

ACCOUNTING PROCEDURES MANUAL

for

SCHOOL ACTIVITY FUNDS

(SAF)

January 2016
(Replaces 2008 Edition)

Prince George's County Public Schools

Business Operations Department

TABLE OF CONTENTS

Listing of Exhibits.....	iv
Listing of Figures.....	iv
Listing of Attachments.....	v
1.0 Introduction.....	1
1.1 Manual Objectives	1
1.2 Activity Funds.....	1
2.0 Internal Controls	2
2.1 Underlying Concepts.....	2
2.2 Application to PGCPS School Activity Funds	2
3.0 Ownership, Authority and Responsibility.....	4
3.1 Ownership	4
3.2 Authority & Responsibility	4
3.2.1 Principals	4
3.2.2 Bookkeepers/Financial Secretaries.....	4
3.2.3 Faculty/Program Managers.....	4
3.2.4 Business Operations Department.....	5
3.2.5 Internal Audit Department.....	5
4.0 Banking and Bookkeeping Procedures.....	7
4.1 The Account: An Overview	7
4.2 Bank Accounts	7
4.2.1 Policies.....	7
4.2.2 Procedures	8
4.3 Fund Accounts	9
4.3.1 Policies.....	11
4.3.2 Procedures	11
4.4 Forms Used to Manage the SAF	11
4.5 Recording Transactions.....	14
4.5.1 <i>SchoolFunds Online</i> Accounting Software	14
4.5.2 Cash Receipts	14
4.5.3 Cash Disbursements	19
4.5.4 Transfer of Funds.....	26
4.5.5 Prior-Year Carryover Funds	26

5.0	Monthly Reconciliation & Financial Reporting	27
5.1	Bank Statement Reconciliations	27
5.1.1	Background and Internal Control	27
5.1.2	Procedures	27
5.2	Financial Reporting Requirements.....	29
5.2.1	Procedures	29
6.0	General Guidance	35
6.1	Ethics.....	35
6.2	Fraud	35
6.3	Bonding of Personnel.....	35
6.4	Departure of Bookkeeper or Principal	35
6.5	Contracts	35
6.6	Credit Cards, Lines of Credit and Membership Cards.....	36
6.7	Gift Cards.....	36
6.8	GoFundMe and PayPal Accounts	36
6.9	MySchoolBucks (MSB).....	37
6.10	Charter School.....	37
6.11	Affiliated Organizations.....	37
6.12	Record Retention.....	37
7.0	Budgeting, Class Accounts and Athletics	38
7.1	Importance of Planning.....	38
7.2	Fundraisers	38
7.2.1	General Guidance	38
7.2.2	Procedures	39
7.2.3	Fundraising Activities.....	39
7.2.4	DonorsChoose	39
7.3	Class and Club Accounts	42
7.4	Athletics	42
7.4.1	Athletic Allotment	42
7.4.2	Sporting Events and Ticketing	43
7.4.3	Security and Other Services for Sporting Events	43

8.0	Sales Tax	46
8.1	Background	46
8.2	Guidance	46
8.3	Procedures	46
9.0	Accounting for Specific Type of Activities	48
9.1	Administrative Allotment	48
9.2	Accounting for Waiver of School-Related Fees	48
9.3	Accounting for Grants and Donations	48
9.4	Accounting for School Store Activities	50
9.5	Accounting for Property Inventory	50
9.6	Principal Sponsored Activities (PSA) for Staff	52
9.7	Textbook Replacement Fees (Core and Non-Core).....	53
9.8	Vending Machine Sales	54
9.9	Employee Wages Using School Activity Funds	54
9.10	Local Travel	54
9.11	Reimbursing Central Office	54
9.12	Transferring SOR Funds to SAF	54
9.13	Paying for Deer Park Water	54

LISTING OF EXHIBITS

Exhibit	Title of Exhibit	Page
A	Internal Control Objectives and Principles	3
B	Staff Responsibility for School Activity Fund	6
C	Sample SAF Chart of Accounts	12
D	New Account Request Form	13
E	Monetary Transmittal Form	16
F	School Fund Expenditure Form	20
G	Charity Vendor Request Form	22
H	Voucher Style Check Form	25
I	Bank Reconciliation	28
J	Monthly Financial Report Checklist	30
K	Insolvency Report	31
L	Available Fund Report	32
M	Year to Date Report	33
N	Journal Entry Register	34
O	Unpaid Bills Determination Worksheet	34
P	Fundraising Authorization Form	40
Q	Fundraiser Completion Form	41
R	Compensation Request Form	45
S	School Grants Reporting Form	49
T	In-Use Inventory Equipment Receiving Form	51
U	Materials Transfer Form	52
V	Textbook Reimbursement Form	53

LISTING OF FIGURES

Figure	Title of Figure	Page
1	Key Players – Student Activity Funds	5
2	General Structure of SAF Chart of Accounts	10
3	Most Common Forms Used to Manage the SAF	11
4	<i>SchoolFunds Online</i> Logon	14
5	Interim Financial Reporting Dates	29
6	Required Monthly Financial Reporting	29
7	Allowable vs Prohibited Fundraising Activities	39

LISTING OF ATTACHMENTS

Attachment	Title of Attachment	Page
I	Senior Class Planning and Budgeting Workbook	56
II	AP 4180: School Bank Accounts	59
III	AP 4182: ACH Electronic Debits	61
IV	AP 5135.1: Fund Raising	63
V	AP 5135.2: Principal's Contracting Authority	67
VI	AP 5137: Sales Tax	69
VII	AP 3450: Class and Club Fund Terminations	73
VIII	AP 3430: Paying Employees with SAF Funds for Part-Time Work	75
IX	AP 3702: Ticket Sales and Accounting for Athletic Events	79
X	AP 4133: Local Reimbursable Travel	87

1.0 INTRODUCTION

1.1 Manual Objectives

Two primary objectives of any organization are to ensure resources 1) are adequately safeguarded, and 2) used as effectively and efficiently as reasonably possible. An effective means of accomplishing these objectives is a system in which individuals are accountable for their actions. Employees soon realize it is in their own best interest to make sure that this happens. This is typically accomplished by creating an organization with clear lines of authority and responsibility. Prescribing how tasks are to be completed and adopting standard organizational policies and procedures also go a long way toward achieving these objectives.

The purpose of this manual is twofold. First, it establishes responsibilities of parties involved in the collection, handling, record keeping and oversight of School Activity Funds (SAF). Second, it contains the policies and procedures that parties involved in the collection, handling, recording and oversight of activity funds are to adhere to. Policies typically describe how a task or activity is to be performed in broad terms, while procedures provide more specific guidance on how to perform tasks.

Adherence to the policies and procedures contained in this manual represent a minimum level of acceptable performance. A school, program or office may be subject to supplemental policies and have to employ additional procedures not covered in this manual. However, no one should ever do less than prescribed in this manual.

The content of this manual is not all-inclusive. Principals and Bookkeepers may encounter many circumstances not covered here. Inquiries about the information presented in the manual and any exceptional circumstances that are not specifically addressed should be directed to the Accounting & Financial Reporting Office and the Internal Audit Department.

1.2 Activity Funds

School Activity Funds (SAF) are defined as “agency” or “trust” funds. These are resources held by a school on a temporary, purely custodial manner. Student Activity Funds are a subset of School Activity Funds. The distinction between the two is that student activity funds are used for the general welfare of students only, and for activities not a part of the regular curriculum -- typically extracurricular activities such as clubs, class and student organizations.

The Principal-Sponsored Activities (PSA) account, Employee Sunshine and similar accounts, are part of School Activity Funds; but are directed principally at staff rather than students. This is largely the reason for the change in the title of this manual from Student Activity Fund to School Activity Fund. The latter is more encompassing than the former, incorporating activities of the entire school.

2.0 INTERNAL CONTROLS

2.1 Underlying Concepts

The idea that you can design “accountability” into an organization and have individuals act in a manner that will ensure the organization’s resources are properly managed is the foundation of internal controls. At the most fundamental level, this concept is essentially the same as creating a system of checks and balances. In practice however, it is more involved than that. The concept is essentially three-pronged.

- 1) There are prescribed ways of accomplishing tasks in an organization. These policies and procedures should be designed to assure the organization’s resources are properly managed if followed.
- 2) Everyone within the organization is aware of these prescribed ways. They must adhere to them or face disciplinary action.
- 3) The system requires everyone’s work be reviewed on a regular basis by an independent third party to assure that policies and procedures are followed.

It is important to note that all internal control systems are only as good as their weakest link. For instance, if policies and procedures are poorly conceived and everything else works as designed, the system will likely not function as intended. Likewise, if periodic reviews are not conducted or they are performed but individuals are not held accountable for their failures to adhere to prescribed policies and procedures, the system will not work as intended. It is therefore imperative that all of the components of such a system are properly designed and implemented. Exhibit A, on the following page, provides a more comprehensive and technical explanation of internal control.

2.2 Application to PGCPS School Activity Funds

The nature of school operations makes it essential that everyone involved in the collection, handling and oversight of School Activity Funds has a basic understanding of these internal control concepts and principles. *It is also important that Principals and program managers, who are ultimately responsible for these funds, are aware that success of the internal control system rests largely with them.* This is because they perform the most frequent, regular and fundamental independent verification performed each month when they review and analyze monthly reports and bank account reconciliations. As such, they are in a better position than anyone in the System to identify problems and issues of non-compliance. Only then can corrective action be instituted in a timely manner, before the system is significantly compromised.

EXHIBIT A

INTERNAL CONTROL OBJECTIVES AND PRINCIPLES

OBJECTIVES

There are five primary objectives of internal control. They are to ensure:

- The information in the organization's records is accurate and complete;
- The organization is complying with all applicable laws, regulations, procedures and contracts;
- The assets of the organization are safeguarded;
- The organization is using its resources efficiently and effectively, and;
- The organization is accomplishing its goals and objectives.

PRINCIPLES

The five basic principles explained below, if incorporated in an organization's structure, will allow it to achieve the control objectives noted above.

Authorization of and Responsibility for Transactions and/or Activities – For an internal control system to be effective there must be clearly defined lines of authority and responsibility. Individuals must have a clear understanding of what they are authorized to do, what they are responsible for, and know that they will be held accountable for the results of their actions or inactions.

Segregation of Duties – No one individual should ever be made solely responsible for maintaining records on resources that they have custody of, access to and/or authority over. Ideally, different individuals should be assigned the responsibilities of 1) authorizing transactions, 2) recording transactions and 3) maintaining the custody of the related assets. In simple terms, there should be “checks and balances.”

Adequate Documents and Records – Adequate documents and records provide reasonable assurance that all valid transactions and events have been recorded. To be most effective and accurate, transactions should be documented as they occur. Whenever possible, documents should be pre-numbered and accounted for. Pre-numbering helps prevent a transaction from being recorded more than once, or conversely, from being omitted from the records.

Access to Assets – Only authorized personnel should have access to assets. Physical, mechanical, and electronic controls are all used to accomplish this.

Independent Checks on Performance – Periodically, the information recorded in the organization's records should be compared with the physical assets and to supporting documentation to verify the accuracy of records. To obtain maximum benefit from such independent verification: 1) verifications should be regularly, preferably on a surprise basis; 2) verifications should be performed by an independent employee; 3) any discrepancies or exceptions that are found should be reported to someone at a higher level who has authority over the work performed to ensure that corrective action will be initiated.

3.0 OWNERSHIP, AUTHORITY AND RESPONSIBILITY

3.1 Ownership

Unless other ownership is specifically designated, School Activity Funds belong to the student body enrolled in the school. The purpose of these funds is to promote the general welfare, education, and morale of students. In addition, funds are used to finance recognized extracurricular activities of the student body. All of the funds a school has in its bank accounts and on hand awaiting deposit are School Activity Funds.

3.2 Authority & Responsibility

Principals, Bookkeepers and teachers are the three key players when it comes to School Activity Funds (see Figure 1 on page 5). They have legitimate power to use resources and exercise discipline to manage the SAF. They also have more specific duties and accountability as outlined in Exhibit B on the following page. The Business Operations and Internal Audit Departments also play important oversight roles. Business Operations is responsible for establishing procedures and guidelines as well as administering the SAF. Internal Audit ensures independent checks of the SAF are conducted in a timely manner, and the results of their work are communicated to the Board of Education.

3.2.1 Principals

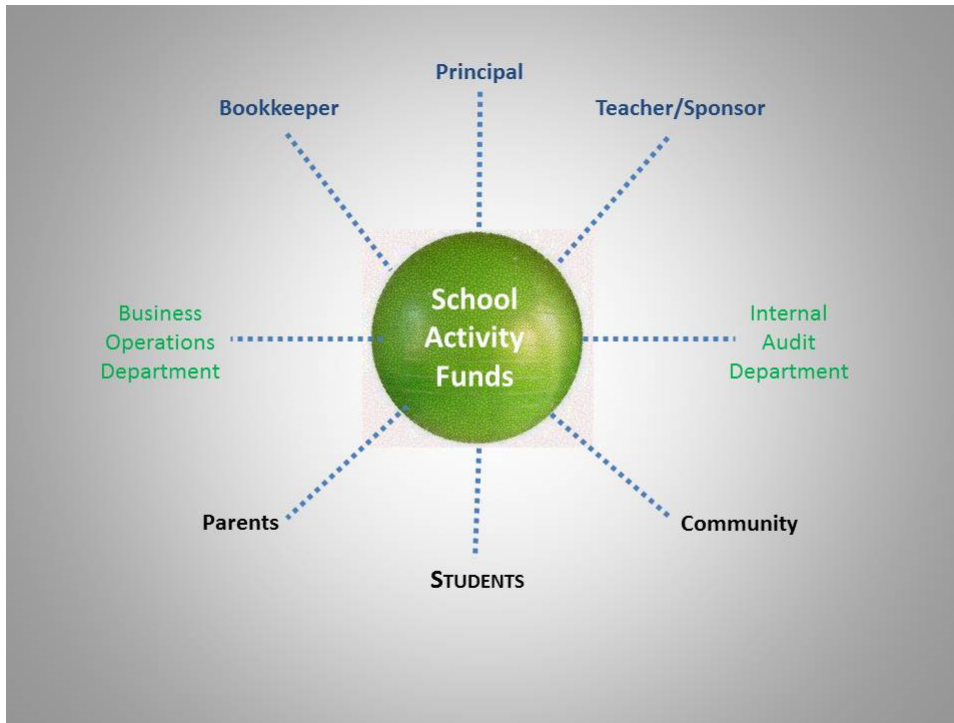
The Principal is the fiduciary agent for School Activity Funds. As such, responsibility for accounting, safeguarding and managing the SAF, in accordance with PGCPs policies and procedures, rest solely with the Principal. The Principal should review budgets of all organizations at the start of the school year. He or she is responsible for pre-approval of all expenditures from the SAF. If the Principal anticipates an extended absence, the pre-approval function may be delegated to a vice-Principal (or alternate administrator). It is necessary that the Principal sign a written delegation naming the designee and the specific timeframe of his/her absence. A copy of the designation should be sent to the Instructional Director and Accounting and Financial Reporting (AFR) Office.

3.2.2 Bookkeepers/Financial Secretaries

The Bookkeeper or financial secretary is responsible for accurately recording and reporting the school's financial transactions. They must make the Principal, supervisor and/or program manager aware when either a lack of time or distractions are adversely affecting the ability to successfully complete their bookkeeping duties. Whenever the Bookkeeper is uneasy or has concerns about the appropriateness of transactions occurring at the school, he or she should call the Internal Audit Department. The concern will be addressed in a confidential manner.

3.2.3 Faculty/Program Managers

Teachers must recognize that they, as the individuals within the school who collect most of the money from students and parents, play an important role in financial management of the school's SAF. In their role as primary recipient of funds, teachers, not the Bookkeeper, are responsible for initiating the financial documentation process. They are also responsible for safeguarding funds in their custody and submitting all funds collected, along with proper supporting documentation, to the Bookkeeper on the day of collection. Teachers also serve as program managers and should therefore review reports submitted by a Bookkeeper in a timely manner and provide feedback when necessary.

Figure 1: KEY PLAYERS - Student Activity Funds

3.2.4 Business Operations Department

The Business Operations Leadership Team (BOLT) has responsibility for administering the School Activity Fund. Business Operations is a department within the Business Management Services (BMS) Division, which is headed by the Chief Financial Officer (CFO). The department has five offices: Accounting and Financial Reporting, Treasury Operations, Accounts Payable, Grants Financial Management, and Medicaid Recovery. Most of these offices play a part in administering School Activity Funds. Accounting has primary responsibility for monitoring the SAF; Treasury provides assistance with bank accounts; Accounts Payable prepares payments to schools, which are disbursed electronically; and Grants Financial Management oversees funds donated by third parties. Requests for transfer of funds from the Prior-Year (PY) Carryover account should be sent to the Director of Business Operations for approval (see page 26 for more information)..

3.2.5 Internal Audit Department

The Internal Audit Department (IAD) reports directly to the Board of Education. The primary objective of the office is to assist the Board with effectively discharging its duties and responsibilities for oversight of Prince George's County Public Schools (PGCPS). To accomplish this objective, the department completes school and operational audits; assists external auditors with their work; conducts investigations of reported fraud, waste and abuse in response to complaints received; and furnishes the Board with analysis, and recommendations as required. It also supplies Monetary Transmittal Forms (or MTFs) to schools, a key control used to manage cash and prevent fraud. School audits are conducted by IAD annually for high schools, bi-annually for middle schools, and every three years for elementary schools. Unannounced audits may also be conducted at any time. While IAD provides advice to management, its independence and objectivity is maintained at all times to avoid conflict of interest.

EXHIBIT B: STAFF RESPONSIBILITY FOR SCHOOL ACTIVITY FUNDS

PRINCIPAL	BOOKEEPER/FINANCIAL SECRETARY	FACULTY/PROGRAM MANAGER
Familiarize oneself and staff with the Accounting Procedures Manual for School Activity Fund	Read and understand the Manuals for SAF Accounting Procedures and <i>SchoolFunds Online (SFO)</i>	Create a master student list to help account for money received
Review budgets for all organizations at the start of, and during, the school year	Prepare and record all financial transactions in a timely manner	Obtain preprinted form (MTF) from Bookkeeper; used to account for cash received
Supervise Bookkeeper; provide uninterrupted time to perform their accounting duties	Produce and maintain all required reports in an organized fashion	Safeguard all funds until reported to the Bookkeeper, which should occur daily
Ensure physical control and security of cash and other assets	Safeguard blank check stock	Submit Fundraiser Authorization Forms for approval of events in advance of occurrence
Know authorized signatories of school bank accounts and ensure timely updates when signers change	Prepare Transaction Activity Reports covering all restricted activities for review of Program Managers. Use of <i>SFO Sponsor Portal</i> is encouraged (see page 24).	Prepare a Fundraiser Completion Report once the fundraiser is over
Pre-approve expenditure requests and approve properly documented disbursements and expenditures	Maintain a record of receipt of Transaction Activity Reports provided to Program Managers	Retain pink copy of MTF after submitting money and other copies to the Bookkeeper
Review invoices and statements for past due amounts and ensure payments are made within 30 days of the invoice date, or by the due date on the invoice.	Maintain a list of student clubs and organizations, including names of faculty sponsors and student officers	Ensure that verified copy (yellow) is received from the Bookkeeper within a week
Monitor revenue and expenditures to ensure that the SAF remains solvent <u>at all times</u> . Insolvency results when total restricted funds exceed available cash balances	Follow prescribed policies and procedures governing collection of funds, preparation of deposits and disbursement of funds and preparation of checks	Maintain an envelope of MTF's generated during the year; sign and seal it at the end of the school year
Authorize and approve bank transfers to ensure that accounts do not have negative balances	Request and maintain a copy of annual budgets for all student clubs and organizations	Submit at year's end signed, sealed MTF envelope to designated administrator
Receive monthly bank statements unopened. Review completed reconciliations and required monthly report by the 15 th of each month	Prepare monthly bank reconciliations within 7 days of receipt and required financial reports by the 15 th of the month for the Principal and program managers	
Respond to audit findings & recommendations with corrective action plan that is implemented and monitored	Monitor taxable sales, compute school's tax liability, report and remit appropriate sales tax to State when due	
Monitor outside groups to ensure that their bank accounts do not use the school's name, EIN, tax exemption number, and that they have their own liability insurance	Do not accept year-end MTF envelopes from staff. Instead, direct them to the designated administrator	
Designate an administrator to collect signed, sealed MTF envelopes from staff collecting money during year	Prepare and submit reports to the Accounting and Financial Reporting Office three times a year. The third submission, the annual report, is due by mid-July	
Submit reimbursable expenses to Instructional Director for approval (i.e., mileage, non-local travel) in timely manner.		

4.0 BANKING AND BOOKKEEPING PROCEDURES

4.1 The Account: An Overview

The basic component of an accounting system is the account. An account is a record of transactions related to a specific item or activity within an organization. Each account has a title that describes the data recorded in that account. A list of the accounts that a particular organization uses is called the chart of accounts.

There are two types of accounts used by schools to record financial activities in their SAF: bank accounts and fund accounts. A bank account is held at a financial institution, where receipts are deposited and payments are disbursed. Fund accounts are record keeping mechanisms where transactions associated with each unique organization, activity or event in the school are recorded.

Most transactions in a school impact both the bank account and a fund account. For instance, if a check is drawn on the school's bank account to pay for items to be used by the Spanish Club, both the bank account balance and the Spanish Club's fund balance is decreased by the amount of the check. Lack of a complete understanding of the differences between the two types of accounts should not be cause for concern, since accounting software (*SchoolFunds Online*) is being used to record transactions.

The maintenance of a petty cash fund within the SAF is not authorized.

4.2 Bank Accounts

4.2.1 Policies

All receipts should be deposited into, disbursed out of, and accounted for in one primary bank checking account owned by the school (deposit of funds into accounts other than school-owed accounts is prohibited). This includes all funds collected in the name of a school or for school organizations -- whether in the form of reimbursement, contributions, gifts, fundraisers, etc. In addition, any funds collected from students on school premises, as well as funds collected at school-sponsored activities, on or off premises, must be accounted for through the school's primary checking bank account. The only exceptions to this policy are funds generated for meals through the cafeteria, tuition and fees collected by the Before and After School Care Program, the PTA or other affiliated organizations. These monies must be maintained in a bank account totally separate from the SAF checking account.

Specific policies governing the handling of cafeteria and tuition funds can be obtained directly from the Food & Nutrition Services Department (FNS) and the Before & After Extended Learning Program (BASELP), respectively.

Funds derived solely from faculty and staff contributions and activities may be placed in a separate bank account but the account cannot reference the school's name or the Board's Employer's Identification Number (EIN). The faculty club can elect to place funds in the school's SAF bank account and designate funds in a restricted club account (i.e., Employee Sunshine Fund). However, the funds are then subject to the policies and procedures of the Board covered in this manual.

4.2.2 Procedures

Each school must establish and maintain a minimum of one business type (i.e. statement issued on the last day of each month) checking account in a federally-insured financial institution. All SAF receipts should be deposited in this account and all disbursements should be made out of this account.

The Principal should choose a federally-insured bank near the school and confirm that they offer an account that satisfies all of the ten requirements listed below (i - x). The Principal should request a Corporate Banking Resolution and signature cards from the chosen financial institution, fill out the forms and then return the completed documents to the Assistant Treasurer for authorization. Please refer to Administrative Procedure (AP) 4180, *School Bank Accounts* in Attachment II, for additional information on opening new accounts and changing signatures.

Prior to opening a new bank account or changing signatories, the Assistant Treasurer authenticates a “Banking and Borrowing Resolution.” And provides official, written authorization to open the account. Completed forms must be accompanied by a photocopy of the driver’s license of each individual with signature authority.

- i. All bank accounts -- checking, savings, money market or CD -- must be setup in the name of the Board of Education and the school (i.e. “Board of Education of Prince George’s County – ABC Elementary School”). It must also use the Board of Education’s Employer’s Identification Number (EIN). Under no circumstance should a bank account be set up in the name of an individual or a sub-unit of the school.
- ii. There must be at least three authorized signers on the checking account (Principal, Bookkeeper and another administrator). The Principal and Bookkeeper should be primary signers on the account. The third signer should be an administrator (i.e., a vice-Principal, teacher-in-charge or wing coordinator) who signs checks in the Principal's absence.
- iii. The signature cards on file at the financial institution must be immediately updated when there is a personnel change involving an authorized signer.
- iv. Checks must be preprinted and consecutively numbered, contain the school’s name and address, two signature lines, and the name of the financial institution.
- v. The bank must return images of all cancelled checks to the school with the monthly bank statement.
- vi. Schools must use duplicate-style or SFO deposit slips/forms, printed in duplicate. The original and duplicate must accompany the deposit when submitted to the bank. Once validated by the bank, the duplicate copy must be retained at the school and attached to the deposit support. If the school uses a night depository, a triplicate-style deposit slip is preferred. The original and duplicate deposit slips are sent to the bank with the deposit, and the third copy is retained at the school until receipt of a validated copy from the bank.

- vii. The number of bank accounts a school has should be kept to a minimum. However, schools may have more than one bank account if they can demonstrate a need for additional accounts. These secondary accounts shall not be checking accounts and must be established and maintained in a federally-insured institution.
- viii. If a school maintains more than one bank account, all money received must be initially deposited in the school's checking account. Funds are then moved to a secondary account by means of a check. Likewise, all disbursements must be made out of the checking account. If funds in a secondary account (i.e., savings account) are utilized to pay an expense, the funds must be moved from that account to the checking account first. Then a payment can be made by issuing a check drawn on the checking account.
- ix. The Principal should receive the bank statement unopened. After reviewing the statement and the cancelled checks, the Principal should sign the bank statement and pass it to the Bookkeeper. The bank account must be reconciled within seven (7) days from receipt of the bank statement. In addition, the Bookkeeper will receive via e-mail an electronic copy of the bank statement, forwarded by the bank on the first business day of the following month. The electronic copy can be used to facilitate reconciliation until the hard copy is received.
- x. Schools must monitor their account balances to ensure that they do not have more than \$250,000 deposited with a single financial institution (in single or combined accounts) at any given point in time. If the school determines it may exceed this amount, they should notify the Assistant Treasurer so that steps can be taken to "sweep" the excess amounts out of the accounts on a nightly basis to protect the funds in the case of a bank failure.

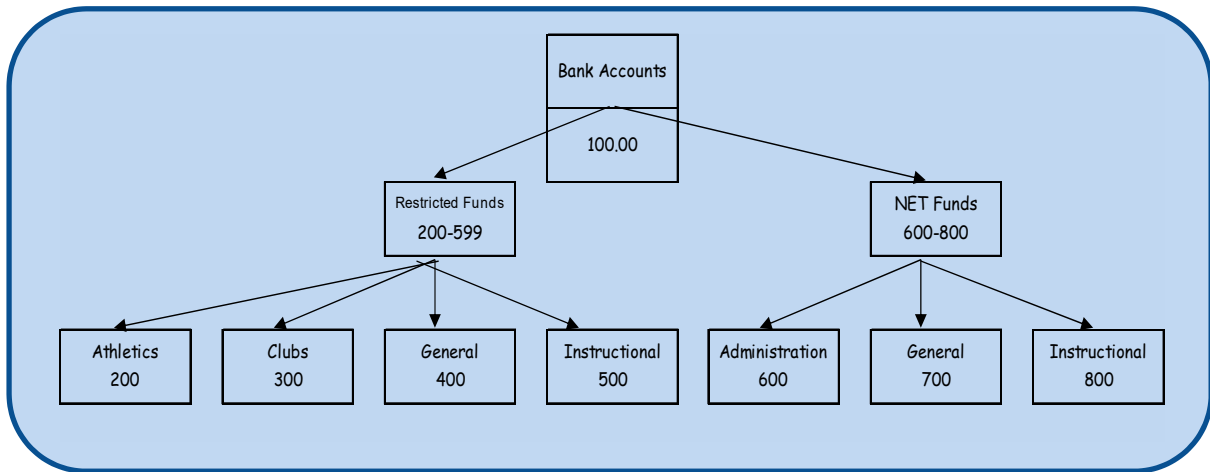
Address questions regarding bank accounts to the Assistant Treasurer at 301-952-6074.

4.3 Fund Accounts

Fund accounts are used to track financial activities related to specific events, activities and/or groups within the school. Utilizing fund accounts makes it possible to determine the amount of revenue and expenditure generated by individual groups and/or events within the school, and ultimately, how much money they have available. As a general rule, a fund should be established for each unique organization, activity or event that occurs in a school. In some cases, a fund with several sub-funds or event codes may be appropriate.

A "standard" chart of fund accounts has been developed for schools to account for financial activity in their SAF. The chart of accounts consists of two broad classes of funds, restricted and net (unrestricted), with categories within each broad class. Figure 2 on the following page illustrates the general structure of the chart of accounts for School Activity Funds.

FIGURE 2: General Structure of a PGCPs Chart of Accounts for the SAF



The broad fund classes are **Restricted Funds and Net (Unrestricted) Funds**. Restricted Funds are those funds that are raised by a specific group and/or for a specific purpose and are used exclusively for that group and/or purpose and not for general needs of the school. Net Funds are those funds raised to benefit the entire student body and/or meet the general needs of the school.

Categories within Restricted Funds are Athletics, Clubs, General and Instructional. Categories within Net Funds are Administration, General and Instructional. The chart of accounts is centrally administered. Requests to add accounts should be directed to the SAF Support Specialist via e-mail using the form discussed in 4.3.2 below.

Examples of Restricted and Net Accounts are noted below.

Restricted Accounts - Contain all funds that are deposited into the SAF for a specific purpose and cannot be used for any other reason.

Example - Donations designated for the purchase of computers are accounted for in a restricted account because it is collected for a specific purpose.

Example - A club collected \$10 from each member to use as they elect. These funds are restricted for that club and cannot be used by the school for any other reason.

Example - All sales taxes collected are restricted funds remitted to the State Comptroller at the end of each quarter.

Net Accounts - All funds collected and deposited for general use of the school.

Example - Money from school-wide fundraisers not designated for a specific purpose or club and organization.

Example - Money from the Board of Education for the school's administrative allotment.

Example - Donations to the school not designated for a specific purpose.

4.3.1 Policies

A condensed sample Chart of Accounts for the SAF is provided as Exhibit C on the following page. It shows the general structure of the chart used for the SAF.

4.3.2 Procedures

Transactions should be recorded in the most specific account relating to the activity. If transactions fit an established category but are expected to occur frequently, it is easier to monitor and track such transactions in a separate account. To do so, request a new account to capture this activity. However, care should be taken to avoid creating accounts for items or activities that occur infrequently. New accounts are only created at Central Office, after submission of a New Account Request Form (see Exhibit D on page 13).

An Event Code feature is available to capture and report profit or loss of a particular school event. Event codes can be used to track or monitor receipts, disbursements and profit and loss. Event Codes can be created at the school level.

Money may be restricted in some instances and unrestricted in others. For example, if the PTA donates money specifically for purchase of computers, funds are placed in a restricted sub-account under Restricted Donations. However, if the PTA donates money without any restriction as to how it may be used, the money is recorded in Unrestricted Donations.

Questions about adding accounts and event codes to the Chart of Accounts should be directed to Accounting and Financial Reporting via e-mail.

4.4 Forms Used to Manage the SAF

Several forms are necessary for processing transactions involving the SAF (see Figure 3 below). Examples of forms used most often, in daily activities, are included in this chapter. Other forms, used more on a monthly basis, are included in the following chapter. All of the forms can be duplicated at the school, with the exception of the Monetary Transmittal Form (MTF) and blank check stock. The MTF is packaged in quantities of 100 per pack. A written request to Internal Audit is required to obtain the form. Voucher-style checks are ordered from the Technology Resource Associates (TRA) Forms Division.

Form Name	Exhibit	How Often Used?	See Page
New Account Request Form	D	As Needed	13
Monetary Transmittal Form	E	Daily Activities	16
School Funds Expenditure Form	F	Daily Activities	20
One-Time Charity Vendor Request Form	G	As Needed	22
Monthly Financial Report Check-off List	J	Monthly Reporting	30
Unpaid Bills Determination Worksheet	O	Monthly Reporting	34

EXHIBIT C: Sample School Activity Fund Chart of Accounts (Condensed)

Acct Type/Number	Account Description	Account Type
<u>Assets</u>		
BANK ACCOUNTS		
100.00	SunTrust	
110.00	Savings Accounts	ASSET
120.00	Money Market Accounts	ASSET
130.00	Certificates of Deposit	ASSET
<u>Restricted</u>		
ATHLETICS		
201.00	Athl-Non Spt Spec Allotment	ATHLT
201.10	Athletic-Non,Sport Spec Award	ATHLT
201.20	Athl-Non Spt Spec Gen Fundraising	ATHLT
CLUBS/ORGANIZATIONS		
308.00	Employee Sunshine Fund	CLUBS
309.00	French Club	CLUBS
310.00	7th Grade Account	CLUBS
GENERAL		
415.00	Donations	GENRS
420.00	Field Trips	GENRS
425.10	Core Textbook Fines	GENRS
INSTRUCTIONAL		
555.00	Health Ed	INSRS
560.00	Library	INSRS
565.00	Materials of Instruction	INSRS
<u>Net</u>		
ADMINISTRATION		
605.00	Allotment	ADMIN
615.00	Office/Copier Supplies	ADMIN
620.00	Postage	ADMIN
GENERAL		
735.00	Maintenance of School	UNRES
740.60	Special Events	UNRES
750.10	Vending Faculty Commission	UNRES
799.00	Prior Year Carryover	FUND BALANCE
INSTRUCTIONAL		
815.00	Computer Lab	UNRES
820.00	English	UNRES
825.00	Math	UNRES

EXHIBIT D



Prince George's County Public Schools
 Accounting & Financial Reporting (AFR) Office
New Account Request

New accounts may be requested for asset, restricted, and unrestricted. Please submit this form to the: School Accounting Support Specialist in the AFR Office for processing.

SECTION 1: REQUESTOR INFORMATION

Date (mm/dd/yyyy): _____ Requestor Name: _____ E-mail Address: _____)
 Phone: _____ School Name: _____

SECTION 2: REQUEST DETAILS

1. **Title:** (Description – 30 characters) _____
2. **Effective Date** (mm/dd/yyyy) _____
3. **This Account is:** (check one) Asset Restricted Fund Net (Unrestricted)
4. **Account Group is:** (check one) Admin Athletics Clubs General Restricted
 Instructional Unrestricted Asset
5. **Account Manager is:** _____
6. **Purpose of this account is:** _____

SECTION 3: APPROVAL

Principal's Name _____ Signature _____ Date _____

SECTION 4: INTERNAL APPROVAL ONLY

Approved by: _____, Assistant Controller Date _____
 Account # _____ Assigned/Processed By: _____ Date _____

4.5 Recording Transactions

4.5.1 SchoolFunds Online Accounting Software

SchoolFunds Online (SFO) is accounting software used to provide a standardized, efficient and effective way to record and report on the financial activities of each school's SAF. To access SFO, go to <https://sfo3.com/PGCPSMD/> and login as shown in Figure 4 below.



Figure 4: SchoolFunds Online Logon

4.5.1.1 Background

PGCPS transitioned from *QuickBooks Enterprise Solutions (QBES)* to *SFO*, published by Technology Resource Associates (TRA) School Software, in 2015. The TRA product is a web-based solution for SAF accounting used by over 6,600 schools nationwide. It is user-friendly, feature-rich program that includes simple interfaces for check writing, deposits, auditing, step-by-step journal entries, bank reconciliation and reporting. *SFO* also integrates with *MySchoolBucks (MSB)*, which allows parents and students to make online (Web) payments for student activities.

4.5.1.2 Software User's Guide

Please refer to the *SFO User's Guide* available from the Accounting and Financial Reporting Office or under the HELP menu in SFO for specific guidance on using *SchoolFunds Online*. The Bookkeeper should read and understand both this manual and the *SFO User's Guide*.

4.5.2 Cash Receipts

This section establishes procedures to be followed when cash is collected and processed. These procedures are designed to ensure that cash is properly accounted for and safeguarded.

4.5.2.1 Definition

“Cash” constitutes whatever a bank will accept for deposit. Coins (change), currency (paper money), checks, and money orders are all cash. Due to the nature of cash (widely distributed and readily negotiable but sometimes difficult to specifically identify and trace), stringent policies and procedures governing collection, handling and processing of cash is imperative.

4.5.2.2 Procedures

All forms described should be completed in ink. Correcting errors using correction fluid, “whiteout” or any other method that obscures the original entry on the form is not permitted. Staff members receiving money from students and others are responsible for documenting the funds received. Only PGCPS employees are authorized to collect activity fees. In most cases this person will be the classroom teacher, but could also be a club sponsor, activity chair, etc. When collecting money, the source and amount of funds, as well as the purpose the funds are to be used for, should be documented. Receipts can also be provided to students upon request and used as supporting documentation, as long as the yellow copy of the receipt is legible.

The processes below describe tasks related to cash receipts.

1. Collecting Funds: Completing the Monetary Transmittal Form (MTF)

Staff members collecting money are required to complete a Monetary Transmittal Form (see Exhibit E on the following page) and submit it to the Bookkeeper along with money collected.

The MTF must be completely filled out with the following information. 1) who collected money; 2) when it was collected; 3) from whom it was collected; 4) the amount and form of the collection; and 5) the reason for collecting. If additional space is needed a Student Remittance Report, Excel spreadsheet, class list, receipts, or ticket/report stubs, can be used as an attachment.

The MTF is a three-part, pre-printed, pre-numbered, self-carboned PGCPS form that is available from the Bookkeeper. Each school is issued unique, numerically sequenced packages of MTF forms by Internal Audit, as needed. The Bookkeeper is responsible for accounting for all forms issued to schools.

A MTF log is required and maintained by the Bookkeeper to include a numerical list of the MTF's, the name of individuals and dates the forms were issued, the date returned to the Bookkeeper, and the total amount of the MTF.

If someone makes a mistake on a MTF form or it is unusable for any reason, the form should be marked 'Void' and be retained by the Bookkeeper. These forms should never be discarded or destroyed.

At the top of the MTF are specific instructions for completing the form. The person collecting funds is responsible for filling in all required information, including signing and dating the form. The exact make-up of the funds and the total amount being submitted to the Bookkeeper must be itemized on the MTF and the grand total on the MTF must agree with the total on the Student Remittance Report.

The pink copy of the MTF is retained by the preparers of the form. The white and yellow copies are submitted to the Bookkeeper with cash. After approving a MTF, the Bookkeeper returns the yellow copy to the originator.

Prior to departing at year-end, faculty and program managers are to submit the pink and yellow copies of the MTF(s) in a sealed envelope (with their signature over the seal) to the designated administrator.

The Bookkeeper will print the *SFO RECEIPTEE HISTORY REPORT* and submit it to a designated administrator. This alerts the administrator which MTF envelope packages to expect.

EXHIBIT E MONETARY TRANSMITTAL FORM (MTF)

No. 000083

Monetary Transmittal Form

The bookkeeper will not accept this form if: a pencil or white-out is used, changes are not initialed, funds are not exactly as indicated in Section 1; or Section 2 is not completed or an appropriate list is not attached. The pink copy should be retained by the originator and the remaining two copies should be remitted to the bookkeeper with the funds collected. The bookkeeper will verify and sign at the bottom that the funds collected are as indicated. The canary copy will be returned to the originator and is to be retained in an envelope provided by the school. At the end of the school year, the envelope must be sealed and turned in to the assigned administrator (not the bookkeeper).

Section 1

Monetary Description		Bookkeeping Classification	
TYPE OF MONEY	AMOUNT	ACCOUNT TO BE RECORDED	AMOUNT
Coins			
Currency			
Check			
Money Order			
Grand Total	\$.		\$

Section 2

Remittance Data			
NAME OF EACH PERSON \$ WAS RECEIVED	PURPOSE \$ WAS COLLECTED	MONETARY DESCRIPTION	AMOUNT
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
A class list may be used for completing Section 2. The grand total must be stated on this line and equal Section 1. If additional lines are needed for Section 2, attach a separate sheet of paper capturing the data required above.			\$

Signature of the Person Preparing the Form

Date

Approval Signature of the Bookkeeper

Date

White Copy – Bookkeeper **Canary Copy** – To Be Returned To Originator After Bookkeeper's Approval **Pink Copy** – Originator Retains

MISC-701 (10/99)

2. Guidelines for Bank Deposits

Bookkeepers must make deposits of all funds received at least every other day. However, no more than \$250 should be kept in the building overnight. If money is kept on-hand at the school awaiting deposit, it must be kept in a secure location. A secure location is a locked fireproof safe, which only the Principal and Bookkeeper can access the contents. It is important that schools establish internal controls to ensure frequent deposits occur and that schools avoid the risk of storing money in the building over a weekend or holiday. Staff members should never hold funds overnight.

Depository (drop) safes are required for every school. The safe should be bolted to the floor and in a location accessible to staff which will facilitate submitting money, even if the Bookkeeper is unavailable. A log should be maintained where staff members record their name and the date of the 'drop.' The money should be sealed in an envelope with the completed, signed MTF enclosed. On the following day, the staff member dropping off money should make sure the Bookkeeper has a record of the deposit. Money should never be dropped without a Monetary Transmittal Form.

As mentioned above, if it is not convenient to make deposits during the day, the school should contact the bank concerning use of a night depository. When using a night depository, one does not immediately receive a validated deposit ticket. The Bookkeeper must follow-up with the bank on the next business day to ensure receipt of a validated deposit ticket.

Funds collected must be deposited in the same form and denominations as received. Under no circumstance shall paychecks or personal checks be cashed out of funds on-hand awaiting deposit. Similarly, these funds should not be used to make change or pay expenses.

The person preparing the deposit is the person who should take the deposit to the bank.

3. Preparing Bank Deposits

All funds collected must be submitted to the Bookkeeper on the same day collected, along with a completed MTF, as described above. School personnel are prohibited from removing money from school premises.

Schools may wish to consider obtaining depository bags (lockable, heavy duty, vinyl or canvas bags issued by banks) for distribution to individuals who collect significant amounts of money to help safeguard the funds. These bags are not used to deposit funds but instead, to hold money until it is submitted to the Bookkeeper for counting and deposit.

The Bookkeeper is responsible for counting cash, verifying the total on the MTF and applicable attachments. The funds counted must agree with the MTF and the actual funds submitted. When discrepancies are noted, the Bookkeeper must immediately contact the individual who submitted the MTF. If corrections are necessary, the originator of the MTF must make the correction by drawing a line through the original entry and rewriting the correct entry next to the incorrect entry. The reason for the correction (e.g., "transposition of numbers", "arithmetical error", etc.) must be noted on the MTF and the originator must sign the correction. Errors are never corrected using whiteout or any other method that obscures the original value on the form.

In order to maintain adequate control over the collection of funds, we recommend that schools restrict the hours during which cash is collected. Additionally, the Principal should establish a time at which all money collected must be turned in to the Bookkeeper. This deadline should provide adequate time for Bookkeepers to prepare and make deposits. The deadline should be clearly communicated to everyone in the school.

After the Bookkeeper counts and verifies funds turned in each day, he/she should immediately endorse all checks as follows using a stamp that contains such endorsement information.

*For Deposit Only: School Name (Name of Account on Bank Statement)
Bank Account Number*

The Bookkeeper completes a bank deposit slip in duplicate, whether manually or in SFO, noting the amount of coins, currency and checks. All checks must be individually listed on the deposit slip with identifying information (e.g., last name and/or check number) to assist in tracing any item in the deposit that may be returned by the bank. The items listed on the deposit slip should be totaled on a calculator and the calculator tape saved as supporting documentation. Both the original and duplicate deposit slip should be taken to the bank to allow the duplicate to be validated. The validated copy is filed at the school with the MTF that supports the deposit.

If the school uses a night depository, a triplicate deposit slip is recommended. The original and the duplicate deposit slip will be at the bank with the deposit and the third copy held at the school until receipt of a copy validated by the bank.

4. Handling NSF (Non-Sufficient Fund) Checks

A NSF check is any check received by the school that has been deposited in the school's bank account but returned "unpaid" by the bank due to a lack of funds in the account the check was drawn against. NSF checks are originally recorded as receipts but when the bank returns them, the school's financial records are misstated and need to be adjusted.

This adjustment is accomplished in *SFO* under the tab *JE's-Returned Check*. If no fees are assessed by the bank for processing the NSF check, the returned check is recorded as a reduction of receipts in the fund account it was originally posted to and a reduction in the bank balance. If a fee is assessed by the bank for processing the NSF check, a separate journal entry is recorded for the fee. This additional adjustment is accomplished by recording the fee as a debit in the fund account to which the check was originally posted and decreasing the bank account balance by the amount of the fee.

When the bank returns a NSF check, a concerted effort must be made to collect funds to cover the amount of the check and any associated fees charged by the bank. Bookkeepers should print the *returned check* proof sheet in *SFO* to document their collection efforts. *SFO* also has a returned check letter template that can be used to help speed up collection. Once a party has written a NSF check, the school should require repayment and all subsequent payments in the form of cash, money order or certified check.

5. Posting *MySchoolBucks* Electronic Deposit

Electronic Payments, received in *SchoolFunds Online* from *MySchoolBucks* must be posted daily. The Bookkeeper receives an e-mail alerting him/her that a payment has been made via *MySchoolBucks*. The transaction should be recorded as a receipt with a unique numerical six digit number such as 000001, 000002 etc. Once the deposit is posted, a Deposit Analysis is generated for your school records.

4.5.3 Cash Disbursements

This section establishes bill payment procedures for goods and services purchased with School Activity Funds. The term “cash disbursement” refers to the issuance of a school check to pay for goods received or services rendered. These procedures are designed to assure that disbursements are valid (i.e., they promote the general welfare, education and morale of the students), properly documented, reviewed, and approved before being made.

4.5.3.1 Procedures

The Principal and the Bookkeeper should exercise particular care to ensure restricted funds (i.e., clubs and organizations, athletics, field trips, etc.) are never used to cover unrestricted expenditures. The Principal risks insolvency of the SAF if proper care is not exercised.

The following areas describe tasks related to cash disbursements.

1. Pre-Approval by the Principal

Prior to ordering or purchasing goods or services, a School Funds Expenditure Form (see Exhibit F) must be completed and signed by the Principal. Schools and their SAF cannot be held liable for financial obligations made by staff if the individual fails to complete this form. The employee can be held personally liable for the obligation, if this procedure is not followed.

Each school should make a copy of this form, type the name of the school on the form, and then make additional copies for future use.

Check signers (i.e. Principal, Bookkeeper or third designated signer), in instances where reimbursement(s) is necessary, should not sign their own reimbursement check. This responsibility lies with the two (2) alternate signers.

If a Principal’s extended absence is anticipated, the pre-approval function may be delegated to a vice-Principal (or alternate administrator). To do so, the Principal must sign a written statement delegating the authority to a specifically-named individual for a specific timeframe during the absence. A copy of the delegation letter shall be provided to the Instructional Director and the Accounting and Financial Reporting Office.

Payment of all bills, invoices and reimbursements to staff members that are funded from School Activity Funds must be made with a school check drawn on the school’s checking account. No expenditures are to be paid using cash collected for the SAF.

EXHIBIT F

Prince George's County Public Schools

School _____

SCHOOL FUNDS EXPENDITURE FORM

Request & Pre-Approval

Date of Request _____

Request made by _____
Staff Member

Description of item(s) to be purchased _____

Total Estimated Cost _____

Purpose of Expenditure _____

Funds Available _____
Bookkeeper to determine amount

Authorized and Approved by _____
Principal's Signature & Date

Payment Information

Original Itemized Documentation Must Be Attached
Prince George's County Public Schools-MD State Sales Tax Exemption #3000124-3

Date of Purchase _____

Purchased From _____

Make Check Payable To _____

Authorized & Approved By _____
Principal's Signature & Date

Office Use Only

Check Number _____

Check Date _____

Account To Be Charged _____

2. Inclusion of Supporting Documentation

All checks must have itemized documentation attached to the School Funds Expenditure Form that supports the amount of the check. Examples of supporting documents are cash register receipts, invoices, bills of sale, etc. Examples of documents that are not itemized invoices or receipts include credit card receipts, statements, order confirmations, price quotes and packing slips. Invoices should be paid within 30 days of receipt. The Principal should review invoices and statements for past due amounts and ensure that payments are made in a timely manner.

In cases where the SAF is used to purchase goods or services that will be paid for from another funding source (i.e., school operating resources, grant funds), the school may have to relinquish the original supporting documentation to another office. In such cases, the school should retain a legible copy of the original, itemized supporting documentation and record the reason for not having retained the original. Ideally, a scanned copy should also be retained.

On occasion, a situation may arise that requires a check to be issued before an expense has occurred. The Principal should minimize the frequency of such occurrences in order to enhance control and promote orderly record keeping. These situations are to be treated as advances to staff, who must sign a statement acknowledging receipt of the advance. A stipulation should also require return of itemized receipts for the amount advanced. If less than the full amount of the check is documented on receipts, the staff member must return the unused funds to the school, complete a MTF, and submit the difference to the Bookkeeper. Accounting for these funds should be completed within two (2) business days.

3. Use of Board Approved Vendors

All checks must be written to an Approved/Active vendor in *SchoolFunds Online*. The only exceptions are for staff reimbursements and parent refunds. For checks reimbursing staff, the vendor is REIMBURSEMENT; for checks refunding a parent, the vendor is REFUND. A one-time Vendor Request Form (see Exhibit G on the following page) for charities (only) can be submitted to Business Operations for approval. All one-time vendor accounts become inactive one week after approval. At no time should REIMBURSEMENT OR REFUND, be used to pay unapproved vendors in *SFO*.

4. Check Writing

Once a check is signed, it becomes a negotiable instrument. Properly completed and signed checks can be endorsed and transferred to another party. Therefore, all checks should be treated as if they are cash. The following requirements pertain to all checks:

- a. All disbursements made through the SAF must be by check. The only exceptions are for electronic payment of Maryland sales tax, charges for deposit slips/checks ordered through the bank, or bank service charges (see Attachment III, ACH Electronic Debits).
- b. No checks shall be written payable to 'CASH.'
- c. Checks should never be signed until the "Pay to the Order of" and "Amount" fields have been completed.
- d. No manual checks should be generated. All checks should be printed from *SFO*.

EXHIBIT G

Charity Vendor Request Form



Vendor Set-Up – One Time Use Only

Date:

Vendor Name:

Vendor Address:

Phone:

Vendor ID #

School Name:

Reason for Vendor Set Up:

Approved By Principal:

Principal Signature Required

DO NOT WRITE BELOW THIS LINE

Instructions:

Please scan and send the form to Robin Zirnhelt (zirnhelt@pgcps.org) in the Business Operations Office (301-952-6082) for processing. Please allow five (5) business days for processing.

Received (Date): _____

Business Operations

Forwarded (Date) to Purchasing: _____

Processed (Date): _____

Purchasing & Supply Services

- e. Checks may not be erased or altered. If the check contains an error, it must be voided and replaced with another check.
- f. Two authorized signatures are required on all checks. In accordance with AP 4180, *School Bank Accounts*. The two standard check signers should be the Principal and the Bookkeeper. The third signer must be a vice-Principal or school administrator.
- g. All checks must contain signatures affixed by the authorized individual signing their own name, not another person signing their name or using a signature stamp.
- h. Once every year, just before the Christmas break, *SFO* is shut down a day before school closes for annual maintenance. Do not backdate checks after this date.
- i. A check must never be written if the balance in the school's checking account is insufficient to cover the amount. If the bank contacts the school concerning a situation where a school's check has 'bounced', it is necessary for the Principal and/or the Bookkeeper to place an immediate phone call to both the Internal Audit Department and Accounting & Financial Reporting Office.

5. Lost, Stolen and Uncashed (Stale Dated) Checks

If a check is lost or stolen, the bank may be instructed not to honor the check if it is presented for payment. Most banks recognize this as a "stop payment" and charge a fee for this service. An inquiry should be made regarding the cost of this service, as it may exceed the amount of the original check. In such cases, the reasonableness of placing a "stop payment" on the check must be evaluated.

If a check from the SAF has not been cashed within a reasonable time, at least six months, it is referred to as a stale check. The Bookkeeper is expected to investigate the circumstances concerning the issuance of the check and attempt to determine from the payee why the check was not cashed. After this determination, the stale check is either reissued or 'written-off.'

6. Bank Service Charge

All banks have monthly service fees for the use of their services. The fee may be in the form of a direct charge appearing on the bank statement or as an indirect charge based on the average monthly balance in the account. Treasury Operations can assist schools in evaluating the most cost-effective means of establishing and maintaining checking accounts.

If the bank charges a direct fee that appears on the monthly bank statement, the Bookkeeper must record the expenditure and reduce the bank account balance. *SchoolFunds Online* makes it easy to handle service charges that have not been entered in the accounting records: simply record the amount in the *Post Charges* field of the bank reconciliation.

7. Cancelled (Paid) Check Images

Upon paying a check, the bank stamps the check. This paid check is referred to as a cancelled check. Images of all cancelled checks must be returned with the bank statement. Once received, these images are to be maintained in a separate cancelled check file for the entire year. Endorsements on the back of cancelled checks provide critical information concerning the payee who cashed the check. The Bookkeeper must safeguard these images of cancelled checks, including endorsement information on the back of the checks.

8. Ordering Checks

Schools are encouraged to use ‘voucher’ style checks. This type of stock provides the check at the top of a sheet sized 8½” by 11” with two voucher stubs. Computerized checks can be ordered from TRA Form Division. All school checks require a) the registered name of the account and address of the school, b) two signature lines, and c) consecutive check numbering. See Exhibit H on the following page for a specimen of the *Voucher-Style Check Form*.

The stock of blank checks available for use must be securely stored and accessed only by the Principal and the Bookkeeper.

9. Master List of Clubs and Organizations




Bookkeepers should maintain a list of student clubs and organizations, including names of faculty sponsors, program managers and officers. The Bookkeeper should also maintain a record of all transaction reports provided to all faculty sponsors. The Bookkeeper is encouraged to grant access to the *Sponsor Portal* in *SFO*, which allows faculty to view details of their accounts (receipts and disbursements) online. The *SFO Sponsor Portal* can be purchased from TRA for an annual subscription of \$36.00. The master list of clubs and organizations may be requested by the internal auditor during the course of their work.

4.5.3.2 Summary of Check Disbursement Procedures

The following steps must be taken for each check written and disbursed from the School Activity Fund.

1. A School Funds Expenditure Form is prepared to document all disbursements.
2. The Principal pre-approves all expenditure requests by signing the School Funds Expenditure Form.
3. All expenditures are supported by itemized receipt(s) or invoice(s).
4. Computerized checks are generated in *SchoolFunds Online* and recorded to the proper fund category.
5. Voided checks are defaced, but filed in check number order with cancelled check images.
6. Two authorized signatories sign all checks.
7. The School Funds Expenditure Form and supporting documentation are filed in a three-ring binder by check number.
8. Check signers cannot sign their own checks.

EXHIBIT H
VOUCHER STYLE CHECK FORM

				CHECK NO. 2673
DESCRIPTION	PURCHASE ORDER NUMBER	INVOICE NUMBER	ACCOUNT NUMBER	AMOUNT
				
DATE			CHECK NUMBER	
THIS DOCUMENT IS PRINTED ON CHEMICALLY REACTIVE PAPER. THE BACK OF THIS DOCUMENT INCLUDES A TAMPER EVIDENT CHEMICAL WASHING INK BOX.				
 ELEMENTARY SCHOOL		PNC BANK, N.A.		15-3-540 CHECK NO. 2673
				AMOUNT
VOID AFTER 180 DAYS				
PAY TO THE ORDER OF		_____ AUTHORIZED SIGNATURE		
		@054000	100 225	
OFFICE COPY				
				CHECK NO. 2673
DESCRIPTION	PURCHASE ORDER NUMBER	INVOICE NUMBER	ACCOUNT NUMBER	AMOUNT
				
PAYEE:		CHECK NUMBER:		
		CHECK DATE:		
		CHECK AMOUNT:		
32355329 3-12-15SD				

4.5.4 Transfer of Funds

When expenditures are recorded in unrestricted (or Net) accounts that lack a specific funding source, funds must be transferred from an unrestricted account that has revenue (e.g., fundraisers, unrestricted donations, prior year carryover, etc.). The objective of transferring funds is to provide an audit trail for allocation of funds.

4.5.4.1 Transfer between Bank Accounts

If the checking account balance exceeds the amount of funds needed in the short term to pay bills, the excess amount can be placed in a savings account, thus allowing the school to earn interest from the idle funds. Some of the funds in the savings account can then be transferred back to the checking account as needed. The transfers between bank accounts (and possibly between banks) must be approved by the Principal and transacted with two authorized signatures. The transfer between bank accounts must also be recorded in *SFO*.

4.5.4.2 Transfers between restricted and unrestricted/net accounts

Transfers between restricted accounts are only authorized if reviewed and approved by the Principal. For example, if senior class officers wish to designate a portion of their class funds to another club or class in the school, a statement to that effect must be signed by the officers, reviewed by the faculty sponsor and forwarded to the Principal for approval. Upon the Principal's concurrence, the Bookkeeper can record the transfer in *SchoolFunds Online*. In this example, the funds available for transfer would be limited to the amount remaining after all bills have been paid.

If a restricted account is inactive but has an unused balance, the unused funds cannot be reclassified automatically as "unrestricted." After the Principal and the Bookkeeper have reviewed the records to ensure there are no outstanding bills, the Principal must request approval from the Assistant Comptroller to reallocate the unused balance toward another purpose. The criterion for the reallocation normally includes a specific student-oriented, educational use of the funds. If approved by the Assistant Comptroller, the Bookkeeper can record the transfer in *SchoolFunds Online*.

A transfer needs to be entered in *SchoolFunds Online* when unrestricted expenditures are recorded and the unrestricted account has a negative balance. Generally, funding for unrestricted expenditures is acquired by transferring from unrestricted accounts with positive balances in the following order: administrative allotment, fundraiser profits, unrestricted donations, vending, and the account titled 'PY Carryover.'

4.5.5 Prior-Year Carryover Funds

In some cases, the Principal may request the use of Prior-Year (PY) Carryover to purchase instructional materials, computers, maintenance needs, or other items for the school. The request must be sent to the Director of Business Operations, detailing the items to be purchased, purpose and the amount of the request. The request will be reviewed and calculated, based on the total cash balance, and solvency of the school. Only upon written approval of the Director should funds be transferred from the PY Carryover account.

5.0 MONTHLY RECONCILIATION & FINANCIAL REPORTING

This chapter covers two important monthly activities that promote good internal controls. Bank reconciliations are necessary to prevent/detect fraud, and also help identify bank errors. Periodic reporting, facilitated by a monthly checklist, document performance of key controls.

5.1 Bank Statement Reconciliations

Bank reconciliation is the process of matching the school's records with data on the bank statement and accounting for any differences. Banks and its depositors maintain independent records, and as such, balances may not always agree and seldom do. Some discrepancies between the records may occur due to timing differences. The purpose of the bank reconciliation is to check whether the discrepancies are due to timing, rather than error.

5.1.1 Background and Internal Control

A bank account contributes to good internal control by providing physical controls for the storage of cash. Bank accounts also minimize the amount of currency kept on-hand, create an independent record of bank transactions, and offer the ability to earn income. Each month the bank provides the school with a statement showing the cash balance at the beginning and end of the month, deposits and credits, checks and charges, and related activity on the account during the month. Independent verification is performed by the Principal when he/she reviews the *SFO* Receipts and Disbursements Report, along with a printed Bank Reconciliation Report.

5.1.2 Procedures

As noted previously in section 4.2, bank accounts must be "business type," with a cut-off date for all transactions as the last business day of the month. Banks must also return an image of cancelled checks for schools to retain.

The Principal is responsible for receiving the bank statement unopened. After reviewing the statement and cancelled checks, the Principal forwards the documents to the Bookkeeper for reconciliation. The reconciliation should be completed by the bookkeeper within seven (7) days after receiving the statement from the bank. Typically this process should be completed by the 15th of each month. The completed reconciliation should be returned to the Principal every month for review and approval.

It is customary to reconcile the balance per books with the balance per the bank. All transactions on the bank statement are matched with transactions recorded in *SFO*, which simplifies this process of "balancing the checkbook," reducing the time to complete this task. Images of cancelled checks cleared by the bank and reported on the bank statement are returned to the school. These cancelled checks, or printout of cancelled checks, must be retained by fiscal year. A record of paid checks is valuable to schools because each check has the endorsement of a payee and serves as proof that payment was received. A seven-steps process for completing the reconciliation is included in Section 10 of the *SchoolFunds Online User Guide*. A specimen of a redacted Bank Reconciliation Report is shown on the following page as Exhibit I.

EXHIBIT I

Bank Reconciliation
Elementary School

Bank Name :	PNC Bank	Statement Date :	10/31/2015
Bank Account :		Today's Date :	11/11/2015
			2:12:16 PM

Statement Ending Balance :	\$40,376.00
Add: Deposits in Transit	\$0.00
Total :	<u>\$40,376.00</u>
Less: Outstanding Checks	\$55.32

Reconciled Bank Balance : \$40,320.68

Other Assets :

Savings Accounts	\$0.00
PNC/MMA	\$2,427.51

Bank Balance + Other Assets : \$42,748.19

Comments :

I certify the above information is correct

Principal's Signature

Date

11/11/2015

Preparer's Signature

Date

11/11/2015

5.2 Financial Reporting Requirements

Several financial reports of the School Activity Fund are required by PGCPS. These reports provide an audit trail for receipts and disbursements, and identify solvency-related problems.

5.2.1 Procedures

Three times each year, Principals must send to the Accounting and Financial Reporting Office, signed financial reports output from *SFO*, as well as calculated reports derived therefrom, and original bank statements. These reports are due on the dates shown in Figure 5 below. However, extenuating circumstances may prompt the Accounting Office to request reports on a more frequent basis. The third submission is the annual report, requested in a Bulletin by the CFO.

Trimester	Period Covered	Date Due	Feedback Provided by
First	July - October	mid-November	1st week of January
Second	November – February	mid-March	mid-April
Third	March – June	mid-July	mid-August

The Principal should receive the “Reports Package” from the Bookkeeper by the 15th of each month. The items included in the package of monthly financial reports are listed below in Figure 6 and on the Monthly Financial Report Checklist (See Exhibit J on the following page). The checklist is completed, signed and dated by the Bookkeeper; then forwarded to the Principal with the reports.

The Principal reviews the reports to verify the bank statement is reconciled correctly, the financial reports are in agreement with the reconciliation, and the school is solvent. Solvency is calculated by subtracting restricted funds from total cash available. If the balance is positive, the school is solvent. However, if restricted funds exceed the available cash, the school is insolvent. As the fiduciary agent for the SAF, the Principal should ensure the school is solvent at all times.

The Principal signs and dates the checklist, after verifying that reports are balanced and receiving satisfactory answers to any questions. All reports and related documentation should be organized and maintained in three-ring binders identified by fiscal year. This is not only good accounting practice; it also facilitates review by auditors.

Report Name	SOURCE OF REPORT		
	<i>SFO</i>	Manual	External
Original Bank Statement(s)			X
<i>SFO</i> Bank Reconciliation Reports	X		
Available Funds Report	X		
Year to Date Report	X		
Journal Entry Register	X		
Insolvency Report		X	

EXHIBIT J

Monthly Financial Report Checklist/Coversheet

Name of School Elementary School

For the Month of October 2015

I have prepared, reviewed and printed the reports checked off below (attach copies of the following and submit them together with this form to the Principal for review).

- Bank Statement (originals)-One for each bank account
- Bank Reconciliation Reports
 - Main Recon Repot
 - Outstanding Checks
 - Deposit in Transit
 - Cleared Checks
- Available Fund Report
- Year to Date Report (Print quarterly or Principals request)
- Journal Entry Register
- Supplemental Available Funds Report
- Unpaid Bill Spreadsheet

Additional Notes:

- The principal should receive the "Report Package" from the bookkeeper by the 15th of each month.
- Unrestricted negatives (in the total column) must be 0.00.
- Stale (outstanding check 6 months and older) Checks must be written off and cleared.

Bookkeeper Signature /Date 11/11/2015 Print Name

I have reviewed and initialed each of the reports checked-off above, paying special attention to the bank statements, bank reconciliations and canceled checks.

Principal Signature /Date 11/11/2015 Print Name

Revised for SFO 8/25/15

The Insolvency Report, shown below as Exhibit K, requires the Bookkeeper to manually record data in order to calculate the school’s solvency. The Bookkeeper manually calculates the value of unpaid bills that existed as of the end of each reporting period for both restricted and unrestricted (net) funds. For example, if the Bookkeeper is completing the report for the period ending March 31, and checks for unrestricted March expenditures were issued on April 7, the amount of those checks must be counted as ‘unpaid bills’ as of March 31.

The information required on the report and source of the data are listed below. Redacted copies of the other required monthly reports and worksheet follow as Exhibits L to N.

Information on Form

Source of Information

- | | |
|--|--|
| 1. Total Assets | Available Funds Report |
| 2. Negative Restricted Balance | Total of Negative Restricted Balances |
| 3. Unpaid Bills | From unpaid Bills Determination Worksheet |
| 4. Total Available Funds | Add line 1 to line 2 and subtract line 3 |
| 5. Net Solvency/Available Funds | If total is Positive |
| 6. Net Insolvency/Available Funds | If total is Negative |

EXHIBIT K

INSOLVENCY REPORT
 , Elementary School
 AS OF _____ Date October 2015

RESTRICTED AND UNRESTRICTED CASH AND NET WORTH:

1	AVAILABLE FUNDS: <i>(From the "AVAILABLE Funds Report as of xx/xx/xx")</i>	\$ 30,176.36
2	ADD NEGATIVE RESTRICTED ITEMS: <i>(From the "AVAILABLE Funds Report as of xx/xx/xx")</i>	\$ 12,571.83
3	LESS UNPAID BILLS <i>(From the Unpaid Bills Determination Worksheet)</i>	\$ -
4	TOTAL AVAILABLE FUNDS: <i>(Add Line 1 and 2 and Subtract line 3)</i>	\$ 42,748.19
5	NET SOLVENCY/AVAILABLE FUNDS	30,176.36
6	NET INSOLVENCY/AVAILABLE FUNDS <i>(If Line 4 is a negative number, then place on Line 6)</i>	N/A

I certify the above information is correct

Principal's Signature _____		Date <u>11/11/2015</u>
Preparer's Signature _____		Date <u>11/11/2015</u>

Bills for restricted expenditures should also be compared to the March 31 balance available in the restricted account. If funds are not sufficient in the restricted account to pay the bill, then the amount has to be counted as unpaid bills. The Principal should receive a list of the outstanding bills from the Bookkeeper each month.

EXHIBIT L

*Available Funds Report
Elementary School
As of : 10/31/2015*

Total Assets :		Less Restricted :		Available Funds :
\$42,748.19	—	\$12,571.83	=	\$30,176.36

Asset Funds

Account	Description	Amount
100.00	PNC	\$40,320.68
110.00	Savings Accounts	\$0.00
120.00	PNC/MMA	\$2,427.51
		<u>\$42,748.19</u>

Restricted Funds

Account	Description	Amount
307.00	Art Club	\$953.70
308.00	Employee Sunshine Fund	\$63.72
309.00	Dance Club	\$228.00
310.20	2nd Grade Account	\$88.10
320.00	School Store	\$0.00
322.00	SGA	\$353.90
401.00	Before/After Care	\$1,551.63
402.00	Bookfair-Restricted	\$0.00
405.10	Central Office Sub Teachers	\$0.00
405.20	Central Office Tuition	\$0.00
410.00	Charity (outgoing)	\$0.00
415.00	Donations	\$0.00
415.10	Pupil Welfare	\$81.29
415.20	PTA Donation	\$63.99
420.00	Field Trips	\$1,833.94
420.09	PTA Grade Level Donations	\$860.14
420.21	1st Grade	\$186.81
420.22	2nd Grade FT	\$51.30

11/11/2015 2:50:38 PM

Elementary School

Page 1 of 4

EXHIBIT M

Year to Date Report
Elementary School
Ending Date: 10/31/2015

Account	Beg. Yr. Bal	Receipts	Disbursements	Transfers	Ending Bal.
Series 3					
307.00 Art Club	\$953.70	\$0.00	\$0.00	\$0.00	\$953.70
308.00 Employee Sunshine Fund	\$63.72	\$0.00	\$0.00	\$0.00	\$63.72
309.00 Dance Club	\$228.00	\$0.00	\$0.00	\$0.00	\$228.00
310.20 2nd Grade Account	\$88.10	\$0.00	\$0.00	\$0.00	\$88.10
320.00 School Store	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
322.00 SGA	\$353.90	\$0.00	\$0.00	\$0.00	\$353.90
Series 3 total	\$1,687.42	\$0.00	\$0.00	\$0.00	\$1,687.42

Account	Beg. Yr. Bal	Receipts	Disbursements	Transfers	Ending Bal.
Series 4					
401.00 Before/After Care	\$1,715.99	\$0.00	\$164.36	\$0.00	\$1,551.63
402.00 Bookfair-Restricted	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
405.10 Central Office Sub Teachers	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
405.20 Central Office Tuition	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
405 sub account totals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
410.00 Charity (outgoing)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
415.00 Donations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
415.10 Pupil Welfare	\$81.29	\$0.00	\$0.00	\$0.00	\$81.29
415.20 PTA Donation	\$63.99	\$0.00	\$0.00	\$0.00	\$63.99
415 sub account totals	\$145.28	\$0.00	\$0.00	\$0.00	\$145.28
420.00 Field Trips	\$1,194.94	\$1,439.00	\$800.00	\$0.00	\$1,833.94
420.09 PTA Grade Level Donations	\$860.14	\$0.00	\$0.00	\$0.00	\$860.14
420.21 1st Grade	\$186.81	\$0.00	\$0.00	\$0.00	\$186.81
420.22 2nd Grade FT	\$51.30	\$0.00	\$0.00	\$0.00	\$51.30
420.23 3rd Grade Account	\$257.10	\$0.00	\$0.00	\$0.00	\$257.10
420.24 4th Grade	\$366.02	\$0.00	\$0.00	\$0.00	\$366.02
420.25 5th Grade	\$288.15	\$0.00	\$0.00	\$0.00	\$288.15
420.27 Kindergarten	\$416.99	\$0.00	\$0.00	\$0.00	\$416.99
420.28 Pre-K	\$220.00	\$0.00	\$0.00	\$0.00	\$220.00
420 sub account totals	\$3,841.45	\$1,439.00	\$800.00	\$0.00	\$4,480.45

11/11/2015 2:47:18 PM

Page 1 of 6

MONTHLY RECONCILIATION & FINANCIAL REPORTING
EXHIBIT N

*Journal Entry Register
Elementary School
10/1/2015 through 10/31/2015*

Date	JE #	JE Type	Before		Offset Account	Void	Reference	Repay?
			Amount	Void Amt Posted Account				
10/19/2015	14417	Fund Transfer	\$72.31	450.50 PSA-Transfers In	450.20 PSA-Food	N	Refreshments Men Make A Difference Day	
10/31/2015	15736	Multi Fund Transfer	\$61.60	720.03 FR/Target	450.50 PSA-Transfers In	N	10% from Fundraisers to PSA -Transfer In	
10/31/2015	15737	Multi Fund Transfer	\$76.73	720.08 FR/Box Tops For Education	450.50 PSA-Transfers In	N	10% from Fundraisers to PSA -Transfer In	
10/31/2015	15738	Multi Fund Transfer	\$20.52	720.09 FR/ Behnke Nurseries	450.50 PSA-Transfers In	N	10% from Fundraisers to PSA -Transfer In	
10/31/2015	15743	Multi Fund Transfer	\$136.20	750.10 Vending Faculty Comm	450.50 PSA-Transfers In	N	100% to PSA-Transfer In	
10/31/2015	15749	Bank Interest	\$0.33	705.00 Bank Interest and Charges	100.00 PNC	N	Interest Earned - October 2015	
10/31/2015	15751	Bank Charge	\$3.00	705.00 Bank Interest and Charges	100.00 PNC	N	Service Charge and Fees - October 2015	
10/31/2015	15756	Bank Interest	\$0.02	705.00 Bank Interest and Charges	120.00 PNC/MMA	N	Money Market Interest Earned - October 2015	
10/31/2015	15764	Fund Transfer	\$5.31	799.00 Prior Year Carryover	705.00 Bank Interest and Charges	N	Correct Negative Balance - October 2015	

EXHIBIT O

Unpaid Bills Determination Worksheet																	
1 Use check register to obtain payments dated 1st through 15th after the month being reconciled. List all amounts in Column 1.																	
2 Determine from #1 which invoices applied to the month of reconciliation and/or previous months. Include amounts in Column 2																	
3 All payments related to a period after the reconciliation month should be included in Column 3. (For informational purposes only...DO NOT INCLUDE IN COLUMN 2)																	
4 Identify Restricted (R) versus Unrestricted (UR) payments/expenses and indicate in Column 4.																	
5 Compare restricted amounts identified in Col 2 with the respective fund account balance (see Acct Description) to determine whether there are sufficient funds to cover the expense amount. If the invoice/expense amount exceeds the fund account balance, then the difference must be included in Column 5. If the account balance exceeds the invoice/expense amount, Enter "0" in Column 5.																	
6 Total Unrestricted (U) invoice/payment amounts listed in column 2. Enter this amount as "Total Unrestricted Amounts" in columns 2 and 5																	
7 Add Column 5. Include total as "Total Check Payments Unpaid Bills for Month of Reconciliation."																	
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;"></td> <td style="width: 10%; text-align: center;">1</td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: center;">2</td> <td style="width: 10%; text-align: center;">3</td> <td style="width: 10%; text-align: center;">4</td> <td style="width: 10%; text-align: center;">5</td> </tr> </table>												1		2	3	4	5
	1		2	3	4	5											
Item #	Check #	Check Date	Acct #	Payee Name	Acct Description	Invoice Amount	Amount of expenditure for the month of reconciliation or prior months	Amount of expenditure for the month after month of reconciliation	Restricted/ Unrestricted	Invoice/Payment amount when Restricted account balance is insufficient to cover invoice.							
1	2267	01/02/16		Deer Park	Water	710.89	710.89		UR								
2	2249	01/03/16		Marlow Sports	Baseball	1,035.00	1,035.00		UR								
3	2269	01/04/16		Restaurant Depot	Food	3,421.00	3,421.00		R	3,421.00							
4	2223	01/05/16		Food and Nutrition Services	Aprons	215.12		215.12	UR								
5	2216	01/06/16		John Sharper Inc.	Flowers for bereavement	448.80	448.80		UR								
6	2516	01/07/16		Flandale Parade	SGA	2,153.00		2,153.00	R								
7	6587	01/08/16		John Fernanz	Reimb Class of 2015 Supplies	300.00		300.00	UR								
8	1285	01/09/16		Claire's Gourmet	School wide FR	4,619.00	4,619.00		R								
9	6475	01/10/16		Kay's Catering	PSA - food for staff appreciation	1,029.00	1,029.00		R								
10	2567	01/11/16		Baltimore Park	Field trips 2nd grade	2,329.43		2,329.43	UR								
Total Pmts							11,263.69	4,997.55		3,421.00							
Total Unrestricted Amounts							2,194.69				2194.69						
Total Check Payments Unpaid Bills for month of reconciliation											5,615.69						

6.0 GENERAL GUIDANCE

Board of Education policy requires adequate controls and oversight of School Activity Funds. Sound fiscal management is especially important considering the large volume of cash transactions in the SAF. This chapter provides general guidelines for administering School Activity Funds. More specific guidance is provided in chapters 7-9.

6.1 Ethics

Standards of ethics are represented by a code of conduct by which one's actions are judged as right or wrong, honest or dishonest, fair or not fair. The Board of Education has established extensive Ethic Regulations covering conflict of interest, receipt of gifts, disclosure requirements, etc. It is important to remember the admonition "trust is eroded when the conduct of public business is subject to improper influence or even the appearance of improper influence."

6.2 Fraud

If funds are missing, items appear stolen, or any other fraudulent activity is suspected, the Internal Audit Department and the Security Services Office must be contacted immediately. The School System also has a 24-hour Hotline that is manned by experienced contractors so anonymity can be maintained. This is a valuable tool for investigation of incidents of waste, fraud, and abuse.

- To make an **on line report**, go to the PGCPSS website - <http://www.pgcpss.alertline.com>.

Hotline information is also located on the Internal Audit website.

6.3 Bonding of Personnel

All employees of PGCPSS are bonded under a public employees blanket bond. The bond addresses misappropriation of funds by dishonest employees subject to a \$25,000 deductible. The bond company and the Board will prosecute all offenders to the full extent of the law.

6.4 Departure of Bookkeeper or Principal

School personnel must contact the Internal Audit Department once it is determined that the Bookkeeper or Principal is vacating his or her position. Internal Audit will then coordinate and conduct an audit of the school's financial records.

6.5 Contracts

Administrative Procedure 5135.2 provides guidance on contract authority as it relates to School Activity Funds. (See Attachment V).

Schools may not enter into any multiple year agreements. Only the CEO and/or the Board can approve multi-year contracts. Principals must obtain and follow all competitive bidding guidance (contracts for \$15,000 and above). Contracted vendors shall be utilized for vending, yearbooks, and pictures. The Purchasing and Supply Services Department can assist with guidance on these requirements.

PGCPS recommends that all contracts for \$1,500 or more contain the following price clause: “The vendor guarantees that, within the previous 90 days, it has not offered the same product or service at a lower price or better terms to any school or school system in the Washington metropolitan area (District of Columbia, Montgomery County, Prince George’s County, Fairfax County, City of Alexandria, Arlington County and City of Falls Church). The vendor agrees to adjust the contract price and terms to any lower price or better terms offered within such area during the following 90 days.”

The Principal’s contracting authority is subject to the following limitations as stated in Administrative Procedure 5135.2: 1) no single contract for greater than \$10,000; 2) the sum of contracts with one vendor in a school year cannot exceed \$10,000 without approval of an Instructional Director and the Purchasing & Supply Services Director; 3) contracts for a single activity may not exceed \$20,000 without prior approval; 4) the authorization granted to Principals shall not be delegated; and 5) Purchasing and Supply Services is the repository for contracts -- all contracts must be on file in that department.

To illustrate, if five contracts to all first-time vendors for a senior prom are concluded, this would be acceptable (photography-\$2,400; decorations-\$1,105; hall rental-\$6,850; catering-\$8,000; and advertising-\$1,490). However, if catering costs \$8,250, this would not be allowed without prior approval since total expenditure for the event/activity exceeds \$20,000.

6.6 Credit Cards, Lines of Credit and Membership Cards

The use of credit cards is prohibited. Similarly, purchase cards (P-Cards) and lines of credit (LOC) are prohibited for School Activity Funds. A LOC typically results in interest charges and late fees if payments are not prompt. Club membership cards, if deemed necessary by the Principal, shall be limited to one in the name of the school and one in the Principal’s name. These membership cards are for school business only and should be kept in the school safe until needed. At no time shall a spouse/friend be added to a card nor should the card be used as a personal card. Business and personal expenses or receipts should never be commingled.

6.7 Gift Cards

Receipt of gift cards as donations to your school’s School Activity Fund (SAF) and School Operating Resource Funds (SOR) is prohibited by the Board of Education. If you receive any such contributions, please communicate with the donor and request a replacement by check made out to the school. Similarly, you are prohibited from using gift cards as a form of payment, expenditure or award. This is akin to having a petty cash fund within the SAF, which is not authorized (see section 4.1 of this Manual). Prohibited gift cards include prepaid Visa, MasterCard, Discover or American Express cards. The use of gift cards leads to significant internal control weaknesses that leave PGCPS vulnerable to questionable, improper and potentially fraudulent purchases. The only exceptions to gift cards are: 1) if they are donated directly to the PGCPS Homeless Office; and 2) the donation of a merchant-branded cards, which can be accepted only upon approval of the Principal.

6.8 GoFundMe and PayPal Accounts

GoFundMe and PayPal accounts are prohibited for collection of funds related to the SAF.

6.9 MySchoolBucks (MSB)

Bookkeepers may set up products, such as fieldtrips, senior dues, agenda books, yearbooks, etc., in *MySchoolBucks* to allow customers to make online payments with a Visa, MasterCard, Discover credit or debit cards. Payment made through *MSB* is credited to the school's bank account within 24-48 hours. An e-mail is sent notifying the Bookkeeper that a payment was made in *MSB*. *MySchoolBucks*, directly interfaces with *SchoolFunds Online*, transferring funds for posting to the appropriate fund account.

MySchoolBucks charges a 3.2% transaction fee that should be added to the product price. If a student activity is made available online, the online price (including the 3.2% surcharge and sales tax if applicable), should be the same price charged to everyone, irrespective of payment method (i.e. cash, or check).

Refer to the *MySchoolBucks* training manual or contact the Accounting and Financial Reporting Office at (301) 952-6122 for questions or to schedule a training session.

6.10 Charter School

Charter Schools shall adhere to the School Activity Fund Procedures Manual when collecting, disbursing, and maintaining funds within the School's checking account.

Charter Schools are subject to an annual audit of School Activity Funds.

6.11 Affiliated Organizations

Funds collected by outside/affiliated parent organizations should not be accounted for in the SAF. This includes booster clubs, advisory groups, Parent Teacher Associations (PTA), and Parent Teacher Student Association (PTSA). These funds shall be handled by that organization and cannot be commingled with the funds of the school. At no time shall the school allow outside groups or organizations to use the school's name or letterhead or tax-exempt number. Neither should they obligate the school or use the school's checking account to deposit or disburse funds.

They must use a name other than that of the school and make it clear the school is not sponsoring an activity or is in any way liable. These organizations can use the school's premises. However, if an event is held on school property, the organization should have insurance and sign a disclaimer to prevent School System liability. The outside groups must also obtain their own liability insurance and tax status. As such, the school will not be liable for affiliated organization's bills or receipts.

6.12 Record Retention

All SAF records must be retained for a period of seven (7) years and or until audited, including the current fiscal year. This includes, but is not limited to, financial reports, bank statements, receipts, disbursement authorities, Monetary Transmittal Forms, School Funds Expenditure Forms, cancelled checks and contracts.

7.0 BUDGETING, CLASS ACCOUNTS AND ATHLETICS

This chapter contains more specific guidance, as does the rest of the manual. The big three are covered here: fundraising, class accounts and athletics. But this is led by a discussion of the importance of planning and budgeting, especially for large dollar accounts like class accounts and athletics. However, budgeting is important for any club activity. In the remaining later chapters, accounting for more specific activities is covered. The attachments at the end of the manual contain reference documents, largely PGCPs Administrative Procedures (AP).

7.1 Importance of Planning

Planning helps to chart a course for the achievement of goals. The planning process typically begins by identifying what needs to be done and then determining the steps necessary to arrive at an intended destination. A useful tool in this respect is the budget. A budget serves as an invaluable management tool for the Principal, activity sponsors and student officers to help in securing the success of a student activity. It also provides students with an important opportunity to gain real-life experience in developing and successfully managing the financial aspects of an activity.

The purpose of a budget is twofold: 1) to present a plan; and 2) to serve as a benchmark for monitoring a planned activity to ensure that it is not headed towards a deficit. A senior class budget workbook illustrates this concept. It is discussed in section 7.3 below and included as Attachment I on page 56. At a minimum, the budgeting process should involve:

- ✓ An estimate of anticipated expenses.
- ✓ An estimate of the number of students participating in the activity.
- ✓ Allow for collection of enough funds to leave a small surplus at the end of the activity and to cover unanticipated setbacks such as cost overruns.
- ✓ Formal approval of the budget by sponsors and students.

7.2 Fundraisers

Fundraising projects should be an extension of the students' total educational process; they should add to, not conflict with, educational programs. All Fundraisers sponsored by a school organization should be jointly planned by students and faculty, and approved by the Principal. Funds should be raised for specific purposes and communicated to all concerned. Spending of such funds should also be restricted for particular use. Whenever possible, appropriate contacts should be made with community organizations and schools, as well as individuals. All fundraising sales are exempt from Maryland sales tax (see Chapter 8 for more information).

7.2.1 General Guidance

Funds may be raised by any activity approved by the Principal, which is not otherwise prohibited by law, PGCPs regulations, or provisions of this manual. The Principal, as the fiduciary agent of the school, must approve and sign all agreements and contracts entered into for all school activities. The Bookkeeper is not authorized to be in charge of a fundraiser. Questions of liability shall be referred to the Risk Management Office.

7.2.2 Procedures

AP 5135.1 (*Fund Raising*) and 5135.2 (*Principal’s Contracting Authority*) provide specific guidance concerning fundraising. First, the fundraiser must be formally approved by the Principal using a Fundraiser Authorization Form (see Exhibit P on the following page). Next, the purpose must be designated and communicated for each fundraiser. If a fundraiser involves a contract, the Principal has limited authorization to execute such agreements involving the use of School Activity Funds.

All expenditures are restricted to the specified purpose and at the conclusion of an event, a Fundraiser Completion Report (see Exhibit Q on page 41) must be prepared by the sponsor, reviewed and acknowledged by the Principal. Additionally, the Principal should prepare an annual report summarizing all fundraising activities concluded during the year. The data in this annual report should be available for review by parents, other interested members of the community, and include the net amount retained as profit from each fundraising activity.

Funds derived from the student body should be used to benefit the entire student body. As such, all funds raised in the name of the school or for school organizations must be deposited in the SAF checking account. An accurate and detailed account of all receipts and disbursements must be kept in accordance with prescribed procedures.

7.2.3 Fundraising Activities

The price of activity tickets or books, school newspapers, yearbooks, and the admission charge to school activities should be set at levels which encourage broad participation by pupils. However, certain fundraising activities are prohibited as noted in Figure 7 below.

Figure 7: Allowable and Prohibited Fundraising Activities	
Allowable	Prohibited
Dances and related social events	Gambling, money machines and games of chance
Booster clubs	Raffles, lotteries, pools, bingo
Yearbooks, book fairs, concessions, spirit items	Charging for "dress-down" days
Student stores and snack bars	Events to raise funds for political activities
Joe Corbi’s Pizza, Market Day, Annie’s	Activities that pose a significant safety risk

7.2.4 DonorsChoose

While use of GoFundMe and PayPal accounts are prohibited for SAF activities, teachers can use DonorsChoice.org to help finance their classroom projects. Teachers post requests on DonorsChoose.org and when the project meets its funding goal, materials are shipped to the school. DonorsChoose vets every classroom project request, purchases the material, and ships the supplies/goods directly to schools. They also provide photos of projects and supplier cost reports showing how each dollar was spent. Since no cash is involved and the service is free, no transactions are entered in the SAF accounting system. While this charitable site offers a simple and accountable way to help students, teachers must obtain approval of the Principal before posting projects on the DonorsChoose.org website.

EXHIBIT P

FUND RAISER INITIATION FORM

TO: Principal
VIA: Bookkeeper/Financial Secretary

FROM: _____, Sponsor DATE: _____

- 1. Request authorization for the conduct of a fundraising activity as described below
2. Description of proposed fundraiser, including merchandise to be sold, vendor, name and address (attach brochure, if available.)

3. Purpose of the fund raiser and intended use of profits:

4. Dates: FROM: _____ TO: _____

5. Budget: a) Estimated Receipts/income : \$ _____
b) Estimated Costs/expense \$ _____
c) Estimated Profit (a - b) \$ _____

6. Will merchandise be purchased prior to fundraising activity? YES _____ NO _____

7. Will the fundraising company be responsible for cash collected? YES _____ NO _____

8. Will the fund raiser be commission based? YES _____ NO _____

9. Comments:

Recommendation by Financial Secretary:

Approve: _____ Disapprove _____ Signature Date

Action Taken by Principal:

Approve: _____ Disapprove _____ Signature Date

Instructions: This form must be completed and approved by the Principal prior to entering into any formal commitments with vendor(s). Contact with vendors prior to the approval is authorized to obtain merchandise and cost information. Once approved, this form must be returned with the vendor contract. Fundraising items are not subject to Maryland sales tax.

EXHIBIT Q

FUND RAISER COMPLETION REPORT

This form is to be completed by the fundraiser sponsor after completion of fundraiser.

School _____ Sponsor _____

Fundraising Activity: _____

Date (s) Held: _____

Fundraising Activity

1. Receipts : (List MTF's number (s) and amount of funds collected)

MTF #	Posting batch #	Amount
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
Total		\$ _____

(Attach additional sheet if need)

2. Cost/Expense(s)

Purchases (Attach copies or invoice or receipts) \$ (_____)

3. Total: (Subtract receipts from the expense) \$ _____ Profit
 \$ (_____) Loss

Purchased and Resold Merchandise

Complete this portion if merchandise is purchased and resold, such as, but not limited to: yearbooks, concessions, spirit items, etc.

Indicate any unsold or damaged merchandise.

Remaining Merchandise _____ x \$ _____ = \$ _____
 (#of item x sales price)

Fundraiser Sponsor: _____ Date: _____

Principal: _____ Date: _____

Note: For events/activities handled by a fundraising company, such as Market Day, Joe Corbi Pizza, book fairs, etc., a profit summary and/or supporting documents must be attached.

Attachment # 2 to AP 5135.1

7.3 Class and Club Accounts

Class accounts represent the largest component of School Activity Funds. About a quarter of all activity in the SAF for a particular year relates to senior class activity alone. It is therefore important that there is proper budgeting, accounting and control of class account resources. An important aspect of this is ensuring that the Fundraising Authorization Form and Fundraising Completion Report, discussed above in 7.2, are completed in a timely manner.

Principals and teachers need to work closely with students in planning finances (budgeting) for their clubs and organizations. School clubs shall have as much autonomy as possible in spending money as permitted by Board regulations. However, funds shall not be used without majority consent of the students involved. A copy of annual budgets must be provided to the School's Bookkeeper. Attachment I to this document contains a Senior Class Planning and Budget Workbook. Beginning FY 2016, this workbook must be included in the annual report submission due by mid-July.

In accordance with Administrative Procedure No. 3450, *Class and Club Fund Terminations*, no class account can extend beyond the academic life of a senior class. As a senior class nears the end of the school year, it must plan, with approval of the Principal, for the final disposition of any residual class funds. The senior class planning and budget workbook referred to above includes a residual funds plan. Appropriate uses of residual funds include:

- ✓ unrestricted donation to the school or upcoming senior class
- ✓ restricted donation to materials of instruction account
- ✓ restricted donation for specific school improvement or equipment
- ✓ reservation for a scholarship account
- ✓ transfer to Principal-Sponsored Activities (PSA) account, up to a maximum of 25% of residual funds

If residual funds are not designated by the senior class, these funds will be transferred to the materials of instruction account the following year. In no case shall funds be withdrawn from the SAF or retained therein for future class reunions or social functions. Additionally, funds from any class, club, organization, or other restricted account, may not be reclassified as unrestricted without written agreement of the class or organization officers and sponsors.

7.4 Athletics

Athletics covers middle and high schools only and is accounted for in the 200-series of the *SFO* chart of accounts structure. The athletic allotment and gate receipts are the two major revenue sources for athletics, but other sources of revenue may be recorded into this fund group to address athletic-related activities.

7.4.1 Athletic Allotment

Athletic allotments are made by the Interscholastic Athletics Office and electronically transferred to the School checking account by the Accounts Payable Office. This allotment is intended to support sports approved by the BOE and should be allocated in an equitable manner. Upon receiving the allotment, it should be posted to the main Athletic Allotment Account and transferred into each specific sports allotment account. The school athletic director recommends to the Principal an allocation of the allotment for each sport.

All transactions should be recorded in the account for the specific sport. In cases where an expense is not specific to any one sport, the category, Non-Sport Specific, should be utilized. Payments to individuals for services rendered (i.e., game workers, security personnel) must be processed in accordance with AP 33430, *Paying Board of Education Personnel Using School Activity Funds for Part-Time Work*.

7.4.2 Sporting Events and Ticketing

For varsity football only – The Mandatory Ticket Report shall be completed (Google Docs) by the athletic director within 72 hours of an event. A check for the gate receipts and a Cash Receipt Voucher (CRV) Form must be sent to the Treasury Operations Office within ten (10) business days. At the conclusion of the season, varsity football ticket stubs and all unsold varsity football tickets should be sent to the Office of Interscholastic Athletics. Special events (i.e., football classics and games of the week) conducted by the Office of Interscholastic Athletics are the only exceptions to this requirement. Proceeds from these events should be sent to Treasury Operations as soon as all expenses are paid.

All other sports – The athletic director, Bookkeeper and Principal must account for all tickets assigned by the Office of Interscholastic Athletics by completing the Mandatory Ticket Report, CRV Form and the High School General Admission Ticket Assignment and Reconciliation Sheet.

The Game Manager should use the drop safe at the school to secure all money collected. He/she should not deposit funds to a night depository. This is the responsibility of the school bookkeeper. .

Upon satisfactory completion of all sporting events, the athletic director should report to the Principal and turn over all money collected (along with an MTF and completed Mandatory Ticket Report) to the school's Bookkeeper for deposit in the appropriate Interscholastic Athletics account. Unsold tickets for varsity football shall be returned to the Office of Interscholastic Athletics along with a completed Football Ticket Assignment/Reconciliation Sheet (see AP 3702 *Ticket Sales, Money Collection and Accounting for Athletic Events*).

7.4.3 Security and Other Services for Sporting Events

The Office of Interscholastic Athletics will provide police for athletic events as follows:

Varsity Football (Office of Athletics will cover the cost)

- a. two (2) for day time games (unless otherwise requested)
- b. four (4) for night games

Varsity Basketball (Each school must cover the cost)

- a. two (2) for boys games
- b. one (1) for girls games (additional officers should be requested at least 2 weeks in advance when a large crowd is expected)

School Principals may decide that law enforcement support for extracurricular activities may be necessary to ensure a safe environment. It is the sole discretion of the Principal to procure the services of Prince George's County Officers, Local City Police Officers, and Resource Officers from School Activity Funds. The Principal must make arrangements to pay for services with School Activity Funds.

These guidelines do not refer to PG Police support for athletic events managed and funded by the Department of Interscholastic Athletics.

To arrange and pay for Officers support, the following process should be followed:

1. Arrangements to have Officers support an extracurricular activity must be in writing (preferably by e-mail) detailing event date and time, type of activity, and anticipated number of participants. It should be forwarded to either the director of security services or field operations supervisor. For additional information, contact Security Services at [301-499-7000](tel:301-499-7000).
2. The Principal or designee must complete the Compensatory Request Form (see Exhibit R on the following page) after the event, evidencing the number of hours worked by the officer. The officer must sign the form and turn it over to the Commander, who authorizes payment through the department's payroll.
3. The Prince George's County Police department bills each school monthly and the Principal ensures that bills are paid with 30 days of the invoice date.

EXHIBIT R

COMPENSATION REQUEST FORM
Revised 7/11/14

Name: _____

Rank: PO ID# _____ Date Earned: _____

Signature: _____

Assigned Unit: _____ Shift: _____

ACCOUNT _____ LOCATION _____

TYPE OF OVERTIME

COURT TIME **Circle One:** **Pay** **Comp Time**

Defendant's Name _____ CCN/Ticket/Docket# _____

Court Location/Room# _____

Total Hours Worked: _____ Worked From: _____ To: _____

Court Clerk's Signature _____

HOLIDAY COMPENSATION SELECTION

FOP Holidays: **(2x Pay)** **10 hours**

PCEA and G Scale

Reimbursement Selection: (Circle One) 2x Pay 1x Pay + Day Off (Comp)

OVERTIME **Circle One:** **Pay** **Comp Time**

Total Hours Worked: _____ Worked From: _____ To: _____

CCN/Case or Situation: _____

SCHOOL ATHLETIC EVENT **Circle One:** **On-Duty** **Off-Duty**

Type and Location of Event: _____

Total Hours Worked: _____ Worked From: _____ To: _____

Principal/Director's Signature: _____

AUTHORIZATION:

Sergeant: _____ Date: _____

Lieutenant/Supervisor: _____ **Date:** _____

An authorized signer only, person earning overtime/comp. time cannot sign his/her own sheet

8.0 SALES TAX

The objective of this chapter is to provide information on taxable sales. In order to follow Maryland State laws and regulations regarding taxes owed for items resold, the school must serve as an agent of the State. Also discussed here are occasions when schools are exempt from paying sales tax.

8.1 Background

For most items that are purchased and then resold, a school must collect and remit taxes to the State of Maryland Comptroller's Office. The exception is fundraising sales. No sales tax is assessed on fundraising sales. Additionally, items purchased for school use are tax-exempt.

8.2 Guidance

Sales tax guidance is based on Subtitle 06, Comptroller of Treasury, Sales and Use Tax, Code of Maryland Regulations; Maryland House Bill (HB) 232, *Sales and Use Tax Exemption - Parent-Teacher Organization Fundraisers*; and Administrative Procedure 5137, *Sales Tax*.

8.3 Procedures

Purchases made by schools and PGCPs are tax-exempt, if used in the conduct of school business. The Maryland Sales and Use Tax Exemption Number is 30001243. After the Principal pre-approves a School Funds Expenditure Request Form, a copy of the certificate is provided the individual for presentation to the vendor when making the school purchase.

Sales tax will not be reimbursed if paid when purchasing items for education purposes. Personal items should be purchased on a separate receipt so as not to commingle school and personal expenses.

When a school engages in the resale of items, adherence to Maryland Comptroller of the Treasury regulations is required. This involves collection and remittance of sales tax for merchandise sold that is not fundraising-related. To do so, schools must have a separate sales and use tax license and account. For purpose of completing a license application, the school system's Federal Taxpayer Identification Number is 52-6000992.

HB234, *Sales and Use Tax Exemption for Parent-Teacher Organization Fundraisers*, was passed in 2013 to amend the Code of Maryland regulations. Tax-General Article § 11-204(b) exempts assessment of sales tax on fundraising proceeds by a parent-teacher organization or other non-profit organization within Maryland schools. This is the only exemption; it does not include other activities of in-house clubs and organizations that are not fundraisers.

A restricted account (460.00) exists in *SFO* to record sales tax collections and remittances. If sales tax is collected, the school must remit the amount to the State Comptroller, either monthly or quarterly depending on the State's requirements for your school. An electronic transmittal is the preferred method of payment, using the *bFile* under Business Taxpayers, on the State Comptroller's website at www.marylandtaxes.com.

If no sales tax is collected during the designated period, and the school owes no tax, the Bookkeeper should file using the State telefile service at 410.260.7225. Failure to report sales and use tax can result in penalties and interest to the school, as well as the Board of Education. Payments due the School System from the State of Maryland may also be withheld because of failure to file in a timely manner.

Sales and use tax records must be maintained for five years and made available for inspection by the Comptroller of the Treasury on demand. Inadequate record keeping or failure to maintain records may result in penalty assessments.

Unless specifically excluded or exempt from Maryland tax, all sales are subject to a 6% tax. When vending machines are owned and operated by a commercial vendor or distributor who pays the school a commission, the responsibility for collecting and remitting the sales tax falls on the vendor. Likewise, contracts with a school picture vendor (in which the school is due a commission) must stipulate that the company is responsible for paying sales tax.

Examples of items subject to sales tax (not all-inclusive), when not for a fundraising activity, include:

- ✓ Candy, sodas, yearbooks, scholastic books, science backboards, agenda books, weekly readers
- ✓ Food that is prepared for immediate consumption, (snack foods such as chips, and pretzels are exempt)
- ✓ Articles of clothing (staff shirts, tee-shirts, gym suits)
- ✓ Senior graduation items (cap and gown, announcements, etc.)
- ✓ Keys and other items sold by the school store and clubs/organizations
- ✓ Summer packets, wrapping paper, greeting cards,
- ✓ Bake sale items (either purchased from vendors or donated by parents, vendors and or other organizations such as the PTA or PTSO)
- ✓ Sales of items priced at 17 cents and above

Examples of items exempt from sales tax (not all-inclusive) include:

- ✓ Sale of fundraising items
- ✓ Tickets for athletic events and school dances (food and beverages sold during these events are subject to sales tax)
- ✓ Food sold in the cafeteria as part of the Food & Nutrition Services program
- ✓ Fees charged for use of school facilities
- ✓ Flags of the United States and Maryland
- ✓ Sales of items less than 17 cents
- ✓ Contracted Fundraiser's, such as Student Pictures, Claire's Gourmet, Mid Atlantic, and Magazine Sales.

9.0 ACCOUNTING FOR SPECIFIC TYPE OF ACTIVITIES

This section of the manual contains information on specific areas that are important for proper accountability of School Activity Funds. These procedures are mandatory to ensure adequate internal controls and compliance with Board policies.

9.1 Administrative Allotment

Board of Education Policy No. 3420 requires an administrative allotment for the “operational expenses of each school...be budgeted annually and the amount allocated to each school shall be dependent on the pupil enrollment of the school.”

Administrative Allotment funds are allocated within the framework of school-based budgeting (SBB). These unrestricted funds are used to support the well-being of the entire student body. Allowable expenses include unrestricted purchases i.e., office supplies, postage, professional development, special events, bank service charges, maintenance of the school, educational materials, and student welfare accounts. A journal entry to transfer funds is completed in *SchoolFunds Online* to offset the negative balances created in each specific account when funds are disbursed. The administrative allotment CANNOT be transferred into a restricted account, nor be used for staff food, appreciation, clothing, gifts, etc.

9.2 Accounting for Waiver of School-Related Fees

The only exemption from payment of SAF Fees is granted to homeless students. AP 5010, *Homeless Children and Youth – School Access and Services*, provides information on this. “A homeless student or unaccompanied youth may be entitled to a waiver of school related fees, if the student is unable to pay the fee. Such include, but are not limited to, fees for the following: books and materials, locker, field trip, lab, uniform and equipment, gym/physical education, class supplies, extra-curricular activities, graduation (cap and gown), school records and any other fees associated with school activities. If the student and/or the parent(s)/guardian(s) wish to request a waiver of any such school fees, they should indicate on the Homeless Student Services Form, at the time the student is registered, or at any later date, when the parent(s)/guardian(s) learns of the fee(s). The Student Fee Waiver Form must be completed. The Homeless Liaison for the student’s school must inform all teachers and staff involved in the student’s daily learning environment of required fee waivers. The Student Fee Waiver form must be kept in a Limited Access File.”

9.3 Accounting for Grants and Donations

All grants and donations made directly to schools, irrespective of amount, should be reported to the Grants Financial Management Office (GFMO) on a School Grant Reporting Form (see Exhibit S on the following page). The completed form and attachments should be electronically transmitted to the GFMO (email to: schoolgrants@pgcps.org) within five (5) days of grant award. Administration and management of school-based grants is dependent on the nature of the assistance. If none of the criteria below pertain to a particular grant, it can be administered and fiscally managed at the school level in the School Activity Fund (SAF) and recorded in *SchoolFunds Online*.

EXHIBIT S



Prince George's County Public Schools
Grants Financial Management Office
School Grants Reporting Form

Date: _____

School: _____

Grantor: _____

Grant Name: _____

Grant Amount: _____ Grant Period: _____

Grant Purpose: _____

We acknowledge receipt of the above grant, confirm that this funding does not meet any of the criteria noted below and, as a result, will be fiscally managed at the school level in the School Activity Fund (SAF):

- | |
|---|
| <ol style="list-style-type: none">1. Funding sources require restricted funds program financial reports.2. Grant generates program income to offset program implementation expenses.3. Grant requires cash, in-kind matching funds, or a commitment of PGCPS resources.4. Grant funds are used for salaries, substitute teachers, workshop wages, or any form of compensation.5. Funding is equal to or exceeds \$50,000. |
|---|

If the above grant meets one or more of the above criteria, all current Board Policies; Administrative Procedures; and School Accounting Manual Policies remain in effect – which requires grant funds to be transferred and managed by the Grants Financial Management Office (GFMO).

By signing this School Grants Reporting Form, I certify that the above information has been reviewed based on grant criteria above, which allows the school to fiscally manage the funds in a SAF account.

Please return this form to the Grants Financial Management Office; Room 201-J, Sasscer Administration Building, 14201 School Lane, Upper Marlboro, MD 20772 within five (5) days of receipt of the grant award. Please attach a copy of the Grant Award Letter and/or check received for the grant.

Sign: _____ Date: _____
(Principal)

However, all grants that meet one or more of the following criteria must be turned over to the PGCPs Central Office and fiscally managed by the GFMO.

1. Funding sources require restricted funds program financial reports.
2. Grant generates program income to offset program implementation expenses.
3. Grant requires cash, in-kind matching funds, or a commitment of Board of Education resources.
4. Grant funds are used for salaries, substitute teachers, workshop wages, or any form of compensation.
5. Funding is equal to or exceeds \$50,000

The Principal, as the fiduciary agent for the school, is responsible for ensuring that all school-based grants are accounted for and used for legitimate education-related activities. The school Bookkeeper will ensure that all documentation to support grant expenditures are properly maintained and retained at schools, since they are subject to review during routine school audits by the Internal Audit Department. For more information on grant assistance to schools, see AP 3120, *Grant Assistance, Funding Solicitation, and Acceptance of other Funds and Resources*.


9.4 Accounting for School Store Activities

The purpose of a school store is to provide school-spirited items and school supplies for classroom work, such as pencils, pens, stationery, school shirts, decals, etc. Price mark-ups should be reasonable to ensure maximum access of the entire school population and community at large. To ensure adequate internal controls including separation of duties, the Bookkeeper must not operate the school store. The staff member responsible for operating the school store must keep an inventory of all merchandise and account for funds collected on a MTF. The inventory form used should indicate the date items are added to, sold and deleted from inventory, as well as a running balance for each item. Maryland sales tax must be charged on all items costing over 17¢ that meet the criteria specified in 8.3, Sales Tax Procedures.

9.5 Accounting for Property Inventory

All equipment purchased through the SAF is the property of the school system and must be reported on a self-insurance inventory form known as the In-Use Inventory Equipment Receiving Report (See Exhibit T on page 51). The school must report to the Accounting and Financial Reporting Office all equipment valued in excess of \$1,500 and maintain a record at the school of all equipment valued at \$1,500 or less.

EXHIBIT T



PGCPS
Great By Choice

Prince George's County Public Schools
Upper Marlboro, Maryland 20772

In-Use Inventory Equipment Receiving Report
(Replaces the Self-Insurance Report Form)

_____ Date

School/Office: _____

Cost Center Number _____

Department:

_____ Physical Location of Property

_____ Authorized Signature Only

Item Description	Serial Number	Model Number	Manufacturer	Date Received	Quantity Received	Purchase Order #	Management Code	Unit Price
							Select	
							Select	
							Select	
							Select	
							Select	
							Select	
							Select	
							Select	
							Select	
							Select	
							Select	
							Select	
							Select	
							Select	
							Select	

Prince George's County Public Schools • 14201 School Lane • Upper Marlboro, MD 20772 • www.pgcps.org

Reset
Save
Print
Email Form

Movement of equipment must be reported to the Property Audit Office of the Internal Audit Department using the Material Transfer/Report of Excess Property Form (See Exhibit U on page 52). For additional information, please refer to the *PGCPS Public Property Control Manual*.

9.7 Textbook Replacement Fees (Core and Non-Core)

Administrative Procedure No. 6161, *Textbooks* notes that a “...student is responsible for paying any textbook assigned to him or her that is not returned or damaged.” As soon as it is determined that a core textbook is lost or damaged, administrators will initiate collection action. In order to safeguard funds, reimbursements for core textbooks will be deposited in the school’s checking account and recorded in *SchoolFunds Online* as restricted funds in the SAF. These monies must be remitted to the Accounting and Financial Reporting Office on a quarterly basis with a completed Textbook Reimbursement Form (See Exhibit V below).

The school is authorized to assess fees for the cost of replacing lost or damaged non-core textbooks originally purchased with school-based resources. The fees must be recorded to a restricted account in the SAF and reserved to finance the purchase of replacement instructional materials, which can include computer software, books, and equipment.

EXHIBIT V

TEXTBOOK REIMBURSEMENT FORM

To facilitate submission of the *High School Price List and Reimbursement Form* and the school check, please use this cover sheet to provide a summary of the funds you are remitting:

Social Studies	\$	
Reading/English Language Arts	\$	
Foreign Language	\$	
Health	\$	
Mathematics	\$	
Science	\$	
Vocational Development	\$	
TOTAL AMOUNT OF CHECK		\$

➤ Submit this cover sheet, the individual detail form for each content area, a Cash Receipt Voucher and a school check to the Accounting Operations Office for the amount indicated. Each content area detail form must be approved by the principal.

➤
➤
➤ NAME OF HIGH SCHOOL DATE SUBMITTED

9.8 Vending Machine Sales

Vending machines offering beverages can result in a competitive situation between the school and Food and Nutrition Services (FNS). Information regarding Federal regulations restricting the sale of competitive food and foods of minimal nutritional value are contained in Board of Education Administrative Procedure No. 3542.44, *The Access and Sales of Competitive Foods and Foods of Minimal Nutritional Value in Schools and Outside of the FNS Program*. Schools are prohibited from selling goods of minimal nutritional value from 12:01 a.m. until the end of the last lunch period every day. The Principal must maintain compliance with these guidelines when arranging to have vending machines installed at the school. All schools with vending machines must have a signed contract stipulating commissions due the school and frequency these commissions are remitted. The contract term cannot exceed one year.

9.9 Employee Wages Using School Activity Funds

In order to ensure compliance with employment tax laws and regulations, payment of wages to Board of Education employees must be made through the Board's *Oracle* payroll system. Schools may not make direct payments to employees with School Activity Funds and may not determine wage amounts. For guidance see Administrative Procedure 3430, *Paying Employees with SAF Funds for Part-Time Work*.

9.10 Local Travel

Administrative Procedure 4133, *Local Reimbursable Travel*, addresses requirements concerning non-local travel. When school-based personnel, including the Principal, conduct non-local travel funded through the SAF, the Board policies and procedures continue to apply.

9.11 Reimbursing Central Office

When PGCPs school buses are used for field trips or other extracurricular activity, charges are automatically deducted from the School Operating Resource (SOR) account in *Oracle*. The school is responsible for reimbursing this account by check from the SAF. Checks should be sent to the Cash Receipts Clerk in the Accounting and Financial Reporting Office.

9.12 Transferring SOR Funds to SAF

High schools may request transfer of instructional SOR funds (i.e., Family and Consumer Science or a Print Shop at an Academy) to the SAF. A request is sent to the Accounts Payable Office, along with a Disbursement Authority, to have funds electronically released to the school's checking account and recorded in *SFO*.

9.13 Paying for Deer Park Water

Water purchased by schools under the Deer Park (Nestle) contract, using SAF resources should include only the cost of the water, and not the rental of equipment, which is gratis. Operating funds should only be used when school water is not sanitary or undrinkable. Such purchases are made by the Maintenance Department.

A T T A C H M E N T S

ATTACHMENT I
Senior Class Planning and Budget Workbook

School _____

Class of _____

Staff Sponsor _____

Class President _____

Use this workbook to plan senior class activities, fundraisers, expenses, and the distribution of residual funds. It should be completed jointly by the Senior Class Sponsor and Class President; and approved by the bookkeeper and principal. All applicable areas must be completed on a yearly basis. The bookkeeper should provide the Class Sponsor access to the SFO Sponsor Portal, or generate quarterly reports.

Senior Activities: List activities and estimated cost

Activity	Cost
Prom Venue	
Senior Breakfast	
Senior Picnic	
Yearbook	
Cap and Gown	
Graduation Announcements	
Senior T-Shirts/Clothing	
Food	
DJ/Entertainment	
Other	
Other	
Other	
Total	

ATTACHMENT I
Senior Class Planning and Budget Workbook

SENIOR DUES/PACKAGES: Provide a list of items and cost associated with the senior package.

Item	Description	Cost
Package 1		
Package 2		
Package 3		
Package 4		
Package 5		
Package 6		
Late Fees		

FUNDRAISERS: List fundraisers that will be planned during the year to support senior activities

DATE OF FUNDRAISER	NAME OF FUNDRAISER	ESTIMATED REVENUE	ESTIMATED EXPENSE

BUDGET: Provide the estimated expenses and revenue

Budget: Prior year balance, if applicable (A) \$ _____
 Estimated Receipts/income (B) \$ _____
 Estimated Costs/expense (C) \$(_____)
 SURPLUS/(DEFICIT) (A + B - C) \$ _____

ATTACHMENT I
Senior Class Planning and Budget Workbook

RESIDUAL FUNDS PLAN: If funds are remaining at the end of senior year, list how these funds are to be allocated. * No more than 25% can be allocated to Principal-Sponsored Activities. If this section is not completed, any residual funds will be transferred Material of Instruction in the following year.

Allocation	Reason	Amount
<i>Example: C/O 2000</i>	<i>To support senior picnic expenses</i>	<i>500.00</i>
<i>Example: Computers</i>	<i>To purchase 5 Chrome books for instruction use</i>	<i>800.00</i>
Total		

Principal Signature _____

Financial Secretary _____

Class Sponsor _____

Class President _____



ATTACHMENT II
ADMINISTRATIVE PROCEDURE

SCHOOL BANK ACCOUNTS: OPENING OF NEW
ACCOUNTS AND CHANGING SIGNATURES

4180
Procedure No.

January 22, 2016
Date

- I. **PURPOSE:** To establish procedures and guidelines for the opening of new school bank accounts and the changing of signatories on existing school bank accounts.

- II. **BACKGROUND:** Financial Institutions require the completion of official documents when customers open accounts or change signatories on existing accounts. The procedures prescribed below provide guidance and standardization on the completion and proper authentication of such documents.

- III. **PROCEDURES:**
 - A. The documents required to open an account or change signatories on an account may differ from bank to bank. A bank will, at a minimum, require completion of a form called a “Signature Card”, which is signed by the individuals with check signing authority and authenticated by an officer of the school system, typically the Assistant Treasurer. In addition, one of the following is required:
 1. “Banking and Borrowing Resolution” which should be authenticated by an officer of the school system.
 2. Official letter from the school system giving the individual authorization to open the account. Some banks may require a form called the “Incumbency Certificate.” This form certifies the names and titles of individuals holding positions having check signing authority and is also signed by an officer of the school system.

 - B. When opening an account or changing signatories on an existing account, the forms required by the school’s bank must be completed and forwarded to the Treasury Operations Office, Room 113, Sasscer Administration Building. Scanned copies for review will also be accepted. The completed forms must be accompanied with a photocopy of the driver’s license of each individual that will have check signing authority. The Assistant Treasurer will authenticate documents. A copy of all documents will remain on file in the Treasury Operations Office. The original and a copy will be returned to the school. The school will forward the original to the bank and maintain a copy in the school’s records.

 - C. Three individuals should be designated as check signers on the account and are listed on the bank “Signature Card”. The two standard check signers should be the school Principal and Bookkeeper/Secretary. The third alternate check signer must be a Vice Principal or other school administrator.



ATTACHMENT II
ADMINISTRATIVE PROCEDURE

SCHOOL BANK ACCOUNTS: OPENING OF NEW
ACCOUNTS AND CHANGING SIGNATURES

4180
Procedure No.

January 22, 2016
Date

- D. All bank accounts must be in the name of the Board of Education and the school, not in the name of a school employee, school club, booster group, or any other individual. For example, name of bank account should read: **Board of Education of Prince George’s County – School Name**. The Federal Tax Identification number of the school system is 52-6000992. The account type should read, “Public Fund”.

Booster Groups are allowed to open bank accounts, but neither the name of the school nor the school system’s Federal tax identification number can be referenced on these accounts.

- E. Refer to section 4.2 in the Accounting Procedures Manual for School Activity Funds for other requirements for opening new accounts.
- F. Questions and requests for assistance may be directed to the Assistant Treasurer at 301-952-6074.

IV. **RELATED PROCEDURES:** None.

V. **MAINTENANCE AND UPDATE OF THESE PROCEDURES:** These procedures originate with the Treasury Operations Office and will be reviewed and updated as needed.

VI. **CANCELLATIONS AND SUPERSEDURES:** This Administrative Procedure cancels and supersedes Administrative Procedure 4180, dated July 1, 2013.

VII. **EFFECTIVE DATE:** January 22, 2016

Distribution: Lists 1, 2, 3, 4, 5, 6, 10, and 11



ATTACHMENT III
ADMINISTRATIVE PROCEDURE

SCHOOL ACCOUNTING PROCEDURES-
ACH ELECTRONIC DEBITS

4182

Procedure No.

January 22, 2016

Date

- I. **PURPOSE:** To provide guidance on procedures prohibiting ACH (Automated Clearing House) electronic debits for all School Activity Fund (SAF) bank accounts.
- II. **BACKGROUND:** A number of schools have reported fraudulent ACH activity on their SAF bank accounts. This fraudulent activity has been in the form of one or more unauthorized electronic bank debit(s) (withdrawals) from the account. An unauthorized ACH debit is an electronic debit initiated by a vendor without your previous permission, e.g., vendors such as Staples who convert your check payment into an electronic debit without your previous knowledge. Bank service charges, charges for deposit slips and checks ordered through the bank, or Maryland Comptroller Sales and Use Tax Payments are acceptable debits and the only electronic transactions that should be debited from your account.
- III. **PROCEDURES:**
- A. Due to the prevalence of fraudulent ACH activity that exists in today’s market, the Business Management Services Division initiated a service with Sun Trust Bank that blocks all unauthorized electronic debits from SAF accounts at SunTrust Bank. If you have made or make arrangements with any vendor to automatically pay for goods or services received by an automatic debit from your school activity bank account, the block on the account will not allow the transaction to take place, and the vendor must be paid by a school check drawn on the school’s checking account.
 - B. Blocks will be placed on School Activity accounts at banks other than SunTrust beginning 2016. This is consistent with the Accounting Procedures Manual for School Activity Funds, Chapter 4, Check Writing Requirements: “All disbursements made through the SAF must be by check.”
 - C. This service and procedure is necessary for protection and accountability of school system funds. If you have any questions, please contact the Treasury Operations Office, Assistant Treasurer, at 301-952-6074.
- IV. **RELATED PROCEDURES:** Administrative Procedure 5137, Sales Tax, dated January 22, 2016.
- V. **MAINTENANCE AND UPDATE OF THESE PROCEDURES:** These procedures originate with the Treasury Operations Office and will be reviewed and updated as needed.



ATTACHMENT III
ADMINISTRATIVE PROCEDURE

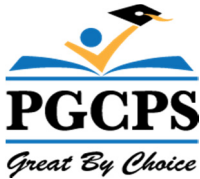
SCHOOL ACCOUNTING PROCEDURES-
ACH ELECTRONIC DEBITS

4182
Procedure No.

January 22, 2016
Date

-
- VI. **CANCELLATIONS AND SUPERSEDURES:** This Administrative Procedure cancels and supersedes Administrative Procedure 4182, dated July 1, 2013.
- VII. **EFFECTIVE DATE:** January 22, 2016

Distribution: Lists 1, 2, 3, 4, 5, 6, 10, and 11

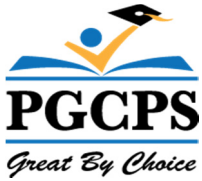


ATTACHMENT IV
ADMINISTRATIVE PROCEDURE

FUNDRAISING

5135.1
Procedure No.
January 22, 2016
Date

- I. **PURPOSE:** To provide direction to school principals in the area of fundraising, or the process of gathering voluntary contributions of money or other resources.
- II. **POLICY:** This procedure is in accordance with Board of Education Policy 5135, *School-Based Fund Raising*. The terms fund raising and fundraising are used interchangeably.
- III. **PROCEDURES:** Fund raising is conducted in the schools in accordance with applicable Board of Education Policy. The following procedures must be followed when raising funds at the local school level.
 - A. The principal will advise staff, students, and the community through teacher bulletins, parent newsletters, and other forms of communications of the need for fundraising and other appropriate information that would assist staff, students, and the community in understanding the finances involved.
 - B. The standard in-house Fundraiser Authorization Form (Attachment 1) will be used to request authorization to proceed with a fundraising activity when the fundraising activity is handled by anyone other than the principal.
 - C. The approved Fundraiser Authorization Form must be returned with the contract, if any, to be signed by the principal. The approved date must be part of a yearly calendar being followed to establish priority school needs and control the number of fundraisers.
 - D. Refer to Administrative Procedure 5135.2, *Principal's Contracting Authority*, for established monetary limits for contracts.
 - E. Fundraising purposes shall be specified and communicated for each fund raising activity or event, and separate accounting should be maintained for each in the same fashion as all other restricted accounts within the school's activity funds.
 - F. The unit cost and mark-up of any items sold for profit for fundraising activities of the school will be available in each school for staff and parent inspection (see Fundraiser Completion Report, Attachment 2).
 - G. At the end of each school year, the principal shall prepare a report summarizing all fund raising activities concluded during the year. This information will be available for review by parents and any other interested members of the community. The report will specifically state the net amount of funds retained as profit from such activities.



ATTACHMENT IV
ADMINISTRATIVE PROCEDURE

FUNDRAISING

5135.1
Procedure No.
January 22, 2016
Date

- H. When students sell items outside the school, they must have a letter of introduction, signed by the school sponsor and approved by the principal. If the parents do not desire to have their children participate, those parents have the option to decline.
 - I. School dances are one example of Board-approved fundraising events. Dances may be held after school, on evenings, or weekends for fundraising purposes, and shall be subject to the voluntary participation of individuals. It is inappropriate to hold fund raising events, including dances, during the school day when they take time away from learning.
 - J. In accordance with recommendations by student leaders, secondary school principals should consider the following:
 - 1. Maintain a high degree of student involvement in fund raising and related decision-making.
 - 2. Avoid unexplained arbitrary decisions in local fundraising.
 - 3. Gain local autonomy in fundraising and items purchased (rings, yearbooks, etc.)
 - K. Principals are encouraged to meet and share ideas concerning successful fundraising activities.
- IV. **RELATED PROCEDURES:** Administrative Procedures 5135.2, *Principal's Contracting Authority*, and 5137, *Sales Tax*, both dated January 22, 2016.
- V. **MAINTENANCE AND UPDATE OF THESE PROCEDURES:** The Business Operations Department is responsible for updating these procedures as needed.
- VI. **CANCELLATIONS AND SUPERSEDURES:** This Administrative Procedure cancels and supersedes Administrative Procedure 5135.1, dated May 1, 2000.
- VII. **EFFECTIVE DATE:** January 22, 2016.

Attachments (2)

Distribution: Lists 1, 2, 3, 4, 5, 6, 10, and 11

ATTACHMENT IV



FUND RAISER AUTHORIZATION FORM

TO: Principal
VIA: Bookkeeper/Financial Secretary

FROM: _____, Sponsor DATE: _____

- 1. Request authorization for the conduct of a fundraising activity as described below
2. Description of proposed fundraiser, including merchandise to be sold, vendor, name and address (attach brochure, if available.)

3. Purpose of the fund raiser and intended use of profits:

4. Dates: FROM: _____ TO: _____

5. Budget: a) Estimated Receipts/income: \$ _____
b) Estimated Costs/expense \$ _____
c) Estimated Profit (a - b) \$ _____

6. Will merchandise be purchased prior to fundraising activity? YES _____ NO _____

7. Will the fundraising company be responsible for cash collected? YES _____ NO _____

8. Will the fund raiser be commission based? YES _____ NO _____

9. Comments:

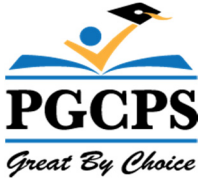
Recommendation by Financial Secretary:

Approve: _____ Disapprove _____ Signature _____ Date _____

Action Taken by Principal:

Approve: _____ Disapprove _____ Signature _____ Date _____

Instructions: This form must be completed and approved by the Principal prior to entering into any formal commitments with vendor(s). Contact with vendors prior to the approval is authorized to obtain merchandise and cost information. Once approved, this form must be returned with the vendor contract. Fundraising items are not subject to Maryland sales tax.



ATTACHMENT V
ADMINISTRATIVE PROCEDURE

PRINCIPAL'S CONTRACTING AUTHORITY

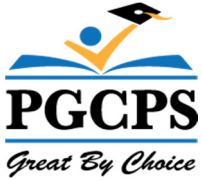
5135.2

Procedure No.

January 22, 2016

Date

- I. **PURPOSE:** To provide direction to school principals in the area of their contracting authority.
- II. **POLICY:** The Chief Executive Officer (CEO) has formal legal authority to sign all School System contracts. The CEO has delegated limited contracting authority to Principals involving the use of School Activity Funds (SAF) only.
- III. **PROCEDURES:** Principals are authorized to execute contracts committing funds not provided by the Board of Education, on behalf of their school, and without further approval from their appropriate Instructional Director, subject to the following limitations:
 - A. No single contract may commit a sum greater than \$10,000.
 - B. Multiple contracts with one vendor may not be executed in any one school year for amounts aggregating more than \$10,000.
 - C. Contracts executed for one particular activity may not exceed the aggregate sum of \$20,000 for the activity. For example, if five contracts are entered with different vendors for a senior prom for a total of \$19,845, (photography-\$2,400; decorations-\$1,105; hall rental-\$6,850; catering-\$8,000; and advertising-\$1,490), this would be acceptable. However, if a catering contract were added for \$8,250, this would not be allowed without prior approval since total expenditure for the event (prom) exceeds \$20,000.
 - D. Any contract(s) using SAF which exceeds the amounts identified in sections A-C above require the approval of the Director, Purchasing and Supply Services.
 - E. A Principal's contracting authorization shall not be delegated to any other individual.
 - F. Copies of all contracts signed by Principals should be provided to the Purchasing and Supply Services Department, the repository for all contracts.
- IV. **RELATED PROCEDURES:** See Administrative Procedure 5135.1, *Fundraising*.
- V. **MAINTENANCE AND UPDATE OF THESE PROCEDURES:** The Office of the Chief Financial Officer is responsible for updating these procedures as needed.



ATTACHMENT V
ADMINISTRATIVE PROCEDURE

PRINCIPAL'S CONTRACTING AUTHORITY

5135.2

Procedure No.

January 22, 2016

Date

VI. **CANCELLATIONS AND SUPERSEDURES:** This Administrative Procedure cancels and supersedes Administrative Procedure 5135.2, dated July 1, 1983.

VII. **EFFECTIVE DATE:** January 22, 2016

Distribution: List 1, 2, 3, 4, 5, 6, 10, and 11



ATTACHMENT VI
ADMINISTRATIVE PROCEDURE

SALES TAX

5137
Procedure No.
January 22, 2016
Date

I. **PURPOSE:** To provide direction to school principals for the collection and remittance of sales tax liabilities resulting from the sale of goods and merchandise through the school stores.

II. **BACKGROUND:** In accordance with Title 03, Comptroller of the Treasury, Subtitle 06, Sales and Use Tax, Code of Maryland Regulations, sales of goods made through the school store are subject to State of Maryland sales and use tax. Schools are responsible for collection and remittance of such taxes to the Comptroller of the Treasury when they conduct the actual sales, with the exception of fundraising sales, which are exempt from sales tax.

III. **PROCEDURES:**

A. **Tax Rate:** Unless specifically excluded or exempt from general Maryland sales and use tax, all sales by school stores are subject to 6% sales tax. Maryland Code, Tax-General Article §11-204(b), exempts all fundraising proceeds by parent-teacher organizations from sales tax.

B. **Tax Calculation and Taxability:**

1. Individual sales totaling less than 17 cents are not subject to sales tax.
2. The sales tax amount must be listed separately from the sales price.
3. Vending machines gross receipts are subject to the 6% sales tax. If the machines are controlled and operated by the school (i.e., the machines are stocked and monies removed by school personnel), collection and remittance of the tax is the responsibility of the school. However, when vending machines are owned and operated by a commercial vendor or distributor who pays the school a commission in exchange for allowing the installation of the machines within the school premises, the responsibility of collecting and remitting the sales tax falls on the vendor.

When vending machines are stocked with candy, as well as snack foods, the tax liability should be determined only on the candy sales. Snacks are defined as food for light meals or for eating between meals; whereas candy, also called sweets, is a confection that features sugar as the principal ingredient. However, if there is no easy or reliable way to make that determination, the amount of tax liability attributable to candy sales must be estimated.

4. The sales tax applies before any prompt payment discounts, commission or core charges, manufacturer's rebates, as well as, to all services necessary to complete a sale - e.g., assembly, fabrication, alteration, engraving, monogramming, customization, etc.



ATTACHMENT VI
ADMINISTRATIVE PROCEDURE

SALES TAX

5137
Procedure No.
January 22, 2016
Date

5. Soft drinks, candy, and confectionery are subject to sales tax. Examples of other items subject to sales tax are: yearbooks, scholastic books, weekly readers, gym suits, keys, summer packets, wrapping paper, greeting cards, bake sale items (regardless of whether acquired by purchase or donation), items sold at the school store and by clubs and organizations.
 6. Unprepared food sales, such as pizza kits, cookie mixes, fresh fruits, etc., including food concessionaires, as well as, snack food items (i.e., pretzels, chips, and pork rinds) sold to elementary and secondary schools are not exempt, unless sold as fundraisers.
 7. Exempt items: In addition to items sold as fundraisers, additional examples of items exempt from sales tax include: tickets for athletic events and school dances (although food and beverage sold during the events are subject to tax), food sold in school cafeteria as part of the Food and Nutrition Services program, fees charged for the use of school facilities (rental fees), parking permit fees, book fines, and flags of the United States and Maryland.
- C. Mechanism for the Collection and Reporting of Sales Tax:
1. Each location engaged in sales subject to sales tax must apply for separate sales and use tax licenses with the Comptroller of the Treasury by completing the Maryland Combined Registration Application found at <https://interactive.marylandtaxes.com/webapps/comptrollercra/>.
 - a. A Federal Employer Identification Number (FEIN) is required when applying for a sales and use tax number.
 - b. To avoid the need to obtain a separate FEIN for each location, item 1.a., Section A of the application will reflect the FEIN for the Board of Education: 52-6000992 (note that the social security number of the agent responsible for the taxes is also required). Item 2 will reflect the legal name of the Board of Education, i.e., Board of Education of Prince George’s County, and item 3 will reflect the name of the particular school or location for which the number is being requested.
 2. The frequency for filing sales tax returns and remitting the collected amounts may be monthly, quarterly, or less frequent based on the anticipated volume of taxable sales to be made, as assigned by the State Comptroller. The return and remittance must always be filed by the 21st day of the month following the end of the assigned reporting period.



ATTACHMENT VI
ADMINISTRATIVE PROCEDURE

SALES TAX

5137
Procedure No.
January 22, 2016
Date

3. If no sales tax is collected during the designated filing period, and the school owes no tax, the bookkeeper should file a zero balance return using the State's telefile service at (410) 260-7225.
 4. A taxpayer who has been assigned a filing basis which is less than four times a year shall file a supplemental return for any month other than the month or months for which scheduled returns are due, in which taxes for the month exceed \$100. This return, which is due by the 21st of the month as stated above, shall also include any unreported taxes accrued since the taxpayer's most recently filed return.
 5. Timely returns can earn discounts of up to .012 up to \$4,200 of tax liability, or .006 for liability amounts over \$4,200 plus \$25.20. Late filings result in assessment of interest and penalties.
 6. If filing a paper return, returns must be filed using pre-coded forms provided by the Comptroller's Office. Photocopies or computer-printed forms are not acceptable. The Comptroller will mail the appropriate returns well in advance of the due dates. However, failure to receive the necessary forms does not change the obligation to file. In such cases, registrants shall request additional forms from the Comptroller's Office or file a signed schedule providing information normally required on the return, together with taxes due, on or before the due date. The schedule should indicate that it is being filed in lieu of a return form not received. Alternatively, the returns can be filed electronically. Logon to the Internet address <http://business.marylandtaxes.com/>. Go to Filing Information > Sales and Use Tax > **bFile**.
 7. The account number assigned by the Comptroller must be used on all correspondence regarding the sales tax account, as well as on remittances.
- D. Record Keeping:
1. Records must distinguish between taxable and non-taxable sales and purchases. Records must be kept for five (5) years and made available for inspection by the Comptroller of the Treasury.
 2. Examples of records required to be maintained include: original invoices, bills of lading, receipts for purchases, purchase orders, cash register tapes, sales slips, release certificates, documentation for exempt sales, mailing or shipping documentation for out-of-state deliveries.
 3. Failure to keep records or maintenance of inadequate records may result in assessments based on surveys of similar businesses, projection from available records, or any other reasonable basis.



ATTACHMENT VI
ADMINISTRATIVE PROCEDURE

SALES TAX

5137
Procedure No.
January 22, 2016
Date

- IV. **RELATED PROCEDURES:** Administrative Procedure 5135.1, Fund Raising.
- V. **MAINTENANCE AND UPDATE OF THESE PROCEDURES:** The Business Operations Department is responsible for updating these procedures as needed.
- VI. **CANCELLATIONS AND SUPERSEDURES:** This Administrative Procedure cancels and supersedes Administrative Procedure 5137, dated November 15, 2010.
- VII. **EFFECTIVE DATE:** January 22, 2016.

Distribution: Lists 1, 2, 3, 4, 5, 6, 10, and 11



ATTACHMENT VII
ADMINISTRATIVE PROCEDURE

CLASS AND CLUB FUND TERMINATIONS

3450

Procedure No.

January 22, 2016

Date

- I. **PURPOSE:** To provide procedures for terminating class funds or club funds.
- II. **BACKGROUND:** There have been instances of senior classes leaving school without disposition of their class funds and of efforts to preserve a class fund for a reunion or social function. Some clubs have expired without a disposition of assets. It is intended that a class or club fund shall not extend beyond the academic life of a senior class or club, except where specifically provided for herein.
- III. **PROCEDURES:**
- A. All class or club funds and related school activities of the class or club shall be handled in accordance with the Accounting Procedures Manual for School Activity Funds, Chapter 7.
 - B. As a senior class or club nears the close of its academic life in Prince George’s County Public Schools, it shall plan, with the approval of the principal, for the final disposition of any residual amount in its earmarked class or club funds. Appropriate uses of residual funds are:
 - 1. Donation as cash to materials of instruction account.
 - 2. Donation for specific school improvements or equipment.
 - 3. Reservation for scholarship awards.
 - 4. Transfer to Principal-Sponsored Activities (PSA) account, up to a maximum of 25 % of residual funds.
 - C. If residual class funds are not designated by the senior class, these funds will be transferred to the materials of instruction account the following school year.
 - D. If there is a deficit in a senior class account, that amount can be offset by other related accounts with positive balances (i.e., yearbook account) and vice versa. Under no circumstance should these accounts continue the following year with a credit balance.
 - E. In no case shall funds be withdrawn from the School Activity Fund or retained therein to finance future class reunions or class social functions.
- IV. **RELATED PROCEDURES:** None.
- V. **MAINTENANCE AND UPDATE OF THESE PROCEDURES:** These procedures originate with the Business Operations Department and will be reviewed and updated as needed.



ATTACHMENT VII
ADMINISTRATIVE PROCEDURE

CLASS AND CLUB FUND TERMINATIONS

3450

Procedure No.

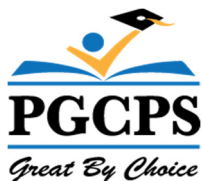
January 22, 2016

Date

VI. **CANCELLATIONS & SUPERSEDURES:** This Administrative Procedure cancels and supersedes Administrative Procedure 3450, dated October 25, 1974.

VII. **EFFECTIVE DATE:** January 22, 2016.

Distribution: Lists 1, 2, 3, 4, 5, 6, 10, and 11

ADMINISTRATIVE PROCEDURE

PAYING EMPLOYEES FOR PART-TIME WORK USING SCHOOL ACTIVITY FUNDS
--

3430

Procedure No.

January 22, 2016

Date

- I. **PURPOSE:** To prescribe the procedure for paying Board of Education personnel for part-time work using School Activity Funds (SAF).

- II. **OVERVIEW:** In order to ensure compliance with employment tax laws and regulations, payment of wages to Board of Education employees must be made through the Board's *Oracle* payroll system. Schools may not make direct payments to employees with School Activity Funds and may not determine wage amounts. Only the Human Resources Division can establish rates of pay.

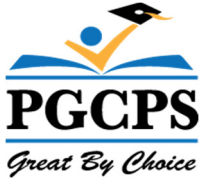
- III. **PROCEDURES:** There is a range of sub-object codes to choose from when paying employees with school activity funds. The range is 5100 to 5140 (temporaries, substitutes and non-discretionary support and aids). Select the sub-object that best describes the work to be done. Should you have a situation that does not fit any of these sub-objects identified, contact the Accounting & Financial Reporting Office for guidance before proceeding.

To pay Board employees for part-time work from school activity funds, the following procedure must be followed:

- A. A memorandum is prepared to the Chief of Human Resources (HR) requesting that employee(s) be set up using a specific sub-object (listed above) and cost center segment within the 31-digit *Oracle* account code. Include in the memo the name and Employee Identification Number (EIN) of each employee, and a description of the type of work to be performed. If approved, HR will set up employee assignments and establish rates of pay the school can reference in *Oracle*.

- B. When the employee has completed the part-time assignment, the hours worked must be filled out on a TEMPORARY HOURLY EMPLOYEES' TIME AND ATTENDANCE REPORT (THETAR). In addition, a school check must be included made payable to Prince George's County Public Schools for the gross amount of wages (using the pay rate established by HR) plus 10 percent to cover fringe benefits (employer taxes and workers compensation).

- C. Complete a THETAR shown in Attachment A. Fill the top part of the form with the school/office name and number, as well as payroll period. In the body of the form, include the employee's name, assignment number, hours worked, date worked and the 31-digit *Oracle* cost string. Make sure that the employee's five-digit employee identification number (EIN) is combined with a single-digit suffix to denote the assignment number (i.e., xxxxx-x). Each row should designate one unique employee. Individual dates worked must be reported for each employee.

ADMINISTRATIVE PROCEDURE

PAYING EMPLOYEES FOR PART-TIME WORK USING SCHOOL ACTIVITY FUNDS
--

3430

Procedure No.

January 22, 2016

Date

- D. Sum the number of hours worked on the form and insert that number in the space reserved for "Total Hours" in the last row of the report body. The employee's Time Approver should sign and the date the form, as well as print his/her name and job title. The THETAR should be sent to the Payroll Services Department for processing.
- E. The check sent with the form must include a CASH RECEIPT VOUCHER (CRV) with the same 31-digit account code the employee's time is charged to. The additional 10 percent to cover fringe benefits is inserted on the next line of the CRV (see Attachment B) without an account code. The Payroll Services Department will not process any hours worked unless a check is included with the THETAR.
- F. The above procedure remains the same for all employees paid using Student Activity Funds. If you need assistance, please contact the Payroll Services Department (301-952-6219) or the Accounting and Financial Reporting Office (301-952-6110).
- G. If you wish to hire individuals NOT already Board of Education employees, they must first be processed, i.e., hired and fingerprinted, through the Human Resources Division. You may not authorize payment for individuals who are not Board employees.

IV. **RELATED PROCEDURES:** None.

V. **MAINTENANCE AND UPDATE OF THESE PROCEDURES:** The Business Operations Department is responsible for updating these procedures as needed.

VI. **CANCELLATIONS AND SUPERSEDES:** This Administrative Procedure cancels and supersedes Bulletin M-6-10, dated February 1, 2010.

VII. **EFFECTIVE DATE:** January 22, 2016

Attachments (2)

Distribution: List 1, 2, 3, 4, 5, 6, 10, and 11

ATTACHMENT VIII

Prince George's County Public Schools Temporary Hourly Employees' Time and Attendance Report
--

School/Office: _____ School/Office Number: _____

Payroll Period Ending: _____ *Time Entry Wages Element*

Employee Name <i>Please Print or Type</i>	Employee Assignment Number	Hours Worked	Date Worked*	Budget Account Code (31-Character Cost String)	Check Attached <small>(Check only if applicable)</small>
Total Hours		0			

Approval Signature: _____ Name: _____ Title: _____ Date: _____

* Individual dates must be reported for each attendee. **See Instructions tab below.**
NOTE: If additional lines are needed, please start a new form.

ATTACHMENT VIII

PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS
CASH RECEIPT VOUCHER

DOCUMENT NUMBER
C 099776

RECEIVED FROM: _____

RECORDED BY: _____

DATE: _____

ACCOUNTING USE ONLY

Vendor/Customer No.

Number of Lines _____

	Invoice Number	Oracle Account Number									Amount	Check No.	Payer	Description
		FUND (XXXX)	F/S (X)	FUNC (XXX)	PROG (XXXX)	PROJ (XXXX)	RFU (XXXX)	S/O (XXXX)	COST CTR. (XXXXX)	FY (XX)				
1A														
2B														
3C														
4D														
5E														
6F														
7G														
8H														
9I														
10J														

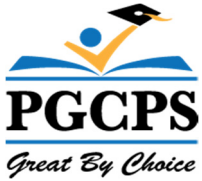
TOTAL

List each check on a separate line.

DISTRIBUTION: Original & Yellow Copy - To Accounting Pink - To Originator

MSIS 39-71 (1/07)

Attachment B of AP3430



ATTACHMENT IX
ADMINISTRATIVE PROCEDURE

TICKET SALES, MONEY COLLECTION, AND
ACCOUNTING FOR ATHLETIC EVENTS

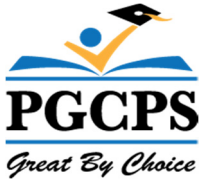
3702
Procedure No.
June 30, 2014
Date

- I. **PURPOSE:** To provide direction for the sale of tickets, as well as the collection of money and accounting procedures for all athletic events.
- II. **POLICY:** Board of Education Policy 5135 provides overall guidance for fund raising activities and specifically requires all funds raised in the name of the school or for school organizations to be deposited in the school’s depository as a part of the school’s activities account for Interscholastic Athletics.
- III. **INFORMATION:** Each year the Director of Interscholastic Athletics will distribute, at least fourteen (14) days before any athletic events, tickets to be sold for all athletic contests at middle schools and high schools. All athletic contests shall have a designated Game Manager.

All athletic directors will receive an invoice for tickets received (Form A). Gate receipts from varsity football ticket sales are to be returned to the Office of Interscholastic Athletics. The Director of Interscholastic Athletics or his/her designee will account for those ticket sales. Special events, i.e. football classics and games of the weeks held off Prince George’s County Public Schools property and in coordination with the Prince George’s County Football Coaches’ Association, will be based on the Memorandum of Understanding.

Gate receipts for all other athletic event ticket sales are the responsibility of the school principal or his/her designee. Tickets are to be kept in a secure location and accounted for at the end of each sports season.

- IV. **DEFINITIONS:** The following definitions apply to the content of these procedures:
 - A. **Game Manager:** The person designated by the principal of the home school to be in charge of ticket sales, admittance into the contests, collection and deposit of all money involved with the school bookkeeper, and other actions necessary to ensure good results.
 - B. **Designee:** The person appointed by the principal to oversee the successful completion of a task (typically the athletic director).
- V. **PROCEDURES:** The following general procedures apply:
 - A. Procedures for the Selling and the Collection of Tickets:
 - Step I Ticket seller will collect money.
 - Step II Ticket seller will give ticket to customer.



ATTACHMENT IX
ADMINISTRATIVE PROCEDURE

TICKET SALES, MONEY COLLECTION, AND
ACCOUNTING FOR ATHLETIC EVENTS

3702
Procedure No.

June 30, 2014
Date

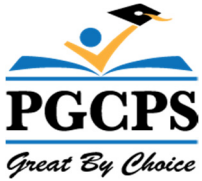
- Step III Ticket taker must take ticket from customer.
- Step IV Ticket taker will tear ticket in half or remove the stub.
- Step V Ticket taker will stamp the back of the customer's hand (optional).
- Step VI Ticket taker will return half of the ticket or the ticket if there is a stub to the customer.
- Step VII Ticket taker will retain the other portion for accounting purposes.
- Step VIII The Game Manager will retain the numbered portion or stub of the first and last tickets sold at the school for each contest.
- Step IX *For varsity football only* – The original Mandatory Ticket Report shall be completed (Google Document) by the athletic director within 72 hours of the event. A check for the gate receipts and a Cash Voucher Form must be sent to the Office of Treasury Operations within 10 business days. At the conclusion of the season, varsity football ticket stubs and all unsold varsity football tickets shall be sent to the Office of Interscholastic Athletics.

* Special events, i.e. football classics and games of the week conducted by the Office of Interscholastic Athletics, are the only exceptions to this requirement. Monies are to be sent to the Office of Treasury Operations as soon as all expenses are paid.

Note: Ticket sellers and ticket takers must be employed for all Varsity Football, Varsity Basketball, and Junior Varsity Football games.

The ticket seller and ticket taker should not be the same person.

B. Close Out for Ticket Sales:



ATTACHMENT IX
ADMINISTRATIVE PROCEDURE

TICKET SALES, MONEY COLLECTION, AND
ACCOUNTING FOR ATHLETIC EVENTS

3702
Procedure No.

June 30, 2014
Date

1. Varsity football – The athletic director must complete the Mandatory Ticket Report and the Cash Voucher Report (Google Documents). The school bookkeeper shall complete the hard copy Cash Voucher Form to be sent to the Office of Treasury Operations.
 2. All other sports – The athletic director, bookkeeper and principal must account for all tickets assigned by the Office of Interscholastic Athletics by completing the Mandatory Ticket Report, Cash Voucher Form and the High School General Admission Ticket Assignment/Reconciliation Sheet.
- C. Accounting for Funds: The Game Manager should use the drop safe at the school to secure the money collected or deposit the funds in the night deposit at the appropriate bank branch. Supporting documentation shall be provided to the bookkeeper on the next teacher work day.
- D. Security Escort: Game managers must arrange with security personnel on site to be escorted to the drop safe or the bank.
- E. Settlement of Accounts: Upon satisfactory completion of all matters with events, the athletic director will report to the school principal and turn over all money collected to the school’s bookkeeper for deposit in the student activity account for Interscholastic Athletics. Unsold tickets for varsity football shall be returned to the Office of Interscholastic Athletics along with the completed Football Ticket Assignment/Reconciliation Sheet 10 business days after the last regular season contest.
- VI. **RELATED PROCEDURES**: Administrative Procedure 3701, Operation of Concession Stands at Night Outdoor Athletic Events.
- VII. **MAINTENANCE AND UPDATE OF THESE PROCEDURES**: These procedures originate with the Office of Interscholastic Athletics and will be updated as needed.
- VIII. **CANCELLATIONS AND SUPERSEDURES**: This Administrative Procedure cancels and supersedes Administrative Procedure 3702, dated August 1, 2010.
- VIII. **EFFECTIVE DATE**: June 30, 2014.

Attachments: Football Ticket Assignment/Reconciliation Sheet Form A and High School General Admission Ticket Assignment/Reconciliation Sheet Form B

Distribution: Lists 1, 2, 3, 4, 5, 6, 10, and 11

PGCPS Interscholastic Athletics Ticket Report

John Edgar Howard
 4400 Shell Street
 Capitol Heights, Md 20743
 Tel: 301-669-6050 Fax: 301-669-6055

ISSUED TO:
 High School
 Ft. Washington, MD

NUMBER
DATE
Athletic Director
Delivery Method

FOOTBALL CHECKS ALL PAYABLE TO:
 PGCPS BOE

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
500	10001- 10500 Green Tickets	5.00	\$2,500.00
500	100501-11000 Yellow Tickets	5.00	2,500.00
		SUBTOTAL	5,000.00
		GRAND TOTAL	\$5,000.00 Value of Tickets

 SCHOOL REPRESENTATIVE

Athletics Ticket Report

SCHOOL: _____

DATE: _____

SPORT: _____

CONTEST: Varsity Contest
 JV Contest

Adult Tickets Sold @ \$ 5.00each

Roll 1:	Beginning Tickets Number:	<input type="text"/>		
	Last Ticket Sold:	<input type="text"/>		
	Total Tickets Sold:	<input type="text"/>	R1 Amount	<input type="text"/>
Roll 2:	Beginning Ticket Number:	<input type="text"/>		
	Last Ticket Sold:	<input type="text"/>		
	Total Tickets Sold:	<input type="text"/>	R2 Amount	<input type="text"/>
Roll 3:	Beginning Ticket Number:	<input type="text"/>		
	Last Ticket Sold:	<input type="text"/>		
	Total Ticket Sold:	<input type="text"/>	R3 Amount	<input type="text"/>
			Total:(R1-3)	<input type="text"/>

Student Tickets Sold @ \$ 4.00each

Roll 1:	Beginning Ticket Number:	<input type="text"/>		
	Ending Ticket Number:	<input type="text"/>		
	Total Tickets Sold:	<input type="text"/>	R1 Amount:	<input type="text"/>
Grand Total of Tickets Sold		<input type="text"/>	Check Amount:	<input type="text"/>
Number of Complimentary Tickets Used		<input type="text"/>		
Number of workers used		<input type="text"/>	Amount Due:	<input type="text"/>
Number of police on duty		<input type="text"/>		
Number of game managers		<input type="text"/>	Amount Due:	<input type="text"/>

AD/Game Manager: _____
 Print Name Signature

BOOK KEEPER: _____
 Print Name Signature

PRINCIPAL: _____
 Print Name Signature

ATTACHMENT IX

SCHOOL YEAR: _____

DATE: _____

SCHOOL: _____

Instructions:

- Insert invoice total of tickets received on line one (1).
- Insert total of tickets returned from column "F" on form "C" on line two (2).
- Insert total of tickets sold from column "D" on form "C" on line three (3).
- Insert total amount of checks submitted to athletic office on line four (4).
- Grand total is the difference between tickets received and tickets returned and should equal total amount to BOE.

1. VALUE OF TICKETS RECEIVED

INVOICE TOTAL

2. VALUE OF TICKETS RETURNED

TOTAL VALUE TICKETS RETURNED

3. VALUE OF TICKETS SOLD

TOTAL VALUE OF TICKETS SOLD

4. AMOUNT TO BOE (FOOTBALL)

TOTAL AMOUNT TO BOE

GRAND TOTAL GATE RECEIPTS

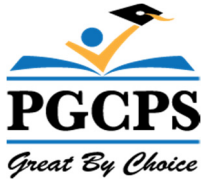
ATTACHMENT IX

Roll #	TICKET #	SOLD	VALUE	UNSOLD	VALUE	C + E	D + F
A	B	C	D	E	F	G	H

ATHLETIC DIRECTOR

ATHLETICS OFFICE

PRINCIPAL



ATTACHMENT X
ADMINISTRATIVE PROCEDURE

LOCAL REIMBURSABLE TRAVEL

4133

Procedure No.

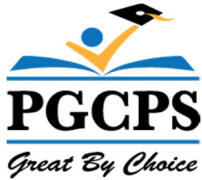
May 15, 2015

Date

- I. **PURPOSE:** To provide procedures for authorizing and reimbursing employees for official travel on school system business.

- II. **INFORMATION:** All official business travel funded through appropriated sources is subject to the requirements of this regulation. Travel guidelines are intended to facilitate travel arrangements; to provide information regarding allowable reimbursement for travel expenses; and to protect employees against the risk of loss, while simultaneously maintaining the necessary controls for accountability.

- III. **DEFINITIONS:** The following definitions apply to the content of this Administrative Procedure:
 - A. **Local Business Travel:** Travel by school system employees on official business matters within the metropolitan area as may be authorized by the appropriate primary account manager and does not require an overnight stay. Mileage reimbursement will be made in accordance with procedures described in the unit member's appropriate negotiated contract. Employees are NOT entitled to compensation for normal commuting miles.
 1. Travel for **central or area office personnel** required on any day to report to a duty station other than the regularly assigned duty station and authorized by the appropriate primary account manager. Normal roundtrip commuting mileage must be deducted from the traveler's gross miles for each day.
 2. Travel for **school based personnel** connected with attending central office meetings or other events. Travel by school based personnel who are regularly required to travel between schools as part of their duties. School based personnel may also be required at times to attend official business meetings away from their assigned schools at the request of central office. Normal roundtrip commuting mileage must be deducted from the traveler's gross miles for each day.
 3. Travel for **Home & Hospital Teachers (HHTs)** required to use their automobiles in the performance of their duties shall be reimbursed for all travel between students on a given day and to pick up required student assignments. Mileage shall be calculated from the designated service location. The designated service location is the place where the student receives the educational services (i.e. student's home, hospital, or school) to the next designated service location. Mileage is calculated from one student's service location to the next. Commuting miles to and from the HHTs home to the designated service location is disallowed. If a HHT has only one assigned student, then the HHT is not entitled to compensation to and from their home to the student's designated service location, as these miles are considered commuting miles.



ATTACHMENT X
ADMINISTRATIVE PROCEDURE

LOCAL REIMBURSABLE TRAVEL

4133

Procedure No.

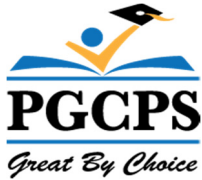
May 15, 2015

Date

- B. Approving Authority: Principals, Directors, Chiefs, Associate Superintendents, Deputy Superintendent, and the Superintendent of Schools (or his respective delegate); serve as approving authorities for travel. Refer to Bulletin M-7-15 for signature approval levels for Oracle i-Expense reimbursement. Periodically, approving authority levels change, notification of change will be made by Bulletin.
- C. Base Location: Base location is defined by the PGCPS Department of Human Resources.
- D. Standard Mileage Rate: The U.S. Internal Revenue Service (IRS) establishes a standard mileage rate to calculate reimbursement for operating a personal vehicle for business miles driven. The current reimbursement rate is \$0.575 per mile, effective January 1, 2015 (Bulletin M-11-15). Since this rate changes periodically, notification of change will be made by Bulletin.
- E. Reimbursement Calculation: In i-Expense list all duty stations visited each day (in order visited), gross mileage for each day, and then deduct employee's normal commuting miles for each day. The net reimbursable mileage for a day is the gross mileage less the employee's normal commuting miles. Normal commuting miles are defined as *two (2) times the distance between the unit member's home and location of regular assignment*.

IV. **RESPONSIBILITIES:**

- A. Travelers must:
1. Ensure that expenses are reasonable and necessary.
 2. Use sound judgment and advance planning to minimize expenses and timely processing of travel request.
 3. Report mileage and related expenses on a monthly basis, or risk denial of reimbursement.
 4. List all locations visited each day in the order visited, if location(s) is other than a PGCPS school or office site, include the address of the site visited.
 5. Utilize online mapping software to calculate the most efficient route option.
 6. In i-Expense attach scanned receipts for parking, tolls, etc. and forward to approver.



ATTACHMENT X
ADMINISTRATIVE PROCEDURE

LOCAL REIMBURSABLE TRAVEL

4133

Procedure No.

May 15, 2015

Date

B. Department and school staff members must:

1. Ensure compliance with the provisions of this regulation by confirming the availability of funding.
2. Verify the allow ability of expenses.
3. Ensure the completeness and accuracy of the information provided and receipts submitted as documentation of expenses.
4. Retain all mileage related financial records for audit purposes, including copies of all receipts, according to document retention schedules.

C. Approving authorities must:

1. Ensure compliance with the provisions of this regulation by determining whether travel for which approval is sought is essential to the effective operation of PGCPS and whether expenses are reasonable and necessary.
2. Verify the allowable expenses, and the availability of funds.
3. Review/Verify using Map Quest or equivalent web-based mapping program to determine accurate mileage is calculated.
4. Verify receipts for all requests for reimbursement.
3. Verify that travel reimbursement does not cross fiscal years in excess of 30 days.

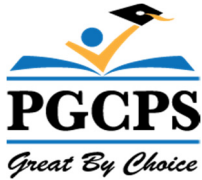
D. Department of Financial Services must:

1. Ensure compliance with the provisions of this regulation.
2. Ensure prompt payment of authorized official travel expenses.

V. **LOCAL BUSINESS TRAVEL:**

A. General:

1. Travel by school system employees on official business matters within the metropolitan area as may be authorized by the appropriate primary account manager.
2. Effective May 15, 2015, all requests for local travel reimbursement must be submitted via Oracle i-Expense for reimbursement. Registration fees, seminars, etc., should be paid by preparing a pre-paid Purchase Order.
3. Requests for local travel reimbursement must be approved by an authorized approving authority.



ATTACHMENT X
ADMINISTRATIVE PROCEDURE

LOCAL REIMBURSABLE TRAVEL

4133

Procedure No.

May 15, 2015

Date

B. Allowable and Other Expenses:

1. Mileage: Mileage reimbursement is allowed for employees who use personal vehicles for official business travel. Mileage will be reimbursed at the prevailing IRS standard mileage rate for miles traveled in excess of the round-trip daily commute between the traveler's residence and base location or designated service location. Distances must be calculated/verified using online mapping programs using the most efficient route option. All mileage must be submitted on a monthly basis. Travel reimbursement will not be processed by the Finance Department if it crosses fiscal years in excess of 30 days. All such requests will be returned to traveler.
2. Parking, Tolls, Taxi Fares and Public Transportation Costs: Reimbursement is allowed for employees who incur parking fees, tolls, taxi fares, and public transportation costs while on official business travel. Obtain receipts for parking, tolls, taxi fares and public transportation (Metro).
3. Other Expenses: Food per diems are NOT permitted under Local Travel Reimbursement, only Non Local Travel (overnight stays) qualify for food per diems.

VI. **RELATED PROCEDURES AND DOCUMENTS**: Administrative Procedure 2600, Records and Documents Management Program.

VII. **MAINTENANCE AND UPDATE OF THESE PROCEDURES**: These procedures originate with the Chief Financial Office and the Chief Human Resources Office and will be updated as needed.

VIII. **CANCELLATIONS AND SUPERSEDURES**: This Administrative Procedure cancels and supersedes Administrative Procedure 4133, dated August 1, 2010.

XI. **EFFECTIVE DATE**: May 15, 2015.

Distribution: Lists 1, 2, 3, 4, 5, 6, 10, and 11