

DALLAS COUNTY SCHOOLS

LOCAL SCHOOLS ACCOUNTING GUIDELINES AND PROCEDURES



**Dallas County Board of Education
P.O. Box 1056
Selma, Alabama 36702-1056**

Revised 01/2003

**Wayne K. May
Superintendent**

Teacher/Individual Receipts

- 1. Only pre-numbered receipt books will be used to receipt cash received in a school.**
- 2. Teacher/individual receipt books will be distributed and assigned by the principal or his/her designee. The receipt book should be signed for by the teacher/individual responsible for it, and shall be accounted for by book number, receipt number, or student receipt journal number. All receipts in a book shall be used before a new book is requested.**
- 3. The individual preparing a receipt is expected to prepare each receipt carefully and insure that all copies are legible.**
- 4. When all receipts in a book are used, the teacher/individual shall return the used book containing the duplicate copy of all receipts issued to the principal and sign for a new receipt book.**
- 5. Each receipt shall be issued in duplicate and handled in the following manner:**
 - A. The original shall be given to the student or individual from whom the money is collected.**
 - B. The duplicate shall remain in the bound receipt book and shall not be removed.**
- 6. Each receipt shall be carefully prepared with date, payee, amount, purpose, and the name of the person receiving the funds.**
- 7. All monies received before the end of the school day should be turned in that day to appropriate office personnel when possible and must be turned in no later than the next school day. The amount turned in shall be supported by the duplicate copy in the teacher/individual receipt book, and the total of the duplicate receipts should equal the total amounts of cash being turned in.**
- 8. If it becomes necessary to void a receipt, the teacher/individual shall mark all copies "VOID" and shall leave the original and duplicate copies in the receipt book. The reason(s) the receipt is being voided shall be written on both copies of the receipt being voided. Do not destroy the original copy of the receipt.**
- 9. If an error is made in the preparation of a receipt, do not erase. Draw a line through the incorrect information and insert the correct information above. The person making the correction should initial the correction.**
- 10. If a receipt book is lost, the principal should be notified immediately.**
- 11. When money receipted by a teacher/individual is turned in, the school bookkeeper shall issue a receipt for the total of the duplicate receipt copies and money submitted in the master receipts book. The total of the receipts and the money**

turned in must equal. The original (white copy) of the master receipt shall be attached to the receipt book belonging to the individual/teacher turning in money.

12. Any teacher noting a shortage of monies shall report it immediately to the principal.

Exception to giving a teacher/individual receipt

1. A teacher/individual receipt shall be given for all monies collected in a school with the following exceptions:
 - A) Money collected through the sale of tickets to be used as admission to a public performance.
 - B) Money collected as an admission fee to public performance.
 - C) Money collected through the sale of merchandise in a school store.
 - D) Money/payments collected in amount less than \$1.00.
 - E) Money collected as donations to the United Way Fund or other charitable purpose, and
 - F) Money collected for library fines.

(A teacher/individual receipt IS NOT required for each person; however, the person(s) collecting money for any of the exceptions listed above (items A-F) is required to prepare a teacher/individual receipt for the total collected and a Cash Remittance report showing the amount of money collected from each individual.

Report on sale of tickets

1. Pre-numbered tickets shall be used for admission to all varsity athletic contests as well as other events selected by the principal such as beauty walks, plays, etc.
2. With the use of pre-numbered tickets, the Report of Sale of Tickets form shall be completed and turned in to the principal.
3. The bookkeeper shall verify the accuracy of the Report of the Sale of Tickets form(s) and reconcile the report total to the money turned in. The money turned in must equal the total of the Report of the Sale on Tickets.
4. A copy of the Report of the Sale of Tickets form shall be filed at the school and be available for review immediately following each event.

Master Receipt Book

1. The receipt book used for receiving and accounting for all money received in the school office is the Master Receipt Book. Only one Master Receipt Book at the time shall be used for the general fund.

2. **Only pre-numbered Master Receipt Books can be used.**
3. **Each master receipt will be issued in duplicate and handled in the following manner:**
 - A) **The original (white copy) shall be attached to the receipt book of the teacher/individual who turns in the money.**
 - B) **Teacher receipt numbers shall be entered on the master receipt. The master receipt number and amount shall be entered in the teacher receipt book at the last entry.**
 - C) **The duplicate (yellow copy) shall remain in the bound Master Receipt Book and shall not be removed.**
4. **When money is turned in to the school office, it will be verified against the duplicate teacher/individual receipts or other applicable reports which accompany the funds. The principal or designee shall then issue a master receipt for the total sum of money received. The money should be checked carefully against the supporting document(s) so that the master receipt will be for the exact amount of funds received.**
5. **The master receipt should be carefully prepared showing the amount, date, source, and teacher/individual turning in the funds. The master receipt should be properly signed by the principal or designee.**
6. **If it becomes necessary to void a master receipt, mark both the original and duplicate copies of the receipt "VOID" and leave both the original and duplicate copy in the Master Receipt Book. The reason(s) for voiding the receipt shall be written on the receipt which has been voided.**
7. **If an error is made in preparation of the receipt, do not erase. Draw a line through the incorrect information and insert the correct information above. The person making the correction should initial the correction.**
8. **The Master Receipt Book should be safeguarded at all times. If the book cannot be located, the principal and superintendent should be notified immediately.**

Bank Deposits and Care of Money

1. **All money received must be deposited in the school banking account.**
2. **School funds should be deposited in the school banking account on a daily basis unless otherwise authorized by the superintendent; however, funds up to \$200.00, excluding any Change Fund money, received after the last daily bank deposit has been made may be kept in the school vault or lockable, fireproof cabinet, or night deposit. Funds in excess of \$200.00 must be night deposited.**

3. Unless otherwise authorized by the superintendent, deposits should be made daily. If it is not convenient to make deposits during the day, night depository procedures should be followed.
4. Bank deposits should be made using duplicate deposit slips furnished by the bank with the name of the school account and account number preprinted on the slip. The bank will keep the original deposit slip and the stamped/encoded carbon copy will be retained by the school.
5. The bank deposit slip should reference by number or dates the master receipts covered by the deposit. There should be no erasures or other alterations to a deposit slip.
6. All checks received should be endorsed with "For Deposit Only" and the name of the school account.
7. Night deposits shall be handled in accordance with local bank policies. Only the principal or his/her designee(s) shall make a night deposit.
8. Monies from after school activities should be placed in the night depository in a locked bag. Only principal or designee shall pick up the deposit on the following school day.

Change Funds

On-going change funds:

1. On- going change funds are for the express purpose of making change on a daily basis over an extended period of time. No purchases shall be made from change funds and such funds shall not serve as a check cashing mechanism for students and/or employees.
2. On-going change funds shall be initiated by the principal, through the writing of a check made payable to the principal, who will cash the check to be drawn against the appropriate activity. The check will be written for \$50.00 or less to cover anticipated change requirements. When this check is posted to the school's books the bookkeeper will credit Cash (1-111) and debit Change Cash (1-115) for the amount of the check. A debit balance will remain on the school's books in the Change Cash (1-115) account until the change money is re-deposited.
3. Only three on-going change funds are authorized for use in a local school; i.e. school office, school store, and concessions (see special change funds below). The on-going change funds for the school office, school store, and concessions shall not exceed \$50.00 each on a daily basis. Each such change fund shall be accounted for on a daily basis, and funds in excess of the above established maximums shall be bank deposited and credited to the appropriate activity account.

4. The maximum established amounts for each on-going fund shall be kept in the school overnight in a vault or fireproof, lockable file cabinet.
5. All such change funds shall be under the supervision of the school principal or his/her designee.
6. When on-going change funds are re-deposited to the bank the bookkeeper will debit Cash (1-111) and credit Change Cash (1-115).

Special event change funds:

1. Special-event change funds are to be used for the purpose of making change for events/activities that occur on a periodic, intermittent basis, i.e. athletic events, beauty walks, etc. when an admission is collected and at student registration when fees are collected. The Principal shall initiate special event change funds..
2. Special-event change funds will be authorized by the principal, through the writing of a check made payable to the principal or bookkeeper. The principal or bookkeeper will cash the check. The check will be drawn against the appropriate activity account, in a reasonable amount, to cover anticipated change requirements. When the check is posted to the school's books the bookkeeper will credit Cash (1-111) and debit Change Cash (1-115). Funds collected that exceed the change fund amount must be deposited on a daily basis. Night deposit procedures must be used when special-event change funds exceed \$200.00. Under no circumstances shall special-event change funds in excess of \$200.00 remain in the school building overnight.
3. After cashing the check, the principal or designee shall assign the change funds to a specific person(s) who will assume responsibility for such money.
4. At the conclusion of the activity/event, money collected will be counted. Two deposits should be made. One deposit will be made to re-deposit the special-event change funds. One deposit will be made to deposit the receipts (revenue) collected during the event. Change fund money and revenue money should be deposited to the activity account from which change funds were drawn. The deposits must indicate the event to which the deposited funds pertain. When the special-event change deposit is posted, the bookkeeper will debit Cash (1-111) and credit Change Cash (1-115).

Local School Purchase Orders

The principal must ensure that good, sound business practices are followed concerning the purchase of goods and/or services from the school's funds. In order to control the purchasing, the principal should determine the need for the goods and/or services, determine if funds are available in the activity account in which the funds will be spent, and only then approve or disapprove the proposed purchase. If he/she approves the purchase, he/she should sign a purchase order to document approval, and then the purchase can be made in accordance with the following procedures:

- 1. The principal will be responsible for approving all purchases made on behalf of school.**
- 2. A local school purchase order shall be issued for every local school purchase of goods and services except for recurring expenditures such as school telephones, school utilities, bank service charges, and other similar expenditures.**
- 3. The individual making the purchase shall be responsible for preparing a local school purchase order prior to making the purchase.**
- 4. The following procedure shall be used when preparing a local school purchase order:**
 - A) All blank purchase order forms will be kept by the principal or designee in the school office.**
 - B) The individual desiring to make a purchase will come to the principal's office to pick up a blank purchase order form for completion or to submit all pertinent information so that the purchase order may be completed.**
 - C) The completed purchase order shall include the vendor and address, item description, quantity, price extension, and any other pertinent information concerning the purchase.**
 - D) When the purchase order has been completed, the principal shall check the balance in the account to be charged and determine if sufficient funds are available to make the purchase.**
 - E) The completed purchase order form is given to the principal for an approval or disapproval and, if approved, the Principal will sign the purchase order.**
 - F) An approved purchase order form is assigned a purchase order number with the number entered on the Purchase Order Register, and prepared for distribution by the bookkeeper.**
 - G) The copies of the approved purchase order form are distributed as follows:
 - 1) Original copy is submitted to the vendor for the purchase.**
 - 2) Duplicated copy is maintained at the school office to be compared with the invoice or receiving slip for the goods or services provided.****
 - H) When the goods or services ordered are received, the invoice and/or packing slip shall be checked against the purchase order and the person receiving the goods/services shall sign and date the invoice indicating that the goods/services have been received. The invoice shall then be attached to the duplicate copy of the purchase order and placed in the accounts payable file to be paid.**

Local Compliance Guidelines For Local School Funds

The funds maintained at the local schools can generally be divided into two major categories:

1. Public Funds
2. Non-Public Funds

Listed below are the most common funds used by local schools and how to determine whether they are considered public or non-public. Situations which may occur that could change funds from non-public to public are also listed.

Public Funds

1. **General Office Fund** – This fund generally consists of appropriation from the Board of Education, ADECA grants, local contributions, vending machine proceeds, commissions from the pay telephones, and other miscellaneous revenues. These funds are considered public funds and are restricted to the same legal compliance requirements as the Board of Education.
2. **Library Fund** – This fund accounts for late charges on returned library books, funds collected for lost books, and expenditures incurred for purchasing books.
3. **Athletic Fund** – The use of this fund varies by school. However, if this fund accounts only for gate receipts from athletic events, it is considered a public fund. If fund-raiser monies are combined into this fund with gate receipts, then the fund raiser monies become commingled and become public funds.
4. **Concession Fund** – This fund accounts for proceeds from concessions operated at athletic events. The school purchases the supplies to be sold and retains the proceeds. These funds are considered public funds.
5. School imposed dues for certain classes (example: lab fees) should be maintained in a separate fund. These fees should not be reported in the general office fund. These are public funds.

Non-Public Funds

1. **Clubs and Class Type Funds** – The following is a list of the most common clubs and organizations that maintain funds at the local schools. These funds normally consist of self-imposed fees, not school required fees. In other words, the participants usually set their own fees to participate in these clubs and classes. Dues collected for self-imposed fees are considered non-public. Dues collected for school required fees (such as lab fees for a science class) are considered public funds. Funds received from fund raisers alone are considered non-public funds.
A> ADECA Club
B> FHA Class Fund

- C> English Club Fund
- D> Spanish Club Fund
- E> Science Club Fund
- F> Senior Fund
- G> Student Council Fund
- H> Band Fund
- I> Band Boosters Fund
- J> Cheerleader Fund

- A) **Athletic Fund** – This fund was previously discussed under public funds. However, if this fund consists of fundraiser receipts only, it is considered a non-public fund.
- B) **Concession Fund**- Previously discussed under public funds. However, if the Band Booster Club or any other club buys the concession supplies and retains the proceeds, it is considered non-public.

The following is a list of expenditures that are normally considered **NON-ALLOWABLE** from Public Funds.

Unallowable:

1. Food items for teacher’s lounge.
2. Meal expenditures for spouses of employees
3. Expenditures for a faculty and staff Christmas luncheon.
4. Expenditures for coffee and cups for employees.
5. Lunches for teachers for school closing activity.
6. Planned lunches for faculty and staff.
7. Expenditures for flowers for sickness, death, secretary week, etc.
8. Expenditures for food items for teachers.
9. Expenditures for beginning of the year breakfast with faculty and staff.
10. Clothing expenditures for coaches (including sneakers). It is not the public’s responsibility to clothe them for their jobs.

The following is a list of expenditures which are normally **ALLOWABLE** from Public Funds:

Allowable:

1. Expenditures for picture for the school office.
2. Expenditures for flower arrangements for the school office.
3. Expenses incurred for meals for faculty and staff for a meeting that extended into lunch hour and food had to be provided for the meeting to continue. It cannot be a planned faculty and staff meeting with a planned meal.
4. Refreshment expenses for an open house at a school where the public would attend.
5. Athletic receipts can be expended for pre-game meals for the athletic participants and coaches.

If all public and non-public funds are maintained in one bank account and separate accurate bookkeeping is NOT maintained for each fund, the non-public funds would be commingled with public funds and would have to be considered as public funds.

Competitive Bid Law

- **Competitive Bid Law – Local schools are specifically exempted from the bid law when they are not using appropriated funds or funds raised by taxation. Thus the expenditures of appropriated funds, raised by taxation, and grant funds by local schools are subject to bid law.**
- **If the Board of Education plans to purchase like items for the local schools totaling \$7, 500.00 or more, the Alabama Competitive Bid Law should be followed. Distributing funds for the purchase of like items to the various local schools would not remove the requirement for competitive bidding if the anticipated total of purchases of the like items exceed \$7, 500.00 for the year. An exemption to this provided is in Act 94-823, Acts of Alabama, which relates to classroom instructional supplies. This law allows the Board the flexibility to “purchase classroom supplies in bulk pursuant to the Competitive Bid Law, or upon resolutions passed at a meeting called for the purpose and with notice, any board may allocate funds to individual schools or to teachers to purchase such classroom supplies by the voucher system and proper accounting safeguards”.**

It should be noted that local Boards of Education are permitted to impose purchasing requirements more stringent than state laws.

Monthly Financial Reporting Requirements

Each school is required to submit the following financial reports or copies of reports to the Central Office monthly:

- **Principal’s Report**
- **Bank Statement and Reconciliation (copy)**
- **Financial Report**
- **Trial Balance(s)**

The Principal of the school must sign each of these reports prior to submitting these reports to the Central Office.