



Book	School Board Policies
Section	Chapter 02 - Fiscal Management
Title	School Internal Funds
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02-11 SCHOOL INTERNAL FUNDS

(A) Definition- Internal funds are all monies collected and disbursed by personnel within a school for the benefit of the school or a school sponsored activity. Internal funds shall be considered as unbudgeted public funds under the control and supervision of the School Board with the Superintendent and principal having responsibility as prescribed by the School Board.

(B) Governance Provisions- The collecting and expending of school internal funds shall be in accordance with Florida Statutes, State Board of Education Rules, School Board Policy, and the Financial and Program Cost Accounting and Reporting for Florida Schools Manual . The Superintendent shall establish procedures to implement all applicable rules and regulations and to provide sound business practices in a Board approved "Internal Accounting Manual."

(C) Accounting Categories- Separate accounting categories for school internal accounts shall be established to distinguish student activity funds from other sources of funds derived from groups other than the student body.

(1) Student activity funds shall be a category for money received and expended for school activity programs. This includes, but is not limited to athletic and music events, concession sales, fund-raising by student body groups, gifts and contributions, paid admissions to entertainment, publications, school stores, summer programs, vending machines, property deposits, and advertisements.

(2) Other sources of funds shall be a category for money collected from sources other than student activities. These sources generally are derived from cooperative efforts with schools involving non-student organizations such as the faculty, parent-teacher organizations, alumni associations, and educational foundations. The activities of these non-student organizations shall contribute to the general welfare of students. Other sources of receipts may include but are not limited to flower and gift funds, and trust accounts for school support organizations.

(D) Basic Principles

(1) All fund-raising activities shall be in accordance with School Board policy.

(2) School internal funds shall be used to supplement the program supporting the activities provided by the School Board.

(3) Student body business practices shall be conducted in such a manner as to offer a minimum of competition to commercial firms.

(4) Purchases for any school activity or group shall not exceed the cash resources during any school year.

(5) Generally, funds collected shall be expended to benefit those students currently in school and for whom the funds were accrued; funds derived from the student body as a whole shall be expended to benefit the student body as a whole.

(E) Purchasing

(1) Purchasing requirements as established by School Board policy shall apply to internal account funds with the following exemptions:

- (a) Funds handled in trust for individuals or school organizations.
- (b) Faculty funds for any purpose.
- (c) Concession activities for food, beverages, and supplies for concessions at school sponsored activities and vending machine contracts.
- (d) Special ventures for food and specialty items for resale under special projects sponsored by school organizations.
- (e) Purchase of food items used in cooking for parties and banquets for student organizations or school organizations or student activities.
- (f) Purchase of meals from restaurants and hotels for parties, banquets and proms for student organizations, school organizations or student activities.
- (g) "Admissions" to any place of amusement, sport or recreation, or for the privilege of entering or staying in any place providing these services.
- (h) Funds held in trust that were donated by an organization for a specified brand/trade name purchase.
- (i) Uniforms for which students raise funds or pay for themselves.

(2) All equipment purchased with Internal Account funds will become the property of the School Board and will be recorded on inventory records as prescribed by the Superintendent's staff.

(F) Bank Accounts shall be in conformance with School Board policy.

(G) Responsibilities

(1) The School Board shall:

- (a) Require enforcement of written rules and policies relating to internal funds;
- (b) Provide fidelity bonds for employees responsible for such funds;
- (c) Provide for an annual audit of internal funds by a qualified auditor.

(2) The Superintendent shall administer all policies established by the School Board relating to internal funds.

(3) Each school principal shall:

- (a) Be held accountable for the handling of all phases of internal funds accounting in his/her school.
- (b) Use a uniform system of accounting as directed by the Superintendent or his/her designee.
- (c) Make monthly and annual reports for internal funds as directed by the Superintendent.

(H) Management of School Internal Funds

(1) Each school shall have a bank account titled as "(school name) Internal Fund, School District of Okaloosa County, Florida." All monies collected for disbursement by the school shall be deposited in the bank account and all disbursements shall be made by checks drawn on this account.

(2) Each account shall have at least two authorized check signers, one of whom must be the principal. All checks require two signatures. In no instance shall checks be pre-signed. The use of facsimile signatures is prohibited.

(3) The principal shall give monthly statements showing the balance in all accounts. Such statements shall be given to the sponsor of each activity.

(4) The fiscal year shall be for the period July 1 through June 30. The records of one (1) fiscal year shall be separated from those of the ensuing year, except for the balance carried over from one year to the next. Methods of preserving and destroying records shall be in accordance with Florida Statutes and State Board of Education Rules.

(5) School internal accounts shall not be used for any purpose which represents an accommodation, loan, or credit to School Board employees or other persons, including students. Collections received

shall not be used to cash individual checks. School Board employees or others shall not make purchases for non-school related purposes from school internal accounts. No form of compensation may be paid directly to employees. Employees of the district who are compensated for additional services, such as game personnel to work at athletic events, shall be paid through the district payroll department.

(6) Inactive accounts-Accounts with no activity for one (1) year shall be considered inactive. The class or activity shall have an opportunity to determine the disposition of the balance within that year. If no recommendation is made the funds shall revert to the general fund.

(7) Funds may be transferred from one account to another, with the principal's approval, only under the following conditions:

- (a) The account is inactive.
- (b) 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.
- (c) From the school's 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.
- (d) As a loan to another account if approved by the organization or sponsor loaning the funds. All loans must be repaid by June 1.
- (e) At the request of the organization or sponsor to whose account the funds were originally deposited.

(8) Commissions earned from photography sales and other like transactions shall be credited to the general fund or other designated accounts.

(9) The Superintendent shall prescribe cash collection procedures which at a minimum provide:

- (a) Receipts are deposited at least weekly, and anytime \$500 or more has accumulated.
- (b) Pre-numbered receipts shall be written for all money that is received or collected.
- (c) All funds must be deposited in their entirety.

(I) Investment of School Internal Funds- Cash balances in excess of immediate needs will be remitted to the District Office for deposit in a SBA account. Interest will be allocated to schools based on average daily balance. Time investments (i.e. CD's) will not be renewed but may be left on deposit until maturity. Schools are allowed to place funds on deposit locally at a rate higher than the SBA rate.

(J) Financial Transactions and Records- Complete and accurate records of all financial transactions, including records of all school and student activity funds, shall be kept in the format prescribed by the Superintendent. The principal's monthly financial report on internal funds shall be submitted no later than the 15th of the following month.

(K) School Support Organizations- School support organizations may account for their funds within the internal accounts of the school. School support organizations are organizations such as booster clubs , parent teacher organizations and other groups organized to benefit the school or activities of the school but do not include Direct Support Organizations as defined by Florida Law.

(1) Funds deposited in the school internal account shall be accounted for as trust funds. The signature of one officer, as designated in the by-laws or by resolution of the organization, shall be required on all check requisitions.

(2) Organizations that maintain accounts outside of the school internal fund shall meet the following requirements:

- (a) Maintain separate tax identification number and bank account.
- (b) Adopt by-laws which shall be approved by the school principal. By-laws must include provision for an annual audit of funds.
- (c) Provide monthly financial reports to the school principal. The format shall be prescribed by the principal and, at a minimum, must provide a detail of revenue and expenses.
- (d) Annually provide the principal a copy of the organization audit.

(L) Recognition or Achievement Awards- Internal funds may be expended to provide recognition of service or contributions by persons or businesses; or recognition of achievement by students, teachers or other employees under the following guidelines:

- (1) All achievement awards to be given by student or school support organizations must have prior approval of the general membership of the organization or as set forth in the by-laws of the organization.

(2) No other school internal funds may be used to purchase any award, gift, or amenity except to recognize the following:

- (a) Instructional or non-instructional (support) employee of the year.
- (b) Retiring employees.
- (c) Student academic or athletic achievement.
- (d) Volunteers and businesses or community organizations performing a service to the school.

(3) Awards under this section are limited to plaques, certificates, or other items with a monetary value of one-hundred dollars (\$100) or less.

(4) No cash awards or payments may be made to or on behalf of any student or employee of the District.

(5) This section shall apply to all school support organizations.

(6) The provisions of subsections (c) and (d) do not apply to student scholarships awarded by student or school organizations.

(M) Welfare and Family Relief Expenditures

(1) Welfare expenditures from school internal accounts funds may be made only for those items which directly help members of the student body carry on their work in school.

(2) Student activity funds or donations collected may be expended for family relief when voted by the membership of the organization, or as set forth in the by-laws of the organization, from whose funds such relief or donations will be paid.

(3) When "welfare relief" funds are donated by individuals, businesses or charity organizations these funds shall be credited to a "Welfare" designated trust account. Funds are to be expended as designated by the donor.

(N) Course and Supply Fees

(1) No fees may be charged to students enrolled in elementary or secondary schools for any program or course which is a part of the instructional school day.

(2) Fees may be charged to students enrolled in other programs to the extent authorized by rules of the State Board of Education. Examples of such programs are:

- (a) Summer enrichment or after school activities.
- (b) Adult general and community education programs.
- (c) Adult vocational programs.

The School Board must approve all fees charged under this section.

(3) Fees may be charged for services which schools offer to students that are a benefit to those who elect to use them. Examples of such fees are:

- (a) Band, stringed instrument, and choral instrument/uniform rental.
- (b) Physical Education uniforms.
- (c) Physical Education towel service.
- (d) Parking decal.
- (e) Locks.

Collection of fees under this section are subject to prior approval of the School Board.

(O) Cost of Athletic Event Tickets for Senior High Schools

The principal of each senior high school in Okaloosa County will have the authority to recommend the cost of athletic event tickets at each individual school and shall consider input from the school advisory council regarding the schedule of charges. Principals will follow the procedures listed below in recommending the cost of athletic event tickets for any current school year if there is a recommendation to increase the cost of any ticket over the prior year amount.

(1) The principal shall submit his recommendation for athletic event ticket prices for the coming school year to the school advisory council for review on or before April 1 of each year.

(2) The principal shall submit his recommendation in writing to the Superintendent or his/her designee on or before May 1 of each year.

(3) The Superintendent shall recommend to the School Board any increase in ticket prices over the previous athletic season.

(4) The Superintendent or his/her designee shall notify the principal in writing on or before June 1 as to the disposition of the recommendation.

Legal

Statutory Authority: Sections 230.22(2); 230.23(20), Florida Statutes

Laws Implemented: Sections 230.23(10)(h); 231.085; 236.24; 237.01; 237.02(4); 237.191; 237.211; 237.34; 257.36, Florida Statutes

State Board of Education Rules: 6A-1.001; 6A-1.085; 6A-1.087; 6A-1.091