

SCHOOL FINANCIAL MANAGEMENT

1.0 PURPOSE:

Wirt County Schools recognizes that each principal must have a thorough system of accounting and auditing procedures in order to be prudent and good stewards of monies received.

2.0 DEFINITIONS:

The following definitions provide clarification for terms used throughout this policy:

- 2.1 Fund – A fund is a separate group of self-balancing accounts in which all cash, revenues, expenditures and residual balances are recorded and segregated for a specific purpose or objective.
- 2.2 General Fund – The fund used to account for the general operations of the school and all other financial resources of the school.
- 2.3 Sub-account – A group or particular activity with a claim against the assets of the school without regard to the specific asset (checking, savings, certificate of deposit, etc.)
- 2.4 Starting Cash – A change drawer used for starting cash for athletic events, concession stands or other school activities.

3.0 SCHOOL FUNDS:

For an efficient system of operation, only the minimum number of funds necessary for sound financial management should be maintained.

- 3.1 The funds that may be maintained at a school are limited to only the general fund. A school may establish as many separate sub-accounts within the general fund as is considered necessary to accurately account for the finances of the school.
- 3.2 All Wirt County schools shall comply with the West Virginia Board of Education Policy 1224.1, *Accounting Procedures Manual for the Public Schools in the State of West Virginia*.

4.0 SCHOOL PAYMENTS TO INDIVIDUALS:

- 4.1 All payments made by a school to an individual for services rendered are to be considered wages and are to be paid through the normal payroll process at the Board Office, unless it can be clearly shown that the individual is an independent contractor in accordance with the criteria established by the Internal Revenue Service. The only exceptions are payments made to athletic officials.
- 4.2 Payments for services through payroll by the Board Office will be invoiced to the school for reimbursement. The invoice will include gross wages and applicable employer paid fringes such as social security and workers compensation.
- 4.3 When it is clearly shown that an individual meets the criteria of an independent contractor, a completed IRS Form W-9 must be completed by the contractor prior to services being obtained. The W-9 must be on file at the Board Office and the contractor flagged as a 1099 vendor in the school's accounting software so that a 1099-MISC form can be issued in accordance with IRS regulations at calendar year end.

5.0 STARTING CASH:

Each school is authorized to establish a change drawer to be used as starting cash for athletic events, concession stands, and other school activities. The maximum amount that schools are authorized to have as change is \$500 per gate. Anything above this amount must be approved in writing by the treasurer in advance.

6.0 SEVERABILITY:

If any provision of this policy or application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this policy.

7.0 REVIEW SCHEDULE:

If any provision of this policy or application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this policy. Where questions arise on these regulations, the Superintendent of Schools is authorized to render decisions on matters.

Authority: WV Code §18-5-13 and WV Board of Education Policy 1224.1

Replaces: Wirt BOE Policy DDA-R October 12, 1998