooks, student directories, atlases, and day planners are examples of taxable sales. Generally, all sales made from the school bookstore or office are taxable except sales of textbooks, laboratory supplies or other supplies for required school projects, safety equipment, and items of clothing that a student is required to wear as a condition of participation in a school event. If clothing is required as a condition of participation in a school event, and it is specifically detailed (like a uniform) and it cannot readily take the place of ordinary clothing, it is not subject to sales tax. Generally, if the charge for clothing or equipment is waivable under state fee waiver rules, it is exempt.
b) Sales from concession stands. (May be tax-exempt if sales are for a qualified fundraiser. See further below.)
c) Private vending machine sales. If the vending machine is operated by an outside vendor who pays the school a commission or fee for the privilege of placing the machine in the school, that vendor is responsible for reporting and remitting the tax on the vending machine sales.
d) Charges for school pictures. Generally, an outside photographer sells the pictures and collects payment. The photographer is responsible for collecting and remitting the sales tax on these transactions.
e) Community Education classes. Although charges for classes or lessons are not taxable, sales of supplies or rental of school equipment are taxable transactions.

23.3 Non-Taxable Transactions

The following types of transactions are not taxable except as noted:

a) Sales of textbooks, textbook rental fees, laboratory fees, laboratory supplies, and other educational supplies sold to students by the school for use in classes or class projects.
b) Sales of school uniforms required by schools are exempt if the uniforms are sold by the schools. Uniforms purchased directly from an outside vendor are subject to sales tax.
c) Participation fees for drill team, cheerleading, band, athletics, and other student activities. However, if the fee covers the student's purchase or rental of non-exempt clothing or equipment, those sales and rentals are subject to sales tax. Sales or rentals of safety equipment, fees to recondition safety equipment, or sales of clothing that a student is specifically required to wear as a condition of participation in a school-related event or activity and that is not readily adaptable to general or continued use to replace ordinary clothing are exempt. As a rule of thumb, if the fee for clothing and equipment is waivable under state fee waiver rules, it is exempt. In cases where the fee covers both non-taxable fees and taxable (nonwaivable) sales or rentals, the taxable portions of the fees must be separately stated and taxed or the entire amount is subject to tax.
d) Transportation charges for official school activities.
e) Fees charged to students to participate in athletic clinics or cheerleading clinics.
f) Fines charged for overdue library books.
g) Charges for advertisements in school publications.
h) Charges to parents for use of the school-operated nursery school. (These nursery school programs are taught by high school students under the supervision of a faculty member.)
i) Charges for parking permits and class change fees.
j) Qualified fund-raising sales. Sales made by elementary or secondary schools, or made by an elementary or secondary school student in grades K-12 are exempt if the purpose of raising funds for the school is to purchase equipment/materials or to provide transportation. To qualify for the exemption, the activity must meet the following conditions:
   (1) The activity must be a part of an officially-sanctioned school activity that is conducted in accordance with a formal policy adopted by the school or district governing the authorization and supervision of fund-raising activities.
   (2) The funds may not be used to directly or indirectly compensate an individual teacher or other personnel by direct payment, commission, or payment of any kind.
   (3) The gross revenues from the fund-raiser must be deposited in a dedicated account which is controlled by the School or District.
k) The sale of coupon or Happenings books by students or school organizations.

23.3 Non-Taxable Transactions, continued

l) Sales of food served by elementary and secondary schools are exempt from sales tax if the net or gross revenues generated by the food sales are deposited into a school district fund or school fund that is dedicated to school meals.

m) Food sales by the school from vending machines owned or leased and operated by the school are exempt if the net gross proceeds from the sales are deposited into the school or district lunch or meal fund.

n) Amounts paid or charged for admission to school related events and activities.

23.4 Sales Tax on Travel and Meals

State of Utah regulations explains that all state and local public employees traveling on government business are required to pay sales tax on lodging and meals, unless a purchase order or government check is used to pay for the meals and lodging. This also applies to out-of-state travel. This means that all travel will need to be planned in advance and paid for by a purchase order or take a district check with you. This will also exempt the room tax or any other added taxes. If an employee uses their own credit card to make these purchases and then looks to the District for reimbursement, the District cannot reimburse sales tax or room tax, if it could have been waived if a district check or purchase order were used.

School ______________________

Salt Lake City School District
Accounting Manual Receipt Form

I verify that I have received a copy of the Salt Lake City School District Accounting Manual and acknowledge my responsibility to read and understand the contents. I understand that this manual has been designed to provide me with important procedures that I am expected to adhere to when working for the District. Further, I understand that the procedures in this manual may change at any time without my consent and that I am responsible to stay up to date on new/modified procedures.

It is expected that all District employees adhere to the policies and procedures of the District. Any violation of these policies and procedures may result in disciplinary action up to and including termination.

______________________________________ ________________
Signature Date

____
Name (Please print legibly)