

FINANCIAL ACCOUNTING AND REPORTING

Financial Reporting

The Superintendent will establish and be responsible for an appropriate system of accounting for all school funds in compliance with applicable federal, state, and local laws. This system will present fairly and with full disclosure the financial position of these funds in conformity with generally accepted accounting principles.

The Board will receive financial statements each month showing the financial condition of the division in prior months. The Superintendent or Designee will present additional financial reports as periodically deemed necessary by the Board.

Accounting System

State and local funds appropriated for use by the School Board for educational purposes shall be administered under state law, regulations of the State Board of Education, policies of the School Board, and regulations of the Superintendent.

All federal funds shall be accounted for in accordance with the regulations under which these funds were secured and, in addition, shall be subject to the policies and regulations of the School Board.

Cafeteria funds will be held in separate bank accounts.

Self-Sustaining Special Revenue Funds

Self-sustaining funds are defined as programs whereby the Superintendent or his designee have determined that the revenue generated by the program will be sufficient to cover all expenditures associated with the program. However, in the event the funds appear to be insufficient, the Board will consider and may appropriate such funds as in its judgment will sustain the current program.

Student Activity Funds

All funds derived from extracurricular activities, such as entertainment, athletic contests, cafeteria, club dues and from any and all activities of the school involving personnel, students, or property are considered school activity funds.

Each school is required to maintain an accurate, up-to-date central accounting system of all money collected or disbursed by the school. These student activity funds will be deposited in accounts in the name of the school.

Each school shall keep an accurate record of all receipts and disbursements of school activity funds so that a clear and concise statement of the condition of each fund may be

determined at all times. It is the duty of each principal to see that such records are maintained in accordance with regulations of the Virginia Board of Education and the School Board. The principal or person designated by him shall perform the duties of school finance officer or central treasurer. The school finance officer shall be bonded, and the School Board shall prescribe, by regulation, rules governing such bonds for employees who are responsible for school activity funds.

School activity funds shall be audited at least once a year by a duly qualified accountant or accounting firm approved by the school board. A copy of the audit report will be filed with the Superintendent or his designee. Monthly reports of school activity funds shall be filed in the office of the principal or Superintendent. The cost of the audit may be charged against the school activity fund.

Student body organizations shall be discouraged from building up reserves. As a rule, expenditures and income should be approximately equal. Funds should be spent for the purposes for which they were raised and for the benefit of those who contributed. Funds can be transferred from one fund to another to zero-out an account.

When issuing checks from student activity funds, the principal must ensure that the purchase followed the purchasing guidelines set forth in the Albemarle County Purchasing Manual. Checks issued from the student activity funds should be signed by the principal and one other person designated by the principal.

Financial Reports and Statements

The financial reports and statements will comply with the Regulations of the Virginia Board of Education.

Inventories

A proper system of inventory of school property shall be devised and maintained. It shall be available to identify items for insurance purposes and to control the loss of property.

This inventory shall include, but shall not be limited to, items such as buildings, equipment, vehicles, and other items covered by insurance.

Audits

Public funds will be audited annually by the state auditor of public accounts or by an outside firm performing this service under rules and regulations prescribed by the state auditor.

All school activity funds (internal accounts) shall be audited annually by a duly qualified accountant or accounting firm as approved by the governing body, and a copy of the audit report shall be filed in the office of the Superintendent. Copies of the audit report will also be distributed to Board members.

Adopted: July 1, 1993

Amended: November 4, 2004; July 10, 2008; April 2, 2009; August 13, 2009

Legal Refs.: Code of Virginia, 1950, as amended, §§ ~~22.1-78, 22.1-89, 22.1-94~~22.1-90 and 22.1-115.

Cross Refs.: DG, Custody and Disbursement of School Funds
DM, Cash in School Buildings