

ACCOUNTING POLICY REGULATION*A. System of Accounts*1. Purpose

The accounting system shall provide an accurate, clear and complete record of all financial transactions for which the board is accountable.

2. Uniform System of Accounts

The system of accounts shall conform to the system prescribed pursuant to Section 36 of the General Municipal Law, Department of Audit and Control, and Section 2116-a of the Education Law. Additional accounts and/or records that may be useful in yielding fiscal information to assist the board and administration in its decision-making may supplement this system.

3. Fixed Assets

The method of accounting for general fixed assets shall be in conformance with those prescribed by the Uniform System of Accounts for School Districts.

*B. Classification of Expenditures*1. Legal Requirements

All expenditures are reported under the account classifications provided in the State Uniform System of Accounts for School Districts in order to satisfy legal reporting requirements and to facilitate compilation of comparative financial statistics for various local, state, and national agencies and research organizations. These standard account classifications are related to the district's budget categories in a manner which facilitates the recording and reporting of expenditures for budget control purposes.

2. Encumbering

Section 170.2(k) of the Commissioner's Regulations states it is the duty of the board to keep the incurred obligations within the amount of the available appropriation. Requisitions shall be encumbered against available funds. When sufficient funds are not available, a transfer of funds or approval must accompany the request.

3. Mass Encumbering

To maintain budgetary control and to arrive at an accurate estimate of uncommitted appropriations, all known obligations must be encumbered early in

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the fiscal year (i.e. known obligations such as utilities, BOCES, debt service, salaries, fringe benefits and service contracts.

4. Transfer of funds

The board of education authorizes transfers between and within functional unit appropriations in accordance with Policy 6150, Budget Transfers.

C. Petty Cash Funds

1. Establishment

A petty cash account may be established at the discretion of the Board. The specific amount to be available and the person responsible for each fund shall be designated annually by the board.

D. The Safeguarding of District Funds

1. Bonding

The board of education will provide a public school system faithful performance bond, or blanket position bond for all employees and officers, as required by Subdivision 2 of Section 11 of the Public Officers Law and Subdivision 2(d) of Section 170 of the Commissioner's regulations. Annually, the board will specify any additional amounts to be placed upon specific positions.

2. Cash in School Buildings

All money shall be kept in a lockable box and stored within the building safe until deposited. Deposits shall be made promptly and without undue delay. The principal in each building is directly responsible for the enforcement of this policy and informing all those under his/her direction.

3. Treasurer's Receipts

A prenumbered receipt form shall be used by the district treasurer and other persons authorized to receive money. The District Treasurer shall receipt all monies paid over to his/her custody with prenumbered duplicate receipts (Commissioner's Regulation 170.2(h)). The District Treasurer shall issue prenumbered receipt forms in triplicate to others authorized to receive monies in the first instance (Commissioner's Regulation 170.2(i)). The District Treasurer shall maintain a log showing: receipt books number series, person responsible for each book and annually recall and audit receipt books.

4. Cash Accounting

The district's accounting system shall provide for adequate control of all monies belonging to the school district. The treasurer's receipt numbers as well as the

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source and amount of the revenue shall be entered into the cash receipts journal and as journal entries for ACH (Automatic Clearing House) and wire transactions. A monthly report of all journal entries for all funds will be provided with the monthly treasurer's reports presented to the Board of Education. Revenue entries must be maintained on a gross basis.

5. Cash Collection

School employees are personally responsible for all monies which they collect during the course of their assigned duties. Employees who receive monies on behalf of the district other than the District Treasurer must issue prenumbered receipts in triplicate (CR 170.2(i)).

E. Extraclassroom Activity Funds

1. Activity Accounts

An organization within the school district whose activities are conducted by students and whose financial support is raised other than by taxation or through charges of the board of education, shall be known as an extraclassroom activity and the monies received as Extraclassroom Activity Funds. Annually, the board of education will appoint, upon the recommendation of the superintendent, those members of the staff to serve as Auditors and Internal Accounts Personnel.

2. Regulation of Activities and Monies

The regulations of the establishment, conduct, operation and maintenance of records concerning extraclassroom activities will be those outlined in school district policy and in accordance with Finance Pamphlet #2 published by the New York State Education Department and in conformance with Section 172 of the Commissioner's Regulations.

F. Check Signature

1. Internal Control

The District Treasurer must maintain, at all times, control of his/her signature plate. The administration of the school district will establish and the District Treasurer will maintain procedures, which will ensure adequate internal control and protection against misuse and /or loss of the check signature plate used to sign authorized checks drawn against the district. All checks must receive the single signature of the District Treasurer or the single signature of the Deputy Treasurer if one is appointed by the Board of Education

2. Storage of Blank Checks

The safeguarding of unused checks shall be the responsibility of the District Treasurer of the school district. The storage of unused/blank checks shall be maintained in such a manner as to restrict their availability and offer protection against theft.

G. Scholarships and Trust Funds

1. Accounting

The accounting of all scholarship and trust funds given to the school district are under the supervision of the board of education and will be maintained in the Trust and Agency Fund.

2. Scholarships

Scholarship funds shall be administered by the superintendent or his/her designee, in accord with donor's request or procedures established by a designated faculty and administration committee approved by the board of education.

3. Trust Funds

Gifts will be set up as trust fund for the purpose of receiving and disbursing cash in accordance with the donor's request in accordance with, Education Law, Section 1709 (12 and 12-a) and Comptroller's Opinion No. 65-367.

H. Audit of Claims

1. Payments Prior to Audit

Payments of claims for public utility services, postage, freight and express charges may be made in advance of audit in accordance with Section 1724.3 and 2524.2 of the Education Law.

2. Board of Education

No claim against the school district shall be paid except for compensation for services of an employee or officer or for principal and interest or indebtedness unless it has been audited and allowed by the board of education. Following approval, an abstract of the audited claims shall be drawn in the form of a warrant authorizing and directing the District Treasurer of the district to make payments in accordance with Sections 1724.2, 2523.4 and 2524 of the Education Law.

3. Internal Claims Auditor

When the office of auditor has been established and filled, all powers and duties of the board of education with respect to auditing, allowing or rejecting all claims against the school district

shall be exercised only by the auditor in accordance with Section 1709.20(a) and 2526 of the Education Law.

I. Certification of Payrolls

1. Responsibility

The board of education consistent with the provisions of Education Law 1720.2 and Section 170.2(b) of the Regulations of the Commissioner of Education will annually designate the person(s) to be responsible for the certification of payrolls.

J. Bond and Note Register

1. Responsibility

The District Treasurer shall keep a complete record of each issue of bonds and notes authorized. The record shall include the dates of issue for the obligations; the type thereof, the amount of each obligation; the banks from which the money was borrowed; the rate of interest; the amount of principal and interest paid; and the dates of maturity.

K. Cash Flow Management

1. Responsibility

The board of education authorizes its District Treasurer to manage all activities associated with the cash flow management consistent with the Office of the State Comptroller's Financial Management Guide.

2. Investments

The District's cash flow management program shall include procedures for investing monies, consistent with the District's investment policy (see 6240 & 6240-R.)

3. Borrowings

The use of an open competitive system of bidding and/or quoting for the borrowing shall be conducted as prescribed in the provisions of Article VIII of the State Constitution and the Local Finance Law regulating the issuance of obligations.

L. Travel and Conferences

Reimbursement for authorized travel and conference attendance will be made in the manner prescribed by Section 77(b) of the General Municipal Law (see 6830.)

M. Periodic Financial Reports

1. Cash Reconciliation

The District Treasurer shall report to the board of education the cash position and reconciliation of each fund of the school district on a monthly basis in compliance with Commissioner's Regulations, Section 170.2(o).

2. Budget Status

The District Treasurer shall submit a budget status report monthly to the board of education for each fund detailing the condition of each budget revenue and appropriation category. This shall be in at least the detail prescribed by Commissioner's Regulations, Section 170.2(p).

3. Annual Financial Statement

Notice that the annual financial statement for all funds are available in the District Office for public review shall be published by the board of education in a public newspaper, in compliance with Education Law, Sections 1721 and 2528. Publication shall be in the format prescribed by Commissioner's Regulations, Section 170.2(s). This statement shall review the finances and transactions of the school district for the preceding school year.

4. Annual Audit

An annual audit of all funds of the school district shall be made by a certified public accountant or by a public accountant. The board of education shall adopt a resolution accepting the audit report and file a copy of this resolution and the audit, including the Management Letter, with the Commissioner of Education as required by Commissioner's Regulations, Section 170.2(r). The clerk shall publish an official notice within ten days of receipt of the audit report.

The annual audit should include an examination of documents, records and accounts conducted in accordance with Generally Accepted Accounting Principals (GAAP).

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