ROCHESTER CITY SCHOOL DISTRICT

PROCEDURES AND REFERENCE MANUAL

ACCOUNTING

Any exceptions to any of the procedures in the Procedures and Reference Manual must be approved by the Chief Financial Officer.

ACCOUNTING

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DIRECTORY OF ACCOUNTING PERSONNEL

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ACCOUNTING

INTRODUCTION / OVERVIEW

The Accounting Department provides fiscal support services to the District's operating departments and schools. Major responsibilities assigned to this department are:

- General Ledger
- Accounts Payable
- Accounts Receivable
- Treasury
- Capital Spending
- Fixed Asset Accounting
- In-District and Out-of-District Travel Expense Report Processing

The functions performed by this department support all aspects of District operations, ranging from direct pupil services to facilities maintenance. Specific activities include:

- Payment of Vendors
- Reimbursement of Employee Business Expenses
- Cash Collections and Receipts
- Financial Reporting – Internal and External
- Regulatory Compliance
- Cash Management
- Fixed Asset Records Maintenance
- Intergovernmental Accounting (JSCB)

GENERAL OPERATING POLICY AND STANDARDS

As stated in the introduction to this manual, delivering business services to pupils and staff efficiently, effectively, and in a timely manner, while adhering to regulatory requirements, is the Accounting Department's primary function. Our work involves a large volume and variety of transactions which are initiated by other organizations, departments and schools. Therefore, in order to maintain the integrity of District finances and reporting information, it is imperative that ALL District employees act as stewards by following and executing established District processes and procedures.

OPERATING POLICY

To assure that we are able to deliver all services equitably, our procedure will be to return to the originator incorrectly prepared transactions, incorrect forms, forms or documents which are illegible or which are not properly approved, items submitted after deadlines, and any requests which do not adhere to the policies and procedures stated in this manual or official policies of the Rochester City School District, the Rochester City School District Code of Ethics, generally accepted accounting principles, or to any laws or regulations of the state or federal governments.

The use of public funds for the processing and payment of claims are governed by sections of the General Municipal Law, State Education Law, and clarified by opinions from the State Comptroller's Office. If there are any procedures which you do not understand, contact the appropriate staff person listed in the Personnel Directory section of this manual.

STANDARDS

Approvals

Approvals are required by either signature or electronic workflow for most every Accounting transaction in order to provide control and accountability. Approval authority is generally vested with the department manager of record in PeopleSoft, and in some instances, the department manager's direct supervisor (i.e. chief, deputy or superintendent). In circumstances when an alternate approver is required, it is the department manager's responsibility for establishing who is authorized to approve.

Documentation

Documentation requirements are based upon Internal Revenue Service guidelines and generally accepted accounting principles, and any other applicable governing authority requirements. Supporting documentation is required for all Accounting transactions and must be maintained in accordance with the Records Retention and Distribution Schedule ED-1.

Forms

The required forms referenced in this manual are accessible on the Accounting SharePoint site.

Legibility

All forms and documents are retained electronically by Accounting for audit purposes. It is vital that these records be clear and legible. Any items not clear and legible may be rejected. It is up to the requester to assure the legibility of the documents.

Deadlines

The volume of work and the steps involved in the work have been factored into the lead times, deadlines, and cutoffs stated throughout this manual. Deviations and exceptions cause delays in processing. Please observe the time requirements as indicated to allow sufficient time for work to be processed efficiently.

UNDERSTANDING THE ACCOUNT CODE STRUCTURE

PEOPLESOFT ACCOUNT				
Account	Fund	Organization	Program	Sub-Class
5163	A	10102	1620	0000
5200	A	10102	2110	1383

The People Soft account structure breaks down into five sections as follows:

Account: A 4-digit code used to identify a particular category of expense (i.e. salaries, supplies), type of revenues, or balance sheet account.

Fund: An alpha code that indicates the type of fund (i.e. general or grants).

Organization: A 5-digit code that identifies both the physical location (first 3 digits) as well as the division (last 2 digits).

Program: A 4-digit code that describes the functional area (i.e. personnel, legal, purchasing, auditing).

Subclass: A 4-digit number used to track a lower level of expenditures than is identified in account field.

DEFINITIONS/TERMINOLOGY

- *Invoice* – A vendor-generated document detailing fees and/or charges owed; a bill.

- *Receipt* – *(PeopleSoft)* a PeopleSoft Financials system generated document created by the requestor of a purchase order to acknowledge physical receipt of goods and services.

- *Encumbered Amount/Encumbrance* – the amount of the purchase order/reservation of budget funds

- *Discount* – an amount to be deducted from the vendor charge for paying the invoice/bill within a certain time.

- *Statement* – vendor-generated document which lists invoices and payments during a period of time.

- *Stipend* – A regular or fixed payment paid to a student or employee for additional services.

- *Consultant* – An individual or a corporation who provides professional/technical advice or services to the District on a temporary basis (i.e., parents, speakers, writers, accountants).

- *Employee* – An individual is considered an employee if he/she performs services for the District on a part-time or full-time basis and receives "wages" from the District's payroll system (i.e., teachers, administrators, secretaries, custodians, and substitutes).

- *Contract* – A formal, written document between the District and a second party outlining terms, conditions, fees, and services to be provided.

PAYING FOR MATERIALS AND SERVICES

Procurement of materials and services is covered in the [Purchasing Manual](#) located on the Department of Purchasing SharePoint site. After an order is properly filled in accordance with District procedures and guidelines, Accounts Payable is then able to initiate payment to the vendor. The following policies and procedures have been developed to help assure that District funds are expended accurately and efficiently.

DIRECT PAYMENTS

Purpose

The term "Direct Payments" refers to all payments made to vendors when no purchase order is required. *Generally, governmental accounting requirements are such that a purchase order is mandatory for all purchases.* The purpose of this section is to establish uniform procedures and guidelines for District staff to follow that specify when it is permissible to initiate a purchase without a purchase order.

Items Acceptable for Direct Payment

- ☞ Legal Services, Claims & Testifying Fees
- ☞ Pupil Accidents
- ☞ Independent Evaluations
- ☞ In-District and Out-of-District Travel
- ☞ Professional Development
- ☞ Admissions/Tournament Fees and Event Staff
- ☞ Postage
- ☞ Driver's License Testing
- ☞ Tuition, Duel Enrollment and Cross District
- ☞ Health Services
- ☞ Contract Labor
- ☞ Tuition Reimbursement
- ☞ Employee Assistance Program
- ☞ Debt Service

- ☞ Scholarships
- ☞ Dues and subscriptions (excluding magazine subscriptions for student use)
- ☞ Payroll related items (union dues, stipends, etc.)
- ☞ NYS Unemployment fees
- ☞ Permits and Fees
- ☞ Adjustments & Disallowances
- ☞ Teachers' & Employees' State Retirement
- ☞ Non- Premium Based Insurance
- ☞ FSA Fees
- ☞ Workers' Compensation
- ☞ Moving Costs
- ☞ Reimbursements to the District for Extracurricular Club (SAF/EAA) payments to consultants, stipends, honorariums that require the generation of a 1099

Required Documentation

The District requires receipts or detailed invoices from the servicing vendor. All claims for payment without complete documentation will be returned. In the event that a detailed invoice is not available for any of the above claims for payment, a Concur payment request shall be submitted in lieu along with any available supporting documentation to substantiate the claim.

Required Approvals

All Direct Payments must be approved by the budget manager of record in PeopleSoft of the department ID being utilized to make the direct payment. If the direct payment is for reimbursement or services for the department manager against the department manager's own department budget, then the department manager's direct supervisor's approval is required. Approval by the Superintendent is required for staff reporting directly to him/her or any exceptions to this policy.

It is the responsibility of the authorized approver to examine the expenditure for propriety and to ensure that sufficient funds are available within the budget.

PURCHASE ORDER PAYMENTS

Generally, governmental accounting requirements are such that a purchase order is mandatory for all purchases. The purpose of this section is to establish uniform procedures and guidelines for District staff to follow in order to ensure prompt payment of vendors within the terms of their respective contracts.

Upon receipt of materials and/or services, immediately check the items delivered against the approved requisition or purchase order in EPro within PeopleSoft. A receipt must be entered in PeopleSoft by the requisitioner in order for payment to be processed. For more information on receiving in PeopleSoft, please refer to the Purchasing Manual and/or the information located on the Purchasing Department SharePoint site.

Vendors are instructed to submit all invoices electronically to accountspayable@rcsdk12.org. If an invoice associated with a PO is delivered to a department or school, please email the invoice to accountspayable@rcsdk12.org immediately. Make sure that you have entered a receipt in PeopleSoft for the goods/services purchased. Non-PO related payments should be submitted as a payment request through Concur. Any invoices received without a purchase order referenced will be returned to the vendor.

OTHER MISCELLANOUS PAYMENT INFORMATION

District Travel

All District travel-related policies and procedures should be followed when seeking travel reimbursement; all travel-related policies and procedures are located on the District's Travel Department website and should be strictly adhered to.

Stipend Payments

In certain circumstances, payments may be made to a student or employee for additional services performed outside of their existing employment contract, in accordance with a grant, etc. These payments are called "stipends". For information on the processing and payment procedures for stipends, please contact the Payroll Department.

Consultant Payments

When there is a need to hire individuals or organizations (other than employees) to perform professional or technical services to the District, this meets the definition of a consultant. For information on initiating consultant services (requisitioning, contract process, purchase orders, etc.) please refer to the Purchasing Manual.

No payments will be made until the services have been provided by the consultant. Consultant must pay all outside costs including airline ticket, hotel, etc. out-of-pocket, and will be reimbursed per contract by submitting an invoice with detailed receipts for all contractually reimbursable expenses.

Once services have been completed by the consultant, the consultant shall submit an invoice to Accounts Payable. The invoice must include an invoice number, invoice date, purchase order number, remittance address, detailed description of services and an invoice amount/cost of services.

Refer to the "Purchase Order Payments" section of this manual for additional details regarding additional information needed regarding the completion of a consultant payment.

Scholarship & Award Payments

When a payment is made to a student for purposes other than in exchange for services performed, this typically constitutes a scholarship or award. Student scholarships and awards should be processed as payment requests in Concur.

No payments can be made **by a school** out of their school activity funds for stipends, honorariums, or consultants. The Internal Revenue Service requires the District to generate a 1099 or W-2 for any revenue earned by a taxpayer; therefore, all payments must be made by the District's Accounting Department on behalf of the school's SAF/EAA club in these specific circumstances. Please refer to the SAF/EAA Procedures and Reference Manual on the Accounting SharePoint site for additional information.

NONCOMPLIANCE

All non-compliant claims received will be subject to the District's Confirming Order Procedures as outlined in the Purchasing Manual. Department managers, principals and chiefs receive compliance reports monthly. Non-compliant claims will be monitored and corrective action may be taken.

ACCOUNTS PAYABLE – OTHER CONSIDERATIONS

Do's & Don'ts Checklist

Many times delays can be avoided if the documents are submitted with all the required information and proper signatures. To help you check your submissions, a list of "DO'S" and "DON'TS" follows.

Please DO the following:
- ✓ **Ensure that sufficient funds are available before submitting any payment request or requisition and initiate any required budget transfers.**
- ✓ **Enter a receipt in PeopleSoft Financials as soon as an order is received and verified.**
- ✓ **When returning unwanted items, receive in ePro, request a credit memo from the vendor, and notify the accounts payable department.**
- ✓ **Instruct ALL vendors to send invoices directly to Accounts Payable for payment processing at accountspayable@rcsdk12.org and to NOT send a duplicate copy through the mail. In the few instances where electronic submission is not feasible, invoices should be mailed directly to the Accounts**

> **Payable department. Failure to do so will result in delayed payment.**
> - ✓ **If an invoice is inadvertently delivered to any school or department, please contact the vendor ASAP and notify them of proper invoice submission instructions. The invoice should then be received in ePro and sent to Accountspayable@rcsdk12.org .**
> - ✓ **Payments must be submitted by the end of the day Monday to be included in that week's check run.**
> - ✓ **Requests for emergency checks must be authorized by a Supervisor or Director in Finance on a RARE, exception basis.**

> **Please DON'T do the following:**
> - ✓ **Highlight items on invoices. Highlighting may result in illegible text.**
> - ✓ **Use initials when signing forms.**
> - ✓ **Use signature stamps for approvals.**
> - ✓ **Receive for damaged goods or items not originally ordered on the PO. Contact the vendor, request a Return Authorization Form, and send the items back.**
> - ✓ **Exchange requisitioned items for equal or lesser value goods.**
> - ✓ **Purchase non-requisitioned items to use up the PO funds remaining from returned or canceled goods.**
> - ✓ **Expend ANY District funds without a purchase order, unless on the exception list on page 5!!!**

Year-End Considerations

At year end (June 30), it is essential for all departments and schools to adhere to the stated deadlines which are published in the Administrative Bulletin in May of each year to ensure timely and accurate financial statement reporting.

PROCESSING AND CONTROL OF CASH AND CHECKS

Various programs/operations throughout the District either regularly or occasionally become responsible for handling cash, checks, and other cash items (i.e.: admission tickets). These procedures are intended to establish accountability and control over these District assets. Cash or checks collected must be safeguarded in a reasonable and prudent manner to ensure minimal risk of theft.

Purpose

This procedure provides uniform standards which must be followed in processing cash or checks. The use of the procedures described in this section should:

1. Provide management assurance that all cash/check transactions conducted on school property are handled in an efficient manner and properly secured at all times.

2. Standardize procedures and improve accuracy.

3. Improve internal control over cash.

Scope

Cash collections at all school and non-school locations (Central Office departments, the Service Center, and program offices) including, but not limited to the following:

- ⬧ Instrument Rental
- ⬧ Lost Book/ID/Bus Pass Fees
- ⬧ Tuition Reimbursement
- ⬧ Bid Spec. Deposits
- ⬧ Gate Receipts & Other sales
- ⬧ Extracurricular (SAF/EAA) Fundraising
- ⬧ Classroom collections for any purposes

- ⬧ Facilities Rental
- ⬧ Curriculum Programs (WEP)
- ⬧ Sale of Assets/Equipment Auctions
- ⬧ Food Service Receipts
- ⬧ Advanced Placement Fees
- ⬧ PTA/PTO Fundraising
- ⬧ Field Trips

Responsibility for Cash Handling

All cash transactions for the District are the responsibility of the collector (whether at a school or other departmental location) until such cash is picked up by the District's courier. The courier will only collect on an as needed basis, unless direct arrangements are made by calling the Office of Safety & Security to establish a weekly pick-up time. The school/department must call for a pickup, whenever cash receipts total $500. It is the responsibility of each department head/administrator to assign staff responsibility for cash processing and controls to ensure compliance with these procedures within his/her department. A non-District employee (temporary help) *cannot* be responsible for the collection or safeguarding of cash, checks or other cash equivalent items and inventory. In the event of temporary staffing, the department head is responsible for reassignment to a District employee to assume the cash processing and controls within his/her department.

Safeguarding Cash, Cash Equivalents and Other Cash-Related Items

Safes - All cash, checks, and other cash-related items (i.e.: money orders, admission tickets, etc.) must be secured at all times in the department/office safe. The department head is responsible for ensuring that the safe combination is safeguarded. Two clerical individuals should have the combination to the safe. The principal is responsible for appointing the two individuals. In the event that the employment status of one or both of these individuals changes, it is the principal/department head's responsibility to ensure that the safe combination is immediately changed by contacting the District's Plant Maintenance/Locksmith Department at 336-4123, within one business day of the employee's last day of employment with the department.

Individuals with the safe combination are responsible for ensuring that the safe is locked at all times. If a theft occurs due to failure to appropriately secure the safe, disciplinary action can result. No personal items or packages of unknown contents will be held for safekeeping. A second person should test the safe lock before leaving the safe unattended overnight.

The Cash Handling Responsibility and Acknowledgement Form is to be submitted to the Finance Department annually and when staff change.

Locked Boxes and Locked Cabinets/Drawers - Cash, checks and other cash-related items should always be stored in the school's central safe, to the extent possible. If circumstances prevent this, then a properly controlled locked box (box with a lock and key) and drawer or cabinet should be used to safeguard the cash until the funds can be deposited into the school's central safe by the end of the school day. If cash is collected after school hours, it should be kept in a locked box and maintained in a locked

cabinet or drawer until the funds can be deposited in the school's central safe the following morning. *Cash, checks and other cash related items should never be kept in an unsecured location or taken home.*

Cash Receipt Procedures

When cash or checks are received from any source, they should be verified (counted) immediately in the presence of the person submitting the cash or check. A pre-numbered receipt from a receipt book (item #487622 at Staples) should be completed and issued by the recipient, as verification that funds were

received and are being stored in the safe. One copy of the receipt shall be given to the person presenting the cash and another copy retained for the school's records. The item(s) must be placed in a clear, disposable deposit bag (see item numbers below), sealed and initialed, and properly secured in the safe until Courier pick-up.

If the funds cannot be counted at the time of submission, the deposit should be labeled "unaudited" and secured in the safe until the funds can be counted in the presence of both parties. At a minimum, all funds must be counted under dual control. This should occur within 24 hours. A pre-numbered receipt from a receipt book (item #487622 at Staples) or tear-off, disposable deposit bag receipt (item #609146 - 9" x 12" or item #810746 - 12" x 16" at Staples) should still be completed and issued by the recipient, as verification that the unaudited funds were received by the office.

Never erase or alter a receipt. If an error occurs, "VOID" the receipt and prepare another one. Voided receipts should be left in the receipt book and not discarded. The receipt book should be kept in a secured location at all times when not in use.

All checks received by mail or in person should immediately be restrictively endorsed "For Deposit Only."

Bank Deposit Procedures

The contents of the department/school's central safe must be deposited on a *weekly* basis, regardless of amount. All Central Office departments should make their deposits at the Accounting department located on CO – 1. All other school and administrative buildings should make their deposits with the District's courier. *District personnel should never make bank deposits nor should deposits or checks be sent through interoffice mail.*

- A properly completed *RCSD Deposit Slip* (available on SharePoint) must accompany the deposit for all District related funds; please refer to the *SAF/EAA Procedures and Guidelines* (available on SharePoint) for extracurricular club fund deposits.

- You must use clear, plastic, tamper evident disposable deposit bags with a tear-off, disposable deposit bag receipt (item #609146 - 9" x 12" small or item #810746 - 12" x 16" large at Staples) for all deposits (District or SAF/EAA).

- Fill out the information on the outside on the deposit bag as follows:
    i. **To:** "Cashier, Accounting Department CO-1" (for District Funds) OR "Brinks" (for SAF/EAA funds or Food Service/lunch funds)
    ii. **From:** <School Name>
    iii. **Prepared By:** <Depositors Name>
    iv. **Date:** <Date Deposit is Prepared>
    v. **Declared Amount:** <$ Amount of Deposit>

- Place the funds and the deposit slip in the bag and seal the bag. *All information noted above must be completed and the face of the deposit slip must be viewable by the Courier through the bag, or the deposit will be rejected by the Courier.*

Courier Pick-Up Procedures

Deposits will be picked up by the District's courier (Department of Safety & Security) on Fridays, unless it is a holiday, in which case the pick-up day will be the day prior. In any scenario, schools are responsible for contacting the Department of Safety & Security for a pick-up by 4 p.m. on the day prior. If at any time, $500 or more in cash deposits are in the department/school's safe, the school or department should contact the District's Department of Safety & Security for an out of cycle pick up. Funds should never be submitted through inter-office mail to the Accounting Department, CO-1, nor should District employees make deposits at the bank. Schools with a consistent amount of cash receipts should schedule an automatic weekly pickup with the Department of Safety & Security.

Returned Checks (NSF) Procedures

The Accounting Office shall forward all returned checks to the department/school which made the original deposit. It is the responsibility of each department/school to follow up on these items and attempt collection.

Cash Payments

Any cash transactions conducted on school property, with the exception of Booster Clubs or PTAs, is either the property of the District or the District as agent (i.e. SAF/EAA, Trusts, etc.). Under no circumstances should cash be collected and disbursed prior to being recorded through a bank deposit. All disbursements must be made by either check or PCard and in accordance with the appropriate District or Extra-curricular Club (SAF/EAA) Fund procedures. Any "off – the – books" activity is strictly prohibited and can be subject to disciplinary action.

Prepayments

Any prepayment to the school for future use or purchase, or prepayment from the school to a vendor must be accompanied with documentation, such as an order form showing itemized name of payee, date of usage, and monetary and quantity balances for used and unused items. Prepayments associated with inventory must include documentation for items purchased, received, sold and or returned. All inventories must be secured and conform to applicable district procedures. Inventory sold must be reconciled to cash received and profit and loss statements maintained.

Missing Funds

In the instance of missing funds, a police report is to be immediately initiated. A copy of the police report must be provided to the following individuals within 1 business day of the incident: Chief, Director of Safety & Security, Office of Auditor General, and Director of Accounting. Failure to adhere to the District's guidelines for cash handling can result in missing funds. Any missing funds resulting from non-compliance with the District's Cash Handling Procedures and/or the Superintendent's Regulation "Cash Collections in District Buildings" can result in disciplinary action.

PTAs/PTOs and Other Outside Organizations

PTAs/PTOs, "Friends of…", "Sunshine Clubs", "Booster Clubs", etc. are separate legal entities from the District with their own unique EIN number and a separate bank account. However, during the course of operations, these organizations may conduct fundraising for the benefit of the students in school buildings. As such, these organizations should adhere to the guidelines for safeguarding funds contained within this document. Specifically, funds should be kept secured in a locked bank bag or lock-box until they can be given to the office administrator for placement in the safe. Funds should be deposited with the bank immediately when the amount reaches $500; if under $500 the funds should be deposited by the end of the week in which they are placed in the safe. It is the PTAs/PTOs (or other

outside organization's) responsibility to ensure that their funds are picked up from the office safe in the proper timeframe and deposited directly to their bank. PTAs/PTOs should not utilize the District's courier service when making bank deposits. Additional information on the establishment and guidelines for PTAs/PTOs can be found at: http://www.nyspta.org/AboutPTA/AboutPTA_Regions.cfm or geneseevalleyrd@nyspta.org

Bank Reconciliation Procedures

Bank reconciliations shall be prepared by an Accounting staff member and reviewed by an Accounting staff Supervisor or Director by last day of the subsequent month following the reconciliation period (i.e. bank reconciliations for the month ended May 31st shall be prepared and reviewed by June 30th).

Records Retention

All documentation referred to in this section shall be maintained on file at the school or department for 7 years in accordance with the District's financial record retention policies – *Records Retention and Disposition Schedule ED-1.*

GIFTS/DONATIONS

GENERAL INFORMATION FOR ALL DONATIONS (MONETARY AND NON-MONETARY)

A donation or gift is voluntarily given to a school or an employee, who represents the Rochester City School District ("the District"). It is acquired without compensation or cost to the District or the employee. Gifts or donations can be monetary or non-monetary (e.g. books, professional service, furniture, equipment, scholarships, memorials, etc.)

Regardless of the amount, donations or gifts from the following types of organizations or individuals *cannot* be accepted by the District without approval from the Board of Education:

- ✓ Political organizations or politicians
- ✓ Adult entertainment
- ✓ Racial or sexist organizations
- ✓ Controversial organizations

MONETARY DONATIONS

All donations intended for the District must be submitted to the Accounting Department and not into the school-based (SAF/EAA) activity funds checking account, unless the donor specifies that the donation is intended for a school's extracurricular club.

- ✓ Whenever possible, checks rather than cash should be requested from the donor.

- ✓ Checks must be made payable to a school or the District. Checks should never be made payable to an employee.

- ✓ Donations > $1,500 require completion of a Gift Resolution form. Once Accounting has verified that all necessary documentation is in order, the Accounting department will forward the resolution to the Board. Once the Resolution is adopted, the Board will recognize donations over $1,500 via a receipt and thank you letter to the donor and the Accounting department will make funds available for spending.

- ✓ An employee may not accept a donation or gift with a value of $25 or more for personal use. This is a violation of the District's Code of Ethics and the employee may be subject to disciplinary actions.

Private Purpose Donations (Trust Funds)

Private purpose donations are funds used to support individuals (students, employees) or programs run by private organizations or other governments *but not the District's own programs*. Some common examples of private purposes are scholarships for students and the FIRST robotics program.

Private purpose donations should be recorded in a trust fund account. If the specific purpose for which the funds are to be used is not concluded at the end of the fiscal year, the funds will remain in the trust account. Trust accounts will be periodically evaluated by the Accounting department to ensure that funds are spent expeditiously and in accordance with the District's guidelines. The Accounting department reserves the final right of funds classification in an effort to ensure that the District is compliant with Governmental Accounting Standards Board (GASB) pronouncements and statements, specifically GASB Statement 34, Paragraph 72, which addresses the definition and accounting for private purpose donations.

Administering Trusts Established Through Private Purpose Donations
If private purpose donations are received and a trust account has not been previously established, then the proposed trust fund manager will need to set up a trust by completing and following the instructions on the "T – Account Lead Sheet" (Appendix 14).

It is the Trust Fund manager's responsibility to ensure that the T – Account Lead Sheet and Gift Resolution (if applicable) are completed and forwarded to Accounting within 5 business days of receipt of donation. The donation check(s) will then be deposited immediately and recorded in a clearing account until such time the Board Resolution is adopted and the new account is established.

If the private purpose donation is ≤ $1,500, then a completed deposit slip and any other supporting documentation to accompany the donation should be forwarded immediately to the RCSD Accounting department for deposit into the Trust account. If the trust account has not yet been established, then a T – Account Lead Sheet should be completed. *For donations of any type that are ≤ $1,500 it is the responsibility of the beneficiary school or department to acknowledge the donation through a receipt and/or thank you letter to the donor.*

Disbursement of private purpose funds from a Trust should follow the "normal" District payment procedures outlined in the "Paying For Materials and Services" Accounting section of the Procedures and Reference Manual, with the following exceptions:

- ✓ Trust funds cannot be used to make payments of any type directly to District employees
- ✓ The donor's disbursement specifications may override District disbursement policies upon review and approval of the Director of Accounting

Non-Private Purpose Donations (General Fund)

Non-private purpose donations are donations received by a school or department that do not fall under the definition of "private purpose donation" as outlined above. Such donations may support student participation in District programs or events, specific schools, teachers, field trips, picnics, etc. Some of the most common examples of non-private purpose donations are from Celino and Barnes and Target.

These donations, in the form of cash or check, will be deposited into the school or department's general fund budget using the following account (XXXXX = department number):

5499 – A – XXXXX – 2110 – 1472 = Community Support

Schools are encouraged to plan and utilize these funds in the year in which they are received to offset expenses in the school or department's operating budget lines by contacting the appropriate budget

liaison to initiate a funds transfer. In the event the funds cannot be spent within the school year, the accounting department will work with the school to extend any balances > \$200.

NON-MONETARY DONATIONS

Determination of value for all donated, non-monetary item(s) will be the value stated by the donor. <u>Value and description should be submitted by the donor in writing to the school or department</u>. The school or department is responsible for obtaining this information and providing it to the Accounting department.   The Accounting department will review the donation and may require additional information in order to properly account for the donation.

If a principal wishes to accept a gift of furniture, equipment, or other similar property for his/her school, a written request to the School Chief, Educational Facilities, IM&T, or other appropriate department(s) will be prepared which lists the item, the donor's name and address, the approximate value of the item as specified by the donor, and a description of how the item will be used.

After a review of the written request, the principal will be informed of its acceptance or rejection. Appropriate documentation will then be issued to the donor by the principal or Board of Education depending on the value of the item. If accepted, a copy of the documentation is to be sent to the Accounting. A gift resolution must be prepared for donated property with a value > \$1,500.

Specific requirements for accepting certain items are listed below:

Library Books

- ✓ Books offered for donation <u>must</u> meet the District Selection Policy implemented by the librarian in each school.

- ✓ The gift will be accepted <u>conditionally</u> in writing by the librarian and placed in the school library <u>providing</u> it meets the District Selection Policy approved by the Board of Education.

- ✓ If a receipt is requested by the donor, a written list of titles and their corresponding dollar value must be provided by the donor. The librarian must verify the titles and sign the written list for the donor. A copy of the list should be kept by the librarian, school principal and sent to the Accounting Department at CO

- ✓ If the value of the book(s) is greater than \$250 but less than or equal to \$1,500, the principal will write a thank you letter as a courtesy to the individual. If the value is greater than \$1,500, the Board will be notified by the school principal using the *Request for Gift Resolution* form (see Appendix 22). The Board will formally recognize the donation and issue proper documentation to the donor.

Electronic Equipment (computers, laptops, scanners, cameras, projectors, tablets, I-Pads, etc.)

- ✓ Used electronic equipment is not acceptable.

- ✓ New electronic equipment is acceptable, but the <u>District must be the purchaser of record</u>, for warranty and maintenance purposes. For specific details please see the FAQ's under Help Desk in Sharepoint (Departments -> Office of Administration -> IM&T).

MISCELLANEOUS INCOME/RECEIPTS

Any of the following types of receipts in the form of cash or check should be deposited into the school or department's general fund budget in accordance with the procedures in the "Processing and Control of Cash and Checks" section (above), using the following accounts:

5499 – A – XXXXX – 2110 – 1470 = Advanced Placement (AP) Test Fees
5499 – A – XXXXX – 2610 – 1469 = Lost Library Books
5499 – A – XXXXX – 2110 – 1471 = Lost Text Books and ID Cards
5499 – A – XXXXX – 2855 – 1456 = Gate Receipts

These funds will be used to offset expenses in your school or department's operating budget lines. To use these funds, contact your Budget Liaison to initiate a budget transfer of these funds. Disbursements through claim vouchers or requisitions should <u>not</u> be issued against the 5499 lines

GRANTS

Grants are generally defined as funding received from an organization or individual to the District usually for a specific project, program or specific purposes and may have specific accounting and reporting requirements.

- ✓ Grants that have specific accounting or reporting requirements or require additional salary payments to district employees should be tracked and monitored by the Department of Grants and Financial Management. Please refer to the Department of Grants and Financial Management for more information.

- ✓ Grants that (1) do not require specific accounting, and (2) are unrestricted in use, will be considered a donation. See the "Gifts/Donations" section of this manual for additional information.

- ✓ Checks for Grants should be made payable to the Rochester City School District or a school (*checks should never be made payable to an employee)* and remitted directly by the grantor to the Accounting department. Donor documentation should include name of grant, purpose of grant, and if school specific, the name of the school. Please see the Accounting department's section "Processing and Control of Cash and Checks" section of this manual for additional information on this topic.

- ✓ A Grant for more than $25 payable to an employee may violate the District's Code of Ethics policy and can result in disciplinary actions by the District if the funds are not properly handled.

SCHOLARSHIPS AND MEMORIALS

Normally, scholarships are treated as Private Purpose (Trusts). Memorials are handled as either Private Purpose (Trusts) or Non-private Purpose (General Fund) depending on the purpose of the memorial. See the "Gifts/Donations" section of this manual for additional information.

- ✓ A contact person for the scholarship or memorial must be established and communicated to the Accounting Department.

- ✓ Disbursement of scholarship/memorial funds to qualifying students is initiated by submission of a completed claim voucher. The claim voucher should be directed to the Director of Accounting who will review the disbursement and send it to Accounts Payable for processing.

ACCOUNTING FOR EXTRA-CLASSROOM ACTIVITY FUNDS

The District's [Procedures and Reference Guide](#) for Student Activity Funds and Elementary Activity Accounts" containing all policies, procedures and links to all forms necessary for the proper administration of Extra-Classroom Activity Funds (also referred to as "Student Activity Clubs/Funds" or "SAF/EAA Accounts") should be accessed in the [Student Activity Funds Document Library](#) on the Accounting Department SharePoint site.

MISCELLANEOUS TOPICS

SALES TAX

School districts are exempt from sales and use taxes according to New York State tax laws, as are all other governmental entities. Since tax exemption numbers are not issued to governmental units, the City School District does not have a tax exempt number.

To satisfy vendors who ask for a tax exemption number, the New York State Department of Taxation and Finance states that an official Purchase Order is all that is required to establish this exemption. Please advise vendors accordingly. If the vendor insists on a tax identification number, a copy of the exemption letter from the New York State Department of Taxation and Finance can be furnished on request to the Director of Accounting or Director of Purchasing. Sales tax will be deducted from any invoices, claims, or reimbursement forms submitted for payment.

FINES

Fines collected by a school for lost library/or textbooks are to be sent to Central Office to be deposited into the school's General Fund. Refer to the "Miscellaneous Income/Receipts**"** section of this manual for additional information. In no event should the funds collected from these fines be deposited into the extracurricular club bank account.

POSTAGE

If you are at a school, you may want to purchase stamps from your local Post Office using your PCard or by submitting a payment request in Concur. All Central Office Departments and staff should use the District's Mail Department to the fullest extent possible. Schools with large mailings should continue to use the District's Distribution Center/Mail Department and be charged back for the cost by notifying the Mail Department staff. Postage stamps should *not* be used for personal use, and should be stored in a secure location when not in use.