



Janus College Preparatory & Arts Academies, Inc. ("JCPAA")



JCPAA

**ACCOUNTING POLICIES AND PROCEDURES
MANUAL**

JCPAA
Accounting Policies and Procedures Manual
Table of Contents

I. Purpose of Accounting Policies and Procedures Manual	7
II. General Division of Duties	8
III. Cash Receipts	10
a. Recording Cash Receipts	10
b. Use of Printed / Computer-generated Receipts	10
c. Use of Manual Receipts	10
d. Voiding Receipts	11
e. Editing Cash Receipts	11
f. Duplicate Receipts	11
g. Recording Checking Account Interest	11
h. Deposit Reports	13
i. Cash Receipts from After School Events	13
j. Safekeeping of Cash	13
k. Cashing of Checks	13
l. Deposits	13
m. Bank Accounts	14
n. Bank Reconciliation	14
o. Loss of School Funds	15
<u>Cash Receipts Process</u>	15
a. Fund Received by Wire Transfer	15
b. Inter-Fund Transfers	16
c. Funds Received from Credit Card Charge	16
Bank Reconciliation Process	17
a. Reconciliation of Other General Ledger Accounts	18

b. Cash Flow	19
IV. Cash Disbursements Procedures	20
a. Recording Cash Disbursements	20
b. Use of Manual Checks	20
c. Use of Computer Generated Checks	20
d. Recording “Subsequent Month” Disbursements	21
e. Posting Cash Disbursements	21
f. Voiding of Outstanding Checks	22
g. Voiding Check	23
h. Vendor Invoices	23
i. Editing Vendor Invoices	24
j. Credit Memos	24
k. Vendor Files	24
l. Bank Reconciliation	25
<u>Disbursement Process</u>	26
V. Proper Use of School Funds (School Activity Funds)	27
a. Approval for Expenditures	29
b. Supporting Documentation	30
c. Payment of Bills	30
d. Travel Reimbursement Expense Reports	30
e. Principal’s Travel Expenses / Dues from School Activity Funds	31
f. Advances	31
g. Borrowing or Lending of School Funds	31
h. Checks	31
i. Petty Cash Funds	32
<u>Petty Cash Fund Process</u>	32
j. Refunds	33
k. Student Activity or Club Fund Expenditures	33
l. Supplemental Pay/Substitute Pay/Payment of Employees	33

VI. Automated Accounting Set-Up & Procedures	34
<u>System Description</u>	34
a. Cash Receipts	34
b. Disbursements	34
c. Invoices	34
d. Vendor File	35
e. Bank Reconciliation	35
f. Transfer and Adjustments	35
g. Purchase Orders	35
h. Reports	35
VII. Chart of Accounts	36
<u>Chart of Accounts Process</u>	36
a. Fund	36
b. Cash Accounts	37
c. Fund Accounts	37
a. Checking	37
b. Saving	37
c. Investments	37
d. (A) General Fund	38
e. (B) Instructional Fund	38
f. (C) Major Activities Funds	39
g. (D) Club Fund	40
h. (E) Athletic Fund	40
i. (F) Faculty Fund	41
j. (G) Investment Fund	42
d. Adding Fund Accounts	43
e. Deleting Accounts	43
f. Printing a Chart of Accounts	43
VIII. Purchasing	44

a. Direct Purchase	45
b. Informal Bids	45
c. Purchasing Bids	46
d. Wisconsin State Commodity Contracts	47
e. Emergency Purchase	48
<u>Purchases Process</u>	48
a. To Prompt a Purchase	48
b. Credit Card Purchase	49
c. Proper Documentation for all Purchases	50
d. Capital Expenditures	50
e. Consultants	50
f. Contracts	51
IX. Fix Asset Management	52
X. Payroll	53
a. Timesheets	53
b. Payroll Preparation and Time Keeping	53
c. Payroll Taxes	55
d. Benefits	55
e. Travel & Expenses	55
f. Personnel	55
XI. Property	56
a. Equipment	56
XII. Lease	56
a. Real Estate	56
b. Equipment	56
XIII. Insurance	57
XIV. Telephone	57
XV. Books of Original Entry	57
XVI. Grants And Contracts	57

XVII. Budget	58
XVIII. Loans	58
XIX. Other	58
a. Minutes of Meetings	58
b. Non-Educational Income	59
c. Accounts Receivable	59
d. Financial Procedures	59
e. Form 990	59
f. Audits	59
g. Personnel Files	59
h. Fiscal Agent Status	59
i. Field Trips and Other Tickets Events	60
j. Fundraising	61
k. Grant Compliance	64
l. Governmental General Accepted Accounting Principals	64
m. Computer System Backup Procedures	65
XX. Fiscal Policy Statement	66
XXI. Financial Reporting	67
a. School Board Financial Statements	67
b. Accounting Data	68
c. Records Retention	68
d. Periodic Audits	68
e. Monthly Receipts	68
f. Year-End Report/Audit	69
XXII. Accounting Terms and Definitions	70
XXIII. Exhibits	72

Janus College Preparatory & Arts Academies, Inc.

PURPOSE OF THE ACCOUNTING POLICIES AND PROCEDURES MANUAL

This manual has been prepared to document the internal accounting procedures for Janus College Preparatory & Arts Academies, Inc. ("JCPAA") Its purpose is to ensure that assets are safeguarded, that financial statements are in conformity with generally accepted accounting principles, and that finances are managed with responsible stewardship.

All personnel with a role in the management of JCPAA's fiscal operations are expected to uphold the policies in this manual. It is the intention of JCPAA that this accounting manual serves as our commitment to proper, accurate financial management and reporting.

The purpose of this booklet is to provide the reader with essential knowledge about our school, especially our values and instructional expectations. Schools are organizations. But as we know from the world of business, organizations differ from each other in fundamental ways. Some organizations are dysfunctional. They lack a vision and core values that give them a sense of purpose. Power is restricted to the selected few and decisions are often arbitrary. Poor morale permeates their culture. In these organizations, individuals focus on their own needs, rather than the needs of those they serve.

At Janus College Preparatory & Arts Academies, Inc. we are driven by a commitment and dedication to our students. We work hard and consistently seek better ways of educating our students. Failure for our students is not an option. We will do whatever it takes for our students to succeed as learners and as future citizens. Our values guide our decisions. Leadership is often based on knowledge and skill, rather than position. Everyone has the opportunity to develop his or her leadership potential.

This document presents key ideas about our school that we believe should be sustained over time. But it also allows for changes to occur based upon new knowledge of organizations and best teaching and learning practices.

Regards,

Valerie Benton-Davis

President & Executive Direct

GENERAL DIVISION OF DUTIES

*Approved by Janus College Preparatory Arts & Academies, Inc. Board of Directors on
January 18, 2011*

1. The Board of Directors formulates financial policies, delegate's administration of the financial policies to the Executive Director and reviews operations and activities.
2. The Executive Director has management responsibility including financial management.
3. Current job descriptions will be maintained for all employees, indicating financial duties and responsibilities.
4. Financial duties and responsibilities must be separated so that no one employee has sole control over cash receipts; disbursements; payroll; reconciliation of bank accounts; etc.
5. All employees involved with financial procedures shall take vacations or leaves of 5 consecutive workdays each year. During such periods, back-up personnel who have been cross-trained in their duties will perform their tasks.
6. A blanket employee dishonesty coverage in the amount of \$_____ shall be maintained.
7. Professional financial service providers will be established annually. For _____ (year) these include _____ (accounting software), _____ (payroll services), the _____ (insurance), _____ (banking), _____ (restricted investments and retirement services), and _____ (auditors).
8. The _____ (staff position) will maintain a current and accurate log of the chart of accounts, job accounts and accounting classes.
9. These policies and procedures will be reviewed bi-annually by the JCPAA, Inc. Board of Directors.

The following is a list of who have responsibilities within the accounting department:

President:

1. Reviews and approves all financial reports.
2. Reviews and approves annual budget.
3. Reviews the payroll summary for the correct payee, hours worked and check amount.
4. Reviews all vouchers and invoices for those checks, which require his or her signature.
5. Reviews and approves all contracts for goods and services that will exceed \$10,000 over the year.

Vice President:

1. Approves all vouchers, invoices and checks.
2. Receives unopened bank statements.
3. With the Fiscal Manager, and input from the President, and Executive Directors, develops the annual budget.
4. Reviews and approves all financial reports.

5. Reviews and approves list of pending check disbursements.
6. Reviews all vouchers and invoices for those checks, which require his or her signature.
7. Authorizes all interfund transfers.
8. Reviews all bank reconciliations.
9. Reviews the payroll summary for the correct payee, hours worked and check amount.
10. Approves all reimbursements.
11. Manages the assets accounts.

Fiscal Manager:

1. Processes all receipts and disbursements.
2. Processes the payroll, including payroll tax returns.
3. Submits requests for interfund transfers.
4. Maintains and reconciles the general ledger monthly.
5. With the Vice President, and with input from the President and Department Directors, develops the annual budget.
6. Prepares all financial reports, including requests for reimbursements.
7. Manages the petty cash fund.
8. Reconciles the bank accounts.
9. Reconciles the statement of credit card deposits and service charges.
10. Double-checks all reimbursement requests against receipts provided.

Executive Director:

1. Acts as second signature on checks.
2. Reviews all vouchers and invoices for those checks, which require his or her signature.

Office Assistant/Receptionist:

1. Receives and opens all incoming mail, *except* the bank statements.
2. Prepares cash receipts log and invoice log.
3. Mails all checks for payments.
4. Processes credit card payments for publications.

All Department Directors: (currently the Principal)

1. Develops first draft of department budgets and works with the Vice President and President to finalize.
2. Accountability to approved departmental budgets in purchasing decisions and in preparing check request vouchers with the proper account code.

Designated Board Members (Currently the Chair, Vice Chair, and Treasurer)

1. Check signing authority on all JCPAA accounts.
2. Authorizes expenditures in excess of \$10,000, except pre-approved capital expenditures (such as rent), which might exceed \$10,000.

CASH RECEIPTS

The following section describes the accounting and recording procedures for the collections of funds.

The automated accounting system *User's Reference Manual* should be referred to for detailed instructions in using the accounting program. However, this section will describe general procedures to be used by schools, which use automated accounting.

Recording Cash Receipts

A receipt should always be prepared immediately upon receipt of funds. The amount should be immediately verified and the receipt written to the person turning in the money to the bookkeeper.

The "red sign" regarding receipt writing should be posted in a prominent place near the bookkeeper's desk.

Schools should use printed receipts, which are generated by the computer system. Manual receipts should only be used in cases of emergency, when it is not possible to use computer-generated receipts.

Use of printed / computer-generated receipts

The amount of funds received should be verified and immediately entered into the accounting program so that a receipt may be printed and presented to the person from whom the funds were received.

Note (1): Because receipts must be immediately presented to persons from which funds were collected, it may be necessary for someone other than the bookkeeper to be familiar with the procedures for entering and printing receipts in the absence of the bookkeeper.

The decision as to which this person should be is left to the discretion of the principal. The backup person will be given a separate password by Auditing.

Note (2): Once the receipt is printed, it is automatically posted to the accounts (including the checking account) by the accounting program, and the receipt may not be changed or altered. However, if necessary, it may be voided and another receipt issued.

The voided receipt must be retained for audit and marked "Void".

Use of manual receipt books:

If manual receipts must be used in case of an emergency, the receipts shall be pre-numbered receipts that are issued for use by the Internal Audit Department.

Manual receipts must include the date the funds were received, amount to be collected,

from whom the money is received, an explanation as to the purpose of the collection, the fund to which the money belongs, and the signature of the person receiving the money. Manual receipts must be entered into the system and reference made to the manual receipt number.

The computer-generated number should also be noted on the manual receipt. Manual receipt books should be retained for audit purposes.

Recording "Subsequent Month" Receipts In the event that money is collected during the beginning of a month before the previous month has been closed; a receipt may be entered and printed for the new month. The receipt should be entered with the proper date of the new month and printed (if applicable). The receipt may not be posted, however, until the previous month is closed, at which time the accounting program will automatically post any receipts, which were being "held" by the computer until the previous month is closed.

Note (1): When subsequent month receipts are printed prior to the previous month being closed, account balances shown on the receipt will not include the subsequent month receipts.

Note (2): Care should be taken to enter the correct receipt date and deposit date when entering subsequent month receipts. Errors made when entering the receipt dates may adversely affect the account balances, causing unreconciled items on the bank reconciliation and/or cause the monthly reports and bank reconciliations to be incomparable from month to month.

Voiding Receipts

When an error is made in preparing a computer-generated receipt, the receipt may be voided on the system if it has been posted and/or printed. If the receipt has not been posted, it may be canceled and the number used again for a new receipt. Selecting Void Cash Receipts from the cash receipts menu of the program should void the receipt. The receipt will be posted as void to the proper accounts and will be deducted from total cash receipts on the computer. The original computer generated receipt should be obtained, marked as VOID, and maintained on file as documentation of the void for audit purposes. A receipt should not be voided unless the bookkeeper has obtained the original receipt. Duplicate receipts printed from the computer may not be used as documentation of a voided receipt.

Note (1) - Voided receipts will properly be shown as *Void* on both the cash receipts register and cash receipts journal. Additionally, the computer generated *Voided Receipts Report* lists all voided receipts for a particular period.

Note (2) - For **manually prepared receipts** which are subsequently entered and posted onto the accounting program, the voiding procedure is the same as with computer generated receipts. Additionally, the school should write the word "Void" on both the original and the copy and maintain both in the original receipt book.

Editing Cash Receipts

In the event that a receipt is entered on the automated accounting system incorrectly (i.e. an incorrect date, amount, account, etc.) it may be edited if it has not yet been posted. The receipt should be edited by using the *Edit Cash Receipts* function of the *Cash Receipts* menu. However, if the receipt has been either posted or printed, it may not be edited except to change the deposit date.

Duplicate Receipts

The automated accounting system is set up such that duplicate receipts are not required because the computer stores the information for all receipts, which have been entered and posted. Once a receipt has been entered and posted, it becomes a part of the permanent records of the school. The original receipt is printed and given to the person who turned in funds. Detail of receipts posted can be generated via the *cash receipts register* and *Cash Receipts Journal* reports which can be printed from the program.

For computer generated (printed) receipts, the accounting program provides for the printing of duplicate receipts in the event the person misplaces the original receipt to whom it was issued.

Each duplicate receipt printed after the original is indicated as "Duplicate 2,3,4, etc." at the top of the receipt.

Note: Computer generated duplicate receipts should not be used as supporting documentation of voided receipts. As noted in the void receipts section above, the original computer generated receipt must be obtained in order to void a receipt.

Recording Checking Account Interest

The following section describes the procedures to be used when recording interest on the checking account only. Interest on investments is accounted for separately and is explained later under Investments. All interest must be posted to the General Fund unless restrictions apply.

Interest on the checking account should be recorded for automated accounting by recording an adjustment to Checking Account and Interest Earned-Checking Account. The entry is recorded by selecting *Create Transfers and Adjustments* from the *Transfers and Adjustments* menu. The amount of interest is then recorded by increasing both the Checking and the Interest Earned-Checking accounts.

Note: All interest on the checking account should be initially recorded in account Interest Earned-Checking. If necessary, it may then be transferred to another account such as Miscellaneous General Funds by recording a transfer.

Deposit Reports

Before a deposit is made, a deposit report must be printed for the deposit date needed. This report can be accessed through Reports/Cash Receipts/Deposit Register. An overage or shortage should be noted and accounted for by an adjustment to Checking Account and the Over/Short account.

Cash Receipts from After School Events

Funds collected from after school events should be secured by the principal's designee. For example, concessions or performance receipts should be secured in a separate lock box (with the amount in the box recorded on the form and locked in the school vault or other secure location at the school by the principal's designee. Only the principal and his designee should have access to the lock box. His or her designee should not be the school bookkeeper because the funds would be considered unreceipted.

The following school day, the principal's designee should retrieve the after school receipts from the vault. The lock box should be opened by the principal's designee. The funds should be counted by the bookkeeper in the presence of the principal's designee and an official school receipt issued for the funds. The principal's designee should verify the accuracy of the receipt prior to leaving the bookkeeper's presence.

Safekeeping of Cash

A cash box with a lock should be used for the safekeeping of cash and checks that they are deposited.

The cash box should be maintained in a locked area, to which only the bookkeeper and principal have access. The cash box should be locked at all times.

The persons responsible for the security of the money (the bookkeeper and the principal) should be the only ones possessing a key to the cash box and/or locked storage area. School employees should never take school funds home.

Cashing of Checks

Neither school-issued checks nor personal checks should be cashed from school funds.

Deposits

Receipts must be deposited intact at least **weekly** and should not be kept at the school over a weekend. (The security facilities in the school and the accessibility to a bank should guide the frequency of deposits.) Deposits may be made more frequently if considered necessary, depending on the amount of cash collected and held at any point in time.

The bookkeeper should run the deposit report for any receipts recorded subsequent to the last deposit. When a deposit is made, the total receipts written since the last deposit should equal the amount of funds on hand to be deposited. If the amount of funds on hand does not equal the receipts written since the last deposit, make an adjustment to the "Over/Short" account for the difference.

The bookkeeper should not go to the bank at the exact time and on the same day each week. She needs to take different routes and secure the deposit in a non-conspicuous manner to reduce the risk of someone knowing her routine. Her safety needs to be kept in mind at all times.

Before the bookkeeper leaves the presence of the bank teller, the bookkeeper should verify the accuracy of her bank validated deposit slip to ensure it was processed accurately. The bank-validated copy of the deposit slip must be retained and attached to the appropriate deposit report produced from the accounting system used.

If someone other than the bookkeeper makes the deposit, the bookkeeper should have that person count and verify the amount to be deposited prior to leaving with the funds. The person making the deposit should initial the deposit report relating to those funds to indicate their responsibility for depositing the school funds.

Every check received by the school should immediately be endorsed "For deposit only," followed by the school's name.

Bank Accounts

A single interest-bearing (if available) bank account should be established in accordance with school board policy. Deposits must be made only in insured depositories, and deposits on hand (i. e. the balance in the checking account at any one point in time) must not exceed the insured amount (\$100,000 by FDIC) unless the bank pledges collateral for any funds on deposit, which exceed the insured amount. Interest income should be deposited to the school's general fund, unless restricted through donation.

The principal should open all statements from the bank as soon as they arrive. The principal indicating their review should initial the statements. The principal should review the statements to ensure at least weekly deposits have been made, the principal signed all checks, the average daily balance is reasonable, and no unusual transactions were processed.

The principal is the only authorized signer on school accounts and they should never relinquish their authorization or sign a blank check. Authorized signatures on bank accounts should be changed as personnel changes or other occurrences and vacancies dictate.

Bank Reconciliations

All checking account bank balances must be reconciled with book balances on a monthly basis. The completed reconciliation must be reviewed and signed by the principal. Any variances in the balances should be explained. Savings and investment accounts should be reconciled as statements are received.

Loss of School Funds

If it appears that funds have been lost or stolen, the Security Department Office should be notified, and (Property Loss Notice) should be completed and submitted to the Risk Management Department of the City Charter Authority.

Cash Receipt Process

The Office Assistant receives all incoming mail. All checks received by the Office Assistant should be recorded on a cash receipts log, which states the department to which the income is attributed, and stamped A for deposit only. The Office Assistant then makes two copies of the check with one copy forwarded to the Fiscal Manager and the other copy to the responsible department. A copy of the cash receipts log will be given to the Vice President on a daily basis.

Next, the Fiscal Manager prepares a deposit slip and deposits the funds into the savings account. The validated deposit slip should be attached to the Fiscal Managers cash receipts log and filed. All check copies should be filed according to month received.

A deposit not forwarded or mailed to the bank should be locked in the accounting departments lock box. No deposit should be locked in the file cabinet for more than 24 hours. If the funds are mailed to the bank, the Fiscal Manager should indicate the date mailed and received on the cash receipts log. The Fiscal Manager should make a copy of each check mailed and file them in a separate file folder.

No single account should contain more than \$100,000 - or the amount over which the FDIC will not insure.

Funds Received by Wire Transfer:

The President or Vice President will request a wire transfer of funds. This request will be prepared by the Fiscal Manager and should be signed by the President or Vice President.

Where appropriate - as in reimbursement of federal funds - the Fiscal Manager should forward a project financial statement to the President or Vice President who prepares a request for reimbursement or advance and files or mails the necessary documents, providing a copy to the Fiscal Manager.

Next, the Fiscal Manager will monitor the transfer of funds and maintain the appropriate records of this transaction.

As soon as the funds are credited to the JCPAA savings account, the bank should send a credit memo to the Fiscal Manager. The Fiscal Manager should reconcile these credit memos to the total cash received at the end of the month.

In the absence of the President, the Vice President or, in dire emergencies, the Treasurer of the Board of Directors should authorize wire transfers.

Inter-Fund Transfers:

The JCPAA operating checking account should not exceed \$10,000 at any time. All funds received should be deposited into the savings account. It will be necessary to transfer funds

from the savings account into the checking account. In order to transfer funds from the savings into the checking account, the following procedures should be followed:

The Fiscal Manager should monitor the balance in the checking account, and determine if there are adequate funds to pay the daily expenses. The Fiscal Manager should prepare a transfer memo for signature by the President or Vice President to transfer the necessary amounts from the savings account to the checking account, as long as the remaining balance does not exceed \$10,000. These transfers will occur concurrently with the associated disbursements.

Funds received from Credit Card Charges:

The *Executive Director, Principal* and the *Office Assistant* are responsible for processing the receipt of funds through the credit card authorizer directly into the savings account. Transactions should be processed on a weekly basis, with a list of the credits and date processed delivered to the fiscal manager in order to double-check against the bank statement. The Fiscal Manager will reconcile the statement of deposits and service charges.

Bank Reconciliation's Process

1. Bank statements are to be received unopened by the Office Assistant. The receiving party (Executive Director, President or Vice President) should review the contents for inconsistent check numbers, signatures, cash balances and payees and endorsements at a minimum. After this cursory review is conducted, the official should initial and date the bottom, right hand corner of the first page of each bank statement reviewed. The reviewed bank statement should then be forwarded to the Fiscal Manager (an individual without check signing rights) to reconcile the bank accounts using the approved reconciliation form.
2. The person charged with this responsibility should reconcile each account promptly upon receipt of the bank statements. All accounts will be reconciled no later than 7 days after receipt of the monthly bank statements. In the event it is not possible to reconcile the bank statements in this period of time, a written memo from the Fiscal Manager should notify the President or Vice President.
3. When reconciling the bank accounts, the following items should be included in the procedures:
 - a. A comparison of dates and amounts of daily deposits as shown on the bank statements with the cash receipts journal.
 - b. A comparison of inter-organization bank transfers to be certain that both sides of the transactions have been recorded on the books.
 - c. An investigation of items rejected by the bank, i.e., returned checks or deposits.
 - d. A comparison of wire transfers dates received with dates sent.
 - e. A comparison of canceled checks with the disbursement journal as to check number, payee and amount.
 - f. An accounting for the sequence of checks both from month to month and within a month.
 - g. An examination of canceled checks for authorized signatures, irregular endorsements, and alterations.
 - h. A review and proper mutilation of void check.
 - i. Investigate and write off checks, which have been outstanding for more than six months.
4. Completed bank reconciliations should be reviewed by the Vice President and initialed and dated by the reviewer.
5. The Fiscal Manager upon receipt of the completed bank reconciliations, prepares any general ledger adjustments.
6. Copies of the completed bank reconciliations will be forwarded to the Treasurer for his/her review.

Reconciliations of Other General Ledger Accounts:

1. Each month the Fiscal Manager and President or Vice President should review the ending balance shown on balance sheet accounts such as the cash accounts, accounts receivable, accounts payable and deferred revenue. The Fiscal Manager and President or Vice President should review the bank reconciliations, schedules of accounts receivable and deferred revenue and the aging of accounts payable to support the balances shown on the balance sheet.
2. Assets - These accounts will include cash, petty cash, prepaids, property, equipment and fixtures, security deposits, and intangible assets.
 - a. Cash - The balances in cash accounts should agree with the balances shown on the bank reconciliations for each month.
 - b. Petty Cash - The balance in this account should always equal the maximum amount of all petty cash funds. The current amount equals \$200.00.
 - c. Prepaids - The amounts in these accounts should equal advance payments paid to vendors at the end of the accounting period.
 - d. Property, Equipment & Fixtures - The amounts in this account should equal the totals generated from the audited depreciation schedules. When additional purchases are made during the year, the balances in the accounts may be updated accordingly.
 - e. Security Deposits - The balance in this account should equal amounts paid in escrow to landlords and lessors and should not change frequently, but should be updated as applicable.
3. Liabilities - These accounts are described as accounts payable, payroll tax liabilities, loans and mortgages payable, and amounts due to others.
 - a. Accounts Payable - The balance in this account should equal amounts owed to vendors at the end of the accounting period and the aging report.
 - b. Payroll Tax Liabilities - The amounts in these accounts should equal amounts withheld from employee paychecks as well as the employer's portion of the expense for the period, that has not been remitted to the government authorities.
 - c. Due to Others - If there are any amounts owed to others at the end of the period they should be recorded and the correct balance maintained in the general ledger accounts.
4. Income/Expenses - These accounts are described as income from membership, contributions, publications, and other expense line items such as salaries, consulting fees, etc.
 - a. Income - The amounts charged to the various cash accounts should be reconciled with funding requests, funders reports, draw down schedules, etc.
 - b. Gross Salary Accounts - The balances in the gross salary accounts should be added together and reconciled with the amounts reported on quarterly payroll returns.

- c. Consulting - The amounts charged should be reconciled to the contracts.

Cash Flow:

JCPAA is to maintain a minimum of ten percent (10%) of the operating budget between its operating and savings bank accounts at all times. In the event that balances fall below that amount the President and Treasurer should be notified immediately.

CASH DISBURSEMENTS

The following section describes the accounting and recording procedures as well as general policy and procedures for the disbursement of funds. All disbursements should be made by check on the basis of properly approved invoices showing the receipt of goods or services, or some other authorized detailed document. Disbursements should never be made by cash.

Recording Cash Disbursements

All disbursements are to be made by check with the principal being the only person authorized to sign the checks.

Schools have the option to use manually prepared checks or computer generated checks printed by the automated system. However, the school may not use both.

In either case, checks should be pre-printed with pre-numbered checks and stubs.

Note: Checks cannot be entered on the automated accounting system unless there is an invoice on file in the computer, which supports the disbursement. The information from the invoice is used to generate and print the check. Vendor invoices are explained in detail under the heading “Vendor Invoices” later in this section.

Use of Manual Checks

If the school chooses to use manual checks, there will be a checkbook of pre-numbered checks and stubs. Each check should be manually prepared and will contain the date, the person or company being paid, the amount, a brief explanation as to the purpose of the expenditure, and the fund from which the money is being taken. The stub should contain the same information as the check.

Once the check is prepared, the information on the check or stub is entered to the automated accounting system by indicating such with an “M” in the Priority Level on the “Create an Invoice” screen. The information from the check is entered directly to the system and when posted, will automatically update the checking account and other funds or accounts for the applicable disbursement amount.

Use of Computer Generated Checks

Computer generated checks are a series of pre-numbered checks which are designed to be printed from a computer printer. The automated accounting system is configured such that checks may be printed from the system, thus avoiding manual check preparation. If the school chooses to use computer-printed checks, it should make sure that the checks meet the specifications for printing on the system.

All of the information for a computer-generated check is stored in the automated accounting program based on the vendor invoices, which have been entered. Each vendor

invoice which is on file in the computer contains the amount, date, vendor, vendor address, invoice number, etc., related to a specific purchase or services rendered. The system will print the check when "P", or Print Now, is indicated in the Priority Level of the "Create an Invoice" screen. It will print the check date, payee, amount, account, etc. on the check and the check stub. Once the check is printed, it is automatically posted to the proper accounts by the system.

Note: Schools, which use computer-generated checks, may find the need to manually prepare a check in some instances (printer is down or being used, the check is needed immediately, etc.) This may be done by manually preparing the check and subsequently entering the check to the automated system as described for manual checks above.

Recording "Subsequent Month" Disbursements

In the event that a check must be written during the beginning of a month before the previous month has been closed, a check may be entered and printed for the new month.

The check should be entered with the proper date of the new month and printed. The check will not be posted, however, until the previous month is closed, at which time the accounting program will automatically post any checks, which were being "held" by the computer until the previous month is closed.

Note: The automated accounting system will not allow manually prepared checks to be entered for the subsequent month until the current month is closed. However, computer-generated checks can be entered and printed.

Posting Cash Disbursements

A disbursement/check is considered posted (permanently recorded) to the automated accounting system when either of the following two steps occurs:

1. Printing: Once a check is printed and you answer yes that the check printed properly, it is posted to the proper accounts by the automated accounting system and cannot be edited or canceled (deleted).
2. Manual check is entered and saved: A check which has been prepared manually and is subsequently entered on the automated accounting system is posted once it has been saved on the computer. As soon as it is saved and a new screen appears for entering a new check, the manual check is automatically posted to the proper accounts and it cannot be edited or canceled.

Note: Checks, which are entered for the subsequent month prior to closing the current month, are not posted until the current month is closed. For instance, a check dated July 1, which is entered before June has been closed, will not be posted and reflected in the account balances until June has been properly closed out. Once June is closed, the check is automatically posted and is deducted from the account balances.

NSF (Non-sufficient Funds) Checks

When a check, which has been deposited by the school, is returned as non-sufficient, the bank deducts (debits) the amount of the check from the school's checking account.

Additionally, some banks charge a fee for returned checks, and this amount is also deducted from the school's account. These transactions must be recorded on the school's accounting records.

NSF checks which are subtracted from the school's checking account by the bank and for which an

NSF Fee is charged by the bank should be recorded as an adjustment. The amount of the returned check should be recorded as a negative receipt (negative increase) to both the checking cash account and the account to which the check was originally deposited. The

NSF fee charged by the bank should be recorded as a disbursement (decrease) to the checking cash account and the account to which the check was originally deposited.

EXAMPLE: On October 31, 1993 the bank debited the school's checking account for \$15.00, the amount of the NSF check, plus an additional \$2.00 for NSF fee. The \$15.00 check had been previously deposited by the school among its weekly deposits.

The NSF check and the related bank charge should be recorded by making an *adjustment*, using the *Transfers and Adjustments* Menu, as follows:

Example:

Acc Number	Acc Name	Description	Increase	Decrease
00001	Checking	Jane Smith, NSF Check	(\$15.00)	\$2.00
00002	Fund Raising	Jane Smith, NSF Check	(\$15.00)	\$2.00

Voiding of Outstanding Checks

If a check is outstanding for a period of time such that it is determined that the check would not be cashed, the check should be voided. All checks outstanding for a period of six months should be restored to cash by voiding.

Voiding Checks

In the event that a check is voided, the check and check stub should have the word VOID written across them in bold letters. The voided check is to have the signature line detached and is to be filed in chronological order with the canceled checks.

If a check has been printed or entered (in the case of manual checks) on the automated accounting system and is later voided, the check must be voided on the computer by selecting the *Void Checks* function from the *Disbursements* menu of the program. The check will be voided by the computer and will be automatically posted as void to the proper accounts. The check is recorded by the system as a deduction from total disbursements (negative disbursement) of the appropriate accounts.

Note: Voided checks will be listed as VOID on the computer-generated cash disbursements reports, i.e., *Cash Disbursement Register* and *Cash Disbursement Journal*, as well as on the *Voided Checks* report.

Vendor Invoices

On the automated accounting system, vendor invoice refers to the information on file in the computer which is used as support for cash disbursements and which is used to prepare a check. The information is obtained directly from actual invoices received from the vendor and/or receipts, vouchers, etc. which support an expenditure. Selecting the Create Vendor Invoices menu, which is located within the Disbursements menu of the accounting program, enters the information. Once the vendor invoice has been entered, a check for the invoice can be prepared by indicating "P" for Print Now in the "Create an Invoice" screen or:

1. Selecting the invoice for payment (*Select Invoices for Payment - Disbursements* menu) and
2. Selecting *Print Checks* or *Manual Checks* from the *Disbursements* menu (the *Print Checks* option will automatically print a check based on the invoice selected for payment; for manual checks, all of the information on the manually prepared check, including the invoice number is manually entered on the computer by the user.)

Note 1: If a particular vendor has multiple invoices, up to eight invoices for that vendor will be grouped together and paid by a single check. Thus, if a particular vendor has ten invoices, eight invoices will be grouped together on one check and two on another.

Note 2: An invoice can be entered for any date and can be allocated to any number of the fund accounts on the system. Outstanding invoices will encumber an account and be deducted from the fund account's *Funds Available* balance.

Editing Vendor Invoices

The information entered for an invoice can be edited until such time as the invoice is paid. Once an invoice is paid it cannot be edited. The check used for payment of the invoice may

be voided, however. Once the check is voided, a new invoice can be entered, and the invoice can be returned to an unselected status.

If an invoice has been selected for payment but a check has not yet been printed, the invoice may be edited by re-selecting the invoice for payment under the *Select Invoices for Payment* menu and changing the authorization for payment to No. This, in effect, unselects the invoice for payment, and the invoice may be edited by selecting the *Edit Vendor Invoices* function from the *Disbursements* menu of the automated accounting program.

Credit Memos

A credit memo is an invoice with a negative amount. For example, if a vendor gives the school credit for merchandise returned, then the credit may be entered on the automated system as a credit memo by entering a vendor invoice as described above and by entering a negative amount for the invoice. When the invoice is paid it will be accumulated with other positive invoices for that vendor, and a check for the net amount of the invoices will be printed.

Note: Credit memos should not be prepared for ONE-TIME vendors. Because the system will print separate checks for each one-time vendor, a credit memo will be printed on a single check by itself. Consequently, the check will automatically print as VOID because of the negative amount on the credit memo invoice. Therefore, vendors, which have credit memos, should be set up with a Vendor File rather than as a ONE-TIME vendor. This will allow the credit memo to automatically adjust the other invoices for that vendor when payment is made.

Vendor Files

An invoice cannot be entered unless there is a vendor on file from which the invoice can be created. The vendor file is a list of vendors maintained in the computer by the accounting program. The vendor file stores the information on each vendor such as address, telephone number, vendor number (assigned by the user), discount percentage, etc. The vendor files may be set up before receiving an invoice, or the bookkeeper may set up the vendor at the time an invoice is entered.

When an invoice is entered, the program will ask for a vendor number. If the vendor has already been set up on the vendor file, the number may be entered and the information for that vendor will be printed on the invoice by the computer. The rest of the information for the invoice (price, terms, quantities, etc.) is then entered by the bookkeeper. If the vendor has not already been set up, the bookkeeper will be able to create the vendor at that time.

A ONE-TIME vendor may be set up for those vendors that will not be used more than one time during the year. Each invoice for ONE-TIME vendors is paid with a separate check.

Note: The program will not allow the same invoice to be entered twice to the same vendor, thus avoiding duplicate payment of the same invoice.

Bank Reconciliation's

Schools will have a bank reconciliation prepared for them by the program. This should be printed out monthly and combined with the financial institution(s) monthly statement. The reconciliation should be signed by the principal and retained for the school's financial audit. Any amounts appearing as *Unreconciled* at the bottom of the *Ending Balance* column of the reconciliation should be explained with substantive supporting documentation attached.

For example, items which will turn up as unreconciled, include:

- *Deposits*; if the school's accounting records show that the deposit date for receipts is not the same as the actual month of deposit according to the bank records, then those receipts will show as unreconciled. Receipt deposit dates can be edited after being posted if it is seen that the date indicated per the system is not going to be the actual date of deposit. Those posted deposits that show a deposit date that is in the same month as the bank records will be shown as *Deposits in Transit*, and are not unreconciled items.

When the school's accounting system records show that the total dollar amount of receipts deposited for the month is different from the bank records, then this will also show as unreconciled.

- *Adjustments*; if adjustments have not been entered correctly, i.e., interest earned, bank service charges, entries to correct for mistakes in cleared checks, etc., then the difference will be shown as unreconciled.
- *Checks*; if the check amount on the school's accounting records does not match the amount posted on the bank records, or if the date cleared on the school's accounting records is not within the same month as the date cleared on the bank's records, then it will be shown as unreconciled.

The total amount of all outstanding checks that have not been entered onto the automated system will also show as unreconciled. If a check has been cleared on the system incorrectly, this will also be shown.

Any necessary adjustments should be made prior to closing each month.

Disbursement Process

1. Incoming invoices will be logged in by the Office Assistant who is responsible for ordering the product or service and delivered to the responsible staff person for his/her approval and to prepare a check request voucher prior to disbursement dates.
2. The staff person responsible for ordering the product or service will check the validity

of the invoice against proposals/bids, etc. and work accomplished/delivered and prepare a check request voucher prior to disbursement dates.

3. Twice monthly on the 1st and 16th days (or the next business day if the date falls on a weekend or holiday), cash disbursements should be prepared by the Fiscal Manager for signature by authorized JCPAA officials for expenses, debts and liabilities of JCPAA.
4. The Fiscal Manager is responsible for the preparation of disbursements. All disbursements are to be made by check unless the item is considered a petty cash item.
5. A check request voucher should then be completed by the purchasing staff person and attached to the original vendor invoice, and/or any other supporting documentation. The voucher should include the account codes to which the expense will be applied. Approval for an expense by the Vice President must be indicated on the check request voucher.
6. After inputting all the check requests, the Fiscal Manager will prepare a master list of all checks to be paid for approval by the President or Vice President. If there are any questions or concerns about the amounts, the Fiscal Manager should provide necessary information prior to running any disbursements. If there are any items removed from the batch, the totals on the payment summary form should be corrected, initialed and dated by the President or Vice President.
7. The Fiscal Manager should then run an aging accounts payable, which is generated by the accounting software. A total of the disbursements to be paid will be recorded on the form and sent to the Vice President for approval, along with the current balance in any and all cash accounts.
8. Once the amount to be disbursed has been received, the Fiscal Manager should print the checks from the computer system. The checks should be attached to the invoice, and other supporting documentation, being paid and submitted for signatures. A check register should be run and filed together with the disbursement transmittal form.

9. While the President, Vice President, and/or Director signs each check, he/she should double check the check request voucher. This approval is to ensure the account and grant/project is charged to the correct expense and line item. Any checks made to pay invoices in excess of \$10,000 must be signed by the President and authorized for payment in writing by one of the Board of Directors authorized for signature.
10. After the checks have been signed, the second signatory will double check the work, cancel the invoice by stamping PAID@ on it in red ink, and pass the checks on to the Office Assistant for mailing. In the event that the Office Assistant is out, the administrative assistant will assume these duties.
11. All checks will be mailed as soon as this process is completed.
12. Supporting documentation should be filed by the Fiscal Manager in appropriate vendor files.
13. The Fiscal Manager will utilize the paid invoice files to respond to any discrepancies, which arise with vendors or other payees.
14. Once monthly, the fiscal manager will check the invoice log to determine if there are any outstanding invoices, which have not yet been paid. If so, the fiscal manager will investigate the nonpayment of these invoices with the responsible staff member.

PROPER USE OF SCHOOLS FUNDS

Funds received from any school activity in which the students participate become a part of school funds. Expenditures of school funds, with the exception of club or association dues, must be used for the benefit of the majority of the students, i.e., money derived from the student body, as a whole should be used to benefit the student body as a whole. These benefits should be of a nature that will aid or enlarge the educational program of the school. Any monies deposited with school funds that are to be used for any other purpose must be so designated on the receipt. Any monies not designated for a specific purpose when received shall be considered a part of school funds and shall only be used according to the above guidelines.

Student body activity funds should be used to supplement and not replace funds for activities and services provided by the board.

- Monies derived from the student body, as a whole should be used to benefit the student body as a whole.
- Monies or property derived directly or indirectly through the use of school facilities or funds received by a public official (including individual school employees) become public property or funds. Monies thus derived should be handled and safeguarded as if the funds were tax proceeds.
- Projects for the raising of student activity funds should in general contribute to the educational experience of pupils and should not conflict with, but add to, the instructional program.

- School facilities and equipment should not be used during the school day by special or select groups for fund-raising purposes that are to benefit only a select or special group to the detriment of some other equally deserving group or program.
- Student activity funds, in so far as possible, should be expended in such a manner as to benefit those pupils currently in school who have contributed to the accumulation of such funds.
- Student body representation is an important factor in the democratic management of funds raised by the student body and expended for its benefit and should be required when possible.
- The management of student activity funds should be in accordance with sound business practices, including sound budgeting, purchasing, and accounting practices.
- Student body business should be in an open and business-like manner as to offer minimum competition to commercial concerns, while still benefiting the student body as a whole.
- Principals should participate in the preparation, modification, and interpretation of policies, regulations, and procedures affecting student activity funds.

The principal may permit faculty funds to be deposited in the school checking account. These funds may come from donations made by the faculty or from concessions sold in the faculty lounge. Funds generated from the student body or otherwise restricted may not be used to purchase flowers, gifts, telegrams, etc. for the school faculty. The faculty account may be maintained as a courtesy to the teachers but is not a requirement and may be discontinued at the option of the principal. This account must at all times operate with a positive balance.

School funds shall not be used to furnish food, clothing, or gifts to students or student families. Parties, awards, and gifts for school employees should not be furnished from school funds. Any funds for these type expenditures must come from the faculty funds or from donations received specifically for these type purchases. If the school receives a donation from a donor who authorizes the funds to be used for the faculty, the administration should request a letter from the donor stipulating this request. This letter should be kept on file for audit purposes.

Schools are not permitted to accept donations or contributions from casinos or gambling-related businesses unless the following conditions are met:

1. The principal (donee) submits a letter to the business (donor) seeking a partnership with the school.
2. The donor responds in writing to the donee's request.
3. The donee informs the executive director, through written or verbal communication, regarding the proposed partnership. The communication of #1 and #2 should be included with the correspondence to the executive director.
4. The executive director informs the JCPAA Board of the proposed partnership.
5. No educational aid, clothing, recreational or amusement item or other article donated or otherwise provided by a casino gaming operator, licensee or permittee to any public, private, or parochial elementary or secondary school shall contain the

logo, symbol or language related to gaming or gambling or which bears the actual or commonly known name of the casino gaming operator, licensee or permittee.

School Activity Funds

Approval for Expenditures

Expenditures include all charges, paid or unpaid, made from school funds for goods or services. All expenditures should be properly authorized, with a minimum of the following two authorizing signatures:

A. The Principal of the school. This signature is on the check.

B. The other signature must be on the invoice or receipt and be one of the following:

- Executive Director.
- An officer, sponsor, or designee of the entity for clubs, associations, athletic teams, etc.
- A school administrator, faculty member, or other employee approved by the donor for restricted donations; or
- A school administrator, faculty member, or other employee for any unrestricted funds.

Each invoice, receipt, voucher, etc. supporting a requested disbursement should have two approval signatures prior to the issuance of a check in payment of the expenditure.

The principal should only approve expenditures if there are sufficient funds available. School sponsors and teachers must obtain prior approval from the principal before purchases are made. A purchase order is required for all expenditures before the expenditures are encumbered.

Teachers/sponsors are responsible for all expenditures without a purchase order.

Teachers/sponsors must know what is owed from their account at all times. Additional expenditures should not be requested when funds are not sufficient to cover outstanding debts. The sponsors are responsible for notifying the bookkeeper of any indebtedness prior to their leaving for an extended period of time (summer months). **Teachers/Sponsors could be held responsible for any debts, which have not been paid if sufficient funds are not available in their account.**

Expenditures that require prior authorization, bidding, and specific approval from the board or other procedural regulations should be anticipated to allow time for proper processing. The expenditure should not be made until all procedural requirements have been met.

Supporting Documentation

All checks must be supported by properly approved **original** invoices showing the receipt of goods or services, or some other authorized detailed document. This includes phone bills and copy bills. When it is necessary to write a check and an **original** invoice is not available, a *school voucher* may be used to support the disbursement. The voucher should contain the

date, amount of the check, the payee, the reason for payment, and must have the signed approval of the principal and appropriate faculty sponsor. A voucher may be used to support any expenditure for which an invoice is not rendered, such as refunds to students, advance for change, etc.

Invoices and other supporting documentation, when paid, should be marked or stamped paid and attached to the canceled check for filing when it is returned from the bank.

Invoices should be reviewed and signed by the person responsible for the account from which the invoices are to be paid.

Payment of Bills

All payments should be made as promptly as possible to maintain the activities on a cash basis and to realize all discounts available for prompt payment. In general, all bills should be paid within thirty days of the date of the invoice unless the supporting invoice or bill indicates otherwise or unless there is a written agreement stating other payment terms. At the end of each quarter, the bookkeeper should list any unpaid bills on the unpaid bills report that is sent to Auditing with the principal's monthly report.

If the school uses any credit cards to make purchases, these cards should be secured by the bookkeeper, and a sign-out sheet should be used to log the use of the cards. Only those authorized by the principal should be allowed to use the cards. All charges must be paid upon receipt of the monthly statement. Each charge should be supported by an original receipt which was signed by the person who made the purchase for the school.

Someone other than the bookkeeper should open the mail. The person responsible for opening the mail should notify the principal of all bills that are marked indicating payment is late.

The principal should investigate to determine why the bill has not been paid timely.

Travel Reimbursement Expense Reports

A school Expense Report (See Exhibit C) should be completed and attached to all travel reimbursement checks. This form should contain an explanation of all expenses to be reimbursed by the school. Receipts for all expenditures should accompany the report. The principal and the person being reimbursed must sign the report. The report should be completed within a reasonable time period following the last date of travel. See the section on Employee Reimbursement for further details.

Principal's Travel Expenses/Dues from School Activity Funds

Principals who attend regional and national meetings must attend at their own expense, meaning that expenses will be borne by the individual. Individual professional dues shall not be paid with school funds.

Advances

All advances are to be made by check, and only then on the basis of a voucher properly approved by the principal. If advances are made, they should be accounted for immediately upon completion of the activity, and receipts should be submitted to cover all expenditures.

Any cash remaining at the end of the activity should be returned to the bookkeeper. Receipts should also support any expenditure in excess of the amount of the advance before they can be reimbursed. Amounts allowed for travel expense should be in accord with the guidelines established by the JCPAA Board. See the section on Employee Reimbursement for more details.

When an employee requests an advance the bookkeeper should review her files to ensure all previous advances to this employee have been properly documented before the principal approves a new advance.

Borrowing or Lending of School Funds

JCPAA staff, directors, volunteers and partners are not permitted to borrow or lend money for any reason or purpose. Funds may not be borrowed or transferred from a restricted account to another fund or restricted account without the permission of the club or activity group that raised the funds and the school principal. The approvals relating to such transfers must be retained for the school's financial audit.

Student body activity and other internal school funds must not be used for any purpose, which represents an accommodation, loan, or credit to anyone, i.e.:

- Advances of salary must not be made.
- Public property (tools, computers, equipment, etc.) must not be taken from the school premises for personal benefit.
- School employees or other individuals must not make purchases for personal benefit through a school in order to take advantage of the school purchasing privileges.

Checks

Checks should always be made payable to a company or an individual. Checks should not be made payable to *cash*. Checks should not be made payable to the principal when they can be made payable to a company or another individual receiving the funds.

Blank checks should not be signed by the principal to be completed by another person at a later time.

Checks should only be signed after all information has been completed on the check and the principal has verified the accuracy of the information. Facsimile stamped signatures should never be used on checks.

Any unused checks should be safeguarded and kept under lock with only the bookkeeper and principal having access.

Petty Cash Funds

If the school deems it necessary to occasionally make small or emergency payments by cash, using the imprest system should set up a petty cash fund. The size of the fund will depend upon the volume and frequency of transactions.

The petty cash fund requires that a check for the amount of the fund should be written to whomever is designated as custodian of the fund. The checks to set up or replenish the petty cash fund should never be made out to Cash. The check is then cashed and the money placed in a locked cash box with the custodian of the fund being the only person allowed access to the box. Any time expenditure is made, an invoice for that amount should be placed in the cash box. At all times, the amount of receipts plus cash should equal the total of the petty cash fund. When it becomes necessary to replenish the fund, a check will be written to the petty cash custodian for the amount of the receipts in the cash box. The receipts will serve as support for the check.

Balances in the petty cash account (if applicable) should be reconciled on a monthly basis. All cash on hand at the end of the school year should be deposited into the checking account and receipted to the custodian of the funds.

Petty Cash Fund Process

1. The petty cash fund should never exceed \$200.00.
2. The Executive Director or Fiscal Manager is the custodian of the petty cash fund.
3. A single disbursement from petty cash shall never exceed \$50.00.
4. The petty cash fund shall be operated on an imprest basis. This means that when it is time to replenish the petty cash fund, the Fiscal Manager shall total out the expenses made and identify those expenses by general ledger account number. When the check request is submitted for payment it should indicate the total amount needed to bring the fund back up to \$200.00. Also, the check request should breakdown the various expense accounts being charged and the amount charged to each.
5. When a request for petty cash reimbursement is made to the Fiscal Manager, the item will be listed on the Petty Cash Fund Reconciliation Sheet. A description of the item charged should be recorded together with the amount. A vendor receipt must be received by the Fiscal Manager for the amount of the request in order for the request to be approved.
6. The recipient of the petty cash funds must sign the sheet to indicate receipt of the funds. The paid receipt should be attached to the sheet. All paid information should remain in the locked petty cash box until it is time to replenish the fund. At that time, the Petty Cash Fund Reconciliation Sheet and associated receipts are attached to the check request voucher.
7. The petty cash box is to be locked at all times when the Executive Director or Fiscal Manager is not disbursing or replenishing the fund. The locked petty cash box is to be kept in the locked file cabinets within the executive or finance office.

8. At least once annually, the President or Vice President should conduct a Asurprise@ review of the fund. When this is done, he/she should count, while the Fiscal Manager is in attendance, the total monies on hand and the total amount of receipts in the petty cash box. The two amounts should equal exactly \$200.00. Any discrepancies should be discussed and resolved immediately.
9. It is a policy of JCPAA's not to cash checks of any kind through the petty cash fund.
10. The JCPAA's postage meter is not to be used for personal mailings under any circumstances. Staff may use the UPS service provided they indicate that the mailing is personal and reimburse JCPAA at the time the appropriate invoice is paid.

Refunds

Refunds (to parents of students for fees that are deemed refundable) should be made by check and supported by proper documentation. If refunds are small amounts and to several students, the administration may issue a check to a faculty member who would be responsible for refunding cash to the students and obtaining sufficient documentation for the amount given. This documentation should be attached to the cancelled check and a list of the names of those who received the refunds with their signatures acknowledging receipt of the refunds.

Student Activity or Club Fund Expenditures

All school related activities should have their financial transactions recorded currently in the school records. The receipts and disbursements of some of these activities are considered restricted, i.e., funds raised by the club or organization for a specific purpose such as cheerleading camp, band trips, etc. As such, the expenditures of these funds are restricted to the wishes of the governing group, if approved by the sponsor and the school principal. The expenditure of the restricted funds should be allowed only to the extent funds of the group are available. Deficits should not be allowed for these or any funds.

Supplemental pay/ Substitute pay /Payment of employees

Schools should not directly employ personnel or supplement salaries of personnel. Should a school need to employ or supplement salaries of personnel this must be done with the approval of the

Finance Department at the Central Office. The payment should then be made by the Payroll Department at the central office with the individual school reimbursing the School Board as appropriate.

Payment of substitutes - Substitute teachers should never be paid directly by the school with school funds. All payments should be processed through the Payroll Department.

Supplemental pay - Supplemental pay should never be paid directly by the school with school funds. Extra pay to employees is accomplished by submitting a PR-2 Form - Report of Extra Work. Once approved, the Finance Department will pay the employee with the school reimbursing the payroll fund.

AUTOMATED ACCOUNTING SETUP & PROCEDURES

School Activity Funds

System Description

The automated accounting system is a computerized accounting system. It is a fully automated fund accounting system. It does not require knowledge of accounting to be used effectively, and it does not use accounting terms like "debit" or "credit." Instead, it uses terms that are familiar to the school bookkeepers.

The system is organized into modules that automatically and logically separate the transactions performed by the bookkeepers. All modules in the system update the cash/checking and fund balances when the user posts transactions. Month end closing takes a minimal amount of time and balances are automatically carried forward for the next month. Checks and receipts can also be recorded easily and quickly. Once the checks and receipts are entered to the system, the system will post them to the proper accounts as well as print the receipt or check if the school chooses this option.

Cash Receipts: Cash receipts should be entered directly to the system, and a computer-generated receipt will be printed. The receipt can be allocated to one or more accounts.

Once a receipt is entered to the system, the system provides for automatic distribution to the proper accounts, upon posting to the system.

Disbursements: Cash disbursements must be made by check. Checks can be prepared manually and then subsequently entered on the automated accounting system, or the information for the check can be entered directly into the system, and a computer generated check will be printed. A check can be allocated to one or more of the school's accounts.

Once a check is entered to the system, the system provides for automatic distribution to the proper accounts.

Invoices: All checks entered on the system must be supported or "backed up" by a vendor invoice. In other words, the system will not allow the check to be entered and/or printed unless there is an invoice on file in the computer for the check being written. These invoices are entered to the system by the bookkeeper based on vendor invoices received by the school. An invoice can be entered for any date and can be allocated to any number of the accounts on the system.

Vendor File: All invoices entered on the system require a vendor number. This vendor number is printed on the check stub by the computer (if the school uses computer-generated checks).

In order for an invoice to be entered for a particular vendor, the bookkeeper must have that vendor on file on the system. The system provides a unique function where vendors may be set up on the computer by name, an account number, address, etc. These vendors are kept on file and can be accessed when entering invoices.

Bank Reconciliation: The bank reconciliation feature of the automated accounting system provides for automatic reconciliation of the school's cash accounts. The necessary bank balance information such as bank statement balances, deposits and credits, and checks and other debits are entered by the bookkeeper, and the system automatically reconciles the account and prints a reconciliation, which shows any unreconciled items that need to be investigated. The feature also allows the user to enter cleared checks and print an outstanding checks list for any date during the year.

Transfers and Adjustments: The system will allow transfers and adjustments to be entered for any date, but only those dated for the current period can be posted. Transfers and/or adjustments can be allocated to one or more accounts. Once posted, the computer will print a voucher for the transaction (upon the user's instruction), which should be signed by the principal, and other appropriate school personnel. Each adjustment will print a single voucher, but each transfer will print the same number of vouchers, as there are accounts involved in the transfer.

Purchase Orders: The system provides for the preparing and printing of purchase orders to be used at the option of the users. Purchase orders are not required, but if desired can be entered for any date, and the accounts will be encumbered at the time the purchase orders are entered. The purchase order function provides a way to keep track of items ordered and received and their future payment's effect on the accounts. Additionally, purchase orders can be edited for changes in items, quantities, prices, account allocations, and voids. As a result, when the items are received, the purchase order can be indicated as such, at which time the system will allow an invoice to be created directly from the purchase order.

Reports: The system generates over 40 reports, which are available to the user. Some reports also may be either displayed or printed or both, and most of the reports can be viewed or printed in a format specified by the user (i. e. by date, by receipt number, by time period, etc.). All of these reports are accumulated throughout the month as data is entered to the system; therefore, the user is not required to compile anything. The reports are merely selected from the system menus.

Among the reports the system generates are a Principal's Monthly Financial Report and an annual (Year-to-Date) financial report which can be printed for use by the bookkeeper and principal. These reports are submitted to the School Board Auditing Department.

Chart of Accounts: The Chart of Accounts is the heart of the accounting system. Through these accounts the school's transactions are classified and summarized. The account number structure will be established by the Board to ensure standardization. The accounts are organized by "Funds" which are further divided into smaller *fund accounts*.

Chart of Accounts Process

The *Chart of Accounts* is the heart of the accounting system. Within these accounts, transactions of the entity are classified and summarized. The accounts should be developed in such a detail as to allow the interested user of the accounting information to readily retrieve information previously committed to the system. For automated systems, it never hurts to have too much detail because the system allows you to compress the information if the detail is not needed, and the computer is doing the math.

The structure of the chart is such that it forces standardization of the accounts among all schools. However, the structure is flexible enough to allow the school administrative staff access to create specific accounts that can be used to meet the school's varying individual needs.

Each account number is a unique alphanumeric identifier designed to track specific activities involving school funds. The accounts are summarized by *Funds* which are further divided into primary accounts, which we call *Fund Accounts*. Each fund account number is composed of a letter of the alphabet representing the fund, followed by a four digit number representing the individual fund account. All fund accounts with the same letter are sub-totaled into a corresponding fund.

Fund: There are seven *Funds*. The fund name and letter of the alphabet by which they are identified are as follows:

- A **General Fund**
- B **Instructional Fund**
- C **Major Activities Fund**
- D **Club Fund**
- E **Athletic Fund**
- F **Faculty Fund**
- G **Investment Fund**

Cash Accounts: Three primary accounts have been established as *Cash Accounts*. These cannot be changed and must be used by the schools. The cash accounts are indicated by a dollar sign (\$) and are as follows:

- \$ **Checking**
- \$ **Savings**
- \$ **Investments**

Fund Accounts: Each of the *fund accounts* are designated by the letter of the *fund* under which they are classified and a four-digit account number. Some of the accounts have been established already based on those accounts that are common among most schools. Additionally, the account number structure for the accounts have been established such that each *Fund* has a defined account number range within which fund accounts may be set up. However, each school has the flexibility to set up fund accounts that are unique to their activities or preferences so long as they are within the fund number range.

A 30 character description can be entered as a name for each of the fund accounts the school sets up, and the system provides a potential for 9,999 fund accounts to be set up under each fund.

Account Definitions: **CASH ACCOUNTS**

CHECKING

The *Checking* account is the cash account where most of the school's cash transactions are recorded. All entries to the checking account will occur as the result of deposits, checks written, interest earned (on the checking account), bank charges, or withdrawals from investments. This account balance is also the account to be used for bank reconciliations. The checking account is designated with a fund code of \$ and is referred to as a "Cash Account."

SAVINGS

The *Savings* account is where all funds that have been deposited into a separate savings account are recorded. All entries to this account occur as the result of transfers from checking to savings or vice versa, or deposits directly to the savings account. Entries may also be made to record interest earned on the savings account. The Savings account is also designated with a fund code of \$ and is referred to as a "Cash Account."

INVESTMENTS

The *Investments* account is where all cash, which is invested in certificates of deposit, US Treasury obligations, or other investments, is recorded. Entries to this account consist of increasing or decreasing adjustments made when a check is written from the checking account in payment for the investment (increase) or a deposit made to the checking account when the investment is sold, redeemed, etc. (decrease). The investments account is also designated with a fund code of \$ and is referred to as a "Cash Account."

Account Definitions: For **FUNDS**

A GENERAL FUND

General funds are for the general operation of the school and should be used for the benefit of the majority of the students. These benefits should be of a nature that will aid or enlarge the educational program of the school.

The General Fund as used for the automated accounting system was set up such that the fund accounts within the fund are those accounts which accumulate receipts and

disbursements related to the general operations and administrative functions of the school. The funds in these accounts are used for the benefit of the majority of the school.

Eleven fund accounts within the general fund have been established to be used for those purposes, which were determined to be common among most schools. The fund accounts are identified by the letter, "A" which stands for "General Fund" and a four-digit number, along with an account name.

Example

They are as follows:

- A 0010 INT EARNED CHECKING
- A 1010 ADOPT A SCHOOL
- A 1020 AIR CONDITIONER
- A 1030 DONATIONS
- A 1040 DR EDUCATION
- A 1050 FIELD TRIPS
- A 1060 FUND RAISING
- A 1070 LOCKERS
- A 1080 LOST/DAMAGED TEXTBOOKS
- A 1100 SCHOOL STORE
- A 1140 MISCELLANEOUS GENERAL FUNDS

Each school may add fund accounts to the General Fund which meet the definition of general funds and which may be unique to the individual school's needs. The school is allowed numbers 1000 through 1999 for additional accounts, but each general fund account must be identified with the letter "A" and a four digit number.

B INSTRUCTIONAL FUND

Instructional Funds are those funds, which are related to the "instructional" and/or educational purposes of the school. These funds are primarily derived from "fees" and/or "fines" collected from students. For example, computer lab fees, chemistry lab fees, art fees, library fines, etc. which are used to purchase supplies, educational materials, workbooks, etc. would be recorded in the Instructional Fund accounts.

Seventeen *fund accounts* within the Instructional Fund have been established to be used for those instructional and/or educational purposes, which were determined to be common among most schools. The accounts are identified by the letter "B" which stands for "Instructional Fund" and a four-digit account number between 2,000 and 3,999.

Example

Those accounts are as follows:

- B 2000 ARTS ACCOUNT
- B 2050 BAND ACCOUNT
- B 2100 CHOIR
- B 2200 COMPUTERS

- B 2300 ENGLISH ACCOUNT
- B 2350 SPANISH
- B 2400 GEOGRAPHY
- B 2500 HISTORY
- B 2550 HOME LIVING
- B 2700 LIBRARY ACCOUNT
- B 2750 MATH DEPARTMENT
- B 3000 READING
- B 3050 WRITING
- B 3025 SCIENCE

The fund accounts should be used in the structure that was set up to the extent it is applicable and feasible for the school; however, each school may add accounts to the Instructional Fund which meet the definition of Instructional Funds and which may be unique to the individual school's needs. For example, the "English Account" may be renamed as the "English Account - Mr. Smith." Furthermore, several English fund accounts could be set up, one for each English teacher, if the school so desires.

Each fund account must be identified with the letter "B" and a four-digit account number between the numbers 2000 and 3999.

C MAJOR ACTIVITIES FUND

Major Activities Funds are those funds, which are derived from and/or used for the major activities of the school. Generally, these accounts represent organized school activities, which are ongoing organizations from year to year. These accounts are distinguished from "Club" accounts which are accounted for separately, and which are described later in this section.

Thirteen *fund accounts* within the Major Activities Fund have been established to be used for those major school activities, which were determined to be common among most schools. The accounts are identified by the letter "C" which stands for "Major Activities Fund" and a four-digit number.

Example

They are as follows:

- C 4000 BOOK FAIR
- C 4020 CHEERLEADERS
- C 4050 DANIELINE
- C 4070 DEBATE
- C 4090 ARTS PROGRAMS
- C 4120 NATIONAL HONOR SOCIETY
- C 4130 NEWSPAPER
- C 4140 P.E.
- C 4150 PEP SQUAD
- C 4160 PTA
- C 4170 ROTC

- C 4180 SGA
- C 4190 YEARBOOK 20XX

The accounts should be used in the structure that was set up to the extent it is applicable and feasible for the school; however, each school may add accounts to the Major Activities Fund which meet the definition of major activities and which may be unique to the individual school's needs. For example, the "Yearbook Account" may be renamed as the "Yearbook Account -2001." Furthermore, several yearbook accounts could be set up to represent more than one school year's Yearbook, etc., if the school so desires. Each Major Activities Fund Account must be identified with the letter "C" and a four-digit account number between the numbers 4000 and 4999.

D CLUB FUND

Club Funds are those funds which are derived from and/or used for activities, organizations, etc. which are not classified in any of the other funds. Generally, club funds are those activities, projects, or clubs which may or may not be continued from year to year and which may be unique to each particular school. Some examples of *Club Fund Accounts* are Key Club, Beta Club, Renaissance Program, Class of '92, Computer Club, F.H.A., Spanish Club, Memorial Account, SADD, Transcripts, etc. These examples are not required accounts since the number and fund account names in this category will vary among all schools.

The Club Fund has a completely flexible structure so that each school may set up accounts based on its particular needs and activities. The account numbers within the Fund have been left open so that each school may set up the particular accounts it feels are necessary. However, each Club Fund Account should be represented by the letter "D" and a four digit account number between the numbers 5000 and 5999.

E ATHLETIC FUND

The *Athletic Fund* is used to account for all athletic activities of the school. Fifteen *fund accounts* within the Athletic Fund have been established to be used for those athletics activities, which were determined to be common among most schools. The accounts are identified by the letter "E" which stands for "Athletic Fund" and a four-digit account number.

Example

They are as follows:

- E 6010 ARCHERY
- E 6020 BASEBALL
- E 6030 BASKETBALL
- E 6040 FENCING
- E 6050 FOOTBALL
- E 6060 GOLF
- E 6070 GYMNASTICS
- E 6080 SOCCER
- E 6090 SOFTBALL

- E 6100 SWIMMING
- E 6110 TENNIS
- E 6120 TRACK
- E 6130 VOLLEYBALL
- E 6140 WRESTLING
- E 6150 MISCELLANEOUS ATHLETICS

The accounts should be used in the structure that was set up to the extent it is applicable and feasible for the school; however, each school may add fund accounts to the athletic fund which may be unique to the individual school's needs. For example, the Basketball Account may be renamed as the Basketball Account -Women. Furthermore, several basketball accounts could be set up to represent various basketball funds accounted for separately such as "Basketball-Men's," "Basketball-J.V." etc.

All athletic fund accounts, however, must identified with the letter "E" and a four digit account number between the numbers 6000 and 6999.

F FACULTY FUND

The *Faculty Fund* is used to account for all non-student activity such as faculty donations, coke machine concessions from the teachers' lounge, or other faculty activities involving cash.

Three *fund accounts* within the faculty fund have been established to be used for faculty activity. The accounts are identified by the letter F that stands for Faculty Fund and a four-digit number.

Example

They are as follows:

- F 7000 BENEVOLENCE
- F 7010 HOSPITALITY
- F 7020 LOUNGE CONCESSIONS

The accounts should be used in the structure that was set up to the extent it is applicable and feasible for the school; however, each school may add accounts to the faculty fund which may be unique to the individual school's needs. For example, additional faculty accounts could be set up to account for faculty funds, which are separately identified such as Faculty-Donations, Faculty-Flowers, etc.

All faculty fund accounts, however, must be identified with the letter "F" and a four digit account number between the numbers 7000 and 7999.

G INVESTMENTS FUND

The *Investments Fund* is used to account for those funds, which are invested in savings accounts, US Treasury obligations, certificates of deposit or other money market investments. Interest on investments is also recorded in this fund.

Two *fund accounts* within the investments fund have been established to be used to account for interest from savings and interest from investments. The investments accounts are identified by the letter "G" which stands for Investment Fund and a four-digit account number.

Example

They are as follows:

- G 0020 INTEREST EARNED SAVINGS
- G 0030 INTEREST EARNED INVESTMENTS

The Interest from Savings (account #G0020) and Interest from Investments (account # G0030) accounts should be used to account for all interest earned on savings accounts and/or investments, as applicable. All interest from savings and investments should be recorded in these two accounts and then, if so desired, may be transferred to other investment accounts.

Additional accounts under the investments fund should be set up for amounts invested with funds from other accounts. For instance, if the cheerleaders (account # C 4020) invested money in a certificate of deposit, the investment should be recorded in the Investments Fund. A fund account would then be set up for the investment and indicated as a cheerleader investment by designating the new fund account number with the letter "G." Then, make the last four digits of the new account be the same as the number of the cheerleading fund account.

Example

Results:

MAJOR ACTIVITIES FUND	C 4020 CHEERLEADERS
INVESTMENTS FUNDS	G 4020 CHEERLEADERS INV.

The ending monthly report would show C 4020 cheerleaders fund account decreasing the same amount as the newly created G 4020 cheerleaders investment increases.

Adding Fund Accounts

Bookkeepers and principals have access rights to set up new fund accounts. A new account is set up by selecting Maintenance/File Maintenance/Account File Maintenance in the automated accounting program and entering the new account number and title, which is to be set up.

Once the new account is set up and entered on the automated accounting system, a new chart of accounts should be printed. The chart of accounts can be printed by selecting the *Maintenance Lists* function from the *Reports* menu and choosing *Chart of Accounts*. The principal and bookkeeper should place their initials by the new account. This report should be maintained on file.

Note: Bookkeepers and principals may not change the fund types or cash accounts. These accounts must remain the same for all schools.

Deleting Accounts

Once a new account is set up and a transaction has been entered to it at any time during the year, the account number cannot be deleted or changed, regardless of whether the account balance is 0.00 at the end of the month or year. If it is determined that an account is inactive and will no longer be used or the account is closed out, the account title may be changed in the following school year in order to utilize the account number for another new account. This will aid in reducing the number of inactive accounts with zero balances. However, a new chart of accounts showing the account change must be printed and the new account initialed by the principal.

An account that has been used at any time during the school year should not be deleted or changed until the year has been closed and the New Year is begun.

Printing a Chart of Accounts

A chart of accounts may be printed at any time by selecting the *Maintenance Lists* function from the *Reports* Menu and selecting *Chart of Accounts*.

PURCHASING

General Guidelines for School Activities Fund Purchasing

- I. The Executive Director is personally responsible for payment of authorized debts incurred by the school.
- II. School purchases may not be made without prior written approval of the principal. Purchases made by teachers, school employees or by any other person that have not been specifically authorized by the principal are solely the responsibility and obligation of the individual making such purchase.
- III. Every effort must be made to plan and anticipate the needs of the school to permit the utilization of an orderly and correct purchasing procedure.
- IV. Complete and accurate records of any purchase must be maintained. Bids and written authorizations permitting the purchase must be kept on file for audit purposes.
- V. The principal must use good judgment to ensure the best price has been obtained in purchasing the needed goods and services; i.e., the best value at the best price.
- VI. School funds may be used to acquire appropriate products and/or services by the six purchasing methods detailed herein. It shall be the direct responsibility of the principal to become familiar with these methods and to select the appropriate method to be followed when making any purchase.
- VII. It shall be considered a violation for a school to deliberately split or otherwise divide large purchases into smaller or periodic amounts to circumvent the application or intent of the guidelines.
- VIII. Upon completion of the necessary planning and after determination of the specific products, quantities, sizes, colors, and any other variable data that directly affects the intended purchase, the school may make the purchase and become obligated to a vendor for payment by utilizing one of the methods as hereinafter described.
- IX. These procedures do not apply to the purchase of yearbooks, class rings, school pictures, or fund-raising projects such as candy, candles, school newspapers, football programs, cheerleading/danceline uniforms, etc. It is the responsibility of each school, however, to follow good purchasing procedures for these types of items--all of which will be audited.
- X. Required inventory records, as outlined by the administrative guidelines, must be maintained for all items purchased by the schools.
- XI. All equipment purchased with individual school funds is the property of the School and may not be sold, traded-in, or otherwise disposed of without the written permission of the Board.
- XII. Equipment and other items belonging to the JCPAA may not be borrowed or loaned for personal use by employees or by any other person. JCPAA owned musical instruments might be loaned to students according to the loan policy enacted by the Board.
- XIII. Questions concerning purchasing procedures and vendor applications should be directed to the Executive Director.
- XIV. Purchases made through METHOD IV or Contracts may be fulfilled without the requirement to get quotes.

Method I – Direct Purchase

The purchase of a single item or a group of similarly related items (such as arts supplies and musical instruments) where the estimated aggregate total cost would not exceed \$3,500 may be made by the Executive Director and principal or his/her designee (hereinafter referred to as school) by contracting directly with the vendor offering the product(s) at the best price. All vendors are to be considered when making direct purchases.

- A. The school must be assured of the reasonableness of the price by obtaining as many verbal or written quotations as deemed appropriate. Many items required by schools are available through annual requirements contracts that have been let through the Executive Director and approved by the Board (see Contracts). If an annual requirements contract is available for the products requested, schools may make the purchase through the annual contract.
- B. If in the opinion of the executive director and principal, informal quotations are desirable to assure the reasonableness of the purchase, the informal purchasing procedures described in METHOD II may be followed for any purchase of \$3,500 or less.

Method II – Informal Bids

The purchase of items having an estimated total aggregate cost exceeding \$3,500 but less than \$10,000 shall be made by the school after obtaining at least three written quotations (informal bids) before making the obligation. Use of the informal bid form provides each vendor with the same information thereby permitting fair and comparable bids. In addition, records of the transaction are simplified and easy to maintain for file and audit purposes.

If in the opinion of the executive director, bidding is desirable to assure that correct purchasing procedures have been followed, the request should be made as described in METHOD III.

- A. To facilitate the taking of informal bids, the schools may use a "Request for Quotation" form available from most forms suppliers or may request written vendor quotes via fax or mail.
- B. It is important that vendors be given a reasonable amount of time to prepare and return their bids to the school.
 - 1. Once a reasonable bid opening date has been chosen and each bidder has been furnished that information, a bid cannot be accepted by the school after that date.
 - 2. All informal bids are to be faxed, mailed or hand-delivered by the bidder and marked to the personal attention of the principal. After the bids have been received, the executive director or his/her designee shall review the

bids at one time and make the award as appropriate and in keeping with the procedures described herein.

- C. As an alternative to using the standardized form, the school may develop written specifications and request the vendor to submit a quotation on company letterhead. To facilitate the tracking of informal bids, the schools shall complete a "Summary of Quotes" form. The original shall be kept on file, and a copy shall be forwarded to the Board.
- D. All informal quotations must be on comparable merchandise and must be properly evaluated, awarded and maintained on file for audit purposes.
- E. The award shall be made to the firm quoting the lowest price, which meets specifications.

Notation should always be made on the purchase request as to the date bids were accepted and any vendor quote number if applicable.

- 1. In the event an alternate product is offered at the lowest price, it may be considered as a substitute for the intended product provided the alternate product is clearly of equal or better value and that its purchase will in no way compromise the bid award. Such purchase may not be made if other vendors could or would have offered the same or equal product, but did not do so because they did not know such bid would have received consideration.
 - 2. If an alternate product is bid at the lowest price, and after careful evaluation is found not to serve the need, the school must reject the item(s) and state the rejection reason in writing on the summary sheet. The award of the business is then made to the next lowest bidder who did quote as specified.
- F. As a part of the bid solicitation, the executive director or his/her designee shall inform all bidders that the school reserves the right to reject any or all bids and to waive informalities.
 - G. All vendors are to be considered when seeking bids.

Method III – Purchasing Bidding

JCPAA will follow the public bid law of the State of Wisconsin for all purchases for materials (products) whose costs are \$10,000 or more and all-public work where costs are \$100,000 or more. The law applies to the school, individually or collectively, as appropriate.

All such purchases \$10,000 or more must be conducted and coordinated by JCPAA Board

- A. When purchases with costs of \$10,000 or more must be made, the school shall prepare the item(s) needed as a request for purchase on a JCPAA requisition form.

Either typed on the face of the requisition or as a separate attachment thereto, the Executive Director must submit and sign the following statement:

1. I certify (name of school) has available funds sufficient to purchase the item(s) or service(s) requested hereon provided the actual low bid received does not exceed \$ (insert amount) including applicable taxes and transportation charges.
2. The school shall submit the requisition, along with complete descriptive brochures, literature, pictures, specifications, current price lists, and other pertinent information to the Board.
 - a. The school may be required to assist in evaluating the bids to determine the lowest acceptable bid meeting specifications.
3. Copies of the bids, as approved by the Board, will be given to the school to permit the immediate issuing of school purchase orders(s) to the successful bidder(s).
 - a. Delivery conditions and instructions (as also contained in the bid specifications) will be shown on the purchase order.
 - b. The school will make payment after all item(s) have been delivered and accepted in good order by the school.

B. The Purchasing Department, in compliance with the Louisiana Public Bid Law, shall make the determination as to whether the requisition shall be formally or informally bid. Formal bidding is a lengthy procedure; it is therefore incumbent upon the school to anticipate their needs and plan accordingly. At least four to six weeks are required to process a requisition through the several steps of the procedure for formal bidding. The school should take this into consideration and allow a reasonable period of time for delivery by the successful bidder when planning for receipt of the items wanted.

Method IV – Wisconsin State Commodity Contracts

Under the Division of Administration of the State of Wisconsin, the Purchasing Section receives bids covering a wide range of goods and services. As a political subdivision of the state, JCPAA has authority to utilize the state contracts to purchase items contained therein. The school should consider the semi-annual contract price list by any state contracts before making any purchase over \$3,500.

- A. Many items such as computer equipment, office machines, furniture, paint, janitorial supplies, school supplies, etc., are available to purchase without the necessity of taking bids.

- B. The bid prices usually cover a fixed period of time such as one year and are generally lower than could otherwise be obtained without taking bids.

Method VI - Emergency Purchases

It is within the power of the Board to declare the existence of an emergency where certain dangers may exist to the school, students or other property.

No emergency purchase may be made except by specific action and authorization of the JCPAA Board.

Purchasing Process

Purchasing Under \$5,000

2. The Executive Director must approve all purchases over \$500 in advance.
3. The Principal is responsible to know if the item ordered is within the budget and guidelines.
4. If purchase is less than \$150, persons authorized by the Principal for immediate purchase and delivery can make the purchase. When this is done, invoice copies are to be turned into the Executive Director.

Purchases Over \$5,000

2. All purchases including services over \$500 must be approved in advance by the Executive Director.
3. Purchases over \$5000 will be required to undergo a competitive bid procedure.
4. All bid requests will contain clear specifications and will not contain features, which unduly restrict competition.
5. The Executive Director will be responsible to ensure that all conditions and specifications of a contract, bid, or order have been satisfactorily fulfilled and will be responsible for timely follow-up of these purchases.
6. The Executive Director will obtain at least 3 bids wherever possible unless prior approval by Executive Committee has been obtained.
7. Purchases of over \$5000 will not be fragmented or reduced to components of less than \$5,000 to avoid the bid process.

To Prompt a Purchase:

1. When the normal cash disbursement procedure of invoice, etc., is not appropriate, (i.e., postage, petty cash, etc.) a check request should be completed and forwarded with any order form or other documentation to the President or Vice President for approval. If the check is made out to either the Vice President or President, that individual cannot approve the check request voucher.

2. Approved check requests should be sent to the Fiscal Manager for payment.
3. In the absence of backup materials, receipts for the purchase must be provided to the Fiscal Manager for attachment to the check request within two weeks from the check date.

Credit Card Purchases:

1. Only the Executive Director, President and Vice President carry corporate credit cards in his or her name. The purchase of airline tickets and other authorized business expenditures may be made by other employees or board members using the corporate credit card. In every case of credit card usage, the individual charging a JCPAA account will be held personally responsible in the event that the charge is deemed personal or unauthorized.
2. Authorized uses of the credit card include:
 - a. Airline or rail tickets (at coach class or lower rates) for properly authorized business trips. JCPAA's designated travel agency will require that employees supply the travel agency with an account code in order to charge to the JCPAA American Express. The account code will help reconcile the costs of travel with the proper JCPAA program to be charged. The travel agency will provide JCPAA a monthly report of all travel charged to the American Express.
 - b. Lodging and meal charges that do not exceed the authorized reimbursement rate for persons traveling on official JCPAA business
 - c. Car rental charges (for mid-size or smaller vehicles) for properly authorized business trips
 - d. Properly authorized expenditures for which a credit card is the only allowed method of payment (such as monthly internet access)
 - e. Business telephone calls
 - f. Properly authorized entertainment at a rate, which is consistent with the employee's level of responsibility within, or on behalf of, JCPAA and within the limits of the approved budget.
3. Receipts should be compiled and submitted with an expense report on a weekly basis.
4. Unauthorized use of the credit card includes:
 - a. Personal or non-business expenditures of any kind.
 - b. Expenditures, which have not been properly authorized.
 - c. Meals, entertainment, gifts or other expenditures, which are prohibited by:
 1. JCPAA budget and/or policies
 2. Federal, state, or local laws or regulations
 3. Grant conditions or policies of the entities from which JCPAA receives funds.

Proper Documentation for all Purchases, including JCPAA Credit Card Purchases:

Every instance of credit card or other purchase use must be documented with travel authorizations, receipts, individuals paid for, nature of business, etc. before the expense will be considered authorized and will be approved for reimbursement. See details below.

- A. Lodging - Provide an itemized receipt from the hotel detailing every charge and the name of the person(s) for whom lodging was provided.
- B. Meals/Entertainment - Provide a receipt showing separately the cost for food/beverage and gratuities, and including the names of every person for whom food or beverage was provided and the specific business purpose, which was furthered by the expenditure. For example, ALuncheon Meeting with Nancy Neville, president of the Wisconsin Economic Development Corporation, and Reginald Burke, executive director of the Wisconsin Housing Partnership, to finalize the speakers and program for the November 10-12, 2012 JCPAA annual conference in Madison.
- C. Other Expenditures - A receipt from the vendor detailing every individual good or service purchased (including class of service for commercial transportation) accompanied by an explanation of the specific business purpose, which was furthered by each expenditure. For example, Around trip coach flight from Milwaukee, WI to Washington, DC for Executive Director Susie Reed to annual education conference on July 12-15, 2012.

The Fiscal Manager will double-check all reimbursement requests against receipts provided and run a calculator tape, which will be attached to the reimbursement form.

Capital Expenditures:

For all major expenditures such as computers, furniture, audit services, printing services, etc., three bids must be obtained before a purchasing decision is made. If the annual amount will exceed \$2,000, a bidding process and review will be conducted. All bids, including phone quotes, must be recorded and kept on file.

Consultants:

Contracts with consultants will include rate and schedule of pay, deliverables, time frame, and other information such as work plan, etc. Justification for payment should be submitted to file. For example, if JCPAA hired a writer to create a publication, a copy of the final version should be included in the file.

- 1. Consideration will be made of internal capabilities to accomplish services before contracting for them.
- 2. Written contracts clearly defining work to be performed, terms and conditions will be maintained for all consultant and contract services.
- 3. The qualifications of the consultant and reasonableness of fees will be considered in

hiring consultants.

4. Consultant services will be paid for as work is performed or as delineated in the contract.
5. The Board of Directors will approve audit and other significant contracts.
6. The Fiscal Manager will prepare 1099 returns for consultants at yearend.

Contracts:

Contracts for purchasing products or services, similar to a purchase order, should be created and maintained for the file whenever appropriate. All contracts to exceed \$10,000 over the course of the year should be approved by the President.

FIXED ASSET MANAGEMENT

1. A permanent property log or database is to be maintained by the Fiscal Manager for all fixed assets purchased by JCPAA.
2. The log should contain the following information:
 - a. date of purchase
 - b. description of item purchased
 - c. received by donation or purchased
 - d. cost or fair market value on the date receipt
 - e. donor or funding source, if applicable
 - f. funding source restrictions on use or disposition
 - g. identification/serial number (if appropriate)
 - h. depreciation period
 - i. vendor name and address
 - j. warranty period
 - k. inventory tag number (all fixed assets should be tagged with a unique identifying number)
 - l. number of the JCPAA check used to pay for the equipment
3. At least annually, a physical inspection and inventory should be taken of all JCPAA fixed assets and reconciled to the general ledger balances. Adjustments for dispositions should be made.
4. The Fiscal Manager should be informed, in writing, via an interoffice memorandum of any material changes in the status of property and equipment. This should include changes in location, sale of, scrapping of and/or obsolescence of items and any purchase or sale of real estate.
5. All capital items that have a cost greater than \$250.00 will be capitalized and depreciated.

PAYROLL

1. The_____ (*vendor name*) Payroll System will enter payroll, print payroll checks, make direct deposit transfers print payroll reports and send reports to the Executive Director.
2. The Executive Director and Fiscal Manager will review the payroll checks before they are distributed.
3. The Principal and Executive Director will distribute the payroll checks to the employees. Checks will not be issued to any person other than the employee without written authorization from the employee.
4. The Executive Director and Fiscal Manager are responsible for entering payroll reports into the accounting system.
5. Voluntary terminations will be paid at regular pay date. Involuntary terminations will be paid on day of separation.

Time Sheets

1. Each hourly employee will be responsible for completing a time sheet on a biweekly basis.
2. Completed time sheets will be dated and signed by the employee, time cards will be stapled to the back, and both will be submitted to the Executive Director or Principal at the end of the last working day of each pay period.
3. No payroll checks will be issued without a completed time sheet and time card if required.
4. Incomplete time sheets and cards will be returned to the employee for correction.
5. The Executive Director or Principal will verify the accuracy of the time sheets and addition.
6. Employees will be paid every two weeks; deductions are itemized on each paycheck.

Payroll Preparation and Timekeeping:

1. Timesheets are to be prepared by all staff persons and submitted semi-monthly on the 15th and last day of each month. Time should be input on a daily basis and, if in writing, completed in ink. Correction fluid should never be used in preparing timesheets. If an error needs to be corrected, a line should be drawn through the item and the corrected information recorded, and initialed by the person who made the correction.
2. Timesheets are to include specific time spent on each grant/project.
3. Timesheets are to be signed by the staff person and his/her supervisor.
4. All approved timesheets should be submitted to the Principal and Fiscal Executive Director, who will verify the hours worked against his/her record.
5. The Executive Director and Fiscal Manager should then process the time and report the information to the payroll service bureau. The information reported

should include:

- a. hours worked, by cost center
 - b. changes in pay rates or employment status
 - c. vacation, sick or personal hours used and earned
6. The President or Vice President should review the payroll summary page of the payroll service report for inappropriate payees or unusual hours.
7. The Executive Director should distribute paychecks or Fiscal Manager on the designated day and hour, one week after the end of the pay period according to a prearranged schedule distributed by the Executive Director or Principal. In the event that a designated person other than the staff person picks up a paycheck, a memo should be received in writing from the staff person and proper identification should be requested from the party picking up the paycheck.
8. As an employee benefit, JCPAA offers direct deposit through the employee's own financial institution and also offers cost-free checking through US Bank. Through direct deposit, payroll is deposited as cash into the employee's account on payday.

Payroll Taxes _____ (*vendor name*) will prepare and transmit the payroll tax reports, W-2 forms, and 1099 forms.

1. The _____ (*vendor name*) will verify payroll tax preparation on a quarterly basis.

Benefits

1. Payroll will be prepared in accordance with the personnel policies and benefit plan.

Travel & Expenses

1. Each employee will complete an expense voucher if any traveling is done. Voucher should include all expenses including credit card charges. Voucher will reflect reimbursement sources other than JCPAA.
2. Mileage to and from residence will not be paid by JCPAA, except for board members traveling from outside the Wisconsin Cities to board meetings.
3. The expense voucher will be submitted within 60 days for payment, with a total, signed by the employee, authorized for payment by the Executive Director.
4. Reimbursement will be based upon current travel policies. Receipts must be attached to the expense voucher for lodging, common carrier transportation, and receipts for meals where required.
5. Incomplete expense vouchers will be returned.
6. Employees and board members will be reimbursed for travel and other related expenses at the rate set by the Board. The Executive Director must approve employee travel and workshop expenditures prior to their occurrence. The organization will reimburse no more than the standard mileage rate for the business use of a car as established by the IRS. JCPAA will reimburse meal expenses incurred in direct connection with JCPAA employment, or a per diem rate of \$___ per day. The board will establish the mileage rate and per diem rate annually.

Personnel

1. The Executive Director and Fiscal Manager is charged with the responsibility of maintaining personnel files on staff persons.
2. Each personnel file should contain the following information, at a minimum.
 - a. Employment application or resume
 - b. A record of background investigation
 - c. date of employment
 - d. position, pay rates and changes therein
 - e. authorization of payroll deductions
 - f. earnings records for non-active employees
 - g. W-4 Form, withholding authorization
 - h. I-9 Immigration Form

- I. termination data, when applicable
3. All personnel records are to be kept locked in a locking file cabinet in the Executive Director / Fiscal Manager's office. Access to these files other than by the Fiscal Manager, President, Vice President or the auditor should be requested in writing to the President.

PROPERTY

Equipment

1. Equipment shall be defined as all items (purchased or donated) with a unit cost of \$500 or more and a useful life of more than one year.
2. The _____ (*staff position*) will maintain an inventory log; which shall list a description of the item, date of purchase or acquisition, price or fair value of the item and its location.
3. A depreciation schedule shall be prepared at least annually for the audited financial statements.
4. The _____ (*staff position*) will record all equipment in the accounting system.

An entry must be made whenever property is disposed of or acquired.

LEASES

Real Estate

1. The Executive Director will review leases prior to submission to the Board of Directors for approval.
2. All leases, clearly delineating terms and conditions, will be approved by the Board of Directors and signed by the Board Chair.
3. The Executive Director will keep a copy of each lease on file.
4. The Consulting Accountant will be notified of each lease and lease specifications, and will make proper general journal entries for same.

Equipment

1. The Executive Director will review all leases.
2. All leases, clearly delineating terms and conditions, will be approved and signed by the Executive Director.
3. The Executive Director will keep a copy of each lease on file.
4. The Consulting Accountant will be notified of each lease and lease specifications, and will make proper general journal entries for same.

INSURANCE

1. Reasonable, adequate coverage will be maintained to safeguard the assets of the corporation. Such coverage will include property and liability, worker's compensation, employee dishonesty and other insurance deemed necessary.
2. The Executive Director will carefully review insurance policies before renewal.
3. The Executive Director will maintain insurance policies in insurance files.
4. Insurance policies will correspond to the calendar year whenever possible.
5. The _____ (*staff position*) will prepare and maintain an insurance register.

TELEPHONE

1. Personal long distance or cellular phone calls made on _____ (*organization's*) telephones by employees must be logged with the _____ (*staff position*), indicating that it is a personal call. Employees will be billed on these calls.
2. _____ (*organization*) business calls from phones outside the office should be billed to the _____ (*organization's*) telephone account.

BOOKS OF ORIGINAL ENTRY

1. _____ (*organization*) will utilize a double entry system for accounting for all funds.
2. Adequate documentation will be maintained to support all general entries.
3. At the end of each month, the _____ (*staff position*) will prepare a Balance Sheet, Statement of Activities, and Statement of Activities by Project that will be reviewed by the Executive Director.
4. The Statement of Activities report will include a comparison to the budget.
5. _____ (*organization*) will maintain its accounting records on the accrual basis in a manner that facilitates the preparation of audited financial statements conforming to generally accepted accounting principles.

GRANTS AND CONTRACTS

1. The Executive Director will carefully review each award and contract to ensure compliance with all financial and programmatic provisions. The _____ (*staff position*) will maintain originals of all grants and contracts in a file. The Consulting Accountant will prepare initial entries as appropriate to record each award.
2. The _____ (*staff position*) will prepare and maintain on a current basis a Grant/Contract Summary form for each grant or contract awarded to _____ (*organization*). This form shall include the name, address, contact person, and phone number for the funding organization; the time period applicable to expenditures; all significant covenants (such as bonding or liability insurance requirements) and restrictions on expenditures; all required financial and program report and due dates; and the chart of accounts line item number for the revenue deposited.
3. Payments for projects for which _____ (*organization*) serves as fiscal agent shall be paid out within one week.

4. The Consulting Accountant will prepare financial reports to funding sources as required.
5. The Executive Director will review and approve all reports to funding sources.
6. It will be the responsibility of the Executive Director to insure that all financial reports are submitted on a timely basis.

BUDGETS

1. The Executive Director and the _____(*staff position*) will prepare the financial budget.
2. The _____ (*staff position*) will insure that budgets are on file.
3. The Board of Directors must approve proposed changes in the budget, should they exceed \$_____ or _____% of the line item, whichever is greater.

LOANS

1. The Board of Directors will approve loans.
2. A promissory note will be prepared and signed by the Board Chair and another officer of the Board before funds are borrowed.

OTHER

Minutes of Meetings

1. The Secretary of the Board will prepare accurate minutes of all meetings of the Board of Directors and committees.
2. The Executive Director will note all items in the minutes relating to finance and take appropriate action.

Annual Meeting Checklist

During each annual meeting, the following procedures will be performed.

1. The board of directors shall approve new signers to each bank account.
2. The board of directors shall approve any new and necessary bank accounts.
3. As required, new signers shall complete the appropriate signature card and corporate resolutions.
4. Name, address and telephone directory of new board of directors officers will be obtained for the Fiscal Manager.
5. A review of the current operating procedures should be made with the chairperson and treasurer and reaffirmed or revised.
6. All financial institutions should be notified of any changes to the authorized signers of the accounts within three (3) business days following the annual meeting.

Non-Educational Income

1. Donations of cash and non-program related income will be separately accounted for.

Accounts Receivables

1. Documentation will be maintained for accounts receivable.
2. Accounts receivable will be recorded in the books and collected on a timely basis.

Financial Procedures

1. Financial procedures will be reviewed bi-annually by the Finance Committee. The Board of Directors must approve changes to the financial procedure manual prior to implementation.

Form 990

1. The Board of Directors in conjunction with the audit will authorize preparation of Form 990. Form 990 will be signed by an officer of the Board.
2. Copies of Form 990 will be files in the _____ (*staff position*)'s files, and a copy of the _____ (*organization's*) Form 990 and Form 1023 shall be located at the front desk for public inspection and/or copying.

Audits

1. The Board of Directors shall annually contract with an independent auditing firm a full audit of the books, to be completed prior to the following first of September.

Personnel Files

1. The _____ (*staff position*) will maintain a personnel file for each employee, containing appropriate documents, such as the signed compensation agreement, approval of changes in compensation, an I-9 immigration form, and withholding forms for taxes, benefits, deferred compensation, and charitable contributions.

Fiscal Agent Status

1. The _____ (*organization*) executive committee must authorize all fiscal sponsorship arrangements, which are then approved by the board.
2. All fiscal sponsorship arrangements will begin with a written agreement, stating the terms of the relationship and the purpose for the use of funds.
3. Fiscal sponsorships will be limited to projects for which the _____ (*organization's*) executive committee determines that the project is charitable and consistent with the _____ (*organization's*) mission of strengthening the nonprofit sector, and that no real or perceived conflicts of interest exist with board or executive committee members.
4. The _____ (*organization*) will negotiate with the sponsored project a rate for indirect or direct costs to cover the _____ (*organization's*) expenses of administering the temporarily restricted fund.
5. Sponsored projects will be required to submit full and complete quarterly and year end reports to the _____ (*organization*) by the end of the _____ (*organization's*) fiscal year, (date)_____,: and must include:
 - detailed expenses using budget categories for original grant;
 - program accomplishments and activities;
 - lobbying expenditures; and
 - amount of remaining funds.

6. Any changes in the purpose for which grant funds are spent must be approved in writing by the _____ (*organization*) before implementation. The _____ (*organization*) retains the right, if sponsored project's breaches the fiscal sponsorship agreement, or if a sponsored project jeopardizes the _____ (*organization*) legal or tax status, to withhold, withdraw, or demand immediate return of grant funds.
7. The _____ (*organization's*) executive director will submit quarterly reports to the Executive Committee, to be circulated to the entire board, on the status of active fiscal sponsorships.
8. The _____ (*organization*) will file appropriate tax forms for sponsored projects, including IRS form 1099.

Field Trips and Other Ticket Events

The intent of these guidelines is to assist the school administration in properly controlling the flow of funds that occur before, during, and after an event so that when the day is done, money will not be the cause of any unpleasant events. For many schools, especially elementary, field day and school carnivals are a very important day for generating funds.

- Proper planning should take place to provide for controlled handling of field day funds. The use of pre-numbered tickets is encouraged to allow for better security of funds handled.
- Tickets may be pre-sold and also sold on the day of the event. The use of tickets cuts down on the number of people handling cash.
- The numbers on tickets should be used to provide for a balancing routine for the person(s) selling tickets. Strict control should be maintained over the inventory of tickets.
- Tickets should be torn in half immediately upon receipt by persons working booths and/or events requiring tickets.
- Ticket money from a ticket seller should be balanced and turned in to the bookkeeper **daily** for receipting. (See *Exhibit J* for an example of a ticket seller sheet.) The bookkeeper and seller should sign the balancing documentation and reference should be made to the MAS receipt issued.
- The ticket seller should remain in the presence of the bookkeeper while money is recounted and a receipt issued.
- Security over cash funds should be **constantly** maintained. The use of a locked cash box that is accessible to the principal and the seller only is required until the funds are turned in to the bookkeeper for receipting.
- If funds are counted by more than one person, at least two people should remain with the cash until it is secured in a locked box to which access is controlled by one person and the principal, or remain with the cash until it is receipted by the bookkeeper. Cash that is precounted and placed in a locked box should be documented on a paper placed in the cash box and signed by the counter(s).

- Tickets remaining after the completion of field day should be secured by the principal's designee and maintained for future use. Tickets destroyed should be documented and witnessed.
- Access to items purchased for sale as field day concessions should be properly controlled and limited to the person responsible and the principal. Remember that accountability for these items must be maintained and a fundraising form completed at the end of field day.

Documentation should be maintained and properly approved for any items lost, stolen, damaged or given away.

Fundraising

The following section outlines the policies and procedures to be followed for all fund raising projects.

It is important that the following procedures are followed in order that proper accounting and control over funds raised are maintained. Before any sponsor or parent group begins a fundraiser, they must get the permission of the principal, which is accomplished by completing the fundraising form (See *Exhibit F*). The sponsor or parent group should also sign for the instructions on fundraiser (See *Exhibit A*) and this form should be kept on file by the bookkeeper. The bookkeeper should number the fundraising forms and log them in a manner in which they can monitor to ensure proper and timely completion.

Every fund raising project should benefit students at the school both financially and educationally.

Projects that have been unsuccessful or difficult in the past should be avoided.

General Policy Fund Raising Activities

The principal prior to the start of the activity must approve all fund raising activities. Schools should not conduct raffles, bingo games, or other activities construed to be forms of gambling or games of chance. Parent organizations may sponsor these activities, but board policy prohibits the solicitation and sale of raffle tickets in the schools or at school sponsored events.

The form (See *Exhibit F*) entitled *Report on Fund Raising Project* is required for all fund raising projects conducted which use the name of the school. This includes fundraisers, which are conducted by the PTA, booster organizations, or any other outside organizations.

No expenditures are to be made from cash receipts. All payments must be made by school check. All invoices should be turned in to the bookkeeper on a timely basis so that they can be paid within 30 days of the date of the invoice.

**Recommended Procedures
In The Financial Operation and Reporting
For Fund Raising Projects**

The *Report on Fund Raising Project* includes an approval section which must be prepared by the sponsor and signed by the principal prior to the start of the fund raising activity. The remaining portion of the form is completed when the fund raising activity is over. At the conclusion of the project, this must be signed as prepared and/or reviewed by the sponsor of the activity and the principal.

Prior to the principal approving the completed fundraising form, the bookkeeper or principal designee should review the form for accuracy. The general ledger activity for this event should be printed and compared to the form. The units received should be compared to the final invoice. If applicable, the designee should verify that a list of the students who owe is attached and there is appropriate documentation to support any amounts that have been labeled lost, stolen, damaged or spoiled.

If items are listed as still being in inventory, the fundraising form should indicate the possible disposition of those items. If those items are to be sold, the number should immediately be placed on another fundraiser form, which should be completed when all items have been sold or other disposition has been determined.

The *Report on Fund Raising Project* must be completed and sent to the School Board Auditing Department upon completion of the fund raising activity. These reports are maintained on file at the Central Office. The forms should be completed within two weeks after the end of the activity.

Exempt Projects: The only projects, which are exempt from using the *Report on Fund Raising Project* form are school pictures, school newspapers, school store, and concession sales where several concession items are purchased from multiple vendors and the project extends over a long period of time.

The fund raising form must be prepared by each organization conducting a fund raising project. The report should be used to report the details of the project to the principal. Efforts should be made to ensure that the information reported on the form is accurate, complete and in agreement with school bookkeeping records. Any inaccuracies should be investigated and corrective action should be taken to resolve the problems.

Fund raising forms may be obtained from the School Board Auditing Department.

Documentation for Fund Raising Projects

For each fund raising project, the sponsor should ensure that records are maintained with an adequate audit trail, to include:

1. the name of each student participating,
2. the amount/number of items issued to each student,
3. the amount of funds collected by each student, and
4. an explanation of all funds or products that were returned.

Receipts: Additionally, documentation must be maintained by the sponsor for all funds received from students/fund raising participants. This should be accomplished by the issuance of prenumbered receipts to each student/participant turning in money. In some cases, it may be more appropriate to maintain a list of students turning in money and have each student sign and date the list acknowledging the amount of money being turned in to the sponsor. The receipt and/or list should always include the date and a detailed explanation as to the source of the funds.

Maintenance of Records: All receipts and other records, including credit memos, invoices, and records including the information described above should be retained at the school for three years after they have been audited. These records should never be discarded prior to their being audited.

Collection of Funds

- All funds collected from students must be given to the school office by the end of each school day. Funds should not be taken home by faculty members or left in the classroom overnight.
- When funds are turned in to the office, the money should be counted and a receipt issued immediately in the presence of the person turning in the funds.
- Expenditures should never be made from cash receipts of the fund raiser. All expenditures of the fundraiser should be paid by school check.
- Each student should be required to sign for items that are distributed to them to sell. The sponsor should request assistance from the school principal when unable to collect money from students.
- A listing of all students owing money should be attached to the form.
- Damaged or spoiled goods should be disposed of with a witness on hand and documented.
- Lost or stolen funds or goods should be reported on a (Property Loss Notice – See **Exhibit B**).

Grant Compliance

1. When a new grant is received or renewed, a copy of the executed grant must be forwarded to the Fiscal Manager.
2. The Fiscal Manager should set up a permanent file for the grant and maintain the

contract along with any other financial correspondence regarding the grant.

3. It is the responsibility of the Fiscal Manager to review the grant contract and extract any fiscal items which must be complied with by JCPA. Typically, for government grants, reference will be made to various publications put out by the Office of Management and Budget (OMB) and the Comptroller General=s Office to which JCPAA is responsible for adhering.

Currently, the publications include:

OMB Circular A-110	AGrants and Agreements with Institutions of Higher Learning, Hospitals and Other Non-Profit Organizations@
OMB Circular A-122	ACost Principles for Non-Profit Organizations@
OMB Circular A-133	AAudits of Institutions of Higher Learning & Other Non-Profit Organizations@

Governmental Generally Accepted Accounting Principles:

4. It is a policy of JCPAA to adhere to any restrictions imposed by its funders, both governmental and private. Therefore, JCPAA employees are expected to bring to the attention of management, any instances of non-compliance.
5. When JCPAA is expending federal funds, prior written approval from the funder agency is required for the purchase of:
 - a. Capital expenditures for land or buildings
 - b. Insurance and indemnification expenses
 - c. Preaward costs
 - d. Public information service costs
 - e. Publication and printing costs
 - f. Rearrangement and alteration costs
6. JCPAA will never request federal funds to pay for the following costs:
 - a. Bad debt expense
 - b. Contingencies
 - c. Contributions or donations to others
 - d. Entertainment expenses
 - e. Fines and penalties
 - f. Interest, fundraising and other financial costs
7. Federal funds received in advance will be deposited into a separate federally insured bank account. Any interest earned from those monies will be submitted to the funder agency. [It is JCPAA's current policy to receive federal funds only on a

reimbursement basis.]

Computer System Backup Procedures

1. The Fiscal Manager is responsible for backing up the hard drive of the accounting system at the close of business each day.
2. XXX uses a five (5) day tape rotation and back up system. There should be five (5) tapes numbered A1" through A5". Each label should also contain the date of backup.
3. Each day the next sequentially ordered tape should be used to back up the accounting files. Complete, not *modified*, backups should be done.
4. When a tape is ready to be replaced, a newly formatted tape should be labeled with the day=s date. The old tape should be discarded.
5. The Fiscal Manager should lock up the tape in a fire proof safe overnight. All tapes should be kept in a fire proof safe at all times. The following day, the tape will be placed at the end of the tapes to be rotated.
6. At monthend, backup tapes should be produced and stored off premises by the Fiscal Manager for safeguarding.
7. Annual tapes should be compressed and stored in a fire proof safe.

FISCAL POLICY STATEMENT

1. All cash accounts owned by JCPAA will be held in financial institutions which are federally insured and have received a favorable CRA (Community Reinvestment Act) rating.
2. All capital expenditures which exceed \$250.00 will be capitalized on the books and records of JCPAA.
3. Employee paychecks and/or personal checks will not be cashed through the petty cash fund of JCPAA.
4. No salary advances will be made under any circumstances.
5. No travel cash advances will be made except under special conditions and preapproved by the Treasurer of the Board of Directors. Reimbursements will be paid upon full expense reporting using the official JCPAA form within the normal disbursement schedule.
6. Any item whose value exceeds \$50.00, received via donation, will be recorded in the books and records of JCPAA.
7. Fiscal Management personnel are required to take annual vacation which will not interfere with fiscal procedures. Variances to this policy shall be made in special circumstances, with written permission from the President.
8. All volunteer time which exceeds \$50.00 shall be recorded in the books and records of JCPAA.
9. It is the policy of JCPAA to reimburse out of pocket expenses only when supporting documentation has been presented for approved costs incurred.
10. It is the policy of JCPAA to establish pay rates which equal or surpass the federal minimum wage.
11. It is the goal of JCPAA to maintain a minimum of ten percent (10%) of the operating budget between its operating and savings bank accounts at all times. In the event that balances fall below that amount the President and Treasurer should be notified immediately.
12. All funds received by JCPAA for each project will be segregated into separate project accounts in the general ledger to avoid any possibility of commingling project monies with general operating funds. A full computerized ledger accounting system will be maintained. Monthly financial statements including Balance Sheet and Statement of Revenues and Expenses will be produced for each project as a separate Department.

13. The President and Vice President are signators of all JCPAA bank accounts. A third signator will consist of the JCPAA Director with the most seniority. Two signatures are required for all disbursements and any disbursements exceeding \$10,000 must be authorized in writing by one of the Board of Directors with signature authority, currently the Chair, Vice-Chair, and Treasurer.
14. Bank statements will be reconciled monthly in order to account for any outstanding or lost checks.
15. Expense reports will be maintained which will disclose the nature of expenses, and the dates incurred.
16. Separate files will be maintained for each bank account and each vendor. Files will be kept separately for each fiscal year.
17. The services of a Certified Public Accountant will be engaged to prepare a formal financial audit of the JCPAA fiscal year-end.
18. Correction fluid should never be used in preparing timesheets or any accounting documents.

FINANCIAL REPORTING

Each school must submit a copy of its bank reconciliation (Proof of Cash), bank statement, deposits in transit listing and outstanding checks listing to Auditing by the 15th of each month for the preceding month. At the end of each quarter (September, December, March, June), the Principal's Monthly Report and an Unpaid Bills Report should be submitted with the reports submitted monthly.

At year-end, the Year-to-Date Report should be printed after closing the year, approved by the Principal and submitted to Auditing with the other required reports by July 15.

The following reports should be printed monthly after closing and retained on file:

1. Principal's Monthly Report*
2. Transfer Journal*
3. Adjustments Journal*
4. General Ledger

* These reports must be approved and signed by the Principal monthly.

School Board Financial Statements

The school activity accounts are merged into those accounts maintained by the School Board in the production of financial statements on the entire school district. These annual financial statements are referred to as general purpose financial statements.

The school activity accounts are presented as fiduciary funds within the general purpose financial statements, reflecting that the School Board has a custodial responsibility for the accounting and reporting of these funds.

Accounting Data

The bookkeeper should back-up MAS each day. If the school is using the windows version of MAS, the bookkeeper may use a rotation of three sets of diskettes to back-up the data. If the school is using the DOS version of MAS, the bookkeeper should use a rotation of five (each labeled for a day of the week) diskettes to back-up.

The school should have someone assigned and trained to issue receipts in the bookkeeper's absence.

At minimum, this person should be able to write receipts from an "official" manual receipt book, which is issued by the Auditing Department. It would be more efficient if this person were trained on how to issue receipts from MAS. The Auditing Department will establish the access and train the person at the principal's request.

Records Retention

Schools may destroy supporting documents three years after they have been audited. These include cancelled checks; paid invoices, receipt books, etc. Schools must have on hand at all times all documentation for non-audited years and documentation for the last three years, which have been audited. The only records that should not be destroyed are the old manual cash ledgers, general ledgers, and bank statements. If there are any questions as to what can be destroyed, call the Auditing Department before destroying anything.

Periodic Audits

One of the controls over school financial operations is a periodic review of the school's records by an internal auditor; however, auditing can be external, performed by the Legislative Auditor or a private accountant.

Examination of the school records may be made at any time during the period between regularly scheduled audits and may be either announced or unannounced.

Monthly Reports:

The Fiscal Manager should prepare a set of monthly financial reports for distribution to the President, and the Budget and Finance Committee. The reports should include: a balance sheet and a statement of income and expenses for each department (operating, project); a consolidated balance sheet and consolidated income and expense report which show all departments combined; a budget-to-actual report for all accounts included in the annual operating budget; a list of deferred and receivable funds, and a cash flow projection. In addition, the monthly reports for the quarterly periods (December, March, June, September) will be submitted to the full board for their review and acceptance at the following board meeting.

The President or Vice President should review the monthly statements prior to distribution

to the Treasurer for initial comments. After the Treasurer=s approval, the statements will be mailed to the Budget and Finance Committee every month and to the full board as stated above. The monthly statements will be finalized by the conclusion of the month following the statement period.

Year-End Report/Audit:

At fiscal year-end, and in time for the winter retreat of the Board of Directors, a year end Audit report should be prepared summarizing the total income and expense activity for the year. A balance sheet should be prepared as of September 30 and should be attached to the income and expense report. The Treasurer, prior to distribution at the annual meeting, will initially review by the President and Vice President, and this report then.

Bids for an independent auditor to conduct this review will be accepted between September 1 and October 15. In accordance with JCPAA policy, at least three proposals will be considered. The auditing process will begin on or about November 1.

ACCOUNTING TERMS AND DEFINITIONS

The following terms are common terms used throughout this manual and are helpful in understanding the policies, procedures, and methods contained herein.

Accounting Period: July (accounting period 1) through June 30(accounting period 12).

Adjustment: An entry to the accounting records which increases or decreases both cash and a school account and which is recorded either to correct an error or to record bank charges, interest, or NSF checks.

Bank Credit: An addition to the school's checking account made by the bank. Credits usually consist of deposits, or other additions such as interest, corrections of errors, etc.

Bank Debit: A subtraction from the school's checking account made by the bank. Debits usually consist of checks drawn on the school's account, NSF checks & fees, check printing charges, service charges, corrections of errors, etc.

Canceled Receipt: A receipt which has not been posted but which has been saved and is later deleted by selecting the "Edit Cash Receipts" function of the program menu.

Checking Account: The checking account is a record of all transactions involving cash and/or entries to the checkbook that occur as the result of deposits, checks written, cash receipts, interest earned, and transfers from savings accounts, NSF checks, bank service charges, etc.

Credit Memo: A credit received from the vendor, either for items returned, over-payment, etc. which is to be deducted from the amount to be paid. On the automated accounting system – an invoice with a negative amount.

Disbursement: Payments, which require the use of school funds.

Entry: The recording of any transaction on the computer.

Formal Bid: An official request for price quotations from a number of vendors pertaining to an item or items the school wishes to buy, the total aggregate price of which is \$10,000 or greater. The purchasing agent at the central office administers formal bids.

Informal Bid: A request for price quotations from three or more vendors pertaining to an item or items the school wishes to buy, the total aggregate price of which exceeds \$3,500 but is less than \$10,000.

Invoice: An itemized list of goods purchased or services rendered including price and terms of the sale.

LSA-RS: Louisiana Statutes Annotated - Revised Statutes. These are state laws concerning the use of state funds. The letters are followed by a section number, such as 17:414, the state law for school account management.

NSF Check: Non-sufficient funds check; a check which was received by the school and was deposited into the school checking account but is returned by the bank and is deducted from the school checking account due to non-payment on the check by the bank. It should be recorded as a negative receipt to the cash account and the account to which it was originally receipted.

NSF Fee: An amount charged by the bank and deducted from the school's checking account for each NSF check processed through the school's checking account. It is recorded as a disbursement from the cash account and from the account to which the check was originally deposited.

Outstanding Check: A check that has been issued and recorded to the checking account, but has not cleared the bank statement.

Purchase Order: Document authorizing a staff member to purchase goods or services on behalf of the school.

Receipt: The written evidence of funds received into the custody of the school which are to become part of the school's funds.

Savings Account: The savings account is a record of funds that have been deposited in the school savings account.

Sponsor: Faculty or staff member committed to being responsible for recording and supervising fund raisers, club candy sales and other student activities intended to raise money.

Transaction: Any act or agreement that affects the school's funds.

Transfer (of funds): The movement of funds from one school account to another without affecting the school's overall cash balance.

Vendor File: The list of frequently paid vendors which is stored "on file" in the computer for the automated accounting system. This file is used to record vendor invoices on the automated accounting system.

EXHIBITS

Sponsor's Obligation for Fundraisers Exhibit A
Property Loss Notice (Form PL76) Exhibit B
Employee Expense Report Form Exhibit C
School Voucher Exhibit D
FeeSheet ExhibitE
Report on Fundraising Form Exhibit F
Ticket Seller Sheet Exhibit G
Game Recap Sheet Exhibit H
Athletic Ticket Inventory Sheet Exhibit I
Ticket Seller Sheet-Non Athletic Event Exhibit J
Concession Inventory and Sales Form Exhibit K
Employee Financial Responsibility Form Exhibit L
Report of Extra Work (Form PR2) Exhibit M
After School Event Money Count Form Exhibit N

JCPAA School Board Sponsor's Obligation for Fundraisers

Once a sponsor has requested written permission from the principal to conduct a fundraiser, the following are the steps that need to be taken to ensure a successful fundraiser. By signing below the sponsor is indicating that they have read and fully understand their obligations and intend on following them.

Furthermore, the sponsor understands that it is their responsibility to immediately notify the principal if they find that he/she cannot follow the guidelines and to immediately take the necessary steps to minimize the financial impact on the group they represent.

1. As previously stated, all fundraisers must be approved by the principal in writing by completing the "Report on Fund Raising Project". The forms can be obtained from the school bookkeeper. The form should be completed within two weeks of the end of the project. Instructions on how to complete the form are printed on the back of each fundraising form.
2. If merchandise is to be sold, the sponsor must secure a location to store the items where access is limited to the sponsor and the principal.
3. When the items are received, the sponsor should count and verify the items received to the invoice or packing slip. If the sponsor is in agreement with the invoice or packing slip, he should sign it and return it to the school bookkeeper for processing of payment. If the sponsor does not agree with the invoice or the packing slip, then the sponsor should resolve any discrepancies with the vendor prior to authorizing the bookkeeper to make final payment.
4. Students should sign for items distributed to them to be sold or to be distributed to those who have prepaid. **It is advisable for all items to be prepaid.** This eliminates the possibility of losing items or having funds uncollected. It also reduces some of the administrative burden of having a fundraiser.
5. All funds collected by the sponsor should be documented by a receipt given to the person from whom the sponsor received the funds. The receipt should be issued from a pre-numbered receipt book issued by the school bookkeeper. With the permission of the principal, the sponsor may use a log to record payment. The log should provide the date, amount and reason for the payment and the person paying should sign verifying the amount.
6. The sponsor is responsible for securing the funds until they can be transferred to the bookkeeper.
7. The sponsor should transfer **all** funds received to the bookkeeper by the end of each school day. The sponsor should bring their receipt book or log for the bookkeeper to review.

8. The sponsor should remain in the bookkeeper's presence until an official computer generated receipt has been issued for the funds received by the bookkeeper.
9. All expenditures for the fundraiser should be made with a school check. The sponsor may not use cash received from students to pay for expenditures.
10. In the event merchandise is lost or stolen, the sponsor should notify the principal, and the sponsor must complete Form Property Loss Notice. This form should be completed when the loss is realized. Attach a copy of Form Property Loss Notice to the fundraising form for documentation.
11. In the event merchandise is damaged or spoiled (i.e. candy melts), the sponsor should have someone verify the amount damaged or spoiled, and this should also be documented on Form Property Loss Notice. A copy should be attached to the fundraising form.
12. Items given away as "prizes or awards" must be documented and signed for by the recipient and approved by the principal.
13. In the event the merchandise is not prepaid and funds cannot be collected from students, the sponsor must attach to the fundraising form a list of those who owe and their amounts to the fundraising form. The amount owed should reconcile to the list of items distributed to the student less any funds paid by the students. The sponsor should keep sufficient records to substantiate the uncollected funds.
14. The sponsor should maintain all records supporting the fundraising activity for three years after the school has been audited.

The above items have been read by the sponsor. The sponsor understands the requirements and intends to adhere to them unless otherwise documented and approved by the principal.

Furthermore, the sponsor understands that **he can be held accountable for any unaccounted for funds or merchandise** if the above procedures are not adhered to.

SPONSOR'S SIGNATURE: _____

DATE: _____

**Property Loss Notice
JCPAA School Board**

Department _____

Address _____

Date Loss _____ **Time** _____ **AM / PM**

Type of Loss (Fire, theft, vandalism, etc.)

Description of Damage or Loss:

List of Damaged or Stolen Items:

Quantity	Description (items, brand, serial number, etc.)	

Comments _____

_____ **Staff use only**

Items Stolen	
Items Damaged	
Parts and Labor Loss	
Equipment Stolen	
Leakage	
Loss	

Signature _____ **Date** _____

Principal or Executive Director

JCPAA Expense Report

Employee Name _____

Purpose of Trip

Dates of Trip _____ Account to be Charged _____

Date	Food	Lodging	Transportation	Other	Total
				Total	

Advance Received
Balance due to or (from) office
Record the Manatee Receipt number for funds Returned

All Expenditures for lodging and transportation should be supported by an original receipt or cancelled ticket. For personal auto, the number of miles times the current rate (see financial dept.). Expenditures for other items should have a receipt or a complete explanation when receipts are not available.

If meals are bought for others, please provide their names. If meals are bought for students, please provide the number of students.

JCPAA Voucher

School Name/Dept _____ **Date** _____

Vendor Name _____ **Check #** _____

Account to be charged _____

[illegible]**Requested By**

Principal Approval

Executive Director Approval

Board Approval

Date: _____

Exhibit F

JCPAA REPORT ON FUNDRAISING PROJECT

SCHOOL/DEPT: _____ YEAR: _____

THE FOLLOWING IS A PROJECTION OF THE SALES FOR THE PROPOSED PROJECT AND IS TO BE COMPLETED BEFORE THE PROJECT IS BEGUN.

Name of club or sponsoring organization _____

Name of faculty sponsor _____

Type of fundraising project _____

Company/Vendor name (if applicable) _____

Proposed starting date _____ Proposed ending date _____

	Projected
A. Number of units to be ordered for sale	_____
B. Proposed sales price per unit or ticket	\$ _____
C. Anticipated sales from the project (A times B)	\$ _____
D. Estimated total cost of all units	\$ _____
E. Anticipated profit (C minus D)	\$ _____
F. Proposed use of profit	_____

Requested by _____ Date _____
Sponsor's Signature

Approved by _____ Date _____
Principal's Signature

THE FOLLOWING IS TO BE COMPLETED **AFTER** FUNDRAISING PROJECT IS ENDED:

G. Total units received per invoice(s). _____
H. Less units returned to the vendor. _____
I. Units retained by the school (G minus H). _____
J. Less units still on hand (Inventory). _____
K. Less units given away as prizes or awards. ** _____ Sales Price* Calculated
L. Less units lost, stolen, damaged or spoiled.** Per Unit Sales
M. Total units available for sale X _____ = \$
N. ACTUAL funds collected (Should agree with General Ledger) \$
O. DIFFERENCE (M minus N) \$

Explanation:	Uncollected from students **	\$ _____
	Donations	\$ _____
	Other: (Attach explanation) \$	_____
	TOTAL: Should agree with O.	\$ _____

P. ACTUAL funds collected: (Same as N) \$ _____
Q. Less COST of all items (Should agree with checks item sales, attach written per General Ledger). _____
R. PROFIT or (Loss) on this project (P minus Q)). \$ _____

**** For multiple-priced items sales, attach detail** *** Attach appropriate list of form*****

Submitted By _____ Date _____
Sponsor's Signature

Reviewed By _____ Date _____
Principal's Signature

SPONSOR: SEND TO CPSB INTERNAL AUDITING DEPT. IMMEDIATELY UPON COMPLETION OF PROJECT
Exhibit N

JCPAA Funds Collected from After School Events

School Name / Dept Name

Event **Date**

Responsible Employee: _____

Fund Account: _____

Amount of Check: _____

\$ 100.00 _____
\$ 50.00 _____
\$ 20.00 _____
\$ 10.00 _____
\$ 5.00 _____
\$ 1.00 _____
\$ 0.25 _____
\$ 0.10 _____
\$ 0.05 _____
\$ 0.01 _____

Total Cash \$ _____

Total Funds Collected: _____

Money Counted By: _____

Checked By: _____

Receipt # from Bookkeeper _____

Exhibit G

I have read the following guidelines (general control requirements, funds received by teachers, fundraising, employee ethics and fixed assets) and understand them completely.

I also acknowledge that if I fail to create and maintain the proper accounting records and internal controls as described in these guidelines that it constitute willful neglect of duty and subjects me to disciplinary action up to and including termination.

By signing this statement, I am giving assurance to the administration that I intend to follow the guidelines and if I find that circumstances will not permit me to following them, it is my responsibility to immediately notify the principal of the school in which I serve.

SIGNED_____

DATE_____

SCHOOL_____