




**SCHOOL DISTRICT OF OKALOOSA COUNTY
TECHNICAL ASSISTANCE MEMORANDUM
FINANCE**

FINANCE TAM: 2016-024

CONTACT: Julie Perry, Director
Budgeting & Financial Services

TELEPHONE: 833-5850

TO: School Principals

FROM: Rita R. Scallan, Chief Financial Officer 

DATE: December 15, 2015

SUBJECT: School Bookkeeper Workshop

On December 3, 2015, the Finance department held a workshop for school bookkeepers. The main intent of the workshop was to review internal funds audit findings and other items noted by the auditors; however, the Finance Department also reviewed certain areas related to Budgeting and Accounting.

INTERNAL FUNDS

Carr, Riggs, & Ingram (CRI), Certified Public Accountants, performed an audit of School Internal Funds for fiscal year 2014-2015. The audit was presented to the School Board at the December 10, 2015, Board workshop. The "Audit Findings" and "Other Items Noted by the Auditors" are shown below.

Audit Findings

Improper Completion of Check Requisition/Transfer Form (MIS 4003)

- *Items Noted: (1) Supporting documentation was missing, and (2) the requisition/transfer form was dated after the check was issued.*
- Check Requisition/Transfer Forms are initiated by the teacher or sponsor desiring to make an expenditure prior to the check being issued. The teacher or sponsor must sign this form.
- Proper supporting documentation must be attached to the requisition/transfer form. If the check is written in advance of the purchase, the supporting documentation must be obtained as soon as possible after the purchase is made.
- The principal must sign the form to indicate approval of the request. This may be done before the check is written or when signing the check.
- The principal is the sponsor of the General account and Principal's Discretionary account.

Untimely Deposits Made by Teachers/Sponsors

- *Item Noted:* The auditor was unable to determine if the funds collected in excess of \$10 were turned in to the office on the initial collection date.
- The money collector is to date the Monies Collected Form at the top when he/she begins collecting money.
- The money collector must turn in funds if \$10 or more is collected in a day and/or on Friday.
- When turning in funds, the money collector signs and dates the Monies Collected Form at the bottom.
- The bookkeeper and witness sign the Monies Collected Form at the bottom when funds are verified.

Bank Deposits

- *Item Noted:* The validated deposit slip from the bank related to funds taken directly to the night deposit by a teacher/sponsor did not agree to the amount verified by that individual on the MCF.
- The auditors recommend that teachers/sponsors/volunteers be reminded of the importance of accuracy when dealing with collection of school internal funds. Any discrepancies should be discussed with the teacher or sponsor collecting the funds. If additional discrepancies persist, the school could require a difference teacher/sponsor/volunteer to collect the funds.
- The Finance Department recommends that two people count the funds and fill out the MCF and deposit slip. The funds should then be placed immediately in the bank bag, and the bank bag should be locked. At that point, it is only necessary for one person to give the locked bank bag to an administrator.

Other Items Noted by the Auditors

Collecting Funds for a Purpose

- *The auditors noted that some schools have collected an excess of revenues over expenditures for the last three years.*
- Revenues collected in a year should generally be expended in the same year to benefit those students raising the funds.

Expenditures Exceeding Collections

- *The auditors noted that some schools have expenditures in excess of revenues for the last three years.*
- All school sports, classes, programs, etc., should be self-supporting.

Tickets

- *The auditors noted a few schools were missing ticket rolls.*
- The bookkeeper should ensure that ticket rolls are returned after sales. All ticket rolls are to be kept secure.

District Visa Purchases

- *The auditors noted that many schools are using the District's Visa card for purchases; however, the documentation for these purchases was not consistent across all schools and in many cases was unorganized or missing certain items.*
- Per TAM 2015-021, the proper procedure for using the District Visa card and reimbursing with internal funds is as follows:
 - As each order is placed with the District Visa card, a copy of the order and a Check Requisition Form are to be given to the sponsor to complete and return to the bookkeeper. The payee will be Okaloosa County School District.
 - Once the original invoice is received, the bookkeeper will make a copy of the invoice and attach the copy to the Check Requisition/Transfer Form.
 - The Check Requisition/Transfer Form with a copy of the invoice will be placed in a Visa Reimbursement notebook or folder.
 - The original invoice will be placed in the Visa notebook or folder for monthly reconciliation.
 - Once the Visa is reconciled for the month, the bookkeeper will use all of the Check Requisition/Transfer Forms with attached invoice copies to write one check to the District. All invoice copies will be stamped "paid."
 - The bookkeeper will complete a Cash Transmittal Form (MIS 3218) to send the check to the District.
 - The District Visa check reimbursement packet in the monthly folder will consist of:
 - Cash Transmittal Form (copy),
 - Copy of the Visa statement with items marked for reimbursement, and
 - Check Requisition/Transfer Forms and copies of invoices for all reimbursements.
- Per bookkeeper request, the Finance Department has also established an alternative procedure using a District Visa Payable trust account – 6.698.000:
 - As each order is placed with the District Visa card, a copy of the order and a Check Requisition/Transfer Form are to be given to the sponsor to complete and return to the bookkeeper. The payee will be District Visa Payable.
 - Once the original invoice is received, the bookkeeper will make two copies of the invoice and attach both copies to the Check Requisition/Transfer Form.
 - The original invoice will be placed in the Visa notebook or folder for monthly reconciliation.
 - The Check Requisition/Transfer Form with the first copy of the invoice will be processed by the bookkeeper, and the copy of the invoice will be stamped "paid." The original Check Requisition/Transfer Form with the first copy of the invoice will be filed in the monthly folder with Transfers. The bookkeeper will note the transfer number and date on the second copy of the invoice, stamp "paid," and file it in the Visa Reimbursement notebook or folder.
 - Once the Visa is reconciled for the month, the bookkeeper will complete a Check Requisition/Transfer Form showing payment from District Visa Payable to Okaloosa County School District. The principal will be the sponsor for this requisition.

- The bookkeeper will write the check to the District.
- The bookkeeper will complete a Cash Transmittal Form to send the check to the District.
- The Visa Reimbursement packet for the monthly folder will consist of:
 - Copy of the Cash Transmittal Form,
 - Copy of the Visa statement with items marked for reimbursement,
 - One Check Requisition/Transfer Form made payable to the District, and
 - Copies of all invoices reimbursed with transfer number and date notated.

USING DISTRICT PURCHASE ORDERS/VISA TO MAKE INTERNAL FUNDS PURCHASES

As noted on Disbursements – Special Situations – Supplemental Information, available on the Finance website, it is permissible to make internal purchases using a District Purchase Order or a District Visa card and then reimburse the school's District budget as long as those purchases follow District guidelines.

From time to time, schools will send internal funds to Accounting to reimburse District expenditures, even though the expenditures have not yet occurred. Please remember ...

- Internal Funds may not be sent to Accounting to reimburse an expenditure unless the expenditure has actually occurred. The occurrence of the expenditure may be verified using the F503 screen.
- If a school would like to make a large purchase without encumbering budgeted funds, the school may send Internal Funds to Accounting in advance of the purchase. In this case, the school should note on the Cash Transmittal Form that the funds are to be deposited to Project 8001 – Purchased – Schools – Other. The school will then use this project to make the purchase.

TRANSPORTATION TRIP STATEMENTS

It is very important that the Transportation Trip Statements (MIS 5072) are returned to Accounting in a timely manner. The deadlines are as follows:

No later than the 10th of the month:

- Transportation completes the Trip Statement using Excel, including filling in the "Trip No." through "Destination" columns
- Transportation e-mails the Excel Trip Statement to the bookkeeper.

No later than the 20th of the month:

- The school bookkeeper reviews the Trip Statement and uses Excel to add funding and/or internal funds check information. The Trip Statement will automatically calculate the amounts being charged to District budgets, amounts paid by internal funds check, and the grand total.
- If another school/department is paying for a trip, the school bookkeeper must attach a copy of an e-mail or memo authorizing the funding source.
- The school bookkeeper prints the Trip Statement and submits to the principal for approval.

- The school bookkeeper sends the signed original Trip Statement with internal funds check, if applicable, to Accounting.

Once Accounting receives the original Trip Statement, the transportation revenue will be recorded. In addition, Accounting will provide a copy of the Trip Statement to Transportation.

BUDGET AMENDMENT VS. TRANSFER OF EXPENDITURE

Budget Amendment

- Budgets are allocated as Discretionary funds or Project funds.
- Schools may not move *budgeted* funds from one project to another, nor in or out of Discretionary.
- Schools may move budgeted funds between functions and objects *within* Discretionary or a project, unless that object is controlled by Finance (Objects 01xx, 02xx, and 0750).
- All Budget Amendments are entered in the AS400 on the F607 screen.
- Budget Amendments involving Objects 01xx, 02xx, and/or 0750 must be entered prior to 2:00 p.m. each day. The Budgeting Department will review and post these budget amendments.
 - Please use the Benefits Calculator and include the appropriate benefits with Object 01xx.
 - Object 0750 – Substitutes may be moved between all functions with the exception of Function 6400 – Instructional Staff Training Services (Professional Development). Schools receive a separate allocation for professional development (Project 7016 – Professional Development).
- Please remember to clear all deficits at least once per week.

Transfer of Expenditure

- Funds are encumbered by issuing a District Purchase Order.
- Fund are expended when the District Visa Card Purchase Order is paid and/or when a District Purchase Order is paid.
- If a school has expended more than its budget in a project, the expenditure must be transferred to Discretionary or another authorized project by completing the Transfer of Expenditure (MIS 3365) form:
 - “Charge To” Section
 - The budget line entered in the top section (Charge to) must be an appropriate line for the type of expenditure.
 - Funds must be available in the budget line to be charged. The F501 screen should be used to verify that funding is available.
 - Charges may never be made to a reserve line – Function 9890, Object 09xx.

- “Credit To” Section
 - The budget line entered in the bottom section (Credit to) must be the budget line of the original expenditure.
 - The funds must actually have been expended, not just encumbered. The F503 screen should be used to verify that funds have actually been expended.
 - If the funds are encumbered and not expended, please complete a Change to Purchase Order rather than a Transfer of Expenditure.
- The “Charge to” and “Credit to” funding strips are typically the same object code unless an incorrect object code is being corrected.
- If a school is transferring an expenditure for substitutes to or from a *federal* fund, the school must include Object 0220 – FICA at 1.45%.
- A reason must be stated for the transfer of expenditure, and a purchase order number should be provided.
- The Transfer of Expenditure form may be either faxed (833-6317), e-mailed (to Melissa O’Malley and Kenn Macdonald), or sent by Courier to Accounting; however, e-mail is the preferred method. Please do not send by multiple methods as this may cause a transfer of expenditure to be entered more than once.

PURCHASE ORDERS

Per District policy, purchase orders are to be issued *prior* to ordering items or starting services. Once all items have been received and/or services have been rendered, the school must sign the green copy of the purchase order, indicating approval to pay, and send it to the Accounting office. Accounting will then pay the invoice and close the purchase order.

It is important that the green copy is not signed until *all* items are received. Please do not send the green copy to Accounting if items are on backorder, even if the items are free. Some free items incur shipping charges, such as those from the Florida School Book Depository.

BOARD BILLS

A Board Bill is required when a purchase order or contract was not completed prior to items being ordered or services starting. The following steps are required in order to initiate a Board Bill:

- The school prepares a letter on school letterhead, signed by the principal, that explains the circumstances of the Board Bill, the funding to be used to pay the invoice, and requests permission to pay the invoice.
- The school sends the original letter and invoice to Accounting.
- Accounting will place the Board Bill on the agenda of the next Board meeting.
- Once the Board has approved the invoice for payment, Accounting will process the invoice.

The entire process will take a *minimum* of three weeks. The letter and invoice may be e-mailed to Accounting (Kenn Macdonald) in order to be placed on the agenda; however, the original letter and invoice will be required for payment.

TEMPORARY DUTY ELSEWHERE (TDE)

Reminder – Any Temporary Duty Elsewhere (TDE) (MIS 5085) form for out-of-county travel must be submitted to Accounting for approval. Accounting will forward the TDE to the appropriate Assistant Superintendent of Chief Officer for approval.

Also, please be aware of the following:

- The TDE must be completed to authorize travel and estimate cost. The cost includes items paid directly by the school and/or items that will be reimbursed to the individual.
- The TDE should be initiated at least two weeks prior to the trip.
- The area marked “Destination” must include the city and state.
- The “Total Dates of Activity” include travel; therefore, the dates should be from the day the individual is leaving to the day he/she is returning.

TITLE I

Budget Amendments

- Due to increasing DOE restrictions in regard to Title I funds, schools must not enter budget amendments for Title I in the AS400 unless Title I has given permission to do so.
- If a school would like to change its Title I budget, it must contact the District’s Title I Department to request approval at the State level. Once approval is received from the State, the school may enter a budget amendment in the AS400.

Expending Funds in a Timely Manner

- Please be sure to adhere to all deadlines set by the Finance Department.
- We advise that you do not wait until the end of the year to expend Title I funds:
- When a Purchase Order is generated, the funds are *encumbered*; however, the *Purchase Order must be fully completed and expended by July at the latest*. The Purchase Order may not be expended until all items and/or services have been received.
- Purchases on the Visa card do not post as encumbered until the following month. If the last day to encumber funds from the grant is June 30, the latest date to use the Visa card would be May 31, one month earlier.
- If an expenditure is made after the deadline, the expenditure will be transferred to a different funding strip, such as the school’s Discretionary budget.

Should you have any questions or need additional information, please contact Julie Perry at 833-5850.

Attachments

cc: Executive Staff
Bookkeepers