

Accounting

I. Statement of Philosophy

The Chenango Valley Central School District considers it very important that accurate financial records be developed and maintained on a consistent and systematic basis in order to support our decision-making responsibilities and those of the district's administrators. This declaration is based on the conviction that responsible stewardship recognizes that our school district is financed with public monies. Therefore, we insist on clear, complete and detailed accounting of all financial transactions for which we are accountable.

II. Policy Statements

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. The primary purposes served by the systemized accounting data are (1) the rendering of financial stewardship; and (2) the facilitating of future financial planning.

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, State Education Department. 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. The various forms to be used shall be approved by the Board of Education.

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 as defined and promulgated by the NYS Office of the State Comptroller.

B. Classification of Expenditures

1) Legal Requirements

All expenditures are records and 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 the fiscal year. The advanced encumbering should include known obligations such as utilities, BOCES, debt service, salaries, fringe benefits, service contracts and other known contractual expenses.

4) Transfer of Funds

The Board of Education authorizes the Superintendent to make transfers between and within functional unit appropriations for teachers' salaries and ordinary expenses.

C. Cash Funds1) Petty Cash Funds

A Petty Cash account may be established for each building and several departments within the district. The specific amount to be available in each building and the person responsible for each fund shall be designated annually by the Board. No single Petty Cash Fund may exceed \$100. The accounting procedure and the method used to report expenditures shall be those outlined in Section 170.4 of the Commissioner's Regulations.

2) Change Funds

A Change Fund may be established for the cafeteria operations and Athletic Department within the District. The specific amount to be available in each building and the person responsible for each fund shall be designated annually by the Board. No single Change Fund may exceed \$500.

D. The Safeguarding of District Funds1) Bonding

The Board of Education will provide a public school system faithful performance bond, or blanket position bond for all employees, officers and pupils, 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

Under no circumstances shall cash be left in classroom areas or desks. The District will not be responsible for funds left unprotected.

All funds, whether District or extra-classroom funds, shall be deposited prior to close of school each week. Only authorized personnel designated by the building administrator shall be allowed in the main office vault.

3) Treasurer's Receipts

The Board shall adopt a prenumbered receipt form to be used by the District Treasurer and other persons authorized to receive money. The Treasurer shall receipt all monies paid over to his/her custody with pre-numbered duplicate receipts (Commissioner's Regulation 170.2(h)). The 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 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 source and amount of the revenue shall be entered into the cash receipts journal. 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 districts other than the Treasurer must issue prenumbered receipts in triplicate (CR 170.2 (i)).

E) Extra-Classroom Activity Funds1) 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 extra-classroom activity and the monies received as Extra-Classroom Activity Funds. Annually, the Board of Education will appoint, upon the recommendation of the Superintendent, those members of the staff to serve as central treasurer, faculty advisor, and extra classroom activity internal auditor. The central treasurer shall submit to the Board of Education, during the academic year, quarterly financial statements indicating the status of each account.

2) Regulation of Activities and Monies

The regulations of the establishment, conduct, operation and maintenance of records concerning extra-classroom activities will be those outlined in Finance Pamphlet #2, available: <http://www.p12.nysed.gov/mgtserv/accounting/docs/ExtracllassroomActivitiesJanuary2015.pdf> and in conformance with Section 172 of the Commissioner's Regulations.

F) Check Signature1) Internal Control

The Treasurer must maintain, at all times, control of his/her signature plate. The administration of the school district will establish and the 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 Treasurer or the single signature of the Deputy Treasurer if one is appointed.

2) Storage of Blank Checks

The safeguarding of unused checks shall be the responsibility of the 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 fire, theft and water damage.

G) Facsimile Signature

Use of a facsimile signature rubber stamp shall not be used on any district document.

H) 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 accordance with the latest GASB pronouncement.

2) Scholarships

Scholarship funds shall be administered by the Superintendent or his appointee, 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 a trust fund for the purpose of receiving and disbursing cash in accordance with the donor's request. Education Law, Section 1709 (12 and 12-a) and Comptroller's Opinion No. 65-367.

I) 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) 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 Sections 1709.20(a) and 2526 of the Education Law.

J) 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 designates the Superintendent of schools to be responsible for the certification of payrolls.

K) Bond Records

- 1) The District Treasurer's responsibilities will be under the direction of Broome-Tioga BOCES Central Business Office. The District Treasurer will maintain a permanent file which shall include the dates of resolutions authorizing the obligations; the type thereof; the date of issue; the numbers of each obligation; the banks from which the money was borrowed; the amount borrowed; the rate of interest; the principle and interest paid; the dates of maturity; and the dates the obligation was met.

L) Cash Flow Management

- 1) Responsibility

The Board of Education authorizes its Treasurer to manage all activities associated with the cash flow management consistent with the Office of the State Comptroller's Financial Management Guide. Periodic reporting of cash flow will be submitted to the Board.

- 2) Investments

The District's cash flow management program shall include procedures for investing monies, which are temporarily in order to afford interest income. All investments shall be made as a result of seeking quotations and consistent with the districts investment policy.

- 3) Borrowings

The use of an open competitive system of bidding and/or quoting for 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.

M) 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.

N) Periodic Financial Reports

- 1) Cash Reconciliation

The school 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 School 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

An annual financial statement for all funds shall be published by the Board of Education in the form of a legal notice in the official newspaper of the school district, during the month of July or August (or within three months after the close of fiscal year¹) 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 by October 15th as required by Commissioner's Regulations, Section 170.2(r). The clerk shall publish a notice within ten days of any external audit report received from an independent auditor.

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