

# SMYRNA SCHOOL DISTRICT

## District Policy

**Article:** 3000 Business & Non-Instructional Operations

**Title:** Internal Accounts

**Policy #:** 3210

### **Purpose**

To establish policies and procedures for the handling of internal accounts and serve as recommended guidelines and procedures for all affiliated organizations.

### **Definition**

Student organizations are student groups under the direct supervision of a building principal or other designated district staff member.

Affiliated organizations are any parent, booster or other group whose purpose is to be supportive of a student organization.

Internal accounts are monies other than federal, state and local funds and may include but are not limited to those monies collected from: students to offset the costs of a student organization activity or for payment of student obligations; fund raising activities for various student organizations; and donations received from community organizations or individuals in support of a specific student organization/activity.

### **Authority**

In accordance with Delaware Code, the local board of education in conjunction with the district administration will serve as the custodian of all monies that are collected in the school. These monies shall be handled in accordance with the accounting regulations established by the district in conjunction with the State Division of Accounting (14 Del. C. §1043).

### **General Guidelines**

1. All monies raised by fund raising shall be for the benefit of the students, student organizations and/or the school.
2. All fundraising shall be conducted after obtaining approval from the principal. This shall include the reason and nature of the sale, dates of proposed sale, the vendor and organization conducting the sale.
3. Any and all expenditures must be for services and/or goods that will directly benefit the students and/or meet the guidance related to the approved fund raising or donation activity.
4. Two signatures are required to authorize any activity against an internal account. For middle and high school student organizations, it is recommended that one signature be that of a student representative.
5. A signatory may not authorize payment to themselves.
6. The authorized signors shall monitor and regulate the accounts in accordance with district policy.
7. No district employee may be the signatory for an affiliated organization.
8. Only personnel reimbursements may be provided to staff members from internal accounts. All payroll related transactions must be made through the state payroll system (PHRST).
9. Bank charges associated with returned checks shall be assessed against the internal account which was responsible for the returned check.

10. A ledger account shall be established by the district finance office to support the revenues and expenditures for each internal account. It shall be kept up-to-date at all times, and shall be designed to follow standard bookkeeping practices.
11. Disbursements of gift cards must be tracked and signed for the by the recipient. The type of card, amount and recipient must be clearly identified.
12. Accounts of affiliated organizations are not considered internal accounts and are to be kept completely separate from district funds. The use of the district federal identification number to establish these accounts is strictly prohibited.

### **Creation of Internal Accounts**

- 1 Internal accounts will be established through the "Establishment of Internal Account" form (see Form 3210-A).
- 2 All internal accounts will be reflected as a ledger account as part of the district banking accounts created for this purpose.
- 3 Schools and student organizations are prohibited from establishing their own banking accounts.

### **Revenue/Collection of Funds**

1. When practical, a receipt is to be issued for all monies received. A carbonized, pre-numbered receipt book is to be used. Situations when a receipt may not be issued include admission charges where the use of pre-numbered ticket rolls is recommended.
2. Funds received should be provided to the building financial secretary by the individual collecting the revenue using the Smyrna School District, Revenue Collection Form (See Form 3210-B).
3. All money is to be deposited on a daily basis, with the exception of events that occur during a time that makes bank deposits impossible (such as a weekend or holiday when the bank is closed). When this occurs, funds shall be secured and held by the designated custodian until such time that the funds can be deposited.
4. A copy of the deposit slip should be sent to the district office. The deposit slip should indicate the internal account to be credited.
5. The district office financial secretary will then enter the deposit into the ledger account for the designated internal account.
6. Under no circumstances, should funds be deposited into a personal bank account.

### **Disbursements**

1. The building financial secretary prepares the purchase orders (See Form 3210-C) for internal accounts and obtains the required signatures.
2. Purchase orders are then sent to the district finance office for approval. District level approval requires two signatures from the Superintendent, Assistant Superintendent or the Finance Director.

3. Purchase orders are then mailed or faxed from the district office to the vendor, two copies are sent back to the school and a final copy is kept in a file at the district office.
4. The building financial secretary prepares the check vouchers (See Form 3210-D) for internal accounts and obtains two authorized signatures.
5. Check vouchers are then sent to the district finance office for approval. Documentation supporting the check voucher should include a copy of the purchase order or personal reimbursement request and all associated receipts, packing slips and invoices. District level approval requires two signatures from the Superintendent, Assistant Superintendent or the Finance Director.
6. The checks are then distributed by the district finance office with a copy of the proper documentation.
7. A final copy is kept in a file at district office
8. All disbursements are to be made by check only.
9. Under no circumstances shall cash receipts that would otherwise be deposited be utilized for payments.

### **Monitoring of Accounts**

1. All revenues and expenditures for internal accounts will recorded by the district finance office using standard bookkeeping practices.
2. The district finance office shall reconcile the internal accounts ledger to the bank statements monthly. The Administrative Secretary who completes the monthly reconciliation of the internal accounts does not write checks from the account or enter deposits into the ledger system.
3. The statement and reconciliation is filed with that month's student funds documentation.
4. When the reconciliation is completed, a copy of each schools internal accounts balances and activity is sent to the building financial secretaries and distributed to the advisors for review.
5. The reconciliation shall be reviewed and signed by the advisor and returned to the district finance office. Signed reconciliations that are not received within two months will lead to a freezing of the account until such time as the reconciliations are received by the district finance office.
6. A copy of the Balance Sheet Report is included in the monthly school board package.
7. It is the responsibility of the advisor to maintain records and reconcile their records to the ledgers provided by the district finance office. All discrepancies should be reported to the finance office promptly.
8. The district finance office shall review accounts annually for inactivity during the year and notify advisors of potential closing of inactive internal accounts.
9. Funds remaining in inactive accounts shall be transferred to the student council account for the general benefit of the student body.

### **Closing of Accounts**

- 1 Internal accounts will be closed through the "Closing of Internal Account" form (see Form 3210-E).
- 2 Arrangements for the closing of high school senior class internal accounts should be made prior to graduation. Any remaining balance that has not been expended or dedicated will be designated as a donation to the Smyrna High School and will be expended for the benefit of the high school as determined by the school administration.

**Establishment of Internal Account**

Name of Account: \_\_\_\_\_

Purpose of Account: \_\_\_\_\_

\*(Authorized signors for Expenditures)

Principal: \_\_\_\_\_

Assistant Principal(s): \_\_\_\_\_

Advisor(s): \_\_\_\_\_

Student Officer: \_\_\_\_\_

By signing this form I acknowledge the following:

We are responsible for maintaining records and reconciling monthly statements in accordance with the district internal accounts policy.

Approved:

Finance Director: \_\_\_\_\_

Created:

Financial Secretary II: \_\_\_\_\_

**Closing of Internal Account**

Name of Account: \_\_\_\_\_

We, the appointed signators of the above cited internal account, do hereby choose the following option for closing of the internal account in accordance with Board Policy 3210.

Please check one:

<input type="checkbox"/>	Gift to school
<input type="checkbox"/>	Gift to the next senior class
<input type="checkbox"/>	Donation to a selected charity (Please specify):
<input type="checkbox"/>	Other (Please specify):

Principal: \_\_\_\_\_

Assistant Principal: \_\_\_\_\_

Advisor: \_\_\_\_\_

Student Officer: \_\_\_\_\_

Approved:

Finance Director: \_\_\_\_\_ Date: \_\_\_\_\_

Financial Secretary II: \_\_\_\_\_ Date: \_\_\_\_\_

**Smyrna School District  
Revenue Collection Form**

- 1) The collection of cash and checks for school activities requires that internal controls be in place to safeguard those assets. The internal controls shall ensure that the money is counted on the day that it is received; that there are at least two individuals present when cash is being counted; and that the form below is signed by the two individuals present during the counting of the money. A copy of this document should be given to the individual making the deposit at the bank to be maintained as supporting documentation and as an attachment to the bank deposit slip.
- 2) Receipts will be provided to individuals providing payment in anticipation of a future event. One copy of the receipt shall be given to the individual providing payment, and one copy shall be maintained by the school office. If the payment is made for an event taking place at the time of payment, such as during admittance to an athletic event, no receipt is required but the use of pre-numbered ticket rolls is recommended.

Date: \_\_\_\_\_

Description of activity: \_\_\_\_\_

Amount of Cash Collected: \_\_\_\_\_

Amount of Checks Collected: \_\_\_\_\_

Total Amount Collected: \_\_\_\_\_

Signature of Individual Counting the Revenue Collections: \_\_\_\_\_

Signature of Witness to Cash/Check Collections: \_\_\_\_\_