

Internal Account Procedures

Principal or Director's Responsibility

Adherence to the District's Internal Account Procedures (as approved by the School Board) is the Principal's responsibility.

The Principal or Director shall:

- (1) Be held accountable for the handling of all phases of Internal Funds accounting in the school/department.
- (2) Use a uniform system of accounting as directed by the Superintendent.
- (3) Be directly responsible for the conduct of student financial activities in accordance with the current policies, rules, and procedures of the District. [\[School Board Policies 7.32\]](#).
- (4) The Principal should open and sign the bank statements for review of deposits and disbursements
- (5) Submit monthly and annual reports of the Internal Funds to the District Business Services Department. The submission of the monthly internal account reports for the previous month is the **20th of the month**. Copies of the signed and dated Principal's Report, signed and dated bank reconciliation report, and bank statement are to be uploaded to the Share site.

The principal's report is reviewed for:

- overdrawn accounts (not allowed per Redbook Chapter 8, Section 1 Principles, paragraph 10);
- preparer has signed and dated the report;
- principal has signed and dated the report;
- account level descriptions have been added;
- Total cash amount (assets) ties to the total of all account balances (liabilities).

The bank reconciliation report is reviewed for:

- **Bank Balance** shown on this report agrees with ending balance on the bank statement;
- **Less Checks** amount on report agrees with total of checks not on statement amount (outstanding checks);
- **Plus Cash Receipt Deposits** amount agrees to total of Cash Receipts Not on Statement amount (deposits in transit);
- any non-zero **Less Manual Adjustments** amount, the detail needs to be written on the face of the bank reconciliation report;
- **Adjusted Bank Statement Balance** agrees to ending balance of cash on the principal's report;
- Preparer has signed and dated the report;
- Principal has signed and dated the report.

- (6) The determination of the fund-raising activities for a school shall be the responsibility of the Principal. The Principal shall control the fund-raising activities conducted in the name of the school and assure that the purposes are worthwhile. Each fund-raising activity shall have the approval of the organization sponsor and the Principal. All staff shall conform to the following conditions and such other administrative directives as may be issued by the Superintendent or his designee. Prior to the start of fund-raising activities, an Approval for Fund-Raiser Permit/Activity Permit/Profit and Loss Statement form must be prepared by the teacher/sponsor requesting the fundraiser and approved by the Principal or the Principal's designee. This document indicates the intention and purpose of the fund-raiser.
- (7) The Principal/Director must approve all transfers / journal entries for internal accounts by reviewing & signing the journal printout from Skyward.

Cash Collections

All funds collected within the school or department for any purpose shall be deposited with the principal, department head or designee, together with such substantiating records as may be required.

- a) Per Redbook Chapter 8, Section III, 1.4b, *Collections made outside of the school office must be turned in to the school office no later than the next business day.* This means that monies collected by a teacher must be turned in to the bookkeeper by the next business day.
- b) Per Redbook Chapter 8, Section III, 1.4c: *All money collected must be deposited intact to a depository as frequently as feasible and as dictated by sound business practice. IN ANY EVENT, FUNDS COLLECTED MUST BE DEPOSITED WITHIN FIVE (5) WORKING DAYS AFTER RECEIPT.* Monies are not to be held over holidays and breaks. Contact the Finance Department if necessary.

The principal or designee shall be notified immediately of any errors in deposits or disbursements and shall take appropriate corrective action. [Redbook Chapter 8, Section III, 1.4 e]

Disbursements

- a) All accounts shall have a minimum of two signatures required for all transactions.
- b) The principal shall designate one or more persons in addition to herself/himself who shall be authorized to sign checks.
- c) Names and signatures of all authorized check signers shall be kept on file for audit.
- d) The use of signature stamps is prohibited on internal account documents. All signatures must be original and must be dated by the person who signed.
- e) *The school principal is fully responsible for all purchases and purchase commitments requiring present or future disbursements of internal fund monies. A **signed commitment from the principal or designee(s) must be on file before any purchase is made.** Vendors shall be notified of this policy. No purchase shall be made unless sufficient resources are available, except items for resale.*
- f) Per Redbook Chapter 8, Section II, 2: Purchases from internal funds must be authorized in writing by the principal or designee. Neither the school nor the school board shall be liable for any purchase made in the name of the school without express written approval. This section means that written approval from the principal or designee is required **before** a purchase can be made.
- g) Prior to issuing a check, a check requisition/request form must be completed and signed by the principal, appropriate sponsor, and student officer. Use the Check Requisition form available on the Forms Database on the SLCSB website. The bookkeeper cannot sign as sponsor for the general miscellaneous account. Any responsible individual other than the bookkeeper can sign as sponsor for the general miscellaneous account.

Account Fund Types, Numbers, Names

All school internal funds are recorded in **Fund 8910**, which is broken down into two fund types.

Fund 8910A = (A) Asset or Cash Accounts have a **function number 1119** (Internal Account Cash) and have a **Project number “00000”**. Please note that the Business Services Department will establish the Asset Accounts.

Fund 8910L = (L) Liability Accounts are fund accounts that have a **function number 2290** (Internal Accounts Payable). They that can be established under the **projects 81XXX – 87XXX** at the schools discretion according to Red Book guidelines. The second digit of each account will designate what type of account it is. Care should be taken to title the account with the most meaningful name. The District Accountant should be contacted if there is a question regarding the establishment of an account. Please see account structure for projects below:

(a) **Cash Accounts (Asset Accounts Projects “0”)**

Main cash accounts currently are as follows:

0000.00 – Asset/Cash Account

(b) **Athletic Accounts (Liability Accounts Projects “81XXX”)**

Athletic accounts are to be utilized for all transactions involving organized athletic teams that compete against other teams. Athletic teams as well as the activities or booster clubs that support the team will be classified as athletics.

(c) **Music Accounts (Liability Accounts Projects “82XXX”)**

Music accounts are to be utilized for band or choral activities, music class functions, maintenance and/or rental of uniforms and instruments.

(d) **Class Accounts (Liability Accounts Projects “83XXX”)**

Class accounts are to be utilized for transactions involving a particular grade level or subject. Class monies shall be expended for the benefits of a class that participated in the generation of the revenue.

(e) **Club Accounts (Liability Accounts Projects “84XXX”)**

Club accounts are utilized for activities that support a particular group of students with a common interest. Athletic groups that do not play against other teams may be classified as a club. Approval for the existence of all clubs and organizations is the responsibility of the principal. Club monies shall be expended for the benefits of the club that participated in the generation of the revenue.

(f) **Department Accounts (Liability Accounts Projects “85XXX”)**

Departments may be structured similar to classes and shall conduct financial activities subject to the procedures established for classes.

(g) **Trust Accounts (Liability Accounts Projects “86XXX”)**

Trust accounts are specific in nature. A trust relationship exists when funds are restricted in nature. The donor or person providing the funds has restricted the use of the money or it was collected for a designated purpose. Each location must identify all trusts. There should never be a miscellaneous trust since all money is identifiable for a particular purpose.

(h) General Accounts (Liability Accounts Projects “87XXX”)

General accounts are typically accounts that benefit all students. This section also includes other accounts that do not fit into any of the other areas. Staff discretionary accounts are classified to be general accounts even though these accounts do not directly benefit students. Except for these accounts, all other accounts classified as General must benefit students.

The General Account #87001 should benefit the student body as a whole. These funds should not be used for a specific class, grade, club or other group of students. Examples of acceptable uses are field days, school wide programs, reading nights, school dances or similar activity where the majority of the students participate or benefit from the activity. Consult the District Accountant for specific situations, exceptions and questions regarding expenses from this account.