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## **REVISED POLICY - VOL. 19, NO. 1**

### **Version #1**

#### **6610V1 - SCHOOL INTERNAL FUNDS ACCOUNTS**

The School Board is responsible for the administration and control of internal funds of the School District. "School internal funds" are those held by specific schools used by a school/department which are not part of the Board's regularly adopted budget under the direct supervision of the District through regular county school budget sources. School internal funds shall be used to benefit activities authorized by the Board and they are administered by each individual school/department in accordance with policies of the School Board, the Constitution of the State of Florida, Florida statutes, rules of the State Board of Education, and the Financial and Program Cost Accounting and Reporting for Florida Schools, as revised Administrative Rules, Florida statutes, and procedures adopted by the Board.

All funds handled by employees during normal working hours shall be included in, and become part of, the internal funds of the school unless accounted for in the District-level accounting system. All employees responsible for handling and recording internal funds financial transactions shall be bonded through the District.

All organizations of the school or organizations operating in the name of the school, that obtain money from the public shall be accountable to the Board for receipt and expenditure of those funds.

### **Annual Audit**

All school internal funds will be audited annually.

#### **A. Uniform Records and Accounts**

~~Department heads and~~ The principal of each school shall be responsible for the safe and proper handling of all monies collected and disbursed within the school and shall keep all accounts in accordance with regulations of the Board and State Board of Education and the Financial and Program Cost Accounting and Reporting for Florida Schools Manual of Internal Accounting. A complete and accurate record of each and every transaction and a suitable classification (chart of accounts) of all receipts and expenditures shall be kept on approved forms.

#### **B. Receipts of Monies Collected**

All funds collected within the school ~~or department~~ for any purpose shall be deposited with the principal, ~~department head, or designee~~, together with such substantiating records as may be required.

#### **C. Safekeeping of Monies, Certificates, and Bonds**

All monies received shall be promptly deposited in a qualified public depository and provisions shall be made for the adequate safekeeping of all monies and other financial assets that may come into the possession of the school.

1. Funds shall be promptly deposited in the qualified public depository. Schools ~~or departments~~ shall make deposits at least weekly, and more frequently if the funds on hand ~~at~~ in the school exceed \$5200.00, including change and petty cash funds.
2. All funds received shall be recorded, banked, and reconciled to the proper receipts and accounts.

#### **D. Expenditures**

All expenditures from school funds shall be made by check, except that provision may be made by administrative procedures for the use of a small petty cash fund in each school where needed. Upon approval of the Superintendent, Chief Finance Officer and Principal, schools may utilize debit cards for internal fund expenditures. Procedures for purchases made with debit cards would follow district policy 6423 "Use of Credit Cards". Invoices or other approved substantiating evidence shall be required for all payments from school funds, including payments from petty cash. All checks are to be signed by two (2) persons, the principal and designee.

1. Overspending Limitations

School ~~or department~~ expenditures from internal funds shall not exceed the cash balance of resources of that school during any fiscal year without written approval of the Superintendent or Board.

## 2. Regulations Concerning Expenditures

- a. Where expenditures require prior approval, the school should anticipate needs in time to permit processing and proper clearance of written authorization requests. Expenditures shall not be made until approved in writing by the principal.
- b. Authorization for expenditures expire one (1) year after date of approval unless an earlier expiration date is determined by the principal for specific expenditures.
- c. No school internal fund shall be obligated for any student or teacher expenditure not previously approved in writing by the principal. A principal shall be responsible for any expenditures made or approved by him/her which are not permissible under the laws and regulations of the State or policies of the Board.
- d. Competitive bidding is encouraged whenever practical. However, no purchase may be made by a school amounting to over \$1,000.00, including series or group purchases, except through obtaining three (3) or more written competitive bids based upon definite specifications in the same manner as used by the purchasing department, except that when advanced individual orders are taken from students, staff, or patrons, competitive bids shall not be required. Items purchased "on consignment" need not be bid.

## 3. Expenditures Requiring Prior Approval

The following is a list of expenditures requiring prior written authorization from the Superintendent or designee:

- a. All equipment which is to be attached to the buildings, or requires remodeling, including the installation of utility service other than that which presently exists in the building. Examples of such purchases are as follows: air-conditioning, ice machines, equipment which uses 220 current where only 110 service exists, those that require the installation of water or sewage lines, etc.
- b. Buildings, permanent attachments to buildings, or other structures.
- c. Bleachers or equipment involving risk to users.
- d. Services and purchase made for any employee of the District.
- e. Membership in and contributions to any noneducational organization.
- f. Each principal may ~~employee persons and~~ authorize payment from internal account funds for supplemental positions consistent with the current supplemental salary schedule.

## 4. Expenditures Prohibited from Internal Funds

The following is a list of expenditures which cannot be made from internal funds.

- a. Professional books and magazines, except school professional libraries and personal memberships in professional organizations when purchased through trust funds to which employees contribute.
- b. Articles or services for personal use ~~of by~~ Board employees or any other individual~~other persons.~~
- c. Equipment, supplies, and services for rooms and areas not used primarily for student body benefit, unless raised specifically through employees or other persons or authorized by a student organization.
- d. Wages or supplements to any persons engaged in regular full-time, part-time or temporary ~~position~~employment except as provided by the Board.
- e. Loans, credits, or accommodations ~~for to~~ Board employees or other individual~~persons~~, including students except as provided in Policy 6550 - Travel and Per Diem.

## 5. Cooperative Activities Permitted

The general provisions for cooperative activities for which internal funds are permissible are as follows:

- a. Outside groups. There shall be a definite written agreement between both parties.
- b. The principal must approve cooperative activities.
- c. Cooperative activities must be beneficial to students.
- d. Collections for The School Board of Madison County, Florida.
- e. Trust funds, drives, professional dues, etc.
- f. Foundation funds (donations by outside organizations or persons for a definite educational purpose).
- g. Flower and gift funds.



## 6. Promotion and Public Relations Funding

The Superintendent or designee and principals are authorized to expend funds from a designated internal account for the purpose of promoting the school/~~department~~ and for public relations.

Funds derived from auxiliary enterprises and undesignated gifts shall be disbursed in accordance with rules of the Board for such purposes as are deemed to be for the benefit of the District. Funds from auxiliary enterprises are defined as profits from enterprise type activities of the District, excluding food service activities, which may include, but are not limited to, vending machines, school stores, and other internal account fund profits not specifically designated for student or school level purposes and from funds received from other agencies making purchases from warehouse inventories in excess of the actual costs to the District.

Such funds shall be administered in accordance with procedures included in the [Financial and Program Cost Accounting and Reporting for Florida Schools Manual of Internal Accounting](#).

## E. Fund Raising

~~School principals are to be made aware of, approve and oversee all fundraising activities and actions conducted on a school campus and approve all fund-raising activities in the name of the school. Any fund-raising activity conducted on school property is a school-connected activity. All fund-raising projects and activities promoted by the school or any group within or connected with or in the name of the school, are to contribute to the educational experience of the students and shall not be in conflict with Board policies or the overall instructional program. Each fund-raising project using students to solicit must have the approval of the principal. Student body business functions should be conducted in such a way to offer the minimum competition to commercial firms. Accountability of fund-raising projects shall be in accordance with provisions of the Manual of Internal Accounting.~~

1. ~~Each fund-raising activity shall be designed for the benefit of a planned-to-finance-a specified objective.~~
2. ~~Each fund-raising activity shall have the approval of the organization sponsor and the principal.~~
3. ~~The superintendent acts as the custodian of all school property and may delegate responsibilities to the school principal. The principal shall control the fund-raising activities conducted in the name of the school and ensure that any fundraising activity conforms to district policies and is worthwhile. the purposes are worthwhile.~~
  - a. ~~Raffles and other activities of chance shall not be conducted by the school whether on or off or on school property, including raffles conducted by charitable, nonprofit organizations leasing school property. Encouraging or permitting minors to participate in games of chance by playing or betting money or other valuable things is prohibited. Only a charitable, nonprofit organization exempt from Federal income taxation pursuant to the Internal Revenue Code may conduct raffles or drawings by chance in the name of the school if the organization complies with all applicable provisions of F.S. Chapter 496, and F.S. 849.0935, and the raffle is not conducted on school property.~~
  - b. ~~Fund-raising activities for which students are charged an admission shall not be presented during school hours.~~
4. ~~When any school organization or group is involved in a fund-raising activity or any function exposing the Board to extraordinary liability, approval must be obtained in advance from the superintendent.~~
5. ~~Collections for all school-sponsored fund-raising activities must be deposited in the internal fund, and all transactions in connection with the activity must be conducted in accordance with Board policy.~~
6. Solicitation by Students

~~Personal or house-to-house solicitation by students is forbidden in all cases except as defined below:~~

- a. ~~Junior or senior classes at the senior high school level are authorized to sell magazine subscriptions. Principals must furnish identification for students participating in these sales in order that persons may be assured of the students' connection with the school.~~
- b. ~~Admission tickets may be sold by senior high schools to concerts and plays.~~
- c. ~~Advertising may be sold on a once-a-year basis only for each high school annual; programs for the annual dramatic productions of the senior high schools; and the year's high school athletic program.~~
- d. ~~Advertising may be sold by senior high school newspapers to provide marketing experience in the field of journalism for students with the approval of the principal.~~
- e. ~~Sales by students at central points, which merely make available the merchandise to patrons who care to stop and buy, are permitted. The selection of a location for such sales shall be made with the safety of the student in mind.~~
- f. ~~Students may only be requested to bring money to school for parent-teacher groups which will provide one of its parent members to receive membership dues.~~

## 7. Fund Benefits

Funds collected for the benefit of a specific student organization shall be expended for the benefit of said organization unless otherwise designated in minutes of the organization. General fund monies collected from the student body as a whole shall be expended to benefit students directly, except that Board authorized ~~salary~~ supplements for sponsors of student activity programs may be paid from these funds.



## 8. Commissions or Profits

Funds from commissions such as school pictures, etc., may be credited to the general fund or some designated account. Contracts for such activities must comply with bid requirements and be approved by the principal.

## 9. ~~Contracts for Operation of Vending Machines on School Property~~

~~Principals and department heads shall have authority to enter into contracts with commercial vending machine companies with deposits and expenditures made in internal funds. No such contract shall be in conflict with any District-wide contract for vending services.~~

### Commercially Owned or Leased Vending Machines

~~All commercially-owned or leased vending machines located on school property shall be operated under a written contract. The contract shall be on a form approved by the Board, signed by the principal or department head, and an authorized representative of the company. The contract shall contain the legal name of the company, cancellation clause, and the percentage or amount of revenue to be received by the school or department, and provisions for restocking and collecting proceeds from the machines.~~

## 10. ~~Sale of Food and Beverages~~

~~The sale of any food and beverages to students during the school day shall be conducted by the school food service program, except as provided herein.~~

- ~~a. In high schools only, carbonated beverages, and 100% fruit juice may be sold, during the day.~~
- ~~b. In middle schools, or junior/senior high schools, foods classified as having minimal nutritional value as defined by the United States Department of Agriculture shall not be sold to students except for one (1) hour following the close of the last lunch period.~~
- ~~c. In secondary schools only, the sale of food and beverage items (other than those described above), apart from the school food service program, may take place beginning one (1) hour after the close of the last lunch period. The proceeds from such sales will accrue to the food service program if sold during the school day and may accrue to either the food service program, approved school organization, or the school's general internal fund, if the sale occurs at least one (1) hour after the close of the last lunch period.~~
- ~~d. For purposes of this rule, school day is defined as midnight until the end of the last class period. In elementary schools, all food and beverage sales to students during the school day shall be through the food service program.~~

## 11. ~~Profits from the Sale of Food and Beverages in Employee Work Areas~~

~~As a benefit to employees, principals, and county-level department heads are authorized to approve the sale of food and beverages in areas accessible primarily to employees. Monies collected from these sales shall be deposited in the internal funds of schools and county-level departments. Profits from these sales may be expended for the benefit of employees or students according to procedures established in the Manual of Internal Accounting.~~

## 12. ~~Class or Club Accounts~~

- ~~a. Authorization for all expenditures shall bear the approval of the principal.~~
- ~~b. No account may be overdrawn at the end of the fiscal school year.~~
- ~~c. Funds of off-campus clubs may not be processed through the school internal funds.~~
- ~~d. After the class has determined the disposition of the balance, or after a reasonable time, any remaining balance of a graduating class shall be closed out to the general fund of that school. Should any club become inactive, the unused balance may be closed out to the general fund after three (3) months.~~
- ~~e. With the written approval of the principal, a school organization may set aside an amount for a specified future project which may materialize while members of the organization remain affiliated.~~
- ~~f. These reserve funds shall follow the same internal accounting procedures as any other school funds.~~
- ~~g. If the original purpose of the project becomes inoperative, the balance shall be transferred to the school general fund and may not be diverted to any other project.~~

## F. Student Travel

### 1. Advance Arrangements

When travel by students is necessary in the pursuance of an approved student activity, advance travel arrangements shall be made when possible. Advance arrangements shall include transportation, meals, registration or entrance fees, and lodging. ~~Payments~~Checks may be prepared in advance for the exact amount and payable to the corporation or proprietor providing the service. The faculty sponsor accompanying the students shall be the temporary custodian of the checks and responsible for obtaining an invoice for the exact amount of the ~~payment~~check from the corporation or proprietor upon presentation of the ~~payment~~check.

### 2. Advance to Sponsor

When advance arrangements for meals or lodging are impractical because service to be rendered is en route, or the student group is of such number to make prior knowledge of the exact number impossible, advancement may be made to the faculty sponsor for distribution to



the students. Each student shall sign a signature sheet certifying that s/he received their meal or lodging allowance. In such situations, students are to be made aware of the amount of the allowances at least twenty-four (24) hours prior to travel departure so as to permit them to make adequate financial arrangements personally or with their ~~guardnians~~parents.

### 3. Limits

Under no circumstances may the amount paid from District or internal funds be in excess of rates established in F.S. 112.

#### G. Student Activity Funds

For purposes of this policy, a "student activity fund" may include, but not be limited to, co-curricular and approved extra-curricular activities such as clubs, publications, etc. Each school organization should operate within a budget formulated by the organization members. The format of the budget shall be prescribed by the principal.

The Superintendent is directed to obtain annually ( X ) prior to the start of the new fiscal year [END OF OPTION] a list of projected student activities with a brief description of their objectives, activities, and limitations of each fund.

The Board authorizes the maintenance of approved student activity funds.

X ] The Board may facilitate the student activities program by providing up to one-half of one percent (1/2 of 1%) of its annual operating budget to help defray the cost of the activities. [END OF OPTION]

The Board authorizes the principal at each school to review and approve each expenditure from a student activity fund prior to disbursement. In approving an expenditure, the principal shall ensure that it is related to achieving one (1) or more of the stated purposes for which the student activity has been organized.

#### [X ] Option #1

An expenditure may consist of a donation to an organization or individual for a purpose deemed appropriate by the principal.

#### [END OF OPTION #1]

#### [ ] Option #2

A charitable donation may be made to an organization or individual if approved by the principal.

#### [END OF OPTION #2]

#### Classes, Clubs, and Departments

The sponsor of each school club or organization is responsible for providing adequate financial documents and records to the principal and is responsible for retaining duplicates of said documents and records. These records may include an organization budget; duplicate receipts for all income from dues, fund-raising activities, entertainment, assessments, and donations; and approved requests for payment.

All collections received by any club or school organization must be deposited in the school internal fund.

All disbursements by any club or school organization must be made by an internal fund check or from an approved petty cash fund or disbursements through a debit card transaction and- Disbursementsschool shall be approved by the appropriate organization officer (when the organization has officers), the sponsor, and the principal.

A financial report shall be filed with the principal's office at the close of each fund-raising activity. To accommodate collection of data for this report, a separate account for the activity may be established.

~~The organization sponsor shall participate, along with the finance clerk~~ The organization sponsor shall participate, along with the school bookkeeper, in the designation of transactions to be recorded in each of the organization's accounts.

Class and club monies shall be expended for the benefit of the class or club or for purposes designated by the class or club that participated in generation of the revenues.

1. Any remaining balance in the account of a class that has graduated shall be transferred to the general miscellaneous account at the discretion of the principal.
2. Any remaining balance in the account of an inactive student organization shall be considered as belonging to the general miscellaneous account and shall be closed at the end of the following fiscal year.

Departments may be structured similarly to classes and shall conduct financial activities subject to the principles already outlined.

The principal shall ensure that all student activity funds are managed, recorded, and deposited in accordance with law, district policies and sound fiscal practice.

F.S. 1001.43

F.S. 1010.02

F.S. 1010.20

F.S. 1011.07

F.S. 1011.18

F.A.C. 6A-1.001

F.A.C. 6A-1.085

F.A.C. 6A-1.087

[F.A.C. 6A-1.014](#)[Financial and Program Cost Accounting and Reporting for Florida Schools, as revised](#)

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## Legal

[F.S. 1001.43](#)[F.S. 1010.02](#)[F.S. 1010.20](#)[F.S. 1011.07](#)[F.S. 1011.18](#)[F.A.C. 6A-1.001](#)[F.A.C. 6A-1.014](#)[Financial and Program Cost Accounting and Reporting for Florida Schools, as revised](#)

## Cross References

[po6550 - TRAVEL AND PER DIEM](#)[ap6610A - STUDENT ACTIVITY FUNDS](#)[ap6610B - PROCEDURE FOR INACTIVE ACTIVITY ACCOUNTS](#)

Last Modified by Sam Stalnaker on December 10, 2018