

**TITLE 126
PROCEDURAL RULE
BOARD OF EDUCATION**

**SERIES 2
INDIVIDUAL SCHOOL ACCOUNTING PROCEDURES (1224.1)**

§126-2-1. General

1.1 Scope - The purpose of the individual school accounting procedures is to establish responsibility and procedural requirements to be used in accounting for all monies collected by the school.

1.2 Authority - W. Va. Code §18-9B-12

1.3 Filing Date - December 27, 1982

1.4 Effective Date - December 27, 1982

§126-2-2. Requirements

2.1 The principal shall be responsible for the financial management of his school and shall sign all checks issued for the school's financial program. A member of the school staff responsible to the principal may be assigned the duties of a treasurer.

2.2 The accounting system established here represents the minimum requirements. The school accounting system shall cover all monies for which the school has responsibility and control.

2.3 No school personnel shall be officially responsible for nor shall any school accounting system include any money not turned over directly to the school - as P.T.A. or Band Booster monies.

2.4 All records shall be available for audit at all times.

2.5 A fund is a separate grouping of receipts and expenditures for specific activities, separately accounted for and with a separate bank account. Where separateness and distinctness are necessary a fund should be established; otherwise the necessary control can be maintained more easily by making the activity an account in the General Fund. The General

Fund may be subdivided into a general account, a band account and a library account, et cetera.

2.6 Lunch and Special Milk Accounts shall constitute a separate fund identified as School Lunch Fund, the monies for the same shall be kept in a separate bank account, and all accounting procedures involved shall be separate from other funds and accounts.

2.7 The Basic forms and books required for the minimum system are:

1. Purchased in standard forms

a. Receipt Books

b. Journals: Joint Control (Receipts and Expenditures)

c. Ledgers

2. Secured from bank in which account is kept

a. Checkbook - preferably with school name imprinted, and should be prenumbered

b. Deposit Slips

3. Provided by school system

a. Bank Reconciliation Forms

b. Financial Report Forms

4. Provided by State Board of Education

a. Annual County Summary Financial Statement
b. School Financial Report

§126-2-3. Receipt Books

A duplicate receipt book shall be provided; the original receipts shall be issued to the teachers or other persons transmitting money and the duplicate shall remain in the receipt book as part of the school record. Receipts shall be numbered serially and shall show the amounts and the funds and/or accounts to which the money is allocated. The total of these receipts shall equal the total of the monies received and also the total deposited in the school bank account(s).

§126-2-4. Journals

4.1 Several journal and ledger arrangements are possible. In any arrangement (a) the date, (b) the person, item or explanation involved, (c) the receipt or check number, (d) the individual accounts, and (e) a control total shall be provided.

4.2 The minimum recommended system includes a Joint Control Journal.

4.3 The balance at the beginning of the year is that from the previous year.

4.4 Transactions are entered by date of occurrence from the receipt and checkbooks. Entries are allocated to the proper activity and balanced against the control columns. At the end of each month the receipts and expenditures in each activity are totaled and balanced against the control columns. At this time monthly financial reports may be required by the county board of education.

4.5 If posting is kept current and accuracy assured by double checking all entries the status of an account or of a fund will be available at any time.

4.6 Where there are a large number of accounts a control sheet or ledger page and separate sheets or pages for each account in the Fund may be developed. The joint control approach provides an immediate status of an account or of the Fund.

4.7 Transfers between accounts of a Fund may be made through journal entries backed by a voucher statement of purpose. A transfer between Funds shall be made by issuing a check for deposit to the specific Fund.

§126-2-5. Checkbooks

5.1 All monies shall be disbursed by check and no check shall be issued without itemized supporting papers (purchase orders, invoices, et cetera).

5.2 All checks shall be signed or countersigned by the principal.

5.3 Checks should be imprinted with the school name, fund name and be prenumbered.

5.4 Check stubs should be completed in full including deposits as well as expenditures and the balance. The advantages of a duplicate type checkbook should be investigated.

5.5 No check shall be destroyed. Voided checks shall be clearly marked on their face, shall be arranged in the proper sequence with other checks and shall be entered as a disbursement with the amount listed as "void."

§126-2-6. Deposit Slips

6.1 All income shall be deposited in a commercial bank. Deposits should be made daily as received. A deposit slip receipt shall be secured and maintained as part of the records.

6.2 Each duplicate deposit slip shall be marked to show the receipt numbers covered by the deposit.

§126-2-7. Bank Reconciliation

7.1 Periodically, at least each month, a bank statement shall be secured and shall be reconciled:

7.1.1 Arrange checks in numerical order

7.1.2 Check off each number in the journal and checkbook for which there is a canceled check; also

7.1.3 Verify the accuracy of the amount of the check in the statement, journal and checkbook.

7.1.4 Prove the accuracy of the "deposits" in the bank statement by comparison with the deposit slips and receipts shown in the journal.

7.1.5 Fill in the Bank Reconciliation Form in full.

7.2 Outstanding checks must be listed by number and amount to bring the bank statement into balance with the journal and checkbook.

7.3 Checks not cleared in the current year shall be presented for audit in the following year.

§126-2-8. Purchases

8.1 No purchases may be made which obligates the income of a subsequent school year, nor may any purchase be made which will encumber a fund or account beyond the available resources of that fund or account.

8.2 Requisitions or purchase orders should be signed by the principal unless a clearly defined and protected procedure has been otherwise provided. School staff members should be notified that payment will not be made for invoices not supported by such requisitions or purchase orders.

8.3 Requisitions should be prepared in triplicate, the original going to the vendor as a purchase order, the first copy being retained in the school office and the second copy being retained by the initiator or activity sponsor.

§126-2-9. Petty Cash Account

Where a petty cash is permitted by the County Board of Education it shall not exceed fifty dollars (\$50.00). A check to reimburse petty cash shall be supported by receipts and invoices for amounts paid. The cash and receipts in the petty cash drawer shall always equal the amount set up for petty cash.

§126-2-10. Invoices, etc.

10.1 All papers supporting purchase and payments shall be filed as a permanent record to support the journal and checkbooks. They should be filed by check number.

10.2 Payment may be made except only for an invoice approved by the designated paying person after receipt, inspection and acceptance of the items invoiced or completion of the services for which payment is sought.

10.3 The original invoice shall be retained as part of the school record. A copy may be made and attached to the payment check and/or the invoice number

entered on the check.

10.4 The date of payment and check number shall be shown on the invoice unless a duplicate of the check is attached.

§126-2-11. Financial Reports

11.1 School Financial Report - An annual financial report for each fund covering the school year to date and a bank reconciliation statement shall be filed with the county superintendent as part of the official school record.

11.2 Annual Summary Financial Report - By August 1 of each year, the county superintendent shall submit to the State Board of Education an annual summary report together with copies of each school's individual report.

§126-2-12. Auditing

12.1 All school accounts shall be audited at least annually at the direction of the county board of education. The audit may be performed by personnel employed by the county board of education in the capacity of auditor, by certified public accountants, employees of the Chief Inspector and Supervisor of Public Offices or employees of the State Board of Education.

12.2 It is important that the auditor become familiar with the Code of West Virginia, and the regulations of the local county board of education, the State Board of Education and the State Department of Education.

12.3 Audits shall be made for the county board, transmitted through the superintendent, and a copy shall be supplied to the person in charge of the individual school or program audited. A copy of the audit report shall be on file in the Superintendent's office for public inspection.

12.4 The costs of the audit may be borne by the county board or required to be borne by the individual schools and programs according to an equitable schedule established by the county board.

12.5 For audit purposes there shall be made available all required reports, receipt books, checkbooks, canceled checks, complete journals and ledgers, invoices and purchase orders, bank statements and other information and records which may be incorporat-

ed as part of the local county accounting system.

12.6 All adjustments arising from an audit shall be made promptly and shall be reported to the county board of education.

§126-2-13. Bonding

13.1 All county board of education personnel responsible for monies or property of an individual school or program shall be bonded. The type, coverage and amount of the bond shall be determined by each county board of education.

13.2 Blanket surety bonds may be purchased and paid by the Board of Education.

13.3 The cost of this type bonding may be borne by the individual schools according to an equitable schedule established by the county board.

§126-2-14. Payment For Personal Services

Employees of the Board of Education who are to receive remuneration from funds collected at the individual schools shall be paid through the county board of education's normal payroll procedure. The individ-

ual school may be required to reimburse the county board of education from individual school accounts for each such payments plus employer's taxes (i.e., Social Security and Workers' Compensation).

§126-2-15. Investment Of Cash In Excess Of Demands

15.1 Surplus funds should be invested through certificates of deposit or purchase of government notes or bonds.

15.2 The county office may request central deposit of funds for the summer months for better investment of larger sums.

§126-2-16. Records Retention

16.1 All financial records must be retained until audited.

16.2 Annual financial statements and personnel financial records should be kept permanently.

16.3 Ledgers, canceled checks and invoices must be retained a minimum of five years.