

BANK ACCOUNTS – SUPPLEMENTAL INFORMATION

School District of Okaloosa County

I. General Provisions

- A. Depositories in which internal funds are kept must be qualified public depositories, approved by the School Board, and are required to furnish the same type of security for deposits as is required for other District School Board funds.
- B. Each school shall have only one checking account which shall be entitled "(SCHOOL NAME) Internal Fund, The School District of Okaloosa County, Florida," or alternative which clearly identifies the school and school district. This account title must be imprinted on all internal fund checks and deposit slips. Savings or investment accounts shall be titled in the same manner.
- C. All monies received by the school shall be deposited intact as collected into this account and all disbursements shall be made by checks drawn on this account or by an approved Imprest Fund.
- D. Each school should arrange to use a night depository at its bank. The night depository shall be used for funds collected at football games and any time deemed necessary by the principal.
- E. Each account shall have at least two authorized check signers, one of whom must be the principal. These names shall be kept on file for audit. All checks must be signed with two signatures.
- F. At all schools other than elementary schools, the bookkeeper may not have signature authority over the bank. Elementary schools have the option of granting such authority to the bookkeeper.
- G. The principal is responsible for all financial transactions and proper check signatures. Under no circumstances shall checks be pre-signed; in addition, the use of facsimile signatures is prohibited.
- H. All bank account documentation should be kept in a secure location. This documentation includes items such as signature cards, agenda items to change accounts, and original certificates of deposit.
- I. Promissory notes, installment contracts, or lease purchase agreements shall not be executed from internal funds in the name of the school or any school organization except as authorized by the School Board.

III. Investments

- A. Pursuant to School Board policy, and as required by law, cash in the internal funds checking account in excess of immediate needs shall be invested pursuant to school Board Policy. The investment must be made in qualified depositories and may not exceed insurance protection or other legal collateral limits. Investments must be kept in a secure location.

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- B. Cash balances in excess of immediate needs will be remitted to the District Office for deposit in a SBA account and will be allocated interest based on average daily balances. Schools may place funds on deposit locally if the rate is higher than the rate of the investment opportunities offered by the District.
- C. *Invested money is not additional funds.* The money invested has already been recorded on the books and is included within the fund balances of the individual accounts.
1. When depositing money into an investment account, such as SBA, only the physical location of the money is being changed, indicated by the cash '0' accounts.
 2. Likewise, withdrawing money from an investment account is a location change and does not provide new cash to spend.
 3. The total of the cash accounts must always equal the total of the fund accounts.
 4. In order to determine how money may be spent, a school must look at the balances of its fund accounts. For example, if a school decides to buy a new copier using General funds, the maximum funds available in the table below would be \$10,000, not \$18,500 (the balance of the SBA).

Example:

'Cash (0)' Accounts (Physical Location)		'Fund' Accounts (To Whom Funds Belong)	
0 - Checking	\$ 10,900.00	1 - Athletics	\$ 3,000.00
0 - SBA	18,600.00	2 - Music	2,000.00
0 - Change Funds	500.00	3 - Classes	3,000.00
		4 - Clubs/Organizations	5,000.00
		5 - Departments	4,000.00
		6 - Trust	3,000.00
		9 - General	10,000.00
Total	\$30,000.00	Total	\$30,000.00

- D. Before writing a check, the balance of the checking account must be noted to ensure that the account will not be overdrawn. If the checking account balance is too low, funds must be obtained from an investment account.
- E. It is understood that there will be times when checking account balances run high, such as when fundraisers are in progress. It is not necessary for a school to invest those funds as they will be paid to a vendor in the near future.
- F. Making a Deposit in an Investment Account - District
1. Complete a Check Requisition with the Principal or his/her designee as Sponsor.

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2. Write a check to the Okaloosa County School District. When entering the invoice into the accounting system, use the 0-District Investment/SBA account rather than a fund account on the lower portion of the invoice screen. (See Sample: Invoice Screen – Deposit to District Investment Account)
3. Complete the top portion of the School Investment Funds Deposit/Request Form (MIS 3416).
4. Send the check and the School Investment Funds Deposit/Request Form (MIS 3416) to the Accounting and Financial Reporting Department.

Sample: Invoice Screen – Deposit to District Investment Account

OCSD TEST SCHOOL

DATE: 8/19/2010

Pay to the order of: VENDOR: OCSD QUICK VENDOR ADD

ADDRESS: Full Vendor Setup

CITY:

STATE, ZIP:

CHECK NUMBER: PRINT
Check to be printed

CASH/CHECKING BALANCE: \$11,823.58

CHECK AMOUNT: \$5,000.00

EXACTLY FIVE THOUSAND DOLLARS AND ZERO CENTS

Description	Purchase Order	PO Liq. Amt	Invoice	Account	Balance	Amount
SBA Deposit			SBA-08192010	0.015.000 Investment - OCSD	\$24,941.53	\$5,000.00

New Row New Check Save Print Proof Listing Close Report

G. Making a Deposit in an Investment Account – Other

1. To establish a certificate of deposit (CD) or make a deposit to an investment account other than with the District, contact the bank to determine the appropriate steps/paperwork needed.
2. Write a check as in the District Investment Account example, using the appropriate 0-account on the lower portion of the invoice screen.

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3. Each investment account and/or CD should have its own 0-account number.

H. Making a Withdrawal from an Investment Account – District

1. Complete the bottom portion of a School Investment Funds Deposit/Request Form (MIS 3416) and fax to the Accounting and Financial Reporting Department. The form must be received in the Accounting and Financial Reporting Department no later than Tuesday as checks are written on Wednesdays.
2. Receipt the District check on a Monies Collected Form (office personnel – not the bookkeeper).
3. Deposit the District check into the school's checking account.
4. Enter the receipt into the accounting system using the 0-District Investment/SBA account rather than a fund account on the bottom portion of the receipt screen. (See Sample Receipt Screen – Withdrawal from District Investment Account)

Sample: Receipt Screen – Withdrawal from District Investment Account

The screenshot displays the 'ReceiptNew' web application. The browser window title is 'ReceiptNew - Microsoft Internet Explorer'. The address bar shows 'http://finance-srv1.ocsd.okaloosa.k12.fl.us/sfo/ReceiptNew.aspx'. The page features a navigation menu with options like 'Admin', 'Data Files', 'Checks', 'Receipts', 'JE's', 'PO's', 'Registers', 'Reports', 'Bank Reconciliation', 'Admin Functions', and 'Help'. The main content area is titled 'Official Receipt' and includes a 'Received From' section with fields for 'RECIPIEE' (Ima Secretary), 'ADDRESS', 'CITY', and 'STATE, ZIP'. There are also fields for 'DATE' (8/19/2010), 'RECEIPT NUMBER', 'CASH-CHECK BAL: \$16,823.58', 'TOTAL CASH', 'TOTAL CHECKS', and 'AMOUNT OF RECEIPT: \$5,000.00'. A table at the bottom shows a withdrawal from an SBA account.

Description	Beg Receipt #	End Receipt #	Account	Balance	Amount
SBA Withdrawal	0001234		0.015.000 Investment - OCSD	\$39,941.53	\$5,000.00

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- I. Entering Funds from a Certificate of Deposit (CD) or Investment Account – Other
 1. When a bank provides a check from an investment account or a CD, deposit the check as in the SBA withdrawal example, using the appropriate 0-account.
 2. If a bank deposits funds directly from a CD or investment account to a school's checking account, a journal entry (Asset Transfer) will need to be entered to record the transaction. See example in **JOURNAL ENTRIES – ADJUSTMENTS**.

II. Changing a Bank Account

- A. If a school finds it necessary to change banks and/or bank accounts, the principal shall seek School Board permission prior to the change.
 1. The Principal shall write a letter to the School Board asking permission to open the new account and close the old account. Details of the change, such as the reason, and the effective date, must be included.
 2. The letter is to be sent to the Chief Financial Officer (CFO). The CFO shall submit the request to the Superintendent for approval and then as an agenda item for School Board approval.
 3. Once approved by the School Board, the school shall receive a copy of the approved agenda item.
- B. Once the school receives School Board approval, the new bank account may be opened.
 1. The school shall contact the new bank to see what steps are required to open an account.
 2. The school shall provide information about the new account to the Accounting & Financial Reporting Department.
 3. If only the bank account number is changing, there are no special steps to be taken in the accounting system.
 4. If the bank is changing, a temporary trust fund account must be set up in the accounting system to facilitate the recording of the fund transfer.
 5. The school will write a check made payable to itself using the temporary trust fund account. The check will be taken to the new bank to open the account.

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6. After the new account is opened, the check will be receipted back in to the accounting system using the temporary trust fund account.
- C. The school will send letters, return receipt requested, to the payees of the outstanding checks notifying them that the account will be closed in two weeks. (See Sample Letter Informing Payee of Impending Account Closure) One of the following will happen:
1. The letter will be returned by the payee, requesting the check be reissued.
 - a. The letter will be attached to a new Check Requisition as backup.
 - b. The old check is to be voided in the accounting system.
 - c. A new check will then be issued using the new checking account.
 2. The letter will be returned by the payee, authorizing a donation to the school.
 - a. The check will be voided in the accounting system.
 - b. The date the check was voided will be noted on the letter, and the letter will be filed with the current month's disbursements.
 3. The green receipt or the undeliverable letter will be returned by the post office and no response will be received from the payee.
 - a. The letter will be attached to a new Check Requisition made payable to Okaloosa County School District, noting that no response was received.
 - b. The old check will be voided in the accounting system.
 - c. A new invoice for Okaloosa County School District will be entered in to the accounting system, and the check will be printed using the new checking account.
 - d. The check will be sent to the Accounting & Financial Reporting Department with a letter explaining that the account is being closed and the check is unclaimed property.
- D. The school will close the old account.
1. Once there are no more outstanding checks, the account may be closed.
 2. The school will request that the bank close the old checking account and issue a Cashier's Check for any remaining balance. The school will then deposit the check into the new account at the new bank. A note will be made for the files; however, there will be no entry in the accounting system.

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Sample: Letter Informing Payee of Impending Account Closure

Dear _____ :

In reviewing our bank records, we find that the following check issued to you has not been cashed:

CHECK NUMBER	CHECK DATE	CHECK AMOUNT
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Please cash this check as soon as possible as this checking account will be closed on _____.

If you cannot find the check, please mark one of the choices below, sign, and return this letter in the enclosed self-addressed, stamped envelope.

- I would like to have my check reissued. Should I find the original check, I will return it to the school.
- I would like to make a donation to the school in the amount of the above referenced check.

Signature

Date

Address: _____

Should you have any questions, please contact our bookkeeper, _____, at _____. We would appreciate your help in clearing up this matter.

Sincerely,

Principal