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School Activity Fund(SAF) Manual

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I. PURPOSE

The purpose of this manual is to establish division policies/regulations and accounting procedures to ensure proper administration of student activity funds and provide the standard operating policies, procedures and guidelines for school activity funds. The manual is based upon both state and local policies for Mecklenburg County Public Schools and has the status of a regulation, implementing the policy of the Mecklenburg County School Board.

II. AUTHORITY

The authority for the Mecklenburg County School Board to establish and operate school activity funds is provided for in the Bylaws and Regulations of the Board of Education of the Commonwealth of Virginia pursuant to the Code of Virginia. The School Principal is directly responsible for the conduct of student financial activities subject to state law, Mecklenburg County School Board Policies, Regulations, and the *School Activity Funds Manual*.

It is contrary to regulations to permit the use of student activity funds to pay for the operation of the school systems other than through approved account procedures, i.e., Behind the Wheel fees and damaged textbook fees. The restriction would apply to salary advances, purchase of textbooks, purchase of building maintenance materials, etc. that are properly payable from School Board funds.

No School Board (Division Allocations) are to be co-mingled with School Activity Funds or accounts.

III. STATE REGULATIONS GOVERNING SCHOOL ACTIVITY FUNDS INTERNAL ACCOUNTS (VIRGINIA BOARD OF EDUCATION)

School activity funds are public monies, and as such, are governed by regulations set forth in the Virginia Administrative Code 20-240-10 et seq. Regulations Governing School Activity Funds as well as the guidelines set forth by the Virginia Public Procurement Act, specifically the State and Local Government Conflict of Interest Act and Article 6 Ethics in Public Contracting.

The following are excerpts from the Virginia Board of Education regulations governing school activity funds.

1. Classification, responsibility for administration of regulation, exclusion of specific funds

“All funds received from extracurricular school activities, such as entertainment, athletic contests, cafeteria, club dues, etc., and from any and all activities of the school involving personnel, students, or property is hereby classified as school activity funds (internal accounts). The local school boards will be responsible for the administration of these regulations in the schools under their control. Funds defined by law as public funds are not subject to these regulations and are to be handled as provided by law.”

Definition of School Activity Funds: *activity funds direct and account for money that is used to support co-curricular and extracurricular student activities. Generally, co-curricular activities are school-sponsored activities that directly add value to classroom instruction and curriculum. Extracurricular activities include a variety of other district directed activities, like athletic and other nonacademic competitions.*

2. Records, school finance officer, bonds

“Each school shall keep an accurate record of all receipts and disbursements so that a clear and concise statement of the condition of each fund may be determined at all times. It shall be the duty of each principal to see that such records are maintained in accordance with these regulations and rules promulgated by the local school board. The principal or person designated by him/her shall perform the duties of school finance officer or central treasurer. The

school finance officer shall be bonded, and the local school board shall prescribe rules governing such bonds for employees who are responsible for these funds.”

IV. BASIC PRINCIPLES OF SCHOOL ACTIVITY FUNDS

The establishment and operation of school activity funds may be separated into two (2) types of activities:

1. General Activity Accounts

Definition: Revenues not designated for a specific student organization

These activities generate revenue from various sources and disbursement of these activity revenues is for the benefit of the school and its student body. The oversight of these activities is generally the responsibility of the school principal or his/her designee.

Examples of General Activity Accounts include but not limited to:

- Locker fees
- Parking fees
- General Athletics
- Yearbook
- Field trips
- Non Specified Fund Raisers
- Vending Machine Sales
- School Store Operations

These funds may be spent to benefit specific students or groups throughout the year as long as the expenditure pattern demonstrates a commitment to serve the student body as a whole and not serve only a specific group of students.

Schools may only carryover 10% of all funds collected within a school year. General Activity funds not spent will revert back to the Division.

2. Student Activity Accounts

These activities generate revenue for specific student purposes and require a sponsor for oversight of the activity, such as a club activity, class activity, or specific athletic activity.

Student activity funds support the activities of student-led organizations or clubs in which students not only participate, but also manage and direct the organization's activities (for example, the student council, clubs, or senior class). Student activity funds are comprised of monies raised and collected by students typically through school-approved fundraising activities, club dues, or donations.

Student activity funds are assets held by the district as an agent for the student organization that cannot be used by the district to support its own programs. Approval to spend money from a student activity fund rests solely with the student organization, rather than school administrators.

Approval to raise the funds, rest solely with the principal or his/her designee. These funds shall be spent for the specified purpose that they were approved for. The purpose shall be defined prior to the fund raising event and be made clear to all those contributing and participating in the event. These funds cannot be transferred to another school account without the approval of the affected group sponsor and the principal or his/her designee.

Student Activity fund accounts must be spent within the school year that the funds were collected, unless otherwise specified as a multi-year activity on the fund raising event form. Club officers and/or sponsors must determine how unspent funds will be allocated once an event ends. Possible options on how club officers and/or sponsor may decide to disperse unused funds include but not limited to the following: evenly divide funds among the club members, transfer funds to another account, or spend the remaining funds for the benefit of the students within the club or the student body as a whole.

3. Principal's Unallocated Account

These funds are not restricted to be used for a specific purpose, and can be used to meet a broad range of the school's needs. The flexibility that is associated with unallocated funds means that determining the propriety of some expenditure will require sound judgement. Expenditure of unallocated funds shall be for the benefit of the students and the school as a whole. These funds shall not be used for personal gain or benefit.

Possible sources of revenue into this account could include: donations from senior class or the public, dissolution of class accounts or other accounts. Fund balances in an inactive or retired account may only be transferred to the Principal Unallocated account or other account upon written approval of the school principal.

4. All school activities shall be in accordance with the following principles:

- a) School activity funds shall be used solely in accordance with the purpose for which such funds are collected.
- b) Projects for raising school activity funds shall contribute to the educational experience of pupils and shall not conflict with the instructional program.
- c) Funds derived from the student body (general purpose funds), as a whole shall be used to benefit the student body as a whole.
- d) Generally, school activity funds should be spent in such a way as to benefit those pupils who are in school and who have contributed to the accumulation of such funds.
- e) Student representation is encouraged in the management of funds raised by the student body and spent for its benefit, subject to faculty supervision.
- f) School activity funds shall be managed in accordance with the best business practices, including sound budgetary and accounting procedures.
- g) Student activity fund business shall be conducted in such a manner as to offer maximum competition with commercial concerns.
- h) Principals, through their representatives, shall participate in the preparation, modification, and interpretation of the policies, regulations and procedures affecting student body affairs.
- i) School activity funds are subject to the same regulations and purchasing requirements as School Board Allocation funds. (Small Purchasing Regulations can be found in Section XXVI)

V. ADDITIONAL PRINCIPLES OF SCHOOL ACTIVITY FUNDS

1. Place emphasis on spending activity funds for their fundamental purpose. For example, French Club funds should benefit the French Club activities and the General Fund should benefit overall school operations and activities.
2. School Activity Funds should not be expended on activities, which are not directly related to the benefit of the School or its students. Contributions to civic or social organizations would not be appropriate expenditures unless funds were collected specifically for that purpose.

Specific club activities may sponsor an event with proceeds being contributed to a charitable organization(s). The club sponsor is responsible for the collection of all revenue from the event. Appropriate documentation and approval of the disbursement should be retained on file for the proceeds remitted to the charitable organization.

3. Transfers of monies between club accounts and general activity accounts are generally prohibited except to close out the accounts of clubs, which have terminated their operations. Transfers among general activity accounts may be made in accordance with normal transfer policies and procedures. These policies and procedures are defined in the “Transfers” section of this manual.
4. All public funds must be deposited in a qualified public depository.
5. Funds may not be used for any of the following:
 - a. Any purpose that represents an accommodation, loan, or credit to a School Board employee or person other than students.
 - b. School Board employees or to others may not make purchases through a Student Activity Fund in order to take advantage of purchasing privileges.
 - c. No funds will be retained on hand for cashing personal checks.

VI. RESPONSIBILITY FOR SCHOOL ACTIVITY FUNDS

The responsibility for collecting, safeguarding, accounting, dispersing, and managing the school activity funds rests solely with the principal. The duties which must be performed in providing proper management and security of funds may be delegated to the degree desired by the principal, but the responsibility remains with the principal.

The principal may designate bookkeepers, teachers and/or sponsors to aid with the various functions and activities of the fund. All activity fund forms and reports must be signed by the principal. The principal’s designee may perform all of the procedures that require the principal’s signature unless otherwise specifically stated in the manual.

All school personnel responsible will be held responsible for any student activity funds entrusted to them. Money which is lost due to carelessness, theft, or fraud will be reimbursed by the responsible party.

The following information outlines minimal duties, which must be performed, by the principal and/or others in order to achieve proper management and security of funds. Other measures should be taken as necessary to carry out these responsibilities.

1. Superintendent

- a) The Division Superintendent shall have the authority to implement all policies and rules pertaining to the supervision and administration of school activity funds in schools, in accordance with established policies and regulations of the Board of Education of the Commonwealth of VA, the local School Board, and the Code of Virginia, as amended.

2. Principals

- a) Be familiar with and enforce the provisions of this manual.
- b) Be accountable to the Superintendent for management and oversight of all school funds. This includes, but not limited to, ensuring that qualified staff is hired, all procedures are followed, and monthly reports are submitted to the Director of Finance on time.
- c) Insure that the school bookkeeper is properly instructed as to duties to be performed, instructed in proper methods and procedures, and given adequate supervision and guidance.

- d) Obtain accurate and timely reports from the school bookkeeper covering the results of operations and status of school activity funds.
- e) Review and analyze the status and operations of the school activity funds at least monthly. The review process should involve the school bookkeeper. Department heads and fund sponsors should be involved, if necessary. The review should include but not necessarily be limited to areas such as:
 - Questioning of inactive accounts and minimal or deficit account balances and ensuring that plans are made for elimination of the deficit.
 - Noting the cash position, considering reserved funds and outstanding obligations.
 - Assessing the reasonableness of reported receipts and disbursements, by account and in total, to include comparison with prior periods.
 - Assessing the adequacy of and compliance with cash control provisions.
 - Reviewing purchase orders and checks presented for a signature to assure that purchases and expenditures are properly authorized and supported.
 - Assuring that adequate facilities and physical controls are available and are used for protection of cash and other assets.
 - Verifying bank statement reconciliations.
- f) Monitor the operation of revenue producing activities with a view to (1) generating revenue, (2) responsible management, (3) inventory accountability and (4) avoiding losses.
- g) Review all contract agreements, sole source documentation, emergency purchase documentation, Certificates of Insurance, and Contractor Certification Relating to Background Checks form. These documents shall be approved in advance by Purchasing. The Purchasing Division Director or Finance & Management Services Director are the only approved signers for these documents.
- h) The principal is responsible for designating a fund sponsor for each school activity account. The principal may deem that it is appropriate for him/her to be the fund sponsor and perform the duties outlined in item 5 of this section. Any individual may be appointed as a fund sponsor to more than one account.
- i) Monitor progress in implementation of approved audit recommendations and management decisions.
- j) Designate a back-up for the bookkeeper who will serve as bookkeeper during periods of his/her absence.
- k) Approve all transfers between activity funds.
- l) Ensure that adequate facilities and physical controls are available and are used for protection of cash and other assets.
- m) Review all grant applications and submit Request to Apply for a Grant form along with the completed application to the Budget and Financial Reporting Department for approval prior to submitting grant application.
- n) Review Fundraising Requests and ensure that Fundraising Requests and Summaries are filed with the bookkeeper as received. Fundraiser Requests must be approved prior to the start of any fundraiser.
- o) Maintain an appropriate inventory system. Each principal is responsible for ensuring that a physical inventory of major moveable equipment is carried out at his/her school at the end of every fiscal year. Instructions and guidelines that facilitate this effort are distributed annually. Inventory of items for sale is also required.
- p) Provide instruction to all teachers and other staff members in the proper handling of school activity funds.
- q) Notify the Mecklenburg County Public School VaCorp Specialist when property is lost or stolen. An email reporting when, where, people involved and contact information must be sent to the VaCorp Specialist. Pictures and an estimated cost, if available, should be included.
- r) Take action as deemed appropriate if SAF procedures are not properly followed.
- s) Designate a third person to sign checks in the absence of either the principal or bookkeeper.
- t) Designate a minimum of two individuals to make bank deposits (primary and back-up).
- u) Designate an individual to verify funds receipted within the school and prepare the daily deposit in the absence of the bookkeeper.
- v) Designate a ticket custodian to oversee inventory and ticket control requirements for admission-type events.

3. Assistant Principal or Designee

- a) Fulfills the principal's duties when he/she is absent.
- b) May serve as one of the dual signers of all checks.
- c) Should be familiar with the provisions of this manual even if not duties have been delegated to them.

4. School Bookkeeper (School Financial Officer)

Under the supervision of the principal or designee, the school bookkeeper (school financial officer) will receive, receipt, deposit, account for, and disburse all funds flowing through the school activity fund accounts. Under the supervision of the principal, the bookkeeper is also authorized as one of the three signers of checks, the others being the principal and principal's designee. The school bookkeeper, under the supervision of the principal, will comply with all pertinent provisions of this manual and perform the following duties:

- a) Use appropriate security measures to protect all cash and cash items.
- b) Become familiar with and adhere to all guidelines in the Student Activity Fund Accounting Manual.
- c) Deposit all funds daily or within 24 hours/next business day (if applicable and over \$500)
- d) Deposits less than \$500 should be deposited at least once per week.
- e) Receive money, issue receipts, and make deposits on a regular basis.
- f) Review monthly bank statements, completing monthly bank reconciliations and activity reports.
- g) Maintain all required activity fund records on a current and accurate basis.
- h) Submit monthly financial reports/statements to the Director of Finance by the 15th of each month and a final report (June 30th) no later than July 31st of each year. The submitted reports should include: bank reconciliation, copy of the bank statement, and a copy of the month-to-date account report. The report will be signed and dated by the bookkeeper and the principal.
- i) Submit all required reports promptly and accurately.
- j) Maintain a record of all fund transfers and related supporting documentation/ authorization of such transfers, using the division-wide accounting software.
- k) Issue checks when properly authorized by the principal and all pertinent documentation (procurement, as applicable, an invoice, and a signature that all items have been received) is in order.
- l) Audit teachers' receipt books when monies are submitted to ensure accountability of all receipts.
- m) Issue and account for pre-numbered receipt books and ensure return at year-end.
- n) Keep fundraiser documentation, including approved Fundraiser Request Forms and Fundraiser Summaries.
- o) Keep grant documentation, including approved Request to Apply for a Grant form and support documentation.
- p) Properly make purchases and disburse funds after acquiring principal's approval.
- q) Prepare for financial audits.
- r) Participate in financial management training as required.
- s) Report fraud or non-compliance issues to the principal immediately.
- t) Keep the principal informed of all known or potential activity fund problems.
- u) Perform such other duties as specified by the principal.

5. Teachers' Responsibility

Classroom teachers are typically responsible for the initial collection of money from students and parents and will be held personally responsible for all such money collected. Each teacher must become familiar with and ensure compliance with the portions of this manual pertaining to his/her duties and responsibilities. Failure to comply with responsibilities set forth in this manual will result in appropriate action from the school principal. Each teacher must

deal with the bookkeeper in a sincere spirit of cooperation, performing his/her functions in a complete, accurate, and timely manner.

- a) Properly receipt all money collected. (See Section VII #4)
- b) Deposit **daily** all money with the bookkeeper by the deadline provided. No monies should remain in the classroom overnight or be taken home. A teacher will be personally responsible for funds not turned into the bookkeeper or designee daily.
- c) Correctly record all required information.
- d) Provide proper security and accounting for all receipts and financial records.
- e) Complete and submit purchase requests to the bookkeeper for processing. Purchasing procedures must be followed. Purchases can only be made after receiving approved purchase request/purchase order. (See Purchasing Procedures)
- f) Submit to the bookkeeper contract agreements, price quotations, sole source documentation, Certificates of Insurance or Contractor Certification Relating to Background Checks form which are applicable to obligations of the funds. These documents shall be approved in advance by the Finance Director. The Finance Director is the only approved signers for these documents.
- g) Submit Fundraising Requests to principal or principal designee for prior approval of fundraising activity. Provide bookkeeper an approved Fundraising Request form prior to beginning fundraiser. Coordinate with and notify bookkeeper of dates that funds will be receipted. (See Fundraising Procedures)
- h) Submit Fundraising Summary to bookkeeper/principal designee upon completion of fundraiser.
- i) Submit field trip contracts and purchase requests to bookkeeper for review and approval.
- j) Submit all financial records as prescribed by the principal to the bookkeeper for audit.
- k) Any property loss whether it be damage or theft should be immediately reported to the principal.
- l) Become familiar with and adhere to all guidelines in the Student Activity Fund Accounting Manual.
- m) School employees may not commit school activity funds for the purchase of any item without prior approval of principal. Purchase orders and purchase request forms are issued by the bookkeeper at the direction of the principal. Personnel who make purchases without the approval of the principal or designee may be held personally responsible for payment.

6. Fund Sponsors and Other School Personnel

General activity funds will be the responsibility of the school principal. Student activity funds, which are for the benefit of students, will have a school sponsor. A detailed list of student activity funds and activity fund sponsor(s) will be approved by the school principal, each school year and maintained on file in the school's office.

Fund sponsors, department heads, and other individuals with duties affecting school activity funds will become familiar with and assure compliance with the portions of this manual are pertinent to their duties. Such individuals must deal with the bookkeeper (school financial officer) in a sincere spirit of cooperation, performing their functions in a complete, accurate and timely manner. Those persons responsible for activities for which a school activity fund account is maintained will review the financial operations and condition of the account at least quarterly. Major activities involving large amounts with considerable activity will be reviewed monthly.

Sponsors may not commit school activity account monies for the purchase of any item without prior approval of the principal or his/her designee. Personnel who make purchases without the proper approval may be held personally responsible for payment.

Every teacher or activity sponsor maintaining a school activity account has the responsibility for monitoring the account to ensure that the funds raised on behalf of the students participating in the activity are being used for the purpose stated for such activity.

- a) Fund Sponsor: The fund sponsor will be an employee of the Mecklenburg County School Board, designated by the principal for the duration of the school term unless relieved of these duties in writing by the principal.
- b) Duties of a Fund Sponsor:
 - Approve and/or submit purchase requests to the school's bookkeeper in a timely manner.
 - Certify that the billings pertinent to the account are correct prior to payment.
 - Complete fundraiser reports/recaps to account for all fund raisers.
 - Collect and provide written receipt of funds received from the students on a timely basis.
 - Deposit such funds daily with the school's bookkeeper, using the SAF – Fee/Money Collection Form in the forms section of this manual. No monies should remain in the classroom overnight.
 - Insure that the individuals affiliated with his/her account conduct themselves according to good business practices and in compliance with this manual and school board policy.
 - Maintain a positive balance in the account he/she is responsible for.
 - Preparation of proper accounting and financial information on all fund raising activities.

7. Division Finance Director

The division Finance Director is responsible for establishing procedures and guidelines for the overall management and operations of school activity funds which include the following:

- a) Assist the principal in training personnel concerned with school activity funds through periodic in-service training assistance.
- b) Ensure that an annual audit of the school activity funds is conducted in compliance with state laws.
- c) Perform periodic reviews of the schools' activity fund records.
- d) Assist with software and monthly/yearly reconciliation problems.
- e) Advise on policies and procedures between school activity fund and operating fund transactions upon request.

VII. CONTROL OF CASH / COLLECTION / DEPOSITING OF DAILY RECEIPTS

1. Need for Cash Controls:

The most important financial activity in managing school activity funds is the receipt and disbursement of cash.

The sensitive nature of cash demands strong internal control procedures which provide reasonable assurance that cash is safeguarded against loss from unauthorized use or supposition while being properly and adequately documented and maintained. In addition, adequate internal control measures provide protection to all individuals who process cash transaction.

Some of the traditional and most desirable internal controls of cash cannot be fully implemented in school activity fund procedures due to the limited number of personnel and the nature of the activity funds operations. For this reason, it is necessary to place heavy reliance on effective review and an analysis of the reports by the principal.

2. Types of Controls

- a) All expenditures shall be made by check. No expenditure shall be paid out of money collected/received.
- b) Check signing authority is limited to the principal, his/her designee, and the bookkeeper. Two signatures need to be on all checks.

- c) All funds over the amount of \$500 must be deposited within 24 hours or by the next business day. However, during the interim period between the collection of the receipts and the bank deposit, all revenues must be stored in a Safe.
 - All cash receipts, petty cash, or checks must be kept in a safe;
 - Checkbooks, blank checks, saving certificates, and expensive items that are susceptible to personal use or sale should be kept in the Safe or a secured locked location.
 - The Safe should be kept in an area that is limited to authorized personnel only;
 - A limited amount of people should have access to the combination;
 - The Safe combination should not be left available for others to read; and
 - The Safe combination should be changed whenever there is a change in personnel that is authorized to use the safe.
- d) All cash receipts/school activity funds shall be receipted on pre-numbered three-copy receipt forms.
- e) All monies collected from various school activities are to be receipted, recorded and deposited in the appropriate activity fund account.
- f) Ticket sales shall be reported with the relationship established between revenue and serially numbered tickets sold on the SAF – Athletic Event Ticket Sales Form.
- g) Appropriate secure containers, i.e., safes, shall be used for activity fund receipts and change funds. Funds shall not be left unattended or accessible to unauthorized personnel. All money left in the school overnight must be turned in to the principal and kept in a secure environment or a safe.
- h) The principal and appropriate staff members connected with school activity funds shall review the operation and status of the school activity fund on at least a monthly basis. As a part of the review of operations and status required, the principal or designated representative will evaluate the reasonableness of the reported cash position. Documents needed for this review are:
 - Monthly financial statement(s) for the month(s) being reviewed.
 - Documentation pertaining to expenditures for the month(s) being reviewed.
 - Checks for large amounts, which continue to appear, should be questioned.
- i) The responsibility for receiving funds and writing receipts, preparing and making bank deposits, and posting financial records should be segregated to the greatest extent possible.
- j) In order to maintain effective cash control, at least two people must be involved in the functions of collecting cash, receipting cash, and depositing cash.
- k) The bookkeeper shall never be the person collecting monies such as field trip fees, class fees, ticket sales, etc. If the bookkeeper is responsible for collecting such monies, then the principal or his/her designee must assign another person to verify the monies collected by the bookkeeper.
- l) The person collecting the money should never receipt the funds to themselves.
- m) Money collections occur in one of two ways:
 - By authorized individuals (i.e., sponsor, teacher, clerk, etc.) for fundraisers or fees
 - By the bookkeeper for monies paid directly to the school through vendor commissions checks, school donations and other payments
- n) Individuals collecting money are responsible for the student activity funds entrusted to them. These individuals may be required to reimburse the activity fund for any money or property purchased with student activity money which is lost due to personal negligence, theft, or fraud.
- o) All financial business should be conducted with integrity.

3. Cash Receipts Register

- a) All receipts of cash and checks, are to be recorded in the Cash Receipts Register;
- b) All deposits must be recorded in the Cash Receipts Register. Deposits must include the following information: amount of deposit, date of the deposit, receiptee, and receipt number.
- c) Other entries into the Cash Receipts Register may include: Corrections of errors, re-deposits, and interest paid by the bank.

- d) Properly established change funds consisting of less than \$100.00 may be retained in the school building from day to day. All changes must be placed into the school safe at the end of each day. All change funds not necessary for the summer months are to be remitted to the school's finance officer/bookkeeper prior to June 30 of each year. These change funds will be closed out and reissued when school operations commence.

4. Procedures for Collecting and Receipt of Money Collected

Collection of Money by Persons Other Than the Bookkeeper (Teachers, Librarians, Principals, Athletic Director, etc)

- a) Fees may be collected for items such as PE fees, lost books, fines, student dues, yearbook, and other sales.
- b) All checks written by a payee should be made payable to the school.
- c) Each person collecting fees should use a pre-numbered three-copy receipt book which is issued by the bookkeeper:
- Original copy goes to the payee;
 - One copy is turned in with the funds to the bookkeeper.
 - Once copy is kept in the receipt book.
- d) Receipts must include:
- Date and Amount;
 - Department / Club Name;
 - Name of Individual making the payment;
 - Purpose for which the money is collected;
 - The Signature of the individual receiving the money;
 - Money received should be marked as Cash or Check;
- e) A receipt should be issued to the payee immediately at the time of payment.
- f) All funds collected should be turned in to the bookkeeper by the end of the work day, or as soon as practicable along with a "SAF – Fee/Money Collection Form" and the Sponsor's Receipt Book
- g) Money should never be left in a classroom overnight or taken out of the building.

Receipt of Money by the Bookkeeper

- a) All money collected must be submitted to the bookkeeper in the same form as it was collected.
- b) Money handed in to the bookkeeper will be counted immediately in the presence of the person who has handed in the money.
- c) The person submitting the funds to the bookkeeper shall complete the following information:
- The school and organization
 - The purpose of the collection
 - The activity account name and number that the funds will be deposited into
 - The date of collection The name(s) of the individuals who submitted the money along with the amount
 - The total amount of money collected broken down by coins, currency and checks
 - The printed name and signature of the person who collected the funds will be verified by the bookkeeper and the sponsor or authorized individual at the time the funds are submitted.
 - In the event the funds cannot be verified by the bookkeeper at the time of submission, the bookkeeper shall place all money and documentation in the designated secure location until verification can be done together.
- d) The money will be reconciled with the Receipt Book and the "SAF – Fee/Money Collection Form".
- e) If money is given to the Bookkeeper without waiting for it to be counted and there is a difference in the count from the total listed by person who collected the money, then the person who collected the money is responsible for the difference.
- f) The bookkeeper will provide the person who collected the money with a written receipt which will include the person's name, date, and total amount.

- g) Any checks received will immediately be endorsed with the statement “FOR DEPOSIT ONLY” along with the account number.
- h) All monies collected shall be deposited into the school’s bank account.
- i) Payments for services, products, and reimbursement shall **NOT** be made from collected money receipts.
- j) No personal checks may be cashed from collected money receipts.

5. Procedures for the Depositing of Money Collected

General Procedures:

- a) Bookkeepers should use good judgment to ensure that deposits to the bank are made when receipted in the district’s financial software system in an accurate and prompt manner. Monies should be deposited on the day it is collected or within 24 hours/next business day.
- b) Money collected but not deposited must be stored in the school’s safe or designated secure location.
- c) A bank deposit log should be kept in a secure area (not inside the safe). Entries should be recorded for any item stored or removed from the safe.
- d) All monies collected, including cash or checks, must be deposited on a daily basis.
- e) All monies collected by the school are to remain on the school premises and should not be kept in off-campus locations. A staff member should not be placed in the position of accepting responsibility for safeguarding activity fund money held off-campus.
- f) All checks received for deposit are to be endorsed when accepted by the bookkeeper using the district-issued endorsement stamp and designated “For Deposit Only”.
- g) At the end of the school year, all money collected must be deposited prior to closing the books on June 30th.

Bank deposit slips are prepared in triplicate for each deposit and must include the following:

- a) The date of the deposit.
- b) The amount of the deposit, broken down by cash, coins, and checks.
- c) List single checks by last name of maker.
- d) Multiple checks can be stacked in groups (run an adding machine tape to obtain a total and securely attach that tape to the deposit worksheet; record the total from the tape on the bank deposit slip)
- e) The original of the deposit slip will accompany the deposit and will be retained by the bank.
- f) The second copy of the deposit is the deposit summary that is attached to the deposit worksheet along with all supporting documents.
- g) The third copy is the electronic copy saved within the accounting software program.
- h) The number(s) on the deposit bag must also be attached to the second copy of the bank deposit slip.

The following documents must be filed as part of the activity fund records:

- a) The second copy of the bank deposit slip
- b) The deposit bag number or security slip (if applicable)
- c) The cash receipt batch report
- d) All district’s financial software system receipts
- e) Sponsor documentation (deposit worksheet, copies of checks/money orders and duplicate copy of pre-numbered receipts)

Safeguarding bank deposit bags:

- a) All bank deposit bags shall be secured in the school’s safe or the bank’s night depository (following night time athletic events).

- b) The bank deposit log shall be completed and stored separate from the actual bank deposit bags until pickup by a person designated by the principal or the bookkeeper goes to the bank to pick up the bag. The person picking up the deposit bags at the bank should be required to sign for those bags.
- c) A person designated by the principal will transport all school deposits to the bank. Pickups will be documented on paper.

6. Loss of Cash

Any loss of money, including checks, will be promptly reported to the Bookkeeper, the Principal, the Superintendent and the Division's Director of Finance.

7. Indebtedness

No school may incur an indebtedness, which will cause or increase a projected year-end deficit.

VIII. REVENUE

1. Purpose

School activities are established as an adjunct to, and in support of, the education program. It is intended that school activities be self-supporting. Activity accounts must be self-balanced. The school operating budget allocated by the Division may not be used to subsidize the cost of a student activity that does not raise sufficient revenue to cover the costs of the event/program/activity. Only funds from the school's General fund or the Principal's Unallocated Account may be used to balance school activity accounts, as needed. Hence, revenue is necessary to establish and maintain the various activities.

2. Revenue Classification

Revenue is classified for school activity fund purposes as either "General" or "Specific."

- a) **General Revenue:** Revenue derived from a continuing or recurring activity or service-performing operation conducted by the school for the benefit of school, e.g., school store, pictures, locker/parking fees, annual fund-raising events, etc. General revenue may be applied beneficially for the entire student body.
- b) **Specific Revenue:** Revenue obtained from a one-time project or event which has been approved by the proper authority to be conducted by and for a specific purpose or a specified activity fund, e.g., car wash, candy sale, dues, etc. Specific revenue should be applied beneficially only for the student organizations concerned or for the specific purpose for which the revenue was obtained.

3. Revenue Producing Activities

The principal shall insure that all fund raising activities are approved in advance according to Mecklenburg County School Board policy. Approval of fund-raising activities should consider the impact of such an activity upon local businesses, parents, students and other school and school division functions. In accordance with the basic principles of school activity funds, no school activity should be conducted for the sole purpose of generating revenue without benefiting students. Accountability must be provided for all items purchased for resale, if applicable to the fund raising activity.

Fund Raising

All fund raising activities must follow the procedures below:

- a) A Fundraising Request Form must be completed by the faculty sponsor(s) proposing the activity and approved by the Principal prior to the beginning of the activity.
- b) A copy of the completed and approved Fundraising Request Form should then be given to the bookkeeper who will then sign the form to acknowledge that he/she has been notified.
- c) The bookkeeper will make sure that all required documentation and procurement procedures, if applicable, are carried out by the sponsor(s) of the activity.
- d) All funds collected must be deposited with the bookkeeper on a daily basis.
- e) Upon completion of the fund raising activity, the faculty sponsor(s) will File a Fundraiser Close-Out Report with the bookkeeper.

Student Activity Fund Accountability

- a) The school principal is responsible for all types of pay, entertainment or money-raising activities carried out with the school or sponsored by the school.
- b) All parents, teachers, and school booster groups shall work in full cooperation with the principal and under his/her supervision in planning special programs and activities that involve the raising of money.
- c) Fundraising should be limited to those activities that are necessary for the school and have an educational purpose.

Students and Parents who choose not to participate in school or parent association sponsored fund raising activities are not to be discriminated against in any way.

4. Revenue Receipts

All general and specific revenue classified as school activity funds will be receipted into the school activity fund records promptly and intact. There will be no disbursements made from the cash collected.

Individual receipts will be issued for all cash payments. Sponsor(s) will follow the procedures in Section VII of this manual for the collection of any cash payments.

5. Club / Activity Fees

Students charged a particular fee specifically to cover the cost of uniforms and/or equipment, are entitled to the uniform/equipment upon completion of the specific activity. Any uniforms and/or equipment purchased through a fundraiser in the name of, or on behalf of, the specific activity group, becomes the property of the individual school activity group, and can only be gifted or donated with the approval of the principal.

6. Field Trips

Field trips should be conducted to extend and reinforce classroom instruction. Field trips should not produce a profit. The faculty sponsor(s) should properly receipt all collected money and present it to the school bookkeeper on a daily basis. All money collected for field trips should be expended for that purpose only.

If the remaining balance for a field trip exceeds 10% of the amount collected, the remaining balance should be refunded to the students. Any remaining balance in the field trip account (subject to the 10% amount covered above) should stay in the field trip account. These amounts may not be transferred to another account including the general fund. The funds would be used to offset the costs of future field trips.

7. Extracurricular School Activities

Extracurricular school activities which involve the students, faculty and school facility, and which are conducted with participation or support of an outside organization (PTA, PTO, VHSL, Booster Clubs, etc.) are classified as cooperative activities funds derived from such activities are school activity funds and are to be managed and accounted for accordingly.

The distinction between school activity funds and an outside organization's funds is determined by the principal and agreed to by the outside organization prior to the event/activity.

- If the event/activity is determined to be considered a school activity, then all funds raised are considered school activity funds and remain subject to this manual.
- If the event/activity is determined to be considered an outside support group activity, then all funds raised are the responsibility of the outside support groups and are not subject to the regulations for school activity funds. No monies raised by an outside support group/organization shall be deposited into a school activity funds account.

Outside support groups/organizations should work cooperatively with the principal and provide a copy of any charters, constitutions, and/or bylaws annually.

8. Parent-Teacher Organizations (PTA) and Booster Clubs

PTA's and Parent Controlled Booster Clubs are considered by the Internal Revenue Service (IRS) to be separate financial entities from the school division, and thus are prohibited from using the Division's tax exempt status in making purchases. However, PTA's are tax exempt under the National PTA umbrella and must comply with IRS rules regarding commerciality. The PTA is a charitable 501(c)(3) organization whose purchases and sales are exempt from sales tax when made in carrying out its charitable functions and activities. Booster Clubs do not have tax exempt status unless they have filed individually with the IRS. IRC 501(c)(3) provides exemption from federal income tax for organizations that are organized and operate exclusively for educational, charitable or other exempt purpose.

Under no circumstances should a PTA or Booster Club use the school division's federal tax identification number when making purchases; however, they may donate funds to a school with which to make a purchase.

District personnel, including principals, bookkeepers, sponsors and administrators are not responsible for assets held by parent, booster, and/or teacher organizations. Funds derived from these organizations are external funds which cannot be commingled with the activity funds. District employees shall not serve in a financial capacity of a PTA or booster club (i.e. treasurer, fundraising chairperson, authorized check signer, etc.).

9. Revenue Controls for Extracurricular Activities

If the extracurricular activity involves the payment of an admission fee, such fees will be controlled through the use of serially numbered tickets, printed tickets or attendance sheets obtained through and controlled by the bookkeeper. Specially printed tickets for dances, prom and play may be used as appropriate controls are in place to account for the ticket sales. Accounting for tickets sold must be made on prescribed forms and agree to deposit made. Additional details are noted in the Ticket Management Section of this manual.

10. Donations/Contributions

Individuals, businesses, community groups and civic organizations often desire to make contributions for the benefit of the school or school activity. These contributions may be in the form of cash, actual physical items, or other forms

of consideration. As consideration for such contributions, the contributor is often considering, the tax benefits associated with such a contribution.

The Internal Revenue Code is clear in defining the deductibility of contributions. Such contributions shall qualify as *charitable contributions* to or for the use of *...any political subdivision ...but only if the contributions or gift is made for exclusively public purposes*. A file should be maintained for documenting all donations received during the year. The file should be remitted at year-end with other required audit files.

Other Contributions - All gifts made by patrons, or students to a school or classroom must be approved by the building principal. If gift is valued at \$5,000 or greater, then such donated gift must be approved by the School Board before being accepted. The school will need to send a detailed memo describing the gift, it's value, and the company/individual who is donating the item to the Division Finance department who will then present the recommendation to the School Board for approval. Such gifts become the property of the school division.

11. Charges for Lost or Damaged Books

Principals are responsible for collecting fees for lost and damaged textbooks. Funds collected are deposited in the school activity account and a check is drawn on that account and sent to the Finance Department for such fees by June 1st of each school year. Charges for lost or damaged books are determined by contacting the Instruction Department, which will obtain the actual cost for replacement. If a lost book is found within the school year, a refund should be made to the student and the book returned to inventory.

12. Fees for Behind the Wheel

The Behind the Wheel fee collected by the schools is a general activity fee that is a Division fund. Schools may use these fund to provide needed materials and supplies required for the course. Any funds remaining in the account will be reimbursed to the division by June 1st of each school year.

13. Fees for Use of the Facility

The Facility Use fee collected by the schools is a fee that is shared equally with the Division and the School. The school will be invoiced, at quarterly intervals, for the Division's share of the fees collected at each school.

Any Mecklenburg County Public Schools employee who performs extra duties associated with an outside organization's use of the facility, should follow the directions below:

- After the vendor has paid the school for the services, the school will deposit the funds collected in the school's Facility Use Account.
- Any employee who has performed extra duties should complete the Payroll Time Sheet form and get it signed by the principal or his/her designee;
- The Principal/designee will gather all timesheets and complete the Payroll Recap sheet;
- The principal/designee will turn this form into the Payroll Department no later than the 15th of each month unless an email notification is sent with a different due date (fluctuation may occur in December, June, and the month of Spring Break)

IX. DISBURSEMENTS

Approval of Disbursements: the principal must approve all disbursements made from a school's activity fund. In order to make a purchase, a purchase order must be submitted and approved by the principal. A School Purchase Order form is in the form section of this manual.

1. Receiving Goods and Services

An invoice must be presented when a school receives goods or services. The person receiving the goods/services should verify the quantity received or services rendered and indicate approval by signing/dating the packing slip. The invoice number should be noted on the check stub. Teachers should be encouraged to turn in invoices as soon as possible so payments can be made in a timely manner. **Invoices are never to be paid before goods/services are received or contracted for.**

2. Payment of Invoices

When the bookkeeper receives an invoice for payment, the invoice should be checked for:

- Receipt of the goods/services (the quantity, unit price, and total amount verified).
- Due date should also be noted, so that any allowable discounts can be taken.
- Invoices should be paid promptly to claim the discount.
- If the vendor sends statements, the charges on the statements should be checked against the invoices, and the invoices should be attached to the statement to support the disbursement.
- All unpaid invoices and obligations of the school should be paid prior to the June 30 school year-end.
- All checks written from the school's activity funds must be supported with complete documentation.
- All disbursements should be reviewed for the propriety of the charge to the individual activity fund.

Appropriate supporting documentation is as follows:

- Completed PO form (when applicable) with written approval (signed purchase order/expenditure vouchers) by the principal;
- The original invoice; and
- The receiving document / Packing Slip

3. Writing a Check

Check should be written only when supported by documents indicating evidence of receipt of goods and the appropriate approvals. Pre-number checks printed with the exact name and address of the school and the account number should be used for all disbursements. The principal must then sign the checks only after a thorough review of the supporting documents. When checks are presented to the principal for signature, all lines should be completed and the supporting documents should accompany the checks. The following guidelines should be followed when paying by check:

- a) Checks must never be signed in advance or in blank.
- b) Checks should never be issued payable to "Cash" when paying a vendor. A vendor or individual should always be the payee. If a school needs to cash a check for petty cash or change for an event, they should check with their individual bank to see how they prefer the check is written.
- c) After payment, invoices and expenditures vouchers should be canceled by indicating "PAID" or by some other means.
- d) All checks must be signed by two approved individuals: the principal (or designee) and the bookkeeper.
- e) If the principal/designee is not available, then the bookkeeper may present the check to the Finance Office for the second signature.
- f) The check must be filled out in complete form before being submitted to the authorized signers. Only original handwritten signatures are acceptable.
- g) Check signers should review all supporting documents for the existence of the above attributes before signing each disbursement check.

4. Voiding a Check

If an error is made in writing a check, mark the check and stub "VOID" in ink. The check should be retained by the bookkeeper. Appropriate entries noting the void should be made in all accounting records.

5. Return of Goods

When goods are returned for any reason, an accurate accounting is necessary to ensure that the school receives proper credit for the return. Never return goods to a vendor without first contacting the vendor for the procedure to be followed in shipping the merchandise and a return authorization number if the vendor requires one.

6. Reimbursements / Bills from County Instructional Funds

All paid invoices, which are going to be reimbursed using County instructional funds, should be emailed to Accounts Payable using the following procedures which can also be found in the Finance Handbook.

1. Bill packets handed into Accounts Payable **MUST** include:
 - **Signed PO** on top with a brief statement of what was bought, why it was bought, or how the item bought is going to be used;
 - **Invoice** for the items/service that has been checked and signed that all items shipped have been received must follow the PO;
 - **Packing Slip** if available, if not the invoice must indicate all items have been received;
 - **Procurement form** along with a copy of the quotes or sole source letter must be attached;
 - If we do not receive all of the above required items, the bill will be returned to you so that you can attached the required items
2. Bills should be handed in **as they are completed** (make sure the packet for each invoice is correct) and then **SCANNED AND EMAILED** to ACCOUNTS.PAYABLE@MCPSWEB.ORG; Please label your email with the SUBJECT: Bill Packet; **DO NOT HOLD BILLS**
 - Bills that have short payment cycles such as School Officials, should be turned into Accounts Payable AS SOON AS they are received;

PROCEDURES FOR ASKING FOR REIMBURSEMENT FOR YOUR SCHOOL **(PRIOR APPROVAL IS NEEDED FROM THE FINANCE DIRECTOR)**

1. If you are planning to purchase something with school funds and then ask MCPS for reimbursement through your allocations or Federal Funds, you will need to have written prior approval (email trail will suffice) from the Finance Director (Christy Peffer);
2. If approval is granted for reimbursement to your school in regards to your allocations, you will need to create a requisition in ESS and generate an invoice for payment;
3. The invoice should be on your letterhead and include the following information (there are many templates in Word, Excel, and Publisher):
 - a) Invoice Number
 - b) Invoice Date
 - c) Copy of the School Check
 - d) Description
 - e) SFO PO#
 - f) Total Reimbursement request
 - g) Make Check Payable Info

- h) Address to Send the Check
 - i) Reason why reimbursement to the school was requested instead of submitting a requisition in ESS and submitting the bill packet through normal payment procedures.
4. When you are ready to submit for payment, submit it in a Bill packet, with PO, Invoice, and Supporting Documents;

7. Sales and Use Tax

Generally, school activity fund expenditures are exempt from sales tax; however, there may be circumstances that the activity is not exempt and will be subject to the payment of such tax.

The Code of Virginia, 1950, As Amended exempts...Tangible personal property purchased for use, consumption, or sale at retail by an elementary or secondary school conducted not for profit, or Parent Teacher Association or other group associated with an elementary or secondary school conducted not for profit for use in fund-raising activities, the net proceeds (gross receipts less direct expenses) of which are contributed directly to the school or used to purchase certified school equipment, and certified school equipment purchased by such groups for contribution directly to the school. For the purposes of this subdivision, "certified school equipment" means that equipment for which the Parent Teacher Association or other group has received certification from the school that it will accept a donation of equipment. The certification provided by the school shall be in accordance with regulations promulgated by the Tax Commissioner. Notwithstanding the other provisions of this subdivision, the tax shall not apply to the sale of class rings, school photographs, and other fund-raising programs from which an elementary or secondary school conducted not for profit receives a commission or the net proceeds after the payment of vendors and other direct expenses.

The Sales and Use Tax Regulations defines exempt **Purchases** ...*The tax does not apply to sales to the Commonwealth of Virginia or its political subdivisions, if the purchases are pursuant to required official purchase orders to be paid for out of public funds. The tax applies when such sales are made without the required purchase orders and are not paid for out of public funds.*

No exemption is provided for state or local government employee purchases of meals or lodging whether purchases are pursuant to required official purchase orders or not.

8. Parent Teacher Associations and Other Groups

Parent Teacher Associations acting as Independent Affiliated Entities engaging in fund raising projects are the consumers of any tangible personal property they purchase for the projects. They must pay the tax to their suppliers. These organizations are not to use our Federal Tax ID nor are they to use our State Sales Tax Exemption ID.

9. Prohibited Disbursements

In accordance with School Policy, purchases of alcohol, tobacco and illicit substances are specifically prohibited. Purchase of such items may result in immediate dismissal of the purchaser.

X. ACCOUNT INFORMATION

1. General

All activities associated with and funds flowing through school activity funds shall be categorized into accounts established for the specific activity.

2. New Accounts

New school activity fund accounts may only be established through the Division Finance Department.

3. Account Titles

The Account titles should reflect the purposes for which the accounts are to be established.

XI. TRANSFERS

Transfers among funds may not be made without proper approval from the fund sponsor and the school principal.

Transfers may only be made for authorized purposes.

- Typically, transfers to the General Fund may not be made from fund activities (unless the activity has terminated operations), athletic funds and specific revenues funds (e.g. scholarship, gifts for specific purposes, etc.).
- Drinks, pictures, school stores, parking, lockers, and similar fund profits which arise from revenue generated from the entire student body and general faculty activities may be transferred to the General Fund or the Principal's Unallocated Account since they are not considered specific revenue funds.
- Transfers from booster club funds; if applicable, should be authorized in writing by a booster club official.
- Transfers among athletic accounts should be authorized by the athletic director or fund sponsor. Athletic funds may not be transferred to the General Fund or non-related funds without documentation detailing the reason for the transfer.
- Transfers from fund activities should be authorized only by the fund sponsor and the school principal. However, there should be a limited number or no transfers involving club accounts unless a club has terminated operations, or the club is reimbursing another fund for expenditures paid in its behalf.
- There should be no transfers to activity funds except from the General Fund to cover activity deficits that will not be recovered through future activity operations, or to correct instances where receipts have been classified to the incorrect accounts.

XII. SALEABLE ITEMS

1. General

Inventory of school activity fund saleable merchandise represents funds, which are the property of the school and must be safeguarded and managed accordingly.

2. Accounting for Sales of Inventory

Sales which produce general revenue and involve inventoried merchandise such as gym suits, school store merchandise, drinks, etc., must be accounted for in appropriately titled accounts as a means of determining profit and loss. Only the revenue and expenses attributed to the sales activity will be included in these accounts, except that profits may be transferred to appropriate accounts.

3. Inventory Valuation

An inventory of saleable merchandise will be taken at least annually during the school year (1) as a learning and responsibility factor for the students concerned with the sales activity, (2) as a control and safeguarding tactic and (3) in the latest cost price of the item as reflected on the latest vendor's invoice.

When it becomes apparent that inventory items cannot be sold for an amount at least equal to the invoice value, adjusted values should be used, based on the judgment of the fund sponsor concerned, for inventory valuation. A copy of this inventory should be forwarded to the school bookkeeper, and retained on file for audit.

4. Selling Prices of Inventoried Items

Pricing should consider change transactions and rounding to a convenient sales figure, as well as local competition. Inventory items which are deemed not saleable at the normal price due to age, damage, shopworn condition, unsuitability, etc., should be disposed of (1) by return to the vendor for credit, if possible, (2) by a reduced sales price or (3) as ultimately determined by the principal.

5. Inventory Security

Substantial losses to school activity funds can occur due to losses of saleable inventory. Inventory security can best be obtained by rapid turnover of merchandise and limiting inventory to minimal amounts during the time the school is closed. Access to stored inventory should be limited to those personnel charged with the responsibility for the sale of merchandise. The absence of a means to limit access to store inventory inhibits charging anyone with the responsibility for the merchandise and generally results in no security at all.

XIII. SCHOOL STORE

1. General

The purpose of the school store is to provide a convenience to the students and school staff for the purchase of items associated with the instructional program of the school and items which contribute to the development of school spirit. Additionally, the operation of the school store provides a learning and responsibility opportunity for the students.

Revenues, excluding the change fund, will be deposited intact with the bookkeeper daily. Cash from sales will not be used in lieu of a change fund or to make cash payments to vendors or others. A change fund should be kept to less than \$25 and return intact to the school bookkeeper prior to extended breaks and at the end of the school year. Daily sales will be turned into the bookkeeper each day along with the Monies Collected Form (located in forms section of this manual).

2. Merchandise for Sale

Merchandise offerings should be limited in selection and competition with local business firms should be minimized. Items will be sold directly to the students from a central point, not held by classroom teachers for sale. Merchandise should be purchased for sale only if it can be reasonably expected to be sold during the course of the school year.

3. Inventory Losses

School store merchandise held in storage during the summer months should be checked against the End-of-Year Inventory Report when the school store opens at the beginning of the school year. Any losses attributed to pilferage should result in steps being taken to further secure access to the inventory. A copy of this inventory should be forwarded to the school bookkeeper and retained for audit.

4. School Store Profits

Unless otherwise established, the suggested school store profit margin should not exceed 50% of the cost of goods sold. Pricing of individual items should be based upon considerations of local competition and rounding to a convenient sale price. School stores must be self-supporting.

XIV. VIRGINIA RETAIL SALES AND USE TAX

Use of the Certificate of Exemption Form ST-12

This exemption certificate is to be provided to vendors as needed or when paying an invoice on which sales tax has been incorrectly assessed. In the latter case, deduct the sales tax from the amount due on the invoice and enclose an exemption certificate with your payment to the vendor.

The Certificate of Exemption Form (ST-12) is to be utilized for purchases, from either activity funds or appropriated funds, when the tangible personal property is to be consumed (used/owned) by the school system. Please note that a tax exempt number is not required to be issued to the school system.

When needed, the bookkeeper should request a completed ST-12 Form, via email that includes the company's name and address, from the Division Finance Department. The Finance Office will keep the original form on file and email a scanned copy back to the bookkeeper.

XV. CHECKING ACCOUNT

1. General

Only one checking account will be established for the school activity funds for each school. The account will be titled in the name of the school along with the address. The checking account is to be established and maintained with DUAL SIGNATURES being required on all checks drawn against the account. The school's principal, bookkeeper and other persons designated by the principal may be cosigners on checks.

2. Interest Bearing Checking Account

Interest earned will be shown on the school activity books in an account called "Net Interest Revenue" or interest may be recorded to the general account. The interest will be posted on whatever basis the bank reports to the school.

The Principal may transfer the interest earned in excess of service charges to other appropriate accounts for expenditures.

3. Service Charges

Bank service charges should be recorded to the same account where interest income is recorded.

4. Stop Payment on a Check

If a school activity fund check has been issued and is then reported lost or stolen, a stop payment action may be necessary. The circumstances surrounding this situation should be carefully evaluated prior to incurring the expense of a stop payment request.

5. NSF Policy

When a check has been returned for nonsufficient funds, a reasonable effort should be made to contact the person who wrote the check to have him/her make the check good. The person who wrote the check must also pay the associated bank service charge.

The following procedures will be used when a check is returned for nonsufficient funds:

- Accept only cash, certified check, or money order for the redeposit.
- Redeposit the returned check only if repayment cannot be collected or unless the bank indicated otherwise.
- If repayment is made by cash, certified check, or money order, the bad check should be returned to the person who wrote the check.
- Prepare a separate deposit slip and mark it — “Redeposit.” Several re-deposits may be combined on a single deposit slip marked — “Redeposit”
- If payment cannot be collected, the principal will send three certified letter 30 days apart stating that unless payment is received within ten days from receipt of the letter, further action will be taken, which may involve the courts. The third letter should state that the letter is the FINAL NOTICE.
- The matter may then be referred to the Director of Finance for further action.
- Keep ALL UNCOLLECTED checks for audit.

XVI. INVESTMENTS

1. General

Savings accounts are justified only for the purpose of accumulating funds through the deposit of temporarily idle funds. The identification and availability of idle funds will be determined through a recurring comparison of the balances shown on the ledgers and the bank statement against which the anticipated cash flow will be applied. Withdrawals will be accomplished with the signature of the principal and one other designated person.

2. Conflict of Interest

To avoid the appearance of a conflict of interest, school activity funds will not be deposited in any bank, credit union or other financial institution in which the principal or any other official of the school holds a position of trust or authority.

XVII. PURCHASING AND EXPENDITURE CONTROLS

1. General

To effectively manage the school activity fund, the principal must have some knowledge of future obligations prior to billings or disbursements. The absence of such a system could involve the over-obligation of available school activity funds. All purchasing of goods or services made from school activity funds is to be done in accordance with the Mecklenburg County School Board purchasing procedures and policies.

Because of the extraordinary trust and responsibility exercised by public officials conducting procurement transactions and because of the legitimate expectation by the public that this trust and responsibility be exercised properly, the laws of this Commonwealth dictate a higher standard of conduct for procurement officials than for public employees generally. All County and School employees having official responsibility for procurement transactions shall conduct business with vendors in a manner above reproach in every respect. Transactions relating to the expenditure of public funds require the highest degree of public trust.

No County or School employee having administrative or operating authority, whether intermediate or final, to initiate, approve, disapprove or otherwise affect a procurement transaction or any claim resulting therefrom shall solicit, demand, accept or agree to accept from a Bidder, Offeror, contractor or subcontractor any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal or minimal value present or promised, unless consideration of substantially equal or greater value is exchanged.

“No public employee having official responsibility for a procurement transaction shall knowingly falsify, conceal, or misrepresent a material fact; knowingly make any false, fictitious or representations; or make or use any false writing or document knowing it to contain any false, fictitious or fraudulent statements or fraudulent statement or entry” (*Code of Virginia*, §2.2-4376). “Any person convicted of a willful violation of any provision of this article shall be guilty of a Class I misdemeanor. Upon conviction, any public employee, in addition to any other fine or penalty provided by law, shall forfeit his employment” (*Code of Virginia*, §2.2-4377.) “Official responsibility means administrative or operating authority, whether intermediate or final, to initiate, approve, disapprove or otherwise affect a procurement transaction, or any claim resulting therefrom” (*Code of Virginia*, §2.2-4368).

Misrepresentations include, but are not limited to:

- a) Declaring a vendor to be a sole source knowing that it is not.
- b) Describing requirements in such a manner so as to limit competition.
- c) Soliciting other than valid sources so as to limit competition.
- d) Signing for receipt of goods or services not yet received or completed.
- e) Altering any procurement document to disguise or change the outcome.

Employees should not have official responsibility for a procurement transaction if the following conditions are present (refer to *Code of Virginia*, §2.2-3109):

- a) The employee is employed by the contractor.
- b) The employee or employee's immediate family holds a position with the contractor.
- c) The employee has personal interest arising from the procurement transaction.
- d) The employee or employee's immediate family is negotiating, or has an arrangement concerning prospective employment with the contractor.

2. Charge Accounts

The school may have charge accounts with various vendors or bank for conducting activity fund business. All charge accounts should be titled with the vendor as follows:

- a) Individual School Name
- b) Mailing Address will be the schools mailing address, (not the School Board's Mailing Address)
- c) The School may use the School Board's Tax Identification Number when these accounts are established.

XVIII. MEMORIAL GIFTS OR BEQUESTS

Memorial gifts should be accepted with a written record designating the purpose or intended use of the gift. If such a record is not received, or if the donor declines to provide one, the gift will be used as determined by the principal. Regardless of the nature, cash or equipment, they will be accounted for in accordance with this manual's established accounting categories.

XIX. CHARITY DRIVES

School-wide charity drives will be limited to those approved by the principal. Donations will be purely voluntary and the establishment of a quota or other scheme suggesting achievement in obtaining donations will be avoided. All donations for charity drives will be deposited in-tact and 100% disbursed to the charitable organizations for which the funds were solicited. No disbursements will be made from the donations.

XX. TICKET MANAGEMENT & CASH CONTROLS FOR TICKETED EVENTS

1. General

All school activities which involve the students, faculty and for which an admission fee of one dollar (\$1.00) or more is charged, will be controlled by the use of serial numbered and color coded tickets supplied from an inventory of tickets under the control and supervision of the bookkeeper. Specially printed tickets for dances, prom and plays may be used as appropriate controls are in place to account for the ticket sales. Tickets will be issued on an event-to-event basis, except for athletics, which may have tickets, issued on a seasonal basis.

Accountability of serial numbered tickets in sequential order is absolutely required for all athletic events. Other events will be required to account for tickets in sequential order, except when they are sold by more than five (5) individuals. When non-athletic events use more than five (5) tickets sellers, the Activity/Fund Sponsor to whom the tickets were issued by the bookkeeper will be held accountable for the total number of tickets issued, but not necessarily in sequential order.

2. Accounting for Serial Numbered Tickets

Tickets used for control of admission revenue have monetary value and are only slightly less sensitive than cash with regard to fraud, theft and abuse. School authorities must be able to assure proper control of admission revenue.

- The bookkeeper will procure, control and dispense tickets used in the school. Along with the principal, this person will exercise general supervision of ticket use in the school.
- All schools will account for tickets and ticket sales in accordance with the instructions outlined in this manual.
- Records will be kept which provide for ready determination of the following information:
 - a) Sale of tickets by numbers, event, date of event and price.
 - b) The number of tickets: Destroyed, Lost or stolen
 - c) Season tickets sold and/or given free
- Form SAF – Athletic Event Ticket Sales Form will be used to account for all ticket sales.

3. Duties of the Bookkeeper

- a) To obtain the necessary quantity and color of pre-numbered tickets.
- b) To immediately notify the principal of any accountability discrepancies.
- c) To work directly with the Activity/Fund Sponsor in relation to ticket sales.
- d) To issue the required quantity and appropriate color of tickets to the Activity/Fund Sponsor. The bookkeeper will complete the first section of the Athletic Event Ticket Sales Form in pen; recording the beginning ticket number of the roll of tickets issued.
- e) To assure that the SAF – Athletic Event Ticket Sales Form is properly completed by the Activity/Fund Sponsor.
- f) Other duties as assigned by the principal in relation to proper management and security of ticket sales.
- g) To provide for proper supervision of the ticket sellers/takers at the school event.
- h) To deposit all monies collected from ticket sales with the bank.
- i) To insure that the SAF – Athletic Event Ticket Sales Form is properly completed immediately after the event.
- j) To maintain and balance the Report of Ticket Sales Form for all presale tickets if applicable.
- k) To insure that the unused tickets are returned.

4. Duties of the Ticket Sellers/Takers

- a) To sell and/or take tickets.
- b) To adhere to the following general procedures unless directed otherwise by the bookkeeper.
- c) Ticket seller will sell a ticket for each person entering the event except for those individuals holding a valid ticket issued prior to the event, or a valid issued pass.
- d) Record, ticket sales on the SAF – Athletic Event Ticket Sales Form; Certify that the form is correct; and have a witness certify that the form is correct.
- e) Other duties as assigned by the bookkeeper in relation to selling and taking tickets at a school event.

5. Duties of Athletic Director or School Resource Officer

- Collect receipts and tickets and secure them in the school safe. For football games, a locked bank bag will be taken to bank night depository.
- For football games, two people are required when securing the receipts. These individuals must be an administrator, school resource officer or athletic director.
- No counting/verification of funds will be done the night of the event, the bookkeeper will perform the counting and reconciliation the next day.

XXI. FIDELITY BOND

1. Fidelity Bond

The School Board provides a blanket position bond that covers all employees' dishonest acts arising out of their employment. It does not protect the employee against a subsequent claim by the bonding company for any loss sustained through settlement of a claim due to any dishonesty or intentional negligence on the part of an employee. The bond protects the assets (money) of the fund and not the individuals charged with the responsibility for such assets. The responsibility for safeguarding school activity funds lies directly with the principal and the school bookkeeper. Their actions and authority should be governed and respected accordingly.

XXII. AUDITS OF SCHOOL ACTIVITY FUNDS

1. General

The responsibility for auditing the school activity funds rests with the School Board and their independent auditor. The principal or designee will review the funds to the extent required by this manual and to any further extent deemed necessary or desirable.

2. Annual Audits

State regulations require that school activity funds be audited annually. Accordingly, the audits will be conducted by the auditor as soon as possible after the close of the school's fiscal year for school activity funds.

The primary objective of the annual audit of the school's activity funds is to determine/assess if the funds are being managed in accordance with the applicable State Laws and Regulations and local School Board policies and regulations. Accordingly, the purpose of the audit is to permit the auditor to arrive at opinions which will result in advice to the school system's management and the principal as to the overall condition of the school's activity funds.

- a) The scope of the annual audit will conform to generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. The scope will be as follows:
- b) Assessing the adequacy of internal control physical safeguards for school activity funds.
- c) Reviewing compliance with policies, plans, rules and regulations established by the School Board, as well as procedures established internally.
- d) Examine the validity and propriety of financial transactions in view of the purpose of the various funds.

- e) Evaluate management practice in the administration of the school activity funds.
- f) Reconciling the receipts with the bank deposits.
- g) Reconciling the balance on the school's books to the cash balance in the school's bank account(s).
- h) Conducting such other audit tests as are deemed appropriate in a given circumstance.

3. Report of Annual Audits

Reports of annual audits will be published as soon as possible after completion of the audit, setting forth the financial condition of the school's school activity funds, a narrative discussion of the audit findings and recommendations in regards to corrective action. A copy of the audit report will be forwarded to the Superintendent, Finance Manager, School Board and to others as deemed appropriate.

4. Interim Audits

The activity fund financial records and procedures of all schools will be subject to review at any time throughout the year with little or no advance notice to the school. The primary objective of an interim audit is to determine the financial condition of the school's school activity funds. These reviews may be performed by MCPS finance staff or by the district's independent auditors.

The auditor will be free to expand the scope of the audit if circumstances warrant. Interim audits may be conducted upon:

- a) The direction of the Superintendent or Director of Finance.
- b) A change of principal during the academic year.
- c) A change of finance officer/bookkeeper if the principal requests an audit.
- d) The loss or suspected loss of funds. (It is incumbent upon the principal to request an audit in these cases.)

5. Special Audits

A special audit may be necessary at times; examples include, but are not limited to:

- a) Change of principal or administrator.
- b) Change of bookkeeper; as soon as the administrator becomes aware of the pending change, a written request for an audit should be requested.
- c) Special Audits may be requested by the following:
 - School Board
 - Superintendent
 - Director of Finance
 - Principal or Administrator
- d) With the exception of a request from the Superintendent or School Board, the scheduling of these special request audits is at the discretion of the business services department.

5. Preparation for Audits

- a) The Bookkeeper will collect and assemble all information as requested by the Auditor. This may include but is not limited to the following:
 - a. All purchase orders and payment vouchers, invoices and bid specification sheets arranged by account number and in date sequence (reverse sequence is acceptable).
 - b. All bank statements, deposit slips and canceled checks (include void and/or skipped checks) arrange in numerical sequence (one continuous sequence).
 - c. Copies of all bank reconciliations for the year.

- d. A printout of the following reports after the bank reconciliation has been completed:
 - i. Receipt Register – [Registers/Receipt]
 - ii. Check Register – [Registers/Check]
 - iii. Cash Account – [Reports/Account/Account History] Select only Cash Account
- e. Year to Date Reports (7/1/XX – 6/30/YY).
- f. All records pertaining to ticket sales and ticket inventories.
- g. A physical inventory of the school store, gym clothing, drinks, etc. This inventory is to be as of the last day in your school's audit period and is to reflect the quantity and cost (per vendor's invoice) of the various items.
- h. Other information as may be requested.

XXIII. MAINTAINING SCHOOL ACTIVITY FUND RECORDS

School activity account records will be stored at the school for five years and then destroyed according to regulation governed the Library of Congress.

XXIV. WHISTLEBLOWER PROCEDURES

The whistleblower procedures of Mecklenburg County Public Schools (MCPS) are intended to provide a mechanism for the reporting illegal activity or the misuse of MPCPS assets while protecting employees who make such reports from retaliation.

Questionable Conduct

- a) These procedures are designed to address situation in which an employee suspects that another employee has engaged in illegal acts or questionable conduct involving MCPS assets. This conduct might include outright theft (of equipment or cash), fraudulent expense reports, misstatements of any accounts to any MCPS employee with managerial authority or to the MCPS auditors, or a conflict of interest that results in actual or potential financial harm to MCPS. Mecklenburg County Public Schools encourages employees to report questionable conduct and has established these procedures to all them to do so.
- b) To be protected by the provisions of these procedures, an employee who discloses information about suspected wrongdoing or abuse shall do so in good faith and upon a reasonable belief that the information is accurate. Disclosures that are reckless or the employee knew or should have known were false, confidential by law, or malicious shall not be deemed good faith reports and shall not be protected.

Making a report

- a) If an employee suspects another of engaging in illegal acts or conduct involving misuse of MCPS assets, he or she may report such conduct and the reporting individual will be protected against any form of harassment, intimidation, discrimination, or retaliation for making such a report in good faith.
- b) Reports should be made to the Director of Finance and if the report involves the Director of Finance the report may be made directly to the Superintendent.
- c) Once a report is received by the Director of Finance, he/she will notify the Superintendent of the report.
- d) If for any reason the employee filing the report feels that the Director of Finance and the Superintendent are both subjects of a proposed report, the report may be made to the Clerk of the Mecklenburg County Public School Board who will then turn the report over to the Chairman of the Board.
- e) Each report will be fully investigated, and as far as possible handled so as to protect the privacy of the employee making the complaint.
- f) A written report of the outcome of each investigation will be prepared and delivered to the Superintendent or if the report involves the Superintendent, to the Chairman of the Mecklenburg County School Board.

No Retaliation

- a) An individual who has made a report of suspicious conduct and who subsequently believes he or she has been subjected to retaliation of any kind is directed to immediately report such retaliation to the Director of Finance, the Clerk of the Mecklenburg County School Board, or the Superintendent as appropriate.
- b) Reports of retaliation will be investigated promptly in a manner intended to protect confidentiality as much as practicable, consistent with a full and fair investigation.
- c) The party conducting the investigation will notify the individual subject to the alleged retaliation of the results of the investigation.
- d) Mecklenburg County Public Schools strongly disapproves of and will not tolerate any form of retaliation against those who report concerns in good faith regarding MCPS operations. Any employee who engages in retaliation will be subject to discipline up to and including termination.

XXV. PURCHASING PROCEDURES

All purchases made by the school division will be in accordance with the Virginia Public Procurement Act. All personnel in the division who desire to purchase equipment and supplies shall follow the established procurement procedures within their departments or schools for the issuance of a requisition or purchase order.

It is the policy of the Mecklenburg County Schools to encourage full and open competition whenever practicable among potential contractors and suppliers by competitive bidding practices; to centralize purchasing and contracting to realize the economies resulting therefrom; and to seek maximum educational value for every dollar expended.

1. Certification Regarding Sex Offenses

As a condition of awarding a contract for the provision of services that require the contractor or his employees to have direct contact with students on school property during regular school hours or during school-sponsored activities, the school board will require the contractor to provide certification that all persons who will provide such services have not been convicted of a felony or any offense involving the sexual molestation or physical or sexual abuse or rape of a child.

This requirement does not apply to a contractor or his employees providing services to a school division in an emergency or exceptional situation, such as when student health or safety is endangered or when repairs are needed on an urgent basis to ensure that school facilities are safe and habitable, when it is reasonably anticipated that the contractor or his employees will have no direct contact with students.

2. Unauthorized Aliens

The School Board shall provide in every written contract that the contractor does not, and shall not during the performance of the contract for goods and services in Virginia, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.

3. Purchasing Limits / Small Purchasing Regulations

Due to the need for expediency in allowing for the efficient administration of the school system's operations, procedures and methods employed in the procurement of higher valued goods and services are not appropriate for the purchase of lower valued items. Therefore, these administrative regulations are hereby published to govern the procurement of goods and services expected to cost \$100,000 or less. The Superintendent or his designee shall make purchases of goods and services using the following guidelines based on the anticipated cost of such purchase:

SMALL PURCHASING

Pursuant to written procedures not requiring competitive sealed bids or competitive negotiation, the School Board may enter into single or term contracts for goods and services other than professional services and non-transportation related construction if the aggregate or the sum of all phases is not expected to exceed \$100,000 and transportation-related construction if the aggregate or sum of all phases is not expected to exceed \$25,000. However, such small purchase procedures shall provide for competition wherever practicable. Such small purchase procedures may allow for single or term contracts for professional services without requiring competitive negotiation, provided the aggregate or the sum of all phases is not expected to exceed \$80,000. Where small purchase procedures are adopted for construction, the procedures shall not waive compliance with the Uniform State Building Code.

Adopted:

Legal Refs.: Code of Virginia, 1950, as amended, §§ 2.2-4303, 22.1-68, 22.1-78.

Cross Ref.: DJF Purchasing Procedures

PROCEDURES

The Superintendent is responsible for administering and maintaining a centralized purchasing system and an accounting for school funds. She/he shall direct a system of purchasing that will ensure that the school system makes the most effective and efficient use of school funds. Delegation of authority for purchasing shall be in writing or in a job description.

Purchases shall be determined upon need and whether or not funds are available in the budget. Every purchase shall require a purchase order approved by the appropriate administrator, except for the payments for utilities, insurance, insurance credits, debt service, and maintenance and operations purchases under \$1,000. Budget holders may use purchase orders for those items if they wish. No invoices will be honored unless the proper purchasing procedures have been followed.

UNAUTHORIZED PURCHASES

Except as provided in School Board policies and/or Division regulations, no employee shall purchase or contract for any goods, services, insurance or construction within the purview of this policy other than by and through the purchasing authority, and any purchase order or contract made contrary to the provisions hereof is not approved and the School Board shall not be bound thereby.

EMERGENCY PURCHASES OR CONTRACTS REGARDING ALL FUNDS EXCEPT FOR FEDERAL FUNDS

An emergency shall be deemed to exist when a breakdown in machinery or equipment and/or a threatened termination of essential services or a dangerous condition develops, or when any unforeseen circumstances arise causing curtailment or diminution of an essential service or where materials or services are needed to prevent loss of life or property.

In case of emergency, as directed by the Superintendent, a contract may be awarded without competitive sealed bidding or competitive negotiation; however, such procurement shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor shall be submitted to the School Board at its next regularly scheduled meeting. The School Board shall issue a written notice stating that the contract is being awarded on an emergency basis and identifying that which is being procured, the contractor selected, and the date on which the contract was or will be awarded. The notice shall be posted on the Mecklenburg County Public School's website on the day the School Board awards or announces its decision to award the contract, whichever occurs first.

PURCHASES OF GOODS AND CONTRACTS REGARDING ALL FUNDS EXCEPT FOR FEDERAL FUNDS

The competitive bidding (or competitive negotiations) requirements do not apply to purchase of goods, services other than professional services, insurance or construction single or term contracts the cost of which is in the aggregate or the sum of all phases is not expected to exceed \$100,000 and transportation-related construction if the aggregate or sum of all phases is not expected to exceed \$25,000 and that are not otherwise exempt from competitive sealed bidding or competitive negotiations.

PURCHASES OF GOODS AND CONTRACTS REGARDING ALL FUNDS EXCEPT FOR FEDERAL FUNDS

Purchases and contracts that do not exceed \$100,000:

- a) *Program directors/principals/bookkeepers may make purchases valued at less than \$30,000 at their discretion and within their available funds. The Finance Director may request the program director/principal /bookkeeper to obtain a minimum of three quotes from vendors at his/her discretion.*
- b) *Program directors/principals/bookkeepers who wish to make purchases valued between \$30,000 – \$99,999 must notify the Finance Director prior to the creation of a purchase order. The Finance Director may request the program director/principal/bookkeeper to obtain a minimum of three quotes from vendors at his/her discretion.*
- c) *Once the purchase has been made and an invoice has been received, the program director/principal/ bookkeeper are required to submit copies of all required information to the Accounts Payable Department in accordance with procedures written in the Finance Handbook.*

Formal bid procedures, such as an RFP or RFB, are required for the purchase of goods and or nonprofessional contracts that exceed \$100,000 unless those goods/contracts are obtained through EVA, Virginia Information Technology Agency (VITA) or U.S. Communities. All purchase of goods and or nonprofessional contracts must be in accordance with School Board Policy and the Virginia Public Procurement Act. All RFP/RFB's must go through the Department of Finance or the Superintendent's Office.

ACQUISITION OF PROFESSIONAL SERVICES REGARDING ALL FUNDS EXCEPT FOR FEDERAL FUNDS

The acquisition of professional services or leases of supplies, materials, equipment or nonprofessional services that exceeds \$80,000, may, at the discretion of the superintendent, or his/her designee, be on the basis of "Open Market" or informal bid procedures under which the requirement for an advertised invitation to bid need not be observed. When practical and possible the following guidelines are to be followed:

Professional services or leases of supplies, materials, equipment or nonprofessional services that do not exceed \$30,000:

- a) *Program directors/principals/bookkeepers who wish to acquire a professional service or lease of supplies, materials, equipment or nonprofessional services that do not exceed \$30,000 may do so at their discretion and within their available funds. The Finance Director may request the program director/principal/bookkeeper to obtain a minimum of three written quotes from vendors at his/her discretion.*
- b) *Program directors/principals/bookkeepers who wish to acquire a professional service or lease of supplies, materials, equipment or nonprofessional services valued between \$30,000 – \$80,000 must notify the Finance*

Director prior to the creation of a purchase order. The Finance Director may request the program director/principal/bookkeeper to obtain a minimum of three quotes from vendors at his/her discretion.

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- c) The Finance Director will give permission to create a purchase order requisition once the Chair of the School Board's Finance Committee has been notified via email of the purchase.*
- d) Once the purchase has been made and an invoice has been received, the program director/principal/ bookkeeper are required to submit copies of all required information to the Accounts Payable Department in accordance with procedures written in the Finance Handbook.*

Formal bid procedures, such as an RFP or RFB, are required for the acquisition of professional services or leases of supplies, materials, equipment or nonprofessional services that exceed \$80,000 unless services are obtained through EVA, Virginia Information Technology Agency (VITA) or U.S. Communities. All acquisition of professional services or leases of supplies, materials, equipment or nonprofessional services must be in accordance with School Board Policy and the Virginia Public Procurement Act. All RFP/RFB's must go through the Department of Finance or the Superintendent's Office.

PURCHASES OF GOODS AND CONTRACTS REGARDING ALL FEDERAL FUNDS

Purchases and contracts of \$3,500 to \$7,499:

- a) Program directors/principals/bookkeepers must obtain telephone or catalog quotes from a minimum of three (3) vendors, is considered a sole source or is being purchased through EVA, Virginia Information Technology Agency (VITA) or U.S. Communities. All quotes, sole source information, and or prices through EVA, Virginia Information Technology Agency (VITA) or U.S. Communities must be submitted to the Finance Director using the MCPS Procurement form.*
- b) The program director/principal/bookkeeper must submit the procurement form with the three quotes/bids or EVA, Virginia Information Technology Agency (VITA) or U.S. Communities price to the Finance Department for approval prior to the purchase order being generated.*
- c) Once the procurement form has been approved, the program director/principal/bookkeeper must prepare a purchase order requisition to the vendor with lowest price.*
- d) Once the purchase has been made and an invoice has been received, the program director/principal/bookkeeper is required to submit copies of all required information to the Accounts Payable Department in accordance with procedures written in the Finance Handbook.*

Purchases and contracts of \$7,500 to \$29,999:

- a) *Program directors/principals/bookkeepers must request written quotations from a minimum of three (3) vendors, is considered a sole source, or is being purchased through EVA, Virginia Information Technology Agency (VITA) or U.S. Communities. All quotes and or prices through EVA, Virginia Information Technology Agency (VITA) or U.S. Communities must be submitted to the Finance Director using the MCPS Procurement form.*
- b) *The program director/principal/bookkeeper must submit the procurement form with the three written quotes/bids to the Finance Department for approval prior to the purchase order being generated.*
- c) *Once the procurement form has been approved, the program director/principal/bookkeeper must prepare a purchase order requisition to the vendor with lowest price.*
- d) *Once the purchase has been made and an invoice has been received, the program director/principal/bookkeeper is required to submit copies of all required information to the Accounts Payable Department in accordance with procedures written in the Finance Handbook.*

Purchases and contracts of \$30,000 to \$99,999:

- a) *Program directors/principals/bookkeepers must request written quotations from a minimum of four (4) vendors, is considered a sole source or is being purchased through the EVA, Virginia Information Technology Agency (VITA) or U.S. Communities. All quotes, sole source information, and or prices through EVA, Virginia Information Technology Agency (VITA) or U.S. Communities must be submitted to the Finance Director using the MCPS Procurement form.*
- b) *Once the procurement form has been approved, the program director/principal/bookkeeper must prepare a purchase order requisition to the vendor with lowest price.*
- c) *Once the purchase has been made and an invoice has been received, the program director/principal/bookkeeper is required to submit copies of all required information to the Accounts Payable Department in accordance with procedures written in the Finance Handbook.*
- d) *All bids awarded between \$30,000 and \$99,999 shall be reported to the Chair of the School Board's Finance Committee via email prior to making any purchases.*

Formal bid procedures, such as an RFP or RFB, are required for the purchase of goods and or nonprofessional contracts that exceed \$100,000 unless those goods/contracts are obtained through the EVA, Virginia Information Technology Agency (VITA) or U.S. Communities. All purchase of goods and or nonprofessional contracts must be in accordance with School Board Policy and the Virginia Public Procurement Act. All RFP/RFB's must go through the Department of Finance or the Superintendent's Office.

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ACQUISITION OF PROFESSIONAL SERVICES REGARDING FEDERAL FUNDS

The acquisition of professional services or leases of supplies, materials, equipment or nonprofessional services that exceeds \$80,000, may, at the discretion of the superintendent, or his/her designee, be on the basis of "Open Market" or informal bid procedures under which the requirement for an advertised invitation to bid need not be observed. When practical and possible the following guidelines are to be followed:

Professional Services of \$7,500 to \$29,999:

- a) Program directors/principals/bookkeepers must obtain telephone or catalog quotes from a minimum of three (3) vendors or acquire through the EVA, Virginia Information Technology Agency (VITA) or U.S. Communities. All quotes and or prices through EVA, Virginia Information Technology Agency (VITA) or U.S. Communities must be submitted to the Finance Director using the MCPS Procurement form.*
- b) The program director/principal/bookkeeper must submit the procurement form with the three quotes/bids or EVA, Virginia Information Technology Agency (VITA) or U.S. Communities price to the Finance Department for approval prior to the purchase order being generated.*
- c) Once the procurement form has been approved, the program director/principal/bookkeeper must prepare a purchase order requisition to the vendor with lowest price.*
- d) Once the purchase has been made and an invoice has been received, the program director/principal/bookkeeper is required to submit copies of all required information to the Accounts Payable Department in accordance with procedures written in the Finance Handbook.*

Professional Services of \$30,000 to \$79,999:

- a) Program directors/principals/bookkeepers must request written quotations from a minimum of four (4) vendors or purchase through the EVA, Virginia Information Technology Agency (VITA) or U.S. Communities. All quotes and or prices through EVA, Virginia Information Technology Agency (VITA) or U.S. Communities must be submitted to the Finance Director using the MCPS Procurement form.*

- b) *Once the procurement form has been approved, the program director/principal/bookkeeper must prepare a purchase order requisition to the vendor with lowest price.*
- c) *Once the purchase has been made and an invoice has been received, the program director/principal/bookkeeper is required to submit copies of all required information to the Accounts Payable Department in accordance with procedures written in the Finance Handbook.*
- d) *All bids awarded between \$30,000 and \$79,999 shall be reported to the Chair of the School Board's Finance Committee via email prior to making any purchases.*

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Formal bid procedures, such as an RFP or RFB, are required for the purchase of goods and or nonprofessional contracts that exceed \$100,000 unless those goods/contracts are obtained through the EVA, Virginia Information Technology Agency (VITA) or U.S. Communities. All purchase of goods and or nonprofessional contracts must be in accordance with School Board Policy and the Virginia Public Procurement Act. All RFP/RFB's must go through the Department of Finance or the Superintendent's Office.

SOLE SOURCE PURCHASES OR CONTRACTS REGARDING ALL FUNDS

Sole Source Purchases that do not exceed \$100,000 must have a sole source letter from the company or a written explanation of why the vendor is a sole source.

Sole Source Purchases that exceed \$100,000 may be awarded with a RFP/RFB when the division superintendent or his designee determines in writing, after conducting a review of available sources, that there is only one source for the required goods or services. The division superintendent or his designee shall conduct negotiations, as appropriate, as to price, delivery, and terms. A record of the sole source procurement will be maintained in the permanent files of the finance department. The School Board shall issue a written notice stating that only one source was determined to be practicable available and identifying that which is being procured, the contractor selected, and the date on which the contract was or will be awarded. The notice shall be posted on the Mecklenburg County Public School's website on the day the School Board awards or announces its decision to award the contract, whichever occurs first.

It is the policy of this Board that all procurement procedures shall be in compliance with the Public Procurement Act. Such procedures shall include, but not be limited to the following categories:

- A. *competitive negotiations*
- B. *professional services*
- C. *competitive sealed bidding*
- D. *cooperative procurement*

Guidelines for Competitive Negotiations:

Where permitted by law, including for the acquisition of professional services, the School Board may purchase goods and services through competitive negotiations. All Request for Proposals (RFP's) must go through the Department of Finance or the Superintendent's Office.

This method of procurement involves:

- 1. Issuance of a written Request for Proposal (RFP) indicating in general terms that which is sought to be procured, specifying the factors which will be used in evaluating the proposal and containing or incorporating by reference the other applicable contractual terms and conditions, including any unique capabilities or qualifications which will be required of the contractor.*
- 2. Public notice of the RFP at least ten (10) days prior to the date set for receipt of proposals by posting in a public area normally used for posting of public notices or by publication in a newspaper of general circulation in the area in which the contract is to be performed, or both. In addition, proposals may be solicited directly from potential contractors.*

Selection must be made from two (2) or more offerors deemed to be fully qualified and best suited among those submitting proposals on the basis of the factors involved in the Request for Proposal, including price, if so stated, of the offerors so selected. Price shall be considered, but need not be the sole determining factor. Should the School Board determine in writing that only one offeror is fully qualified, or that only one offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that offeror.

Guidelines for Competitive Sealed Bidding:

Where permitted by law, including for the acquisition of professional services, the School Board may purchase goods and services through competitive negotiations. All Request for Bid's (RFB) must go through the Department of Finance or the Superintendent's Office.

- 1. The issuance of a Request for Bid (RFB) with a purchase description/specification and all contractual terms and conditions applicable to the procurement.*
- 2. A public opening of bids at a predesignated time and place.*
- 3. Unconditional acceptance of a bid without alteration or correction, except as authorized by law or regulation.*
- 4. Award of the contract to the responsive and responsible bidder who has submitted the lowest bid that meets the requirements and criteria set forth in the RFB.*

Competitive Sealed Bidding is not required for the procurement of professional services. All facets of the bidding process will be conducted by the purchasing office and all requests for bids and proposals shall be prepared for the signature of the division superintendent or his designee. Bid bonds, payment bonds and performance bonds will be required for formal bid purchases in cases where there is a significant potential for loss to the School Board resulting from unacceptable performance or default.

After selection of the successful vendor, a contract may be prepared by the School Board and the vendor, with legal assistance from the School Board's attorney as necessary. The division superintendent or his designee shall sign all contracts as the fiscal representative of the School Board.

4. Approval

Schools must obtain the Finance Departments approval for any purchase order in excess of \$3,500 prior to executing the order. A Procurement Form must be emailed, delivered in person, or faxed along with any documentation supporting the purchase to the Finance Department. If approved, the Procurement Form will be initialed and returned via fax to the school. A copy of the Procurement Form is located in the forms section of this manual and should be used to support purchases in excess of \$3,500 (FEDERAL FUNDS ONLY).

5. Additional Terms to Contracts

Vendors must incorporate the “**REQUIRED CONDITIONS TO ALL CONTRACTS FOR MECKLENBURG COUNTY SCHOOLS**” (found in the forms section of this manual) for larger and multiple year contracts. Contact the Finance Department for guidance when determining if these term need to be included.

XXVI. OTHER ACCOUNTING PROCEDURES

1. Grant Funds

Schools will find it necessary to expend grant funds and then seek reimbursement from the central office/grantee. It is appropriate for these accounts to reflect a negative balance until the reimbursement funds are received. Grant fund accounts should never have a positive balance. Schools will invoice the School Board providing all documentation including invoices, purchase orders, copies of school checks, and sales receipts.

2. Field Trip Refunds

If the remaining balance for a field trip exceeds 10% of the amount collected, the remaining balance should be refunded to the students. Any remaining balance in the field trip account (subject to the 10% amount covered above) should stay in the field trip account. These amounts may not be transferred to another account including the general fund. The funds would be used to offset the costs of future field trips.

3. Dated Checks

Checks that have not cleared the bank are called outstanding checks. All outstanding checks will remain in the outstanding check file until they have either cleared the bank or have remained outstanding for a year. Once an outstanding check has been carried in the outstanding check file for at least twelve months it is considered a dated check. Dated checks are considered revenue after having been outstanding for a year and must be added back to the school’s book balance by voiding the check in the system.

4. Payments to Mecklenburg County Public School Employees

All Mecklenburg County Public Schools employees who perform extra duties must be paid through our payroll system. The time worked for those individuals should be turned in no later than the 15th of each month (unless notified by email of a different due date) to the Payroll Supervisor. The extra time must be approved by the appropriate person (principals, assistant principal, athletic director, etc.) prior to the employee working that time.

Any Mecklenburg County Public Schools employee who performs extra duties associated with an outside organization’s use of the facility, should follow the directions below:

- After the vendor has paid the school for the services, the school will deposit the funds collected in the school's Facility Use Account.
- Any employee who has performed extra duties should complete Time Sheet form and get it signed by the principal or his/her designee;
- The Principal/designee will gather all timesheets and complete the Payroll Recap sheet;
- The principal/designee will turn this form into the Payroll Department no later than the 15th of each month unless an email notification is sent with a different due date (fluctuation may occur in December, June, and the month of Spring Break)

5. Book Fairs

The procurement of a book fair vendor(s) will be made in accordance with Mecklenburg County Public Schools purchasing procedures and policies. Control over individual book sales may be by cash register or by a hand written receipt in duplicate. Daily book sales should be reconciled to the total amount of cash collected and remitted to the school bookkeeper on a daily basis. A final accounting should be made for the book fair sales showing remittance to vendor(s) and net profit from the book fair.

6. Independent Affiliated Entity

Independent affiliated organizations should have a separate federal identification number and will maintain a separate bank account.

SCHOOL ACTIVITY FUNDS / INTERNAL ACCOUNTS

A. Generally

"School Activity Funds" are defined as, all funds derived from extracurricular school activities such as entertainment, athletic contests, cafeteria, club dues, etc., and from any and all activities of the school involving personnel, students, or property. The School Board is responsible for managing these funds in the School Division's schools. Funds defined by law as public funds are not subject to these regulations and are to be handled as provided by law.

B. Guidelines

The School Board directs the Superintendent to supervise the operation of these accounts and to ensure that they are managed according to these guidelines:

- 1. No School Board funds or accounts are to be commingled with School Activity Funds or accounts.*
- 2. Each school shall keep an accurate record of all receipts and disbursements so that a clear and concise statement of the condition of each fund may be determined at all times. Monthly reports of such funds shall be prepared and filed in the office of the principal and Department of Finance.*
- 3. It shall be the duty of each principal to see that such records are maintained in accordance with School Board Policies and Regulations and State Board of Education Regulations.*
- 4. The principal or person so designated by the principal shall perform the duties of school finance officer.*
- 5. The school finance officer and principal shall be bonded.*
- 6. School Activity Funds (internal accounts) must be audited at least once a year by a certified public accountant, duly qualified accountant, or accounting firm approved by the School Board. The cost of such audit is a proper charge against the School Operating Fund or School Activity Funds. This annual audit shall result in an Annual Audit Report.*
- 7. A copy of a school's Annual Audit Report referred to in Section 6 of this Policy must be maintained in the office of the principal of that school and in the office of the Superintendent. Following the completion of all schools' Annual Audit Reports, a report containing a summary of all such reports will be presented to the School Board's Finance Committee.*
- 8. No account is to be overdrawn for any reason, unless receipts are forthcoming.*
- 9. Specific activity accounts are not to accumulate excess balances, as determined by the Superintendent or designee, unless written justification is provided and the records made available for audit purposes. These accounts are to be spent in the year they are*

collected and/or within the next school year when written justification is provided to carry those balances over to the next school year.

10. School Activity Funds shall not be used for salary supplements or similar payments to compensate school employees for any activity related to school resources or students.

11. Financial records of School Activity Funds shall be retained and disposed of in accordance with regulations concerning financial records retention and disposition set forth in law and regulation; however, records pertaining to non-appropriated school activity funds need not be retained longer than five (5) years.

Adopted by School Board: October 20, 2014

Amended by the School Board: April 16, 2018

Amended by the School Board:

Legal Reference:

Code of Virginia, 1950, as amended §22.1-122.1.

Code of Virginia, § 22.1-89.2, as amended. Financial records retention and disposition schedule.

8 VAC 20-240-10; 8 VAC 20-240-20; 8 VAC 20-240-40

Library of Virginia, Records Management Division, General Schedule No. GS-02, Fiscal Records.

Code of Virginia 42.1-76, et seq., as amended. Virginia Public Records Act.

<i>Cross Refs:</i>	<i>DG</i>	<i>Custody and Disbursement of School Funds</i>
	<i>DM</i>	<i>Cash in School Buildings</i>
	<i>DGC-R</i>	<i>School Activity Funds</i>

Note: See the Division's School Activity Fund Manual

FORM SAMPLES

Ticket Sales Form:

MECKLENBURG COUNTY PUBLIC SCHOOLS


REPORT OF ATHLETIC EVENT TICKET SALES

SPORT:				EVENT:			
DATE:				TICKET COLOR:			
TICKETS ISSUED				TICKETS RETURNED			
<i>First Ticket #</i>	<i>Last Ticket #</i>	<i>First Ticket #</i>	<i>Last Ticket #</i>	# SOLD	TICKET PRICE	TOTAL SALES	
					\$	\$	
					\$	\$	
					\$	\$	
					\$	\$	
A.	Total Value of Tickets Sold:	\$					
B.	CHANGE FUND:	\$					
C.	Total Accountability (A + B):	\$					
D.	Cash Remitted This Report:	\$					
E.	Cash Over / Short (C-D):	\$					

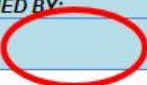
**CERTIFIED CORRECT by:

TICKET SELLER: _____
Signature

WITNESS: _____
Signature If Applicable

OFFICE USE ONLY:	
AMOUNT RECEIVED : 	Sales: _____
	Change Fund: + _____
	Total: _____
	RECEIPT #: _____
BOOKKEEPER: _____	DATE VERIFIED: _____

PROCUREMENT FORM:

REQUIRED: FEDERAL MONEY ONLY or AT THE REQUEST OF THE DIRECTOR OF FINANCE	QUOTE #1 - REQUIRED IN EXCESS OF 3499.99	QUOTE #2 - REQUIRED IN EXCESS OF 3499.99	QUOTE #3 - REQUIRED IN EXCESS OF 3499.99	QUOTE #4 - REQUIRED IF IN EXCESS OF \$29,999
DATE OF QUOTE				
VENDOR NAME				
VENDOR STREET				
VENDOR CITY, STATE, ZIP				
CONTACT PERSON/PHONE				
DESCRIBE ITEM(S) BELOW - STATE HOW ITEM WILL BE USED	TOTAL PRICE	TOTAL PRICE	TOTAL PRICE	TOTAL PRICE
SUBTOTAL	\$0.00	\$0.00	\$0.00	\$0.00
PAYMENT TERMS (NET 30 DAYS, ETC)				
TOTAL LABOR COSTS (FOR SERVICES)				
SHIPPING AND HANDLING (ESTIMATE)				
TOTAL COST	\$0.00	\$0.00	\$0.00	\$0.00
CHOOSE FROM DROP DOWN LIST	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE
EXPLANATION OF WHY LOWEST QUOTE IS NOT ACCEPTABLE (IF APPLICABLE)				
IF APPLICABLE - CHOOSE ONE OF THE FOLLOWING	NOT APPLICABLE			
IF LOW BID IS DENIED EXPLAIN WHY:				
QUOTE OBTAINED BY:		AUTHORIZING PRINTED NAME:		CHRISTY PEPPER
APPROVED: 	DENIED:	AUTHORIZING SIGNATURE:		

PAYROLL TIMESHEET AND RECAP SHEET:

MECKLENBURG COUNTY PUBLIC SCHOOLS
 P.O. Box 190 - 175 Mayfield Drive
 Boydton, Virginia 23917

TIME SHEET

Principal or Supervisor
Should Keep a File Copy

WORK BEGINNING ON _____ & ENDING ON _____
 (MM/DD/YY) (MM/DD/YY)

NAME _____ PIN _____

POSITION WORKED _____ Pay Rate:

Hourly	_____
Daily	_____

WEEK OF (Ex: 01/03/10 - 01/09/10)	SUN	MON	TUES	WED	THURS	FRI	SAT	TOTAL
HOUR or DAILY TOTALS								

Total \$ Payment:

Job Location

Signature of Employee

Signature of Principal

Signature of Supervisor

PLEASE NOTE:

Do Not Record "Start/Stop" time on this sheet, such as 8:00 a - 3:00 p. (SEE BELOW)

- HOURLY PAID** - Record actual hours worked each day to the nearest quarter of an hour.
 (1/4 hr = .25, 1/2 hr = .50, 3/4 hr = .75, 1 hr = 1, 1-1/4 hr = 1.25, 1-1/2 hr = 1.5, 1-3/4 hr = 1.75)

DAILY PAID - Record actual days worked as 1 for whole day, or .5 for half day.
- AFTER ALL TIME IS ENTERED AND CALCULATED, PRINT OFF THIS TIME SHEET . SIGN & HAVE ORIGINAL APPROVED BY SITE COORDINATOR & PRINCIPAL.**

Notes: _____

