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Approved by the Board on 3/20/2014

This manual supersedes any accounting regulations adopted by the Board.
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Section 1

Public vs. Non-Public Expenditures

The funds maintained at the local schools can generally be divided into two major categories: public and non-public. Various factors must be considered in determining the proper classification, which affects the degree of expenditure restriction.

Public funds - restricted to the same legal requirements as Board funds.
Examples:

1. General – may consist of vending machine commissions, proceeds from school fundraisers (school pictures, coupon books, etc.), student parking, appropriations from the Board, interest income, and other miscellaneous revenues. Its primary purpose is to pay for the general operations of the school and is totally controlled by the Principal.
2. Library – accounts for late charges on returned library books, funds collected for lost library books, and expenditures incurred for purchasing library books.
3. Athletic – may consist of income from gate receipts, parking at athletic events (the portion received by the school, 75%, is considered public funds), advertising commissions, game program sales, and donations from athletic booster clubs. Separate accounts may be established for individual sports, if desired. Expenditures include athletic uniforms, equipment, and supplies; membership dues to athletic organizations; registration fees for coaching clinics; travel and transportation; game officials, and, expenditures related to athletic events, including expenses for practicing and preparing for athletic competitions and exhibitions.
4. Concession and Student Vending – may consist of concessions operated by the school at athletic events and vending machines or concessions for students operated at the school during the school day. Concession proceeds generated by sales conducted by an employee during the work day are considered public funds.
5. Fees – school imposed course fees for certain non-required academic courses, field trips, workbooks, and supplemental instructional materials. These funds are used to cover the costs associated with the course or purpose for which the funds are collected.
6. Locker Fees – funds collected from students that are used to cover the costs associated with maintaining the student lockers.
7. Faculty Vending – consists of funds collected and used for items sold in faculty lounge areas that, although not assessable to students or the public, are totally controlled by the Principal. (See Section 4 - Vending Machines).
Allowable expenditures from public funds include:
1. Professional development training.
2. Refreshments expended for an open house at a school where the public would attend.
3. Pregame meals for student athletes and coaches.
4. Academic incentives for students.
5. Athletic and band uniforms for students to participate in school activities.
6. Memberships in professional organizations (if related to position).
7. School landscaping, maintenance, and furnishings.
8. Coaches cards for administrators and coaches.

Funds received from public (tax) sources or used for public purposes are public funds subject to the control of the school principal.

Non-Public funds - restricted for expenditures subject to the intent and authorization of the organization’s sponsors and officers and not used for general operations of the school. The principal does not direct the use of these funds but does have the authority to prohibit inappropriate expenditures.

Examples:
1. Clubs and Classes – Student organizations may have self-imposed fees but not academic course fees. The participants often impose their own fees for participation in these clubs and classes. These student organizations often conduct fund raising events. Clubs and classes include FBLA, Senior Class, Student Government, Spanish Club, Cheerleaders, Band, Show Choir, Beta Club, National Honor Society, Key Club, etc. Student organizations are self-governed by officers elected by the participants.

2. Other School Related Organizations – Parent or parent/teacher organizations can have the organization’s funds in the school accounts. These organizations are governed by officers elected by its members. PTO, PTA, Band Boosters, and various athletic booster support groups are considered school related organizations. (See Section 7 - Guidelines for School Related Organizations).

Some of the expenditures that are not allowable purchases from public funds but may be allowable expenditures from non-public funds include:
1. Food for social gatherings.
2. Class prom entertainment.
3. T-shirts for club members or faculty.
4. Donations to various organizations.
5. Transfers to other non-public accounts.
6. Travel expenses to club events.
7. Championship rings.
8. Faculty appreciation gifts.
10. Flowers for funerals.

[The State Ethics Law limits purchases for school employees and their families.]
NOTE: Non-public funds can become subject to the same expenditure restrictions as public funds if the accounting records do not maintain a separate account for each of the non-public funds.
Section 2

Receipting Money

Remote Receipting

Remote receipting is a computerized method of receipting and is the preferred method for receipting money. It takes the place of receipt books, yet functions in the same manner. A receipt is issued from NextGen to each person from whom funds are collected, and a copy of the receipt is maintained for audit purposes. A recap report is printed from NextGen and is used to verify (count) the amount of cash and checks collected. Once satisfied that all funds are accounted for, the Office Coordinator will close out the stations and post the receipts. Remote receipting is also a method for collection of fees at the start of the school year. The NextGen system allows the use of stand-alone computers to service several receipt lines at registration. This allows for the receipting to be automatic into the school’s books. Instructions and guidelines for how to use the feature can be obtained by contacting the Finance Department.

Master Receipting (to be used only with receipt books)

All monies must be receipted daily in the NextGen system. The system automatically assigns receipt numbers, issues hard-copy receipts to each payer, and generates a duplicate receipt to be filed in numerical order and retained as a part of the school’s accounting records. Each Principal is responsible for obtaining and furnishing pre-numbered receipt books for individual teachers.

All receipts written should be deposited on the day received. The total of all checks receipted should equal the total of all checks deposited and the total of all cash receipted should equal the total of all cash deposited. Principals may establish a daily cut-off time after which funds from teachers/staff will be received and receipted, but not deposited until the next business day. To ensure that deposits are posted with the bank timely, it is suggested that this cut-off be no earlier than 2 p.m.

The master receipting process must be handled with the utmost accuracy to ensure proper coding of all receipts of the school.

Receipts are never to be destroyed or changed. If a mistake is made, write VOID on all copies and staple them together. File the voided receipt in numerical order with all the other receipts.
Receipts are to be issued only when money is received. Under no circumstances are receipts to be issued in advance.

A Master Receipt must not be issued in the office for funds collected by the teacher or others unless the teacher receipt book is submitted to the office at the time the money is brought to the office. The Master Receipt must show the range of receipt numbers from the teacher’s receipt book that comprise the total amount collected and submitted.

Interest earned on bank accounts does not constitute “money received” in the school office; therefore, a receipt is not necessary. The amount of interest earned must be entered into the school’s books by means of a journal entry (J/E) at the end of each month when the bank statement is received.

Receipts written must state the source of funds. Receipts must always be written to a person. Receipts should not be written to such things as: “Picture Sales”, “Candy Sales”, “School Supply Store”, “Junior Class”, or “First Grade Field Trip.” The person receipting the money must never write a receipt to him/herself.

Receipts must be completely filled out including, but not limited to, the date, the person from whom the money was received, source of funds, amount received, marked cash or check, and then signed by the person receipting the funds. A copy of the receipt must be given to the person turning in the monies or stapled in the receipt book if from a teacher.

The Principal is responsible for any shortages resulting from errors or otherwise in the handling of school monies.

Teacher Receipt Books (to be used only with master receipting)

Each teacher will be issued an individual, pre-numbered receipt book to be used to record all funds collected in his/her class. (This includes funds derived from the selling of pictures, fundraising items, tickets, etc.)

A permanent record, “Receipt Book Assignment” form (form on website) must be kept by the Principal/designee of each numbered receipt book issued; this record must be retained with the school’s accounting records. The “Receipt Book Assignment” form must contain the following information at a minimum: school’s name, teacher/activity, receipt book number, beginning and ending receipt numbers, date issued, teacher signature, and date returned. The Principal/designee is responsible for checking these books, checking in the books at the end of each school year, and filing these books with the fiscal year records. Any major errors or mistakes must be reported to the Finance Department immediately.

Instruction for completing teacher receipt book information:
1. Write student’s first and last name
2. Teacher’s signature (no initials) only on each receipt – do not allow students to sign receipts
3. Indicate cash or check
4. Do not receipt lunch money in this receipt book
5. Do not skip receipts
6. Voided receipts must be kept in the book and initialed by the teacher that receipt is void. **White copy of voided receipts must be retained.**
7. Give white copy to the student/parent. Do not leave in the book.
8. Count the money; total the receipts – *They must equal.*
9. A Receipt Book Balancing Form **must** be completed (form on website).
10. Take all monies, receipt book and Receipt Book Balancing form to the bookkeeper personally. The bookkeeper should return the receipt book and Receipt Book Balancing form to the teacher.
11. The Receipt Book Balancing Form and the master receipt must be stapled in the teacher’s receipt book behind the last receipt written for that day.
12. No money should be left in the classroom overnight. The teacher is personally responsible for all monies collected until turned in to the office.
13. Teachers/bookkeepers **must not** cash personal checks for anyone out of the funds they have receipted.

Each Principal has the option of waiving the requirement to write a receipt to each student in a class when the amount being collected from each person does not exceed five dollars ($5.00) and the same amount is being collected from everyone. If this option is used, the teacher may write one receipt to “see attached list” for the entire amount collected, and the teacher must attach a list of the students and the amount being collected from each student to the copy of the receipt in the teacher’s receipt book.

Alternative Methods of receipting are also discussed in the Fundraising Activities section of this manual.
Section 3

Banking

The selection of a banking institution for school funds should involve a comparison of the operating features of various banks. Although proximity to the school is important for accessibility for daily deposits of funds, bank charges and other banking procedures can create problems in managing school funds. Some school boards select the banking institution for the schools after conducting an analysis of the bank’s willingness to cooperate in meeting the unique operations of public schools. Alabama banking institutions often accommodate local schools by waiving fees and providing banking features not available to individual customers. In some cases, an interest-bearing checking account has additional fees and charges that negate the interest income. Fortunately, many banks will waive the fees and charges upon request.

A school should have no more than one checking account. Establishing separate bank accounts is not necessary to avoid co-mingling of public and non-public funds. Funds not needed for current operations, whether invested in CD’s, money market accounts, or savings accounts, must be recorded in the school’s accounting records and included in the school’s financial statements.

School funds must be maintained in a Board approved Qualified Public Depository (QPD). A QPD is an Alabama banking institution that provides protection for school funds under the Security for Alabama Funds Enhancement Program (SAFE), administered by the Alabama State Treasurer’s office. At the end of each fiscal year, the bank is, by law, required to provide a letter confirming that all school funds are listed on the bank’s records as SAFE Program Accounts.

The Board’s investment policy states that certificates of deposit (CDs) with a variable rate should not be for a period longer than two years. CDs with a fixed rate should not be for a period longer than one year. CDs can be “rolled over” or reinvested after adequate research has been done to ensure the best possible rate of return is being received.

Deposits

School funds must be deposited daily. If the deposit cannot be made before the bank closes, a locked night deposit bag should be used to secure the funds in the bank’s night depository. In order to allow for time each day preparing the daily deposit, the Principal should establish and enforce reasonable timeframes for teachers to bring their daily
collection of funds to the office and receive a Master Receipt. The following procedures are recommended:
1). Pre-printed, duplicate deposit slips should contain the name of the school account and the bank account number.
2). When the Master Receipt is written, payments received by check should be endorsed with the words “For Deposit Only” along with the name of the school bank account and bank account number.
3). The deposit slip should contain the Master Receipt numbers of the funds deposited.
4). The deposit date and deposit amount should be indicated on the last Master Receipt included in the deposit.
5). Daily receipts should be deposited intact. **Do not cash checks with the funds received.** Do not use cash receipts for change cash. Do not use cash received for payments.
6). Do not use correcting fluid or erasures for mistakes on deposit slips.
7). The bank should authenticate the duplicate deposit slip at the time of deposit. The duplicate deposit slip (and the bank’s deposit confirmation, if provided) must be retained for audit.
8). CNP deposits are to be verified by the school office. CNP managers must submit a copy of the daily Cash & Meal Summary Report, the Check Summary Report, and the Cash Journal Report along with their deposit (to include a completed deposit slip) for verification. Significant variances between the report and deposit should be reported immediately to Principal and the CNP Director.

**Returned (Bad) Checks**

NexCheck is the official collection agency for NSF checks. Each school’s bank will automatically forward NSF checks to NexCheck for collection. Prior to making the daily deposit, each bookkeeper (or designee) must be sure that all checks in the deposit have the individual’s phone number either printed or written on the checks.

As for accounting procedures, journal entries must be made on the books for all checks that Nexcheck has not yet given funds to the bank account for. In other words, if the bank statement shows six (6) bounced checks, but the bank statement also shows that only funds for five (5) checks have been received, then the amount of the sixth check must be recorded on the books as a receivable by debiting Returned Checks Receivable (0137) and crediting Cash (0111). Once the bank account has the funds for the sixth check (usually in the next month), a reversing entry can be made in that month.

Each returned check can be tracked on the NexCheck website at [www.nexcheck.com](http://www.nexcheck.com). It will also be possible to print any reports that may be necessary for the end of each month from this website. The NexCheck representative is Monica Dodd, (205) 945-1126 ext. 3037, mdodd@nexcheck.com.
When a check is returned, log it on the “Bad Check Log” (form on website), and follow the procedures listed below.

To record a returned check in the financial system, the following journal entry must be made in the financial system:
Debit Returned Checks Receivable  
Credit Cash/Operating

When payment is received for a returned check, reverse the journal entry above.

Until a returned check is collected, it must be shown as a part of the “Bad Check Log.” In other words, the “Bad Check Log” should be a continuous statement of returned checks received by the school. Each check will remain on the log until either collected or written off to the Finance Department for collection. When a returned check is written off, the following journal entry must be made in the financial system:
Debit Revenue (where originally receipted)  
Credit Returned Checks Receivable (or Cash/Operating if the returned check was never moved to Returned Checks Receivable)

Returned checks must be sent to the Finance Department for collection before they become more than 60 days old. The “Bad Check Log” should not carry checks that are more than 60 days old at any given time. This is to allow the District Attorney’s Worthless Check Unit ample time to collect. The District Attorney’s Worthless Check Unit will not attempt to collect on any check that is more than a year old.

**Bad Check Collection Procedures For Checks Not Processed by NexCheck**

1. There are some checks that NexCheck will not attempt to collect. These checks are counter checks, third party checks, checks written on closed accounts, and fraudulent/forged checks.
2. Proper notification should be made to the parents and students that appropriate action will be taken in prosecuting bad-check writers. A notice should be in the school handbook given each school year and proper notice posted in the school office. This should be made available in several languages.
3. When accepting checks, if possible, a driver’s license number should be referenced on the check. Caution employees not to accept unsigned, post-dated, or counter checks.
4. Upon receipt of an NSF check, log the check on a “Bad Check Log” (form on website). Completely fill out the log. Then, several things need to be determined to meet District Attorney requirements: If the check date is less than one year from the current date, was not post-dated and was initially deposited promptly, was not a donation check, and is stamped “insufficient funds” or “account closed”, you may proceed with this process. The Principal/designee
should immediately send “Notice to the Maker” (example on website) by certified or registered mail, addressed to the **check signer** (not the name in the top left corner of the check). This alerts the bad-check writer that they have ten (10) days to pay the amount plus a service charge prescribed by law ($30.00 for checks dated January 1, 2003 or after). If the certified letter is returned to you, no waiting period is required: Forward the unopened envelope to the Director of Finance along with the other items mentioned below in number four. Also, periodically, names of bad check writers should be distributed to all employees receipting cash at your school so that repeat offenders can be stopped.

*Note: If your school is located in the Birmingham, D.A. District (see following list), and the check is returned to you stamped “account closed” or “No Account”, complete the Worthless Check Information form and Checks Received by D.A. WCU form (forms on website). Then attach the original returned check and send to the Finance Department for processing. You no longer have to send out the Notice to the Maker letter under these circumstances.*

5. If the bad check amount plus a service charge is not paid within ten (10) days of the confirmation of receipt of the letter, a Worthless Check Information form (form on website) must be completed (for each bad check). **NOTE: Victim information refers to the school accepting the check. Do not sign the sheet in the area labeled affiant signature, as the Director of Finance will sign this.** Also, each check should be logged on a “Checks Received by D.A. WCU” form (form on website). These forms should be brought to the Director of Finance, along with the original check, the certified mail receipt, the return receipt signature card, and a copy of the “Notice to the Maker” letter. At this time, the bookkeeper can write off the bad check. The Director of Finance will forward all documents to the appropriate District Attorney’s office. **NOTE: You may not accept payment on the check after the information has been sent to the Director of Finance without obtaining approval. Once an item has been turned over by the Director of Finance to the District Attorney’s offices, it is no longer our responsibility. Inform everyone who receipts cash in the office of this regulation.**

6. The bad-check writer will be notified by the Unit and will be given the opportunity to voluntarily pay the total amount owed (which will then include a substantial D.A. fee). The Unit will remit restitution collected to JefCoEd monthly. These will be receipted in the Finance Department and distributed to the appropriate department/school. Partial payments are not accepted but the Unit will let them clear one bad check per month if there are multiple cases.

7. If the bad-check writer fails to respond to this notification, a warrant is issued. If arrested, court fees will also be added to **each** bad check case brought to trial.

8. Occasionally, checks are returned as a direct result of a bank error. When this occurs, require the bad-check writer to furnish a written explanation from the
bank, which clearly documents a *bank* error. When this documentation is provided, the principal may waive the service charge.

9. When a student, who is a minor, writes a bad check, contact the parents or guardian before sending the Notice to the Maker.
Central Office
Adamsville Elementary
Bagley Junior High
Bottenfield Middle
Bragg Middle
Brookville Elementary
Bryan Elementary
Burkett Center
Center Point Elementary
Chalkville Elementary
Clay Elementary
Clay-Chalkville Middle
Clay-Chalkville High
Corner School
Crumly Chapel Elementary
Erwin Elementary
Erwin High
Fultondale Elementary
Fultondale High
Gardendale Elementary
Gardendale High
Grantswood Community
Gresham Elementary
Hillview Elementary
Irondale Community
Irondale Middle
Jefferson County Counseling Center
Johnson Elementary
Minor Community
Minor High
Mortimer Jordan High
Mount Olive Elementary
North Jefferson Middle
Pinson Elementary
Pinson Valley High
Rudd Middle
Shades Valley High/IB/Technical Academies
Snow Rogers Elementary
Warrior Elementary

Brighton Middle
Concord Elementary
Greenwood Elementary
Hueytown Elementary
Hueytown Middle
Hueytown High
Lipscomb Elementary
McAdory Elementary
McAdory High
North Highland Elem
Oak Grove Elementary
Oak Grove High
Pleasant Grove Elem
Pleasant Grove High
West Jefferson Elem

Request for Duplicate Checks (Stop Payment)
If an employee or vendor contacts the school requesting a duplicate NextGen payroll or accounts payable check, the employee or vendor is to complete a “Request for Duplicate Check” form (form on website). The form will not be processed until five (5) business days after the original check date allowing time for late mail delivery. If the check was written by the central office, submit the form to the Finance Department for notification of the Bank. If the check was written at the school level, the Principal should notify the Bank to issue a “Stop Payment”. Twenty-four hours after a confirmation from the Bank is received, a duplicate check can be issued.

Change Cash/Petty Cash

When change cash is needed for an event or activity at the school, the check must be charged (debited) to the Change Cash account, which is 12-1-0115. The Principal must designate the individuals to whom the change cash checks can be written (the “payee”). Only the payee can go to the bank and cash the check. The check should not be made out to the school or to cash.

The change cash must be re-deposited after the event and receipted (credited) to the Change Cash account. This should eliminate the balance in the Change Cash account. A balance in a Change Cash account indicates cash that has not been returned to the checking account after an event. Change cash should not be left in the school building on weekends or holidays.

FOOTBALL GAMES: After the football game when the money is counted, a deposit should be made for admissions and a separate deposit should be made of the change cash. When completing the Individual Cashier Ticket Sales Report and the Ticket Sales Report Summary, never include the change cash with the total dollars collected.

OTHER EVENTS: If the sport events are numerous where many games are played in a week, for example: baseball, volleyball, basketball, etc., the change cash should be placed in a locked box in the office safe after every game, if possible. It will be the responsibility of the designated individual cashing the Change Cash check to replace any money that is stolen.

PETTY CASH IS NOT ALLOWED AT THE LOCAL SCHOOL LEVEL.
School Income

Athletic Ticket Sales

Tickets should be sold at all events where admission is charged. Admission events include football, basketball, baseball, softball, volleyball, soccer, wrestling, swimming, track, and other athletic events, as well as, beauty pageants, dances, theatrical performances, talent shows, carnivals, festivals, and other school-related events. The use of tickets for admission events, when properly managed, assures that entrants to events paid the admission fee and that all admission charges are deposited in the school’s bank account. Pre-numbered tickets may be printed for a specific event or may be sold from a roll of generic tickets. If generic tickets are sold for seasonal events, such as football or basketball games, ticket colors should be alternated. Security practices, such as having a ticket collector tear tickets in half, may be necessary at some events to avoid the re-use of tickets by entrants to the event. The ticket collector should not be the ticket seller.

An Individual Cashier Ticket Sales Report must be issued for each individual selling the tickets at the time the tickets are provided to them for the event. The report of ticket sales form should contain the following information:

1). Name of the event.
2). Date of the event.
3). A line for the name or signature of the person receiving the tickets for sale.
4). The beginning number of the tickets issued.
5). The beginning number of the tickets not sold.
6). A line for the signature of the person receiving the unsold tickets and cash collected.
7). A space for reconciling collections based on ticket sales to actual cash returned.

A Ticket Sales Summary Report must be prepared using the completed Individual Cashier Ticket Sales Reports. All cash collected must be deposited intact. **Do not use cash collected or change cash to cash any checks, including school checks issued for officiating, security, ticket sellers, or ticket collectors.**

All unsold tickets as well as all completed forms should be retained for audit purposes.

An Attorney General Opinion ruled that a local school board can authorize complimentary passes to certain individuals provided the granting of the passes furthers and enhances school purposes. A Principal cannot issue any complimentary passes without the express authority of the local school board. Public employees and officials and their family members receiving a complimentary pass are responsible for compliance with the State Ethics Law.

Fundraising
The Principal must approve each school fundraising activity conducted by students, teachers, school employees, or school-related organizations. The local school board may exempt school-related organizations from this requirement if the activity of the organization is not under the control of the Principal. However, elementary school students must not be involved in any door-to-door solicitations or sales. **No fundraisers may sell foods of minimal nutritional value during the school day.** A Fundraiser Request Form requesting authorization for a fundraising activity must be approved by the Principal prior to the start of the fundraising activity and should contain the following information:

1). Date of the request.  
2). Name of the individual making the request.  
3). Activity account to receive proceeds from fundraiser.  
4). Class, club, or organization that will conduct activity, if applicable.  
5). Name of fundraising project.  
6). Beginning and ending dates of fundraiser.  
7). Description of fundraising activity, such as:  
   a). name of company supplying items for sale.  
   b). description of items for sale.  
   c). estimated cost of items for sale.  
   d). sales price of items.  
   e). description and estimated cost of related fundraiser expenses.  
   f). description of method of sales and collections.  
   g). estimated profit from fundraiser.  
8). Purpose of fundraiser.

Before approving a fundraising activity, a Principal should consider the safety of students involved in the activity. For example, the cheerleader sponsor should supervise events such as a “Car Wash for Cheerleader Camp”. The potential profitability for the efforts expended on a fundraising activity should also be considered.

Approved fundraising activities must comply with financial procedures for school funds, including:  
1). All funds collected must be delivered to the Principal’s office for a Master Receipt. Do not cash checks from collections.  
2). Income from fundraisers must be deposited on a timely basis. Teachers and sponsors of fundraisers should be reminded not to hold fundraiser income until the fundraising project is complete.  
3). All fundraising expenses, including sales awards to students, must be presented to the Principal for payment by check.  
4). A school employee cannot receive a gift or gratuity from the fundraising vendor.
Within a reasonable time after completion of the fundraising activity, a Fundraiser Accountability Form should be submitted to the Principal that documents the result of activity.

**Commissions**

Many local schools contract with vendors for school pictures, class rings, yearbooks, book fairs, and vending machines. Although some local school boards have system-wide contracts for all of the schools, other school boards leave the decision to the Principal of each school. The contract with the vendor allows the school to be paid by check for the activity and avoids the collecting, receipting, and depositing of cash and personal checks by the school. The contract should be written to provide the school with substantially the same net income as if the school handled all of the activity. A vending contract should require the vending company to furnish statements that identify the count of items stocked in the machines with each delivery. A school employee will verify the stocked items. The use of the statement of stocked items to calculate the expected profit from the machines will determine if the school is receiving the expected income from the vending company. **Foods of minimal nutritional value may not be sold during the school day.**

**Vending Machines**

Some schools service some or all of the vending machines in the schools. Some vending machines are fully serviced by school employees who stock the machines and collect the funds from the machines. Another method of servicing vending machines has the vending company stock the machine while school employees collect the funds from the machines. Controls should be established to document the products stocked in each machine and the income from each machine. Tracking the profits from each vending machine assists the Principal to insure that:

a) A malfunctioning machine is quickly identified.
b) Students and others are not manipulating a machine to take money or receive products without paying.
c) The product price is set above the product cost to obtain a reasonable profit.
d) Products are not pilfered from storage or when stocking the machine.
e) All funds from the sale of the vending items are receipted.

The same school employees who remove the funds from a machine should also stock or supervise the stocking of the vending machine. A Master Receipt should be made to the individual for the funds collected from each machine. Vending machines should not be accessible to students during the school day.
Concessions

Concessions include event concessions, school concessions, and school stores. Concessions sold by Board employees during work time would be considered public funds. Because all concessions involve cash, and neither cash receipts nor tickets are used to control the exchange of money, proper accounting for the sale products and income is essential. Ideally, a cash register would be used to account for the cash collected. The purchaser would receive a cash register receipt and the cash register would generate a record of sales. An inventory of items purchased, items sold by sales price, and items unsold should reconcile to the cash collected. The following procedures are recommended:

1). Do not cash checks with concession funds. Deposit funds intact.
2). Do not make payments from cash collected. Payments must be made by check.
3). Funds should be collected on a timely basis.
4). A Master Receipt should be issued after counting or verifying the amount of the receipt at the time the funds are actually received.
5). The person presenting the funds for receipt should wait for a Master Receipt to be prepared and verify the information on the Master Receipt before leaving the office.
6). Supporting documentation of items sold should accompany the funds collected.

Foods of minimal nutritional value may not be sold during the school day.

Book Fair

The required method of cash receipting at a Book Fair is by the use of a cash register. Two tapes must be produced: one copy is given to the student and the cashier turns the other in to the bookkeeper to be attached to the office copy of the Master Receipt. The original Master Receipt is written and given to the cashier.

Lost or Damaged School Property

Funds collected from students for lost or damaged textbooks that are the property of the Board must be receipted and accounted for in the local school and remitted by the school to the Finance Department at the end of each school year. The funds will be used by the Board to purchase textbooks. A Board payment “923” account number must be used to remit these funds to the Finance Department. See Board Policy 347.13 Disposal of Used Textbooks.

Funds collected from students for lost or damaged library books, equipment, and/or materials must be receipted and accounted for in the local school and expended for library items. These funds may not be expended for any other purpose.
Funds collected from students for lost or damaged books, equipment, and/or materials purchased with funds collected by a specific class, club, or other activity must be expended to purchase books, equipment, and/or materials for that specific activity.

**Funds from Governmental Entities**

**The Finance Department or Internal Audit Department must be notified about the receipt of all funds from government entities.** Government entities include, but are not limited to, the Jefferson County Commission, State Senators and Representatives, and local cities. The primary reason for this is to monitor reporting requirements to the funding entity or other compliance requirements that may be attached to certain funds. For example, the State bid law applies to the expenditure of these type funds, and coach’s supplements paid with these funds are subject to IRS taxation. It is the responsibility of the Finance Department to monitor the expenditure of these funds to avoid audit findings or charges. Exceptions to this policy must be approved by the Director of Finance.

When a check is received, request a letter or other documentation from the grantor which specifies how the money is to be spent and the time period for spending. The Principal should write what he/she specifically wants to buy, within the grantor’s restrictions, on the documentation provided. **A call should then be made to the Finance Department or Internal Audit Department to determine whether the check should be deposited at the school or by the Finance Department.**

Pertaining to checks deposited by the school, The *Code of Alabama 1975*, Section 41-4-93 addresses the “lapsing of appropriations” as follows: “All unencumbered balances of all appropriations shall revert to the State Treasury at the end of each fiscal year and to the credit of the General Fund or the special fund from which the appropriation or appropriations were made.” Certain funds received from State legislators are deemed by an interpretation of Attorney General Opinion 97-00268 to be encumbered at the time they are deposited by the recipient. As long as the school deposits the check prior to September 30 of the appropriation year, there appears to be no further requirements regarding the timing of the expenditure of these funds; however, it is recommended that these funds be expended prior to fiscal year end. If that is not possible, the funds should be expended as soon as possible thereafter. These type checks will be deposited at the local school and will not be monitored by the Finance Department, but will be the sole responsibility of the local school principal receiving the check. However, if a reporting requirement exists for these funds, the check must be forwarded to the Finance Department.

For checks deposited by the Finance Department the amount will be added to that school’s budget in the NextGen system as soon as the check and backup documentation is received by the Finance Department, and will then be available for encumbrances. Unexpended balances of these type funds will be monitored by the Finance Department, and will be
reported to Principals periodically to assure funds are expended within the proper time period.
Section 5

Purchasing

Bid Procedures

The Board authorizes the purchase and lease of all goods and services necessary for the operation of the Jefferson County School System. This process shall be applicable to all purchases consistent with provisions of all Alabama State Competitive Bid Laws, Code of Alabama 1975, title 41, Chapter 16, and procedures established by the Examiners of Public Accounts. Pursuant to this purpose, the following guidelines shall govern all purchases:

1. Building of Facility Improvements *

   All costs associated with building and/or facility improvements, renovations, or alterations must be approved and bid through the Bids & Contracts Department, regardless of the source of funding.

2. Purchases from Appropriated Money *

   Goods or services purchased or leased with appropriated funds or funds raised from taxation (federal, state and local grants, County Commission donations, Board of Education appropriations, etc.) will be subject to the Alabama State Competitive Bid Law and the following:

   a. Simple Purchase - $0 - $1,000.00
   b. Quotable Item - $1,000.00 - $14,999.00, minimum three (3) quotes, using the lowest responsible quote
   c. Bid Item - $15,000.00 +, sealed bid process – Bids & Contracts Department

   Certain items are bid locally to take advantage of bulk purchasing or for other valid reasons. Many other items are available from either Purchasing Association of Central Alabama (P.A.C.A.), U. S. Communities Government Purchasing Alliance, TPN, NJPA, National IPA, Alabama Joint Purchasing Agreement for Technology or State bids. When available, ALL PURCHASES must be made from an existing bid. If a current bid is not available, the Finance Department will be responsible for conducting a sealed bid process on all items exceeding $15,000.00 or for items of a lesser amount upon request.

3. Purchase from NON-APPROPRIATED Money *
Goods or services purchased or leased with funds NOT involving appropriations, taxation or grants (gate receipts, fundraiser proceeds, donations received from a non-governmental entity, etc.):

a. Simple Purchase - $0 - $1,000.00 or less – May be made in the open market, or through competitive bidding through the Bids & Contracts Department.
b. Quotable Item - $1,001+ - May be made by obtaining a minimum of three (3) written quotes and using the lowest responsible quote, or through competitive bidding through the Bids & Contracts Department.

4. Classroom Instructional Support Allocation

Each school or individual teacher may purchase from existing bids or they may make purchases of materials and supplies, instructional equipment, and electrical equipment for classroom instruction by the voucher system, with no one item exceeding the sum of $15,000.00, under the following restrictions and conditions:

a. All computers purchased in the school system that are to be networked must meet the minimum specifications for network compatibility published semi-annually by the Information Systems Department.
b. All purchases from non-bid transactions will be exclusively the responsibility of the purchaser including, but not limited to, service, warranties, delivery, cost and customer satisfaction.
c. Purchases that do not meet the definition of allowable expenditures as defined in Alabama Code Section 16-1-8.1 will be charged back to the individual that initiated the purchase.

* NOTE: PURCHASE MUST NOT BE SPLIT OR DIVIDED TO AVOID THE STATED REQUIREMENTS AND LIMITS.

Requisitions/Purchase Orders

School Level

A Requisition must be completed by the teacher/staff member before a Purchase Order will be generated from the financial system (LSA NextGen). Once a Purchase Order is printed, it must be approved (by signature and date) by the Principal before the purchase is made. If a purchase is made before the Principal has approved the Purchase Order, it will be within the Principal’s discretion whether to charge the employee for the purchase.

The Purchase Order should adequately describe the items to be purchased and reference a bid number if applicable. Do not order by item number alone (i.e. identify items). Avoid
use of “see attached list” except for things like a list of books for the scholastic book fair that may be prepared by a salesman at the time he visits the school campus. Also, avoid use of descriptions such as “materials”, “supplies”, or “stuff”. Accurate descriptions are necessary for bookkeeping and auditing purposes. Substitutions are not to be made unless the items are virtually the same. No additions to purchase orders are allowed.

The invoice received for a given Purchase Order must be compared to the items listed on the Purchase Order. Items received must be checked off with notes made for items cancelled, no longer available or not received, as well as notations regarding items received that were damaged.

Approvals granted after the fact will no longer be acceptable. If procedures are not followed, then the individual(s) involved will be expected to reimburse the school for all expenses paid.

Board Level

Requisitions for the expenditure of Federal, State, or Board funds maintained at the Board are created in the financial system (Board NextGen) at the local school level, are signed by the Principal. The Team Leader checks for the proper signature and attachments (booklists, forms, etc.). Purchase orders are then created by the Team Leader, verified and approved by appropriate management, and mailed or returned to the school, based on the instructions specified on the Requisition. When items are received by the school, the packing list, invoice copy, or goldenrod copy of the purchase order should be signed and noted “ok to pay” by the appropriate personnel (after verifying the goods received), and forwarded immediately to the Team Leader for processing of the payment.

Section 6
Expenditures

All obligations of the school are to be paid from official school checks. Only authorized school expenses are to be paid. A check for a current, open bank account is never to be destroyed. Voided checks must be retained for audit purposes. Checks must be secured at all times. Checks for old, closed accounts are to be destroyed by the Internal Audit Department only.

The Principal is authorized to sign checks. The bookkeeper may also co-sign checks as authorized by the Principal. It is recommended to always have two signatures on the checks. A third signer, such as the Assistant Principal, may be listed on the account in the event that the Principal becomes incapacitated.

A valid invoice and Purchase Order must be secured to serve as a basis for issuing any check: statements, faxes, and copies of invoices are insufficient. The invoices must be itemized with prices listed for each item. The invoices must include the name and address of the vendor, quantity and description of the items purchased, unit price, extensions, and the total. If an invoice is handwritten, all calculations should be checked for accuracy and initialed to verify that this was done. Packing slips and/or invoices must be signed by the person making the purchase or other responsible party.

All bills should be paid in a timely manner.

If for any reason a check is outstanding for longer than two months, efforts must be made to ascertain that the check reached the proper party. School checks should be printed with the statement “Void if not cashed within 90 days”. Checks outstanding for longer than four (4) months should be voided, added back to the cash balance, and removed from the outstanding check list.

The proper handling of the School Bank Account is the primary responsibility of the Principal. The Principal does not have the authority to issue a check unless proper documentation is secured beforehand.

Gifts, prizes, or other merchandise obtained from the purchase of school items are the property of the Board. School employees are prohibited from purchasing personal items through the school. School personnel will neither solicit nor accept funds or gifts from vendors.

Approvals granted after the fact will no longer be acceptable. If procedures are not followed, then the individual(s) involved will be expected to reimburse the school for all expenses paid.
Obligations/Accounts Payable

All obligations of the school must be paid timely and within the terms set out on the Purchase Order, unless a written contract is made setting forth definite time payments. Written contracts for the time payments must be approved by the Board before a purchase is made. Any contract entered into by the Principal may be cancelled by the Superintendent and the Principal held personally responsible unless written permission is secured beforehand. See **Requirements Regulating Borrowing of Funds and Entering Into Lease-Purchase Agreements by Schools** Section.

At the end of each month, unpaid items are to be reported as “Accounts Payable.” Obligations made for delayed billings must also be included in the listing of Accounts Payable submitted at the end of each month to the Internal Audit Department. These amounts must be included in the year-end financial report as an obligation of the school.

Approvals granted after the fact will no longer be acceptable. If procedures are not followed, then the individual(s) involved will be expected to reimburse the school for all expenses paid.

Payments for Non-Employee Service Contracts

Local schools must comply with Internal Revenue Service requirements for the reporting of payments to non-employees (such as those furnished by an athletic officials’ associations) for services rendered. Records must be maintained to account for any payments or any service rendered by any individual or organization that is not an employee of the Board, and a Form 1099-MISC (Miscellaneous Income) must be filed in accordance with Internal Revenue Service guidelines. To obtain information for proper completion of Form 1099, IRS Form W-9 must be completed by all service providers. This must be done as new vendors are added to the NextGen system.

This provision for “contract labor” does not apply to employees for the Board. Compensation for employee services is covered in the **Salary Supplements – Gifts Section**. Employees are paid on the regular monthly payroll service reports for employees, and reported on the employee’s Form W-2 (Wage and Tax Statement) at the end of each calendar year.

The determination of whether an individual should be paid through payroll (employee relationship) or through accounts payable (independent contractor) should not be made on the basis of any request of the individual, convenience of the school/Board or past practices. Each case should be weighed individually against the twenty (20) common-law rules of the IRS. These provide evidence of the degree of control and independence in three areas: behavior control, financial control, and type of relationship. If the individual is classified incorrectly it can result in substantial penalties to the school/Board.
All contracts must be completed by the school and the independent contractor, and submitted to the Board for approval BEFORE services are rendered.

For guidance and assistance in determining an independent contractor, please contact the Finance Department.

Approvals granted after the fact will no longer be acceptable. If procedures are not followed, then the individual(s) involved will be expected to reimburse the school for all expenses paid.

**Refunds/Reimbursements**

All refunds should be issued by check and paid from the revenue account where the funds were originally receipted if the receipt and the refund occur within the same fiscal year. **If the funds are receipted in one fiscal year and refunded in another fiscal year, contact the Finance Department for the appropriate account number to use.** Additionally, each school may implement a “no refunds” or “no refunds after 30 days” procedure at the discretion of the principal; however, notification of this procedure must be presented to parents at the time of registration.

Employee reimbursements must have supporting invoices and prior approved Purchase Orders to validate purchases. Checks issued to employees prior to the event must be supported with proper invoices or proofs of purchase, and the difference must be re-deposited into the school’s bank account. If this procedure is not followed, monies not accounted for must be returned to the school. Both of these situations should be limited to emergencies only.

Employee reimbursement for travel expense is covered in the Travel Reimbursement Policy and Procedures section.

If the company gives the school a refund back on a check the school sent, the check should be receipted to the expenditure account number from which it was originally written.

Approvals granted after the fact will no longer be acceptable. If procedures are not followed, then the individual(s) involved will be expected to reimburse the school for all expenses paid.

**Travel Reimbursement Policy and Procedures**
This policy applies to all travel incurred while conducting official duties for the Jefferson County Board of Education regardless of the source of funds used to reimburse travel expenses. All allowable travel expenses must be incurred while in the performance of official duties for the Jefferson County Board of Education. All out-of-state and in-state workshops and conferences must be relevant to the performance of job duties assigned by Jefferson County Board of Education. All travel claims should be submitted as soon as possible, but **must be submitted through the end of the month on the last day of each month. This is important, especially at fiscal year end of September 30!** Travel claims that are incurred during a given fiscal year that are submitted after the specified fiscal year end deadline will not be reimbursed. If on a continuous trip on the last day of a fiscal year end, October 1 forward, expenses must be on a separate claim. If another agency/organization is reimbursing an employee for travel expenses a duplicate claim may not also be submitted to Jefferson County Board of Education for reimbursement.

Claims for reimbursement of travel expenses must be on the forms supplied by the Board. The claim forms must be typed or written in ink with all information legible. All forms must be filled out in its entirety before reimbursement can be made. Computer generated forms are acceptable, but must contain all information and must be in the same format as that of the “official” travel forms, as described herein. The four forms are: (1) Statement of Travel, (2) In-State Travel Reimbursement, (3) Out of State Travel Reimbursement and (4) Professional Development Request. All forms used prior to the revision of these procedures are to be discarded.

**Statement of Travel**

The Statement of Travel form is intended for use by those employees who travel daily in the normal course of their duties, and shall be completed as follows:

1. **Employee Name and Address** – The name and mailing address of the employee claiming reimbursement must be entered. Employees cannot claim reimbursement for other employee’s expenses.
2. **Program** – For administrative personnel, this is usually their title plus the funding source (i.e., General Fund, Title I, CNP, etc.). For others, it is the name of the program or the nature of the service provided such as “speech pathologist” or “Information Systems support”.
3. **Base School/Location** - Employees working out of departments located at the Central Office will consider the Central Office as their base. Employees working at a particular school will report the school as their base. Employees working at Ketona will report Ketona as their base. Non-supervisory classified employees must use their department/school as their base. Non-supervisory certified employees working out of departments located at
the Central Office (preschool itinerant teachers, reading initiative itinerant teachers, homebound teachers, etc.) will be assigned by their Director to the closest school to their home that they serve. These base assignments, and other exceptions, must be submitted in writing by the appropriate Director to the Finance Department at the beginning of the fiscal year. For employees that are assigned to a school, the assigned school will serve as the base.

4. **Points of Travel** – Travel expenses must be listed in chronological order with all required information supplied. Employees shall not claim commuting mileage (distance from home to base school/location). The round trip commuting mileage should be excluded from the total miles claimed. Employees who report to various locations in one day must subtract commuting mileage from the total mileage claimed for reimbursement on that day. Each principal/Supervisor will be responsible for determining commuting mileage for all employees within their school/department.

5. **Number of Miles** – The number of miles from the central office to any given school location will be determined by utilizing the mileage database located at [http://www.jefcoed.com/departments/Finance/Documents/Mileage%20Database.aspx](http://www.jefcoed.com/departments/Finance/Documents/Mileage%20Database.aspx). The number of miles to multiple school sites or non-school sites will be determined by entering the starting location and ending location on [www.mapquest.com](http://www.mapquest.com) and selecting the shortest distance under advanced options. If traveling between several points it will be necessary to “map quest” each point of travel in order to determine the total number of miles to claim for the day. The map quest printout for each trip must be attached to the travel claim. Reimbursement should be claimed only for the number of miles driven in the performance of official duties for the Jefferson County Board of Education. Commuting mileage and mileage incurred for personal reasons must be excluded from the total miles claimed. It is ultimately the employee’s responsibility to ensure that the total miles claimed for reimbursement are a true and accurate reflection of the miles driven while in performance of official Board duties.

6. **Purpose/Comment** – An entry must be made for each trip claimed.

7. **Board Approved Mileage Rate** – The Board approved payment amount per mile. The Board will use the Standard IRS mileage rate.

8. **Total Mileage Reimbursement** – The total miles driven times the mileage rate.

9. **Affidavit** – The affidavit must be signed and dated in ink by the employee claiming expense reimbursement. The appropriate supervisor must also sign all forms (i.e., Principal, Director or Superintendent).

10. **Travel reimbursement** should be made monthly and should be submitted to the Principal/Director for approval on the last day of the month. All associated reimbursement claims should in the Finance Department no later than the 10th day of the month following the month travel is incurred. If more than one page is needed, the pages shall be numbered in the upper right hand corner as “Page 1 of 2”, etc. Purchase requisitions should then be processed as usual with the appropriate approval. If travel is to be paid from Board funds, when the Finance Department
receives the requisition, a purchase order number will be issued only for reference purposes, but it will not be necessary to print or process a hard copy of the purchase order due to the approval process already initiated. Reimbursement checks will be available as soon as possible.

Professional Development Request

The Professional Development Request form is intended to provide documentation for prior authorization of travel related to conferences, workshops or other meetings. Professional Development Request forms should be submitted no later than 10 days prior to the conference. Forms will not be approved and reimbursement will not be made if Professional Development Request forms are submitted after conference is attended. The form should be completed as follows:

1. Employee Name – The name of the employee requesting professional development must be entered. Reimbursement claims may not be submitted for another employee’s expenses therefore, each employee attending the conference/workshop should complete a Professional Development Request form.
2. Base School/Department – Report the base school or department to which assigned.
3. Title of Conference – Detailed information should be supplied as to the title of the conference so as to ascertain that it applies to the employee’s assigned job duties.
4. Location of Conference – City and State hosting the conference.
6. Dates of Travel – Dates of travel to and from conference.
7. Mode of Travel – Indicate form of transportation to and from conference.
8. Substitute Required – Indicate whether a substitute will be required while employee is on Professional leave and if required the dates a substitute will be present.
9. Funding Source – Indicate the source of funds that will be used to cover all estimated expenses associated with conference.
10. Total Estimated Expenses – Every effort should be made to reflect an accurate estimation of expenditures. If actual expenses exceed the originally approved estimate of expenses by more than 10% the Professional Development Request form will be subject to re-approval.
11. Approvals – If the conference is in state and the estimated expenditures are less than $500.00 and are not funded by federal funds only the employee and principal/director signs the request form. If the conference is in-state and the estimated expenditures are $500.00 or more then the appropriate Deputy Superintendent must also sign the form. The appropriate Federal Programs Coordinator must always sign the form if the estimated expenditures are funded from a federal fund source. Out of state conferences require the approval of the Superintendent.

Processing the Professional Development Request form:
1. The Professional Development Request form will be downloaded from www.jefcoed.com Departments/ Finance. The employee will complete the form and forward the form to the principal/director. The form must be submitted for approval at least ten (10) days prior to the conference/event. Requests will not be approved if they are not submitted within this time frame.

2. Principal/Director receives the request and approves or rejects the form. If the requested conference is in state, not funded with federal funds and the total estimated expenditures are less than $500.00 the principal/director is the final approver of the request. The principal/director forwards the approved request back to the school/department secretary for dissemination back to the employee and to the individual responsible for the payroll service report. If further approval is required, the principal/director will forward the request to the next approver (i.e., funded federally-federal programs coordinator, total estimated expenses $500.00 or more-deputy superintendent, out-of-state-superintendent). If the form is rejected at any level of approval, it will be returned unsigned to the school/department secretary, or once final approval is received the form will be emailed to the school/department secretary for dissemination to employee and individual responsible for payroll service report.

3. The employee will submit a copy of the approved Professional Development form attached to the appropriate travel reimbursement form. A Purchase Requisition should then be created and approved by the principal/director. The completed travel reimbursement form and the requisition should both be forwarded to the Finance Department for payment. In addition, a copy of the approved Professional Development form must be submitted with the payroll service report in order for employees to be granted Professional Development leave.

In-State Travel

1. Travel must relate to employee’s duties and responsibilities for the Jefferson County Board of Education. Only necessary expenses of official travel will be reimbursed. All non-supervisory classified employees must, when possible, travel during normal working hours. A Professional Development Request form must be completed and approved before any travel or registration expenses are incurred.

2. Registration - Request for payment/reimbursement of registration must have an agenda, to include meeting place and dates. If registration includes a membership fee or dues for an individual, it must be deducted. The Board does not pay personal membership fees or dues. If membership is required for student participation in an event then the membership fee may be paid by the Board. Registration fees are the only travel expenditure that may be paid in advance by way of a purchase order. If the employee requesting professional leave does not attend the workshop/conference and the registration fees are non-refundable the employee must reimburse the Board for the total registration paid on the employee’s behalf. A copy of the approved
Professional Development Request form must accompany the documentation submitted for advance payment of registration fees.

3. Mileage Reimbursement – The Jefferson County Board of Education will adopt the standard mileage reimbursement rate used to calculate the deductible cost of operating a personal automobile for business established by the Internal Revenue Service. The mileage rate is to cover gas and use of personal vehicle in the business of the Jefferson County Board of Education. The Finance Department will update this rate as necessary to coincide with IRS rates. The number of miles will be determined by entering the starting location and ending location on www.mapquest.com and selecting the shortest distance under advanced options. If traveling between several points it will be necessary to “map quest” each point of travel in order to determine the total number of miles to claim for the day. The map quest printout for each trip must be attached to the travel claim. Reimbursement should be claimed only for the number of miles driven in the performance of official duties for the Jefferson County Board of Education. Commuting mileage and mileage incurring for personal reasons must be excluded from the total miles claimed. It is ultimately the employee’s responsibility to ensure that the total miles claimed for reimbursement are a true and accurate reflection of the miles driven while in performance of official Board duties. Mileage reimbursement should only be submitted by the individual who is driving their personal vehicle not by the individuals carpooling with the driver.

4. Points of Travel – Travel expenses must be listed in chronological order with all required information supplied. Employees shall not claim commuting mileage (distance from home to base school/location). The round trip commuting mileage should be excluded from the total miles claimed. Employees who report to various locations in one day must subtract commuting mileage from the total mileage claimed for reimbursement on that day. Each Principal/Director will be responsible for determining commuting mileage for all employees within their school/department. Per Diem for Travel Outside of Jefferson County – The Jefferson County Board of Education will adopt the State of Alabama per diem rates for overnight travel throughout the state except for travel to Mobile or Baldwin County. The per diem rates for travel to these counties will be based upon the Meal and Incidental Expense per diem rates set by the United States General Services Administration (GSA). The per diem includes all charges for meals, lodging and gratuities. It will not be necessary to obtain receipts for these expenditures. A travel allowance will not be paid for a trip that is not associated with overnight travel. However, reimbursements for meal expenses directly related to and necessary for attending business meetings or conventions will be allowed but must be substantiated by providing copies of receipts. This reimbursement will be limited to $20.00 per day. Reimbursement will not be allowed if meals are provided in conjunction with the meeting/conference.
Overnight trips of less than 100 miles one way traveling distance are not permitted. Overnight trips of less than 100 miles for two or more nights are permitted if, based on the judgment of the Principal/Director, returning home each night is unreasonable. Under these circumstances, the Principal/Director must submit justification and any pertinent documentation to the appropriate School Group Director/Deputy Superintendent for approval PRIOR to the actual travel. Once approved this request is to be attached to the Professional Development Request form and submitted to Finance with the Reimbursement Request form.

5. TRAVEL REIMBURSEMENT/PER DIEM IS NOT ALLOWED FOR TRAVEL INCURRED WITHIN JEFFERSON COUNTY.

6. Miscellaneous Charges – Other necessary travel expenses such as parking, toll charges, etc. are allowable if documented with original receipts/tickets.

Out-of State Travel

1. Travel must relate to employee’s duties and responsibilities for the Jefferson County Board of Education. Only necessary expenses of official travel will be reimbursed. A Professional Development Request form must be completed and approved before any travel or registration expenses are incurred. Official board travel may only be for the days of the conference, plus one day at the beginning of the conference and one day at the end of the conference allowed for travel time.

2. Air Fare – Air fare will be paid by the employee and reimbursed based upon submission of original receipts attached to the travel reimbursement form. If non-refundable tickets are purchased by the employee and the employee does not make the trip as planned, no reimbursement will be made to the employee for the airline tickets.

3. Registration - Request for payment/reimbursement of registration must have an agenda, to include meeting place and dates. If registration includes a membership fee or dues for an individual, it must be deducted. The Board does not pay personal membership fees or dues. Registration fees are the only travel expenditure that may be paid in advance by way of a purchase order. If the employee requesting professional leave does not attend the workshop/conference and the registration fees are non-refundable, the employee must reimburse the Board for the total registration paid on the employee’s behalf. A copy of the approved Professional Development Request form must accompany the documentation submitted for advance payment of registration fees.

4. Hotel/Motel – Cost must be reasonable. If conference is held at a hotel/motel, the Board will pay no more than the host hotel/motel rate per day. The Board will only pay for the conference rate for a single occupancy. If other individuals or family members accompany employees, the employees must pay for the additional room rate above the standard single rate for the conference. Business related telephone reimbursement must have the nature of calls made and persons called. Movie
rentals, alcoholic beverages and other personal expenses will not be reimbursed. The original receipt must be submitted. 

5. Food/Meal Allowance – This allowance is only applicable for out-of-state trips that are 12 hours or more. For trips less than 12 hours, employee must use same rates as for in-state travel per diem. The Board has adopted the Meal and Incidental Expense per diem rates set by the United States General Services Administration (GSA). These rates are updated annually and are effective each fiscal year.

6. Car Rental – Car rentals must have prior approval, be for business purposes only and reimbursement must include rental and gas. Rental cars must be approved on the Professional Development Request form. An original receipt is required.

7. Other/Miscellaneous – Other necessary travel expenses such as cabs, subways, parking, toll charges, etc., are allowable if necessary, reasonable and documented with original receipts.

8. Other/Miscellaneous – Other necessary travel expenses such as cabs, subways, parking, toll charges, etc., are allowable if necessary, reasonable and documented with original receipts.

Approvals granted after the fact will no longer be acceptable. If procedures are not followed, then the individual(s) involved will be expected to reimburse the school for all expenses paid.

Sales Tax

All schools are exempt from paying sales tax. A signed Purchase Order must be presented to the vendor when items are purchased. If vendors do not honor the sales tax exemption, consider another company that will comply with this exemption. The standard letter given to vendors when requested with the system’s federal identification number and an IRS letter explaining our federal tax status can be located on the JefCoEd website.

Schools are not generally required to collect sales taxes on sales at the school with the exception of the following:

1. sales of class rings to students, either directly to the students or through a teacher or school organization,

2. sales of school photographs either directly to students or to students through a teacher or school organization, and

3. sales of sweaters and jackets to students either directly to students or to students through a teacher or school organization.

Such property listed in the three items above is not school property and is not used for school purposes, but becomes solely the property of the student who ultimately pays for the item.
Be aware that sales tax will not be reimbursed to employees making purchases on behalf of the school.

**Academic Incentives**

Amendment 558 of the Alabama Constitution permits the use of public funds to promote educational excellence by students. Students may receive food items (but not foods of minimal nutritional value), school supplies, admissions, T-shirts publicizing school academic accomplishments, and otherwise provide tangible incentives for attendance, honor rolls, test scores, and other academic achievements. Academic excellence may also be recognized with plaques, trophies, and award banquets. Academic incentives with a significant monetary value may be provided to a group of students or by selecting individual recipients. (Scholarships and tuition for programs outside of the school’s academic program are not permitted.) By preparing and following formal incentive award procedures a school can minimize auditor questions and public scrutiny when the incentive recipients are announced. Procedures for providing academic incentives with a significant monetary value to students should be established before the incentive recipient is determined and should include:

1. Action required for a student to receive an incentive.
2. Relationship of the required action to educational excellence.
3. Description of the planned incentives. (Laptop, cash, gift card, etc.)
4. Value of planned incentives, if known.
5. Process for determining the incentive recipients.

Academic incentives, whether purchased with school funds or donated by other entities or private sources, should be secured until provided to the incentive recipients. The student receiving the incentive should sign a form documenting the student’s receipt of the academic incentive, excluding those items of insignificant value. The school official that is giving the incentive to the student, along with a witness should also sign and date the form.
Section 7

Guidelines for School Related Organizations

The guidelines detailed below were disseminated by a memo dated November 8, 2007 from State Superintendent of Education, Dr. Joseph B. Morton, to all City and County Superintendents, and are included here verbatim.

The majority of public K-12 schools in Alabama operate under the accreditation standards of the Southern Association of Colleges and Schools council on Accreditation and School Improvement (SACS/CASI). The Accreditation Standards 2005 published by SACS/CASI includes in Standard 2 Governance and Leadership 2.4 the following requirement: In fulfillment of this standard, the leadership of the school...Controls all activities, including extra-curricular, that are sponsored by the school. This publication also provides in Standard 6 Financial Resources 6.15 the following requirement: In fulfillment of this standard, the school...Controls all funds raised in the name of the school... Interpretations of these standards, primarily Standard 6.15, have created conflicting guidance from various sources relating to the accounting requirements for school-related organizations.

In addition to the requirements of SACS/CASI, the Alabama Department of Education must also consider other factors in providing these Guidelines for School-Related Organizations, including:

- **State laws giving the authority to establish financial and administrative requirements for local schools to the:**
  - State Superintendent of Education.
  - State Board of Education.
  - Local Boards of Education.
  - Department of Examiners of Public Accounts.

- **Governmental Accounting Standards Board (GASB).**
  - Generally Accepted Accounting Principles.
  - GASB Statement No.39 – Determining Whether Certain Organizations are Component Units.

- **Federal legislation.**
  - Internal Revenue Service.
  - Congressionally Chartered Organizations.

The determination that a particular club or organization is a school activity must be made on a case-by-case basis according to the actual facts and circumstances of the club or organization’s operations at a school. The fact that an organization would not exist without the school it supports has no bearing on determining that the organization is a
school activity. However, the purpose of these Guidelines for School-Related Organizations is to assist these organizations, school officials, school bookkeepers, auditors, and other agencies in determining the proper accounting for school-related organizations.

**Student Organizations**
Student clubs and classes are usually recognized as school activities. The student officers and faculty sponsor operate the organization while the school principal acts in a fiduciary capacity over the organization’s funds. The school’s accounting records contain a separate account to record the financial operations of each student organization. Income from the student organization is recorded by receipts and deposited in the school bank account. The school principal approves the purchase orders, signs the checks, and maintains the supporting documents for the expenditures.

Some organizations consisting of students from the school may not be school activities. Some students belong to social organizations that operate off-campus. Community recreation leagues may consist solely of the school’s students and operate under other entities that are not under the control of the school. Although the activities of these organizations may benefit the school’s students, these organizations have a separate employer identification number (EIN), a separate mailing address, and maintain their own records and accounts.

**Athletics**
School athletics are extra-curricular activities that must be under the control of the school principal. Coaches and other school employees cannot maintain a separate bank account that supports, or benefits from, a school extra-curricular activity. Funds received to support an athletic activity at a school from sponsors, vendors, or other sources must be included in the school’s financial records under the fiduciary control of the school principal. Funds from gate receipts and other sources may be recorded in one or more separate accounts for a particular sport in the school’s financial records. However, a separate account for each sport is not required. When athletic events are held on locations other than school property, the school principal’s control over the financial operations of the event, including ticket sales, concessions, and parking fees, will be determined by agreement with the entity in control of the event location.

**Parent Organizations**
Parent and parent/teacher organizations provide a vital role in the education of students. In Alabama public schools, the PTA and the PTO are the most common parent organizations. Both organizations have a national organization that serves the individual school organizations. Each of the national organizations publishes guidance for the financial operations of the individual school organizations. These organizations must have a separate employer identification number (EIN) and a separate mailing address in order to
maintain their own records and accounts outside the control of the school. However, these organizations will become school activities if:

a) Both parties mutually assent to the fiduciary control of the principal, or,
b) A school employee leads fund-raising or maintains the accounting records for the organization.

**Booster Organizations**

All school sponsored extra-curricular activities must be under the control of the school. However, booster organizations are often formed to support the operations of these activities in a variety of ways. While providing additional financial support for a particular extra-curricular activity, the volunteers in the booster organizations also enhance community support that often extends to benefit all of the students at a school. Because some of the activities of a booster organization may be intertwined with the extra-curricular activity it supports, some of the organization’s activities may be under the fiduciary control of the school principal while other functions of the same booster organization are not school activities. The determination that a particular booster organization is a school activity must be made on a case-by-case basis according to the actual facts and circumstances of the organization’s operations at a school. These organizations must have a separate employer identification number (EIN) and a separate mailing address in order to maintain their own records and accounts outside the control of the school. However, these organizations will become school activities if:

a) Both parties mutually assent to the fiduciary control of the principal,
b) A school employee, who is associated with the activity supported by the booster organization, serves/holds a leadership position in the organization, or,
c) A school employee leads fund-raising or maintains the accounting records for the organization.

Specific activities of a booster organization may come under the control of a school principal if:

a) The organization collects admission to the school function,
b) The organization operates a concession operation on school property at the school function,
c) The organization collects parking fees for the school function,
d) The organization operates a training camp that includes students of the activity it supports, or,
e) The organization operates an exhibition or competition that includes students of the activity it supports.

**Specific Requirements**

Parent organizations and booster organizations that maintain financial operations outside the control of the school could create a negative image for the school by failing to maintain proper accounting controls. Accountability for the funds these organizations control includes an agreement that:
a) The organization has obtained an employer identification number from the IRS.
b) The organization provides a report of the annual audit of the organization to the school.
c) The organization makes its financial records available to the school’s auditors and authorized school employees upon request.
d) The organization provides required financial reports.
e) The organization provides proof of a fidelity bond for the treasurer.
f) The organization will not provide any payment or benefit to a school employee (or family member of a school employee) in violation of the State Ethics Law.

**Additional Requirements**

In addition to the above stated requirements, Jefferson County Board of Education will require to following:

a) A monthly financial statement/bank statement
b) A monthly check register

Failure to comply with the requirements as set forth in this section may result in the Jefferson County Board forbidding the organization from being associated with the school or board.
Section 8

Student Payments

Student Fees
State laws and administrative rules of the State Board of Education restrict the collection of fees from students:

Alabama Code § 16-13-13 Fees for courses. It is the intent of the Legislature that no fees shall be collected in the future in courses required for graduation. In courses not required for graduation, local school boards may set reasonable fees for courses requiring laboratory and shop materials and equipment, provided, however, that such fees shall be waived for students who cannot afford to pay the fee. Any funds collected in fees shall be spent on the course for which the fee was levied. This section shall not be construed to prohibit community groups or clubs from fundraising activities, provided, however, that students shall not be required to participate in such fundraising activities.

Alabama Code § 16-6B-2 Core curriculum. (a) The following words and phrases used in this section shall, in the absence of a clear implication otherwise, be given the following respective interpretations: (1) REQUIRED COURSES. Courses which are required to be taken by every student enrolled in public schools in the State of Alabama.

Alabama Code § 16-10-6 Incidental fees in elementary schools. No fees of any kind shall be collected from children attending any of the first six grades during the school term supported by public taxation; provided, that any county or city board of education shall be authorized to permit any school subject to its supervision to solicit and receive from such children or their parents or guardians voluntary contributions to be used for school purposes by the school where such children are attending; provided further, that the provisions of this section shall in no way affect or restrict the right or power of a school board to fix and collect tuition fees or charges from pupils attending schools under the jurisdiction of such board but who live outside the territory over which such board has jurisdiction.

AAR 290-3-1-.02 Driver Education. (a) No fee shall be charged any child whose family is unable to pay the fee. (b) Thirty dollars ($30) per student, per semester, is the maximum driver education fee to be charged by local boards of education without approval from the State Superintendent of Education. (c) The State Superintendent of Education may approve a higher fee upon the request of a local superintendent approved by the local board of education with sufficient documentation of actual costs in excess of the maximum. (d) Each board of education shall establish criteria by which the ability of families to pay the fee may be determined and submit same to the State Superintendent of Education for
approval. (e) Local boards of education shall take reasonable steps to insure that students for whom no fee is required shall not be identified.

In reading the guidance above, it can be noted that academic fees during the regular school term (excluding driver education) may only be charged for materials and equipment used in instructional courses, and that the fees collected may only be used in the course for which the fee was collected. **Actions against a non-paying student, such as withholding grades, report cards, transcripts, academic recognitions, and graduation activities, are prohibited.** However, state laws governing textbooks may require the withholding of additional textbooks for a student due to unpaid lost or damaged textbook fines. *(See Alabama Code § 16-36-69).*

**Donations and Voluntary Contributions**

Voluntary contributions may be requested for various items purchased by the school that are used by students in academic courses and classes including workbooks, supplemental instructional materials, lockers, sheet music, and other academic purposes. The voluntary nature of the contribution must be clearly stated in the request for the contributions. Non-payment of requested contributions cannot be used against a student and the student must be provided the same instructional items as if payment was made on behalf of the student.

Donations may be requested for specific school purchases, including janitorial products, cleaning supplies, paper products, copier expenses, software maintenance, and other school purposes. The voluntary nature of the donation must be clearly stated in the request for the donation. Non-payment of requested donations cannot be used against a student and the student must be provided the same instructional items as if payment was made on behalf of the student.

Donations may be requested for general school purposes, including communication services, additional personnel services approved by the school board, playground upkeep, equipment, maintenance, student lunches, etc. The voluntary nature of the donation must be clearly stated in the request for the donation and a student must be provided the same instructional items as if payment was made on behalf of the student.

Schools that allow events during the school day that charge admission to students should provide admission to a non-paying student to avoid subjecting the student to embarrassment or ridicule.

Teachers have no authority to request or accept student fees, contributions, or donations without the approval of the principal, unless directed by the local superintendent. The principal or the local superintendent should approve requests to collect school fees, contributions, and donations. All fees for classes must be board approved.
Actions taken against a student for non-payment of student fees, contributions, or donations including the withholding of grades, report cards, transcripts, diplomas, honor rolls, participation in graduation events and student recognition events, membership in honors organizations, and other actions that would subject the student to embarrassment or ridicule, are prohibited.

The local school board office can provide guidance on collections from students for meals, snacks, and refreshments; library fines; student parking; charges for participating in extra-curricular activities; summer school; day care; weekend, before school and after school programs; dual enrollment programs; tutoring; and, requests for donations from school vendors.

Field Trips

EVERY TIME a bus is used (except for morning/afternoon routes), there should be a Field Trip ticket submitted – even if the driver is a teacher. This includes: athletic and extracurricular events, CBI trips, Worksite Instruction trips, Adapted PE trips, Ex Ed trips, Field Trips, trips made after school hours AND during school hours, etc...ALL trips.

Teachers often request approval to take students off campus during the school day as enhancement of academic content in fulfilling the course curriculum. Voluntary contributions may be requested to pay the costs of transportation, meals, or admission charges. The voluntary nature of the contribution must be clearly stated in the request for the field trip costs. Non-payment of requested contributions cannot be used against a student and the student must be provided the same participation as if payment was made on behalf of the student.

Field trips during the school day cannot generate a profit but may establish a per student amount that exceeds the individual student costs to provide the funds for the non-paying students, if the costs for the non-paying students are not paid by private sources or non-public school funds. Additional costs should be considered in establishing the per student field trip amount to accommodate for special needs students.

Documents providing information about the field trip to parents and guardians should include information on the disposition of excess field trip funds paid for the students including the cancellation or postponement of the field trip; a student’s inability to participate in the field trip due to absence, illness, or disciplinary action; and, requirements to receive a refund for the field trip payment.

The Field Trip Payment Policy defines the driver pay and mileage reimbursement rate to be paid by the local school or department sponsoring the trip. The following procedures
should be followed to ensure timely payment to the driver and reimbursement to the Transportation Department:

1. **Field Trip Request Form** – must be submitted to Transportation in the same manner as before. (See Transportation Section of the Principal’s Handbook.)

2. **Field Trip Ticket** – (4 or 5 part NCR form; form may be obtained from Transportation) should be provided by the local school secretary to each field trip bus driver regardless of whether or not the driver expects to be paid.

3. The driver completes the form (with the help of the field trip supervisor or principal, if necessary), being careful to record a departure time, return time, and beginning and ending odometer readings. The total trip hours will be the number of hours from departure and return to the school, rounded to the nearest quarter hour. Total round trip mileage will be the difference in the beginning and ending odometer readings. The bus driver will then sign and date the form, and turn it over to the Field Trip Supervisor for review. *If the form is accurate and complete*, the Field Trip Supervisor will indicate “trip paid for by” along with the appropriate G/L number, if applicable, sign the form, give back the copy to the bus driver and forward the remaining parts to the Principal at the school taking the field trip.

4. The Principal will then review and sign the form and forward it to the local school secretary in charge of payroll. The secretary will stamp the form with the date received from the Principal in the top right hand corner, and will verify the trip hours and mileage calculations. A copy of the form will be retained by the local school secretary, and the remaining parts will be forwarded to the Field Trip Receivables Staff Accountant. *No check should be submitted at this time for payment of the field trip salary or mileage.*

5. The Field Trip Receivables Staff Accountant will forward a copy of the field trip tickets along with a spreadsheet detailing the field trip billing to the payroll team leader who will input for pay the amount reported. Field trip tickets received after the payroll service reports’ due dates will be processed for payment the following month.

6. The Field Trip Receivables Staff Accountant will prepare and forward billings to the appropriate local school or department between the 16th and 31st of each month. (The employer fringe benefits will be added to the amount of the bill for total trip hours.) This billing should be attached to the local school secretary’s copy of the Field Trip Ticket, and processed for payment at the local school. Reimbursement to the Board will be due upon receipt of such billing from Finance.

7. Upon receipt of the field trip reimbursement from the local school or department, the Field Trip Receivables Staff Accountant will record the amount paid, check number and date paid on the bottom of the form, and forward a copy of the Field Trip Ticket to the Transportation Department. A reconcilement of the information on the Field Trip Ticket and the Field Trip Request Form will be
performed by Transportation, and any discrepancies noted will be reported to the appropriate Principal or Field Trip Supervisor. Bus odometer readings will be monitored by the bus drivers and any undocumented increase in odometer readings will be billed to the school at the Board approved mileage rate.
Section 9

Other

Equipment Inventory and Disposal

Fixed Assets

The requirement for recording fixed assets of the Jefferson County Board of Education is that an item costing $5,000.00 or more per unit is capitalized if it meets the following criteria:

1. retains its original shape and appearance with use;
2. under normal conditions is expected to last longer than one year, and;
3. is more feasible to repair if damaged than to replace with a new unit.

When items that meet the criteria above are purchased by the school, the fixed asset staff accountant will contact the appropriate representative at the school to obtain the necessary information to add the fixed asset into the Fixed Asset Module. If the item has been donated, documentation with the estimated fair market value should be forwarded to the fixed asset staff accountant. Attach a copy of the Purchase Order and invoice, if purchased, or the donation documentation with estimated fair market value, if applicable. The school will receive a pink Fixed Asset Card with an Asset Tag number indicated on it. Blue numbered asset tags will be furnished and should be permanently placed on all items (preferably near the serial number). If the tag cannot be affixed, write the asset number on the item with a permanent marker or paint.

At the end of each school year, a cumulative list of fixed assets will be provided to each school. The Principal or designee will be responsible for verifying the existence, location, condition, serial number, and Asset Tag number of each item. The list should be changed as appropriate, signed and returned to the Finance Department. Corrections will be entered, and subsidiary listings updated prior to each fiscal year end.

Supplemental Inventory

Furniture and equipment costing less than $5,000.00 per item should be maintained by each teacher for the items located in that room. This can be accomplished by using the pink “Supplemental Inventory Log” or can be maintained through a computer database or spreadsheet program. Information on these lists can be estimated, and are primarily needed for insurance and control purposes. Bulk items, such as desks, tables, and chairs, can be grouped separately to save time. Each time an item is delivered, take the time to
add the item to the “Supplemental Inventory Log”. If this is done on an ongoing basis as things are purchased, it will make things much easier at the end of the school year when you are trying to complete your end of year inventory.

At the end of each school year, these lists should be updated by each teacher, gathered by the Principal and a copy sent to the Finance Department.

Declaration of Surplus Property

1. All fixed assets and supplemental inventory items must be declared surplus by the Board before disposal.
2. The Principal/Director or his/her designee must complete a “Request for Deletion of Fixed asset/Supplemental Inventory” form and submit it to the Finance Department for disposal of all items. All items will be tagged by the Principal/Director or his/her designee prior to removal. The tag must identify Cost Center and Fund Source.
3. The Finance Department will verify the funding source, control number and cost, and assure that proper documentation is attached to the request form. The Director of Finance will sign the form and forward all copies to the Deputy Superintendent for Administrative Services. The Maintenance Department will be notified at this point to retrieve the items and store them at the Ketona holding facility until the Board declares the items surplus.
4. The Deputy Superintendent of Administrative Services will then forward the request for surplus property to the Board for approval. If approved, the date of approval will be referenced on the request form, and the Deputy Superintendent will sign the form, retain the pink copy and forward the original forms to the Finance Department. The Finance Department will forward the yellow copy to the school/department only after the Board declares the items surplus. The items will then be removed by the finance Department from the general fixed asset subsidiary listing and account group, if applicable. Items may not be disposed of until Board approved.

Disposal Procedures

1. The method and frequency of disposal of fixed assets and supplemental inventory will depend upon the nature of items being sold, and storage space available.
2. **Auction** – The online auction site Govdeals.com will be used to dispose of surplus property.
3. **Public Advertisement for Sealed Bids** – Occasionally, there may be a need to dispose of many like items (computers) or large costly items (lunchroom equipment, buses), that may be prohibitive to include in an auction. In these cases, a public advertisement for sealed bids shall be posted in the following
The invitation to bid will include a public opening stating the location, date, and time. If appropriate, the invitation will state that items for bid will be available for inspection during the ten days preceding the bid opening. The invitation will also specify the manner in which the offers will be accepted and/or awarded, such as individual items, groups, by lot only, aggregate totals, etc. The opening will be conducted by at least two Board employees, one of which must be from the Finance Department. A bid tabulation form will be completed and signed by both employees present at the opening. The highest bidder will be awarded the item(s) unless proper payment is not received and the item(s) removed from Board property within seven days. Proper payment consists of checks, money orders or cashier's checks made payable to the Jefferson County Board of Education. Cash will not be accepted. The next highest bidder will be contacted if proper payment or removal of the asset does not occur. The Finance Department employee will be responsible for issuing receipts and preparing a summary report of collections listing items sold and proceeds received by fund source.

Transfer

To transfer from inventory to another school/department, fill out the “Fixed Asset Transfer” form and return to the Finance Department. The Finance Department will distribute the form after approval, and return the pink copy back to the school. The school/department that will be receiving the fixed asset will receive a yellow copy.

Federal Fixed Assets

All equipment and furniture purchased with Federal funds must be appropriately marked with identification in accordance with grant requirement.

Any equipment items (supplemental or fixed asset) purchased with Federal funds are not to be removed from inventory without first obtaining written permission from the Director of Federal Programs, who is responsible for obtaining written disposition instructions from the State Department of Education or other awarding agency. Principals are instructed not to write the State Department of Education requesting such permission. After the disposition instructions have been received, proceed with disposal procedures listed above.

Financial Record Retention

All records of the school must be filed and retained in compliance with the requirements of the State of Alabama, Department of Archives and History, Local Boards of Education Records Disposition authority, as revised April 2007. Additionally, records being audited
or that are the subject of unresolved audit questions must be kept until such time as all audit questions are satisfied.

The following records must be maintained as stated below:

- General Ledger/Trial Balance – for 10 years after the end of the fiscal year in which the records were created.
- Inventory Records – for 2 years following the audit of the fiscal year in which the records were created.

For questions or a copy of the records retention schedule, contact the Finance Department.

**Fiscal Year End Procedures**

Upon completion of the fiscal year (September 30th), the following items must be sent to the Internal Audit Department along with a copy of your September bank reconciliation and required monthly reports:

1. A completed Local School Information Form (provided by the Internal Audit Department at fiscal year end).
2. Copies of the school certificates of deposit statements detailing the rate of return, the length of the term, and the current balance, if applicable.
3. The “SAFE” letter from your bank that indicates the balance in your checking account and the balance of your certificates of deposit as of September 30th.
4. Copies of all lease agreements, new and existing, presently being utilized by your school.
5. A monthly financial statement and proof of bond for each school related organization (PTA, Boosters, etc.) of your school.

The items listed above are required by the Examiners of Public Accounts for audit purposes.

**Monthly Financial Reports**

The following reports should be reviewed and submitted monthly along with the school’s bank reconciliation and bank statement. All of these reports are located under the LSA Reports folder in the NextGen system unless otherwise noted. Details for how to run each report are included.
Balance Sheet Report

This report will detail total cash, change cash, investments, returned checks receivable, accounts payable, and reserve for encumbrances for the school. This report should be used to verify that all balances are correct.

1. Click “Select by G/L Component”
2. Select correct fiscal period (it is not necessary to change the fiscal year)
3. Choose selection criteria as follows:
   a. Choose “fund” (click add item)
   b. Choose “sfund”; sort order “0”; range from “7101” to “7501” (click add item)
   c. For CEZs only, the range will be from “6921” to “6921” (click add item)
4. Click “Accept Selection Criteria”
5. Click “Enter” button (stoplight at top)
6. Print the report generated

Verification Report

Should any items on this report read “INCORRECT” they will need to be corrected before the financial reports are generated and a download is sent to central office.

1. Select Correct Fiscal Period (it is not necessary to change the fiscal year)
2. Click “Enter” button
3. Click “Run Report”
4. Print the report generated

Missing Check Report

Should any check numbers appear on this report, they should be investigated. More than likely, other reports have been inadvertently printed on the checks and they must now be spoiled in the system. On rare occasions, the checks have been incorrectly numbered and must now be corrected in order for the system to recognize all legitimate checks. Should this occur, please contact the Internal Audit Department for instructions on how to correct this. It is imperative that extreme caution be used in numbering and printing checks to avoid these situations. Under no circumstances should this report be sent to the Internal Audit Department with checks listed.

1. Click “Enter” button
2. Print the report generated, if applicable, or, if no report is generated (i.e. no missing checks), then “print screen”. If the print screen option fails to produce a report, then please include a note stating you do not have any missing checks.

Month to Date Check Register
This register provides a detailed listing of all checks written by the school for the month.

1. Select appropriate date range for the month
2. Click “Enter” button
3. Print the report generated

Purchase Orders as of Date Selected

This report is located under the Purchase Orders folder, under PO Reports. This report provides a detailed listing of the total encumbrances for the school as of the period selected. This encumbered amount should equal the reserve for encumbrances total for both public and non-public funds indicated on the balance sheet; therefore, this report must match the totals on the balance sheet.

1. Click “Select by G/L Component”
2. Choose selection criteria
   a. Choose “fund” (click add item)
   b. Choose “sfund”; sort order “0”; range from “7101” to “7501” (click add item)
   c. For CEZs only, the range will be from “6921” to “6921” (click add item)
3. Select appropriate date range for month
4. Click “Accept Selection Criteria”
5. Click “Enter” button
6. Print the report generated

Cash Disbursement Audit Trail

This report details what account number has been used in the payment of each check and is quite useful during the audit process.

1. Select appropriate check date range for the month (make sure the year is correct).
2. Click “Enter” button
3. Print the report generated

Principal’s Report

This report summarizes all transactions for the month by activity. Each activity balance is listed along with any outstanding encumbrances. This report should be utilized on a nearly daily basis to keep both the Principal and the teachers/sponsors informed as to the balance of their activity. Another useful report is the Activity Report (Detail). Although it is not a required monthly report, it will detail individual open purchase orders so that an accurate
balance of the activity can be reflected. This report must be reviewed for negative balances and corrections made, if applicable, before being submitted.

1. Select appropriate period for the month (it is not necessary to change the fiscal year)
2. Click “Enter” button
3. Print the report generated

Receipt Report

This report is located under the Receipt Module folder, under RM Reports. This report details all receipts for the month including the account number used.

1. Select appropriate date range for the month
2. Select “Report Order, Receipt #”
3. Select “Open/Voided”
4. Select “Posted/Not Posted”
5. Select “Print Receipt Detail”
6. Click “Enter” button
7. Print the report generated

Accounts Payable Register

This report details all invoices that have been received/entered into the system, but have not been paid as of the end of the month. The balance reflected on this report should equal the amount listed for Accounts Payable on the school’s balance sheet. In the event that the balances are unequal, corrections will need to be made before the monthly download and reports are submitted.

1. Select the appropriate period month
2. Click “Enter” button
3. Print the report generated, or if no report is generated, print screen. Should the print screen option fail to produce a report, please provide a note stating the school has no Accounts Payable for the month.

Reconciliation Report

This report should be printed and reviewed before the recon button is clicked each month. The Principal must sign and date the reconciliation report, and a copy must be forwarded to the Internal Audit Department along with all other required reports monthly. A complete copy of the bank statement must be submitted as well.
Bad Check Log

This log should be maintained on a continual basis and submitted, as applicable, each month.

Trial Balance Report

This report is located under General Ledger, GL Reports and Queries, GL Master Reports.

1. Select appropriate date range for the month.
2. Click “Select by G/L Component”
3. Choose selection criteria, class (click add item)
4. Click “Accept Selection Criteria”
5. Click “Print Only Summary”
6. Click “Enter” button
7. Print the report generated

Payroll Processing

The myTime Kronos time and attendance system is the official system for recording time worked for all employees of the Board. The Time System Guidelines and Procedures for Employees must be followed. These guidelines are to be disseminated by the school to all new employees and the Employee Time System Procedures Receipt form completed by the employee and forwarded to the Finance Department. It is the school’s responsibility to train employees on the use of the system.

All extra money to be paid to employees from local school, booster clubs or other organizations, such as supplements or stipends, must be submitted by the Principal to the Personnel Department on the Local School Supplement form (form on website) for Board approval. After approval, amounts will be input as local school checks are received from the schools. The school will include the Board employer benefits. These expenses will be deducted before adding the remaining amount to the employee’s paycheck.

No school is authorized to make supplemental payments to personnel for any services rendered in connection with the normal and customary duties associated with the employee’s job description. Any supplemental payment for extra work “above and beyond” the normal duties of a specific job must be submitted to the Personnel Department for approval by the Board prior to such payment. After Board approval, any such supplemental payments to personnel for any “extra” services rendered must be included for payment on the “Monthly Payroll to the Superintendent.” Such payments will be made on the regular monthly payroll to ensure that all deductions are properly handled. The local school must submit the total amount needed to cover such payments with the
monthly payroll (gross plus employer fringe benefits). Under no circumstances is the school to pay any Board employee from their local school books.

Schools are expressly prohibited from making loans to employees.

It shall be permissible for a student club, organization or class to expend funds collected from non-public fundraising activities and membership dues for such things as:

1. sending flowers to a funeral or hospital for a student, teacher, or someone else,
2. food or clothing for a needy family or individual
3. contributing to the state or national student organization foundation, and
4. to pay state and national dues for such organizations

Related Party Transactions

Each year on September 30th, the Principal will be requested to complete a “Local School Information Form” for the State Examiners. Included in this form is a question concerning the disclosure of any related party transactions that may have occurred during the fiscal year. This disclosure is required by the Financial Accounting Standards Board (“FASB”). The existence of related party transactions does not necessarily indicate wrong-doing – it alerts the examiners of transactions they need to look at to determine whether a fair price was paid for goods or services.

If the Principal is aware of related party vendors or any transactions that occurred between his/her school and a related party, he/she should simply disclose that information on the Local School Information Form. If there are any questions concerning what constitutes a related party, call the Finance Director or the Internal Audit Director.

Borrowing of Funds/Lease-Purchase Agreements

The Jefferson County Board of Education expressly prohibits the Principal and/or any employee at a school from borrowing any funds from any source in the name of the school or the Board without first obtaining the written approval of the Superintendent and Board.

The Principal and/or any employee at a school are prohibited from entering into any contract or lease-purchase agreement without first obtaining Board approval.

The Code of Alabama 1975, Section 41-16-57(e) states that “contracts for the purchase of personal property or contractual services shall be let for periods of not greater than three years.”

Board approval will not be granted after the fact and the individual(s) involved will be responsible for all costs associated with the Loan and/or the Lease-Purchase Agreement.
Theft of School Funds/Property

If a theft or loss of school funds or property occurs, notify the police and the Finance Director or the Internal Audit Director immediately. A police report must be filed and a copy forwarded to the Director of Finance.

If equipment or other Board property is lost or stolen while in the personal possession of a Board employee (i.e. employee’s home, car, etc.), the employee must file the appropriate claims with his/her personal insurance carrier to recoup the value of the Board equipment or property lost. These funds must be forwarded to the Board in a timely manner once received. If the employee does not have personal insurance coverage, the employee will be responsible for paying the fair market value of the equipment or other property lost or stolen.

Transfers Between Activity Accounts

Generally, transfers are made at or near the end of the school’s fiscal year. Transfers from non-public activities must first be approved by the Principal and sponsor on a Transfer Voucher (form on website). The signature of the Principal on the journal entry generated by the financial system is sufficient authorization for all other transfers. Copies of all Transfer Vouchers must be retained in the financial records of the school.

The utmost caution should be taken every month to prevent any account from ending in a deficit. The Principal or bookkeeper should ensure money is available for an expenditure prior to authorizing a Purchase Order. Under no circumstances shall funds be transferred from any other account to cover a deficit without first obtaining prior approval from all appropriate parties.

Public funds may not be transferred to non-public fund activities, with the exception of correcting deposit errors. Adequate documentation must be attached to the Transfer Voucher for audit purposes. These type transfers must be made by journal entry (J/E) in the following manner:

Non-public activity – debit transfer out local in the appropriate activity and credit non-public cash/operating.
Public activity – debit public cash/operating and credit transfer in local in the appropriate activity.

Use of School Facilities
Schools and other Board owned or controlled facilities may be made available for use by sanctioned or generally recognized school support organizations if the use of the facility will not disrupt school operations or in inconsistent with the purpose and mission of the school system, and if adequate advance provision is made for security, supervision, maintenance, damage prevention, post-event clean-up, liability insurance, and other risk management measures appropriate to the proposed use. Use of Board facilities for non-school organizations may be approved if the foregoing conditions are satisfied and a rental agreement that includes a reasonable fee or rental charge and other appropriate terms and conditions is approved by the Board. The following procedures apply:

1. A person requesting rental of a school facility contacts the school office

2. The principal or designee gives verbal approval for the rental and checks the school calendar for conflicts. A designated person at the school places the event on the school's master calendar.

3. The principal or designee schedules a custodian or building supervisor to open and close the building. This person will be paid on the school's supplemental payroll. Calculation of payment should include cost of retirement and benefits. Overtime rates will apply if the rental causes an hourly employee to work more than 40 hours in that week.

4. The principal or designee calls the Community Education Zone office with the name and phone number of the person requesting the rental, name of the building supervisor and rate of pay for that person.

5. If the rental requires that air conditioning or heat must be turned on at times other than regular school use, the cost of utilities will be charged to the renter. The Board approved Facility Use Form will be sent to the maintenance department as approval to schedule the heat or air to be turned on.

6. The CEZ zone coordinator or designee explains rental procedures and fees to the renter, prepares a facility use form and sends the form to the person renting the facility for their signature, then faxes it to the school office for the principal's signature. After getting the signatures and proof of liability insurance, the zone coordinator sends the form to the Deputy Superintendent of Student Support Services for board approval for any non-school activities.

7. The person/group renting the facility will pay the school for the rental fee and the salary cost of the building supervisor and will pay the Jefferson County Board of Education for the utility cost.
Section 10

Live Work Projects

I. Definition of Live Work:
Live work consists of work conducted by students as part of their training program. Such work can be done either in school or on a job location and includes service, repair, or production jobs of any and all kinds, excluding work done by cooperative education students. The purpose is to benefit the student and supplement ongoing instruction outside a classroom setting.

Live work will be conducted when, in the opinion of the instructor and school administrator, the training program requires the work for acquisition of occupational skills leading to employment. The instructor, as part of the student's training program, will assign live work to individual students or groups of students.

Live work can only be performed when tasks are directly related to the knowledge acquired and skills currently being taught in the program as part of the course of study or to reinforce acquired knowledge and skills previously taught.

IL Administration of Live Work Projects:

A. General Administration:

1. Live work will be performed in specific projects for specific individuals and organizations. The scope and extent of each project will be well defined and documented in accordance with these procedures before acceptance. Live work projects can be conducted for the following ("Customers"):
   a. Students.
   b. Public employees.
   c. Tax supported programs and institutions.
   d. Charitable organizations that are supported by donations.
   e. Other individuals and organizations if:
      1. The live work project is not in competition with private enterprise.
2. The circumstances involved are unusual and justify the acceptance of the live work project.
3. The instructor and the school administrator do not have a family or business relationship with the client.
4. The instructor justifies in writing why the live work is necessary for the training program and files a signed copy with the school administrator.

Neither the Jefferson County Board of Education nor its administrators, employees, or students are liable for damages resulting from live work, including, but not limited to, the supervision, approval, and performance of the live work project or from damages that occur while the customer's property is on the premises, including theft.

2. Live work projects must be documented with a signed liability waiver, authorization for work, and schedule of estimated costs for each Customer. Such documentation will be provided on the official Jefferson County Board of Education's Career and Technical Work Order Form ("Work Order Form") which when completed includes:

   a. Work order number.
   b. Supervising instructor’s name.
   c. Customer name and contact information.
   d. Liability waiver
   e. Customer's signature and date signed.
   f. Student(s) assigned to the work project.
   g. Instructions for the work to be performed.
   h. Date work begins.
   i. Date work completed.
   j. Detailed description of materials and parts purchased for the work.
   k. Detailed calculation of amount due from customer.
   l. Receipt number.

Once a live work project is completed, a copy of the Work Order Form will be kept in the school office and a copy will remain with the instructor. All receipts, purchase order, etc. that are associated with the project should be attached to the form.

All proceeds from live work projects are subject to the same financial requirements as other school funds and will be accounted for in accordance with the State Department of Education's Local School Finance Manual and/or the Board's Finance Manual.

B. Before Live Work is Performed:
Completion of an Official Work Order Form: All live work must be documented with Work Order Form. The form may be obtained from the school's office coordinator or from the instructor.

The person or authorized representative of the program, institution, or organization that is requesting live work (the "Customer") shall complete and sign the Work Order Form specifically stipulating to and authorizing the work to be performed and agreeing that:

   a. The Customer assumes responsibility for the results of the work being done by students;
   b. The Customer accepts responsibility for the total costs of the materials and parts involved;
   c. The live work will be performed by students; and
   d. The Customer will pay a service charge to cover indirect expenses.

The form will also include a schedule of estimated costs. Requiring a deposits or advance payment for live work may be considered at the discretion of the instructor.

A signed Work Order Form must be on file before any work is started on any project, including work performed for Board employees or students. Live work may not be started as the result of a conversation with or undocumented request of any Customer.

Purchase orders will not be issued for parts or materials unless documented by a completed work order form.

C. Performance of Live Work:

   1. Approval of Significant Increase in Costs (if applicable): Customer approval of significant increases in estimated costs greater than $100 will require the customer's authorization on the Work Order Form.

   2. Submission of Voided Form (if applicable): If a Work Order Form is voided for any reason during the performance of the live work, the form should be returned to the school's office with an explanation of the void.

   3. Timeline for Completion: Live work is instructional and student-oriented. Therefore, live work projects should not be subject to strict timelines for completion. Live work is not to be performed unless students are present.

   4. Customer Visitation: In order to avoid interruptions that
could affect and interfere with the students' instruction, Customers should not visit the work site while their project is in progress unless such visit is approved in advance by the instructor. Any updates provided to the Customer regarding the live work project should be via telephone or by appointment with the instructor. Visitors to any must sign in as a visitor either in the school’s office or at the work site.

D. Before Live Work is Delivered to the Customer:

1. Completion of the Work Order Form: Upon finishing the project, the pertinent portions Work Order Form should be completed by the instructor, including a detailed list of parts and materials used and their respective costs (copies of purchase orders or a receipt showing the cost of parts must be attached) and a detailed description of services.

2. Notification to Customer to Pick Up Project: If applicable, the customer is notified that they should pick up the completed project. No projects should be left for more than 30 days. (Vehicles may be towed at the expense of the owner if left more than 30 days after notification of completion.)

3. Provide Customer with Statement of Charges: The Customer will be provided an itemized statement of charges.

The total charges (cost plus a service charge) for live work will be as follows:

a. Actual cost of parts and materials, plus a service charge as specified by the Live Work Pricing Guide

b. Live work projects that do not include parts and materials provided by the school will be assessed a reasonable service charge according to the Live Work Pricing Guide approved by the Career and Technical Education Director.

c. A training program leading to a license, such as cosmetology or barbering may charge for services according to the Live Work Pricing Guide approved by the Career and Technical Education Director. Tipping students or instructors is not allowed.
4. Payment for the Live Work Project by the Customer:

All outstanding charges must be collected at the conclusion of a live work project.

a. Payment for projects with a set service charge of $10.00 or less:

For live work projects that have a set service charge as provided on pricing schedule or pricing sheet and the charge is $10.00 or less, the customer may pay the instructor for the live work. The instructor shall handle the payment in accordance with the applicable provisions of the Board's Finance Manual.

b. Payment for all other live work projects:

For live work projects that (1) either do not have a set service charge or (2) are more than $10.00, the customers shall pay for such live work projects in the school's office.

5. Provide Receipt and Completed Work Order Form to Customer: The Customer will be provided a receipt and a copy of the completed Work Order Form when payment is made.

6. Delivery of Project: If applicable, the Customer should present the receipt as proof of payment before picking up the live work project.