

EAST MARSHALL COMMUNITY SCHOOL DISTRICT

SCHOOL BUSINESS PROCEDURES



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EAST MARSHALL COMMUNITY SCHOOL DISTRICT

School Business Procedures

Guiding Principle:

Handling funds in the public school is a serious matter governed by state law and board policy. This document is intended to assist you in conforming to these regulations. To ensure the money is managed appropriately, specific cash management procedures have been established. The cash management procedures are applicable to all cash and checks received for all operations of the school district.

General Guidelines:

1. A Purchase Order must be written for every purchase, repair, or service made by employees prior to the purchase, repair or service.
2. Issue receipts for **ALL** money received.
3. **Never leave money unattended;** e.g., on a counter or desk, in an unlocked file, etc.

Purchasing/Expenditures/Check Requests:

The procurement of all supplies, equipment and services shall begin with the issuance of a purchase order signed by the superintendent, building administrator, or authorized member of the staff. (Board Policy 705.4) In all cases see building administrator for specific building level procedures for issuance of purchase orders. Invoices shall be submitted to the administration office for payment.

1. When ordering merchandise from a vendor, a purchase order request form must be used. **All orders must be approved in advance by signature of authorized staff member and the superintendent before the order may be placed or purchase made.**
2. Submit completed purchase order request form to the building level secretary who will route it to the building principal for approval.
3. After the principal's approval, the building level secretary will complete an on-line purchase order that is sent electronically to the superintendent and business manager for final approval. If the PO is approved by the superintendent the secretary will place the order.
4. After the PO is approved by the superintendent, the building secretary will print the PO and make a copy to send with the order. A pink copy is made that will be retained by the originating building until the merchandise has been received. One copy of the purchase order will be kept in the originating building.
5. Upon receipt of the merchandise, the employee who places the order should turn in any packing slip to the building secretary after checking in each item

on the order and marking it received. The building secretary will forward the packing slip, and pink copy of the purchase order to the district office to be paid. **Payment is not initiated until invoice and pink purchase order copy are matched and returned to the district office.**

4. Vendors have been notified to accept orders only with a signed purchase order.

PLEASE NOTE: PURCHASES MADE WITHOUT A PURCHASE ORDER MAY RESULT IN THE SCHOOL DISTRICT HOLDING THE EMPLOYEE RESPONSIBLE FOR THE EXPENDITURE.

Checks: ALL payments and check requests require prior board approval. Board meetings are normally held on the third Monday of the month. Requests for checks will need to be in the district office by noon on the Friday prior to the board meeting. Exceptions: The board authorizes the board secretary to issue payment for verified bills, for reasonable expenses, when the board is not in session. The board will approve the bills at its next regular meeting. (Board Policy 705.3)

Registration Fees:

To request an entry fee or registration, attach the completed form with the purchase order. Payment will NOT be made from the purchase orders alone. Purchase orders sent to the administration office are held and matched with the invoice for payment. If you send the purchase order for a registration without a completed form, payment will not be made. The **employee** is responsible for completing the registration process.

Purchasing on Behalf of Employees:

Generally, the school district will not purchase items on behalf of employees. The school district may in unusual and unique circumstances do so. No purchase is made unless the employee has paid the school district prior to the order being placed and the employee has agreed to be responsible for any taxes or other expenses due. (Board Policy 705.2)

Internal Controls:

Internal control is the responsibility of all officials and employees of the school district and is designed to protect both the district and its employees. To maintain segregation of duties as much as possible, monies are deposited by the building secretaries and logged at the administrative office. Checks are matched with invoices, marked paid, mailed and filed by District office personnel. District office personnel also perform the bank reconciliation. Pre-numbered receipts are used.

Cash Management Use and Receipt Process:

Teachers and other school employees frequently collect money for various reasons from students and parents. To ensure the money is managed appropriately, specific cash management procedures have been established. The cash management procedures are applicable to all cash and checks received for all operations of the school district.

Pre-numbered receipts need to be completed for all money collected by the school district. The district receipt form is three-part. Students that turn money in to a school employee should be issued a receipt by the employee accepting the money. A copy of the receipt shall be given to the student. It is the responsibility of the teacher or other school employee to maintain complete records to support any money collected, and copies of supporting documents shall be turned in to the office with monies collected. All monies collected in the buildings need to be turned into the office of each building **before the end of each day**. The money turned into each building office will be deposited in the bank. A copy of the deposit slip along with the white copy of each receipt supporting the deposit is turned into the administrative office. Each building should designate one person that money should be turned in to. That school employee keeps a copy of the receipt for their records, as well as a copy of the deposit ticket prepared for the day.

Mass Receipts: When small dollar amounts are being collected from many individuals, a separate Money Collection Form may be used in lieu of individual receipts. The completed Money Collection Form total must match all currency/checks collected. The Money Collection form and currency/checks must be submitted to the appropriate building secretary who will issue a receipt to the submitting District staff member using the appropriate individual receipting process described above. The Money Collection Form will be attached and filed with the deposit supporting documentation.

Voiding Receipts: Voided receipts are to be noted as such; i.e., write the word "VOID" across the face of all copies of the receipt and initial. All three copies should be kept.

Revenue/Deposits Procedures:

1. Whenever possible cash collections should be received directly from students in the building office by personnel designated by the principal.
2. Sponsors/teachers should not personally hold any checks or cash.
3. Sponsors/teachers should personally take all proceeds or fees collected from students directly to building office personnel.
4. All checks and cash receipts should be deposited promptly.
5. Sponsors/teachers will be expected to give receipts for all cash collected.

Employee Travel Compensation:

Employees traveling on behalf of the school district and performing approved school district business will be reimbursed for their actual and necessary expenses. Travel outside of the school district must be pre-approved. Prior to reimbursement of actual and necessary expenses, the employee must provide the school district with a detailed receipt, indicating the date, purpose and nature of the expense for each claim item. Failure to have a detailed receipt will make the expense a personal expense. If a school district vehicle is not available, the employee will be reimbursed at the state rate. Employees required to travel in their personal vehicle between school district buildings to carry out the duties of their position may be reimbursed at the state rate. See Board Policy 401.7.

Petty Cash:

Each school will operate a petty cash fund which will be replenished as needed, within payment guidelines. All petty cash purchases will be limited to local purchases under \$25.00 with no travel, registrations or meals being reimbursed. It shall be the responsibility of the district administrators and designees to maintain and authorize expenditures from the petty cash fund.

Student Activity Accounts:

Student activity funds are public funds held in a special revenue fund. This revenue is the property of and is under the financial control of the board. It is not personal spending funds of the individual group or sponsor. Activity fund bills are required to be board approved before checks are written and the list of bills must be published with the board minutes. The activity fund cannot be used as a clearing account for the general or any other fund. All interest earned on the student activity fund is spent on the students or redistributed between the activity accounts. Student activity accounts may not run in the red; the money must be in the account before the expenditure can be made. Funds raised and deposited in the school accounts cannot be distributed to individuals. Expenses from the activity accounts can only be for the good of the students and are student driven. Monies in the student activity fund shall be used to support only the co-curricular and extra-curricular programs. Any unencumbered class or activity account balances will automatically revert to the activity fund when a class graduates or an activity is discontinued. Board Policy 704.5.

Fundraising:

Students may raise funds for school-sponsored events with the approval of the board. **Fundraising by students, other than for the benefit of the District or students, is not allowed.** The fundraiser will have a specific stated purpose. A fundraising information form must be completed prior to a fundraiser being held and will be submitted to the board for approval. Revenues from fundraisers must be deposited intact and all expenditures made with a purchase order.

Guiding Principles:

1. Generally student fundraising should be minimized
2. All fundraisers MUST be approved by the board.
3. Each fundraiser should have a **specific school purpose**, which needs to be articulated clearly by the sponsor and students.
4. Other sources of funding should be exhausted before fundraising is undertaken.
5. Failure to follow appropriate fund management procedures may force the district to hold you personally responsible for incurred expenses.

Operational Procedures:

1. Students/parents should be informed of the goal of the fundraiser and given an option to write a check to the district.
2. Sponsors should not set an amount that each student is required to raise.
3. If items are being sold, the percentage which will actually be gained by the school organization should be identified, i.e., if the purchase of \$20 worth of chocolate will net the organization \$5, this should be known. A person might prefer to give a \$5 donation rather than buy \$20 worth of candy.
4. During fundraising an accurate accounting of merchandise and funds must be maintained. No merchandise or funds will be given in trade for work or volunteer activities. All merchandise will be sold or returned to the vendor for credit.
5. Sponsors/teachers will be expected to give receipts for all cash collected.
6. Deposit funds daily with the building level secretary. Keep funds in a safe place as you may be personally responsible for shortfalls.
7. Rewards to specific students should be minimized or given to the group as a whole. The emphasis should be on working for the activity or group rather than for themselves. Also the cost of the rewards detracts from the net profit of the group. Student cash prizes can not be awarded by the district this includes gift cards.
8. At the conclusion of a fund raiser or project, documentation breaking out total revenues and expenditures should be submitted.

Fundraising by an outside agency (for example the EM Scholarship Foundation):

When an outside agency wants to have students fundraise for them, a representative from the agency must come and speak to the students and explain what the proceeds or profits from the fundraising will go towards. The students must be told the fundraising is voluntary and must not feel forced into this. The Board will need to approve this fundraising before the representative speaks to the students. Board Policy 504.5

Donations:

School organizations are not permitted to make donations to other non-profit organizations unless that particular purpose was identified prior to raising the funds.

Gambling License:

The gross receipts of all gambling activities conducted in Iowa are subject to state sales tax and local option sales tax. Gambling activities include: cake walks, dunk tanks, bean bag throws, raffles, shoot around, games of chance, etc. Before planning any gambling activities, contact the Business Manager in order to check the status of a gambling license and payment of taxes. Gambling revenue is always taxable.

Personal Responsibility:

Failure to follow appropriate fund management procedures may force the district to hold an employee personally responsible for incurred expenses. Sponsors and coaches may not operate school business from their personal bank accounts.

Reimbursements:

Expenses that need to be reimbursed are turned in on the green reimbursement form with the receipts attached. **Sales tax is not reimbursed.** The reimbursement form must be approved and coded by the supervisor. Reimbursement requests will be taken to the regular board meeting for approval.

Summary:

School districts operate under Dillon's Rule: School Districts have only that authority specifically granted to them through the laws and the Code of Iowa. The Iowa Constitution and the Iowa Code address "**Public Purpose**" concept regarding the use and appropriation of public funds and property and anyone using such public funds/property for private purpose, personal gain, or to the detriment of the public office commits a serious misdemeanor. The following questions should be considered before using public money:

1. Does the expenditure directly benefit a significant part of the public?
2. Is a public purpose served?
3. If the local paper headlines stated that public funds were used to pay for "xyz", how would the community react?
4. Can the community see the relationship of the expenditure to the education of children?

Questions:

Contact your building administrator, or Randy Denham or Jan Anderson at the business office, 1-641-498-7481.

ATHLETICS

The Athletic Director sets and monitors the athletic budget for each sport. He sets an amount that each coach can spend for registration to a clinic. He approves the officials, workers and entry fee payouts. He maintains proper internal control of tickets sold at athletic events by using pre-numbered tickets.

Meals:

Students and coaches receive \$5 per breakfast, \$10 per lunch, and \$15/dinner when they attend state athletic activities. To get a check for meals, a green reimbursement request approved by the supervisor showing the total amount needed for meals needs to be turned into the administration office as soon as possible prior to the athletic activity. The request must include the list of students and coaches and the list of meals. If the team returns early, meal money not spent must be turned into the athletic director. It is recommended that the student initial by their name when the meal money is given to them.

Officials:

Officials are paid after the service is performed. Social security numbers are needed for all officials. To have officials paid before board meetings and after the service is performed, a list showing the official's name, date, sport, and amount to be paid can be taken to the board for approval. On the date of the event, a form will be signed by the official and the coach or AD. This form is sent to the administration office and matched to the official's contract.

Entry Fees:

A list of entry fees for athletic events should be turned into the board for approval. The list must include the name of the school, date, event and amount to be paid. Entry fees that have not been turned in for board approval or that are for more than the amount approved will be taken to the next regular board meeting for approval.

Clinics:

If a coach is attending a clinic, the expenses are paid out of the athletic fund, including the cost of the substitute. A purchase order may be made for the lodging, registration, etc. If the registration is to be paid from a form, it must be board approved before a check can be written. A purchase order needs to be completed and sent with the registration form. Registration forms are not paid from the purchase order alone.

Ticket Sales Reconciliation Sheets:

Pre-numbered tickets are used for all events. Gate receipts are counted by the Athletic Director or Principal and one other person (ticket taker). A ticket sales reconciliation sheet will be reconciled to the monies received. Cash receipts will be taken to the bank

and left in the night deposit. The activity secretary will pick up the cash the next day and make a bank deposit. If there is a big difference between tickets sold and monies received, a copy of the ticket sales reconciliation sheet will be sent to the Athletic Director.

Coaches' Apparel:

Coaches' apparel purchased with activity account funds remain the property of the East Marshall Community School District and shall be returned to the activities director upon completion of duties.

Camps: Guidelines

The following guidelines are provided to insure efficient, expedient and consistent procedures associated with camps:

1. There may be no out-of-season contact between coaches/students during the school year.
2. Summertime out-of-season contact between coaches/students is allowed, but only if the student voluntarily engages in the activity.
3. The fact that some colleges call their camps "team camps" does not change the fact that such a camp is subject to all the same rules as any other camp attended by a secondary student.
4. NO district funds can be used for any student to pay for a student's participation, either in whole or in part, in any out-of-season camp or clinic.
 - a. Booster clubs who are independent of the district may offer financial assistance.
 - b. If a student wants to use school equipment, including school apparel (e.g. a jersey), the district must charge fair rental value.
5. When a coach employed by a school district sponsors a summertime, out-of-season camp or clinic, student participation must be voluntary and there can be no use of district funds. The camp/clinic may be operated under either of the following models:
 - a. The camp/clinic is NOT a district activity
 - i. If the district's facilities or equipment is used, the district charges rent at fair rental value to the coach.
 - ii. All accounting and bookkeeping is done apart from district funds
 - iii. This is the model favored by the DE, IHSAA and IGHS AU.
 - b. The camp/clinic is sponsored by the district as a community service.
 - i. The camp/clinic is NOT considered to be either a cocurricular or extracurricular activity. Therefore, any funds associated with it are not to be run through the student activity fund.
 - ii. Public funds cannot be used to help students with registration fees.
 - iii. Any remuneration to the district's coaches will have a separate contract.

District-sponsored Sports Camp/Clinic:

1. Camps involving East Marshall students sponsored by East Marshall School District employees should schedule through the activities director's office.
2. The camp organizer will recruit and assign coaches, officials and helpers.
3. The Board should approve the salaries/wages along with approval to hold the sports camp/clinic.
4. Revenue for fees collected should be deposited and recorded in the Student Activity Fund.
5. All sports camp/clinic related expenses would require prior approval (purchase order) and payments would be processed through the normal disbursement process.
6. Salaries for District personnel should be negotiated in advance and salary payments should be processed through the District's normal payroll process, subject to withholdings etc.
7. Wages would be reported on the District employee's W-2 at year-end. Non-employees would become employees for the sports camp/clinic.

Sports camp/clinic fees should be based on actual costs anticipated and fees should be established to at least break-even. Excess funds (profit), if any, will be retained by the District in an Enterprise Fund if it is a regular event or in the General Fund if it is not a regular event pursuant to Iowa Administrative Code Section 281-36.15(6). Excess funds will not be remitted or retained by the sports camp/clinic coaching staff.

Privately-sponsored Sports Camp/Clinic using District Facilities:

The contract between the sports camp/clinic facilitator and the District should address facility and equipment use and rental fees; insurance; and other costs of conducting the sports camp/clinic. The sports camp/clinic facilitator would need to rent the equipment and the facility at fair rental value for the sports camp/clinic pursuant to Chapter 297.9 and 297.10 of the Code of Iowa and the District's Board Policy 905.1. The sports camp/clinic facilitator would need to provide a certificate of insurance for liability coverage. If the District is collecting registration fees or paying any expenses from fees collected for a privately-sponsored sports camp/clinic, it would be accounted for in the Agency Fund. The District may not pay any expenses prior to having cash on hand from fees collected for the organizer. Rental fees and reimbursement of other District costs are receipted into the General Fund.

Income and Expense Reports:

The first of each month, a monthly income and expense report will be sent to the athletic director and each sponsor with an activity account. The report shows all income and expenditures for the month.

Inventory:

The athletic director keeps the uniform and athletic supply inventories.

Transportation Requests:

The athletic director or designee must fill out the transportation request form in a timely manner for any scheduled athletic events.

End of the Year:

The school fiscal year end is June 30th. At that time, all athletic activity fund accounts are zeroed out and closed into the miscellaneous athletic account.

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