

ACCOUNTING FOR NON-BUDGETED FUNDS ADMINISTRATIVE PROCEDURE

The purpose of this procedure is to provide a method for accounting for income and expenditures related to non-budgeted funds, as defined in policy DF.

- A. **Documentation.** The building principal will be responsible for seeing that all revenues and expenditures are recorded and substantiated. Supporting documentation is to be retained for five years.
- B. **Account Maintenance.** Each school will maintain a separate checking account into which all non-budgeted funds (whether cash or checks), as defined in this policy, are deposited and from which all payments are made. Payments from this account will be made by check.
- C. **Student Fees.** Each school will maintain a record of fees collected from students.
- D. **Cash Advances.** When a cash advance (check for funds in advance of expenditure) is authorized and issued it must be followed up by an expense claim with appropriate receipts, where necessary, to substantiate the expense involved.
- E. **Checks.** Each school Principal and/or Assistant Principal has signing authority for the checking account. All checks must also be pre-numbered for control purposes. No payment shall be made without proper supporting documentation, authorization and substantiation by appropriate receipts. Documentation will be prepared by a person other than check signer.
- F. **Deposits.** A duplicate deposit book shall be maintained to properly detail all bank deposits. Cash collected at the school shall be deposited in the bank as soon as possible, preferably the same day. **Under no circumstances shall cash on hand be disbursed.**
- G. **Books of Account.** A register must be maintained detailing all deposits and disbursements. The register must be summarized and reconciled to the bank statement on a monthly basis. Reconciliations of the checking account shall be completed by a person independent of cash collections and check signing.

SACO SCHOOL DEPARTMENT

DF-R

- H. **Financial Statements.** The operating cycle for each school shall end on June 30. At that time, a financial summary shall be prepared summarizing receipts and disbursements since the previous year end. A copy of this financial summary shall be sent to Financial Services by September 30 each year.

- I. **Administrative Review.** On a random basis, finance staff shall review each school each year. This administrative review shall basically serve as a quality control on the independent audit function. Any specific problems highlighted through the audits shall also be dealt with on an annual basis by administrative staff.

- J. **Lost or Stolen Funds.** Should non budgeted funds be lost or stolen, they may be replaced through public funds only at the discretion of and with the approval of the Saco Board of Education

Adopted: March 14, 1995

Revised: February 25, 2003

Adopted: March 11, 2003

Page 2 of 2

SACO SCHOOL DEPARTMENT