

5.03B. INTERNAL ACCOUNTS/SCHOOL ACTIVITY ACCOUNTING

1. Basic Principles

a. The School Board shall be responsible for the administration and control of the internal funds and in connection therewith shall:

1. Adopt written policies governing the receipt and disbursement of all internal funds and for the accounting for property pursuant to Florida Statutes provide for an annual audit of internal funds by a qualified individual.

2. The financial transactions of school organizations shall be accounted for in the school internal funds. All organizations connected with or operating in the name of the school which obtain monies from the public shall be handled within the internal funds structure.

3. School internal funds are to be used to benefit activities authorized by the district school board.

4. Student participation in fundraising activities shall not be in conflict with the instructional program as administered by the Superintendent.

5. The objective of fund raising activities by the school, by any group within, connected with, or in the name of the school shall not conflict with programs as administered by the Superintendent.

6. Funds collected each year should be expended to benefit those students currently in school unless those funds are being collected for a specific documented purpose. Those internal account funds designated for general purposes should be used to benefit the **entire** student body. **Funds collected for classes should follow the students to each class level at the end of the year.**

7. The collecting and expending of school internal funds must be made in accordance with the Florida Constitution, existing laws, State Board of Education Rules, District School Board Rules and Florida High School Activities Association Rules. Sound business practices should be observed in all transactions.

8. Student projects and activities designed to provide educational experiences should be conducted in such a manner as to offer a minimum of competition to commercial firms.

9. Purchases from internal fund accounts shall not exceed the resources of that account, except for items for resale.

10. An adequate system of internal controls shall be maintained in order to safeguard the assets of the school internal funds.

11. In the event of violations of any rules established herein, the Superintendent shall be responsible for disciplinary action as may be deemed necessary.

12. The internal accounts shall be maintained under the cash basis of accounting.

a. Account Balances

To ensure that funds collected each year are expended to benefit those students currently in school the following account balance limits are prescribed by the Board:

Class, club and department monies shall be expended for the benefit of the class, club or department or for purposes designated by the class, club or department that participated in generation of the revenue. The specific purpose of the revenue collected must be documented by approved written minutes, field study request, fundraising activity form, etc.

Funds collected for classes should follow the students to each class level at the end of the year. Graduation classes (6th, 8t and 12th grades) should be transferred into the General Account. Funds cannot be transferred out of the General Account back into the clubs, classes or departments.

~~Secondary Schools: The ending balance shall not be greater than the sum of one-half (1/2) the beginning balance plus two-thirds (2/3) of the current year's revenue.~~

~~Elementary Schools: The ending balance shall not be greater than the sum of one-sixth (1/6) of the beginning balance plus six-sevenths (6/7) of the current year's revenue~~

~~If the ending amount is greater than the result of the above formula then written documentation should be available for the specific purpose of which the funds are being accumulated.~~

~~The calculation on the change in an account balance shall be made on an individual account basis for athletics, music, class, club, department, and general fund accounts. THE LIMITATION ON ACCOUNT BALANCES SHALL NOT APPLY TO TRUST FUND ACCOUNTS, CLASSES (Sophomore, Junior and Senior ONLY) OR TO ACCOUNTS BEING HELD IN TRUST FOR OUTSIDE ORGANIZATIONS.~~

End of year transfers do not apply to Athletic, Music, Trust Funds, and General Funds.

b. Financial Reports

The Principal's Monthly Financial Report prescribed in the Internal Funds Manual shall be ~~submitted~~ **prepared** on or before the fifteenth (15th) of each month during the school year. This report shall also be considered the annual report and be used for audit purposes.

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The annual report shall be ~~submitted~~ **prepared** on or before the fifteenth of July.

For audit purposes the Principal shall have prepared a list of accounts payable and a list of encumbrances as of June 30 of the audit period. These lists shall be certified as correct by the Principal.

c. Annual Audit

The Superintendent/Board shall designate a qualified individual or firm to audit the Internal Fund records. This audit shall include any notations of any failure to comply with requirements of Florida Statutes, State Board of Education Rules, and rules of the School Board, and commentary as to financial management and irregularities. Such a signed written report shall be presented to the School Board while in session and filed as part of the public record.

It is the responsibility of the Principal to respond, in writing, to the audit criticisms of the auditor. The response is to be made ~~within two weeks of the exit conference~~ directly to the auditor with a copy to the Assistant Superintendent for Business Affairs. These audit responses shall be included with the audits when presented to the Board.

d. Policies and Procedures

Policies and procedures as outlined in the Internal Accounts Manual shall be the authority for the handling of Internal Funds. The policies as stated above will serve as supplemental policies to the Internal Funds Manual. Florida Statutes and State Board of Education Rules are the governing requirements complied with and, in the case of conflict, will take precedence over the Internal Funds Manual.

(Ref. F.S. 1001.42; 1011.60; 1011.07; 1011.18)(Adopted: 01-08-81) (Amended: 03-08-84) (Amended: 02-02-88)
(Amended: 06-18-96)