

Item Number:	14.B.
Meeting Date:	11/14/2017
Item Type:	NEW BUSINESS:

AGENDA REQUEST FORM
City Of Cape Coral Charter School Authority

TITLE:

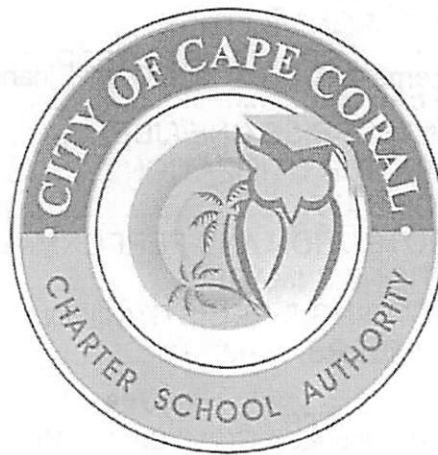
Approval of Internal Funds Management - City of Cape Coral Financial Services

SUMMARY:

ADDITIONAL INFORMATION:

ATTACHMENTS:

Description	Type
▣ CCCCSA School Internal Funds Operating Guide	Backup Material



SCHOOL INTERNAL FUNDS

STANDARD OPERATING GUIDE

CAPE CORAL CHARTER SCHOOL AUTHORITY
(COMPONENT UNIT OF THE CITY OF CAPE CORAL)

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**SCHOOL INTERNAL FUNDS
STANDARD OPERATING GUIDE
CAPE CORAL CHARTER SCHOOL AUTHORITY**

1. INTRODUCTION

This manual contains procedures and forms for the financial accounting of all funds received or disbursed for school-sponsored activities, with the exception of school lunch funds, grants, book fair sales, and other general fund revenue sources. These funds are commonly known as school internal funds.

School internal funds are defined as all monies collected and disbursed by school personnel within a school, for the benefit of the school, or for a school-sponsored activity. Funds relating to all school-sponsored functions or activities are to be accounted for within internal funds. Financial transactions of school organizations shall be accounted for in the school Internal Funds. Funds shall be expended in the year collected to benefit the students who generated the funds. In limited cases, funds will be carried forward to the next school year. The Principal shall approve the carryover of funds to future school years after review of the organization's goal, timeframe and budget plan. Internal funds designated for general purposes shall be used to benefit the student body. A plan and budget shall be submitted to the principal prior to the approval of any expenditures. Each organization shall operate within a budget formulated by the organization's sponsor or membership.

School internal funds shall be accounted for on the same fiscal year basis as all other City of Cape Coral Charter School funds and are considered unbudgeted public funds under the control and supervision of the Superintendent or designee. All funds handled by Charter School employees shall be included in and become part of internal funds, unless accounted for in the City of Cape Coral Charter School general accounting system. An adequate system of internal controls must be maintained in order to safeguard the integrity of the internal funds.

School internal funds shall be expended for the purpose for which they were collected and in accordance with procedures established by the State Board of Education, and standard public accounting procedures as provided by the Florida Administrative Code pursuant to the requirements of Sections 237.01 and 237.02 FS.



2. DUTIES AND RESPONSIBILITIES

2.A. PRINCIPAL'S RESPONSIBILITIES

Each Charter School Principal shall:

1. Be held accountable for the oversight of all phases of internal funds management within his/her individual school. This includes:
 - a. Insures internal funds purchases are pre-approved and are fully funded by available fund balances.
 - b. Insures internal funds are used for the intended purpose.
 - c. Approves all transfers between funds.
 - d. Approves the addition of new internal funds.
2. Appoint one person at each school to act as the school's Cash Custodian, generally the Principal's secretary. The Cash Custodian is responsible for the daily collection of money, safe guarding of cash, depositing of money into the bank, and forwarding all supporting documentation to the Charter School Bookkeeper.
3. Be directly responsible for the conduct of student financial activities in accordance with the current policies, rules, and procedures of the Charter School Governing Board.

2.B. CHARTER SCHOOL BOOKKEEPER'S RESPONSIBILITIES

The Charter School Bookkeeper shall:

1. Maintain organized supporting records and follow procedures as outlined in the School Internal Funds Standard Operating Guide adopted by the Charter School Governing Board.
2. Process all school internal funds accounts payable transactions into the JD Edwards Enterprise One (JDE) accounting system using the same procedures as outlined in the Accounts Payable Standard Operating Guide for the general fund unless otherwise indicated in later sections of this document.
3. Process all school internal funds journal entry transactions into the JD Edwards Enterprise One (JDE) accounting system using the same procedures as outlined in the Journal Entry Process Standard Operating Guide for the general fund unless otherwise indicated in later sections of this document.



4. Creates and maintains fund balance reports for use by the school staff and Principals.
5. Maintains a virus-free computer and is proficient with Microsoft Excel Software.
6. Communicates the procedures for safeguarding of all funds held at the school.
7. Maintain a file which details all uncollected dishonored checks.
8. Maintain a current School Internal Funds Standard Operating Guide documenting applicable regulations, policies, and procedures and distribute to key personnel.

2.C. ACCOUNTANT RESPONSIBILITIES

The Accountant shall:

1. Review procedures for assuring compliance with all applicable rules, regulations, statutes, and policies concerning internal funds.
2. Review and approve all journal entry transactions prior to posting in the JDE general ledger.
3. Provide technical support on Charter School policies, regulations, and statutory changes.
4. Provide training to new and existing Charter School Bookkeepers and to the Secretary to the Charter School Principals relating to proper internal fund policies and procedures.
5. Recommend accounting procedures, supplementary schedules and forms to be used as appropriate supporting documentation.
6. Creates and maintains the chart of accounts for school internal funds including fund numbers (sub-ledgers) and descriptions and accounting object codes
7. Monthly remittance of sales tax to the Florida Department of Revenue for all taxable internal funds transactions.



8. Include the fiscal year-end net position of school internal funds in the Financial Statements and Independent Auditors' Reports for each fiscal year.
9. Prepare monthly Financial Statements which are submitted to Charter School and City Management and annual statements to be included with the Comprehensive Annual Financial Report.

2.D. ACCOUNTS PAYABLE SPECIALIST I RESPONSIBILITIES

The Accounts Payable Specialist I shall:

1. Create and maintain all local forms and tables required for preparation of accounts payable transactions by the Cash Custodian at each school.
2. Receives and reviews invoices processed against check requests, purchase orders, purchasing cards, travel cards, meal allowances, travel expense reports, mileage reimbursements, refunds and other related documentation for completeness and compliance with governmental accounting practices and Redbook.
3. Matches original invoices with check requests, purchase orders, reimbursements, refunds and credit card transactions and performs calculations to determine appropriate payment amounts, schedules, extensions, approvals and contractual compliance.
4. Verifies that vendor invoices have not been previously paid.
5. Verifies proper coding of the purchase orders, check requests, reimbursements, refunds and credit card transactions to the Charter School Authority established chart of accounts.
6. Collaborates with schools regarding outstanding invoices, inaccuracies and insufficient fund balances to ensure accuracy in accounting and completion of assigned tasks.
7. Reviews Purchasing Card transactions. Performs online reconciliation to purchasing card bank program and creates import of financial data into the financial software.



3. ACCOUNTING SYSTEM

3.A. JD EDWARDS ENTERPRISE ONE (JDE)

All school internal funds, all accounts payable and journal entry transactions are recorded in the same manner as general fund transactions in the JDE general ledger.

The Charter School Bookkeeper is responsible for recording entries as frequently as possible, but not less than weekly.

3.B. PERSONAL COMPUTER UTILIZATION

The forms required by and the reports generated for the school internal funds are developed and maintained by the Charter Schools Bookkeeper utilizing MS Excel software. These forms are password protected to insure the integrity of the formulas, calculations and reference tables. They are available for use by the school staff through access to a network shared drive available to all employees.

Other reports and correspondence related to school internal funds may also be created and/or used by the Charter School Bookkeeper and selected members of the staff or management.

3.B.(1) BACKUP OF DATA

All internal funds spreadsheets, forms, reports and correspondence are backed up to duplicate media daily by automatic synchronization to a secure computer server.

3.B.(2) VIRUS PROTECTION AND PERFORMANCE

Since the internal funds files are stored and synchronized on a network server they are protected by updated virus protection software and performance is maintained by the Cape Coral Charter School Authority's information technologies staff.

3.B.(3) DESCRIPTIONS & IMAGES

All entries into the JDE accounting system shall contain the best description possible. There may be some space limitations, therefore, clear abbreviations are recommended. All documents are to be electronically scanned and these images are to be attached to the associated transaction record in the JDE accounting system.



3.B.(4) VENDOR CODING & REGISTRATION

The JDE accounting system provides a wealth of information about transactions related to vendors. The system, in part, is dependent upon proper utilization of vendor codes. Proper use of vendor codes provides:

- Ease of data entry when updating and posting disbursements.
- Streamlining of the search process when investigating invoice status.
- A permanent record (e.g., total payments for the current and prior fiscal and calendar year, check number, date, and amount of last payment) exclusively for each vendor.
- Each new vendor must complete a vendor registration package which includes an IRS Form W9. The information included in the vendor registration package is validated by the City of Cape Coral Financial Services Department before the vendor is established in JDE.

3.C. FUND TYPES, NUMBERS, NAMES

Internal funds are classified by company code, business unit, object, and sub-ledger. This is a similar structure used for all other budgetary transactions for the City of Cape Coral Charter Schools with unique coding applicable to school internal funds.

3.C.(1) COMPANY

The company code is defined below based on school

- 05000** – Cash Account (asset)
- 04920** – Oasis Charter Elementary School
- 04921** – Christa McAuliffe Charter Elementary School
- 04922** – Oasis Charter Middle School
- 04923** – Charter High School

3.C.(2) BUSINESS UNIT

The business unit is defined below based on school

- 50000** – Cash Account (asset)
- 4143S** – Oasis Charter Elementary School
- 4151S** – Christa McAuliffe Charter Elementary School
- 4171S** – Oasis Charter Middle School
- 4181S** – Charter High School

3.C.(3) OBJECT CODES

The object code for school internal funds is a unique 6 digit numeric code that identifies the asset, liability, revenue or expense account applicable to the transaction. The list of codes is defined in the JDE chart of accounts



and maintained by the Accountant. The Charter School Bookkeeper determines the appropriate coding when recording each transaction into the general ledger.

3.C.(4) SUB-LEDGER

The sub-ledger code for school internal funds is the 3-digit fund as defined in the JDE chart of accounts. This code is assigned to all revenue and expense entries posted on accounts payable or journal entry transactions.

3.C.(5) FUND NAMES

A maximum of ninety-nine (99) funds are available for use by each school. Fund names are defined by the Principal and should contain the best description possible. There may be some space limitations, therefore clear abbreviations are recommended. The Charter School Bookkeeper should maintain a numeric conformity of similar funds at different schools (i.e. yearbook funds, staff fund, charity funds, etc).

4. BANK AND CASH ACCOUNTS

4.A. BANK ACCOUNTS

4.A.(1) ESTABLISHING

Each school shall have only one checking account, which shall be entitled "(School Name Internal Fund. Cape Coral Charter School Authority)" or alternative that clearly identifies the school. The account title must be imprinted on all internal fund checks and deposit slips. All monies received by the school will be deposited intact as collected into this account, and all disbursements will be made by checks drawn on this account. Savings or investment accounts shall be titled in the same manner.

In addition to the bank account for each school, a master cash account is used to pay all vendor payments issued from JDE. Each business day, the net of all daily bank transactions are automatically transferred (sweep process) to/from the master cash account to insure funding is available to cover disbursements or transactions issued through JDE. The individual school accounts reflect zero balances at the end of each business day.

The Charter School Authority is responsible for notifying the Financial Services Department at the City of Cape Coral regarding any change in authorized signers.



The Charter School Governing Board has approved Bank of America as the provider for school internal funds checking accounts. Any change in financial institutions must be approved by resolution of the Charter School Governing Board.

4.A.(2) AUTHORIZED CHECK SIGNERS

All school internal funds check payments are issued from the master cash account. The two authorized signers on this account will always be maintained as the Charter School Superintendent and the Charter School Governing Board Chairperson.

4.A.(3) CHANGES IN BANK OR CHECK SIGNERS

A voluntary change in banking institution (not resulting from a bank merger or sale), requires a new resolution and Charter School Governing Board approval prior to the change. The Charter School Authority is responsible for notifying the Charter School Bookkeeper and the Financial Services Department at the City of Cape Coral if a decision is made to change banking institutions.

4.A.(4) QUALIFIED PUBLIC DEPOSITORY

Depositories in which internal funds are kept must be qualified public depositories, approved by the Charter School Governing Board, required to furnish the same type of security for deposits as required for other Charter School funds.

4.A.(5) RECONCILIATION

A reconciliation of the school internal funds bank accounts shall be performed monthly by the Financial Services Department at the City of Cape Coral.

4.B. PETTY CASH

At this time, petty cash funds are not authorized for school internal funds.

4.C. CASH ON HAND (CHANGE FUND)

Cash on hand, also known as change fund, may be established at the discretion of the Principal for purposes such as school store, concessions, athletic events, fee based programs, and fundraising projects. All cash on hand funds should be stored in a sealed deposit bag in the cash custodian's safe when not in use by the fund sponsor.

The dollar limits of the cash on hand or change fund shall be set at a reasonable level for each event. Adequate safeguards shall be placed



over the cash at all times. When the change fund is no longer required, the money shall be deposited back into the checking account to afford maximum safeguarding

The change fund should be re-deposited at full value into the checking account at year-end.

A cash count and reconciliation of the change account shall be completed monthly.

4.D. INVESTMENTS

School internal funds are not anticipated to be long term in nature; however, if funds are to be retained for periods in excess of 3 months, funds may be transferred to an investment, high yield savings account or certificate of deposit (CD) that returns higher yield than the standard checking account. Investment accounts must be reconciled monthly

Investments are permissible only when they follow the Investment Policy adopted by the Charter School Governing Board.

4.D.(1) INVESTING

Investing money is the process whereby schools can earn additional interest on excess checking account funds. Checking account funds often earn no interest or a lower rate of interest than can be earned in high yield savings, certificates of deposit or other secure investment accounts.

At all times, the total of the school's internal funds cash accounts will equal the total of the individual fund balances.

Any interest earned will be allocated amongst the internal funds based on their balances at the time of investment.

4.D.(2) WITHDRAWAL FROM INVESTMENT

Invested money is not additional funds. The money invested has already been recorded on the books and is included within the fund balances of the individual accounts.

4.E. ACCOUNTS RECEIVABLE ACCOUNT

An accounts receivable account shall be established in the JDE chart of accounts for school internal funds. This asset account is to record checks



dishonored by the bank in anticipation of repayment by the maker. See section 5.H. of this document for more detail on dishonored checks.

Before the year-end closeout a decision shall be made to determine the potential collectability of any amounts reflected in the accounts receivable account. If not deemed collectible, the amounts should be written off and charged as an expense.

5. RECEIPTS

5.A. INTERNAL FUNDS DEPOSIT VERIFICATION FORM

The Internal Funds Deposit Verification Form is the primary supporting document for all money collected for deposit by the fund sponsor. This form has been created in MS Excel and is used as a protected electronic worksheet form with automatic calculations. Handwritten entries are not acceptable. All funds received for deposit must be accompanied by a pre-numbered receipt.

This Internal Funds Deposit Verification Form and the associated supporting documents must accompany all monies submitted to the Cash Custodian for deposit preparation. The Cash Custodian will verify the entries on the forms and prepare the bank deposit slip. The final deposit documentation which includes a copy of the bank deposit slip is then forwarded to the Charter School Bookkeeper to enter the transaction into the JDE general ledger.


Fields highlighted in yellow on the form are available for user input: All others are protected from user entry. The Internal Funds Deposit Verification Form includes the following fields:

1. School Name (automatically populated based on fund number)
2. Date (automatically populated based on the date of preparation)
3. Fund Number (entered by the user)
4. Fund Name (automatically populated based on fund number)
5. Preparer (name of the fund sponsor collecting money)
6. Verifier (cash custodian or other person verifying the deposit)
7. Purpose (the reason the funds were collected - be specific)
8. Currency Quantity (entered by the user by denomination)
9. Coin Quantity (entered by the user by denomination)
10. Deposit bag number (if the preparer is the school secretary)

A copy of a sample Internal Funds Deposit Verification Form is presented on the following page:



EXHIBIT 5.A.1 - INTERNAL FUNDS DEPOSIT VERIFICATION FORM

City of Cape Coral Charter Schools Deposit Verification Form																																																									
Fund Number:	102	Fund Name:	DRAMA CLUB																																																						
(000 " for General Fund or Internal Fund Number)																																																									
School:	OASIS ELEMENTARY SCHOOL		Date:																																																						
Preparer's Name		Verifier:																																																							
Bag Sealed by _____																																																									
Purpose:	Deposit for T-Shirts sales																																																								
Is this a Taxable Sale: (Y/N) <input checked="" type="checkbox"/> Y note: Generally if you sell it and can touch it, it will be taxable consult the Bookkeeper for exceptions																																																									
Check Summary <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;"></th> <th style="width: 10%; text-align: center;">Number of Checks</th> <th style="width: 10%; text-align: center;">Amount</th> <th style="width: 40%;"></th> </tr> </thead> <tbody> <tr> <td>From Page 1</td> <td style="text-align: center;">0</td> <td style="text-align: center;">\$ -</td> <td>Verification Initials _____</td> </tr> <tr> <td>From Page 2</td> <td style="text-align: center;">0</td> <td style="text-align: center;">\$ -</td> <td>Verification Initials _____</td> </tr> <tr> <td>From Page 3</td> <td style="text-align: center;">0</td> <td style="text-align: center;">\$ -</td> <td>Verification Initials _____</td> </tr> <tr> <td>From Page 4</td> <td style="text-align: center;">0</td> <td style="text-align: center;">\$ -</td> <td>Verification Initials _____</td> </tr> <tr> <td>Totals for Checks</td> <td style="text-align: center;">0</td> <td style="text-align: center;">\$ -</td> <td></td> </tr> </tbody> </table>					Number of Checks	Amount		From Page 1	0	\$ -	Verification Initials _____	From Page 2	0	\$ -	Verification Initials _____	From Page 3	0	\$ -	Verification Initials _____	From Page 4	0	\$ -	Verification Initials _____	Totals for Checks	0	\$ -																															
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Cash Summary <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Currency</th> <th style="width: 10%;">Quantity</th> <th style="width: 20%;">Calculated Amount</th> <th style="width: 20%;">Coin</th> <th style="width: 10%;">Quantity</th> <th style="width: 20%;">Calculated Amount</th> </tr> </thead> <tbody> <tr> <td>\$100</td> <td></td> <td>\$0.00</td> <td>\$1.00</td> <td></td> <td>\$0.00</td> </tr> <tr> <td>\$50</td> <td></td> <td>\$0.00</td> <td>\$0.50</td> <td></td> <td>\$0.00</td> </tr> <tr> <td>\$20</td> <td style="text-align: center;">3</td> <td>\$60.00</td> <td>\$0.25</td> <td></td> <td>\$0.00</td> </tr> <tr> <td>\$10</td> <td style="text-align: center;">1</td> <td>\$10.00</td> <td>\$0.10</td> <td></td> <td>\$0.00</td> </tr> <tr> <td>\$5</td> <td></td> <td>\$0.00</td> <td>\$0.05</td> <td></td> <td>\$0.00</td> </tr> <tr> <td>\$2</td> <td></td> <td>\$0.00</td> <td>\$0.01</td> <td></td> <td>\$0.00</td> </tr> <tr> <td>\$1</td> <td></td> <td>\$0.00</td> <td></td> <td></td> <td>\$0.00</td> </tr> <tr> <td>Total Currency</td> <td></td> <td>\$70.00</td> <td>Total Coin</td> <td></td> <td>\$0.00</td> </tr> </tbody> </table>				Currency	Quantity	Calculated Amount	Coin	Quantity	Calculated Amount	\$100		\$0.00	\$1.00		\$0.00	\$50		\$0.00	\$0.50		\$0.00	\$20	3	\$60.00	\$0.25		\$0.00	\$10	1	\$10.00	\$0.10		\$0.00	\$5		\$0.00	\$0.05		\$0.00	\$2		\$0.00	\$0.01		\$0.00	\$1		\$0.00			\$0.00	Total Currency		\$70.00	Total Coin		\$0.00
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Deposit Bag Number: _____		Bag Sealed by: _____																																																							
Deposit Received by: _____		Date: _____																																																							
School Secretary signature This form to accompany Fund Tracking Form & deposit slip for Bookkeeper																																																									



**5.B. CHECK REPORTS INCLUDED IN THE
INTERNAL FUNDS DEPOSIT VERIFICATION FORM**

The Check Reports may accompany the Internal Funds Deposit Verification Form. Each Check Report page accommodates the detail of as many as 75 checks with as many as 300 checks total: User input fields are highlighted in yellow. The calculated totals from each page are carried forward to the Check Summary section of the Internal Funds Deposit Verification Form. The fields on the check reports are as follows and a sample is provided below:

1. School Name (automatically populated based on fund number)
2. Date (automatically populated based on the date of preparation)
3. Fund Number (automatically populated based on Internal Funds Deposit Verification Form entry by the user)
4. Fund Name (automatically populated based on fund number)

EXHIBIT 5.B.1. - SAMPLE OF CHECK REPORTS

[illegible]

5.C. REPORT OF CASH COLLECTED FORM

The Report of Cash Collected Form should accompany the Internal Funds Deposit Verification Form and supporting documents whenever cash is included in the deposit. User input fields are highlighted in yellow. This form should be used in all instances where it is important to retain the detail of cash payments made by students, parents or staff.

When the sum of the totals on the two Cash Collected Forms is equal to the amount reflected in the cash and coin sections of the Internal Funds Deposit Verification Form, the following status is reflected in the Deposit Totals section of the Internal Funds Deposit Verification Form:

CURRENCY BALANCES

If not, the status shows:

CURRENCY OUT OF BALANCE

If cash is collected for a general purpose where it is not practical to detail cash collected by payee, individual detail by payee may not be required. Instances would include activities such as but not limited to concessions, school store, and entrance fees for sporting events, activities and school dramatic productions. In these cases, documentation of pre-numbered tickets or other supporting information may be provided to substantiate the cash collected.

The form includes the following fields highlighted in yellow for user input.

1. School (name)
2. Preparer (name)
3. Fund Name
4. Fund Number
5. Date Received (the date the cash payment was received)
6. Parent Name (if appropriate)
7. Associated Student
8. Receipt # or Ticket #
9. Amount

The teacher, staff member, or person collecting the money is responsible for filling out the entire form except the receipt number and the signature at the bottom of the form.



Once collected, the cash may not be used to pay or reimburse for items needed or purchased. There are to be no expenses paid from the cash collected. All cash collected must be turned into the Cash Custodian, intact and accompany the associated Internal Funds Deposit Verification Form for proper receipting and depositing.

Cash collected shall not be used to cash checks for school employees, nor make any type of loans or change.

If cash has been collected from more than one source, a separate Report of Cash Collected Form shall be completed for each source. For example, if several teachers collect money for the same purpose, each teacher must fill out a separate Report of Cash Collected Form and multiple forms may accompany a single Internal Funds Deposit Verification Form.

In the event the Cash Custodian is not at the school, the Principal shall appoint a designee to accept all monies ready for deposit. That person shall have the responsibility of verifying that money is submitted in a sealed envelope with all forms attached. The sealed envelope would then be secured in a safe environment (school safe) until the deposit is prepared by the Cash Custodian and picked up by armored car service for deposit to the bank.

A sample copy of the Report of Cash Collected Form appears on the following page (see Exhibit 5.C.1)



EXHIBIT 5.C.1. - SAMPLE OF REPORT OF CASH COLLECTED

City of Cape Coral					
Charter Schools					
Report of Cash Collected					
School:	OASIS ELEMENTARY SCHOOL			Prepared by:	Preparer's Name
Fund Name:	DRAMA CLUB			Fund No:	102
Purpose:	Deposit for T-Shirts sales			Date:	11/7/2017
Date Received	Parent Name	Associated Student	Receipt # or Ticket #	Amount	
11/3/2017	JACK SMITH	SON SMITH	15520	\$	20.00
11/3/2017	JOHN DOE	DAUGHTER DOE	15521	\$	30.00
11/3/2017	JANE JONES	JOSEPH JONES	15522	\$	20.00
				\$	-
				\$	-
				\$	-
				\$	-
				\$	-
				\$	-
				\$	-
				\$	-
				\$	-
				\$	-
TOTAL THIS PAGE				\$	70.00
Last Page Only			Total Cash	PAGE ____ OF ____	
Last Cash Custodian Use Only					
Signature of Cash Custodian: _____			Deposit Ticket Number: _____		
Date: _____					

This form is to accompany the Internal Funds Deposit Verification Form

5.D. DONATIONS TO INTERNAL FUNDS

Donations for a specific purpose received by the school for internal funds are recorded in the appropriate school internal fund and identified with accounting object 566101 (contributions, donations).

Administrative Regulation 1.18 Student Fees & Donations/Contributions states that all donations of \$250.00 or more received by the school must be acknowledged back to the donor by the school. Schools must acknowledge in a timely manner the donation/contribution in written form. This acknowledgement letter must be retained by the Cash Custodian and attached as supporting documentation for the deposit. The Cash Custodian shall maintain a file with a copy of all donation acknowledgements.



Monies for all donations are to be documented on an Internal Funds Deposit Verification Form prepared by the Cash Custodian and should be accompanied with all documentation from the donor.

All undesignated donations will be considered as follows: 25% to Principal's Discretionary Fund account and 75% to the Technology Fund account.

Each school should have a process in place so that copies of all acknowledgement letters are forwarded to the school's Cash Custodian.

5.E. DEPOSIT DATES & BANK DEPOSITS

All monies collected must be deposited intact into the bank as frequently as feasible as dictated by sound business practices. Money collected should be deposited within five (5) business days after receipt by use of an approved armored courier service. In no case may any employee take deposits directly to the bank.

Monies collected shall be stored in a secure location (i.e. building safe) prior to deposit.

Deposits are generally picked up by the armored courier twice weekly and they will not be received by the bank until the following business day. The deposit date should reflect the date that the funds will actually be received and acknowledged by the bank. This is the date that should be reflected on the deposit slip by the Cash Custodian.

All checks received for deposit must be endorsed with a restrictive endorsement of "For Deposit Only" and specify the School's Internal Fund bank account number. The only exception to this requirement is if checks are deposited using Remote Deposit Service Online (RDSO). See instructions in section 5.F. of this document for instructions for RDSO.

All deposits must equal the total amount collected and recorded on the Internal Funds Deposit Verification Form. One deposit ticket is required for each deposit being made for a given school internal fund. The deposit date should be noted on each deposit ticket with initials of the preparer and the verifier and the deposit bag number strip attached.

When depositing checks, a copy of the Check Report is to be included behind the deposit slip in the deposit bag to document the checks to the bank.



The Charter School Bookkeeper reviews the online bank website each day and matches all deposit transactions with the deposit documentation from the Cash Custodians. Any deposit corrections or adjustments are investigated and appropriate action taken to properly record the corrections.

5.F. REMOTE DEPOSIT SERVICE ONLINE (RDSO)

Remote Deposit Service Online (RDSO) enables the Charter School Bookkeeper to scan multiple checks into an image file that the depository bank is able to process through an online transaction. There are several benefits of this service which include:

- Any number of checks can be processed with RDSO.
- The checks are credited to the bank the same day.
- Checks do NOT require a restrictive endorsement stamp.
- Reduced armored car service charges.
- Dishonored checks are identified faster and/or reduced.

To request RDSO, the Cash Custodian prepares the RDSO Check Deposit Form (see exhibit 5.F.1) If there are more than 4 checks to be deposited in the batch, a Check Report from the Internal Funds Deposit Verification Form is included as backup: For fewer than 5 checks, the Charter School Bookkeeper will retain a copy of the checks with the journal entry documentation. The forms and the checks are forwarded to the Charter School Bookkeeper by the Cash Custodian.

It is important to clearly identify the purpose of the deposit and indicate if it is subject to sales tax on the RDSO Check Deposit Form.

Once processed online, the Charter School Bookkeeper will record a transaction number and the date. If more than 4 checks are processed, voided copies of the checks and a copy of the documentation is returned to the Cash Custodian for a 30-day retention period after which they should be shredded. If less than 5 checks are processed, the Charter School Bookkeeper will retain the voided copy of the checks along with the journal entry documentation.



EXHIBIT 5.F.1. - SAMPLE OF RDSO CHECK DEPOSIT FORM

City of Cape Coral
Charter School Authority
RDSO Check Deposit Form



Submit this form with your checks to the Bookkeeper

Fund No:	<input type="text" value="303"/>	<input type="text" value="YEARBOOK SALES"/>
<small>(000* for General Fund or Internal Fund Number)</small>		
School	<input type="text" value="OASIS MIDDLE SCHOOL"/>	Date: <input type="text" value="11/7/2017"/>
Preparer:	<input type="text" value="PREPARER'S NAME"/>	
Number of Checks to Deposit	<input type="text" value="3"/>	Taxable (Y/N): <input type="text" value="N"/>
Purpose:	<input type="text" value="Yearbook Sales"/>	
Total Amount of Deposit	<input type="text" value="\$ 75.00"/>	
<small>Four or more checks require a <u>Check Report</u> and the original checks will be returned by the Bookkeeper and should be retained for 30 days after deposit.</small>		

<i>For Accounting Use Only:</i>	
Transaction Number from RDSO:	<input type="text"/>
Total amount credited:	<input type="text"/> Credit Date: <input type="text"/>

5.G. LOST, STOLEN, OR MISSING MONEY

The Superintendent, Principal, Accountant and the Charter School Bookkeeper shall be notified of any lost, missing, or stolen money as well as any fraudulent activity that is related to the school's internal funds. For the procedures on how to handle lost or stolen property, refer to the **City of Cape Coral Administrative Guidelines** regarding lost or stolen funds.



5.H. DISHONORED CHECKS

Dishonored checks are those that have been deposited into the internal funds checking account, but have been returned by the bank primarily due to non-sufficient funds, stopped payments or closed accounts. The Charter School Bookkeeper maintains an active file of dishonored checks that are currently in process of collection. In no event is a student to be held responsible for payment, collection, or notification of a dishonored check for fund-raising activities.

The Charter School Bookkeeper will notify the Cash Custodian via email when the check is returned by the bank and prepare a collection letter which is mailed within 2 business days of notification from the bank and is followed up after 15 days, or as soon as is practical. A service charge is assessed to most dishonored checks to cover bank charges and collection efforts and shall be deposited to the General Fund. Thirty days after written notification is sent to the maker of the check, collection efforts are considered exhausted. If the amount of the dishonored check is greater than \$25, it should be referred to the designated collection agent and written off by the Charter School Bookkeeper with notification to Principal.

Dishonored checks are recorded as an accounts receivable within the JDE general ledger. They are monitored each month by the Charter School Bookkeeper and the accounts receivable is relieved when collected.

A reasonable effort must be made to collect all dishonored checks. It is essential that the school maintain a file on all correspondence sent to the parties whose checks were returned. Reasonable collection efforts as outlined in the administrative regulations should be followed.

When recording the dishonored check to accounts receivable, the Charter School Bookkeeper records a debit to accounts receivable and a credit to the cash account. The sub-ledger (fund) number is required on the accounts receivable entry to insure that the funds are removed from the fund balance.

When the amount of a dishonored check is repaid by the maker, the accounts receivable and cash entries are reversed. An additional entry to miscellaneous revenue for the service charge is also required

When recording the write off of a dishonored check as uncollectible, the Charter School Bookkeeper records a debit to uncollectible accounts expense and a credit to the accounts receivable account.



If a dishonored check is deemed uncollectible, an adjustment is required to write off the check. The Charter School Bookkeeper will send a memo to the Principal with the list of checks to be written off. The Principal will sign the memo approving the write-off. The write-off of dishonored checks must have documentation of collection efforts and be approved by the Principal. In no instance should a dishonored check be directly written off without first being recorded in the accounts receivable account.

Dishonored checks should generally be resolved or written off prior to the end of the fiscal year.

When dishonored checks which have been referred to the designated collection agent are collected, the funds collected are re-deposited to the internal fund from which they were originally debited.

6. PURCHASING

6.A. GENERAL POLICY

For internal funds, the charter schools are required to follow most of the City of Cape Coral purchasing guidelines with the following exceptions:

1. Any vendor or individual to be paid from a school internal fund must first be registered with the City of Cape Coral. A copy of the blank registration forms document is located on the network shared drive and should be sent to the vendor or individual contractor to be completed and returned. Once returned, the information on the forms is validated and entered to JDE, a vendor code is generated.
2. Purchases of less than \$300 require pre-approval by the Principal. The requesting fund sponsor will prepare an Expense Pre-Approval Form (see **EXHIBIT 6.A.1**) which must be approved by the Principal and includes verification of the current fund balance.
3. The expense associated with field trips is generally greater than \$300; however, field trips are generally purchased from sole source providers and the purchase amount is flexible and based on the number of students that participate. For these reasons, field trips do NOT require a purchase order; however, they do require an Expense Pre-Approval Form approved by the Principal.
4. The Principal or Superintendent is authorized to execute a school internal fund purchase order for expenditures ranging from \$300 to \$5,000 except as identified in items 1 and 2 above.



- a. The fund balance of the school internal fund must be equal to or greater than the purchase and are verified by the Charter School Bookkeeper before the purchase order is released. Funds will be encumbered by the purchase order process.
- b. Expenditures greater than \$2,500 shall require approval by the Charter School Superintendent. See sections 6.C for more information.



EXHIBIT 6.A.1 – SAMPLE EXPENSE PRE APPROVAL FORM

CAPE CORAL CHARTER SCHOOL AUTHORITY
INTERNAL FUNDS CREDIT CARD
EXPENSE PRE-APPROVAL FORM



REQUESTOR		DATE	
NAME OF SCHOOL		FUND NUMBER	
BUSINESS UNIT		OBJECT	
SUB-LEDGER			
PURPOSE OF EXPENDITURE:			
ANTICIPATED MAXIMUM AMOUNT \$			

REQUESTOR'S SIGNATURE _____

☐ Donnie Hopper, PRINCIPAL
☐ Elias Collins, ASSISTANT PRINCIPAL

Elene Sosa, SCHOOL SECRETARY

SECRETARY USE ONLY:

FUND BALANCE ☐ YES ☐ NO

LAST 4 DIGITS OF CARD ☐ YES ☐ NO

RECEIPTS RECEIVED ☐ YES ☐ NO

EVENT TITLE: _____

FOR AN EVENT ☐ YES ☐ NO

SECRETARY PLEASE ATTACH APPROVED EVENT REQUEST FORM

Revised 10/05/2017



6.B. PURCHASE ORDERS

A school internal funds purchase order is required for all internal funds purchases greater than \$300 before the order is placed with the vendor with the exception of field trips as identified in item 6.A.2 proceeding.

The Request for Purchase Authorization Form is prepared by the school secretary or fund sponsor (see **Exhibit 6.B.1** on the following page.) This is the same form that is used for all general fund purchase order requests.

The school secretary or fund sponsor should complete the applicable fields (in yellow) and the form must be approved by the school Principal or Assistant Principal in the Principal's absence. The approved form along with all quotations, estimates and supporting documentation should be attached to the request form and submit for processing in JDE.

Once the requisition is entered to JDE, the system will issue a budget hold on the purchase requisition. The Charter School Bookkeeper will verify that the fund balance is sufficient to cover the cost of the purchase being requested on the Request for Purchase Authorization Form and either release the budget hold or reject the requisition. Once released by the Bookkeeper, the Procurement Manager will approve the requisition and the purchase order is generated in JDE.

Once the purchase order is generated in JDE, a copy is sent to the vendor with a copy of the quote or estimate to initiate the order. The amount of the purchase order is reflected as an encumbrance of the available money for use by the internal fund until the invoice is processed for payment in JDE.

Once the product is received or the service is completed, the vendor will issue an invoice which reflects the purchase order number generated from JDE. The invoice along with any receipt acknowledgements (packing lists) from the vendor are verified and signed off by the fund sponsor or school secretary. The invoice, pack list and copy of the purchase order are forwarded to Charter School Accounts Payable Specialist I for payment processing of the invoice to the vendor.

In addition to field trips, there may occasionally be other purchases that can only be obtained from a sole source provider. If over \$300, these purchase requests require special handling. Please refer to section 6.D. for instructions.



EXHIBIT 6.B.1 – REQUEST FOR PURCHASE AUTHORIZATION FORM

City of Cape Coral
Cape Coral Charter School Authority
Purchase Order Request Form



FUND NUMBER:		(*000* for General Fund or Internal Fund #)		DATE: November 7, 2017		
SCHOOL				FUND/BUDGET BALANCE:		
FUND NAME:				AS OF DATE:		
VENDOR NAME AND ADDRESS:				SHIP TO: ATTN: #N/A #N/A		
VENDOR CONTACT:						
QTY	UNIT PRICE	BUSINESS UNIT	OBJECT	SUB LEDGER	ITEM DESCRIPTION	TOTAL
						\$ -
						-
						-
						-
						-
						-
						-
						-
TOTAL:						\$ -
REASON FOR PURCHASE:						
REQUESTED BY:			Approver's signature			
APPROVED BY:						
OFFICE USE ONLY						
Req # _____ P.O. # _____						



6.C. INFORMAL QUOTES, FORMAL QUOTES, OR BIDS

6.C.(1) INFORMAL QUOTES (rare to non-existent)

Informal quotes are required when purchases of any item or group of similar items of equipment, supplies or services total the threshold limitation set forth in the policy, (currently \$2,500.00 to \$17,499.99).

Informal quotes may be obtained by the school placing telephone calls or receiving faxes from at least three vendors. The informal quotes must be documented either on the face of the school internal funds purchase order or included as an attachment.

6.C.(2) FORMAL QUOTES (rare to non-existent)

Formal quotes require approval by Charter School Governing Board when purchases of any item or group of similar items of equipment, supplies or services total the threshold limitation set forth in the policy, (currently \$17,500.00 to \$49,999.99).

Formal quotes are written quotes obtained by and prepared by the City of Cape Coral Procurement Services Department. **The school may not prepare formal quotes at the school level.**

The school shall furnish the City of Cape Coral Procurement Services Department with any pertinent and available information. The Director of Procurement or City of Cape Coral Procurement Services Department will perform the formal quote procedures and forward written notification to the school.

The school must indicate the formal quote number on the face of the Request for Purchase Authorization Form and should attach any supporting documentation.

6.C.(3) BIDS (rare to non-existent)

Bids require approval by Charter School Governing Board when purchases of any item or group of similar items of equipment, supplies or services total the threshold limitation set forth in the policy, (currently \$50,000.00 or more).

Bids are a formal process and obtained by the City of Cape Coral Procurement Services Department. The school may not process or



request bids from vendors. This process is completed in its entirety by the City of Cape Coral Procurement Services Department.

The school shall furnish the City of Cape Coral's Procurement Services Department with any pertinent and available information. The City of Cape Coral Procurement Services Department will perform the bid process and forward written notification to the school.

The school must indicate the bid number on the face of the Request for Purchase Authorization form and should attach any supporting documentation.

6.D. SOLE SOURCE

Sole source is a determination that a vendor is the only supplier of such an item. This is usually based upon the vendor's ownership of a copyright or patent.

The school shall submit a request for sole source determination along with supporting information to Director of Procurement. Any school internal funds purchase order, which indicates a sole source, must have documentation attached.

6.E. SPECIAL CONDITIONS FOR INTERNAL FUNDS

6.E.(1) SCHOOL STORE AND FUND-RAISING PURCHASES

When purchasing items with internal funds, the requirements for requesting informal quotes, formal quotes, or bids will not apply provided that the following two conditions are met:

- a) Items are acquired for resale to students in the school store or purchased for fund-raising activities.
- b) The purchase amount is less than the State Department of Education bid threshold, (currently \$50,000.00).

6.E.(2) TRUST ACCOUNTS

Internal funds held in trust for individuals such as purchases of field trips, yearbooks, class jewelry, cards and invitations, insignias, caps and gowns, etc., shall be exempt from the requirements for requesting informal quotes, formal quotes, or bids.



7. DISBURSEMENTS

Monies collected for internal funds shall be expended for the purpose for which they were collected and in accordance with procedures established by the State Board of Education and standard public accounting procedures as provided by the City of Cape Coral Finance Department.

7.A. PAYMENT VOUCHER

When an invoice is received from a vendor for a purchase that did not require a purchase order, the school secretary will prepare an Internal Funds Check Request / Payment Voucher Form (**EXHIBIT 7.A.1**). This form provides transaction accountability, payment authorization, and is a source document that supports accounting entries. The blank template is maintained on the network shared drive by the Charter School Bookkeeper as well as reference tables for use by the preparer.

The Check Request / Payment Voucher Form should be prepared by the school secretary, approved by the Principal and submitted to Charter School Accounts Payable Specialist I for entry into JDE for payment processing.

The following supporting documentation is required to accompany the Check Request / Payment Voucher Form to the Accounts Payable Specialist I.

1. The original invoice or store receipt, whichever is applicable shall be provided as supporting documentation. **Statements alone shall never be used as a basis for payment.** However, if no invoice/receipt is available, a full explanation and a reason for lack of an invoice/receipt shall be attached to the Check Request / Payment Voucher Form.
2. In the case of refunds to parents, it is recommended that a copy of the original money collected or check be attached to the Check Request / Payment Voucher Form if possible. If a transfer from the General Fund must be made to complete the refund process, the requestor shall complete a Fund Transfer Request Form and attach it with the request for the refund.
3. For product purchases, a packing list often accompanies the shipment. If all items are received, the pack list should be stamped indicating that the "invoice OK to Pay" and signed and dated by the receiving person. If no pack list is available, receipt should be acknowledged directly on the invoice in the same way.



7.B. VOID / STOP PAYMENT ON CHECKS

Checks will occasionally need to be voided and payment stopped for a multitude of reasons. A check may have been lost by the payee or in the mail, erroneously issued, or damaged. Upon receiving and investigating a request from the school or directly from the payee which requires a check to be voided and payment stopped, the Charter School Accounts Payable Specialist I will notify the Accounts Payable Assistant and Accounting Assistant at the City of Cape Coral to initiate the stop payment and void the check: The original check date, amount, check number and payee will be required. The Accounts Payable Specialist I will also need to indicate if a replacement check is to be issued.

7.C. PETTY CASH

Petty cash funds for school internal funds are not authorized at this time.

7.D. RESTRICTED EXPENDITURES

The following expenditures from internal funds are deemed inappropriate and shall not be made except from trust funds collected for a specifically identified purpose:

1. When budgetary funds are available, the purchase of equipment, supplies, forms, and postage for curricular or classroom use is not allowable. An exception will be made, due to the nature of the expenditure, to accommodate postage expenditures when reimbursement is claimed from budgetary funds.
2. Curricular related travel, professional, technical, or consultant services, or other items for which City of Cape Coral Charter School Authority budgetary funds are available.
3. Articles for the personal use of any student, employee, or other person; except those items which are identifiable as being in recognition of service or promotion of school activities, and those items identified under Florida State Board of Education Rule 6A-1.0143 and Administrative Regulation 3.17, Promotion and Public Relations Expenditures.
4. Salaries or any form of employee compensation for duties or assignments that are the responsibility of the City of Cape Coral Charter School Authority are **NEVER** to be paid from school internal funds.



5. Repairs and maintenance of City of Cape Coral or City of Cape Coral Charter School Authority equipment for which budgetary funds are available.
6. All expenditures for the purchase of buildings, remodeling, renovation, repairs, alteration to the facilities or attachment of permanent fixtures to the property are typically considered general fund purchases.
7. Generally, donations from internal funds are not allowable. However, when funds are collected with the express purpose of making a contribution, contributions will be allowed provided that the monies collected for the contributions are held in trust by the school until disbursed.
8. The purchase or acquisition and use of cellular telephones.
9. Promissory notes, installment contracts, or lease purchase agreements shall not be executed from internal funds in the name of the school or any school organization, except as authorized by the Charter School Governing School Board.
10. No school organization, club, or group of students shall make expenditures that exceed the cash resources available to the organization or group.
11. No merchandise or services shall be sold or promoted by a non-school agency, in or through any school, or on school grounds, without written approval of the Principal. Written approval will be made on the basis of services to students or staff.
12. The Charter School Superintendent may allow advertising in student publications according to the following guidelines:
 - No advertisements may be obscene as to minors under Florida law or promote products or services which minors may not legally purchase.
 - No advertisements may contain libelous material.
 - No advertisements may be accepted which would tend to create a substantial disruption in the school environment.
 - No advertisements shall include political, religious or organizational symbols.
 - Advertising is subject to Charter School Administrator approval.



Expenditures that may otherwise be considered restricted may be allowable for payment within the Staff Fund or Social Committee Fund.

If questions concerning expenditures arise, contact the Charter Schools Bookkeeper for clarification.

7.E. PAYMENTS FROM INTERNAL FUNDS FOR SERVICES PERFORMED

7.E.(1) EMPLOYEE / EMPLOYER

No payments are to be made from school internal funds as compensation or commission to any employee of the school. Reimbursements to employees of expenses for a specific pre-authorized purpose are allowable.

7.E.(2) NON-INCORPORATED INDEPENDENT CONTRACTOR

A non-incorporated independent contractor is an individual or non-incorporated business that is hired to perform a service. This individual or business must be routinely engaged in providing similar services to other customers. The individuals or businesses have a level of expertise beyond that of an employee and do not provide services that are controlled or supervised by the school.

7.E.(3) INCORPORATED INDEPENDENT CONTRACTOR

An incorporated Independent Contractor is a business that is legally incorporated and is hired to perform a service. This business is routinely engaged in providing similar services to other customers. These services are not supervised or controlled by the school and require duties or responsibilities that are not part of a normal employee/employer relationship.

Incorporated businesses may be paid directly from internal funds. All payments must be processed in the corporate name. **Payments in the name of the individual are not permissible.**

7.F. INTERNAL REVENUE SERVICE 1099

The City of Cape Coral has the responsibility for issuance of IRS 1099 tax statements for payments to non-corporate entities. This tax statement is required when the Charter Schools internal fund has compensated any individual or non-corporate entity for services rendered which amount to \$600.00 or more in a calendar year.



These transactions are routinely paid as consultant contracts or supplemental contracts. This process is the responsibility of the City of Cape Coral Financial Services Department.

Failure to follow the above guidelines may result in the Charter School Authority being assessed penalties by the Internal Revenue Service. IRS regulations provide for substantial penalties for failure to comply with 1099 reporting requirements.

7.G. TRAVEL REIMBURSEMENT FROM INTERNAL ACCOUNTS

Travel expenses may be paid from internal funds, subject to restrictions outlined herein, and in accordance with City of Cape Coral administrative policies. Any travel must be properly authorized and all expenses must be adequately documented. **Travel expenses must relate to the school internal fund activity. Administrative costs are not permissible.**

Per-diem meal allowance not to exceed GSA guidelines, lodging, and other travel reimbursements must meet the legal limits established by State law and the City of Cape Coral administrative policy.

An Expense Pre-Approval Form must be completed and approved by the Principal prior to incurring any expense for travel (see EXHIBIT 6.A.1). The travel must be fully pre-funded by the school activity internal fund.

After travel is complete, a Travel Expense Report (TER) will be completed by the School Secretary to accompany the Check Request / Payment Voucher with receipts for lodging, mileage and GSA per-diem allowance for meals and submitted to the Charter Schools Bookkeeper for reimbursement.

7.H. EMPLOYEE MEAL PAYMENTS

Meals when overnight lodging is required and incurred are not subject to rules for "Class C" payments. These payments may be made directly by internal funds to the employee along with the lodging payments. Following the guidelines set forth above for processing these payments. Administrative costs are not permissible.



Once the purchase or travel is complete, the credit card should be promptly returned to the Cash Custodian along with all receipts. The receipts are to be maintained in an active file by the Cash Custodian.

When the monthly statement is received by the Charter School Accounts Payable Specialist I each receipt will be identified and the proper accounting and fund will be assigned. The Charter School Accounts Payable Specialist I will prepare the Check Request / Payment Voucher with all supporting documentation.

8. TRANSFERS & JOURNAL ENTRIES

Adjusting journal entries (or just referred to as journal entries) are utilized to record deposits, credits, interest income, dishonored check activity, and all cash affecting activities that are not recorded through the accounts payable processes (check request or purchase orders).

8.A. TRANSFERS

A transfer should be used to move monies to or from one internal fund to another or to or from the general fund. Moving monies from one fund to another increases the balance in one account for the amount of the transfer while decreasing the balance in the other account for the same amount.

The information pertaining to all transfers must be entered on a Fund Transfer Request Form (see **EXHIBIT 8.A.1**) with approval from the Principal of the sending organization. Once approved, the form is sent to the Charter School Bookkeeper and Accountant to process as appropriate.

All fund transfers require a journal entry transaction to be initiated by the Charter School Bookkeeper.

- Simple transfers between funds within the same school do not require any additional activity.
- Transactions between funds from different schools or to / from the general fund also require action at the depository bank which is initiated by the Charter School Bookkeeper using an online bank application. These transactions are typically completed by the bank within two (2) hours on the same business day as requested.
- Transfers between the Internal Fund and the General Fund are completed by the Accountant.



- Business Manager approves bank transfers after review of signed transfer documents.

EXHIBIT 8.A.1 - SAMPLE FUND TRANSFER REQUEST FORM

FUND TRANSFER REQUEST FORM



Sending Organization: OASIS ELEMENTARY SCHOOL	
Sending Fund No: 133	Fund Name: ACADEMIC SUPPORT FUND
<small>1000 for General Fund</small> If general fund - account string MUST be provided 	
Reason for Transfer: Transfer to fund purchase of Headphones	
Amount to Transfer: \$ 25.00	Request Date: Tuesday, November 07, 2017
Receiving Organization: GENERAL FUND	
Receiving Fund No: 000	Fund Name: CAPE CORAL CHARTER SCHOOL AUTHORITY
<small>1000 for General Fund</small> If general fund - account string MUST be provided 41430.652121.5100	
Approval: Requested By Sabrina Bendezu Sending Organization Principal / Administrator <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%;"> <div style="border-top: 1px solid black; width: 100%;"></div> <div style="text-align: center; margin-top: 5px;">DATE</div> </div> <div style="width: 45%;"> <div style="border-top: 1px solid black; width: 100%;"></div> <div style="text-align: center; margin-top: 5px;">DATE</div> </div> </div>	
FORWARD THIS FORM TO THE CHARTER SCHOOL BOOKKEEPER FOR PROCESSING AFTER APPROVAL	
Accountant Use Only for Inter-Entity Transfers Only <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%;"> <div style="border-top: 1px solid black; width: 100%;"></div> <div style="text-align: center; margin-top: 5px;">Requested in CashPro by</div> </div> <div style="width: 45%;"> <div style="border-top: 1px solid black; width: 100%;"></div> <div style="text-align: center; margin-top: 5px;">Date Processed in CashPro</div> </div> </div>	
Bookkeeper Use Only <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%;"> <div style="border-top: 1px solid black; width: 100%;"></div> <div style="text-align: center; margin-top: 5px;">Journal Entry made by</div> </div> <div style="width: 45%;"> <div style="border-top: 1px solid black; width: 100%;"></div> <div style="text-align: center; margin-top: 5px;">Date of Journal Entry</div> </div> </div>	

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8.B. JOURNAL ENTRIES

Journal entries are generally used when recording deposits or other transactions into the JDE general ledger that are not posted through the accounts payable processes (i.e. payment vouchers or purchase orders invoiced). They may also be used to correct prior transactions that may have been recorded incorrectly. Journal entries are also used to record transfers between funds as discussed in Section 8.A.

The Charter School Bookkeeper prepares all journal entries associated with school internal funds based on supporting documentation provided from each school or other sources. A journal entry worksheet is prepared based on the supporting documentation with attention to the proper coding of the accounting information. This insures the proper accounting classification and proper assignment to the correct internal fund. The information from the worksheet can be electronically uploaded by the Charter School Bookkeeper to JDE or manually entered.

Multiple entries may be included on a single journal entry worksheet. (i.e. multiple deposits crediting the bank the same day). An electronic image of every journal entry and the supporting documentation is scanned and attached to the JDE record for future reference.

One or more journal entries may be contained within a single JDE batch. The JDE batch report along with the original copy of all journal entries and supporting documentation contained within the batch is sent to the Accounting Manager at the City of Cape Coral for final review and posting to the general ledger.

Journal Entries should be utilized for:

- Recording deposits
- Recording dishonored checks or re-deposits of dishonored checks
- Correcting cash receipts or disbursement amounts
- Correcting cash receipts or disbursement posting errors
- Transfers between funds, schools or to/from the general fund

All deposits to the internal funds checking accounts should be recorded on a JDE Journal Entry Worksheet prior to entry into the JDE general ledger. Deposits are discussed in Section 5.C previously.



9. SALES TAX

9.A. TRUST ACCOUNT

An account has been established in JDE for the recording of sales tax liabilities to the Florida Department of Revenue. The balance in this trust account will reflect the amount of tax due at the end of each monthly remittance cycle. The liability account for each school called Sales Tax Payable is defined by the schools business unit code plus object code 217004.

9.B. TAXABLE PURCHASES & TAXABLE SALES

All items purchased by the school for resale are subject to Florida Sales Tax unless specifically exempted. To insure consistency in the way sales taxes are applied and collected:

1. All items that are purchased for the school use or to be resold are to be exempt from sales tax on the purchase. A current copy of the Sales Tax Exemption Certificate is available on the shared network drive for this purpose.
 - a. When purchasing items for resale, a Sales Tax Exemption Certificate should be sent to the vendor along with the purchase order or estimate (when no purchase order is required).
 - b. If the vendor assesses tax on the invoice, the amount of sales tax should be deducted from total amount billed and a copy of the sales tax exemption certificate should be sent with the remittance.
 - c. The Sales Tax Exemption Certificate should always be presented for purchases made with the internal funds credit card from local vendors.
 - d. Occasionally out of state vendors and online vendors will not accept the sales tax exemption certificate from the State of Florida. Unfortunately, there is no recourse in these matters.
2. All Items that are resold, regardless of profit, are subject to sales tax at the time of sale (deposit date). Sales tax will be deducted from the total amount of the deposit and held in the sales tax liability account. On or before the 20th calendar day of the following



month, the amount held in the liability account must be remitted to the Florida Department of Revenue by the Accountant.

3. Sales tax is remitted on-line through the Florida Department of Revenue website. Once the wire has been completed, the liability account will be cleared.
4. The following items are exempt from sales tax.
 - a. Purchases that are made for the school and not resold are exempt from Florida Sales Tax.
 - b. The sale of yearbooks is sales tax exempt by statute.
 - c. The sale of pre-packaged food items is sales tax exempt by statute.
 - d. Admissions to athletic or other events held by schools are exempt when student or faculty talent is utilized.

If purchases are made and paid for personally by a staff member, any sales tax paid on these purchases will not be reimbursed unless the items purchased are for resale. In order to be tax exempt, payment to the vendor must be made directly by the school or the Charter School Authority. This will necessitate the need for a Request for Purchase Authorization Form.

9.C. SALES AND USE TAX RETURN (DR-15 or DR-15EZ)

The Charter School Authority is required to file sales tax returns with the Florida Department of Revenue as follows for each remittance cycle:

- The Accountant extracts the amount of sales tax liability from JDE to determine the liability amount by school.
- The Accountant prepares a JDE Internal Funds Check Request Form and Form DR-15 EZ for remittance of the sales taxes to the Florida Department of Revenue.
- All payments as well as any liability from the general fund are combined into a single remittance and mailed to the Florida Department of Revenue.
- Sales tax payment transaction is posted in JDE through a journal entry.
- The Accountant scans a copy of the original Sales and Use Tax Return Form, DR-15 or DR-15EZ, which is submitted (whether the return is a zero return or tax due)



Failure to remit sales tax when required may subject the school and the City of Cape Coral Charter School Authority to penalty and interest charges.

9.D. FLORIDA DEPARTMENT OF REVENUE CORRESPONDENCE

For any correspondence received from the Florida Department of Revenue regarding sales tax, such as fines and penalties, the Charter School Bookkeeper or the Accountant at the City of Cape Coral Finance Department should be contacted immediately. Also, school employees should avoid any extensive conversations with the Florida Department of Revenue and its agents without coordinating with the Charter School Bookkeeper or the Accountant at the City of Cape Coral Finance Department.

10. FUND-RAISING ACTIVITIES

10.A. GENERAL

Fund-raising projects and activities by the school, or groups within the school, shall contribute to the educational experiences of pupils and shall not be in conflict with the overall instructional program. The objective of fund-raising activities shall not conflict with programs as administered by the City of Cape Coral Charter School Governing Board, the Cape Coral Municipal Charter School Foundation or any of the Parent Teacher Organizations (PTO).

Prior approval must be sought from the Superintendent or designee for a fundraiser that may put the City of Cape Coral Charter School Governing Board at risk. The sponsor shall provide written documentation on the proposed fundraiser to the Superintendent for consideration.

The determination of the fund-raising activities for a school shall be the responsibility of the Principal. The Principal shall control the fund-raising activities conducted in the name of the school and assure that the purposes are worthwhile. Each fund-raising activity shall have the approval of the organization sponsor and the Principal using the Approval for Fundraiser Form (see Exhibit 10.A.1). All staff shall conform to the following conditions and any administrative directives that may be issued by the Superintendent:

1. Collections for all school-sponsored fund-raising activities must be deposited in the internal funds bank account.



2. Each Principal shall regularly evaluate their fund-raising projects and activities as they relate to school programs, the promotion of educational experiences, the time involved for students and teachers, and the additional demands made on the school's community. The Principal (or designee) will maintain a list of viable fund-raising opportunities. Fund-raisers that are not viable will be removed from the list.
3. Programs for which admission is charged or for which donations are received shall not be held during school hours, except as approved by the Superintendent or designee. Elementary student participation in off-campus fund-raising activities, whether sponsored by the school or any school-related organizations, shall be conditional upon the school having on file the written parental consent for each activity.
4. Fund-raising activities and projects within a school shall be kept within a reasonable limit by the Principal. Full justification of the need and an explanation of the manner in which the funds will be expended shall be required before any project or activity is approved.
5. Each fund-raising activity shall be planned to finance a specified objective.

A Parent Teacher Organization (PTO) or other organization connected with the school may sponsor fund-raising activities provided that school work and classroom time are not affected. Such activities shall be conducted in accordance with the policies of the City of Cape Coral Charter School Governing Board and with the approval of the Principal.

10.B. PROHIBITED FUND-RAISERS

The following fund-raisers are prohibited:

1. Raffles and other activities of chance shall not be conducted in connection with any school activities. Any form of gambling is prohibited on school property.
2. Fund-raising activities for which students are charged an admission shall not be presented during school hours.
3. The sale of all competitive food or beverages on school premises shall be prohibited as school internal funds as directed in federal



and state NSLP rules. (5P-1.003 Responsibilities for the School Food Service Program; Florida Administrative Code, Department of Agriculture and Consumer Services; Division of Food, Nutrition and Wellness; School Food Service Program)

10.C. PRE-APPROVAL

Prior to the start of fund-raising activities, an Approval for Fund-Raiser Form must be prepared and approved by the Principal. This document indicates the intention and purpose of the fund-raiser (See Exhibit 10.A.(1))



EXHIBIT 10.A.1 - SAMPLE FUNDRAISING APPROVAL FORM



Cape Coral Charter School Authority School Fundraising Approval Form

All Cape Coral Charter School Authority fundraising activities need principal's approval prior to event.
Please complete and return this form to your school secretary.

Fund # for deposit: 105 Date: _____
 Organization: ESE Fund School: Oasis Elementary
 Contact Person: _____ Phone #: _____

Event Details

Date of Event:	Hours - Start:	End:
Facility/Location Name and Address:		
Outline of Activity (including products to be sold or services to be rendered):		
Anticipated Use of Funds:		

Raffles and other activities of chance shall not be conducted by the school or on school property, including raffles conducted by charitable, nonprofit organizations leasing school property.

Authorization

Teacher/Sponsor (print) _____	Signature _____	Date _____
Principal (print) _____	Signature _____	Date _____

Financials

(supporting documentation must be attached)

Revenue: _____
 Expenses: _____
 Net Profit: _____

Principal's Signature _____

Cape Coral Charter School Authority

Christa McAuliffe | Oasis Elementary | Oasis Middle | Oasis High



Cape Coral Charter School Authority

11. REPORTS

The Financial Reports are designed to provide timely financial information necessary for administration and management of school internal funds and compliance with federal and state regulations, and City of Cape Coral Charter School Governing Board.

The following financial reports are required to be completed at various times during the year:

- Internal Funds Balance Report
- Statement of Net Position
- Statement of Change in Position

11.A. INTERNAL FUNDS BALANCE REPORT

The Internal Funds Balance Report provides the Principal, staff and the fund sponsor a current balance of the monies available in all school internal funds.

This report is available for all employees from the shared network drive and is updated weekly by the Charter School Bookkeeper.

This report is used by the Principal, Cash Custodian, and the Charter School Bookkeeper to verify that money is available in a given fund before authorizing a purchase on either a Request for Purchase Authorization Form or and Expense Pre-Approval Form.

The Internal Funds Balance Report provides the following information:

- Fund names
- Date of last update
- Fund balance for each internal fund
- Encumbrance amounts generated from open purchase orders
- Detail by accounting classification code (object)
- Totals for of all internal funds by school

A sample of one of the Internal Funds Balance Reports is provided on the following page (**EXHIBIT 11.A.1**).

It is the responsibility of the Principal or Sponsor to review the School Internal Fund Balance Report for accuracy. Questions regarding an Internal Fund shall be put in writing to the Bookkeeper. Within a reasonable time of receiving the request, the Bookkeeper will respond with



an answer to the question. Concerns that cannot be resolved may be brought to the Accountant for clarification. At the end of each fiscal year, the Principal and Sponsor shall sign off that the balances are accurate.

EXHIBIT 11.A.1 – INTERNAL FUNDS BALANCE REPORT

CAPE CORAL CHARTER SCHOOL AUTHORITY					
SCHOOL INTERNAL FUNDS BALANCE REPORT					
Oasis Charter Elementary School Internal Funds					
Date: 1/10/2014 Business Unit 4143S					
	FUN	OBJ	FISCAL YEAR 2014 ACTUAL	FISCAL YEAR ENCUMBERED	FUND BALANCE
OCES Staff Fund	101				
AR Dishonored Checks		115107	\$ (15.00)	\$ -	
Fund Balance To Be Allocated		240001.JE	\$ 3,624.97	\$ -	
Other School Sales Revenue		547810	\$ 1,051.20	\$ -	
Contrib/Donation Private		556101	\$ 4,915.05	\$ -	
Other Miscellaneous Revenue		559901	\$ 5.00	\$ -	
Outside Services		634120	\$ (459.28)	\$ -	
Food And Mileage (City)		640101	\$ (2,971.54)	\$ -	
Unleaded Fuel		646105	\$ (72.80)	\$ -	
Food And Beverage		652119	\$ (175.44)	\$ -	
Operating Supplies		652128	\$ (663.61)	\$ -	
Textbooks		652129	\$ (320.00)	\$ -	
Trophies/Awards		652141	\$ (120.00)	\$ -	
Total Fund	101		\$ 4,798.55	\$ -	\$ 4,798.55
OCES Drama Club	102				
Accounts Payable - Other		202000	\$ 100.64	\$ -	
Fund Balance To Be Allocated		240001.JE	\$ 9,213.36	\$ -	
Other Miscellaneous Revenue		559901	\$ 455.00	\$ -	
Total Fund	102		\$ 9,769.00	\$ -	\$ 9,769.00
OCES Yearbook Sales	103				
Fund Balance To Be Allocated		240001.JE	\$ 1,697.89	\$ -	
Yearbook Sales Revenue		547805	\$ 1,520.00	\$ -	
Total Fund	103		\$ 3,217.89	\$ -	\$ 3,217.89
OCES Gifted Program	104				
Fund Balance To Be Allocated		240001.JE	\$ 216.07	\$ -	
Total Fund	104		\$ 216.07	\$ -	\$ 216.07
OCES ESE Fund	105				

11.B. BANK RECONCILIATION

It is important to reconcile the school internal fund checking account on a monthly basis as soon as the statement is available from the bank. The bank reconciliation is prepared by the Accounting Assistant at the City of Cape Coral Financial Services Department with cooperation from the Charter School Bookkeeper.



All debit and credit entries on the bank statement including service charges and dishonored checks should be reconciled to the entries on the JDE general ledger for the prior month. Any discrepancies between the bank statement and the general ledger will be resolved with a correcting journal entry.

12. YEAR-END FINANCIAL STATEMENTS

At the close of each school fiscal year, the Accountant prepares the Financial Statements and Independent Auditors' Report. This comprehensive document reflects the financial condition of the Cape Coral Charter School Authority.

For school internal funds, the Accountant will record the total of the account balances for all school internal funds checking accounts at the end of the fiscal year on a Statement of Fiduciary Assets and Liabilities as an Agency Fund. (SEE EXHIBIT 12.1.)

EXHIBIT 12.1 – STATEMENT OF FIDUCIARY ASSETS & LIABILITIES

CITY OF CAPE CORAL CHARTER SCHOOL AUTHORITY

INTERNAL FUNDS BALANCE SHEET JUNE 30, 2017

	<u>Agency Fund</u>
Assets	
Cash and cash equivalents	\$ 656,771.40
Accounts receivable	<u>1,823.90</u>
Total assets	<u><u>\$ 658,595.30</u></u>
 Liabilities and Fund Balances	
Liabilities:	
Accounts payable and other accrued liabilities	\$ 16,455.77
Due to others	<u>642,139.53</u>
Total liabilities	<u><u>\$ 658,595.30</u></u>

A Statement of Changes in Position will be generated. The Statement of Changes in Position will be categorized by building into the following categories:

1. Athletics
2. Music
3. Classes
4. Clubs
5. Departments



- 6. Trust
- 7. General

13. BEGINNING OF YEAR

13.A. BEGINNING OF THE YEAR GUIDELINES FOR SCHOOL STAFF

Annually, the school administration shall train staff on basic internal funds procedures. All staff shall receive a copy of the guidelines as part of the training. During the school year, refresher training shall be provided on an as needed basis as determined by the administration.

Items to include in the guidelines are listed below:

13.A.(1) All funds collected must be remitted to the Cash Custodian on a daily basis. No funds shall be held in desks, drawers or on their person.

13.A.(2) Purchase orders must be prepared and approved for purchases of \$300.00 or more. A Request for Purchase Authorization Form to be completed by staff and approved by the Principal is the best way to assure purchase orders are completed.

13.A.(3) Review requirements and forms necessary to conduct fund-raising activities. Ensure that staff are aware of all forms that are required.

14. MONTHLY PROCEDURES

The month-end process should be approached as follows:

1. All cash receipts and cash disbursements that relate to the current month must be recorded in the JDE general ledger through accounts payable or journal entry. This should be completed by the 10th work day of the subsequent month.
2. Each internal funds bank account must be reconciled to the JDE general ledger each month. The Accountant at the City of Cape Coral Financial Services Department is responsible for the reconciliations.



15. YEAR-END PROCEDURES

The accounting records of all schools must be closed for the period ending June 30th of each fiscal year. The items listed below are meant to be an overview of the process used. Internal funds activity will be at a minimum after the close of school. Prior to year-end, the Bookkeeper will send out a correspondence that states when the last day for purchases in the fiscal year will be. Purchases after that date will be included in the next fiscal year.

The year-end process should be approached as follows:

1. Void all old outstanding checks and reissue as necessary.
2. Any uncollectible dishonored checks should be reviewed and written off if uncollectible. At June 30, the accounts receivable account may or may not have a balance. The balance would represent dishonored checks that the Charter School Bookkeeper and Principal determine are still collectible.
3. Invest excess funds that are in the checking account. Post all investment transactions prior to closing the June records.
4. Inventory all school merchandise held for resale such as school store supplies, uniforms, apparel, and vending supplies. Provide inventory report to Charter School Accountant no later than June 15th each year.
5. An inventory of all capital equipment will be conducted annually. The documentation shall provide a list of inventory that is obsolete, damaged or otherwise removed from the inventory. New capital items will be added to the inventory at time of acquisition. Non-capital equipment purchases (i.e. tablets, etc.) shall be tracked on the IT inventory list. A copy of the list will be provided to the Charter School Accountant quarterly.
6. Prepare a schedule of any accounts receivable and/or accounts payable which exist at the year-end.
 - a. **Accounts receivable** are amounts owed to the internal funds at fiscal year-end. The accounts receivable list should include the payer's name, amount owed to the school, and account to which the funds are to be credited.



- b. **Accounts payable** are amounts owed to outside vendors for goods/services that have been ordered and received prior to the fiscal year-end, but not yet paid. The accounts payable list should include the vendor's name, amount owed by the school, and account that is to be charged for the purchases.
- 7. Prepare the required year-end reports:
 - The Statement of Fiduciary Assets and Liabilities (Exhibit 12.1)
 - Store inventory, giveaways, other inventory, if applicable
- 8. When boxing up records to be sent for long term retention, the Charter School Bookkeeper should do the following:
 - a. Make sure the records are only for the school internal funds. Do not include any regular budgeted information.
 - b. Label all boxes with the school name and year and indicate school internal funds.
 - c. Keep all boxes to a reasonable size. All boxes must have lids. Remember, these boxes must be able to be carried between the school and the retention location.
 - d. Include the following, if applicable:
 - Accounts receivable list
 - Accounts payable list
 - Approval for fund-raiser forms
 - Journal entries (adjustment & transfer)
 - Check requests or payment vouchers with supporting documents
 - Bank statements
 - Dishonored check collection efforts folder

16. RETENTION OF RECORDS

16.A. STATE REQUIREMENTS

Chapters 119 and 267 of the Florida Statutes provide that no public official may mutilate, destroy, sell, loan, or otherwise dispose of any public record



without the consent of the Bureau of Records and Information Management of the Department of State. Provided applicable audits have been released, records may be disposed of in accordance with procedures established by the Department of Records and Forms Management. Examples of such records for internal funds could include Check Request / Payment Voucher Forms and supporting documentation, canceled checks, Report of Monies Collected Forms, journals, ledgers, financial reports, school Request for Purchase Authorization Forms, and serialized forms.

16.B. CHARTER SCHOOL AUTHORITY REQUIREMENTS

No records pertaining to internal funds may be destroyed or otherwise disposed of without prior written authorization from the City of Cape Coral Financial Services Department and the Charter School Governing Board.

The storage of old records is managed by the Charter School Bookkeeper.

17. AUDITS

17.A. REQUIREMENTS

State regulations require the internal funds activity be audited annually. The Financial and Program Cost Accounting and Reporting for Florida Schools (Red Book) states:

1. The Charter School Governing Board, shall provide for an annual audit of internal funds.
2. In accordance with the Florida State Board of Education Rule 6A-1.087(2), the signed, written report of the audit shall include notations of any failure to comply with Florida Statutes, State Board of Education Rules, and rules of the Charter School Governing Board. The report, which must also provide commentary as to financial management and irregularities, shall be presented to the Charter School Governing Board while in session and filed as a part of the public records.

17.B. AUDIT OBJECTIVES

The purpose of an audit is to accomplish many objectives, such as:

- Review of internal funds financial statements prepared by schools and departments to provide reasonable assurance that financial statements are materially free of errors or other irregularities.



- Review transactions to ascertain compliance with all applicable statutes, federal and state regulations, State Board Rules, and Charter School Governing Board policies.
- Report weaknesses in accounting, management, and internal controls, and recommend corrective actions.
- Examining the effectiveness of management controls.
- A study and evaluation of the internal control structure and environment may be performed to assure that assets are protected and safeguarded.
- Upon request of management, a performance audit may be performed to review the effective and efficient use of resources.

18. INTERNAL FUND CATEGORIES

The Florida Department of Education categorizes Internal Funds/Student Activity/Projects into the following categories: Athletics; Music; Classes, Clubs and Departments; Trust Accounts and General Accounts. All Internal Fund accounts shall be classified under one of the above types. Financial reports shall be reported by these types.

1. Athletics – All revenues and expenditures involving athletic business transacted at the school level shall be recorded in this classification.
2. Music – Proceeds from activities of musical organizations, donations to these groups, and expenditures for trips shall be recorded here.
 - a. A separate account for the collection of instrument rental or maintenance of uniforms shall be recorded in this section.
 - b. If funds are restricted in use they shall be recorded in the trust account.
3. Classes, Clubs and Departments – A student activities account may be established for each individual class to receive funds and pay class obligations. The senior class may not incur new obligations any later than one week following graduation. Once the graduating class' obligations are paid, the outstanding balance



must be permanently transferred to an account established by graduating class officers that is not part of the Charter School's activity accounts. If no members of the graduating class can be located, the Finance Office shall place a legal notice in a newspaper with general circulation in the City of Cape Coral indicating there is a plan to disburse class funds and stating the deadline date. The cost for legal notification shall be drawn from the class account. After proper notification, has been made and no reply is received, account balances still remaining shall be transferred to the General Account; this shall be done annually by December 31 during the year following June graduation.

- a. Classes and club accounts support a group of students within a community of interest with a specified roster of students. Written approval of a class/club must be obtained prior to the establishment of a new account.
- b. The sponsor of each club or organization shall be responsible for his/her club account. Deposits shall be made in a timely fashion as noted in Section 5. The sponsor shall develop and prepare an annual budget for the account. A budget plan shall be presented to the principal each school year prior to utilizing any funds.
- c. The budget shall include plans for fundraisers (revenue) and expenditures for the school year. All collections received by any club or organization shall be deposited into the school internal fund.
- d. All disbursements shall be made by an internal fund check. Disbursements shall be approved by the appropriate organization officer (where applicable), the sponsor and the principal.
- e. A financial report shall be filed with the principal's office at the close of each school year.
- f. Class and club monies shall be expended for the benefit of the class or club or for the purpose designated by the class or club that participated in the generation of the revenue.
- g. Inactive student accounts shall be closed the following fiscal year.



- h. Clubs and Departments shall be structured the same as classes noted above.
 - i. The Sponsor shall work with the graduating class to designate the disposition of any remaining funds. A memo to the Principal shall designate the wishes of the class.
- 4. Trust Accounts – Funds collected for a specific purpose shall be recorded under Trust accounts
 - a. Trust funds shall be expended only for the purpose for which it was collected. When the purpose of the trust has been accomplished or becomes inoperative, if practicable, the funds shall be returned to the person(s) it was collected from.
 - b. The Technology Internal Fund shall be considered a Trust Fund as the intended purpose of the funds are for the sole purpose of purchasing technology for the school.
 - c. If donors have indicated an alternative purpose for the funds, they shall be utilized for that purpose.
 - d. If donors have not indicated a specific purpose for the funds, then the funds will be considered 25% for the Principal Discretionary Fund and 75% for the Technology fund.
 - e. Funds that can't be returned shall be considered unspecified and follow 4(d) of this section.
 - f. Trust funds shall never carry a deficit balance.
 - g. If the trust funds are designated for a purpose beyond the current fiscal year, approval must be granted by the Principal.
 - h. Collections, such as out-of-state-tuition, adult matriculation and tuition fees, course fees, reimbursement for damages and telephone charges are trust funds.
 - i. Sales tax collected for the state is also a trust fund.
 - j. Collections for parking decals shall be for restricted use and shall be accounted for in the trust funds.



- k. Funds collected from students for use of locks shall be accounted for separately in a trust fund.
5. General Accounts - This category encompasses all other accounts for funds to be use for the general welfare of the student body.
- a. Separate accounts shall be maintained for activities such as the school store.
 - b. The sponsor of the school store, school spirit wear and other accounts maintained for the sale of items, shall conduct an annual inventory of the product for sale. The inventory report shall be submitted to the Principal's Office. A copy will be maintained in Financial Services. A periodic audit of the inventory shall be conducted.
6. Restricted Expenditures – The following expenditures from Internal Funds are deemed inappropriate by the Florida Department of Education and shall not be made except from trust funds collected for a specifically identified purpose.
- a. Equipment, supplies, forms and postage for curricular or classroom use.
 - b. Curricular-related travel, professional, technical or consultant services.
 - c. Articles for the personal use of any student, employee or other person, except those items that are identifiable as being in recognition or service or promotion of school activities.
 - d. Personal memberships or subscriptions.
 - e. Salaries or compensation for duties or assignments that are the responsibility of the Charter Authority.
 - f. Loans, credit or accommodation purchases for anyone.
 - g. Repairs and maintenance of Charter Authority equipment for which funds are available.



19. ATHLETICS

19.A. SCHEDULES OF ATHLETIC EVENTS

Schedules of all athletic events must be maintained. Schedules of athletic events are used in conjunction with the Report of Tickets Sold and Ticket Control Sheet.

19.B. FHSAA Financial Report

The Florida High School Activities Association (FHSAA) is responsible for determining the rules and regulations and reporting requirements for all high schools that are members of the association and participate in sanctioned athletic competitions.

A FHSAA Financial Report must be completed by the host school for all jamborees, invitational meets, playoffs, and tournaments. The FHSAA receives a percentage of gross receipts which will vary by sport and is determined by the FHSAA rules, guidelines, and bylaws.

The host school must complete the FHSAA Financial Report and submit it with the payment within 10 days of the event conclusion. A copy of the report shall also be forwarded to each participating school.

Participating schools may share with the host school a portion of the profit or loss as determined by game contracts, written agreements, and the rules and bylaws of the FHSAA.

A copy of the FHSAA Financial Report must be filed with the school's Internal Funds records.

Further guidance may be obtained by reviewing the Florida High School Activities Association's Rules, Regulations, and Bylaws.

19.C. PURCHASING

The purchasing policies of the Charter School shall be followed when making all purchases on behalf of athletic events, team purchases, or school expenditures when such purchases are transacted from Internal Funds.

19.D. MEALS AND LODGING

Expenses for meals and lodging relating to out of town travel shall be recorded directly into the individual team or sport account. The amount allowed shall not exceed the amount approved by the Charter School's per diem rate. An Expense Pre-Approval form should be completed as



supporting documentation for payment and attached to the Internal Funds Check Requisition form.

19.E. TICKET SALES

Tickets are commonly utilized for after-school events such as dances, athletic events, performances, and other events where an admission is charged. The sale of pre-numbered tickets, when used in conjunction with the Ticket Control Sheet, and the Report of Ticket Sold or Admission forms, eliminates the requirement for recording transactions by student names and amount paid by each student.

If admission is charged and pre-numbered tickets are not utilized or accounted for in accordance with this section, then all admissions shall be recorded by name and individual amount.

19.F. ACQUISITION OF TICKETS

- a. Tickets are to be purchased in pre-numbered sequences and adequately accounted for on a Ticket Control Sheet.
- b. An exception to purchasing pre-numbered tickets will be allowed for low volume usage by the Elementary and Middle school which desire to produce and number the tickets at school, provided the following conditions are complied with:
- c. The person responsible for ticket production shall provide a memo certifying the amount of tickets produced for the event and the ticket numbers.
- d. The memo certifying tickets produced must be attached to a completed Ticket Control Sheet and retained by the Cash Custodian.
- e. Unused or unsold tickets are returned to the Cash Custodian and attached to the Ticket Control Sheet.
- f. Ticket sales are recorded on the Report of Tickets Sold form.

19.G. TICKET CONTROL SHEET

The purpose of a Ticket Control Sheet is to account for all tickets used by the event. This control sheet is to be used when issuing tickets to be sold for any event.



The Ticket Control Sheet is designed to provide for ticket accountability and detection of missing tickets. The control sheet contains information pertaining to verification of existing quantities on hand, quantities used, and event description.

The Ticket Control Sheet is an ongoing inventory system whereby the ticket numbers are recorded as they are issued to be sold and reflects the current tickets remaining in inventory. A separate Ticket Control Sheet shall be used for each roll of tickets on hand and is used in conjunction with the Report of Tickets.

19.H. REPORT OF TICKETS SOLD OR ADMISSIONS

The report of Tickets Sold, must be completed when tickets are sold or admission is charged for an event and is used in conjunction with the Ticket Control Sheet. The report provides for the accountability of monies collected and is a source document supporting accounting entries. The Report of Tickets Sold form is to be filed numerically by receipt number with the Deposit Verification form. The process for using the Report of Tickets Sold is as follows:

The Sponsor shall enter the following data on the form;

- a. Nature of the event
- b. Location
- c. Opponent school
- d. Date
- e. Ticket Color
- f. Beginning Ticket Number
- g. Selling price of the ticket

The form is provided to the ticket seller. The ticket seller shall enter the following data upon completion of the ticket sales:

- a. The last ticket number sold
- b. Signature of the ticket seller
- c. The form is submitted to the Cash Custodian at the conclusion of the event.
- d. The Cash Custodian shall complete the remainder of the form, verify the accuracy of all data, enter the receipt number, indicate the date received, and sign the form in the appropriate place.

Multiple Reports of Tickets sold forms for a particular event may be assigned to the same receipt number.



20. MUSIC AND BANDS

Music accounts are to be utilized for band activities, music class functions, uniform maintenance, and instrument related costs.

20.A. COLLECTION OF MONIES

All monies collected for school-sponsored activities are required to be deposited into the internal funds of the school. The money is to be recorded and deposited according to established procedures.

Collections from students for rental or maintenance of uniforms or instruments shall be recorded in separate accounts. These collections will be recorded within internal funds of the school.

20.B. EXPENDITURES

All expenditures shall comply with established internal funds procedures.

20.C. FUND-RAISING ACTIVITIES

All school-sponsored fund-raising activities must comply with Charter School Authority procedures and policies.

20.D. MUSIC AND BAND BOOSTERS

All music and band boosters are considered a cooperative organization.

21. YEARBOOKS

Yearbooks are sold to students at the lowest possible cost to afford the maximum number of students the opportunity to purchase the book. The sale of yearbooks should not be construed to be a fund-raising activity.

21.A. TRUST ACCOUNT

Yearbook transactions are to be accounted for within a separate Yearbook Internal Fund for each school.

21.B. SALES TAX

Yearbooks, by statute, are not subject to collection or payment of Florida Sales Tax.

21.C. EXPENDITURES AND PURCHASES

The purchase of yearbooks is not subject to the Charter School Authority's bid or quote provisions since such transactions are accounted for in a trust relationship.

The Yearbook Internal Fund may be utilized for any necessary expense relating to the production or printing of the yearbook. Expenses would



include the actual cost of the printing of the publication, film and developing, seminars and conferences, and refreshments for Yearbook Committee meetings.

21.D. INTERNAL FUNDS DEPOSIT VERIFICATION FORM

The Internal Funds Deposit Verification Form and its companion forms should be completed when collecting monies for the sale of yearbooks and ads. The name of the individual making the purchase and amount paid by that individual must be listed. A class roster or list may be utilized and attached if all information is indicated on the attached listing.

21.E. PROFIT, LOSS, AND TRANSFERS

Yearbook Internal Funds are intended to be self-supporting and not incur a loss or make an excessive profit. Any excess fund balance created by yearbook transactions shall remain in the yearbook internal fund and be available for future yearbook transactions. In those instances where large fund balances have accumulated, the future sales price of yearbooks may be set at a reduced price or equipment such as printers, cameras or computers may be purchased to aid in the production of the yearbook.. The school should retain a reasonable balance in this fund to facilitate the startup of the yearbook in the next school year.

22. SCHOOL STORE (not currently in use)

Merchandise that is needed to facilitate classroom instruction and to accommodate students may be sold in the School Store. The School Store shall be a separate account within the internal funds.

The same rules apply to the Athletics Apparel Internal Fund and any other fund which carries an inventory of items to be sold to the students or staff.

22.A. CHANGE FUND

A Change Fund/Cash on Hand is recommended to be set up for the School Store. Cash collections are not to be retained in the School Store, the Change Fund is used for this purpose. See 4.C. for instructions on the Change Fund.

22.B. MONIES RECEIVED

Monies collected from School Store sales should be turned over to the Cash Custodian on a daily basis. An Internal Funds Deposit Verification Form and companion forms must accompany the monies when remitted to the Cash Custodian. All monies must be forwarded intact to the Cash Custodian in a sealed bag.



It is not required that student names be listed on the forms as required in other collection procedures.

22.C. EXPENDITURES

The only expenditures from the School Store account should be for those items that are sold through the School Store.

22.D. SALES TAX

Items resold through the School Store are subject to Florida Sales Tax.

- a) Schools have a special provision in the Florida Sales and Use Tax law which allows payment of sales tax directly to the vendor. Sales tax in this situation is based upon the purchase price of the goods purchased for resale. The tax is considered part of the cost of the items purchased by the school and the tax is not collected separately.
- b) When ordering items for the school store for resale, consider crossing out the tax-exempt number on the Request for Purchase Authorization Form. This may assist the vendor in knowing that sales tax is due.
- c) If items are purchased for resale from an out-of-state vendor or a vendor who will not accept payment of Florida Sales Tax, then the sales tax must be paid directly to the Florida Department of Revenue. Sales tax in this case is based upon the sales price of the goods purchased for resale. A transfer in the amount of 6% of the purchase price will be generated and placed into the 217004 Sales Tax Liability account and remitted to the Florida Department of Revenue by the 20th of the following month.

Note: It may be in the school's best interest to choose an alternate vendor if the vendor does not collect Florida Sales Tax.

- d) If the vendor does not separate the tax on the invoice, a corrected invoice will need to be obtained, or a written statement from the vendor noting that the price includes the sales tax. This will alleviate any potential questions that may arise with the Florida Department of Revenue.



22.E. GIVEAWAYS

All items in the School Store that are given away during the year must be recorded as they are given away. The School Store Custodian will provide a list of items given away which shall include date item given away, cost of item, copy of written request including name of person requesting distribution, and purpose for distribution. No items are to be given away without the Principal's authorization. A summary sheet of all giveaways is then prepared by the Bookkeeper at year end.

22.F. YEARBOOKS

Yearbooks should not be considered part of the School Store. If sold in the School Store location, the sales must be recorded as a separate transaction. Yearbook transactions should be recorded in a trust account. Yearbook sales are exempt from sales tax.

22.G. TRANSFERS

Profits from the School Store operation may be transferred to the general fund or other designated accounts that benefit all students at the discretion of the Principal. Sufficient funds shall be retained in the School Store account to provide adequate funding for future purchases of merchandise.

22.H. INVENTORY

An annual inventory of the School Store shall be completed at the end of each fiscal year.

23. STAFF FUNDS / SOCIAL COMMITTEE / VENDING

The school may establish funds for transactions that benefit teachers and staff within internal funds. These are the only funds within internal funds where expenditures may be made which benefit staff members.

1. These funds customarily receive money from teacher vending machine sales located in the teacher lounge, dues collected from staff members, and other specified donations.
2. Consideration should be given to allocate a portion of vending machine commissions received from vending machines if they are used by students. A portion of the commission check may be allocated to the school's staff fund or social committee.
3. Expenses on behalf of staff should be paid from the staff fund or social committee fund only; there should be no co-mingling of staff



and student funds. Expenses may include gifts, get well flowers, and staff parties. These funds may also be utilized for any expense that is not student related.

4. If the proceeds from vending machines have been recorded within these funds, then all expenses for the machines shall also be paid from the same fund.
5. A separate fund may be established for vending machines if the school desires to distinguish between vending transactions, dues, and other collections.
6. All items purchased for resale within the staff fund, social committee or vending funding, such as vending machine products, are subject to Florida Sales Tax.
 - a. Schools have a special provision in the Florida Sales and Use Tax Laws that allows them to pay sales tax directly to the vendors. Sales tax in this situation is based upon the purchase price of the goods purchased for resale. The tax is considered part of the cost of the items purchased by the school and the tax is not collected separately.
 - b. When ordering items that are not tax exempt, consider crossing out the tax-exempt number on the Request for Purchase Authorization Form. This may assist the vendor in knowing that sales tax is due.
 - c. If items are purchased for resale from an out-of-state vendor or a vendor who will not accept payment of Florida Sales Tax, then the sales tax must be paid directly to the Florida Department of Revenue. Sales tax in this case is based upon the sales price of the goods purchased for resale.

Note: It may be in the school's best interest to choose an alternate vendor if the vendor does not collect Florida Sales Tax.

- d. If the vendor does not separate the tax on the invoice, a corrected invoice will need to be obtained, or a written statement from the vendor noting that the price includes the sales tax. This will alleviate any potential questions that may arise with the Florida Department of Revenue.

