# I. General Provisions - TRANSFERS

- A. Funds may be transferred from one account to another, with the principal's approval, only under one of the following conditions:
  - 1. The account is inactive.
  - 2. The account is an enterprise account, such as school store, and the profits are transferred to the school's general fund or to a student organization designated to benefit from the enterprise operation.
  - 3. From the schools general fund to any other school account where the funds are needed to complete a project which will benefit the major part of the student body.
  - 4. As a loan to another account if approved by the organization or sponsor loaning the funds. All loans must be repaid by June 1.
  - 5. At the request of the organization or sponsor to whose account the funds were originally deposited.
- B. When the principal or organization approves the transfer of funds from one account to another, a Check Requisition/Transfer Form (MIS 4003) shall be prepared.
  - 1. Signatures of the account sponsor, bookkeeper, principal, and organization officer, if applicable, are required.
  - 2. Backup documentation is required as in the case of a check.
- C. When transferring fundraiser profits, a copy of the approved fundraiser request should be used as backup.
  - 1. If the funds are being transferred from a sub-account of an organization to its main account, and the Fundraiser Request clearly states what is to be done with the funds, it is not necessary to obtain the sponsor's and/or organization officer's signatures on the Check Requisition/Transfer form.
- D. Should it be necessary to roll field trip funds from one grade level field trip account to another grade level field trip account at the end of the year, only the bookkeeper's and principal's signatures will be required.

### E. Error Corrections:

- 1. If an error is made on a Transfer, another Transfer is used to correct it.
- 2. If a sponsor makes an error on a receipt or disbursement, a Transfer will be required to make the correction.
- 3. If a bookkeeper keying error is made on a receipt or disbursement, an Adjustment is used.

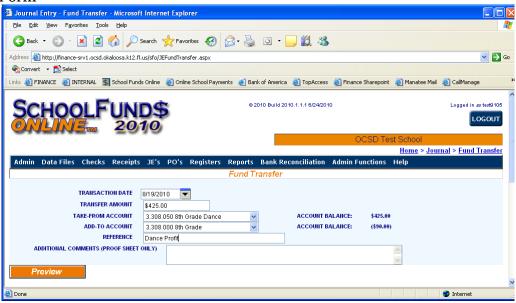
# II. General Provisions - ADJUSTMENTS

- A. Adjustment Journal Entries affect Cash Receipts and Cash Disbursements and are used in two situations:
  - 1. To record transactions in which no deposit was made and/or no check was written. Examples include receiving interest, paying sales tax, recording NSF checks, and adjusting electronic checks.
  - 2. To correct bookkeeper keying errors, such as entering a receipt for the wrong amount, receipting funds into the wrong account, or writing a check from the wrong account. Note: Sponsor errors are corrected through Transfer Journal Entries. Examples:
    - a. Bookkeeper Keying Error If a sponsor completes a Check Requisition listing the account as Band Uniforms, but the bookkeeper writes the check from Band Instruments, an Adjustment is required to correct the bookkeeper keying error.
    - b. Sponsor Error If a sponsor completes a Check Requisition listing the account as Band Instruments, the bookkeeper writes the check from Band Instruments, and then the sponsor states it should have been Band Uniforms, this is not a bookkeeper keying error. The bookkeeper's entry matches the Check Requisition. The sponsor must complete a Check Requisition/Transfer Form to transfer funds from Band Uniforms to Band Instruments to reimburse the expenditure.
- B. A Check Requisition/Transfer Form is not used for adjustments; however, there must be appropriate backup documentation attached to the adjustment.
- C. After entering the appropriate adjustment into the accounting software, the bookkeeper will print an Adjustment Voucher/Proof Sheet. The voucher/proof sheet must be signed by the bookkeeper and submitted with backup documentation to the principal for signature.
- D. If the adjustment was to correct an error, a copy of the voucher/proof sheet must be given to the sponsor of the account.
- E. Once approved, the Adjustment Voucher/Proof Sheet and backup documentation are stapled together. All Journal Entries (Adjustments and Transfers) are filed together numerically, most recent on top.

## II. Sample Transfer Situations

### A. Fundraiser Profit/Loss to Main Account

• Sponsor is recommended but not required to sign the Check Requisition/Transfer Form



### B. Field Trip - Small Leftover Funds

- Sponsor is not required to sign the Check Requisition/Transfer Form
- Amounts will be rolled to the next grade level's field trip account; 5th, 8th, and 12th Grade are rolled to General

### C. Reimburse Expenditure - One Account to Another

- Sponsor is required to sign the Check Requisition/Transfer Form
- Example: Girls Track paid for supplies with Check #4321. Boys Track decides to pay a portion since they also use the supplies. Boys Track sponsor completes a Transfer Request to reimburse Girls Track for the expenditure.

### D. Donation

- Sponsor is required to sign the Check Requisition/Transfer Form
- Example: PTO donates funds to 6th Grade to help pay for a field trip.

# E. Purchase

- Sponsor is required to sign the Check Requisition/Transfer Form
- Example: Teacher uses supply money to purchase books from Book Fair.

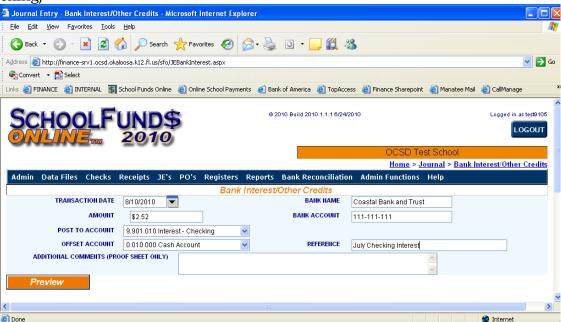
### F. Multi-Fund Transfer

- Sponsor is required to sign the Check Requisition/Transfer Form
- Example: PTO donates funds to several teacher accounts.

## III. Transfer & Adjustment Examples

### A. Bank Interest/Other Credits

Backup Required: Bank and/or Investment Statement in the monthly folder Accounts Affected: Fund Account (such as Interest) and Cash Account (such as Checking)

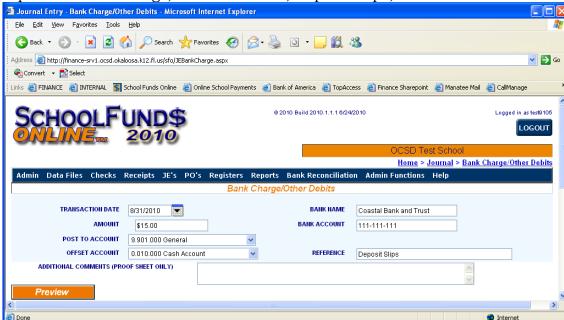


### B. Bank Charge/Other Debit

Backup Required: Bank Statement in the monthly folder

Accounts Affected: Fund Account (such as Interest) and Cash Account (such as Checking)

Examples: Service Charge, NSF Check Fee, Deposit Slips, etc.

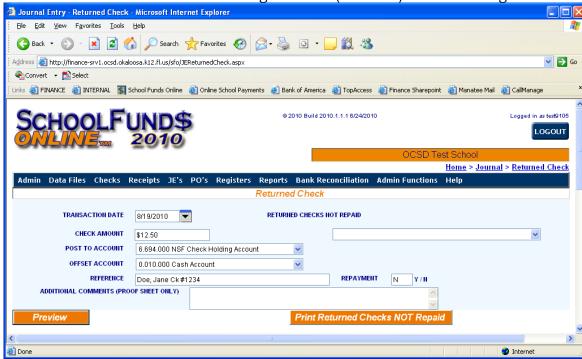


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### C. NSF (Returned) Check

Backup Required: Copy of Notice (Name, Check Number, Amount) (The original notice is filed in the NSF folder.)

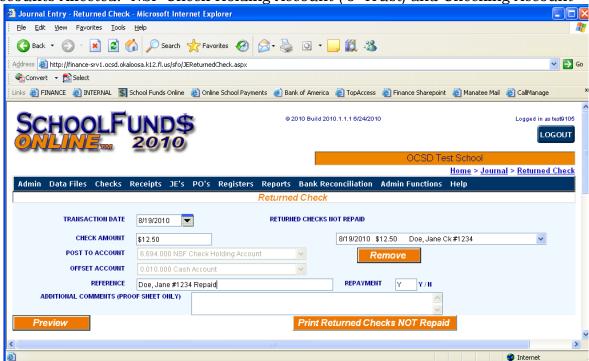
Accounts Affected: NSF Check Holding Account ('6' Trust) and Checking Account



### D. NSF (Repaid) Check

Backup Required: Copy of Notice (Name, Check Number, Amount) (The original notice is filed in the NSF folder.)

Accounts Affected: NSF Check Holding Account ('6' Trust) and Checking Account

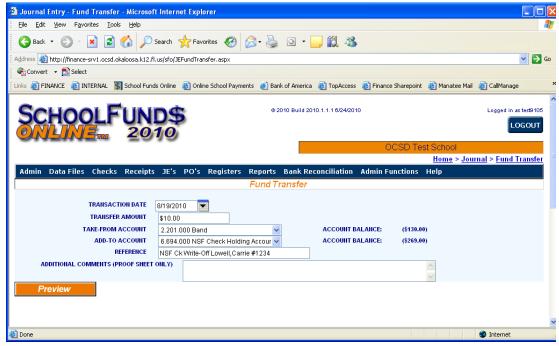


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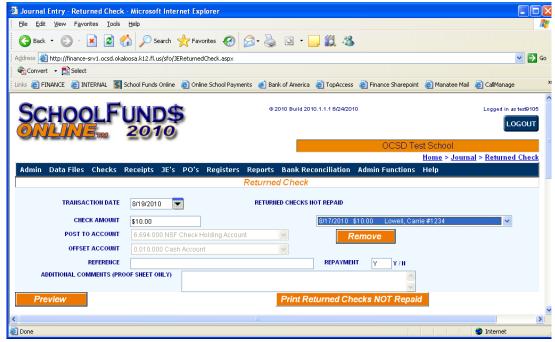
E. Worthless Check Write-Off (Fund Transfer)

Backup Required: Copy of Memo from District (Name, Check Number, Amount) (The original memo is filed in the NSF folder.)

Accounts Affected: NSF Check Holding Account ('6' Trust) increased, Original Fund Account decreased



Special Note: Once the check is written off, remove the returned check from the returned check list. Go to JE's, Returned Check, and choose the check in the drop down list. Click "remove."

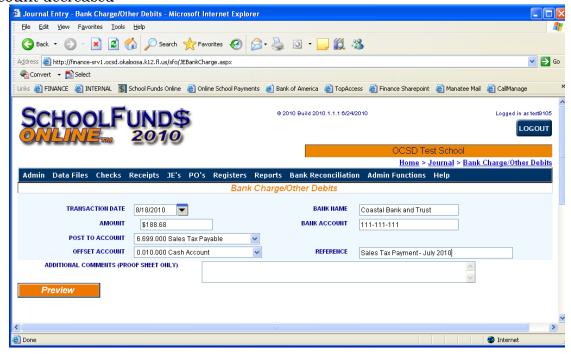


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F. Sales Tax Payment (Bank Charge/Other Debit)

Backup Required: Copy of Sales Tax Return (Original Sales Tax Return is filed in Sales Tax folder)

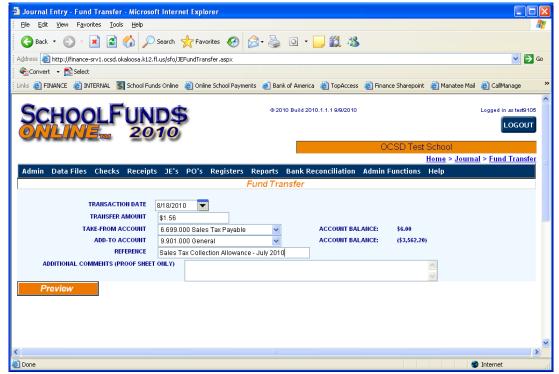
Accounts Affected: Sales Tax Payable Account ('6' Trust) decreased, Checking Account decreased



G. Sales Tax Collection Allowance (Fund Transfer)

Backup Required: Copy of Sales Tax Return (Original Sales Tax Return is filed in Sales Tax folder)

Accounts Affected: Sales Tax Payable Account ('6' Trust) decreased, General Account increased

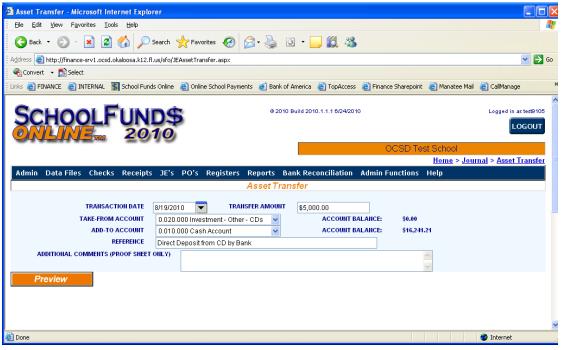


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## H. Asset Transfer

Backup Required: Bank Statements

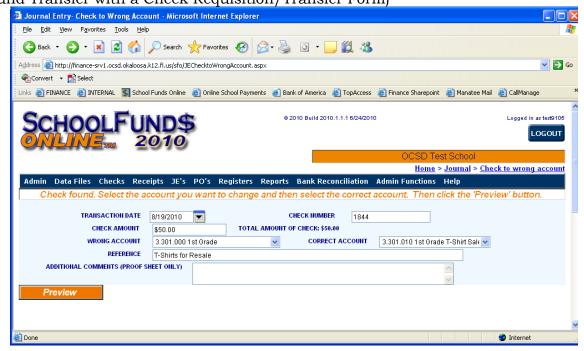
Example: Bank deposits funds directly from a CD or investment account to the school's checking account – Investment Account is decreased and Checking Account is increased



## I. Check to Wrong Account

Backup Required: Reference Original Check Number

Example: Bookkeeper Keying Error (Sponsor Errors must be corrected through a Fund Transfer with a Check Requisition/Transfer Form)

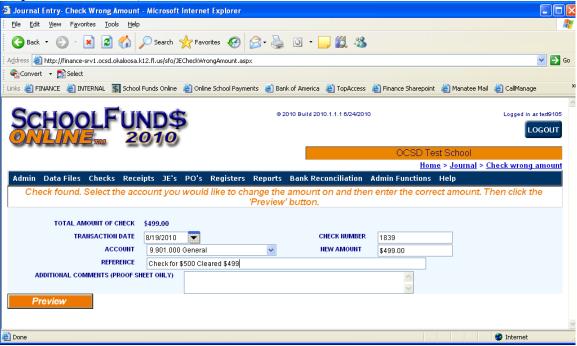


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## J. Check for Wrong Amount

Backup Required: Bank Statement

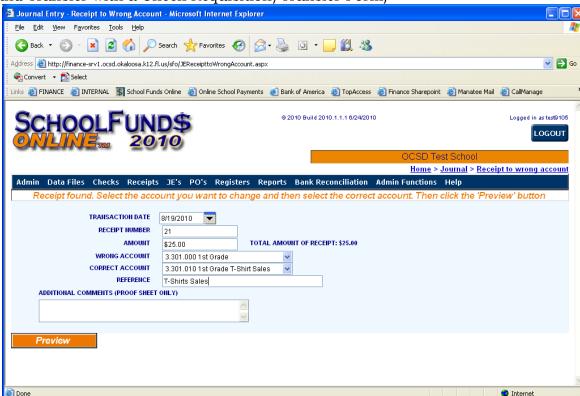
Example: Bank Error, Electronic Check Cleared for Less Than Face Value



# K. Receipt to Wrong Account

Backup Required: Reference Original Receipt Number

Example: Bookkeeper Keying Error (Sponsor Errors must be corrected through a Fund Transfer with a Check Requisition/Transfer Form)



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L. Receipt for Wrong Amount

Backup Required: Reference Original Receipt Number

