



# **TREASURER'S MANUAL**

## Introduction

The purpose of this manual is to serve as a reference tool for Principals, Treasures and other employees dealing with financial issues at the school level. The information explains what procedures or tasks are involved in different financial situations. The Principal is responsible for “school funds” maintained at the school level as authorized by the Board of Education Policy. School funds are not budgeted.

According to *North Carolina General Statute 115C-448* – entitled “*Special Funds of Individual Schools*”, the Superintendent nominates a Treasurer for each individual school. The Treasurer accounts for those funds on a **Daily** basis.

The Principal and the Treasurer are accountable for maintaining the financial records of the school funds as prescribed by the Chief Financial Officer of the school system. Duties and responsibilities are detailed on the following pages. By law, the Chief Financial Officer is responsible for assisting the Treasurers in carrying out their duties. The Chief Financial Officer may at any time audit the accounts of any officer, employee or agent collecting or receiving any monies and may prescribe the form and detail of these accounts.

## Table of Contents

|   |                                     |
|---|-------------------------------------|
| STATE LAWS1003  | 5                                   |
| Duties and Responsibilities of the Principal            | 10                                  |
| Duties and Responsibilities of the Treasurer            | 12                                  |
| General Fund Guidelines                                 | 14                                  |
| Allowable Expenditures                                  | 14                                  |
| Unallowable Expenditures                                | 15                                  |
| Receipt Books   | 16                                  |
| Issuance of Teacher/Staff Receipt Book                  | 17                                  |
| Responsibility for Teacher/Staff Receipt Book           | 18                                  |
| Teacher/Staff Receipt Book Procedure                    | 19                                  |
| School Bank Accounts                                    | 21                                  |
| Bank Deposits   | 21                                  |
| Returned Checks   | 22                                  |
| Purchasing Controls                                     | 23                                  |
| Check Writing Controls                                  | 24                                  |
| Reimbursement to School Personnel                       | 24                                  |
| School Voucher Controls                                 | 25                                  |
| Voiding a Check   | 26                                  |
| Stop Payment on Checks                                  | 26                                  |
| Escheats/Unclaimed Property                             | 27                                  |
| School Fundraising Activities                           | 28                                  |
| General Guidelines                                      | 28                                  |
| Accounting Procedures for School Fundraising Activities | 28                                  |
| Sales and Use Tax                                       | 30                                  |
| One Time Sales Tax Exempt Fundraiser                    | <b>Error! Bookmark not defined.</b> |
| NC Sales Tax Refund                                     | <b>Error! Bookmark not defined.</b> |
| 1. Allowable Expenditures for Sales Tax Refund          | <b>Error! Bookmark not defined.</b> |
| 2. Non-allowable Expenditures for Sales Tax Refund      | <b>Error! Bookmark not defined.</b> |
| Ticketing for Athletics & Other Charge Events           | 33                                  |
| Change Fund Procedures                                  | 33                                  |
| Ticket Inventory  | 33                                  |
| Collection of Admission Fees                            | 33                                  |

|   |    |
|---|----|
| Complimentary Admission                                   | 34 |
| Receipting Admission Fees                                 | 34 |
| Reconciliation of Bank Account                            | 36 |
| Bank Statement  | 36 |
| Reconciling the Bank Account                              | 36 |
| 1099 Vendors  | 37 |
| Other Financial Information                               | 38 |
| Travel & Expense Reimbursements                           | 38 |
| Loans of School Funds                                     | 38 |
| Employee Separation of Duty                               | 38 |
| Gift Certificates   | 38 |
| Gifts   | 38 |
| Grants  | 38 |
| Month End Closing Procedure                               | 39 |
| Internal School Audits                                    | 41 |
| Financial Review Conducted at the Central Office          | 41 |
| Financial Review Conducted at the Individual School Level | 41 |
| Calendar Year End Procedures (December 31, XXXX)          | 42 |
| Fiscal Year – End Procedures (June 30, XXXX)              | 42 |
| Appendix-FORMS  | 43 |
| TEACHER/STAFF RECEIPT BOOK LOG                            | 44 |
| TEACHER/STAFF FINANCIAL REPORT                            | 45 |
| SCHOOL VOUCHER FORM                                       | 46 |
| TICKET SALES REPORT                                       | 47 |
| Appendix: CHECKLIST/LETTERS                               | 48 |
| School Funds – Principal’s Monthly Checklist              | 49 |
| School Funds – Treasurer’s Monthly Checklist              | 51 |
| New Treasurer Checklist                                   | 52 |
| Affidavit To Obtain Duplicate Check                       | 53 |
| Affidavit of Lost Check: SAMPLE LETTER #1                 | 54 |
| Affidavit of Lost Check: SAMPLE LETTER #2                 | 55 |
| CHILD NUTRITION   | 56 |
| References  | 60 |

## **STATE LAWS1003**

The sections of Article 31, "*The School Budget and Fiscal Control Act*" of the Public School Laws of North Carolina, applicable to the Special Funds of Individual Schools are as follows:

### **§ 115C-442. Fidelity bonds**

(c) The treasurer of each individual school and all other officers, employees and agents of each local school administrative unit who have custody of public school money in the normal course of their employment or agency shall give a true accounting bond with sufficient sureties in an amount to be fixed by the board of education. The premiums on these bonds shall be paid by the local school administrative unit. Instead of individual bonds, a local school administrative unit may provide for a blanket bond to cover all officers, employees, and agents of the local school administrative unit required to be bonded, except the finance officer. The finance officer may be included within the blanket bond if the blanket bond protects against risks not protected against by the individual bond.

### **§ 115C-443. Investment of idle cash**

(a) A local school administrative unit may deposit at interest or invest all or part of the cash balance of any fund. The finance officer shall manage investments subject to whatever restrictions and directions the board of education may impose. The finance officer shall have the power to purchase, sell, and exchange securities on behalf of the board of education. The investment program shall be so managed that investments and deposits can be converted into cash when needed.

(b) Moneys may be deposited at interest at any bank, savings and loan association, or trust company in this State in the form of certificates of deposit or such other forms of time deposit as the Local Government Commission may approve. Investment deposits shall be secured as provided in G.S. 115C-444(b).

(c) Moneys may be invested in the following classes of securities, and no others:

(1) Obligations of the United States of America.

(2) Obligations of any agency or instrumentality of the United States of America if the payment of interest and principal of such obligations is fully guaranteed by the United States of America.

(3) Obligations of the State of North Carolina.

(4) Bonds and notes of any North Carolina local government or public authority, subject to such restrictions as the Secretary of the Local Government Commission may impose.

(5) Shares of any savings and loan association organized under the laws of this State and shares of any federal savings and loan association having its principal office in this State, to the extent that the investment in such shares is fully insured by the United States of America or an agency thereof or by any mutual deposit guaranty association authorized by the Commissioner of Insurance of North Carolina to do business in North Carolina pursuant to Article 7A of Chapter 54 of the General Statutes.

(6) Obligations maturing no later than 18 months after the date of purchase of the Federal Intermediate Credit Banks, the Federal Home Loan Banks, Fannie Mae, the Banks for Cooperatives, and the Federal Land Banks.

(7) Any form of investment allowed by law to the State Treasurer.

(8) Any form of investment allowed by G.S. 159-30 to local governments and public authorities.

(d) Investment securities may be bought, sold, and traded by private negotiation, and local school administrative units may pay all incidental costs thereof and all reasonable cost of administering the investment and deposit program. Securities and deposit certificates shall be in the custody of the finance officer who shall be responsible for their safekeeping and for accurate investment accounts and records.

(e) Interest earned on deposits and investments shall be credited to the funds whose cash is deposited or invested. Cash of several funds may be combined for deposit or investment if not otherwise prohibited by law; and when such joint deposits or investments are made, interest earned shall be prorated and credited to the various funds on the basis of the amounts thereof invested, figured according to an average periodic balance or some other sound accounting principal. Interest earned on the deposit or investment of bond funds shall be deemed a part of the bond proceeds.

(f) Registered securities acquired for investment may be released from registration and transferred by signature of the finance officer.

(g) It is the intent of this Article that the foregoing provisions of this section shall apply only to those funds received by the local school administrative unit as required by G.S. 115C-437.

The county finance officer shall be responsible for the investment of all county funds allocated to the local school administrative unit prior to such county funds actually being remitted to the school finance officer as provided by G.S. 115C-437.

**§ 115C-444. Selection of depository; deposits to be secured.**

(a) Each board of education shall designate as the official depositories of the local school administrative unit one or more banks, savings and loan associations, or trust companies in this State. It shall be unlawful for any money belonging to a local school administrative unit or an individual school to be deposited in any place, bank or trust company other than

an official depository, except as permitted by G.S. 115C-443(b); however, moneys belonging to an administrative unit or an individual school may be deposited in official depositories in Negotiable Order of Withdrawal (NOW) accounts.

(b) Money on deposit in an official depository or deposited at interest pursuant to G.S. 115C-443(b) shall be secured by deposit insurance, surety bonds, or investment securities of such nature, in a sufficient amount to protect the administrative unit or an individual school on account of deposit of moneys made therein, and in such manner, as may be prescribed by rule of regulation of the local Government Commission. When deposits are secured in accordance with this subsection, no public officer or employee may be held liable for any losses sustained by a local school administrative unit because of the default or insolvency of the depository.

#### **§ 115C-445. Daily deposits.**

Except as otherwise provided by law, all moneys collected or received by an officer, employee or agent of a local school administrative unit or an individual school shall be deposited in accordance with this section. Each officer, employee and agent of a local school administrative unit or individual school whose duty is to collect or receive any taxes or other moneys shall deposit his collections and receipts **Daily**. If the board of education gives its approval, deposits shall be required only when the moneys on hand amount to as much as two hundred fifty dollars (\$250.00), but in any event a deposit shall be made on the last business day of the month. All deposits shall be made with the finance officer or in an official depository. Deposits in an official depository shall be immediately reported to the finance officer or individual school treasurer by means of a duplicate deposit ticket. The finance officer may at any time audit the accounts of any officer, employee or agent collecting or receiving any taxes or other moneys, and may prescribe the form of detail of these accounts. The accounts of such an officer, employee or agent shall be audited at least **annually**.

#### **§ 115C-446. Semi Annual reports on status of deposits and investments.**

Each school finance officer shall report to the Secretary of the Local Government Commission on January 1 and July 1 of each year, or such other dates as the Secretary may prescribe, the amounts of money then in his custody and in the custody of the treasurers of the of individual schools within the local school administrative unit, the amounts of deposits of such money in depositories, a list of all investment securities and time deposits held by the local school administrative unit and individual schools therein. In like manner, each bank or trust company acting as the official depository of any administrative unit or individual school may be required to report to the Secretary a description of the surety bonds or investment securities securing such public deposits. If the Secretary finds at any time that any moneys of a local school administrative unit or an individual school are not properly deposited or secured, or are invested in securities not eligible for investments, he shall notify the officer in charge of the moneys of the failure to comply with law. Upon such notification, the officer shall comply with the law within 30

days, except as to the sale of securities not eligible for investment which shall be sold within nine months at a price to be approved by the Secretary. The Local Government Commission may extend the time for sale of ineligible securities, but no one extension may cover a period of more than one year.

**§ 115C-447. Annual independent audit.**

(a) Each school administrative unit shall have its accounts and the accounts of individual schools therein audited as soon as possible after the close of each fiscal year by a certified public accountant or by an accountant certified by the Local Government Commission as qualified to audit local government accounts. The auditor who audits the accounts of a local school administrative unit shall also audit the accounts of its individual schools. The auditor shall be selected by and shall report directly to the board of education. The audit contract shall be in writing, shall include all its terms and conditions, and shall be submitted to the secretary of the Local Government Commission for his approval as to form, terms and conditions. The terms and conditions of the audit contract shall include the scope of the audit, and the requirement that upon completion of the examination the auditor shall prepare a typewritten or printed report embodying financial statements and his opinion and comments relating thereto. The financial statements accompanying the auditor's report shall be prepared in conformity with generally accepted accounting principles. The auditor shall file a copy of the audit report with the secretary of the Local Government Commission, the State Board of Education, the board of education, the board of county commissioners, and shall submit all bills or claims for audit fees and costs to the Secretary of the Local Government Commission for his approval. It shall be unlawful for any local school administrative unit to pay or permit the payment of such bills or claims without this approval. Each officer, employee and agent of the local administrative unit having custody of public money or responsibility for keeping records of public financial or fiscal affairs shall produce all books and records requested by the auditor and shall divulge such information relating to fiscal affairs as he may request. If any member of a board of education or any other public officer, employee or agent shall conceal, falsify, or refuse to deliver or divulge any books, records or information, with intent thereby to mislead the auditor or impede or interfere with the audit, he is guilty of a Class 1 misdemeanor.

The State Auditor shall have authority to prescribe the manner in which funds disbursed by administrative units by warrants on the State Treasurer shall be audited.

(b) When the State Board of Education finds that incidents of fraud, embezzlement, theft, or management failures in a local school administrative unit make it appropriate to review the control procedures of the unit, the State Board of Education shall so notify the unit. If the incidents were discovered by the firm performing the audit under subsection (a) of this section, the board of the local school administrative unit shall submit the audit together with a plan for any corrective actions relative to its internal control procedures to the State Board of Education and the Local Government Commission for approval and shall implement the approved changes prior to the next **Annual** audit. Where the firm preparing



the audit under subsection (a) of this section identifies significant problems with internal control procedures the local school administrative unit shall submit the audit together with a plan for any corrective actions relative to its internal control procedures to the State Board of Education and the Local Government Commission for approval and shall implement the approved changes prior to the next **Annual** audit.

If the incidents were not discovered by the firm performing the audit under subsection (a) of this section, the State Board of Education and the Local Government Commission shall employ an audit firm to review the internal control procedures of that local school administrative unit. Upon completion of this review, the audit firm shall report publicly to the State Board of Education, the Local Government Commission, and the board of the school administrative unit. If the State Board of Education determines that significant changes are needed in the internal control procedures of the local school administrative unit, the board

#### **§ 115C-448. Special funds of individual schools.**

(a) The board of education shall appoint a treasurer for each school within the local school administrative unit that handles special funds. The treasurer shall keep a complete record of all moneys in his charge in such form and detail as may be prescribed by the finance officer of the local school administrative unit, and shall make such reports to the superintendent and finance officer of the local school administrative unit as they or the board of education may prescribe. Special funds of individual schools shall be deposited in an official depository of the local school administrative unit in special accounts to the credit of the individual school, and shall be paid only on checks or drafts signed by the principal of the school and the treasurer. The board of education may, in its discretion, waive the requirements of this section for any school which handles less than three hundred dollars (\$300.00) in any school year.

(b) Nothing in this section shall prevent the board of education from requiring that all funds of individual schools be deposited with and accounted for by the school finance officer. If this is done, those moneys shall be disbursed and accounted for in the same manner as other school funds except that the check or drafts shall not bear the certificate of preaudit.

(c) For the purposes of this section, "special funds of individual schools" includes by way of illustration and not limitation funds realized from gate receipts of interscholastic athletic competition, sale of school Annuals and newspapers, and dues of student organizations.

## **Duties and Responsibilities of the Principal**

### **GENERAL**

- The Principal is responsible for all funds deposited into his/her individual school account.
- Use original signature for all finance records (not a signature stamp).

### **PURCHASING**

- No funds shall be expended without the knowledge and approval of the Principal. The Principal shall sign all purchase orders, invoices, school vouchers, or other supporting documentation as approval before payment is made.
- In respect to restricted funds, the Principal is, in effect, a trustee of these funds and is charged with the responsibility of managing and expending these funds for their intended use. Furthermore, it is their responsibility to also ensure expenditures recorded in LINQ are not duplicated in School Funds

### **DEPOSITS**

- In respect to all funds deposited into the individual school account, the Principal is responsible for the accounting of these funds on a **Monthly** basis to the Finance Office in conjunction with the School Treasurer.

### **CHECKS**

- All Checks or drafts made on the school account shall be signed by the Principal and the Treasurer. In situations where the Principal or the Treasurer is not available, the Finance Officer is authorized to sign school checks. Use of stamps to sign checks is not allowable under any circumstances.

### **RECEIPT BOOKS**

- The Principal shall communicate to staff and hold them accountable for exercising all internal controls related to the receipting of money. This includes, but is not limited to, the following:
  - The principal shall communicate to staff that all money collected and receipted shall be turned in to the office with receipt book on a **Daily** basis for deposit into the bank. Principal shall hold staff in compliance with this requirement through close communication and cooperation with the school Treasurer.
  - The Principal shall ensure that cash receipts are counted in the presence of the person turning in the money before the receipt is written. If this is not possible, the receipt should be placed in a sealed envelope secured bank bag indicating the amount enclosed and the person turning in should sign and date. Monies can be counted later in the presence of another person designated by the Principal and the receipt issued.

**FUNDRAISERS**

- The Principal is responsible for approving all fundraising activity before the fundraiser begins. Coordinate with the school staff in charge of fundraisers to make a schedule of fundraisers for the upcoming year.

**MONTHLY BANK STATEMENTS & RECONCILIATIONS**

- On a **Monthly** basis, the Principal is responsible for reviewing, approving and signing the bank statement and bank reconciliation. The Principal should review the following areas for accuracy:
  - **CHECKS**: Review checks drafted against the school account (as included with the bank statement) to ensure the following:
    - Each check drafted against the school account was properly signed by the Principal and the Treasurer.
    - Each check drafted against the school account was made payable to a valid payee
  - **DEPOSITS**: Review deposits included in the bank statement to ensure the following:
    - That all funds are deposited in the bank in a timely manner. State law requires that funds on hand in an amount of \$250.00 or more be deposited on a **Daily** basis.
    - Any and all funds within the school shall be deposited on the last day of the month.
  - **APPROVE**: In order to certify that the entire bank statement has been reviewed, monitored, and approved, the Principal shall:
    - Sign and date the first page and initial each page after of the complete bank statement.
    - All bank reconciliation reports must be signed and dated (refer to Reconciliation of Bank Account section in the manual).
- The Principal shall communicate to School Treasurer and hold him/her accountable for submitting all appropriate data to the Finance Office by the 15<sup>th</sup> of the month for the prior month's activity.

## **Duties and Responsibilities of the Treasurer**

### **GENERAL**

- Be familiar with and comply with applicable laws and Board policies.
- To keep a complete record of all monies in their charge, following procedures prescribed by the finance officer.
- Perform any and all other accounting responsibilities prescribed by the Principal and the Finance Officer.
- Responsible for ensuring that all internal controls over cash receipts and disbursements are being exercised consistently and efficiently on a **Daily** basis.
- Document and communicate to the Principal any and all circumstances where internal controls over cash receipts and disbursements are not being exercised consistently and efficiently by school staff.

### **RECEIPTS & DEPOSITS**

- Ensure that all Teacher/Staff receipt books are inventoried so as to ensure that all receipt books are accounted for by Teacher/Staff during the year.
- **Receive all monies** and write receipts for all monies in strict compliance with all internal controls over receipts.
- STATE LAW-Any funds on hand in an amount of \$250 or more are deposited at the bank on a **Daily** basis. Also, any and all funds on hand are deposited on the last day of the month.
- The Treasurer shall make the deposit at the bank (unless the school Principal assigns this specific duty to another school employee).
- Post all cash receipts to the General Ledger on a **Daily** basis.

**Duties and Responsibilities of the Treasurer (continued)****CHECKS**

- Ensure that no funds are obligated without the knowledge and approval of the Principal. The Principal shall sign all in-school purchase orders and/or check requests before the funds can be obligated.
- Process all invoices and school vouchers for payment that have been previously approved by the Principal. The Principal shall sign all invoices, school vouchers, or other supporting documentation.
- Ensure that no disbursements are made from the school account unless adequately supported by approved invoices, school vouchers, or other proper documentation.
- Ensure that school employees present adequate documentation for reimbursement of their personal funds. Such documentation must be signed by the Principal BEFORE reimbursement is made. The purchase of goods/services for the school with Teacher/Staff's personal funds should strongly discouraged.
- Ensure that all checks or drafts made on the school account shall be signed by the Principal and the Treasurer only. In situations where the Principal or the Treasurer is not available, the Finance Officer is authorized to sign school checks. Use of stamps to sign checks is not allowable under any circumstances.
- Ensure that all checks are written and printed through School Funds accounting program. Manual, handwritten checks ARE NOT allowed **unless individually approved by the Finance Officer.**
- Ensure that all original invoices, school vouchers, or other supporting documentation is marked "paid" or otherwise cancelled by indicating the check number and date paid when checks are issued.
- If at all possible, checks should be mailed by a person other than the Treasurer.

**BANK RECONS**

- Reconcile the bank statement **Monthly**.
- Prepare and submit reports, which have been approved by the Principal with his/her signature, to the Internal Auditor concerning the status of each account maintained by the individual school by the 15<sup>th</sup> of the month for the prior month's activity. (refer to Reconciliation of Bank Account section in the manual).

## **General Fund Guidelines**

The General fund category covers all accounts set up by the school that are not specifically held in trust for a club, class, or other designated purpose. The majority of activity in the category is in the General Fund Account, but these guidelines apply to all such discretionary accounts and are intended to provide guidance to Principals as they serve in a fiduciary capacity over School Funds. Principals are expected to use good judgment and discretion for all expenditures. Permissible expenditures from the "General Fund" are issued by the Superintendent.

### **Allowable Expenditures**

- 1) Allowable expenditures are "limited to such expenditures that benefit the students or school as an entity, support the goals and strategies of the School Improvement Plan, and /or accomplish expectations set forth by the Superintendent."
- 2) Flowers may be sent to the families upon the death of an employee or student
- 3) Student Incentive/Recognition Awards:
  - a) Student incentive/recognition awards should be limited to inexpensive items or special privileges such as field trips, dances, or other special events. Schools are encouraged to fund incentives with donated items from the PTA or Business Partners.
  - b) Incentives from budgeted funds are restricted to instructional supplies or field trips.
  - c) No cash, gift cards, or gift certificates are allowed to be purchased with budgeted or school funds.
- 4) Staff Recognition Awards:
  - a) Staff Recognition awards should be limited to educational or professionally related materials such as note pads, planners and pens.
  - b) Breakfast or lunch maybe provided when employees accomplish a major school goal as set forth by NC statue per diem meal costs. Expense documentation should specify the purpose of the event and the attendees.
- 5) Field Trips – Field Trip fees should not be inflated to cover students that cannot afford to pay. Such expenditures may be made from the General Fund. Field trip expenses related to chaperones may be included in the cost of the trip for students. Overages in the Field Trip accounts should be avoided at all cost but if any they should carry over year to year and accounted for when planning field trips.

- 6) Specific Needs of Children – Principals should coordinate other community resources as needed for specific needs of children. If community resources are not available exceptions to the student limitation may be requested from the Superintendent.
- 7) Faculty Fund (Cheer, Hospitality, etc) – Restricted funds collected from the school faculty to be used for agreed upon purposes, such as flowers, cards or donations for faculty or staff members who have a death or illness in their family, or for social events. Money should be collected from the faculty and staff to cover any expenses from this fund. Gift cards should not be used.

**Unallowable Expenditures**

1. Staff gifts (are limited to the Faculty Fund)
2. Student gifts
3. Flowers may not be sent to staff members except as noted above, unless paid from Faculty Funds.
4. Examples of unallowable expenditures:
  - a. Gift cards or gift certificates
  - b. Celebrations such as baby showers, holidays, weddings, or other personal events
  - c. Cost of lunches or gifts for Administrative Assistant's Day, birthdays, or any holiday
  - d. The expense of a spouse for a school event
  - e. Gifts of recognition of a non-professional nature (e.g., candy, snacks, and flowers)
  - f. Staff Social Events

## **Receipt Books**

- All schools must use a pre-numbered receipt book **received from the Finance Office**.
- For monies turned into the Treasurer, the original receipt from the receipt book must be given to the person from whom the money is received.
- For funds received by mail, the original receipt must be attached to any accompanying correspondence and/or documentation unless a receipt has been requested.
- All duplicate receipts must be retained INTACT in the receipt book to serve as the initial accounting record.
- All receipts issued from the receipt book must be in strict numerical sequence. Do not skip numbers. The sequence of receipt numbers must be indicated on the Deposit Analysis.
- Receipts must be made out to the individual from whom the money is received rather than to a fund, account or organization.
- If a mistake is made in preparing a receipt, the original and duplicate shall both be marked "VOID" and retained in the receipt book. DO NOT alter a receipt in pen or pencil. If an error is made, void the receipt and start a new one.
- All money receipted by the Treasurer should be counted in the presence of the individual turning in the money. This avoids any discrepancies arising over the amount turned in
- If it is impossible for the money to be counted at the time it is turned in, the individual turning in the money should seal the money in an envelope, list the amount enclosed on the outside of the envelope, and sign or initial the seal. At a later time the Treasurer should open the envelope and count the money in the presence of another person designated by the Principal and the receipt issued.
- The receipt **MUST ALWAYS** be written at the time the money is counted.



### **Issuance of Teacher/Staff Receipt Book**

- All individual Teacher/Staff receipt books will be controlled by the school Treasurer so as to ensure that all receipt books are accounted for during the school year.
- A pre-numbered individual receipt book will be **issued by the Finance Office** to be given to each Teacher/Staff by the school Treasurer.
- The Treasurer will keep an inventory of issued Teacher/Staff receipt books by completing and maintaining the Teacher/Staff Receipt Book Log (see CR-1). On the Teacher/Staff Receipt Book Log the Treasurer will log the following:
  - Name of Teacher/Staff to which receipt book is issued
  - Beginning and ending receipt number of the receipt book issued
  - Date the receipt book is issued to the Teacher/Staff
  - Teacher/Staff Signature
- A Teacher/Staff must do the following before he/she will be issued a receipt book from the school Treasurer:
  - Read in full and sign the Teacher/Staff Receipt Book Responsibilities & Procedure
  - Sign the Teacher/Staff Receipt Book Log
- Receipt books shall not be issued to multiple persons. There should only be one person per receipt book.

**Responsibility for Teacher/Staff Receipt Book**

- Teacher/Staff receipt books are the responsibility of the Teacher/Staff to whom the book is issued. This responsibility cannot be delegated.
- Under no circumstances should students be allowed to write receipts in the Teacher/Staff's receipt books.
- The receipt book should be as important as your personal checkbook.
- All Teacher/Staff receipt books should be kept in a safe and secure location. The receipt book shall not be left in an unlocked desk drawer or file cabinet.
- If the receipt book is lost or stolen, regardless of how much money is receipted in the book, the internal control over cash receipts for the school has been adversely affected and the school's audit report will reflect this. A written explanation will be required by the Teacher/Staff detailing how much money was stolen and what happened.
- The Teacher/Staff to whom the receipt book has been issued will be personally responsible for all the lost or stolen receipts in situations where the above detailed internal control procedures were not properly followed.
- ALL money received or collected by a school employee shall be receipted only in a receipt book issued by the school Treasurer and recorded on the Teacher/Staff Receipt Book List. Money receipted includes, but is not limited to, field trips, book fairs, book orders, pictures, instructional fees, etc.
- All receipts must be prepared in duplicate with the original given to the person from whom the money was received and the duplicate retained in the book.
- If a mistake is made in preparing a receipt, the original and duplicate shall both be marked "VOID" and retained in the receipt book. DO NOT alter a receipt in pen or pencil. If an error is made, void the receipt and start a new one.
- All receipts must be written to a person's name and not to a club, group, etc.
- All receipts issued from a Teacher/Staffs' receipt book must be in strict numerical sequence. Do not skip receipt numbers.
- All money collected must be receipted in a Teacher/Staff's receipt book BEFORE being turned in to the Treasurer for recording in the office receipt book.

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Signature

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Date

**Teacher/Staff Receipt Book Procedure**

- All money received is to be **turned in to the Treasurer the day it is received.**
1. ISSUE COPY OF RECEIPT:
    - a. As soon as money is received, a receipt must be issued and the white copy must be sent home or given to the payee.
    - b. The following must be completely recorded on every receipt issued:
      - i. Name of school
      - ii. Date the money is receipted
      - iii. Name of person from whom funds were receipted
      - iv. Amount of receipt
      - v. Composition of money received (cash / checks)
      - vi. Signature of the person receiving the money
  2. TEACHER/STAFF FINANCIAL REPORT:
    - a. The Teacher/Staff Financial Report will act as a summary of all monies receipted by the Teacher/Staff as included in the Teacher/Staff's receipt book. The following information must be detailed on the Teacher/Staff Financial Report:
      - i. Teacher/Staffs' name
      - ii. Date of receipt
      - iii. Total amount receipted
      - iv. Beginning receipt #
      - v. Ending receipt #
      - vi. Purpose for which money was receipted and corresponding amount
      - vii. Teacher/Staff signature
  3. TURN IN THE FOLLOWING TO THE TREASURER:
    1. The money receipted
    2. The Teacher/Staff's receipt book
    3. A completed Teacher/Staff Financial Report

### **Treasurer Receipt Book Procedure**

When the Teacher/Staff receipts are turned in to the school Treasurer, the Treasurer shall complete the following duties:

- 1) Check the following on each receipt issued:
  - a) Date of the receipts to ensure that the receipts are being turned in a timely manner
  - b) Document repeated instances where a Teacher/Staff is not completely recording receipts and/or turning in receipts to the Treasurer in a timely manner (i.e. day of receipt) and communicate this to the school Principal.
- 2) Compare the following on each receipt against the Teacher/Staff Financial Report to verify they are in agreement:
  - a) Beginning and ending receipt numbers
  - b) Total of receipts
- 3) **If all are in agreement**, the Treasurer will issue an original office receipt that shall be attached (stapled) to the last used receipt (duplicate) in the Teacher/Staff receipt book.
  - a) The total on the office receipt must equal:
    - i) The total monies receipted
    - ii) The total receipts from the Teacher/Staff's receipt book
    - iii) The Teacher/Staff Financial Report
  - b) Reference the beginning and ending receipt numbers from the Teacher/Staff's receipt book on the original office receipt.
- 4) **If all are not in agreement**, the difference should be reviewed and discussed between the Teacher/Staff and the Treasurer. Any differences must be fully explained and documented by the Teacher/Staff and given to the Principal to sign.

## **School Bank Accounts**

- The Principal and the Treasurer are the only agents at the individual school level that shall be authorized by the bank. The Finance Officer may also be authorized by the bank as an agent for the school.
- Each authorized agent must furnish the bank with “sample” signatures on a form provided by the bank.
- If at any time the authorized signatures change, the Principal or the Finance Office should notify the bank of this change.
- No checks, personal or otherwise, can be cashed or invoices paid from undeposited receipts.
- The newly authorized agent must then furnish the bank with a new signature card.
- Authorized agents are allowed to access bank accounts online to review transactions and print bank statements. NO ONLINE TRANSACTIONS ALLOWED.

## **Bank Deposits**

- All funds collected in the school are to be deposited intact in the school bank account that has been approved by the Board of Education.
- **Bank deposits must be made Daily.** State law provides that funds on hand in an amount of \$250.00 or more must be deposited on a **Daily** basis. **Any and all funds on hand shall be deposited on the last day of the month.**
- Cash receipts must be posted to the general ledger system, School Funds, **Daily**.
- The Deposit Analysis must be prepared **Daily** and attached to the **Daily** bank deposit.
- No employee shall ever take money home. Monies should not be left in the school overnight unless placed in a secure, vaulted area. Depositing monies on the way home from work is acceptable as long as you are certain you will make it to the bank in time. If for any reason, the bank is closed when you arrive, you must return the deposit to your secure, vaulted area.
- Deposits must be taken to the bank promptly using the night depository if necessary.
- All checks received must be immediately endorsed on the back of the check with a restrictive endorsement such as “for deposit only to the account of ...”

**Bank Deposits (continued)**

- The deposit slip must be prepared in duplicate. Both copies must be taken to the bank for validation. The bank keeps the original and the validated duplicate deposit ticket must be attached to the Deposit Analysis.
- The deposit slip must be prepared in ink only.
- The total currency and total coinage must be indicated on the deposit slip on the line provided.
- All checks included in the deposit should be listed separately on the deposit slip by the name of the payer and/or check #. In all cases, individual checks MUST be listed. For, example, if there are numerous checks included in the deposit, the Treasurer may write “see attached tape” and the corresponding total of all checks on the deposit slip. Two adding machine tapes of the checks included in the deposit MUST be prepared. One tape is given to the bank with the original deposit and the second tape must be retained and filed with the duplicate deposit ticket and the Deposit Analysis. A printed excel spreadsheet may also be used.
- The total per the deposit slip must agree with the total from the Deposit Analysis.

**Returned Checks**

- Occasionally, checks which have been deposited in the school bank account will bounce due to insufficient funds, the bank account maybe closed, an unauthorized signature etc. When this occurs, the bank charges (debits) the amounts back to the school's bank account.
- When the deposit is returned on the bank statement, an adjustment should be made in School Funds to reflect this chargeback by making in entry under “Journal Entries – Returned Check.” The transaction date should be the date the check was noted as returned on your bank statement. The name and check number should be listed in the Reference field of the journal entry. The entry should be posted to the same account that the check was written from.

## **Purchasing Controls**

- All new vendors should be checked through the NC Debarred Vendors website. See purchasing section of Finance Manual for further info.
- All current vendors should have a W9 on file. It is best if kept in a separate file.
- No funds shall be obligated without the knowledge and approval of the Principal. The Principal shall sign all in-school purchase orders and/or check requests before the funds can be obligated.
- No purchases can be made before checking on the availability of funds through the school Treasurer. Adequate funds must be available in the fund account before the purchase is made.
- The Treasurer shall ensure that no disbursements are made from the school account unless adequately supported by approved invoices, school vouchers, or other proper documentation.
- The Principal shall sign all invoices, school vouchers, or other supporting documents as approval before payment is made.
- When goods/services are received, the person who receives the goods/services must indicate in writing on the invoice and/or packing slip that the goods/services have been received. Invoices shall not be paid until the goods/services are received and the person who received the goods/services has indicated this in writing on the face of the invoice and/or packing slip.
- If paying Vendors by statement, invoices must be checked as to corrections of quantity, quality, unit price and total amount. If the vendor sends a statement, the charges on the statement must be checked against the invoices and the statements must be attached to the invoice to support the disbursement.
- When obligations are paid, a copy of the invoice must be included with the check to the vendor to indicate what is being paid. The original invoice, not copies, should always be retained by the school to support the disbursement.
- Purchase orders must not extend beyond the school year.
- Invoices should be paid promptly. All unpaid invoices and obligations of the school must be paid prior to June 30.

## **Check Writing Controls**

- The Treasurer shall write all checks.
- Checks shall be written only when supported by an invoice indicating evidence of a receipt of goods/services and the Principal's approval.
- The Treasurer shall ensure that all original invoices are marked "paid" or otherwise cancelled by indicating the check number and date paid when checks are issued.
- When checks are presented to the Principal for signature, they should be completely filled in and the supporting documents (such as the invoice, school voucher with receipts, and vendor statement) must accompany the check.
- **CHECKS MUST NEVER BE SIGNED IN ADVANCE, AS BLANK OR MADE PAYABLE TO CASH.**
- All checks issued must be computer generated through the School Funds accounting program. Manual, handwritten checks ARE NOT allowed unless individually approved by the Finance Officer. If there is an error on a check. The check must be voided and rewritten. Checks should never be hand corrected.
- All checks or drafts made on the school account shall be signed by the Principal and the Treasurer ONLY. In situations where the Principal or Treasurer is not available, the Finance Officer is authorized to sign school checks. **Use of stamps to sign checks is not allowable under any circumstances.**
- Signed checks should be mailed by a person other than the Treasurer.

## **Reimbursement to School Personnel**

Employees shouldn't be encouraged to charge items for school purchases. If an employee must buy an item at a store where no school charge account is available, purchases should NOT be combined with purchases for personal use. A detailed description should be used on check request in order to clearly identify what the reimbursement is for-the group/club/school and purpose.

If it is necessary to reimburse the principal or Treasurer, the finance officer needs to approve the expenditure and sign the check. Every effort should be made to avoid this situation. The invoice supporting the payment should be attached.



**School Voucher Controls**

- **School vouchers should NOT be used in the place of an invoice.**
- In extreme situations ONLY, where an independent outside invoice document is not available, a school voucher form must be completed to support the payment.
- All schools should strongly discourage the purchasing of goods and/or services for the school with staff's personal funds and then reimbursing staff through the individual school account with use of a school voucher. School issued purchase orders to outside vendors administered by the Treasurer and approved by the Principal must be the first option.
- All disbursements must be supported by an independent outside invoice document that indicates what was purchased before reimbursement or payment is made by the school Treasurer.
- If it is reasonable to believe that an invoice should exist for the reimbursement of goods/services purchased, the Treasurer shall not reimburse with the use of a school voucher. A valid receipt and/or invoice must be used as the supporting documentation before reimbursement is made.
- The following are examples of where a school voucher may possibly be used:
  - To reimburse Teacher/Staffs or other employees who have used personal funds to buy supplies (in extreme situations only). A valid, detailed sales slip (receipt) MUST be turned in and attached to the school voucher. The employee to which reimbursement is being made must sign the receipt as indication that the goods were received and purchased for school use.
  - Payments to athletic officials.
  - Refunds
  - Other extreme instances where a vendor invoice is not available.
- All school vouchers must be approved and signed by the Principal before disbursements are made (i.e. a check is produced).

**Voiding a Check**

- If a check has been issued in error, the check must be properly voided in the School Funds accounting program.
- The Treasurer must write VOID in ink on the check and cut the signatures off the check.
- If applicable, the Treasurer must document the check number by which the voided check was replaced.
- The Treasurer must write the reason that the check is being voided on the supporting documentation.
- The voided check must then be attached to the supporting documentation and filed in check numerical order.

**Stop Payment on Checks**

- If a check does not clear the bank after a specified amount of time, and has been lost. Before another check is written, you must request a 'stop payment' on the lost check from the bank. Never should a check be re-issued until a 'stop payment' has been obtained on the original check. If the "stop payment", is more than the check, contact the Internal Auditor.
- If a check written and released by the school is stolen, lost, issued to the wrong person, or for any other reason you do not want the check honored, you should notify the bank to "Stop Payment" on the check.
- The check must be properly voided in the School Funds accounting program.
- The Treasurer must record the phrase "Stopped Payment" on the supporting documentation and give an explanation for the stopped payment.
- If applicable, the Treasurer must document the check number by which the stopped payment check was replaced.

**Escheats/Unclaimed Property**

North Carolina law does not allow a check to be voided simply because it has not been cashed. Every attempt should be made to try and contact the payee to determine why the check has not been cashed. Old outstanding checks are required to be escheated (remitted) to the State. **Annually**, the Finance Department will escheat all old outstanding checks to the State. An email with detailed instructions will be sent to the treasurers.

**Guidelines to Follow for Unclaimed Property**

**Step 1**- Look for outstanding checks 2 months and older each month after you reconcile your bank statement and send out your first letter. You have a much better chance of keeping "clean" records by starting early before your outstanding checks become old. See sample letter #1 following. Keep good records of all letters sent in case of an audit!

**Step 2** - If the payee contacts you, mail them an affidavit. See sample letter # 2 and affidavit following. The payee should complete the affidavit, having it notarized and return the original to you. Once received, you can begin the process to stop payment, if necessary, void the check, and re-issue the check.

**Step 3**- If the payee does not respond to your attempts, **mail your final "Due Diligence" letter not earlier than July 1, 20\_\_ but not later than September 1 (State Treasurer's guidelines)**. See sample due diligence letter following. The state requires this letter for all property \$50.00 or greater, however, we recommend mailing it for all outstanding checks to show good business practice. I also recommend sending this letter by certified mail with returned receipt. The deadline for the payee to respond to this letter is October 1<sup>st</sup>.

**Step 4** – Complete a Form ASD-21 for me. This form lists information for all who did not respond to the final letter. I will e-mail this form to you at a later date. (Tonya Brown)

**Step 5** – Along with this information, you also need to include a check made payable to Pender County Schools from your school for the total amount of all unclaimed property. We will, in turn write a check here in central Office for the total from all schools to include with the report.

**Step 6** – Once this check has cleared your bank, you will need to remove the old checks that it covers from your bank reconciliation. If you are unsure how to do this, you can inquire about this with TRA.

If you have any questions about the process, please call Tonya Brown at extension 710101.

## **School Fundraising Activities**

### **General Guidelines**

1. Requests to initiate fundraising activities should be submitted to the Superintendent on the Proposed Fundraising Activities Form for approval. Once approved, one copy of the form should be maintained on file in the school office.
2. **Annually** each school must complete a School Fundraising Forecast. The forecast should consist of all fundraisers. The forecast can take the form of listing the scheduled fundraisers on a calendar and is subject to change and updating throughout the year.
3. Each fundraising project is limited to a two-week selling period or a specific time period approved on the proposed Fundraising Activities Form.
4. Individual school picture packages, book fairs, and school supply stores are a service to students and parents and are not considered fundraising projects. The vendor must provide an analysis of the commissions earned. This analysis should be reviewed for accuracy.
5. Whenever possible, fundraising activities should demonstrate the district's commitment to promoting healthful behaviors and improving personal wellness. Selling nutritious foods reinforces nutrition messages taught in classrooms and lunchrooms. No food or drink sales are permissible until the last lunch is served by the cafeteria.
6. **Booster/Volunteer Funds can be donated to support school activities.** These are monies raised by volunteer groups that support school organizations but operate independently of the school district. These organizations include PTO and other parent-faculty clubs, special interest groups, and booster clubs. These organizations should register with the State of North Carolina and operate as non-profit organizations.

### **Accounting Procedures for School Fundraising Activities**

1. Staff members or advisors of school clubs or school activities involved in fundraising must receive record-keeping material/financial forms:
  - a. Proposed Fundraising Activity Form
  - b. Receipt Book – if not previously issued to the Teacher/Staff/club
  - c. Inventory Control for Product Sales Form – if applicable
  - d. Profit Analysis Form
  - e. Coin and currency wrappers (on request)

**School Fundraising Activities (continued)**

2. Members of school staff are personally responsible for all products and any money handled during fundraising activities.
  - a. Security arrangements for all products are to be made with an administrator. With permission of the principal, fundraising products may be kept in classrooms overnight if they are locked in a secure place.
  - b. A receipt book must be kept by each fundraising advisor with a record of monies received, including student's names and dates. Receipts shall be given to students each time money is received from them.
  - c. All invoices related to the payment for fundraising merchandise must be submitted to the Treasurer.
3. All monies collected in school fundraising activities must be deposited intact in the school's checking account. No fundraising expenses or payments of merchandise can be made from these receipts.
  - a. Under no circumstances is money to be kept in classrooms, taken from the building by the fundraising advisor, or deposited into in private accounts.
  - b. Staff members or students are prohibited from opening private bank accounts for money generated from school activities or using the school's name for private activities or private fundraising.
4. Fundraising events must show a reasonable profit at the conclusion of the sale. The fundraising advisor, in conjunction with the school treasurer, must complete a Profit Analysis Report to determine the profitability of the fundraiser. This analysis should be used to determine if the fundraiser will be offered the following year.
5. All unsold inventory should be promptly returned to the vendor, if allowable. The refund check should be credited to the expense account from which the original purchase was debited.
6. All financial records relating to fundraising activities must be retained for a period of five years for audit purposes.
7. All fundraising activities are subject to periodic audits internal auditors and/or the Pender County School's independent auditing firm. Only the Superintendent shall have authority to approve school fundraising contracts.
8. Faculty advisors assume personal responsibility for all monies collected up until those monies are deposited with the school office.

## Sales and Use Tax

| <b>Tax Type</b>     | <b>Definition</b>   | <b>SFO Report</b>     | <b>NC File Form</b> | <b>Who files?</b>        |
|---------------------|---|-----------------------|---------------------|--------------------------|
| Sales Tax paid      | Taxes paid on purchases; local portion of the tax is refunded back to the school  | Sales Tax Report      | NC E-588            | District-Purchasing Dept |
| Use Tax             | Taxes that were NOT paid on purchase: taxes not collected by vendor must be paid by the school                          | No Tax Payment Report | NC E-500            | Individual Schools       |
| Sales Tax collected | Taxes collected through the sales of tangible property; <b>No longer applicable to Individual Schools-see SUTB 60-5</b> | N/A                   | NC E-500            | N/A                      |

### Sales Tax Paid-Refund

- A local school administrative unit is allowed an **Annual** refund of *local* sales and use taxes paid except for sales taxes collected and remitted on school sales. The district files this **Annual** return and will compile the schools information by running the Sales Tax reports from School Funds Online.
- Parent organizations are encouraged to donate a product rather than to donate cash to the school to purchase the product. The parent organization, if properly registered, is eligible to be refunded *both* State and Local sale tax whereas the school can only be refunded for the Local sales tax.
- Allowable Expenditures for Sales Tax Refund
  - In School Funds the sales tax “county” is based on point of possession. Most vendors will be setup with the “county” as Pender. All out of state vendors that charge NC tax will be set up with the county as Pender. Any out of state vendor that should charge tax and does not will be set up with the county code as No Tax. One example of when the county would not be Pender is if you purchased

an item from a company in Wilmington and went to Wilmington to pick up the item. That would be the point of possession and the county would be New Hanover. The NC Department of Revenue should be set up as Dept. Revenue for taxes paid based on the No Tax Report.

- **Non-allowable Expenditures for Sales Tax Refund**
  - There are some exceptions where the school cannot file for a refund.
    - **Reimbursements to employees.**
    - Taxes paid on motor vehicles.
    - Scrap tire disposal.
    - White goods disposal tax.

### **Use Tax-No tax payments**

- *Purchases from NC vendors and suppliers outside of Pender County:* It is assumed that applicable State taxes are included in the price of the merchandise. If such suppliers do not include applicable sales and use tax in the sale price of the merchandise, tax due is reported on and remitted with the Sales and Use Tax Report.
- *Purchases from out-of-state vendors or suppliers:* Some out-of-state vendors or suppliers are registered with the state and will include applicable state and local taxes in the sale price of their merchandise. However, if sales tax is not charged by the vendor, it is assumed that applicable state and local taxes due are reported on and remitted with the Sales and Use Tax Report.
- The North Carolina Department of Revenue may allow a school to pay quarterly rather than monthly.
- Schools reporting directly to the North Carolina Department of Revenue, Sales and Use Tax Division, should use the pre-printed coupon book form E-500 provided by the State. There is also the option of filing and paying your E-500. Look for "eFile and Pay Your Sales and Use Tax" on the NCDOR's website.

**Sales Tax Collected- Fundraisers, School Stores, Concessions**

- Due to Sales & Use Tax Bulletin 60-5 (SUTB 60-5) - School systems are no longer required to collect and remit sales tax for fundraisers.

**SUTB 60-5 CERTAIN SALES BENEFITING ELEMENTARY OR SECONDARY SCHOOLS**

*Food, prepared food, soft drinks, candy, and other tangible personal property sold not for profit for or at an event that is sponsored by an elementary or secondary school when the net proceeds of the sales will be given or contributed to the school or to a nonprofit charitable organization, one of whose purposes is to serve as a conduit through which the net proceeds will flow to the school, is exempt from sales and use tax. For purposes of this exemption, the term "school" is an entity regulated under Chapter 115C of the General Statutes. Items purchased for resale are exempt from sales and use tax when purchased as provided in SUTB 60-5*

- In order to purchase items tax exempt, a completed E-595E will need to be presented to a vendor for their record. You can find this form located on the NCDOR's website.



## **Ticketing for Athletics & Other Charge Events**

### **Cash Box Procedures**

- A check should be written to the school's change fund for the amount of cash needed. This cash must be secured between events or re-deposited in a separate deposit in the bank. At the end of the athletic season/event these funds should be re-deposited in a separate deposit in the same account in order to clear the account.
- Checks should never be written to "cash" or to the Treasurer. Preferably, a check should be written out as "Schools Name-Change Fund". Check with your bank on their guidelines.

### **Ticket Inventory**

- Admission fees to athletic events, dramatic performances, dances, etc. must be accounted for by the use of a pre-numbered ticket. A variety of ticket colors should be used to avoid patrons reusing previous tickets.
- The ticket inventory is to be administered and accounted for by the Treasurer.
- The supply of tickets available will be established by an inventory of unused tickets at the end of the sales period.
- ALL TICKETS MUST BE SECURED AT ALL TIMES.
- The Ticket Sales Report is to be completed after each event to show the number of tickets sold (see TR-1).

### **Collection of Admission Fees**

- A minimum of two people must be available to sell tickets for athletics and other charge events. There must be at least one seller of tickets and at least one collector of tickets. The duties of each ticket seller must be segregated (separated) from the duties of each ticket collector.
- Treasurers are not allowed to sell tickets at events in order to uphold proper separation of duties.
- Students ARE NOT allowed to be a seller of tickets.

- The Treasurer will issue tickets and a change box to each ticket seller prior to the event.
- The Treasurer must complete and sign the Ticket Sales Report both before and after the event in the presence of the ticket seller or other Principal designee.
- For events that require more than one individual ticket seller, each ticket seller will be responsible for his/her own change box.
- **ALL TICKETS ARE TO BE ACCOUNTED FOR AT ALL TIMES.**
- Each individual ticket seller should be in a secure location, with the change box in a secure location, at all times.
- The individual ticket collector must collect tickets from patrons to assure that all attendees have paid admission fees.

### **Complimentary Admission**

- All patrons attending an athletic event or other charge event must pay the admission fee before admission is allowed into the event. The only exception to this is for those individuals that are entitled to complimentary admission.
- In any event, complimentary admission is to be kept at a minimum.
- Complimentary admission is only allowed to the following:
  1. Current Pender County Schools employees that present a valid current Pender County Schools staff identification card.
  2. Holders of a current & valid season/event pass to an athletic or other charge event at the school.
  3. Other individuals approved in writing by the Principal and/or Athletic Director in advance of the charge event.
- Individuals granted complementary admission will not receive a ticket from the ticket seller. The individual's season pass, event pass or other valid identification will serve as proof of admission into the event.

### **Receipting Admission Fees**

- At the end of each event, each ticket seller will count the money collected in the presence of the school administrator in charge and complete and sign the Ticket Sales Report. The school administrator in charge must also sign the Ticket Sales Report.
- The money and the Ticket Sales Report are to be put into a locked bank bag.

- The school administrator in charge must then secure the bank bag overnight by doing one of the following:
  - Deliver the bag to the bank and place it in the depository, or
  - Secure the bank bag within the school in a **VAULTED** location.
- Monies must not be taken home by the ticket seller, school administrator, athletic director, coach or Treasurer.
- Funds secured in the bank's depository are to be picked up from the bank by the Treasurer or other Principal designee on the next banking day.
- Immediately at the beginning of the next work day, the school administrator must deliver the bank bag key and remaining tickets to the Treasurer.
- In the presence of another person designated by the Principal (typically the school administrator in charge of the event), the Treasurer must:
  - Open the bank bag
  - Count the money and verify against the Ticket Sales Report and receipt
  - Check the ending ticket number on the Ticket Sales Report against the tickets returned to the Treasurer
  - Sign the Ticket Sales Report and receipt the money collected

## **Reconciliation of Bank Account**

### **Bank Statement**

At the end of the **month**, the bank will render a statement to the school. The statement shows the balance at the beginning of the month, deposits, the checks paid out, other charges or credits during the month, and the balance at the end of the month. The statement can also be viewed on-line by logging into your on-line banking account. This on-line statement will be available before the hard copy is received in the mail.

### **Reconciling the Bank Account**

The balance shown by the bank statement will rarely agree with the school's books. Items may appear on the school's books that have not yet been entered on the bank statement, such as outstanding checks not presented to or paid by the bank, and deposits in transit. Items may also appear on the bank statement, which have not yet been entered on the school's books, such as service charges or interest. For the above reasons and numerous others, the bank statement should be reconciled with the school's books as soon as possible after it has been received.

Refer to *Month End Closing Procedures* for instructions

## **1099 Vendors**

School Funds tracks payments made to vendors. If payment is made to a nonemployee in the amount of \$600.00 or more during a calendar year, Pender County Schools is required to supply this individual a 1099-MISC.

Nonemployee compensation is generally reported if the following four conditions are met:

1. The payment was to someone who is not a Pender County Schools employee.
2. The payment was for services.
3. The payment was to an individual, partnership, estate, or in some cases a corporation.
4. Payments to the employee were at least \$600.00 during the year.

The following are some examples of payments to be reported. This list is not all inclusive.

- Professional service fees, such as fees to attorneys, accountants, architects.
- Payments for services, including payments for parts or materials used to perform the services if supplying the parts or materials was incidental to providing the service.
- A fee paid to a nonemployee, including independent contractor and athletic officials.
- Payments to nonemployee entertainers for service.

## **Other Financial Information**

### **Travel & Expense Reimbursements**

A staff development request is to be **completed 2 weeks in advance** of all travel for approval of all travel related expenses. Reimbursement requests for travel should be within 30 days of the travel dates. For detailed instructions see the Pender County Schools FINANCE MANUAL.

### **Loans of School Funds**

Personal loans of school funds are not authorized. School treasurers, principals, or other persons making unauthorized loans will be held directly responsible and will be required to make immediate restitution.

### **Employee Separation of Duty**

When an employee who has been assigned a receipt book leaves the school system a thorough check of the receipt book should be made by the school treasurer to determine that no discrepancies or other problems exist which should be corrected before the employee leaves their final paycheck. Also, PCS Payroll Dept should be notified immediately.

### **Gift Certificates/Cards**

Cash and cash equivalents, such as gift certificates/cards, are not allowed to be given to school employees. This is considered a form of compensation and would require benefit and tax reporting.

### **Gifts**

The Superintendent or designee must approve non-cash gifts to a school before they are accepted. In addition, gifts that necessitate renovation of school property, extensive installation procedures or construction work shall be presented to the Board for consideration. All donations become the property of the school system and will remain with the school system only so long as they serve a useful purpose.

### **Grants**

Schools or individual staff members receiving funds through grants or funding for special projects will be expected to comply with all fiscal procedures as determined by North Carolina General Statutes and Pender County Board Policies. All tangible property given or purchased through grants becomes the property of Pender County Schools.

## **Month End Closing Procedure**

When the bank statement is reviewed, any necessary adjustments such as interest, service charges, or returned checks should be posted with the date indicated on the bank statement or the last day of the month you are reconciling.

**In SchoolFunds Online, go to BANK RECON and complete the following steps (refer to School Funds manual for detailed steps):**

1. Statement Ending Date
2. Statement Ending Balance
3. Deposits
  - a. Step #3 lists the deposits that have been posted in SchoolFunds Online. Compare these deposits with the deposits listed on the bank statement and select the "cleared deposits"
4. Checks
  - a. Step #4 lists the checks that have posted in SchoolFunds Online. Compare these checks with the checks listed on the bank statement and select the "cleared checks".
5. Other Non-Posted Items
  - a. This step allows you to enter non-posted items – Other Additions (Add) or Other Deductions (Less) to the reconciliation. *This should only be used as a temporary solution for non-posted bank errors or any other non-posted miscellaneous items that will be corrected in a following month.*
6. Other Assets
  - a. Go to the next step, it does not apply to any Pender County Schools.
7. Finished
  - a. Step #7 is the final step that confirms whether or not you're in balance.
  - b. Click on the Generate All Recon Reports button and scroll down on the screen to preview and print the *Deposits in Transit, Outstanding Checks, Cleared Checks, and Bank Reconciliation reports.*
  - c. **Note:** Be sure to print the Bank Reconciliation reports. You must print the Bank Reconciliation reports and click on the big green Finish button to complete the bank reconciliation month-end process and clear the grid totals for the next month.
8. **Out of Balance?**-Refer to *Bank Reconciliation* in the SchoolFunds Online Manual-the latest version can be access under **Help**

**Month End Procedure (continued)****After completing the SFO Bank Recon, review the following:**

1. The Statement of Receipts and Disbursements must be reviewed to ensure the following:
  - a. Cash ending balance should equal the reconciled bank balance.
  - b. Total of regular Accounts should equal total of Asset Accounts.
  - c. Beginning balance equals the prior month's ending balance.
2. No later than the 15<sup>th</sup> day of each month, the following **signed** reports should be **emailed** to the Internal Auditor:
  1. Main Recon Report
  2. Outstanding Checks
  3. Deposits in Transit
  4. Cleared Checks
  5. Cleared Deposits
  6. Bank Statement (all pages)
  7. Receipt & Disbursements Report
3. All **original and signed** Bank Reconciliation Reports should be maintained in the either the Deposit/Receipts Folder or Check folders along with that month's:
  - a. Deposit/Receipt Folder
    - i. Deposit Summary
    - ii. Any related Journal Entries
  - b. Check/Disbursements Folder
    - i. Check Register
    - ii. Any related Journal Entries

For specific School Funds Online posting procedures, refer to the School Funds Users Guide.



## **Internal School Audits**

- In order to assure that the internal controls over cash receipts and disbursements are efficiently and effectively being exercised at the school level on an ongoing basis, the Internal Auditor or Finance Office will conduct routine internal audits of each school's individual school account.
- Individual school financial reviews and audits will be conducted throughout the school year possibly **without notice**. Financial records and internal controls are expected to be in order at all times through the school year.
- Material deficiencies include, but are not limited to, employee embezzlement, misuse of school funds, or a severe circumvention of internal control procedures that put the school at risk of a material mismanagement of school funds.

### **Financial Review Conducted at the Central Office**

- Bank Reconciliation reports submitted **Monthly** will be reviewed for completeness, accuracy, and efficiency.
- The monthly financial reports, in conjunction with School Funds Online, will be reviewed to ensure that all appropriate accounting procedures are being followed.
- Any information that is unclear may require an explanation from the Treasurer.

### **Financial Review Conducted at the Individual School Level**

- During the school year, the Internal Auditor or Finance Office will visit individual schools to perform an onsite audit review of the school's financial operations.
- Audit reviews are subject to be performed without notice.
- The goal of the Finance Office will be to visit each school at least two times during the school year.
- The individual school audit review will be conducted using a variety of audit methods.
- All areas of the Treasurers duties and procedures may be audited.
- Any deficiencies in financial reporting will be noted. Each school will be asked to submit a written response to each review detailing the steps that will be taken to correct any deficiencies.

## **Calendar Year End Procedures (December 31, XXXX)**

### **1099 Report**

At the end of the Calendar year, a 1099 report will be ran by the finance department in order to facilitate 1099 forms for applicable vendors paid by individual schools. It is imperative that all checks needing to be voided are done so prior to December 31<sup>st</sup>. You will need to run a copy to keep at the school.

## **Fiscal Year – End Procedures (June 30, XXXX)**

The Finance Department will send the procedures for closing the year in School Funds Online (SFO). The following procedures should be done as soon as the June bank statement is received.

1. Complete all June transactions for receipts, disbursements and adjustments, including your bank charges. **Don't forget to do any voids, journal entries, and tax edits.**
2. Transfers and Roll Forward Balances:
  - a. Fundraising account balances such as school pictures and yearbooks must be transferred at year-end to your General Fund Account. Prior to transferring make sure all outstanding invoices been paid. If needed, an amount covering the outstanding invoices can be left in the account. High/Middle School should not transfer their yearbook account if it is treated as a class.
  - b. School Club & Field Trip -balances will remain in the account
  - c. If a club is no longer active and there is a balance at June 30<sup>th</sup>, the principal determines if the club will not be inactive, the remaining balance can be transferred to the General Fund Account.
3. Reconcile your bank account for June and print the required reconciliation reports.
4. Notify the Internal Auditor when bank recon process and year end transfers have been completed. Do not enter any July transactions until your SFO have been rolled over to the following year.
5. Run and email all reports requested by the Independent Auditors. File these reports in a separate file labeled "Independent Audit Reports". Do not run these reports until after your school year has been rolled over.
6. Review your monthly files to make sure they are complete and in numerical order. Box up all bookkeeping records for the year and put in a work order to send to the Internal Auditor. **Payroll files do not need to be sent, only if requested.**

## **Appendix-FORMS**

The following forms are examples of recommended forms to use to provide assistance in handling School Fund accounts. These can be customized for each school and could be used in the **Annual** training of school staff. See Shared Google Files for more options and customization.

- Receipt Book Log
- Teacher/Staff Financial Report
- School Voucher Form
- Ticket Sales Report

**CR-1**

**PENDER COUNTY SCHOOLS**  
**TEACHER/STAFF RECEIPT BOOK LOG**

School \_\_\_\_\_

[illegible]

CR-3

**PENDER COUNTY SCHOOLS  
TEACHER/STAFF FINANCIAL REPORT**

Teacher/Staff Name \_\_\_\_\_

Total Amount Received \$ \_\_\_\_\_

Date \_\_\_\_\_

Beginning Receipt Number \_\_\_\_\_

Ending Receipt Number \_\_\_\_\_

Purpose for Which Cash Was Received:

For \_\_\_\_\_

Amount \$ \_\_\_\_\_

For \_\_\_\_\_

Amount \$ \_\_\_\_\_

For \_\_\_\_\_

Amount \$ \_\_\_\_\_

For \_\_\_\_\_

Amount \$ \_\_\_\_\_

For \_\_\_\_\_

Amount \$ \_\_\_\_\_

Total     \$ \_\_\_\_\_

\_\_\_\_\_  
Teacher/Staff's Signature

\_\_\_\_\_  
Treasurer's Signature

**DR-1**

**PENDER COUNTY SCHOOLS  
SCHOOL VOUCHER FORM**

School: \_\_\_\_\_

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

Paid To: \_\_\_\_\_

For: \_\_\_\_\_

Amount of Check: \_\_\_\_\_ Account: \_\_\_\_\_

Requested by: \_\_\_\_\_

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

**PENDER COUNTY SCHOOLS  
SCHOOL VOUCHER FORM**

School: \_\_\_\_\_

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

Paid To: \_\_\_\_\_

For: \_\_\_\_\_

Amount of Check: \_\_\_\_\_ Account: \_\_\_\_\_

Requested by: \_\_\_\_\_

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

**TR-1**

**PENDER COUNTY SCHOOLS  
TICKET SALES REPORT**

SCHOOL: \_\_\_\_\_

EVENT: \_\_\_\_\_

EVENT DATE: \_\_\_\_\_

(++ TO BE COMPLETED BY TREASURER BEFORE EVENT )  
(\*\* TO BE COMPLETED BY TICKET SELLER AFTER EVENT)

**TICKET INVENTORY**

++ TICKET COLOR: \_\_\_\_\_

++ BEGINNING TICKET NUMBER..... \_\_\_\_\_

\*\* ENDING TICKET NUMBER..... \_\_\_\_\_

\*\*NUMBER OF TICKETS SOLD..... \_\_\_\_\_

ADMISSION PRICE PER TICKET .....\$ \_\_\_\_\_

\*\*TICKETS SOLD x PRICE =.....\$ \_\_\_\_\_

**AMOUNT RECEIVED FROM TREASURER FOR CHANGE:**

++ CURRENCY.....\$ \_\_\_\_\_

++ COINS.....\$ \_\_\_\_\_

++ TOTAL.....\$ \_\_\_\_\_

**EVENT SALES**

\*\*TOTAL CASH.....\$ \_\_\_\_\_

\*\*LESS CHANGE RECEIVED FROM TREASURER.....\$ \_\_\_\_\_

\*\*NET EVENT SALES.....\$ \_\_\_\_\_

\_\_\_\_\_  
Signature of Treasurer (Pre-Event)\_\_\_\_\_  
Signature of Treasurer (Post-Event)\_\_\_\_\_  
Signature of Ticket Seller (Pre-Event)\_\_\_\_\_  
Signature of Ticket Seller (Post-Event)\_\_\_\_\_  
Signature of Ticket Seller (Pre-Event)\_\_\_\_\_  
Signature of Administrator (Post-Event)

## **Appendix: CHECKLIST/LETTERS**

The following checklists and forms are recommended guidelines to provide assistance in handling School Fund accounts. These can be customized for each school and could be used in the **Annual** training of school staff.

- Principal's Monthly Checklist
- Treasurer's Monthly Checklist
- New Treasurer's Checklist
- Affidavit to Obtain Duplicate Lost or Destroyed Check (copy on Treasurer's Google Shared Folder)
- Affidavit of Lost Checks-Sample Letter 1
- Affidavit of Lost Checks-Sample Letter 2



### **School Funds – Principal's Monthly Checklist**

#### **General:**

- Work closely with the Treasurer to be “in the loop” of the financial health of your school.
- Access School Funds Online with your individual log in and review account balances.
  - Reports—Account—Trial Balances (best report to view)

#### **Purchasing:**

- Review invoice(s) and check request(s) before the check is completed.
- Check the invoice and check request(s) for reasonableness.
- Were the products received? Did someone sign stating the items were received?
- Did the person attend the seminar? Is the travel reasonable?

#### **Checks:**

- Review the checks supporting documentation before signing the checks.
- Signature stamps are not acceptable, original signatures only.
- Do the check amounts equal the invoice or check request amount? Is the invoice approved?

#### **Receipts/ Deposits:**

- Review deposits for timeliness and accuracy.
- Are Teacher/staff receipt books being turned in daily?
- Does the bank deposit slip match the Deposit Analysis? Are deposits being taken as often as necessary?

#### **Bank Statement & Reconciliation:**

1. **Checks:** Review checks drafted against the school account (as included with the bank statement) to ensure the following:
  - a. Each check drafted against the school account was properly signed by the Principal and the Treasurer.
  - b. Each check drafted against the school account was made payable to a valid payee
2. **Deposits:** Review deposits included in the bank statement to ensure the following:
  - a. That all funds are deposited in the bank in a timely manner. State law requires that funds on hand in an amount of \$250.00 or more be deposited on a **Daily** basis.
  - b. Any and all funds within the school shall be deposited on the last day of the month.

3. **Review Bank Reconciliation:** Review the "Bank Reconciliation" report which shows a summary of the all bank recon reports. Below is a outline of each line:
  - a. Statement Ending Balance- The closing balance or the ending balance from the Bank statement.
  - b. Deposits in Transit – Deposits that have been made that month that do not appear on that month's bank statement. (Any outstanding deposits for the prior month should always be on the next month's statement.)
  - c. ADD- These are non-posted items. Always ask the Treasurer what this item represents. This should not be a frequent occurrence.
  - d. Outstanding Checks- Checks the school has written but the recipient has not cashed. The Treasurer should contact the payee for checks older than 90 days requesting recipient to cash. State law requires all unclaimed property to be sent to the state after the dormancy period. PCS Finance Department handles these procedures.
  - e. LESS- These are non- posted items. Always ask the Treasurer what this item represents. This should not be a frequent occurrence.
  - f. Reconciled Bank Balance Total should match the "100.00 Cash Account" from the last page of the *Receipts and Disbursements* Report that should be included with the Bank Reconciliation Reports. Keep in mind you will need to add in the Year to Date Encumbrances to match, if applicable.
  - g. Other Assets This will always be 0.00. It is not applicable to Pender County Schools.
  - h. Bank Balance + Other Assets is the total of everything and should match the "Reconciled Bank Balance".
4. **Review Receipts & Disbursements Report:** Review the R&D report for the following:
  - a. Do all account balances have a positive balance?
  - b. Do you recognize the names of the accounts as clubs or approved fundraisers?
5. **Approve:** In order to certify that the entire bank statement has been reviewed, monitored, and approved, the Principal shall:
  - a. Sign and date the first page and initial each page after of the complete bank statement.

All bank reconciliation reports must be signed and dated (refer to Reconciliation of Bank Account section in the

**School Funds – Treasurer's Monthly Checklist**

1. All receipts should have a clear audit trail.
  - a. All Teacher/Staff receipt descriptions should be clear as to what the money was receipted for and whom the money was receipted from.
  - b. All Treasurer Receipts should cross- reference to the Teacher/Staff's receipt numbers.
  - c. The amount received from the Teacher/Staff should equal the amount of the receipt issued by the Treasurer.
  - d. The total from all of the Treasurer' receipts received should equal the amount deposited to the bank on the bank deposit slip.
  - e. The confirmation slip from the bank should equal the deposit slip prepared by the Treasurer. An adding machine tape should be attached to the bank deposit slip.
2. All checks should have proper authority and correct support.
  - a. All check request should have principal approval prior to the check being written.
  - b. All checks should have two signatures.
  - c. All checks should have an invoice, a receipt or a check request with a written explanation signed and dated by the person requesting the check before a check can be written.
  - d. There should not be any past due bills. Any past due bills should be signed off by the Principal and discussed with the Teacher/Staff or staff member.
3. All receipts & deposits should be filed in a folder labeled "Receipts & Deposits" for that month. This folder should include the School Funds report, "Register of Receipts" by date.
4. All check copies should be filed in a folder labeled "Checks" or "Disbursements" for that month. This folder should include the completed check request form.
  - a. Attached to the check request form should be the invoice, receipt or other support for the amount.
  - b. Also included should be the bank statement and cancelled checks that relate to the receipts and disbursements for that month.

## **New Treasurer Checklist**

### **1) Getting Started:**

- a) There are two separate funding sources you will need to become familiar with: School Funds and Central Office Budget.
- b) Reading your **Treasurer's Manual** also known as Individual Schools Accounting in your Finance Manual. Make sure you have it handy for your daily operations.
- c) Take a look at the rest of your Finance Manual. It has info for procedures for PCS as a whole such as Payroll, Purchasing, and Budget codes
- d) Also take a look through the files you see in your office to help you get familiar with the forms you will be using.
- e) Take a look at the PCS website to learn more about how we operate.

### **2) School Funds:**

- a) School Funds are maintained at the school level and have a software system called School Funds. A common name for School Funds is General Funds. The school has their own bank account.
- b) The **Treasurer's Manual** is a guide to answering your questions concerning accounting with your School Funds money.
  - i) New Treasurers will need to read this manual and refer to it often.
  - ii) New Bank Signature Card. Follow the Treasurer's Manual for setting up a new signature card.
  - iii) Treasurer's **Monthly** Checklist. Print this out and use this each month to guide you until you become familiar with the process.

### **3) School Funds Online Training:**

- a) TRA is the software company for the School Funds accounting system. This company is located in Wilmington, NC.
- b) Call TRA at 799-2252 for the next new user ½ day class. Your Principal should approve this as there is a charge.
- c) **School Funds Manual**. Once you have been given access to School Funds software and then login into School Funds program.

**Affidavit To Obtain Duplicate Check**

County of Pender  
State of North Carolina

Pender County Schools

## AFFIDAVIT OF LOST CHECK

CHECK PAYEE NAME: \_\_\_\_\_  
CHECK DATE: \_\_\_\_\_  
CHECK NUMBER: \_\_\_\_\_  
CHECK AMOUNT: \_\_\_\_\_  
ISSUED BY: Pender County Schools, 925 Penderlea Highway, Burgaw, NC 28425

By this Affidavit, I, the "Payee" named above, affirm under oath that I am the named payee of the check identified above, that I have not cashed or deposited the check identified above, and that I have never benefited and do not plan to benefit in any manner from said check.

I further affirm, that, to the best of my knowledge, the check identified above has been:

\_\_\_\_\_ lost, misplaced or stolen before being delivered to me  
\_\_\_\_\_ received by me but has since been lost, misplaced or stolen  
\_\_\_\_\_ received by me but has since been destroyed  
\_\_\_\_\_ cashed by someone other than me, without my permission or endorsement

I provide this sworn Affidavit so that a replacement check may be issued to me. I acknowledge that authorization for payment of the original check will be canceled. In consideration for the issuance of a replacement check, I agree that if the original check should ever come into my possession, I will not allow it to be cashed or deposited and I will deliver it immediately to the Pender County Schools Finance Office. I further agree to forever indemnify and hold harmless the Pender County Schools Board of Education against any and all losses or damages arising out of its issuance of a replacement check to me. I acknowledge that if I deposit or cash the check listed above that I may be subject to prosecution, and that any amounts owed to me by Pender County Schools may be withheld to repay any and all amounts to which I was not entitled.

\_\_\_\_\_  
Payee signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Payee mailing address

\_\_\_\_\_  
Payee email or phone number

|                       |       |
|-----------------------|-------|
| OFFICE USE ONLY:      |       |
| Affidavit received:   | _____ |
| Stop payment date:    | _____ |
| Check reissue date:   | _____ |
| Replacement Check No: | _____ |

**Affidavit of Lost Check: SAMPLE LETTER #1**

June 1, 2016

Mr. Spongebob Squarepants  
123 Jellyfish Lane  
Bikini Bottom, NC 12345

Dear Mr. Squarepants:

Our records indicate that you have not presented for payment the following check:

|                 |                              |
|-----------------|------------------------------|
| <b>Check #:</b> | <b>123456</b>                |
| <b>Dated:</b>   | <b>2/28/15</b>               |
| <b>Amount:</b>  | <b>\$ 65.00</b>              |
| <b>For:</b>     | <b>Travel – January 2015</b> |

We are calling this matter to your attention so that, if you have the check, you will immediately cash it in order to clear our records. If the check has been lost or you failed to receive it, please call me and I will send you an affidavit to complete so that we can begin procedures for replacing the check.

You can contact me at 910-259-1234. Thanks for your help with clearing this up.

Sincerely,

Your Name Here  
Your Title Here

**Affidavit of Lost Check: SAMPLE LETTER #2**

June 1, 2016

Mr. Spongebob Squarepants  
123 Jellyfish Lane  
Bikini Bottom, NC 12345

Dear Mr. Squarepants:

|                 |                              |
|-----------------|------------------------------|
| <b>Check #:</b> | <b>123456</b>                |
| <b>Dated:</b>   | <b>2/28/15</b>               |
| <b>Amount:</b>  | <b>\$ 65.00</b>              |
| <b>For:</b>     | <b>Travel – January 2015</b> |

Dear Mr. Squarepants,

Because you have stated that you have not cashed, deposited or otherwise made use of the above check, we will initiate procedures for replacing it. Please complete the enclosed affidavit by filling out the sections in boldface. Please sign and initial where specified and have your signature notarized.

Upon my receipt of the completed original, I will begin procedures for replacing the check. Faxes are not acceptable. I will plan to mail the check to the address above.

If you have any questions, please feel free to call me at (910) 259-1234. Thanks for your cooperation in clearing this matter.

Sincerely,

Your name here  
Your title here

Enclosures: 1

## **CHILD NUTRITION**

### **6221 COLLECTION OF CHILD NUTRITION MEAL CHARGES**

The Pender County School System is committed to providing nutritious meals at affordable prices through the efforts of the Child Nutrition Department. In order to maintain the lowest meal prices possible, all families who qualify to pay either full or reduced price for student meals should make complete payment for meals purchased at the point of service or in advance with check, cash, or using a credit card online via [www.k12paymentcenter.com](http://www.k12paymentcenter.com). For a \$10 fee for the life of the account, per family, parents have access to view their child's meal history with enough detail to indicate when extra items are purchased. These program guidelines are written for the purpose of encouraging payment to the school system by those who are classified as having the ability to pay. Nothing within these guidelines should be construed to change the USDA and North Carolina approved Child Nutrition Program. All those who qualify for free or reduced price meal benefits will be served in accordance with program regulations.

Historically, Pender County Schools has allowed students to charge meals across all grade levels, which has resulted in large end of year deficits for the school system. In order to standardize the practice of meal charges and collections among all the cafeterias within the county, these guidelines shall be placed into effect for the 2015-2016 school years.

#### **I. Information Distributed to Parents/Guardians and Students**

In an effort to explain the services and operations of the Pender County Schools Child Nutrition Program, a Child Nutrition section will be available in every school's student handbook. The handbook will be given to every student upon their entrance into the school system at the start of each year. The handbook contains general information about meals served, snack items available, charges and the collection of charges, online services and payment options, an explanation of the free and reduced price meal program and an application for free or reduced price meal benefits. Each school will responsible for the distribution of this handbook to every student at the start of each school year. All information provided to parents/guardians shall be posted within each cafeteria and shall be made available on the school system website at [www.pendercountyschools.net](http://www.pendercountyschools.net).

#### **II. Free Breakfasts for Reduced Students**

In accordance with NC Statutes all students approved for Reduced Price Meals attending Pender County Schools are eligible for free breakfast. Parents/Guardians are encouraged to utilize this opportunity. **Changes made by the USDA standards will no longer accept parent's signature date to be the approval date. The date the application is received in the Child Nutrition Office and date stamped that day or School Office if they date stamp it is the day of approval.**



### **III. Ability To Charge**

All Pender County School K-13 students will only be allowed to charge up to \$20 for traditional lunch only,. After the \$20 limit has been reached, the parent will receive a call from the school asking them to pack a lunch for the student until the charges are paid in full. No a la carte or extra items including milk can be purchased if the account has a negative balance. Adults (including visitors and staff members) will not be permitted to charge meals. Meal charge data collected during the school year will be evaluated to determine if programmatic changes should be made.**(Child Nutrition Will No Longer Accept Starter Checks or Checks dated less than 1000)** No Meal shall be taken from a student if they have already made it to the register. But after they have reached their \$20 Charge limit the students will be reported to the School Office and Child Nutrition Administrator who will contact them personally.

### **IV. Notice of Balances and Meal Charges to Students**

Child Nutrition Cashiers are allowed to inform students of low account balances and will also receive a verbal reminder each time a meal is charged in grades K-12. Furthermore, they are allowed to disclose how much money is in a student's account should he or she ask.

The school system recognizes that payment for meals received by students is the responsibility of the parents/guardians of the student.

Parents will receive a low balance alert when the account is below \$5.00.

### **V. Notice of Meal Charges to the Parent/Guardian**

Parents/guardians of students who cannot afford to pay for meals served should apply for Free or Reduced Price Meal Benefits upon enrollment to avoid meal charges. Applications for free or reduced price meal benefits will be processed in a timely manner once received in their entirety by the school system. Charges for meals will accumulate in accordance with the guidelines of the program.

Parents may receive low balance alerts by phone when accounts are below five dollars (\$5.00). Additionally, the Child Nutrition office will mail charge letters home on a bi**Weekly** basis on the 1<sup>st</sup> and 3<sup>rd</sup> weeks of the month for all students with account balances that are in arrears. Lastly, balance due rosters will be printed in each cafeteria on a **Weekly** basis and furnished to the front office for review by the Cafeteria Manager.

Child Nutrition shall maintain, at no charge to the parent a secure, online account service which allows parents to make credit/debit card payments online. **A third-party fee may be charged for the convenience of making online payments. Parents may pay for Premium service of \$10 which allows the viewer access to account balance and transaction history for the family and the life of the account.**

Nothing in these guidelines shall prohibit Child Nutrition Managers or School Administrators from making contact with parents/guardians concerning meal charges owed. Child Nutrition Managers and School Administrators are encouraged to use their best judgment in contacting parents/guardians at any time throughout the year for any amount owed.

### **VI. Parental/Guardian Choice in the Child Nutrition Program**

At any time they desire, parents/guardians may provide special instructions to the Child Nutrition Program to Jacqueline Harvey at (910) 663-3555 concerning their account preferences for their

children. Parents/guardians may elect to restrict purchases of snacks or restrict food charges by students.

## **VII. Employee/Adult Charges**

As of the effective date of these program guidelines, neither employees nor other adults will be permitted to charge for meals or individual food items.

## **VIII. Progressive Meal Charge Collections Process**

The following procedures apply to all school meal charges. The procedures shall be uniformly applied to all school sites.

| Step | Dollar Thresholds    | Action Taken   |
|------|----------------------|--|
| 1    | \$15.00              | Personal contact is made by the CN Department or School Staff to inform parents/guardians of the child's account balance and they will be asked to remit payment, to consider completing a meal Application, and returning it to the Child Nutrition Office.   |
| 2    | +\$5.00 to - \$20.00 | The Child Nutrition Department sends a bi-Weekly standard written charge notice home via Postal Service on the 1 <sup>st</sup> and 3 <sup>rd</sup> weeks of the month. The notice contains information on the student's account balance and the free or reduced meal program. They will also receive a call home Weekly for Balance due and Low Balance of \$5.00 or more..  |
| 3    | -\$20.00-99.99       | The Child Nutrition Director mails a written notice home. The notice shall state reminders to pay the account until charges are paid in full; or the student may be eligible for free/reduced meals through the USDA free or reduced meals program and should apply. If approved for free/reduced meals the parent/guardian will remain responsible for full payment of the account, including any additional reduced meal charges that may have accrued prior to approval. The student will continue to receive USDA approved meals. <u>The Parent will then be responsible for sending the student's lunch until charges are paid in full, then the child can resume receiving meals in the cafeteria.</u> |
| 4    | -100.00 and above    | The Child Nutrition Department will turn these accounts over to the Board Attorney for collections. The parent will also be referred to the Social Worker as Stated in the next section of this policy.  |

**IX. Referral to Social Worker**

If, in the opinion of the Principal the financial position of a family warrants referral to a social worker, the Principal may assign a social worker to make contact with a family. The social worker may provide information on any/all federal, state, or local assistance services including the Department of Social Services.

**X. Additional Collection Methods**

Nothing within this document shall prohibit the school system from using any such additional methods of collection as are allowed by law to include, but not limited to: referral to the school system attorney, referral to a collections agency, or the pursuit of legal remedies through the North Carolina Judicial System. Where such other collection efforts are pursued, the cost of collections shall be sought from the parent/guardian. (Child Nutrition no longer accept Starter Checks or Checks numbered less than 1000", Any non-sufficient fund checks will be applied back to the accounts and we will no longer accept checks from that party the accounts can then only be paid by Cashier's Check, Money Order or Cash.) Once the payment for a NSF Check (by cash or Money order) has been received the payment will be added back to the account

**XI. Modification of Guidelines**

The Pender County School System shall modify these guidelines as necessary to best meet the needs of the school system. Modifications to the guidelines shall be posted in each cafeteria and shall be made available on the school system website.

**XII. Unpaid Charges**

**At the end of each school year the balance due does not go away, it follows right on and after the collection time to CN it then goes to the Board of Education.** Pender County Board of Education is responsible for reimbursing Child Nutrition for any balance dues remaining when Child Nutrition closes the school year Per State Regulations OMB A-87, which states that "Bad Debts including losses (whether actual or estimated) arising from uncollectible accounts and other claims, related collection costs, and related legal cost are unallowable.

**XIII. Nondiscrimination**

"The USDA is an equal opportunity provider and employer"

**XIV. Effective Date**

These program guidelines shall be effective July 29, 2015

## **References**

For additional information related to Pender County Schools procedures, Board Policies, North Carolina Statutes or NC Department of Revenue forms referenced in this manual please see the following:

- School Funds manual - Log into the School Funds account, go to the Help drop down menu and click on manual.
- North Carolina General Statutes -  
<http://www.ncleg.net/gascripts/statutes/statutes.asp>
- North Carolina Sales Tax –
  - North Carolina Department of Revenue forms are available at their website: <http://www.dor.state.nc.us/> Go to: Business, Tax Forms and Instructions, Sales and Use Tax Forms and Certificates. The local N.C. Department of Revenue is located at 33 Darlington Ave. Wilmington, NC 28403.
  - Registration Application for Income Tax Withholding, Sales and Use Tax, and Machinery, Equipment and Manufacturing Fuel Tax  
[http://www.dornc.com/downloads/fillin/NCBR\\_webfill.pdf](http://www.dornc.com/downloads/fillin/NCBR_webfill.pdf)
  - Certificate of Exemption form:  
[http://www.dornc.com/downloads/fillin/E595E\\_webfill.pdf](http://www.dornc.com/downloads/fillin/E595E_webfill.pdf)
  - List of codes for Cities and Countries and applicable tax  
<http://www.dornc.com/downloads/Gen562.pdf>