

# CITRUS COUNTY SCHOOL DISTRICT

FINANCE DEPARTMENT  
TRAINING SERIES



# CITRUS COUNTY SCHOOLS

October 2, 2018

INTERNAL ACCOUNTS FOR PRINCIPALS



# Florida's "Redbook"

- The Financial and Program Cost Accounting and Reporting for Florida Schools "Redbook" requires that financial transactions of school organizations be accounted for in the school internal accounts and that all funds handled by school board employees during normal working hours be included in and become part of the internal funds of the school unless accounted for in the district level accounting system.

# Florida's "Redbook "

- All organizations of the school, or organizations operating in the name of the school, that obtain money from the public shall be accountable to the board for receipt and expenditures of those funds in the manner prescribed by the board.
- In accordance with Florida Constitution, Florida Statutes, State Board of Education rules, and school board policy.
- Sound business practices should be observed in all transactions.

# Internal Accounts - Policy 7.32

- Funds collected and expended for the STUDENT's benefit and are to be used for all monies collected and disbursed by each school through fund raisers and other student related extracurricular activities.
  - Funds collected for specific purposes shall be expended for the purpose collected.
  - Funds designated for the general purpose shall benefit the entire student body.

# Internal Accounts - Policy 7.32

- Funds should not accumulate in Field Trip or Fundraiser accounts yearly.
  - If a balance accumulates at year end, monies for Grade Levels should move to the next grade.
  - Excess funds left in the final grade's account at a school should be transferred to the General Account.
    - This is used to benefit the entire student body.
- Student participation in fundraising activities shall not be in conflict with the program as administered by the school district.

# Internal Accounts - Policy 7.32

- All monies collected by the school must be allowed by forms of cash or check.
- Reimbursements to staff shall be limited, use sound business practices.
- The use of signature stamps are prohibited on any internal account documents and reports.
- All signatures should be dated by the person who signed the document on the date they signed.

# Student Activity Funds - Policy 7.34

- Athletics - sale of tickets, programs, concession sales, game guarantees
- Concessions - shall be approved and operated by a student body association, student group or an outside agency authorized by the School Board
  - Shall not compete with school lunch program
- Paid Admission to Entertainment - admission price shall be kept to a minimum to allow for the maximum number of students to attend
  - Must have prior approval of principal



# Student Activity Funds - Policy 7.34

- Publications - school newspapers, yearbooks and other publications. Selling price set to be consistent with good business practices but so that the maximum number of students will benefit.
- School Store - merchandise that is needed by students to facilitate classroom instruction and to accommodate students. Profits shall benefit the general fund unless otherwise approved by the principal.
  - Principal shall establish and approve the list of merchandise.

**\*\*\*ALL FUNDS FROM THESE GROUPS IS TO BE DEPOSITED INTO THE SCHOOL'S INTERNAL ACCOUNT\*\*\***

# Student Activity Funds - Policy 7.34

- Fundraising - funds raised from dues, sales of tickets or other approved activities limited to active members of the general group enrolled.
  - All fundraising activities are governed by School Board Policy 7.40, Fund-Raising for School Projects and Activities and the DOE REDBOOK.
  - All fundraising projects and activities by schools or groups shall contribute to the educational and extracurricular experiences of students and shall not be in conflict with the overall instructional program.

# Student Activity Funds - Policy 7.34

- Fundraising continued
  - MUST HAVE PRIOR APPROVAL OF PRINCIPAL
    - Fund Raising/Activity request form
  - A financial report must be filed with the principal after each fund-raising activity is completed.
  - Kept within a reasonable limit.
  - Principal shall require a full justification of the need and explanation of the manner in which the funds are to be spent prior to approval.
  - Merchandising kept to a minimum.
  - Any activity which might expose the School Board to extraordinary liability requires approval of Superintendent or designee (Risk Management).

# Student Activity Funds - Policy 7.34

- Fundraising continued
  - Students fund-raising to benefit a charitable organization require advance approval.
    - All monies collected must be processed through the schools internal fund and fully distributed to the charity.
  - Parent-teacher association or other organizations may sponsor fund-raising activities, provided school work and time are not adversely affected.

# Student Activity Funds - Policy 7.34

- Fundraising continued
  - PROHIBITED
    - Unlawful activity by any school group or on School Board property.
    - Admission charges to student activities during school hours
    - Lotteries, raffles, other games of chance
    - Door-to-door by elementary students
      - Door-to-door by secondary discouraged
  - Individuals and business agencies shall not be subject to excessive annoyances from solicitation of funds by school groups or personnel.

# Student Activity Funds - Policy 7.34

- **FUNDRAISING WHAT TO LOOK FOR**
    - All activity should be preapproved in writing
      - This allows for monitoring of cash collections
      - Allows bookkeeper to be prepared and expect money to be turned in a timely manner
    - Is the fundraising reasonable and in the best interest of the students?
    - Allows for managing the number of fundraising activities being run at the same time, therefore competing for the same available dollars.
- \*\*PRENUMBERED TICKETS SHOULD BE USED AT LARGE ATHLETIC EVENTS\*\***

# Student Activity Funds - Policy 7.34

- Fundraising continued
  - The use of funds raised shall be advertised to the general public. (especially if a portion is to be used for staff appreciation)
    - No more than 10% of funds generated from student fundraisers shall be used for faculty/staff appreciation or other faculty/staff uses.
  - Ways to advertise
    - Parent Newsletter
    - Flyers
    - Newspaper
    - Social Media
    - Banners (concession/booth sales)

# Student Activity Funds - Policy 7.34

- **Gifts/Contributions (Donations)**
  - Made by athletic booster clubs, civic organizations, parent-teacher organizations and commercial agencies shall be considered part of the internal fund.
  - Governed by School Board Policy 9.11
    - Valued at less than \$500 must be approved by the Superintendent or designee (principal).
    - Valued at more than \$500 must be School Board approved (“Request for Board Agenda” completed)
      - E-mailed to Lanette two weeks prior to meeting.
      - Must be used for student body unless indicated.



# Student Activity Funds - Policy 7.34

- Gifts/Contributions (Donations)
  - Any donation over \$250.00, a school must issue a contemporaneous written acknowledgement per IRS publication 1771.
    - Board Agenda for items over \$500.00
    - Thank you e-mail addressed to the donor
    - Thank you letter addressed to the donor
      - List name of school
      - Amount of cash contribution
      - Description of non-cash contribution
      - Description of good faith estimate of for the values of goods donated.

# Temporary Change Funds -

- Governed by School Board Policy 7.33
  - Authorized for each school and shall be established at a set amount (commensurate with the volume anticipated).
  - No expenditures are to be made from any change fund, nor shall checks be cashed or loans made from any change fund.
  - Checks should be made out to someone other than persons signing the checks.
  - After the fundraiser/event, the funds will be returned to the bookkeeper and counted by both parties.

# Bank Accounts

- All internal funds are to be kept with a Qualified Public Depositor (QPD) approved by the district school board.
- Each school shall have only one checking account, which clearly identifies the school.
- All monies received into the school must be deposited as collected in this account.
- All disbursements will be made by checks drawn on this account.
- Only pre-numbered checks shall be used.

# Bank Accounts

- Statement downloaded from bank website.
- Should be reviewed with bookkeeper.
- Should be reconciled monthly and in a timely manner. (20 days)
- Approved by the principal along with the principal's report.
- Journal entry report needs to be approved.
- Scanned to Finance department by the end of the month.

# Bank Statements

- WHAT TO LOOK FOR
  - Beginning and ending balances, reasonable?
  - Are there any unidentified transactions?
  - Review copies of canceled checks
    - Are there any without your signature?
    - Do any of them look unfamiliar?
  - Review deposits
    - Are they being made timely?
    - Do they seem reasonable for fundraisers occurring?

# Cash Receipts & Deposits

- All funds collected by school board employees must be substantiated by any of the following:
  - pre-numbered receipts
  - consecutively numbered class receipts records
  - reports of monies collected
  - pre-numbered tickets
  - reports of tickets issued and sold
  - other suitable records

# Cash Receipts & Deposits

- All monies should be collected in the school office or turned into the school office on the **NEXT BUSINESS DAY.**
- All monies collected must be deposited into a depository as frequently as feasible and as dictated by sound business practices.
  - **MUST BE WITHIN FIVE (5) WORKING DAYS.**
- Deposits must equal the total amount of money taken in and recorded on receipts.
  - **ALL CHECKS MUST BE ENDORSED  
“FOR DEPOSIT ONLY.”**

# Cash Receipts & Deposits

- Person collecting monies shall complete a Report of Monies Collected form and submit it to the bookkeeper in person.
  - PER REDBOOK, THE BOOKKEEPER SHALL NOT COMPLETE THE REPORT OF MONIES COLLECTED.
- The bookkeeper counts the money while the person presenting the money is present.
  - Both the person collecting funds and bookkeeper must sign and date the form indicating they agree on the amount collected.



# Cash Receipts & Deposits

- **WHAT TO LOOK FOR:**
  - Know what money is being collected at your school at all times. Best source is Fundraiser Approval Forms, bookkeeper, activity director.
  - Have a system to monitor fundraising activities
    - Football game Friday night - receive funds Monday
  - Hold staff accountable for turning funds into the bookkeeper by the next business day.
    - Money left in classroom or other non-secure location are subject to loss
    - Report any loss to the SRO

# Cash Disbursements (Checks)

- All disbursements from internal funds must be in the form of approved pre-numbered checks.
- Internal funds CANNOT be used to
  - cash checks to accommodate individuals
  - make any kinds of loans
  - pay any form of compensation directly to employees
  - extend credit
- The Principal is fully responsible for all purchases and purchase commitments requiring present or future disbursements from internal funds.

# Cash Disbursements (Checks)

- PER REDBOOK, PURCHASE FROM INTERNAL FUNDS MUST BE AUTHORIZED IN WRITING BY THE PRINCIPAL OR DESIGNEE.
- Each account shall have at least two authorized signers, one of whom must be the principal.
- Under NO circumstances shall checks be presigned.
- The use of signature stamps is prohibited on all internal account documents.

# Cash Disbursements (Checks)

- **WHAT TO LOOK FOR:**
  - Know what money is being spent at your school at all times. Best source is Purchase Orders, bookkeeper, activity director.
  - Have a system to monitor disbursements
    - Check should match purchase order
      - Who is the check payable to?
      - Are the checks in numerical order?
      - Are the checks filled out (no blank checks)?
      - If the check is made to an employee is it necessary?
      - Are there two signatures on the check?

# Purchasing Cards

- Each school has a Pcard for Internal Purchases
  - Every user (teacher/sponsor) must sign a user agreement that is kept on file with the bookkeeper before using the card
  - Each card must be signed out on the sign in/out log with the bookkeeper
  - Purchase order must be in place before purchase is made
  - Once the purchase is complete the card and receipts must be turned into the bookkeeper.

# Audits - Policy 7.60

- Internal Audits are to be completed annually
- The signed, written report of the audit shall include notations of any failure to comply with Florida Statutes, Florida Administrative Code or district school board policy.
- The report, which must also provide commentary as to financial management and irregularities, shall be presented to the district school board while in session and filed as a part of the public record.

# Audits – Common Findings

- Finding

- Cash Collections (Untimeliness of Student Receipts)
- Cash collected by teachers & sponsors not being remitted to the bookkeeper in a timely manner.

- Rule

- Collections must be turned in no later than the next business day.
- Funds should not be left in the classrooms overnight.

# Audits – Common Findings

- Finding

- Untimeliness of Deposits

- Rule

- All monies collected must be deposited intact into the bank as frequently as feasible as dictated by sound business practices.
  - In any event, funds collected must be deposited within five (5) business days after initial collection of funds.
  - Deposits must be made before weekends and/or Holidays.



# Audits – Common Findings

- Finding
  - Report of Monies Collected Form Missing
- Rule
  - At a minimum, this form must include: \ul>  - the beginning and ending receipt numbers
  - total cash amount
  - detail of individual checks. (Check #)
- Teacher/Sponsor must take the money and form in person to the bookkeeper no later than the next business day after the money was collected.
- The Report of Monies Collected form protects both the teacher and the bookkeeper.

# Audits – Common Findings

- Finding
  - Student Receipts not issued or not available.
- Rule
  - Teacher/Sponsor must fill out and give the individual their copy of the cash receipt from the District issued cash receipt/collections book immediately upon receipt of the money.
  - Individual receipts are required anytime the individual collection is greater than \$5.00.

# Audits – Common Findings

- **Finding**
  - Cash disbursements not supported by a check requisition forms indicating approval prior to purchase.
  - Check requisition forms only contained one signature.
- **Rule**
  - All purchases must be officially approved in advance, before any commitment is made.
  - The principal is the only authority to approve purchases.
  - All Requisitions and Checks must have two authorized signatures.

# Purchasing - Policy 7.70

- Purchases from internal funds must be authorized in writing by the principal.
- Purchases from internal funds must follow the same purchasing guidelines as public tax funds.
- Principal is fully responsible for all purchases and purchase commitments requiring present and future disbursements of internal funds.
- **\*\*A SIGNED COMMITMENT FROM THE PRINCIPAL OR DESIGNEE MUST BE ON FILE BEFORE ANY PURCHASE IS MADE\*\***

# Purchasing - Policy 7.70

- **Thresholds**

- Less than \$3,499.99 (single or multiple items)
  - No quotes required (competition is encouraged)
- \$3,500 to \$9,999.99 (single or multiple items)
  - Three verbal quotes
- \$10,000 to \$24,999.99 (single or multiple items)
  - Three written quotes
- \$25,000 to \$49,999.99 (single or multiple items)
  - Formal Request for Quote
- More than \$50,000.00 (single or multiple items)
  - Sealed Bid Process and Board Approval (unless under existing contract)

# Purchasing - Policy 7.70

- **Thresholds**
  - This is District wide and cumulative. (So, if 30 schools order \$2,000 worth of Golf Cart repairs, we can't purchase without a competitive bid).
- **Must comply with**
  - Florida State Statute
  - Florida Administrative Code
  - School Board Policy

# School Property- Policy 7.71

- Tangible, nonconsumable, movable property owned by the School Board the value of which is at or in excess of the value established by Section 274.02 (1), Florida Statutes, and has a normal life expectancy of one (1) year or more.
- Currently at a value of \$1000

# School Property- Policy 7.71

- Custodian of property -
  - The custodian of school property is the person to whom responsibility for the custody of certain property has been delegated by the Superintendent or the School Board.
  - The building custodian who is responsible for cleaning and maintaining the buildings and grounds is not to be confused with the property custodian.



# School Property- Policy 7.71

- The Superintendent is custodian for all property owned or controlled by the School Board and may delegate such responsibilities to other school personnel.
- Each school principal shall be the custodian of all property located at and charged to that school.
- The principal or the District department head may delegate the responsibility to employees in that school or department and that person shall be responsible to the principal or District department head.

# Fixed Assets - Policy 7.72

- The District is required to maintain an inventory of all assets with a value of \$1000 or more.
  - Computers of any value are also tagged.
- Includes purchased and donated assets.
- Purchased includes SBAA accounts (Internal)
- If your site acquires an asset over \$1000, you will be sent information so we can tag the asset and add to the data base.

## Fixed Assets - Policy 7.72

- If assets are still usable, every effort should be made to notify other cost centers of the availability and condition of the identified items.
- Utilize the countywide e-mail notifying the items are available, photos are helpful.
- If another facility wishes the item, please complete a transfer form.
- If no one can utilize the item, please follow surplus procedures.

# Fixed Assets - Policy 7.72

- Assets determined to be no longer usable, may be declared surplus property and removed from the property records of the district.
- A surplus form is to be filled out and sent to purchasing.
- In accordance with Florida Statutes:
  - The Citrus County School Board must approve the disposal of ANY and ALL assets prior to its actual disposal.

# Fixed Assets - Policy 7.75-7.77

- Inventory must be completed each fiscal year (July 1 - June 30)
- Inventory should be completed each time a school principal changes
- Every effort should be made to locate all assets during inventory
- Any inventory that is deemed lost/stolen, the SRO needs to be contacted and an incident report filed.

# Fixed Assets - Policy 7.75-7.77

- Every effort should be made to recover all IPADs from students.
- A log shall be created and maintained of efforts made to contact parents and students to recover IPADs
- Once a principal deems that all effort has been exerted to recover Ipads,
  - Police reports need to be completed
  - Surplus forms need to be completed

# Fixed Assets - Policy 7.75-7.77

- IPAD SURPLUS continued
  - Items needed to surplus IPADS
    - Police Incident number
    - Surplus forms
    - Log of attempts to recover IPADS
  - An separate Board Agenda will done for individual school
  - Principal needs to be available for Board Meeting if Agenda is pulled

# Vendors

- All vendors must be:
  - Registered on Vendor Link
  - Must provide a W9
  - Cannot be related to School Board employee
  - To conduct business on campus while students are present must be Jessica Lunsford Act approved or escorted by a School Board employee at all times



# District Projects - based on FTE

- 10000 - Discretionary
  - Classroom based expenses
  - Administration's discretion
  - Requires SAC approval
- 1000E - Discretionary Extra Duty
  - Extra Duty for personnel
  - Administration's discretion
- 36000 - Substitutes
  - Used for daily subs not long-term

# District Projects

- 02400 - Science Consumables (based on FTE)
  - Supplies not eligible under FEFP Science Labs
  - Allocated by Mr. Roland
- 34700 - District Field Trips
  - Swim lessons
  - Marine Science Station
  - Away Sporting Events
- 00050 - Security
  - All middle and high schools
- 00640 - Band Uniforms and Equipment
  - All middle and high schools

# District Lottery Projects

- ss. 24.121 (5)(c) A portion of such net revenues, as determined annually by the Legislature, shall be distributed to each school district and shall be made available to each public school in the district for enhancing school performance through development and implementation of a school improvement plan pursuant to s. 1001.42 (18). These moneys may be expended only on programs or projects selected by the school advisory council or by a parent advisory committee created pursuant to this paragraph.

# District Lottery Projects

- Expenditures must be aligned with the school improvement plan.
- Principals may not override the recommendation of the SAEC on how funds are expended.
- Funds may not be used for capital improvements which includes purchases using a 6000 object per the Red Book.
- Funds may not be used for a project or program with the duration of more than 1 year unless the SAEC determines independently that it should receive funds in a subsequent year.

# District Lottery Projects

- State Legislation appropriates State funding in the FEFP (Florida Educational Finance Program) for PUBLIC SCHOOL EDUCATION and the purchase of food would not be considered to have an educational value for students and thus would be taking funds away from the classroom.
- SAC expenditures should follow similar guidelines to operating expenditures.
- Basically, if the expense would not be allowed with operating funds, then it wouldn't be allowed out of SAC funds.

# District Lottery Projects

- According to the Florida Dept. of Financial Services, questionable expenditures include: "candy, alcohol, banquets, decorations, greeting cards, gift cards, lobbying , personal cellular telephones, fund raising, promotional items, entertainment, flowers, refreshments, office parties, microwave ovens, refrigerators, coffee pots, portable heaters, and fans."
- In addition, the district does not allow use of internal accounts to purchase items for personal use.
- The only food that can be purchased with SAC money is for students which consist of snacks or water on State Assessment days.

# District Lottery Projects

- 20200 - School Recognition
  - Based on school grades
  - Nonrecurring bonuses, equipment and material, temporary staff to maintain student performance
  - School staff and SAC agree on usage
- 28000/28010 -School Advisory Council (Unused Teacher Lead)
  - Funded from the Lottery after School Recognitions funds have been allocated
  - Must have a school improvement plan

# District FEFP Projects

- **Instructional Material Allocation**
  - 291L0 - Library Media Materials
  - 291S0 - Science Lab Materials
  - 29100 - Instructional Material (managed by TRC)
- **Reward Funds (High Schools)**
  - 10350 - Advanced Placement
  - 10700 - International Baccalaureate
  - 10870 - CAPE Industry Certification