

## INDIVIDUAL SCHOOL FUNDS MANAGEMENT

Inherent in the governing process of this State, public officials and employees entrusted with public funds are expected to safeguard those funds and expend them in a manner that is efficient, economical and effective to achieve the purpose for which they were provided. Officials and employees who handle such funds must provide a full account of their activities to the public and other levels of government.

The McDowell County Board of Education, subject to the provisions of statute and the rules and regulations of the State Board of Education, has the authority and responsibility to require that records be kept of all receipts and disbursements of all funds collected or received by any principal, teacher, student or other person connected with the school, and all programs, activities or other endeavors of any nature operated or carried on by or in the name of the school, or by any organization or body directly connected with the school, to audit such funds, and to conserve such funds. All such funds so collected shall be deemed quasi-public moneys and shall be expended for the benefit of the students of the school.

The business functions performed by a principal are important to the total school program; therefore, all principals in the county are required to utilize the uniform account system approved by the West Virginia State Department of Education.

The McDowell County Board of Education adopts as its official policy the current provision of *SBP 1224.1-Accounting Procedures Manual for the Public Schools in the State of West Virginia* as the official standard for managing financial transactions for all schools of McDowell County to assure the proper handling of school funds. A copy of this manual is required to be on file at each school.

The principal shall be directly responsible to the Board of Education for the financial management of the school; therefore, no items of any nature shall be sold in the school without the principal's authorization.

Each school's financial records shall be maintained on a computerized accounting system, which must be approved by the Chief School Business Official

Each school must maintain a General Fund that will include Faculty Senate funds, Athletic funds and Child Nutrition funds. A school may establish as many sub-accounts within the General Fund account as is considered necessary to accurately account for the financial activity of the school.

Additionally, it must be noted that the State of West Virginia does not recognize individual schools as legal entities; therefore, principals do not have the legal authority to enter into contracts. All contracts must be entered into with the Board of Education serving as the legal entity.

The Board of Education prohibits the use of petty cash accounts.

The Board of Education authorizes its schools to establish a change drawer to be used as starting cash for athletic events, concessions stands and other school activities. The maximum

amount that schools are authorized as change is \$500.00 per gate. Anything above the amount must be approved in writing by the Chief School Business Official.

Faculty Senate allocation for eligible staff members will be made utilizing the reimbursement method as outlined in the *Accounting Procedures Manual SBP 1224.1 37 (2)*.

#### Annual Examination of all Individual School Records

The McDowell County Board of Education is responsible for ensuring that an annual examination is conducted of the financial records of every school within the county. The examination is to include all funds maintained by the school and should be completed in accordance with applicable federal, state and local guidelines. This requirement includes school support organizations.

The examination of every school must be completed and the individual reports issued within nine months after the end of the fiscal year. The examination may be conducted by the CSBO, or his/her staff under the supervision of the CSBO, by a certified public accountant or by the State Auditor's Office, Chief Inspector Division.

The financial records may be examined in accordance with agreed upon review procedures developed by the county board. Such procedures, however, must include a review of compliance with the provisions of the *Accounting Procedures Manual* and policies and regulations of the county board and a review of the school's internal control structure.

Copies of the report are to be provided to the county board of education, to the superintendent and to the school principal. A copy of each school's report is to be kept on file at the central board office and made available for public review.

If any reportable conditions are noted in the report for a particular school, the principal is to provide the Board with a corrective action plan. All reportable conditions are to be correct as soon as practical but not later than six months after the receipt of the report. (WVC §18-5-5; §18-5-13 and SBP 1224.1)

Adopted: 6-1-15