

North Providence Public Schools
Student Activity, Special Grant & Other Funds Protocol

I. Introduction

This protocol accompanies and facilitates the District's Student Activity, Special Grant & Other Funds Policy.

Not all the procedures outlined in the protocol will apply to each fund. Therefore, schools should seek guidance from the Director of Finance as to which procedures apply to their school.

II. General Procedures for receiving money

a. Collection and Deposit of Cash

All monies from any source must be substantiated by a completed Cash Receipts Form which details the source of the funds. The completed Cash Receipts Form should be signed by the person/teacher from whom the money is received. It should also be signed by the Principal or Certified Teacher Designee who is accepting the cash. The cash should be counted and verified prior to signing. A copy of the signed form should be given to the person/teacher from whom the money is received. The original is to be retained by the Principal or Certified Teacher Designee as a record of money received.

Collections should be deposited daily, if reasonable. Money should never be left in the school over weekends or holidays. All monies collected shall be placed in the school safe for safekeeping. Said monies shall remain in the school safe only until such time as a deposit can be reasonably completed. Monies collected shall not be used to cash checks from any source. All checks to be deposited in the student activity, special grant and other fund bank accounts shall be endorsed immediately upon receipt, showing a restrictive endorsement.

Cash receipts for lost books, locks, or other school equipment or supplies paid by the students, should not be deposited in the school activity fund, but forwarded to the Finance Department for deposit to the School Department's General Fund.

b. Documentation of Receipts

A completed Cash Receipts Form must accompany all monies received. Cash Receipts Forms must include supporting documentation. For example, if Ms. James is organizing an event and collecting money from students, the form must include a class list of those students who have paid and the amount. Other examples would include the number of tickets, gifts, etc. sold along with the price charged. If this information is not pertinent, a summary of the reason for the deposit must be listed on the form.

III. **General Procedures for Disbursement of Moneys**

a. Checks

All disbursements shall be made on pre-numbered checks which serve as the basis for making an entry and recording a disbursement. Disbursements shall be supported by invoices (not statements) and documentation on the Cash Disbursement Form which bear signatures certifying receipt of merchandise and the signature of the Principal authorizing the payment.

Accuracy of prices, extensions and totals must be checked prior to payment. When a check has been written, the invoice and supporting documents shall be marked "PAID BY CHECK NUMBER XXX" and "DATE OF PAYMENT" and shall be filed for auditing purposes. **NO MONIES ARE TO BE DISBURSED FROM UNDEPOSITED RECEIPTS.**

Before the disbursement check is signed, a direct disbursement is entered and posted into the Munis accounting system.

All payees, with the exception of corporations, must complete and return a W-9 form prior to payment. The payee on the issued check must have the same name that appears on the W-9 form. It is the responsibility of the Principal, or his/her designee, to ensure these forms are returned. Each school will be required to submit all W-9 forms to the Finance Department the first week of January.

It is possible that proper documentation may not be available at the time a check is requested. For example, a situation may arise when the amount to be paid and the supporting documentation is not available until the day of the function because charges are based upon such variables as actual attendance by the students. In such a situation, when proper documentation is unavailable, the following procedure should be adhered to:

Although the practice of requesting a check without all of the necessary information and documentation may occasionally be necessary, it is not a practice that is keeping with good business practices and is a practice that is not encouraged. Such requests should only be made

when there is no way of providing the necessary information and documentation beforehand and must be accompanied by a “Request for Check Advance from Student Activity, Special Grant and other funds Form”. This form must be signed by the person/teacher requesting the check. It must include an approximate amount that will be paid, the reason why the actual amount and proper documentation are unavailable, and a signed statement that the required documentation will be provided within three days. In all cases, the line on the check indicating the payee should be completed before the check is issued and signed. Only the dollar amount should be entered at a later date.

All purchases shall adhere to the procurement policy of the District. See “Procurement Policy”.

All voided checks must have the word “VOID” written across them and must be kept on file.

III. Financial Records

The Principal or Certified Teacher Designee shall maintain a complete set of books recording all monies deposited and disbursed. The cash receipts journal and cash disbursements journal shall serve as a control whereby the total amount of money deposited and expended for all funds is maintained continuously. All transactions shall be entered and categorized to permit appropriate analysis.

1. All financial transactions must be recorded electronically and be available to download to Excel.
2. A spreadsheet for all receipts and expenditures must be maintained for each activity’s funds (yearbook, drama, etc.).
3. One account shall be established for funds other than student activities. This account is to be a general “administrative” account to be used by the Principal for expenditures that are for the direct benefit of students in the school. This account will be the account for recording bank interest, receipts such as those from soda machines, etc. This account is to be operated in accordance with all of the rules outlined for the student activity, special grant and other funds.
4. The total of the detailed records must be reconciled to the bank balance on a monthly basis.
5. Expenditures from individual activity funds will be made only if that specific fund has a sufficient balance to cover the expenditure being requested. Individual activity funds are not to be allowed to “deficit spend” by borrowing funds from other activity funds.
6. Stipends, substitutes and other compensation must be paid through the District’s payroll system. (See Section G entitled “Payments to Employees, Independent Contractors and Non-Incorporated Businesses).

7. Invoices must be obtained for every disbursement made.
8. The year-end balances (June 30), once reconciled, will be the starting balance for the new fiscal year beginning July 1.
9. All financial records (invoices, canceled checks, documentation for expenditures, backup for deposits, bank statements) must be kept for seven (7) years.

IV. Quarterly Reporting

At the end of each quarter, the following information should be sent to the Finance Department for the purpose of reporting the overall financial status of the fund, as well as to provide an internal review:

a. Hard Copies to be provided

- Reconciliation of bank statements in a format provided by the Finance Department and reviewed and initialed by the Principal.
- Checkbook stubs for the quarter (or electronic alternative).
- Cash disbursement forms with invoices attached.
- Cash receipts forms with bank deposit slips and any additional backup documentation
- Request for check advance forms with any additional backup documentation
- Elementary schools must also submit the checkbook itself at year end.

b. Electronic Copies to be Reviewed

- Check register in Excel format
- Fund breakout in Excel format

c. Period Due Dates

§ July 1 to September 30 Due October 15

§ October 1 to December 31 Due January 15

§ January 1 to March 31 Due April 15

§ April 1 to June 30 Due July 15 (secondary schools)

§ Due last day of school (elementary schools)

V. Bank Accounts

The following general rules pertain to the various phases of bank account activity (checking, savings, etc.)

1. A checking account is to be used for daily or periodic disbursements and a savings account or an approved short-term investment vehicle is to be used for any funds held in reserve for the student activity special grant and other fund accounts.
2. The Principal or designee Designee sign all checks and savings withdrawals. **Under no circumstances is staff to open student accounts using their own signatures or names of parents or use personal Venmo accounts or other personal or unapproved electronic platforms.**
3. A request for approval to open a new bank account must be approved in writing to the Director of Finance. The request for a new bank account must include the following information:
 - Name of Account
 - Purpose of Account
 - Type of Account (Checking, Savings, etc.)
 - List of Authorized Signers
4. Each year at the close of school, all bank accounts must be reconciled for our auditors through June 30. Elementary schools must reconcile through the May statement, since they will not have the June statement prior to the end of the school year.
5. Authorized signatures for all bank accounts must be kept up to date. When people retire, transfer, etc., their name must be removed from the list of authorized signers and replaced with the signature of their replacement or other designated individual within 10 business days. The Finance Department must be notified, in writing, of all such changes or requests for changes.

VI. Purchasing/Bid Requirements

The District's Procurement Policy shall be adhered to for all student activity, special grant and other funds purchases. No personal purchases may be made through the student activity funds for school board members, staff members or other individuals.

VII. Class Funds/Student Activity Fees (high school)

All expenditures and the disposition of any remaining funds from the graduation class must have prior written approval of the principal or designee. Every effort should be made to expend all funds prior to graduation. It is the responsibility of the class advisor to notify all class officers of the procedure regarding class funds that are not expended prior to graduation. The advisor must inform the class that:

By September 1 following the graduation of the class, all funds not expended will be transferred by the Principal from the class account to the administrative account and held for a period of one year. After one year, with the approval of the School Committee, the Principal may expend those funds for school purposes which benefit the student body, including school improvements.

It is the responsibility of the class advisor to ensure that all four class officers are aware of the policy on funds disbursement. The class advisor is to prepare a document, signed by the officers, indicating this understanding. This document is to be presented to the Principal by March 1 of the senior year. A signed copy of the document shall be sent to the Business Office. See attached document.

VIII. Reconciliation

Bank accounts and statements shall be reconciled based on written guidance from the Director of Finance.

Each year at the close of school, all bank accounts shall be reconciled for audit.

IX. Payments To Employees, Independent Contractors, And Non-Incorporated Businesses

The District must report to the IRS payments made to employees, independent contractors, and non-incorporated businesses that exceed \$600 per calendar year (January 1 through December 31).

a. Payments to Employees

No payments to employees for services rendered are to be paid from the Student Activity Funds.

b. Independent Contractors

A 1099 form is required to be issued by the District if an individual has received payments for services that total over \$600 per year on a system-wide basis. The independent contractor must complete Form W-9 to supply the District with a tax reporting identification number, regardless of the payment amount or if paid in installments.

During the first week of January, each Principal is required to submit an electronic list to the Finance Department containing the following information on any independent contractors and non-incorporated businesses who were paid in the previous calendar year:

§ Payee name

§ Payee address

§ Date of payment

§ Dollar amount of payment

§ The list must be signed by the Principal

§ Completed W-9 forms for each payee must accompany the list

c. Non-incorporated Businesses

Since many business corporations do not always include “Inc.” on their invoices, it is difficult to identify if the business is a corporation. If it is not incorporated, we are required to file a 1099 with the IRS. If you are unsure as to whether or not the business is incorporated, they are required to complete a W-9 form and they should be included on the list with the independent contractors. Since these are important tax documents, please be sure the information is accurate and complete. All forms will be kept on file for future audits. **If a non-incorporated business or independent contractor has been paid \$600 or more on a system-wide basis, we are required to file a 1099 with the IRS.**

The following procedure must be used for reimbursement made payable to teachers and other employees:

Checks may be issued to the teacher or employee for reimbursement ONLY. Sales tax cannot be reimbursed. The purchase should be made first, followed by a request for reimbursement accompanied by proper supporting documentation for your records (itemized paid invoices, receipts, etc.). Reimbursements will not be made for any receipts dated more than one month prior to the request. If in some cases, an employee is unwilling to purchase materials out of his/her own funds, then the teacher will be required to make the purchases within three school

days after the issuing of the check and then submit the required documentation to back up the payments. The documentation must be attached to your records within three school days of issuing the check.