

FLORENCE COUNTY SCHOOL
DISTRICT FIVE
ACCOUNTING PROCEDURES
MANUAL



Prepared By Office of Finance

TABLE OF CONTENTS

Introduction.....	3
Internal Control System.....	5
Governmental Accounting Fund Accounting System.....	7
Account Coding System.....	11
Budgeting.....	14
Budget Calendar.....	15
Grant Procedures.....	17
Purchasing.....	18
Procurement Card.....	20
Sales and Use Tax Requirements.....	21
Accounts Payable.....	22
Payroll.....	24
General Ledger Responsibilities.....	26
Accounting for Capital Assets.....	27
Capitalization Policy.....	29
Pupil Activity Funds.....	33
Use of Facilities.....	40
Student Insurance	41
Record Retention.....	41
Returned Checks.....	48

INTRODUCTION

Florence County School District Five believes that the quantity and quality of learning programs are directly dependent on the funding provided and the effective, efficient management of those funds. Therefore, achievement of the District's purposes can best be made through excellent fiscal management. To achieve this, a system of accounting practices and procedures is necessary for the District to account for the receipt and disbursement of funds in an accurate and efficient manner as well as providing for the safeguarding of the District's assets.

Inherent in the governing process of Florence County School District Five is that District Employees who are entrusted with public funds are expected to safeguard those funds and assets and expend funds in a manner that is efficient, economical and effective to achieve the purpose for which they were provided to the District. Employees who handle such funds must provide a full accounting of their activities to both the public and to other levels of government.

Recently major changes have been implemented by the Governmental Accounting Standards Board (GASB) that alters the context of both recordkeeping and reporting by the District and those to who they are accountable. On June 30, 1999, GASB approved GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. This new financial reporting model represents the biggest single change in the history of governmental and financial reporting. This statement changed the way School Districts record, report and present financial information.

Statement 34 addresses two separate components of financial accountability:

1. Fiscal accountability requires that Districts demonstrate compliance with public decisions concerning the raising and spending of public funds in the short term, which is usually a single budgetary cycle, or one year.
2. Operational accountability requires that a district demonstrate the extent to which it has met and can continue to meet its operating objectives in an efficient and effective manner. The District is responsible for compliance with both Federal and State Regulations that govern aspects of operations, recordkeeping and financial reporting. Annually, the South Carolina State Department of Education publishes the following:

- Financial Accounting Handbook
- Funding Manual
- Single Audit Guide

3. In addition the Federal Government's Office of Management and Budget (OMB) has issued OMB Circular A-133 and related compliance supplements.

It is the position of Florence County School District Five that the District will be in compliance at all times with the requirements outlined in the above authoritative publications and if any procedures listed in this manual are in conflict with the procedures required by the above publications then the procedures required by the above publications will be followed.

This manual has been prepared by the Finance Department for use in the schools and departments of Florence County School District Five. The policies and procedures in this manual have been developed in accordance with Board Policy and other State and Federal regulations. All Florence County School District Five personnel should adhere to these procedures.

This manual should remain permanently in each school/department and should be easily accessible to necessary personnel. Changes and/or additions may be distributed periodically and should immediately replace amended sections or be added to appropriate sections as instructed.

INTERNAL CONTROL SYSTEM

The District's internal control system comprises the policies and procedures established to provide reasonable assurance that specific District objectives will be achieved. Accounting responsibilities, procedures, and policies should be implemented and designed to prevent:

1. Misstatement of account balances because errors go undetected (both intentional and unintentional); and
2. Misappropriation of cash and other resources of the School District.
These objectives are pursued through a sound internal control structure which is carefully established and meticulously followed by accounting personnel. Such an internal control structure can also tend to promote operational efficiency.

From a financial statement perspective, the School District's internal control structure is comprised of the control environment, the accounting system, control procedures and internal control systems. These elements of the internal control structure are as follows:

Control Environment

The control environment encompasses the collective effort of various factors on establishing, enhancing, or mitigating the effectiveness of specific policies or procedures. The control environment includes such factors as management's philosophy and operating style.

1. The District's organizational structure.
2. The functioning of the Board of Trustees.
3. Methods of assigning authority and responsibility.
4. Management's control methods for monitoring and following up on performance.
5. Personnel policies and procedures.
6. Various external influences that effect the District's operations and practices.

The control environment reflects the overall attitude, awareness, and action of the Board of Trustees, Administration, and others concerning the importance of control and its emphasis in the District.

Accounting System

The accounting system encompasses the methods and records established to identify, assemble, analyze, classify, record, and report the District's transactions and to maintain accountability for the related assets and liabilities. An effective accounting system gives appropriate consideration to establishing methods and records that will:

1. Identify and record all valid transactions.
2. Describe on a timely basis the transactions in sufficient detail to permit proper classification of transactions for financial reporting.
3. Measure the value of transactions in a manner that permits recording their proper monetary value in the financial statements.
4. Determine the time period in which transactions occurred to permit recording of transactions in the proper accounting period.
5. Present properly the transactions and related disclosures in the financial statements.

Control Procedures

Control procedures encompass those policies and procedures, in addition to the control environment and the accounting system that administration has established to provide reasonable assurance that specific District objectives will be achieved. Control procedures pertain to:

1. Proper authorization of transactions and activities.
2. Segregation of duties to reduce the opportunities to allow any person to be in a position to both perpetrate and conceal error or irregularities in the normal course of his or her duties. A sound segregation of duties entails assigning different people the responsibilities of authorizing transactions, recording and reconciling transactions, and maintaining custody of assets.
3. Design and use of adequate documents and records to help ensure proper recording of transactions and events, such as monitoring the use of pre-numbered documents.

Internal Control Systems

1. Provide adequate safeguards over access to and use of assets and records, such as secured facilities and authorization for access to computer programs and data files.
2. Independent checks on performance and proper valuation of recorded amounts, such as clerical checks, reconciliations, comparisons of assets with recorded accountability, computer-programmed controls, administrative review of reports that summarize the detail of account balances, and user review of computer-generated reports.

GOVERNMENTAL ACCOUNTING FUND ACCOUNTING SYSTEM

The need to account for separate operations differently and the fact that many school district revenue sources carry legal restrictions regarding how they can be spent, have together resulted in the development of fund accounting for school districts. Fund accounting emphasizes separate detailed accounting and reporting for each of the several subparts of a district, called funds, rather than accounting and reporting for the District as a whole. Significant importance is placed upon the need for the accounting system to assure that spending restrictions are met.

The Governmental Accounting Standards Board has defined the term “fund” as follows;

A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Funds are generally classified into three categories. The first category of funds is governmental funds. Governmental funds are often called “source and disposition,” “expendable,” or “government-type” funds. These are the funds through which most school district functions are typically financed. The acquisition, use, and balances of the District’s expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through this fund category (general, special revenue, special revenue –EIA, capital projects, and debt service funds).

The governmental funds are in essence, accounting segregations of financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used; current liabilities are assigned to the fund from which they are to be paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as “fund balance.”

GASB Statement No. 34 creates, in addition to the five “traditional” governmental funds, a sixth governmental fund type, to be known as a “Permanent Fund.” The role of the permanent fund is “to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support reporting government’s programs-that is, for the benefit of the governmental unit.”

The second major fund category is proprietary funds. These funds are sometimes referred to as “income determination”, “nonexpendable”, or “commercial–type” funds. They are used to account for the District’s ongoing organizations and activities (such as food service because food service generates income) that are similar to those often found in the private sector (enterprise and internal service funds). All assets, liabilities, equities, revenues, expenses, and transfers relating to the District’s business activities are accounted for through proprietary funds.

The third major category of funds is the fiduciary funds. These are funds used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds and include Agency Funds. Under GASB Statement No. 34 significant changes have been made in the fiduciary funds. These are discussed later in detail under Types of Funds.

Generally accepted accounting principles has established a fourth category, the self-balancing accounts, to demonstrate accountability for and control of the District’s general capital assets and general long-term liabilities. The District’s general capital assets are comprised of all capital assets except those accounted for in proprietary or trust funds. They are not financial resources available for expenditure. The immature principal of the District’s general long-term liabilities (long-term liabilities not accounted for in proprietary funds or trust funds) do not require an appropriation or expenditure (use of financial resources) during the current accounting period. Consequently, neither is accounted for in the governmental funds, but in the self-balancing accounts. These accounts are not funds since they do not reflect available financial resources and related liabilities. They are purely accounting records of the capital assets and general long-term liabilities, respectively, and certain associated information.

Types of Funds

The School District’s accounting records should be maintained in a manner which permits the preparation of separate reports on the different types of funds. Districts should maintain the minimum number of funds consistent with legal and operating requirements, since too many funds can result in inflexibility, undue complexity, and inefficient financial management. The following major fund types and two self-balancing accounts should be used by the District, when applicable.

Governmental Funds:

1. The General Fund – This fund is the general operating fund of the District and accounts for all revenues and expenditures of the District except those required to be accounted for in another fund.
2. Special Revenue Fund – Accounts for financial resources provided by federal, state and local projects and grants.
3. Special Revenue Fund –EIA – Accounts for revenue from the South Carolina Education Improvement Act of 1984 which is legally required by the State to be

- accounted for as a specific revenue source.
4. Debt Service Fund - Accounts for the accumulation of resources for, and payment of, all long-term debt principal, interest and related costs.
 5. Capital Project Fund – Accounts for financial resources to be used for site acquisitions, construction, equipment, and renovation of all major capital facilities except for those financed in the Enterprise Fund.

Proprietary Funds:

1. Enterprise Fund – Accounts for operations that are financed and operated in a manner similar to private business enterprises or where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is necessary for management accountability.

Fiduciary Funds:

The GASB Statement No. 34 makes significant changes in the fiduciary funds – trust and agency funds. GASB considered that the inclusion of the fiduciary funds resources that are not available to support a government's programs within a set of government-wide financial statements might be misunderstood by the financial statement users. Accordingly, fiduciary funds (and fiduciary-type component units) will be excluded from the new government-wide financial statements required by GASB 34. GASB 34 will allow fiduciary funds to be used only to report assets that cannot be used to support the District's own programs. As a result of this change, many activities currently reported in fiduciary funds, particularly in expendable trust funds, now will be reported in some other fund type. In many cases, the new location of reporting such activities will be one of the governmental funds.

Fiduciary Fund Types are used to account for expendable assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds and include Agency Funds.

Agency Funds account for the receipt and disbursement of monies to and from student activity organizations. These funds have no equity (assets are equal to liabilities) and do not include revenues and expenditures for general operation of the District.

Under the current reporting model fiduciary funds not all present the same basic financial statements. Under the new government financial reporting model, all fiduciary funds will report the same two basic financial statements: Statement of Fiduciary Net Assets and Statement of Changes in Fiduciary Net Assets. This change is the natural result of the elimination of the expendable and nonexpendable trust fund categories.

Self-Balancing Accounts:

1. General Capital Assets – These assets are not specifically related to activities reported in the Proprietary Funds but generally result from expenditures in the

governmental funds. They should not be reported as assets in governmental funds but should be reported in the governmental activities column in the government-wide financial statements.

2. **General Long-Term Liabilities** – This group accounts for the un-matured principal of bonds, warrants, notes, or other forms of noncurrent long-term general obligation indebtedness. General long-term debt is not limited to liabilities arising from debt issuances, but may also include noncurrent liabilities on lease-purchase agreements and other commitments that are not current liabilities properly recorded in governmental funds. General long-term liabilities should not be reported as liabilities in the governmental funds, but should be reported in the governmental activities column in the government-wide statement of net assets.

ACCOUNT CODING SYSTEM

Account Number Structure and Detail

The State Department of Education publishes a Financial Accounting Handbook and Funding Manual (see the South Carolina Department of Education website for links) which serves as the basis for the account code structure used by the District.

Account codes consist of 16 digits – five strings of two, three and four digits. The account is made of five different components – fund, function, object, modifier and location. See below:

XXX-XXX-XXX-XXXX-XX
1 2 3 4 5

1. Fund Number – The first three digits are assigned to funds utilized by the District. It tells the user what the source of the funds is. They are: 100 General Fund, 200 Special Revenue (normally all federal programs), 300 Special Revenue (used for Education Improvement Act Funds), 400 Debt Service, 500 Capital Projects, 600 Food Service, 700 Pupil Activity, 800 and 900 Special Revenue.
2. Function – The function is the second set of digits and it describes activities for which services or material objects are acquired. The activities of a school district are classified into five functional areas: instruction, supporting services, community services, non-programmed charges and debt services. These areas are further broken down into sub-functions and service areas which are subsequently subdivided into areas of responsibility. For examples see below:

111 – Kindergarten	127 – Learning Disabilities	231 – Board of Trustees
112 – Primary (1-3)	141 – Gifted and Talented	232 – Office of Supt.
113 – Elementary (4-8)	143 - Advanced Place	233 – School Admin
114 - High School (9-12)	145 – Homebound	252 – Fiscal Services
115 – Vocational	161 – Autism	254 – Oper & Maint
121 – EMH	211 – Attendance	255 - Transportation
122 – TMH	212 - Guidance	258 – School Safety
123 - OH	213 - Health Services	266 – Data Processing
125 - Hearing Handicap	221 - Improvement of Instr.	271 - Pupil Services
126 - Speech	222 - Educational Media	412 – Vocational Tuition
	224 – Staff Development	
3. Object – The third set of digits is the object and it defines the service or commodity obtained as the result of a specific expenditure. There are seven object classifications. They are: 100's Salaries, 200's Employee Benefits, 300's Purchased Services, 400's Supplies/Materials, 500's Capital Outlay, 600's

Other Objects, and 700's Transfers. These broad categories are sub-divided to obtain more detailed information about objects of expenditures. See below:

110 – Regular Salaries	350 – Advertising	690 - Other
120 – Substitute Salaries	410 - Supplies	
130 – Overtime Salaries	445 – Technology Supplies	
200s – Employee Benefits	470 - Electricity	
323 – Repairs and Maintenance	540 - Equipment	
325 – Contracted Services	545 - Technology	
332 – Travel	640 – Dues & Fees	

4. Location – The fourth set of digits is the location code and it identifies the location expending the money. The following is a list of the District's location codes:

00 District Office
45 Johnsonville High School
49 Johnsonville Middle School
47 Johnsonville Elementary School

5. Modifier – The last set of digits is the modifier and is used to distinguish accounts at the district or school level. These accounts budgeted at school level can be athletic insurance, field trips, student council, ESOL, etc.

Coding for Revenues

Examples of revenue codes:

Revenue codes are developed in the same format as expenditure accounts.

XXX – XXX – XXX – XXXX – XX
1 2 3 4 5

Section 1 identifies the Fund. The last digit of Section 2 and all three digits of Section 3 accommodate the Revenue Code assigned by the SC State Department of Education which are outlined in the Financial Accounting Handbook. Please refer to the Financial Accounting Handbook for a detailed listing of all Revenue Codes.

BUDGETING

Legal Considerations

The basic legal requirements pertaining to the budget process for Florence County School District Five is contained in Board Policy Manual, Section D – Fiscal Management and Section DB – Annual Budget. This Code of Laws governs the basic frame work within which budgeting must be carried out. The following matters should be considered in view of the budget process before the budget is sent to the Anderson County Board for approval:

1. What are the responsibilities of the District with regard to the budget?
2. What legal actions are required to establish the official budget?
3. How detailed must the budget enactment be?
4. What time schedule must be followed in the budget adoption process?
5. How may the enacted budget be amended?
6. What is the legal level of budgetary compliance?
7. What can be or should be done about budget deficits?

School administrators should be familiar with the legal provisions with regard to the budgeting process. Assistance or legal advice may be obtained from the South Carolina Department of Education or the District's legal counsel.

Responsibilities – Administration's Role

Administration's role in the budgetary process involves three major areas:

1. Preparing budget proposals for consideration by the Board;
2. Explaining and clarifying current fiscal conditions, fiscal prospects, and budgetary proposals to the Board;
3. Implementing the budget enacted by the Board and monitoring performance to ensure that programmatic and fiscal objectives are met.

Administrators must be involved in the details of the budget development and implementation. They must also seek to summarize these details and present information in a way that complements the Board's policymaking function.

Annual Budget

The annual budget is the financial plan for the operation of the school system and provides the framework for both revenues and expenditures for the year. The District will express those plans through four types of budgets:

1. General Fund (the only budget adopted and approved by the Board, and if a millage increase is requested, the citizens of Florence County School District Five)
2. Special Revenue Funds (federal and state)

- 3. Capital Project Funds
- 4. Debt Service Funds

The budgets provide the framework for both expenditures and revenues for the year. They translate into financial terms the educational programs and priorities for the system.

Planning the budget document is a continuous process. Planning involves long-term thought, study, and deliberations by the superintendent, board, administrative staff, and faculty.

Budget Calendar

The annual operating budget should be enacted prior to the beginning of each fiscal year. Since the budget is an operating financial plan for the School District, it is important that school officials know the terms of the budget early in the fiscal year, and preferably before the fiscal year begins. This knowledge will permit them to adjust for any changes the budget may require in services and procedures well in advance of the time they must be implemented. It also permits the finance office to make the necessary entries in the financial records to begin controlling expenditures when the fiscal year begins.

To ensure that the goal of enacting the budget prior to the beginning of the fiscal year is met, a budget calendar should be prepared that establishes all key dates.

Budget Calendar

February

Superintendent will meet with each building principal to determine staffing needs
Superintendent will meet with director of maintenance regarding budget/capital needs

March

Enrollment and Staff Projections are completed
Present budget for first reading to Board

April

Present budget for second reading to Board

May

General Fund budget presented for approval to Board
If a millage increase is requested, General Fund budget is presented to citizens for approval

Budget Transfers/Adjustments

Superintendent/Finance Office may transfer funds under their control from one area to another. Principals/department heads may request a transfer of funds through this procedure in writing to the Finance Office specifying which accounts are being increased and which accounts are being decreased with a reason for the transfer.

Budget Monitoring

The finance office will prepare a monthly report that will indicate the revised budget, current period expenditures, total expenditures to date, and the balance remaining to be spent. These reports will be reviewed monthly by the Board of Trustees. Principals/department heads are responsible for monitoring and managing budgets for programs under their supervision.

GRANT PROCEDURES

A grant represents funds requested from a state, federal or private source. The grant is a commitment from the source to provide funds for specified purposes.

In order to process a grant, the following steps must be completed before any commitments for purchases or employment are made:

1. Submit to Finance:

- a. A complete copy of the grant application with all required signatures if an application is required.
- b. A copy of the signed award letter from the granting agency specifying the amount of the grant and clearly indicating approval. Someone must sign the award letter from the granting agency.
- c. A copy of any reporting requirements and any deadlines for the grant.
- d. A complete budget for the grant. The budget must be prepared using the functions and objects of expenditure shown in the Financial Accounting Handbook published by the State Department of Education

2. Chart of Accounts:

After receiving the above documents, the office of finance will establish account codes to go with the budget items outlined in the budget. A chart of accounts will be issued to the principal/department head, bookkeeper or project manager showing fund, function and object code for each line item.

3. After you receive the chart of accounts, you may process grant expenditures. All expenditures must be approved by the appropriate chain of command.

4. All monies received in the District for special grants must be expended in accordance with established District accounting procedures.

5. Grants requiring annual approval will be budgeted according to the anticipated revenue and expenditure amounts provided by the Program Coordinator. These budgets will be revised when the grant is re-approved. In most cases, all federal grants are highly restricted and cannot be moved between function and object levels without State Department of Education approval. This makes it very important to plan your future federal budgets as accurately as possible, so that minimum amendments are necessary. State grants are restricted and are limited as to the function and object levels that are approved by the State Department. In recent years, most state grants allow for carryover of funds into the following year; however, this is determined on an annual basis by legislature.

PURCHASING

The purchasing system as outlined in this section is to provide a systematic and business-like method of obtaining and supplying materials and equipment for the District.

All purchases of the District will be in accordance with the approved procurement policy.

Small purchases not exceeding two thousand five hundred dollars (\$2,500.00) may be accomplished without competitive quotation if the prices are considered to be reasonable.

Small purchases from two thousand five hundred and 1/100 dollars (\$2,500.01) to ten thousand dollars (\$10,000.00) may be accomplished if verbal or written quotes from a minimum of three qualified sources of supply are made and it is documented that the procurement is to the advantage of the District, price and other factors considered, including administrative costs of the purchase. Such documentation shall be attached to the purchase requisition.

Small purchases from ten thousand and 1/100 dollars (\$10,000.01) to fifty thousand dollars (\$50,000.00) may be accomplished if written bids, proposals or quotes from five sources of supply are obtained and it is documented that the procurement is to the advantage of the District, price and other factors considered, including the administrative costs of the purchase. Such documentation shall be attached to the purchase requisition. When prices are solicited by telephone the vendors shall be requested to furnish written evidence of such quotation.

Purchase Order Procedure

Purchase orders are required for all purchases related to Grant Awards. Any local purchase in excess of \$1,000 must have prior approval on a purchase order.. The purpose of the purchase order is to provide a means of tracking the order, verification/approval of the order, and as a means of securing, or encumbering, the dollar amount of the order from your specific line item budgets so that you know the amounts available for spending. Each school bookkeeper has access to the accounting system (CSI) and is able to generate a purchase order. They must first have principal approval prior to initiating a purchase order. Every purchase order generated at the school level must be signed by the Principal. No stamp signatures are allowed.

Purchase orders may be issued with items listed on an attachment. Please indicate this on the purchase order with, Per Attached List. If individual item prices are not known the purchase order should read, Not to Exceed \$-----.

Guidelines for issuing a purchase order:

1. All purchases must meet the requirements of the funding source.
2. Principals are responsible for all expenditures of school funds.
3. Expenditures from cash are strictly prohibited.
4. School bookkeepers must follow through with all approved expenditures.
5. All orders, once received, must be approved by the receiving party prior to payment from either the District or from the school pupil activity funds.
6. Detailed receipts must accompany/support all purchases.
7. Goods/services must be received prior to payment.
8. Purchases cannot be made in anticipation of future funds.

PROCUREMENT CARD (if applicable)

A person using an Florence County School District Five Procurement Card has been entrusted with authority to expend district funds for off the shelf supplies, internet purchases, or emergency purchases needed by his/her school or department. With this authority rest the responsibility to assure that the district procurement procedures are followed. Failure to comply with these ruled and procedures may result in removal of authority to serve as cardholder, and in extreme cases, disciplinary action, or termination for misappropriation of district funds.

Conditions

A procurement card is mainly used to purchase off the shelf items, such as classroom and department supplies.

Under no circumstances will personal items be purchased using the district procurement card with the intent of reimbursing the district. The procurement card is restricted for school/department expense.

The procurement card must be secured at all times. Loss or theft of the procurement card shall be reported immediately to the Superintendent. If a principal/department head retires or resigns then the procurement card shall be returned to Finance prior to the issuance of the final paycheck.

SALES AND USE TAX REQUIREMENTS

The District is not exempt from paying sales tax on most purchases. Examples of sales subject to sales tax are magazine subscriptions, reader guides, test and answer sheets, evaluation criteria, games, albums, pupil cumulative records, yearbooks, award certificates, diplomas, writing materials, art supplies, drafting supplies, projectors, projector lamps and bulbs, projection screens, laboratory supplies and equipment, athletic equipment, shop supplies and equipment, recorders, charts, maps and any and all other items of tangible personal property used in the classroom or office which do not qualify as "textbooks." Therefore, textbooks, magazines and periodicals sold to public schools for as part of a prescribed course of study are not subject to sales and use taxes. The exemption is further defined to include school library books, encyclopedias and dictionaries. Also included in the definition of textbook and therefore exempt from sales tax are filmstrips, audio tapes and records, recorded music and periodicals used as part of a prescribed course of study.

Most South Carolina businesses are aware that school districts are not exempt from payment of sales tax on purchases. However, some out of state businesses do not charge sales tax on items sold to the district. Therefore, districts are required to keep track of purchases where sales tax has not been paid to the vendor and files a Sales and Use Tax Return monthly to pay the state for sales tax on these purchases.

District personnel making purchases should make sure vendors are aware that the District is not exempt from South Carolina Sales and Use Tax.

The district accounts payable clerk will track invoices that do not contain sales and use tax payments and file the monthly return making payment to the South Carolina Department of Revenue. These payments will be charged back to the accounts and departments that made the purchase.

ACCOUNTS PAYABLE

Cash Management

All disbursements of District funds must be made in accordance with District procedures.

We are accountable to the taxpayers who provide these funds and we are also audited each year to ensure we follow established practices for making disbursements.

1099 Vendor (Employee vs. Contract Service)

Occasionally, payments are made to individuals that have contracted to perform certain services. These payments are taxable and an IRS Form W-9 should be completed by individuals performing contracted services. People being paid in this capacity should be coded to a 300 object code. Employees being paid for services must be paid from a salary account and will be paid through payroll.

Invoices

It is important to sign and date all invoices to verify receipt of goods and indicating whether the order is complete or incomplete. The date indicated should be the date the goods or services were received not the date you are signing the invoice. Once the signed invoice is received, accounts payable will match the invoice with the purchase order. Only a 10% deviation is allowed between the invoice and purchase order without written approval.

Payments can only be made from an invoice. We cannot accept statements, order forms, or packing slips in the place of an invoice.

Mileage Reimbursements

All employees who wish to be reimbursed for travel must fill out a travel form and have proper documentation before reimbursement will be made. Travel reimbursements must have the date(s) of travel, the number of miles traveled and the reason for the trip. All receipts for hotel, airline tickets, parking, registration, etc., must be attached to the travel reimbursement form. If an employee is being reimbursed for meals, a breakdown of the days and meals to be reimbursed should be noted on the form for accounts payable. Meal reimbursements will not exceed the daily per diem rates established by the District.

Gratuities are included in the daily per diem rate. All reimbursement forms should have the proper account codes and principal/supervisor approval before submitting for payment.

Duties of Accounts Payable Clerk

Receive and process invoices from principals/department heads. This includes:

1. Verification of invoice date.
2. Verification that compliance with purchasing policy information is attached.
3. Verification that a purchase order was issued or proper approval was made for the purchase.
4. Verification of account number validity on purchase order or requisition form.
5. Verification that vendor is set up in CSI.
6. Enters invoices into accounts payable system in CSI. Calculates a batch total of all invoices and balances to the batch total report in CSI. This report is to be signed by the Superintendent.
7. Prints accounts payable checks, mails and distributes accordingly.
 - a. Blank accounts payable checks and signature key are kept in a secure location.
 - b. Accounts payable prints checks and sorts accordingly for distribution.
 - c. A check register is printed and maintained on file.
 - d. A log is maintained for all checks written from accounts payable and all deposits made in to the same account.
 - e. A copy of every check is filed alphabetically with the invoice and purchase order or travel reimbursement form in the files in accounts payable office.
 - f. The accounts payable bank account is reconciled monthly by the Finance office.

PAYROLL

All applications for employment are maintained in the Office of the Superintendent.

Superintendent/Principals/Department Heads will select candidates to interview from the database obtained from the Superintendent's Office. After the interviewing process is complete,

- a. A Recommendation for Employment Form/Letter will be completed by the Superintendent/Principal/Department Head. After all functions are complete (SLED check, board approval, etc.) the Finance Office will enter the new hire data into the payroll module of CSI. New employees will sign up for health insurance benefits, tax withholdings and retirement with the office of Human Resources.

The payroll office will maintain an employee file containing copies of information relative to changes in payroll information.

Initial changes in employee information should be changed with the Universal Name Change Form distributed by Human Resources. See below for examples:

- Address changes
- Name changes
- Telephone number

Employees requesting changes to payroll deductions will be made by the Finance Office upon receipt of a copy of the source document indicating the necessary changes. The source document will then be filed in the employees personnel file. Some examples of such changes are:

- Changes in withholding exemptions (W-4)
- Changes in Deferred Compensation withholdings
- State Health Insurance premium changes

The Office of the Superintendent is responsible for salary administration within the school district. Employees who have incurred changes in their salary (number of contract days, assignments, etc.) should be properly documented and a copy of all changes should be placed in the employee's payroll file. In the case of upgraded certificates for employees, a copy of the new certificate must be forwarded to payroll and the certificate filed in the employee's personnel file. All other changes in pay will be made by payroll after proper documentation is received by the Finance Office (homebound, timesheets, etc.).

General Payroll Information

Employees shall be paid wages and/or salary in accordance with salary schedules or contracts recommended by the Administration and adopted by the Board of Trustees..

Payment of Salaries

- Regular semi-monthly payroll

Teachers

Employees with contracts that are 220 days or less

All 240 day contract employees

Direct Deposit

Enrollment in direct deposit requires the employee to sign an authorization form specifying the bank to where the deposit will be sent and submission of a voided check with the account number and routing information. Any changes to an employee's direct deposit should be submitted to payroll immediately to ensure continued payment of wages. All types of employees are encouraged to use direct deposit.

Distribution of Checks or Direct Deposit Notices

The District courier delivers all checks to the schools through the inter-office mail. All substitute checks will be mailed from the District office or they can select a school to be their home school and can pick their check or direct deposit notice at that location.

South Carolina Retirement

As a condition of employment, permanent full time employees must join the South Carolina Retirement System or the State Optional Retirement Program, unless specifically exempted by statute. Employee/Retiree contribution rates are 8% of gross pay. Additional information on retirement benefits can be obtained by contacting the South Carolina Retirement System at (803) 737-6800 or by visiting their website at www.retirement.sc.gov.

Sick/Annual Leave

The District will grant sick leave to all full time employees (30 hours and above worked per week) at a rate of 1.25 days per month of employment. Annual leave will be granted to all 12-month employees (238 day contracts) at a rate of 10 days per year.

GENERAL LEDGER RESPONSIBILITIES

Bank Reconciliations

The Finance Office is responsible for reconciling General Fund, Payroll, Food Service, Building Fund, and Investment account bank statements. Once the statements are reconciled, the Superintendent signs off on them. The district auditor reviews all the Pupil Activity bank statements which are reconciled by the school bookkeepers each year.

Cash Receipts

The Finance Officer makes daily deposits into the respective account as needed. All receipts are keyed in the information into CSI cash receipts module for posting to ledger.

Federal and State Funds due to the District are sent directly to the SC State Treasurer Local Government Investment Pool. A copy of the voucher is sent to the District notifying that the monies have been sent. Once voucher is received, the revenue is recorded into the District's accounting records and the revenue is now available to be drawn down and used for District expenses.

Journal Entry Corrections

Revenue and expenditure transactions are sometimes incorrectly recorded into the District's accounting system. An error can occur when a wrong account number is used for a purchase, reimbursement, or receipt. An error can also occur from data entry or incorrect account information received from the schools, etc.

The purpose of this procedure is to ensure that all District revenue and expenditures are correctly recorded and reported in the proper account, fund, department, project/program, and fiscal year in which it was budgeted.

Requests for changes to the originally coded accounts can be submitted to the Finance Office. The journal entry will then be entered into CSI and the supporting documentation will be attached to the posting report.

Financial Statements

The Finance Office will prepare monthly financial reports for the Board of Trustees. In addition, the Finance Office will look at revenues and expenditures monthly.

ACCOUNTING FOR CAPITAL ASSETS

Accurate fixed asset records are vital in providing values for insurance coverage and proper reporting in financial statements. Also, accurate records help to ensure that assets are properly safeguarded. Fixed asset records are facilitated by timely and accurately reporting acquisitions, disposals and transfers of fixed assets. The purpose of these procedures is to provide a strategy to ensure that the District maintains accurate, complete, and up-to-date records of fixed assets.

Definition of Fixed Assets

For purposes of the District accounting system, a fixed asset is defined as land, site improvements, buildings, building improvements, furniture, fixtures, equipment, vehicles and other items acquired by the District that are actively used in operations, has significant value, and provides benefit for a period exceeding one year. Fixed assets are reported and, with certain exceptions, depreciated in the financial statements. The assets that is included as part of the District's capital asset listing will fall into one of these five categories:

1. Land

- All land purchased by the school district will be capitalized.

2. Buildings

- All building elements, such as, but not limited to, the costs of site preparation and foundations, framing, walls, flooring, windows, doors, stairways, skylights, roofs, interior fixtures and finishes, fire escapes, screens, Venetian blinds, floor coverings, architect/engineer fees, consulting and legal fees, etc.

3. Improvements Other Than Buildings

- Includes such items as retaining walls, fences, signs, yard lighting, incinerators located outside the building, flagpoles, athletic fields which are not considered a separate facility, playground equipment, etc.

4. Equipment

- Includes such items as office furniture, fixtures and machines; music equipment; athletic equipment; office and classroom furniture; floor equipment and furnishings; laboratory equipment; shop equipment; ovens; ranges; kitchen equipment; refrigerators; dishwashers; tractors; riding lawnmowers and vehicles licensed for operations on the highways. The key determination to this classification is that the item has not been installed as a permanent portion of a building or facility.

5. Construction in Progress

- This is a temporary classification that is used to report the costs of construction work for projects that have not yet been completed. The Finance Department will provide this amount for reporting purposes.

Items Excluded from Capital Assets Listing

1. Equipment located within the district that is on consignment.
2. Equipment located within the district that is owned by another agency.
3. Equipment located within the district that is being used as “loaner” equipment while district equipment is being serviced or repaired.
4. Equipment leased under an operating lease such as copy machines. Items leased under a capital lease will be included in the capital assets listing.

Funding Source Inclusions

Items that are included in the capital assets listing will have many different funding sources. The majority of items on the listing will go through the normal purchasing process and be paid for through the district’s accounts payable department. However, assets purchased through grants will also be recorded and monitored as required by grant documents as well as items donated to the school district or purchased by student activity funds.

Capitalization Policy

Florence County School District Five will capitalize all acquisitions of land, buildings and additions, improvements other than buildings, and equipment at the following capitalization limits:

ASSET CLASS CAPITALIZATION LIMITS

Land/non-depreciable land improvements
(produce permanent benefits, i.e. filling and excavation costs) All land will be capitalized.
Depreciable land improvements
(deteriorate with the use or passage of time, i.e. fencing, landscaping, lighting, roofing, paving) \$1,000 and above
Buildings, building improvements (must add square footage to asset and extend useful life) \$1,000 and above
Intangible Assets \$1,000 and above
Equipment \$1,000 and above

Building improvements that do not meet the above criteria are recorded as repairs/maintenance expense.

Useful lives are as follows:

ASSET CATEGORY USEFUL LIFE RANGE

Land (not depreciated) Not applicable
Land improvements 20-50 years
Buildings and improvements 10-50 years
Furniture and equipment 3-12 years
Vehicles 3-10 years
Mobile Units 15 years
Construction in Progress Not applicable

All equipment purchased with federal or state grant funds must follow guidelines set forth by the grant document.

Depreciation

All fixed assets with an acquired value of \$5,000 or above, with the exception of land and construction in progress, will be depreciated. Depreciation is the process of allocating the cost of tangible property over a period, rather than deducting the cost as an expense in the year of acquisition. Depreciation is reported net of accumulated

depreciation in the Statement of Net Assets. Depreciation is calculated on a straight-line basis (i.e. cost/estimated useful life=depreciation expense). Under the straight-line method, the basis of the asset is written off evenly over the useful life of that asset. The total amount depreciated can never exceed the asset's historical cost less salvage value.

Accounting for Capital Assets

GASB Statement 34 requires that school districts issue district-wide financial statements using the economic resources measurement focus and accrual basis of accounting. In regard to capital assets, this requirement means that certain amounts reported in the fund financial statements will need to be restated for the district-wide statements. This restatement is necessary to adjust expenditures related to capital assets from the current financial resources measurement focus used in fund statements to the economic resources measurement focus used in the district-wide statements. In essence, the cost associated with the acquisition of capital assets will be replaced by the cost to use up the asset. The cost of usage, called depreciation, is reported in the current fiscal period in the district-wide statements. This is contrasted with the cost of acquisition that is reported in the fund statements.

Statement 34 requires certain disclosures related to capital assets. Specifically, details by major classes should:

1. Present governmental activities separately from business-type activities.
2. Report capital assets that are depreciated separately from those that are not.
3. Report historical cost separately from accumulated depreciation. For each class the following information, if applicable, should be reported:
 - a. Beginning and end-of-year balances
 - b. Acquisitions
 - c. Sales or other dispositions
 - d. Current depreciation expense

Additionally, the amount of depreciation expense for each of the functions reported in the statement of activities must be disclosed.

4. A capital asset is reported and depreciated in district-wide statements. In the district-wide statements, assets that are not capitalized are expensed in the year of acquisition.

Responsibilities

Each department head and building principal that exercises supervision over a department or school in the school district is responsible for the oversight of capital assets inventoried to that location. The department head and building principal are expected to direct personnel in the use and care of equipment as well as ensure that district policies and procedures regarding capital assets are followed.

Employees should be informed that they are not to take district equipment home for personal use.

Any personal equipment used or stored on district property is not insured by the district and will not be replaced if it is broken or stolen.

Department heads and building principals will be provided a complete listing of inventoried equipment at their location to keep as a reference. Any equipment received at a location that does not go through the normal purchasing procedures (donations or purchases through pupil activity funds) must be reported to the Finance Office within ten business days of receipt of the equipment.

Supervisory personnel will be responsible for approving all transfers of capital assets within their location as well as providing the Finance Office the forms needed to make necessary changes to the capital asset listing. These forms are necessary to help prevent tracking items at fiscal year-end when the annual inventory is performed. When an item is transferred to a new location, a transfer form must be signed by the transferring school/department and the new school/department at the time of transfer and the form forwarded to the finance department within ten working days.

Physical Inventory

The Finance Department will perform an inventory count of all locations in the district once every year at the end of the fiscal year. The finance department may also conduct unscheduled inventory counts as a means of evaluating internal control or as determined as necessary by the Superintendent.

Inventory results will be reconciled with the capital asset listing and any differences will be researched. All adjustments that are necessary will be made and any documentation necessary will be processed by each location in the school district. The finance director, with the respective department head, will discuss the results of the inventories. The finance director will report the results of the physical inventories to the Superintendent.

PUPIL ACTIVITY FUNDS

General

It is the intention that Pupil Activity Funds be operated on a self-supporting basis. Student activities will not be conducted for the sole purpose of producing income. The accounts should not hold a deficit balance for greater than 30 days, and there should not be any deficit balances at the fiscal year end.

Responsibility

The responsibility for safeguarding, accounting, and managing the pupil activity funds rests on the principal. Specific duties that must be performed in providing management of the funds may be delegated as determined by the principal, but the final accountability rests with the principal.

The school bookkeeper will comply with all provisions of this manual and perform duties as follows:

1. Deposit all funds daily. Funds deposited must be the same monies receipted. No change will be made from these funds.
2. Maintain all required records on a current and accurate basis.
3. Submit all required reports promptly and accurately.
4. Keep the principal informed of all real or potential problems, i.e. teachers not turning in checks/cash on a daily basis, teachers turning in their net collections (collections less any disbursements).
5. Inform the principal immediately when a fund has, or has a potential for, a negative balance.
6. Report any questionable transactions to the Director of Finance within 2 days of occurrence.

Duties of Activity Sponsors and Other School Personnel

1. Activity sponsors and other individuals with duties affecting student activity funds will become familiar with and follow this manual. Those persons responsible for activities for which a student activity fund account is maintained will review the financial operations and position of the account monthly. A fund sponsor, who is appointed to that position by the school principal, will supervise all school activity fund activities. The responsibilities of the activity sponsor include:
 - a) Assuring that the bookkeeper has copies of contract agreements, etc., which are obligations of the fund account.
 - b) Assuring that the billings pertinent to the fund and received by the bookkeeper are correct prior to final payment.
 - c) Assuring that proper documentation/forms is/are presented to the bookkeeper

for disbursement of funds and collection of funds.

d) Collecting and receipting for funds received from the students.

e) Depositing daily, such funds with the school bookkeeper.

f) Reviewing monthly statements of the fund.

2. Activity sponsors are initially responsible for the solvency of the account and the propriety of the school activity. Final responsibility and accountability lies with the principal.

Control of Cash

Types of Controls

The amount of cash and checks flowing through the school activity fund dictates the necessity for stringent safeguards in the control of receipts and disbursements. Throughout this manual there are provisions designed to assure proper control of the funds. Some examples of these controls are:

1. Provide that all expenditures are made by check and signed by an appropriate administrator.
2. Provide that all revenue collected is receipted. (Receipts that are less than \$5 per student may be receipted as one receipt provided that proper documentation is maintained to support that one receipt, i.e., spreadsheet, list, etc.). Provide that funds be deposited daily and intact, with proper documentation supported.
3. Provide that the funds be receipted on pre-numbered receipt forms. The receipts should involve two people; i.e. the teacher receipts money from the students then the bookkeeper receipts the total money receipted by a teacher each day.
4. Monthly bank statements will be reconciled by the bookkeeper and approved by the Principal or Assistant Principal in the absence of the Principal, and submitted to the accountant each month.
5. Provide the use of a secured container, preferably a locked safe or vault, for all funds on hand. Money should never be left unattended or accessible to unauthorized personnel.
6. No student activity fund check will be issued to a District employee for services rendered.

Types of Accounts

Because it is intended that student activities be self-supporting, only the amount of revenue necessary to establish and maintain the activity is acceptable. Each account must hold a positive or zero balance at the end of the fiscal year. Each account with a negative balance should be reconciled.

General Operating Procedures

Revenue/Expenditure Controls

To effectively manage the pupil activity fund, the principal must have knowledge of all future obligations prior to billings or disbursements. The absence of such a system could involve over-obligation of available school activity funds.

Reimbursement of Personal Funds

Reimbursement of personal funds must be supported by receipted billings, cash register tapes, etc. Canceled checks are not an acceptable form of documentation in

support of reimbursement. The principal must first approve expenditure of personal funds, subject to reimbursement.

Grant Activities

Any grant activity awarded to an individual school should be reported to the Office of Finance. Any grant award that is in excess of \$2,500 must be maintained through the District Finance Department. Account numbers and budgets will be set up for grants in excess of \$2,500 as to comply with the District procurements code regulations.

Reimbursements for grants that are awarded as “reimbursement only” must be requested in a timely manner to ensure that funds are received prior to June 30 of each year.

Athletics

Athletic activities pertain to middle, junior and high schools only. If admission is charged to the event, then pre-numbered tickets must be used. Accounting for athletics must be maintained by the school bookkeeper. The athletic director is not the sole authorization for disbursement of athletic funds.

Accounting Procedures

General

It is the principal’s responsibility to see that all money collected and disbursed by the school is handled in an auditable manner. The following should be the standard guidelines utilized to establish and maintain adequate records.

Writing Receipts

Writing a receipt serves to protect those who handle money as well as to provide the security of funds. It serves as documentation to prove the handling of funds. Receipting also provides for a more thorough annual audit of school funds. All persons, including teachers and staff members, are responsible and totally liable for all funds that they receipt.

1. Teachers collecting more than \$5 per student must write a receipt for each student. Teachers collecting \$5 or less per student may receipt the sum of the funds collected on one receipt, providing that there is a list of the students and the amount paid to support this receipt.
2. Only pre-numbered, duplicate receipt books will be used.

3. The bookkeeper, or another member of the school office, should keep a list of all receipt books by number and to whom each has been issued. Receipt books are to be issued to specific individuals, not to a class or group. If a teacher is replaced, then a new receipt book should be issued to the replacement. Students are not permitted to use receipt books.
4. Receipts will be issued, by the teacher or other school personnel, for all funds received by the school.
5. All monies collected by teachers must be turned into the office daily. The receipt book must be presented to the appropriate personnel for verification when turning in funds. Funds should be counted by the bookkeeper in the presence of the individual turning in the funds. This avoids any discrepancies arising over the amount submitted.
6. Every precaution must be taken to assure that receipts are not lost or stolen. In the event this does occur, the bookkeeper must submit a letter to the principal stating the nature of the incident.
7. No part of the receipt should be filled in prior to the time that the money is collected from the individual.
8. Receipts must be written in ink.
9. The activity (ies) for which the money is collected is (are) to be recorded on each receipt.
10. When any error is made on a receipt, it should be voided and a new receipt issued. When a receipt is voided, the original must remain in the book and the word "void" written across both the original and the duplicate. If the original has been removed, it must be securely replaced in the receipt book over its corresponding duplicate.
11. The duplicate pages in the receipt book must not be altered or destroyed in any way.
12. All spaces on the receipt must be filled in and the amount indicated in both letters and numerals in the appropriate space.
13. When teacher's collections for the day have been made, he/she will perform the following steps:
 - a. Count all of the money collected.
 - b. Add the amounts of all receipts written.
 - c. Assure that the total amount of money collected matches the total of the receipts written; if they do not, determine why.
 - d. Take the money and the receipt book to the secretary/bookkeeper designated to receive collections for the school.
 - e. The bookkeeper will then count the money in the presence of the teacher, verify the form totals, and sign the form that has been filled out.
 - f. The teacher will then obtain a receipt from the bookkeeper that matches the total amount of money submitted on the form. This must be done in the presence of the teacher since he/she is responsible for the money until a signed receipt is received back from the office designee.
14. Receipts should be entered into the district's accounting system (CSI) on a daily basis.

Depositing Monies

1. All checks received and receipted should be marked for deposit only and deposited.
2. Cash should be received for any NSF or bad checks. Money for an NSF check should be re-deposited on a separate deposit slip marked "RE-DEPOSIT".
3. Deposits should be made at least daily or when \$100 or more is accumulated in the office.
4. Prepare deposit slips for cash/checks received. Verify amount of deposits to total of related receipts. Indicate the receipt numbers on the deposit slip.

Disbursements/Procurement

All purchases of goods or services made from the pupil activity fund accounts are to be supported by the prior submission of a "Check Request for Payment" form by the fund sponsor to the bookkeeper. Purchases made or committed without the prior submission of the approval form are subject to the acceptance of the billing invoice for payment by the principal, who may decline responsibility for the payment on the part of the pupil activity fund and have the vendor concerned seek settlement from other sources.

1. Checks must never be written to "cash".
2. All requests should be prepared and signed by the appropriate fund sponsor, and submitted to the bookkeeper.
3. The bookkeeper will verify the availability of funds and submit to the principal for his/her approval.
4. The individual receiving the goods is required to indicate in writing the date of receipt and his/her name on the invoice or other appropriate document.
5. Reimbursement for expenditures of personal funds must be supported by receipted billings, cash register tapes, invoices, etc.
6. All disbursements are to be made by check and signed by the principal. No cash transactions should occur.
7. Under no circumstances should the school write checks to supplement payroll by paying employees for stipends, additional duties, overtime, etc. All payments for work performed must be processed through payroll.
8. Funds must not be retained on hand for the purpose of supporting a check cashing accommodation.
9. Blank checks should not be pre-signed.
10. All invoices, once paid, should be filed with a copy of the check. Principal approval should be clearly stated on the invoice.
11. Checks should be written in a sequential number order. Any checks written out of sequence must be documented.

Voiding of Checks

When it becomes necessary for a check to be voided, the following should occur:

1. The check to be voided should clearly be marked as "Void". Retain the check in the files with a footnote stating reason for voiding.
2. If the check has already been issued,
 - a. Call the bank to make sure the check has not already cleared the bank.
 - b. If it has not cleared, then a stop payment must be issued.
 - c. An adjusting entry into the books should be made to reverse the entry previously made by issuance of the check.

Correction of Posting Errors

Posting errors should be corrected before posting if possible. If the error is discovered after the monthly posting, correction will be by adjusting entry and the erroneous entry will remain intact.

Bank Reconciliations

1. Bookkeepers are to perform bank reconciliations on a monthly basis.
2. There should only be one checking account established for the school activity fund for each school.
3. All banking accounts, including any investments, should be fully collateralized by the financial institution.
4. Bank statement reconciliations should be turned into the accountant with the reconciliation to the accounting system, (CSI) on a monthly basis.

Audit Preparation

Preparation for the annual fiscal year end audit should include provision for work space for the auditors.

The following records must be readily available to the auditors:

1. Ledgers and journals
2. Deposit slips
3. Bank statements
4. Monthly financial statements
5. Bank reconciliations
6. Reconciliation to District accounting system
7. Paid bills files
8. Receipt books
9. Records of savings accounts or investments
10. Athletic records, including ticket records
11. Any other pertinent records

USE OF FACILITIES

Florence County School District Five looks upon school buildings, school playgrounds and athletic fields as community assets and believes that such facilities should be available to be utilized in promoting the health and welfare of the children, youth and adults in our school district. Almost invariably, however, the non-school use of school facilities involves expenditures for heat, light and overtime custodial services and other incidental expenses. Therefore, it is necessary that the numerous requests for the use of school facilities be considered in the light of a policy that prohibits the use of tax dollars for non-public use and that ensures procedures for granting such requests are systematized.

The District wishes to make school facilities available for recreational, educational and civic purposes without interruption to regular school activities and without damage or excessive depreciation to school property.

Procedures

Application forms for use of a school building may be secured from the Office of the Superintendent.

An application must be in writing on the forms provided by the school district and must be submitted at least 10 days prior to the date for which the use of the facility is requested. All copies of the application must be signed by the person representing the group/agency requesting facility use.

Charges

Charges for the use of school facilities will be based on the cost of utilities, custodians and maintenance personnel and other expenses as necessary. All costs must be remitted to the Finance Office within 3 days following the event.

For a detail of the Community Use of School Facilities policy please see Board Policy KF and KF-E.

STUDENT INSURANCE

Each year the high school administration along with the athletic director will review student accident insurance policies. A decision will be made in July regarding the company to be used for student insurance.

RECORD RETENTION

The following schedule for records retention has been adopted based on guidelines provided by the South Carolina Department of Archives and History Archives and Records Management Division.

Finance

General Ledgers

1. Description – One or more series of computer and non-computer generated financial ledgers providing final year-to-date accounting summary and a permanent audit trail for all fiscal receipt and disbursement transactions affecting any and all school district funds and accounts, including receipts and expenditures from all revenue sources. Records covered under this schedule include annual accounting code and system table documentation required to access general ledger information.
2. Retention • Computer generated ledgers: PERMANENT.

Chart of Accounts

1. Description – Format created by the Department of Education and sent to the school district for the purpose of providing a cost accounting system to satisfy legal and stewardship requirements connected with handling public funds. Information includes balance sheet accounts, revenue accounts and expenditure accounts.
2. Retention • 5 years, then destroy.

Audit Reports

1. Description - Printed reports documenting the annual audit of the school district funds. These reports, prepared by an outside accounting firm, are categorized by the various school district offices and further classified by accounts to which they relate. This series also includes semiannual and

special audits. Information includes balance sheet, summary or revenue and expenditures, cash balances, and statement of account by type.
2.Retention • PERMANENT.

Grant Files

1. Description – Background application information and action taken on federal and state grants awarded to the school district. Information includes filing guidelines, grant applications, contracts, correspondence, reimbursement requests, and final reports.
2. Retention • PERMANENT.

Annual Budgets

1. Description – Printed copies of annual budgets showing projected receipts and expenditures from various offices. Approved budget appropriations are listed for each department.
2. Retention • PERMANENT

Record of General Obligation Bonds

1. Description – Informed volumes concerning the issuance of general obligation bonds by the district. Information includes legislation authorizing the issuance of bonds, certificate of the Clerk of Court, certificate of incumbency, notice of bond issuance, debt structure, tax information and financial information on the district.
2. Retention • PERMANENT.

Capital Projects Records

1. Description – Record of capital projects undertaken by the school district. Information includes project number, fund number, name of project, description of work, estimated starting and finishing date, estimated costs, total, signature or originator, approval, and date.
3. Retention • PERMANENT

Fixed Asset Inventory

1. Description – This series provides an inventory of fixed assets (office equipment and furniture, motor vehicles) for each department. Information includes school, district, item number, item description, and funding source.
2. Retention • Until superseded, then destroy.

Balance Sheet

1. Description – Monthly summary of accounting data, assets, liabilities, and net worth. Information includes account number, assets, reserve and fund balances, liabilities, totals, and net worth.
2. Retention • 5 years, then destroy.

Monthly Financial Reports

1. Description – A monthly record of the school district finances. Information includes account numbers, account names, budgeted amounts, inventory, monthly accounting, accounting to date, and balance.
2. Retention • 5 years, then destroy.

Interim Pupil Activity Audit Report

1. Description – Audit documenting student money collected by the school district and applied to the funding of various school-related programs such as pictures, book fairs, fund raising, class activities, alumni assistance and club dues. Type of information includes receipt number, original amount, charged amount, and difference. Also includes bank reconciliation statements and correspondence.
2. Retention • 5 years, then destroy.

Budget Status by Location

1. Description – Record to inform each school of budget status. Information includes budget for expenditure, year-to-date expenditures, and budget balances.
2. Retention • 3 years, then destroy.

Budget Transfers

1. Description – Forms documenting the transfer of funds from one account to another within the same department or school. Information includes account number, description, debit account, and credit account.
2. Retention • 2 years, then destroy.

Journal Entries

1. Description – Record series used for reviewing and adjusting various accounts before transferring information to the general ledger. Information includes name of department, account number, description, voucher number, date, reference number, debit, credit and date.
2. Retention • 3 years, then destroy.

Expenditure Report

1. Description – Monthly status of expenditures for each department, office and school. Information includes date, account number, purchase order number, vendor code, transaction code, and totals.
2. Retention • 2 years, then destroy.

Banking Records

1. Description – Cancelled checks and deposit slips written by the school district along with the statements issued by the bank. Information includes checks: date, to whom paid, amount, check number, authorized signature of finance officer; bank statement: list of checks for one month period, dates, beginning balance, ending balance; and deposit slips; date, amounts

of deposits, and total deposit.

2. Retention • 5 years, then destroy.

Paid Invoices

1. Description – Filed copies of invoices submitted by various vendors supplying goods and services to the school district. These invoices are filed together with copies of the district checks and/or claim forms containing descriptions of the items purchased. Information includes invoice; vendor name, address, date of purchase, purchase order (if any), invoice number, item(s) or service(s) purchased, amounts, total; check copy: vendor name, address, date of check, amount, check number; and claim form: date, account number(s), description of item(s), amount(s), approval signatures(s).

2. Retention • 5 years, then destroy.

Purchase Orders

1. Description – These records serve as office copies of purchase order for goods and services paid for by the school district or for goods and services yet to be delivered to the school district. Information includes vendor name and address, shipping information, quantity ordered, unit of issue, description of goods/services ordered, general ledger account number, unit price, extended price, purchasing agent's signature, individual who signs for receipt of goods/services and date received, and notations regarding any shortages in shipment.

2. Retention • 3 years, then destroy.

Accounts Payable Check Registers

1. Description – Documents check payments to vendors/contractors for services/materials sold to the school district. Information includes name, date, check number, and amount.

2. Retention • 3 years, then destroy.

Receipts (Receipt Books)

1. Description – Copies of receipts issued for funds received. Information includes date, receipt number, from whom received, amount, purpose, and signature of person who received the funds.

2. Retention • 3 years, then destroy.

Bid File

1. Description – This series provides a record of each bid submitted by vendors selling goods and/or services to the school district. Information includes request for quotation, bid spreadsheet, bid award letter, advertisements, bid invitations, specifications, bids, bid tabulations, purchase orders, and correspondence.

2. Retention • 3 years, then destroy.

Certified Staff Listing

1. Description – List of certified teachers employed by the school district. Information includes social security number, teacher name, race, sex, year certified, group, class, grade, days actually employed, federal funds, total annual salary, and school number.
2. Retention • Until superseded, then destroy.

Ticket Sales for School Events

1. Description – Records documenting the audit practices of the school in keeping records of ticket sales, income and other pertinent records related to athletic events, activity cards, school productions, or extracurricular events which charge admission. Information includes list of activity cards sold, tickets to be destroyed, season ticket holders (number of seats), statement of receipts, disbursements, game ticket forms, athletic ticket sales form showing advanced location sales.
2. Retention • 3 years, then destroy.

General Budget Preparation Records

1. Description – Budget preparation materials for next fiscal school year. Information includes revenue listings provided by the South Carolina Department of Education, future projections, new budget account numbers, memos, and correspondence.
2. Retention • 3 years, then destroy.

Food Services

School Lunch Applications

1. Description – Applications for free and reduced priced meals, filled out by sponsor of students applying for free and reduced meal program. Information includes student's name, other household member's names, sponsor's name and address, monthly income statement, and signature of sponsor.
2. Retention • 3 years, then destroy.

Food Service Report

1. Description – Record of receipts and expenditures from the school district food service. This report is generated monthly and submitted to the South Carolina Department of Education. Information includes food service balance sheet, beginning balance, revenue generated, operating balance, inventory, and break out data.
2. Retention • 3 years, then destroy.

Payroll

Payroll Register

1. Description – Documents wages paid to school district employees for services rendered. Information includes name of employee, social security number, date of check, hourly or salaried amount, overtime, number of hours worked, volunteered and other deductions.
2. Retention • Year End Payroll Registers – 60 years, then destroy.

Employee Earnings Records

1. Description - Separate posting sheets for each school district employee which contains record of earnings per pay period. Information includes name of employee, employee's address, social security number, base pay, period ending, time worked, FICA tax, federal tax, state tax, retirement, insurance, other deductions, net pay, check number, quarterly totals, and accumulated totals.
2. Retention • When payroll register is missing: 60 years, then destroy.
• When payroll register is in existence: 3 years, then destroy.

Payroll Audit Reports - Employee

1. Description – Documents individual employee's gross pay for each pay period and their yearly gross pay. Information includes date of report, employee name, social security number, date paid, check number, gross pay, total gross for the year.
2. Retention • When payroll register is missing: 60 years, then destroy.
• When payroll register is in existence: 3 years, then destroy.

Supplemental Audit Report - Employee

1. Description – Record of accrued employee gross salaries on each school district employee and is needed to show the amount of accrued salaries after the fiscal year has been completed. Information includes account numbers, date of report, date of transaction for accrual and total amount accrued.
2. Retention • 3 years, then destroy.

Payroll Audit Report - Account

1. Description – Record of individual gross pay for each pay period and their yearly gross pay. Information includes date of report, employee name, social security number, date paid, check number, gross pay, and total gross for the year.
2. Retention • 3 years, then destroy.

Supplemental Audit Report - Account

1. Description – This record is created by the school district payroll department to reflect accrued employee gross by account number and is

needed to show the amount of accrued salaries after the fiscal year has been completed. Information includes account number, date of report, date of transaction for accrual and total amount accrued.

2. Retention • 3 years, then destroy.

Payroll Retirement Files

1. Description – Records the contributions made by employees of the school district to the South Carolina Retirement System. Information includes employee's name, social security number, gross salary distribution, and retirement contribution.

2. Retention • 60 years, then destroy.

Payroll Check Registers

1. Description – Records payroll checks issued to school district employees and documents tax and insurance deductions and retirement contributions by the employee. Information includes name of employee, social security number, account number, date paid, check number, gross salary, retirement, FICA, federal taxes, state taxes, net salary, insurance deduction, credit union deduction and year to date gross, retirement, FICA, deferral and state tax.

2. Retention • 5 years, then destroy.

Employee Withholding Certificates

1. Description – These certificates document the number of exemptions to be withheld for each employee. Information includes employee's name, social security numbers, address, number of exemptions, and employee's signature.

2. Retention • Until superseded, then destroy.

W-2 Summarizations

1. Description – Employer's copy of employee's total earnings and withholdings for the calendar year to be reported to the Internal Revenue Service. Information includes employee name, social security number, gross earnings, nontaxable deductions, retirement, federal tax, state tax, FICA wages and FICA tax.

2. Retention • 5 years, then destroy.

Voluntary Deductions Summarization

1. Description – Created to show voluntary deductions, such as contributions to charitable organizations and deferred compensation, to the payroll on an annual basis. Information includes name and amount deducted and name and social security number of person for whom the deduction is made.

2. Retention • 3 years, then destroy.

Direct Deposit Register

1. Description – Record of employees on direct deposit, as well as a record that the direct deposit was made. Information includes bank number, account number, transaction code, deposit amount, employee number, employee name, bank account, bank total, final count, and final total.
2. Retention • 3 years, then destroy.

Time Sheets

1. Description – Record of number of hours worked by each employee. Information includes name, number of hours worked, and location of employee.
2. Retention • 3 years, then destroy.

Benefits Information

1. Description – Record of employee insurance coverage. Information includes notice of election, enrollment election form, correspondence, approval letters, authorization for payroll deduction, premium correspondence and claim correspondence.
2. Retention • 3 years after expiration of policy or replacement by a new policy, then destroy unless claims are pending.

RETURNED CHECKS

Florence County School District Five contacts all individuals/companies involved, when a check is returned for NSF (non sufficient funds) or account closure.