

Audit Committee Meeting
Thursday, June 27, 2024 5:00 PM

Dr. Matthew Prophet Education Center -
Windows Cafeteria / Conference Room (Floor
2)
501 N. Dixon St.
Portland, OR 97227

Agenda

1. Introduction
2. Status update on the implementation of the Hardship Petition Transfers audit recommendations
3. Student Body Funds Audit report presentation
4. Office of Internal Performance Audit (OIPA) - Status Update
5. Discussion of community member positions on the Audit Committee
6. Discussion of the annual performance evaluation for the Sr. Internal Performance Auditor
7. Public Comment *To sign-up for public comment email PublicComment@pps.net or call the Board Office @ 503-916-3741.*

HPT Audit
Implementation Plan

Signature Approvals	Date Approved
Judy Brennan, Director of the Enrollment and Transfer Center Don Wolf, Chief Technology Officer Superintendent - or - Myong Liegh - or as assigned by Sup.	

HPT Audit Recommendations				Implementation Plan			Status Updates
#	Abbreviated Recommendation	Response	Responsible Administrator / Manager	Implementation Plan (Specific steps to be implemented)	Anticipated date implementation will be complete (generally expected within 6 months)	Comments	Status update as of 6/20/2024
1	We recommend the ETC strengthen its internal control structure to ensure HPT requests are approved or denied in alignment with the school district's policy and administrative directive.	Agree	Judy Brennan, Director of ETC	Update the transfer policy and administrative directive to delineate HPT from Open Enrollment. Train school enrollment staff on policy/AD changes	December 31, 2023	Policy and AD changes approved in December 2023. Trainings held November 2023-March 2024	In progress
2	We recommend the ETC strengthen its internal control structure to ensure adequate documentation to support HPT requests is retained in alignment with state and federal record retention requirements for educational records.	Agree	Judy Brennan, Director of ETC	Consult with the school district's legal council and/or Records Management to ensure ETC has a clear understanding of what transfer related documents have record retention requirements.	August 31, 2024	The initial response was that current practices are compliant with records retention requirements. On June 11, 2024, ETC was notified of additional compliance requirements for transfer-related correspondence and documentation. We will work with the records manager to establish any additional procedures needed to ensure compliance.	Outstanding

3	We recommend the ETC establish and implement internal controls that will ensure determination of available space is on a standard set of criteria.	Agree	Judy Brennan, Director of ETC	Modify procedures to so that all transfer requests that qualify as extenuating circumstances are approved or waitlisted following a standard set of procedures. Consult with staff in OSP, RAA, OTIS and MLL to explore options for standard reporting of actual/forecast class sizes for transfer consideration.	February 1, 2024	All 2024-25 Hardship petition transfer requests that qualify as extenuating circumstances are approved or waitlisted following a standard set of procedures through the new Synergy lottery software. No extenuating circumstances are denied due to lack of space at the requested school. Consultations to establish new class-size reporting for transfer considerations are ongoing, and require significant time and commitment from other departments.	Outstanding
4	We recommend the ETC strengthen its internal control structure to ensure compliance with policies and procedures applicable to HPT requests.	Agree	Judy Brennan, Director of ETC	Perform an annual review of the Administrative Directive (4.10.054-AD) and the ETC website to ensure they reflect current practices. When appropriate, request edits to the Administrative Directive (4.10.054-AD), and/or add clarification information on the ETC website.	October 31, 2023	Annual Administrative Directive and website review will occur annually by July 31. Recommended changes will be implemented by October 31 each year.	In progress
5	We recommend the ETC strengthen HPT data collection processes and procedures to ensure data is accurate, complete, to ensure equitable processes and decision-making and to identify areas of improvement in neighborhood schools.	Agree	Judy Brennan, Director of ETC	Provide reports of annual hardship petition requests and reasons to principals and OSP leaders annually	November 30, 2023	Petition analysis queries were delayed due to implementation of new Synergy transfer software. ETC is on-target to release reports to school stakeholders by November 30, 2024.	Outstanding



The Office of Internal Performance Audit

Internal Audit Report

Student Body Funds (SBF) Audit

Issue Date: June 2024

Senior Internal Performance Auditor
Janise Hansen, CIA

Internal Performance Auditor
Mary Catherine Moore

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Letter of Transmittal

June 20, 2024

Portland Public Schools - Audit Committee
501 North Dixon Street
Portland, OR 97227

The Office of Internal Performance Audit (OIPA) has completed the Student Body Funds (SBF) Audit of selected schools and SBF activities that occurred during the 2021-2022 school year. The audit was included in the Audit Plan approved by the Portland Public Schools (PPS) Board of Education on January 12, 2021, resolution number 6227.

The objective of the audit is to determine whether the school district has adequate internal controls in place to ensure the complete and accurate accounting, tracking, and safeguarding of SBF.

The results of the audit are detailed in the attached SBF Audit report.

We extend our appreciation to the Accounting Services Department and school staff for their assistance and cooperation during the course of the audit, especially to Rachel Spires, Accountant/Analyst, and J Cooper, Confidential Executive Assistant, who were incredibly responsive to our request for information and documentation needed to complete the audit. They were also willing to collaborate and provided us feedback that added value throughout the audit.

We look forward to meeting with you at an upcoming Audit Committee meeting to more fully discuss the report's results and recommendations. Thank you for your ongoing support of the Office of Internal Performance Audit.

Janise Hansen

Janise Hansen, CIA
Senior Internal Performance Auditor

Mary Catherine Moore

Mary Catherine Moore
Internal Performance Auditor

About the Office of Internal Performance Audit (OIPA)

Purpose and Mission

State and local governments can enhance credibility with the taxpayers by implementing performance audits to support accountability and ensure that tax dollars are spent as effectively as possible.

PPS performance auditing, conducted by the OIPA, is an objective and systematic examination of evidence to provide an independent assessment of a government organization, program, activity, or function. The goal of these audits is to improve program effectiveness; improve the equity of service delivery; provide useful, objective, and timely information; strengthen administrative and management systems and controls; facilitate decision-making by parties with responsibility for overseeing or initiating corrective action; and improve student achievement District-wide. The objectives of performance audits vary, but generally address whether PPS is operating economically and efficiently, and/or whether it is achieving desired results.

The purpose of the internal performance audit function is to help improve the accountability and performance of PPS through independent auditing and reporting.

Independence and Objectivity

The OIPA Senior Internal Performance Auditor is hired, evaluated, and may only be removed by the PPS Board of Education. Reporting directly to the PPS Board of Education is meant to ensure the work of the OIPA is independent, impartial, and objective so stakeholders can trust the audit results and recommendations.

Standards

The OIPA adheres to very rigorous and demanding professional auditing requirements described in Generally Accepted Government Auditing Standards, or more commonly referred to as GAGAS or the Yellow Book.

Authority and Responsibilities

The authority and responsibilities of the OIPA are defined in its charter and PPS Board Policy 1.60.040-P, both approved by the PPS Board of Education.

Executive Summary

Student Body Funds (SBF) represent monies held on behalf of students, which come from donations, fees, gifts, grants, and other monies primarily from parents, students, community members, and local businesses. Most are given for designated purposes and are held in activity accounts that are restricted for the designated use.

PPS Policy and state law require SBF expenditures to be made for goods and services that provide a direct benefit to students.

The SBF Audit was requested by members of the Portland Public Schools (PPS) Board of Education to address the high level of risk associated with the handling of SBF. The SBF Audit was included in the Audit Plan approved by the Portland Public Schools (PPS) Board of Education on January 12, 2021, resolution number 6227.

The objective of the audit was to determine whether the school district has adequate internal controls in place to ensure the complete and accurate accounting, tracking, and safeguarding of SBF.

To meet the objective of the audit, we selected eight schools for testing. To ensure we had a variety of schools, we selected the schools using the methodology listed below:

- One Title 1 (TI) Elementary School
- One Targeted Supports for Improvement (TSI) Middle School
- One Comprehensive Supports for Improvement (CSI) High School
- School with largest SBF receipts
- School with smallest SBF receipts
- One new school
- Two schools that were identified by Accounting Services Department

Based on the results of the audit, we found the school district's internal controls over SBF need to be strengthened to maintain the overall integrity of SBF. The audit did not identify any evidence of intentional fraud, but did identify opportunities for improvement, and some instances of noncompliance. The corresponding audit results and recommendations are included in this audit report.

The audit made seven recommendations and the Accounting Services Department agreed with all seven.

Below is a list of the recommendations:

1. We recommend the Accounting Services Department strengthen internal controls to ensure:
 - The required SBF training is completed prior to granting the staff access to the SBF Accounting systems and appointing them as authorized bank signers.

- Access to the SBF accounting system and the authorization at bank signers is terminated timely when staff change roles or leave PPS employment.
2. We recommend the Accounting Services Department require all staff (including Principals) with SBF management or oversight responsibilities complete the SBF training.
 3. We recommend the Accounting Services Department strengthen internal controls to ensure SBF transactions are for allowable purposes and are adequately supported by the required documentation.
 4. We recommend the Accounting Services Department strengthen internal controls to ensure SBF Monthly Reconciliation Reports are complete, timely, and contain all required documents; and deposits of SBF funds are timely.
 5. We recommend the Accounting Services Department perform the SBF District Review procedures to provide adequate oversight of SBF funds and ensure complete and accurate accounting, tracking, and safeguarding of SBF.
 6. We recommend the Accounting Services Department develop a formal SBF Training course in the PPS professional development application (Pepper) and develop internal control procedures to ensure the training module is reviewed annually and updated when necessary.
 7. We recommend PPS discontinue the utilization of the SBF account as a pass-through account for non SBF related revenues and expenditures or update the SBF policy, administrative directives, SBF manual, and SBF training to include adequate guidance and oversight of these pass-through funds.

Background Information

What are Student Body Funds?

Student Body Funds (SBF) are donations, fees, gifts, grants and other monies that come into a school primarily from parents, students, community members and local businesses. SBF are raised or collected by and/or for school approved student groups in which the school district prescribes the purposes for how money is obtained and used. Most SBF are given for a specific purpose, so funds are held in activity accounts that are restricted for designated uses.

Examples of SBF revenues include: textbook security deposits, locker deposit, PE attire fees, towel fee, musical instrument fee, optional course fee, admission fee, optional field trips, voluntary health and accident insurance plans and fundraisers.

Examples of SBF expenditures include: class activities and field trips, student events, dances, parties, out-of-town student contests and events, and the purchase of student supplies for classroom use.

School Year	SBF Revenues	SBF Expenditures	SBF Fund Balance
2021-2022	\$4,556,690.97	\$3,964,720.24	\$5,893,702.94
2020-2021	\$1,833,364.45	\$1,894,120.01	\$5,301,732.21
2019-2020	\$5,699,728.45	\$6,333,761.37	\$5,362,487.77

Who manages SBF?

Each school is responsible for the management of its own SBF. To ensure compliance with state laws and PPS policy and procedures, the Accounting Services Department created the SBF Manual. The SBF Manual is designed for secretaries, bookkeepers, and principals, all of whom have critical roles to play in the successful administration of SBF.

Secretaries and Bookkeepers are expected to understand requirements for:

- Cash handling
- Receiving funds and recording receipts accurately
- Making deposits
- Issuing checks and direct vouchers
- Monthly financial report preparation
- Bank reconciliation
- File documentation and archiving

Principals, bookkeepers, and secretaries are jointly responsible for running, monitoring, and reviewing monthly reports together. Each principal is ultimately responsible for the

oversight and administration of SBF. Bookkeepers and secretaries are responsible for ensuring that proper documentation and approvals are obtained and retained for all transactions. This joint responsibility is an integral part of internal control and necessary to successful financial administration of the school.

Who provides oversight for SBF?

SBF are reviewed by the District Accounting Staff to ensure that cash, receipts, payments and adjustments are handled in accordance with PPS guidelines.

A SBF District Review function has been established to perform periodic reviews that assess compliance with the requirements. The frequency of a SBF Internal Review for a particular school is based on several risk factors which are described in the SBF Manual.

Why is SBF monitoring important?

SBF are considered high risk because there are limited controls and minimal oversight coupled with significant reliance on school based staff with potentially little or no capacity or training to adequately manage or account for these funds, increasing the risk of theft or loss.

Prior Audit History

In 2016, a PPS District-Wide Risk Assessment was conducted by Talbot, Korvola & Warwick, LLP (TKW). In the report that was issued by TKW on April 11, 2016, they stated: A District-wide risk assessment was conducted to identify the business/support operational programs, program components, activities, overlapping areas and specific internal and external functions that currently pose the greatest level of risk to PPS in meeting its defined mission, goals, and objectives.

TKW's risk assessment scoring for the SBF is described below:

Objective/Goals:

To provide for complete and accurate accounting, tracking and safeguarding of student body funds.

Inherent Risks:

- Unable to complete in a timely manner
- Exceed budget
- Inefficient use of dollars
- Non-compliance

- Hurt public perception
- Injury
- Poor quality
- Potential internal control issue

- Equity in Public Purchasing and Contracting
- Other - misuse/misappropriation of student funds

Criteria	Rating	Comments
Likelihood/probability of identified inherent risks occurring	5	Limited controls and minimal effective oversight coupled with significant reliance on school-based staff with potentially little or no capacity, training, or competence to adequately manage or account for these funds, increases the risk of theft or loss.

Risk Mitigation: Degree of Risk associated with the ability of defined criteria to mitigate identified inherent risks

Criteria	Weighting	Rating	Score	Comments
Owner Identified?	10%	5	0.50	School principals have the ultimate responsibility for the complete and accurate accounting of funds. They may or may not have capability or capacity to appropriately exercise that responsibility.
Process Maturity (Lessons Learned, Policies/Procedures in Place, Experience)	35%	4	1.40	Policies/procedures are in place. Communication and training is annual, but considered ineffective with rates of turnover in positions at schools and inadequate monitoring.
Implementation (Following Policies/Procedures, Historical Knowledge)	40%	5	2.00	Inadequate oversight and monitoring leads to lack of accountability to the policies and procedures, and subsequently a divergence in practices. Those with responsibility are ill-prepared and lack capacity and capability to effectively handle the requirements of student body fund accounting and reporting, and the accompanying stewardship responsibilities.
External Monitoring?	0%	0	0.00	External monitoring is not a mitigating factor.
Internal Q/A or Q/C	10%	4	0.40	District has two employees with responsibility to "audit" and monitor student funds. Insufficient allocation of time and staff resources to adequately monitor 80 plus schools and their respective funds.
Appropriate Resources	5%	5	0.25	The District has not allocated sufficient resources in terms of time, training, communication, oversight, or monitoring.
Rating Score	100%		4.55	

Rating/Degree of Risk	
1	Low Best Practices constantly being monitored, used, and updated.
2	Low-Moderate Best Practices being monitored, used, and updated. Minimal risk.
3	Moderate Some level of risk. Some Best Practices not in place. Potential for negative outcomes.
4	High Potential serious risks likely to occur.
5	Very High No recognition of any risk, or any procedures in place.

Summary:

Student body funds represent monies held on behalf of students, resulting from a combination of fundraising and fees. Amounts are to be spent by students for students. There is high risk/opportunity for fraud in this area due to lack of competent accounting skills and lack of effective controls in the schools.

We noted there was no formal response from school district management included in the TKW Risk Assessment report.

Although the risk assessment was completed over eight years ago, we met with the Sr. Director of Finance, Accounting Services to gain an understanding of the school district's response to the risk assessment. According to the Sr. Director of Finance, Accounting Services, the risk assessment was performed before they were employed with PPS and they were not familiar with the report.

Roles and Responsibilities

PPS Management has the primary responsibility for establishing, implementing, and monitoring internal controls in order to have a successful administration of the SBF. Internal Audit's function is to assess and test those controls in order to provide reasonable assurance that the controls are adequate and operating effectively.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (aka GAGAS). Those standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We have implemented an internal quality

control process to ensure standards are met but have not undergone an external quality review as required by standards.

Audit Objective

The objective of the audit is to determine whether the school district has adequate internal controls in place to ensure the complete and accurate accounting, tracking, and safeguarding of SBF.

To achieve the audit objective, we performed the following procedures:

1. Determine if staff assigned with SBF responsibilities have completed the required training before being granted access to the SBF accounting systems and assigned as authorized bank signers, and whether access is terminated timely when necessary.
2. Determine whether SBF transactions are for allowable purposes and adequately supported by the required documentation.
3. Determine whether the SBF Monthly Reconciliation Reports are complete, timely, and contain all required documents; and whether deposits of SBF funds are timely.
4. Determine whether the SBF District Review provides adequate oversight of SBF funds to ensure complete and accurate accounting, tracking, and safeguarding of SBF.
5. Determine whether the SBF policy, administrative directives, SBF Manual and SBF training material contain adequate instructions and are reviewed and updated as necessary.

Scope of the Audit

The scope of the audit included SBF transactions that occurred during the 2021-2022 school year (July 1, 2021 - June 30, 2022).

Audit Approach and Methodology

Our audit approach and methodology used to achieve the audit objective included the following:

- Planned the audit with input and cooperation of the Accounting Services Department to ensure we had an adequate understanding of the SBF.
- Reviewed applicable state laws, policies, procedures, administrative directives, and best practices.
- Reviewed the SBF Manual as well as other SBF resources and information posted on the Accounting Services Department webpages.
- Reviewed the required training for PPS staff who are tasked or assigned to the student body funds activities.

- When appropriate, judgmental sampling was used to improve the overall efficiency of the audit.
- Reviewed available data and supporting documentation to corroborate information obtained during interviews with PPS staff.

Conclusion

Based on the results of the audit, we found the school district's internal controls over SBF need to be strengthened to maintain the overall integrity of student body funds. The audit did not identify any evidence of intentional fraud, but did identify opportunities for improvement, and some instances of noncompliance. The corresponding audit results and recommendations are included in this audit report.

Procedure 1: Determine if staff assigned with SBF responsibilities have completed the required training before being granted access to the SBF accounting systems and assigned as authorized bank signers, and whether access is terminated timely when necessary.

Background Information

The Accounting Services Department provides SBF training annually during the summer back to school administrative support days. If staff who need the training are unable to attend the training during the back to school admin support days, the SBF Accountant provides one-on-one training.

The “SBF Training Checklist” documents a summary of the training completed and has a place for the employee and the SBF Trainer to sign acknowledging the completion of the training.

The SBF training is only required for staff new to the role. Once the training has been completed, ongoing annual training is not required.

Changes in school administration/staff may require changes to the SBF account’s bank signature card. The SBF manual states that Principals, bookkeepers, and secretaries should ensure these changes are made at the start of every school year and to notify the SBF Accountant and Treasury Manager immediately of any position changes for any individual who is a check signer on the SBF account.

The SBF Accountant maintains a list of staff assigned SBF responsibilities. Per discussion with the SBF Accountant, the list of staff assigned SBF responsibilities is not routinely reviewed and updated. The list is updated when the SBF Accountant is notified of a change of roles or staff members have left PPS employment. During the 2021-2022 school year (July 1, 2021 - June 30, 2022) which was the scope of the audit, the list of 175 staff assigned SBF responsibilities was last updated on December 28, 2022.

Procedure 1: Results

- At the eight schools selected for testing, we identified 10 staff members (other than Principals who were not required to take the training) assigned SBF responsibilities during the 2021-2022 school year. We found there was no evidence that three of the 10 staff completed training before they were provided access to the SBF Accounting systems and assigned as authorized bank signers.
- We tested 30 of the 175 staff on the SBF Accountant’s list of staff assigned SBF responsibilities to ensure the list was accurate and updated. We identified two of the 30 staff tested who had changed roles or left PPS employment and should no longer have access to SBF Accounting systems and should also be removed as bank signers.

Procedure 1: Recommendations

1. We recommend the Accounting Services Department strengthen internal control to ensure:
 - The required SBF training is completed before granting the staff access to the SBF Accounting systems and appointing them as authorized bank signers.
 - Access to the SBF accounting system and the authorization at bank signers is terminated timely when staff change roles or leave PPS employment.
2. We recommend the Accounting Services Department require all staff (including Principals) with SBF management or oversight responsibilities complete the SBF training.

To assist the Accounting Services Department with the implementation of these recommendations we provided additional details in Appendix F: Recommendations for Consideration.

Procedure 1: Management's Response to Recommendations

Recommendation 1. We agree with the recommendation and will include implementation actions in our implementation plan presented to the Audit Committee within 120 days. We have worked with HR and now receive a list of current staff once a month to verify/update authorized signers.

Recommendation 2. We agree with the recommendation and will include implementation actions in our implementation plan presented to the Audit Committee within 120 days.

Procedure 2: Determine whether SBF transactions are for allowable purposes and adequately supported by the required documentation.

Background Information - Allowable Transactions

PPS Policy and state laws require SBF to be spent for the general welfare of the student body and not for general operations. The SBF Manual provides a detailed list of allowable and unallowable SBF disbursements.

Examples of allowable SBF disbursements include:

- Class activities and field trips
- Student incentives – should not be greater than \$50 per student; for more guidelines around the use of incentives see the Administrative Directive: Use of Funds for Meals, Refreshments, and Student Incentives <https://www.pps.net/Page/231>
- Student events, dances, parties
- Out-of-town student contests and events
- Purchase of student supplies for classroom use
- Small gifts of appreciation for volunteers
- Reimbursement for reasonable tipping (up to 20%) is permitted for meals at a restaurant and for food deliveries
- If a staff member purchased supplies in Washington and has a receipt showing sales tax was paid, the amount of the sales tax may be reimbursed from SBF

Examples of unallowable SBF disbursements include:

- Employee travel advances, and/or related expenses for local or out-of-town travel (except when accompanying students) are prohibited. All airline ticket purchases need to be handled through the Travel Desk in Accounts Payable.
- Employee registration fees
- Reimbursements to parents/volunteers that need to be charged to an account code must be processed through the District Accounts Payable Department
- Reimbursements to District employees must be submitted to District Accounts Payable for payment within 60 days of the purchase
- Payments to District employees for services performed in addition to their regular duties must be processed through the District Payroll Department
- Purchases for staff members; equipment, meals, supplies, staff appreciation
- Payments for fixed assets, office equipment, and building repair needs
- Alcohol, tobacco products, adult entertainment
- Gift cards **except:**
 - o To meet the immediate needs of homeless students
 - o A grant explicitly provides for gift cards
 - o With written pre-approval from the CFO

Background Information - Supporting documentation

State and federal laws require school districts to adhere to record retention requirements. PPS has incorporated the state and federal law requirement into PPS' School Records Retention Administrative Directive 2.50.022-AD, which states in part:

Each school should adhere to the requirements of the School Records Retention Schedule provided by the district. The minimum retention requirements listed in the School Records Retention Schedule must be followed to ensure compliance with state and federal statutes and established district needs. - Section (1)

The SBF Manual provides a records retention schedule detailing the number of years each document type is required to be retained. Depending on the type of document, PPS is required to retain supporting documentation related to SBF transactions for six to 12 years.

Supporting documentation requirement for SBF transactions include the following, but not limited to:

- Adequate documentation in support of all disbursements;
- Purchase Approval Form for all purchases equal to or greater than \$500;
- (documentation related to) Out-of-town student contests and events;
- invoices for goods received;
- Personal Services Contracts invoice for work performed;
- Original receipts; and for pass thru accounts: a detailed report of receipts from EPES showing the collections to be remitted.
- Donations of \$250 - \$4,999 require a completed Charitable Contribution Acknowledgement form or receipt.
- Donations of \$5,000 or more, require a completed Charitable Contributions Acknowledgement form and the Request for Authorization to Receive Donation form.

Procedure 2: Results

OIPA selected eight schools and reviewed the SBF Monthly Reconciliation Reports for the entire school year 2021-2022 for each school, a total of 96 reports. The 135 SBF transactions selected for testing were judgmentally selected from the 96 monthly reconciliation reports.

We tested 135 SBF transactions and noted the following:

- Out of 42 disbursements that were equal to or >\$500, 20 (total of \$116,977.12) did not have the required Purchase Approval Form completed.
- There were three donations that were \$5,000 or greater (total of \$20,000) that did not have both the Request for Authorization to Receive Donation form or Charitable Contributions Acknowledgment form completed as required.

- Three SBF expenditures (total of \$5,230) for gameworkers did not have the confirmation of payments to the gameworkers completed. There was no evidence of amounts paid to each gameworker; and they lacked the required SBF Disbursement documentation. Further, we noted expenditures for gameworkers is not an allowable SBF expenditure. (More information related to these expenditures is included in the Procedure 5: Results section.)
- SBF expenses (total of \$2,648.76) for an out-of-town student trip did not contain the following required documentation:
 - Pre-travel authorization form signed by the trip leader and approved by the Principal,
 - Memo describing the trip and purpose,
 - Copy of the contract,
 - Copy of the roster of students and adults who were on the trip.
- There were 10 expenditures (total of \$5,765.59) where the check stubs were only the documents or records that the school had. On one of the stubs (total of \$400), it was written that it was for 'reimbursement for staff lunch' which is not an acceptable SBF expense, and the auditor was unable to verify if the other checks issued were for allowable SBF expenses, as there were no supporting documents.
- There were two fundraising events that did not have written evidence of the Principal's prior approval before the event.
- One of the eight schools selected for testing, reported the loss of all supporting documentation for SBF transactions for the 2021-2022 school year. As a result, we were unable to tie SBF transactions to the required supporting documentation. The school reported \$520,327.28 in revenue and \$526,676.91 in disbursements during the 2021-2022 school year. We noted the loss of these documents took place when the school moved into its new location.

Procedure 2: Recommendations

3. We recommend the Accounting Services Department strengthen internal controls to ensure SBF transactions are for allowable purposes and are adequately supported by the required documentation.

To assist the Accounting Services Department with the implementation of these recommendations we provided additional details in Appendix F: Recommendations for Consideration.

Procedure 2: Management's Response to Recommendations

Recommendation 3. We agree with the recommendation, Accounting Services had 2.0 FTE and could follow the full SBF District Review procedures. Since there has been a reduction to 1.0 FTE, review procedures have been modified to align with the current staffing level. It would take an additional FTE to return to the full review procedural process.

Procedure 3: Determine whether the SBF Monthly Reconciliation Reports are complete, timely, and contain all required documents; and whether deposits of SBF funds are timely.

Background Information - SBF Monthly Reconciliation

Monthly reconciliation reports for SBFs are required; even if the site does not report any SBF activities for the month.

The Principal, secretary, and bookkeeper duties for monthly reconciliation and processes for reconciling monthly reports are detailed in the SBF Manual.

Secretary/Bookkeepers Duties

- Record all monthly disbursements and adjusting journal entries into the EPES accounting software.
- Reconcile the cash balance in the accounting program to the monthly bank statement.
- Print all required month-end reports in the following order:
 - Bank Reconciliation report
 - Bank Statement (copy)
 - If there are deposits in transit provide supporting documentation (i.e.; copy of bank deposit receipt, SchoolPay transaction report or SchoolPay batch report)
 - Activity Ledger report for the month
 - Outstanding Checks report for the month
 - Sequential List of Checks canceled, by check number
 - Sequential List of Receipts for the month, by receipt number
 - List of Journal Adjustments (if any)
 - List of Activity Transfers (if any)
- Attach copies of all signed Activity Account Transfer forms and supporting documentation
- Attach the wire statement and wire backup
- Sign the Bank Reconciliation report, Activity Ledger report and the Journal Adjustment (if any) for the month
- Review this packet with the Principal
- Obtain Principal's signature on the Bank Reconciliation report and the Activity Ledger report
- File the original signed documents to keep in your monthly SBF file.
- Scan original signed documents to sbf@pps.net no later than the 25th of the following month

Principal Duties

- Review and sign the monthly bank reconciliation report.

- Review and sign the month end ledger report and note any negative balances. Obtain a reasonable explanation for account deficits (i.e. inventory on hand, reimbursement not yet received, etc.)

The SBF Manual also states:

- Timely reporting is vital to maintaining proper internal controls over the checking account. If a situation arises where you cannot meet the filing deadline, it is your responsibility to notify the SBF Accountant about your situation.
- Two late reports in a row may result in suspension of access to the school's checking account and EPES.

The SBF Bank Reconciliation Cover Sheet (see appendix D) is included on the SBF website under the instructions category. The SBF Bank Reconciliation Cover Sheet lists a summary of all the items to be included, and states it (the cover sheet) should be included with the Bank Reconciliation Report.

Background Information - Deposits of SBF Funds

The SBF Manual states timely deposits of SBF funds are required.

- Pre K-8th grade schools are required to make deposits to the bank at least weekly or whenever cash and checks total \$500 or more
- High schools must make daily deposits via armored car

Procedure 3: Results

At each of the eight schools selected for testing, we reviewed the SBF Monthly Reconciliation Reports for the entire 2021-2022 school year, a total of 96 reports.

We noted the following:

- At one school, six of the 12 required SBF Monthly Reconciliations reports were late, one was not submitted at all.
- Four of the 96 SBF Monthly Reconciliation reports tested, were not signed/approved by the Principal.
- 30 of 96 SBF Monthly Reconciliation reports did not include the Monthly Reconciliation Cover Sheet.
- There were three deposits >\$500 (total of \$3,952.20) that were not deposited on the same day the deposit slips were completed, and bank receipts were not obtained on two of these three deposits. The deposit were:
 - \$1,201.00 - deposit slip was created on 6/3/2022 (Friday) but not deposited until 6/6/2022 (Monday), and there was no bank receipt.
 - \$1,335.20 - deposit slip was created on 6/17/2022 (Friday) but not deposited until 6/22/2022 (Wednesday), and there was no bank receipt.

- \$1,416.00 - deposit slip was created on 5/5/2022 (Thursday) but not deposited until 5/6/2022 (Friday).

Procedure 3: Recommendation

4. We recommend the Accounting Services Department strengthen internal controls to ensure SBF Monthly Reconciliation Reports are complete, timely, and contain all required documents; and deposits of SBF funds are timely.

To assist the Accounting Services Department with the implementation of these recommendations we provided additional details in Appendix F: Recommendations for Consideration.

Procedure 3: Management's Response to Recommendations

Recommendation 4. We agree with the recommendation and will include implementation actions in our implementation plan presented to the Audit Committee within 120 days.

Procedure 4: Determine whether the SBF District Review provides adequate oversight of SBF funds to ensure complete and accurate accounting, tracking, and safeguarding of SBF.

Background Information

SBF activities are reviewed by District Accounting Staff to ensure that cash, receipts, payments and adjustments are handled in accordance with PPS guidelines.

The SBF Manual states, SBF Reviews by District Accounting Staff are conducted using a risk based approach. The frequency of review for a particular school is based on several risk factors and is established annually to give particular attention to schools with the following:

- Schools with a large volume and dollar amount of transactions
- Schools with a history of review findings
- Schools with new principals, secretaries and bookkeepers
- Schools that are experiencing management issues with their SBF funds
- Schools that have missed a regular review Schools may also be reviewed on request of someone with a particular concern.
- TIP: If there is a change in either the Secretary/Bookkeeper or the Principal, there is a very high chance your school will be reviewed for that year.

The SBF Manual also includes a list of documents that should be made available during the review.

Procedure 4: Results

District Accounting staff did not perform the SBF District Review procedures during the 2020-2021 school year. According to the Sr. Director of Finance, Accounting Services, the SBF District Review has not been performed since the 2019-2020 school year due to a lack of resources.

Procedure 4: Recommendation

5. We recommend the Accounting Services Department perform the SBF District Review procedures to provide adequate oversight of SBF funds and ensure complete and accurate accounting, tracking, and safeguarding of SBF.

To assist the Accounting Services Department with the implementation of these recommendations we provided additional details in Appendix F: Recommendations for Consideration.

Procedure 4: Management's Response to Recommendations

Recommendation 5. We agree with the recommendation. Accounting Services had 2.0 FTE and could follow the full SBF District Review procedures. Since there has been a reduction to 1.0 FTE, review procedures have been modified to align with the current staffing level. It would take an additional FTE to return to the full review procedural process.

Procedure 5: Determine whether the SBF policy, administrative directives, SBF Manual and SBF training material contain adequate instructions and are reviewed and updated as necessary.

Background information:

Policy and Administrative Directives

We noted the policy related to SBF is detailed in Policy 440.030-P Student Body Funds (see Appendix A). The policy was last amended in 2002.

Administrative directives 4.40.031-AD Student Body Funds - Expenditures (see Appendix B) and 4.40.032-AD Student Body Funds - Procedures (see Appendix C) both provide guidance related to SBF. Both administrative directives were last amended in 2002.

We discussed the policy and administrative directives with the Accounting Services staff responsible for the oversight of SBF. We noted there were no specified procedures to review the policy and administrative directives annually, which is typically considered best practices.

In our review of the policy and administrative directives we noted they each provide adequate and appropriately high level content that would not require updates unless there were to be a substantive change to the purpose of SBF.

SBF Manual

The SBF Manual is posted on the Accounting Services/SBF webpage where it is readily accessible. We reviewed and discussed the SBF Manual with the Accounting Services staff responsible for creating and updating it. We noted the SBF Manual is updated as needed. The SBF Manual we used for the purposes of this audit was updated in September 2021.

We used the SBF Manual as a reference guide in our testing of SBF transactions. For each of the transactions we tested, we found the SBF Manual had detailed instructions on how the transaction should be treated.

We noted the SBF Manual was updated again in August 2023 and posted on the Accounting Services/SBF webpage.

SBF Training

The Accounting Services Department provides one on one training to new staff who are assigned SBF responsibilities. The SBF Training Checklist is included in the SBF Manual. We attended a one on one training provided to a new staff member who had been assigned SBF responsibilities. We observed as each item on the SBF Training

Checklist was discussed. We found the one on one training to be informative, customizable, and thorough. We observed how the trainer was able to skim over sections of the training that the trainee seemed to pick up quickly, and was also able to be more detailed in other areas that seemed to be more complicated.

Procedure 5: Results

In our consideration of the SBF's policy, administrative directives, manual, and training slides, we noted no guidance as it relates to the utilization of the SBF fund as pass-through for activities that are not SBF related. For example, the cost of admissions to athletics events is receipted into the SBF account and the cost of gameworkers is paid for with SBF; however these are not related to SBF activities.

In our Procedure 2: Results section, we identified the following:

- Three SBF expenditures (total of \$5,230) for gameworkers did not have the confirmation of payments to the gameworkers completed. There was no evidence of amounts paid to each gameworker; and they lacked the required SBF Disbursement documentation. Further, expenditures for gameworkers is not an allowable SBF expenditure.

This transaction illustrates how the utilization of the SBF account as a pass-through account for non-SBF related activities does not provide adequate accountability, management, and oversight of the pass-through funds. Although the expenditure were initially made from the SBF account, SBF related guidance in the policy, administrative directive, SBF manual, and the SBF training do not provide guidance for the utilization of SBF funds in this way.

Policy and Administrative Directives

We determined the policy and administrative directives each provide adequate and appropriately high level content that would not require updates unless there were to be a substantive change to the purpose of SBF. However, the policy and administrative directives lacks adequate guidance and oversight of revenue and expenditures that are passed through the SBF account.

SBF Manual

We determined the SBF Manual contained adequate instructions and was reviewed and updated as necessary. However, the SBF Manual lacks adequate guidance and oversight of revenue and expenditures that are passed through the SBF account.

SBF Training

We determined the SBF training provided adequate instructions and was reviewed and updated as necessary; however, a formal training module developed in the PPS professional development application (Pepper) would better ensure staff is provided the robust training necessary to perform their SBF responsibilities. However, the SBF Training lacks adequate guidance and oversight of revenue and expenditures that are passed through the SBF account.

Procedure 5: Recommendations

6. We recommend the Accounting Services Department develop a formal SBF Training course in the PPS professional development application (Pepper) and develop internal control procedures to ensure the training module is reviewed annually and updated when necessary.
7. We recommend PPS discontinue the utilization of the SBF account as a pass-through account for non SBF related revenues and expenditures **or** update the SBF policy, administrative directives, SBF manual, and SBF training to include adequate guidance and oversight of these pass-through funds.

To assist the Accounting Services Department with the implementation of these recommendations we provided additional details in Appendix F: Recommendations for Consideration.

Procedure 5: Management's Response to Recommendations

Recommendation 6. We agree with the recommendation and will include implementation actions in our implementation plan presented to the Audit Committee within 120 days. Accounting Services has recently worked with IT to create the initial Pepper Training shells so that we can work on creating the actual Pepper Trainings.

Recommendation 7. We agree with the recommendation and will include implementation actions in our implementation plan presented to the Audit Committee within 120 days.

4.40.030-P Student Body Funds

- (1) All funds of all school and school related student groups shall be received, deposited, expended and accounted for by the school bookkeeper under the direction of the principal and in accordance with provisions of a central plan of accounting established and supervised by the office of the superintendent.
- (2) In raising funds, any type of door-to-door sales promotion or solicitation is prohibited by the student body, class, club or other units of the school, except that tickets to school programs may be sold in that manner. There shall be no solicitation of homes for any purpose except the sale of tickets to school functions.

Legal References: ORS 294.305 - 294.565 [Local Budget Law]; ORS 328.441 - 328.470; OAR 581-022-1660 (2)

History: Adpt 6/71; Amd 9/9/02; BA 2420



Appendix B: Student Body Funds - Expenditures 4.40.031-AD



Administrative Directive

4.40.031-AD

4.40.031-AD Student Body Funds - Expenditures

- (1) All funds expended by any school, or by any or all organizations operating within the school, shall be within provisions of budgets established by appropriate student/faculty/administrator committees and approved by the respective organization advisor and/or the school principal or his/her designated representative. Expenditures in excess of an amount specified from time to time by the office of superintendent for equipment, supplies or services shall require approval of the Director of Purchasing before such expenditure may be made.
- (2) Purchase by a school of equipment which will require special installation or which will require district maintenance must receive approval of Facilities and Assets Management Department.
- (3) Purchases by a student body or school group of uniforms, yearbook printing, student photographs or of other materials or services conducted in accordance with established board policy and Administrative Directives governing purchases with and without bids and the Contracting and Purchasing Manual.

Policy Implemented: 4.40.030-P

History: Adpt. 6/71; Amd. 5/84 ed.; Amd. 9/95 ed.; Amd. 9/01/02

For official use only	
Approved:	
	<u>9/01/02</u>
_____ Superintendent	_____ Date



Administrative Directive

4.40.032-AD

4.40.032-AD Student Body Funds – Procedures

(1) **Custody of Money.**

- (a) Necessary and proper precautions should be taken for the safeguarding of large amounts of money that are handled in the schools during the opening weeks of school. Deposit vaults should not contain large amounts of money and should not be left unlocked. Bookkeepers or other adults in charge of the depository area should not leave the area without first locking the depository and making certain that keys are properly accounted for.
- (b) All monies collected in connection with student activities and programs shall be deposited daily at the high school level and weekly at the elementary and middle school levels unless accumulated funds reach \$500 in which case deposits are required that day.

(2) **Funds — Transfer.**

- (a) When a new high school in the district is opened and a substantial segment of the students from another high school are transferred to the new school, an equitable portion of the existing high school's student body funds may also be transferred to the new school's student body fund.
- (b) Authorization of the transfer shall be obtained by action of the existing high school's student body voted upon by its members in accordance with such rules and bylaws as exist for its government and the government of its members.

Policy Implemented: 4.40.030-P

History: Adpt. 6/71; Amd. 9/01/02

For official use only	
Approved:  _____ Superintendent	<u>9/01/02</u> Date

Appendix D: Monthly Reconciliation Coversheet

Monthly Reconciliation Coversheet

Include a copy of this checklist with your Bank Reconciliation Report
Bank Reconciliation is due no later than the **25th** of the following month

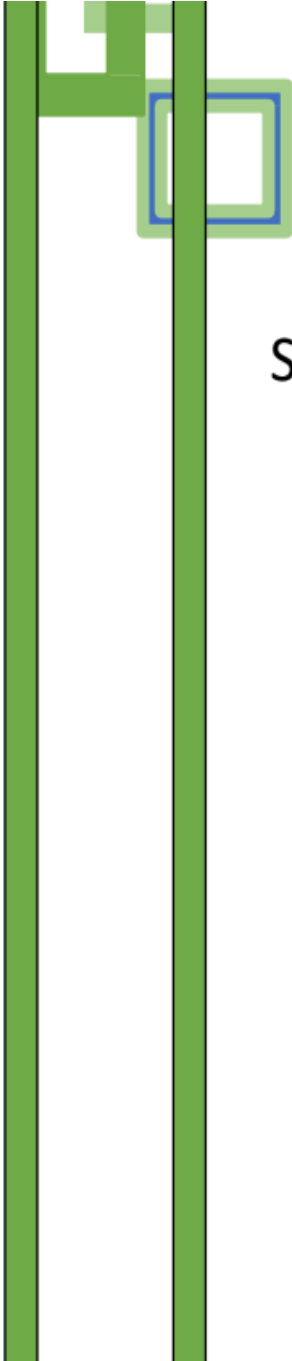


Scan to SBF in order of the checklist listed below

School Name: _____

- Bank Reconciliation Statement
- Bank Statement (Copy)
 - Outstanding deposits in transit - provide supporting documentation (i.e., copy of bank deposit receipt, SchoolPay transaction report, or SchoolPay batch report)
- Activity Ledger report for the month
- Outstanding Checks report for the month
- Sequential List of Checks, (**Date Canceled**), by check number
- Sequential List of Receipts for the month, by receipt number
- List of Journal Adjustment (if any), this report requires a signature;
- List of Activity Transfers (if any) Do not forget to attach copies of the Activity Account Transfer form and supporting documents signed off by the principal - form is located on the SBF website under the tab labeled "FORMS"
- Attach the wire statement and wire backup supporting documentation received from AR Department
- Sign the Bank Reconciliation report and the activity ledger for the month
- Obtain Principal's signature on the Bank Reconciliation and Activity Ledger report
- Scan original signed documents to SBF@pps.net no later than the 25th on the following month
- File the original signed packet to keep in your monthly SBF files

Scan to SBF@pps.net
Student Body Funds-BE/SC



Student Body Funds Manual

Updated September 2021



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CONTACTS

STUDENT BODY FUNDS

Rachel Spires, SBF Coordinator	sbf@pps.net	503-916-3757
Ashley Finch, GL Manager	afinch@pps.net	503-916-3153

SOFTWARE SUPPORT

EPES Support	support@epes.org	800-237-6498
SchoolPay Support	support@schoolpay.com	888-886-9729

ACCOUNTS RECEIVABLE

Teresa Eckblad, Cashier	accountsreceivable@pps.net	503-916-3762
Jill Bellone, AR Accountant	accountsreceivable@pps.net	503-916-3767
Michael Nixon, Treasury Manager	mnixon@pps.net	503-916-3370

ACCOUNTS PAYABLE

Invoice Processing	ppsap@pps.net	503-916-3112
Travel Desk	traveldesks@pps.net	503-916-3378
Rebecca Dingman, AP Manager	rdingman@pps.net	503-916-3751

PURCHASING AND CONTRACTING

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BUDGET AND GRANT ACCOUNTING

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CONSOLIDATED SCHOOL BUDGET

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DIRECTOR OF FINANCIAL SERVICES

Tracy Pinder, Director of Financial Services	tpinder@pps.net	503-916-3327
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Note: This manual and forms referenced herein are available at the Student Body Funds portion of the PPS website.
<https://www.pps.net/Page/1129>



INTRODUCTION

What are Student Body Funds?

Student body funds are donations, fees, gifts, grants and other monies that come into a school primarily from parents, students, community members and local businesses. Most are given for a specific purpose, so we hold them in activity accounts that are restricted to designated uses. Student body fund expenditures are made for goods and services that provide a direct benefit to students.

This manual is designed for Secretaries, Bookkeepers and Principals, all of whom have critical roles to play in the successful administration of Student Body Funds. Student Body Funds is one source of money for schools to manage, derived mainly from fees and donations, and held in a Wells Fargo checking account. In addition to managing Student Body Funds, you will also be responsible for spending your school's consolidated budget and grant funds.

Principals, bookkeepers and secretaries are jointly responsible for running, monitoring and reviewing monthly reports together. Each principal is ultimately responsible for the oversight and administration of Student Body Funds. Bookkeepers and secretaries are responsible for ensuring that proper documentation and approvals are obtained and retained for all transactions. This joint responsibility is an integral part of internal control and necessary to successful financial administration of the school.

Secretaries and Bookkeepers are expected to understand basic District requirements for:

- cash handling
- receiving funds and recording receipts accurately
- making deposits
- issuing checks and direct vouchers
- monthly financial report preparation
- bank reconciliation
- file documentation and archiving

A Student Body Funds Internal Review function has been established to perform periodic reviews that assess compliance with the requirements. The regular Review schedule may be revised on an annual basis. See the section on Student Body Funds Review in Appendix 2.

Student Body Funds Support staff and Accounting Services staff are here to support your efforts. Accounting Services Department is committed to improving and strengthening Student Body Funds processes.

As part of your job duties, you have a fiduciary responsibility to maintain the integrity of Student Body Funds. Because Student Body Funds are District resources, Accounting and Payroll Services is obligated to report serious errors and irregularities to Human Resources and the appropriate authorities.



CHAPTER 1: BANKING POLICIES



DISTRICT BANKING POLICIES

Opening or Changing Checking Accounts

No bank accounts are to be opened or changed without the approval of the District's Chief Financial Officer (CFO).

Bank Charges

Per agreement with Wells Fargo Bank, the District pays all bank charges. Should you find a bank charge on your statement please contact Accounts Receivable at extension 63005.

NSF Returned Checks

If a deposited check is returned for non-sufficient funds, the bank will deduct the amount of the check from your school's checking account. PPS incurs no bank fees for NSF's. An NSF is accounted for as a journal adjustment to receipts in EPES.

Stop Payments

To avoid a stop payment charge occurring on your statement, send an email to the Accounting Services Department, Treasury Manager for all stop payment requests with the following information:

- Your School Name
- Payee
- Date of check
- Amount of check

There is a bank charge to the District for each stop payment issued. Please do not request a stop payment for checks of less than \$50.

No Over-the-Counter Withdrawals

None of the schools' secretaries or bookkeepers are permitted to go into a bank branch and make "over the counter" withdrawals.

Third-Party Electronic Deposits Not Allowed

You should refrain from disclosing your bank account information to any 3rd party vendor without prior written authorization from District Accounting Services. Electronic deposits should go through your school's Parent Teacher Association (PTA) bank account, not your Student Body Funds account.

SBF Investment Accounts

Schools with more than \$50,000 in Student Body Funds may invest the excess every month in increments of \$1,000 to receive a higher interest rate. If you have questions about SBF Investment Accounts please contact the Treasury Manager and the Student Body Fund Coordinator.



SBF BANKING POLICIES

Purpose of Student Body Fund Checking Account

The SBF checking account allows schools to handle business quickly and efficiently at the school level. Student Body Funds (all types) are to be deposited and maintained at each school in a **single** Wells Fargo checking account. If any financial activity falls under the jurisdiction and responsibility of the school, it must be handled either through the school's Student Body Fund or through the District's financial system.

Additional Checking Accounts Not Allowed

Each school may have only one SBF checking account. There may **not** be any other checking accounts that refer to either the school or to the School District. If financial activity does not fall under the jurisdiction and responsibility of the school or the District, it should not be handled through Student Body Funds. Any checking account not specifically authorized by the District must **not** include:

- School name
- School address
- District Tax ID Number
- Any other reference to the District

Note: Your school Parent Teacher Association or Parent Teacher Organization may have a checking account in its own name that uses the school mailing address.

Faculty Funds

Funds such as social dues, that are used and managed at the school, during the school day, and for the benefit of the school and/or staff, may not be handled through the school checking account. Faculty funds may be held outside of Student Body Funds and administered separately. In this case, the monies should neither be kept at the school nor accounted for during school time or by school office staff.

Authorized Check Signers

All checks written from the school checking account require two authorized signatures. One of the signatures on the check must be the Principal or a designated administrator (Vice Principal or Assistant Principal) in the Principal's absence. All administrators who are authorized check signers will be held responsible for each check they sign.

Note: The principal can temporarily delegate their signature authority to another administrator in the case of their absence. (See form on the SBF website) Student Body should be informed before the absence when possible, and the administrator designated must be in writing by the principal. In the event that the principal has not delegated their authority prior to their absence, the Senior Area Director should designate an appropriate individual.

The second signature should be the secretary, bookkeeper, and/or business manager. Only authorized signers on file with the bank have the authority to sign checks. Authority continues until the bank is notified to delete the signer. The Accounting department keeps track of authorized signers at each school.

Any changes in school administrators may result in changes to the signature card. Principals, bookkeepers, and secretaries should ensure that these changes are made at the start of every school year. To update a signature card, send an email to the Student Body Fund Coordinator (sbf@pps.net) with the name(s) and title(s) or the new check signer(s) and the name(s) of check signers to be removed.



ORDERING BANK SUPPLIES

Following these procedures will ensure that the District's general account is charged for supplies rather than your school's checking account.

Checks - Pre-K to 8th Grade Schools

There is a "Reorder" check form in your school checkbook. It looks like a regular check but it is marked "Re-Order". You should send this form to: Cashier, Accounting Services Department, BESC. Please allow 3-4 weeks for your order to be received and processed. The checks will be mailed to your school.

Checks - High Schools

The high schools use computer printed checks. You should place your order through Tom Brock Forms (TBF) at 1-877-325-0189. When you receive your checks and the invoice, attach the invoice to a Direct Voucher payable to Tom Brock Forms. Completely fill out the Direct Voucher except for the account code and send it to: Cashier, Accounting Services Department, BESC.

Deposit Slips

All schools should send an original blank deposit slip to: Cashier, Accounting Services Department, BESC. Please allow 3-4 weeks for your order to be received and processed. The deposit slips will be mailed to your school.

Deposit Bags

Generally, only High Schools use Deposit Bags. Please contact the Cashier in Accounting Services to request deposit bags. The bags will be sent to you via PONY or you can come to the Accounting Services Department and pick them up from the Cashier.

Endorsement Stamp

Stamp a clean piece of paper with the endorsement stamp that you need replaced. Please send it to: Cashier, Accounting Services Department, BESC.

Please note that most endorsement stamps can be re-inked and do not normally need to be replaced.



SBF ACCOUNT ORGANIZATION

Beginning of the Year Checklist

- Review authorized signers on SBF checking account and update as needed
- Review activity account balances from the prior year
- Contact SBF support to request additions, edits and/or deletions to your activity account list as needed
- Check your supply of receipt books, checks, bank deposit slips, deposit bag and endorsement stamp
- Consider petty cash needs – establish, increase or reduce petty cash balance
- Determine schedule to meet with Principal to review finances – **at least once monthly**
- Discuss with principal plans to use consolidated/grants/SBF funds

Turnover of SBF Personnel

Inform the SBF Coordinator and Treasury Manager immediately of any position changes for any individual who is a check signer on the SBF account.

Physical Filing System

All schools must file their student body fund records in a uniform way. Make a folder or envelope for each month of the school year. July and August can be combined into one file since there is usually very little activity in July and August. In each monthly folder or envelope, include:

- Deposit back-up.
- Check copies/stubs with appropriate back-up (file numerically).
- Bank wire statements and any appropriate back-up.
- Month-end reconciliations and reports; including journal adjustments.

Activity Accounts

Activity accounts identified by name and by number are used to track Student Body Funds designated for different purposes. This helps us to ensure money is spent as the donor stipulates.

While each school may have a few unique accounts reflecting their specific community funding, many activity accounts are standard, such as 1000, Principal's Discretionary Account. Examples of standard account names and numbers are listed in Appendix 1 at the end of this manual.

Funds should always be received into an activity account that reflects the donor intent. New activity accounts are created upon request. Please contact sbf@pps.net for new activity accounts, account deletions and account name changes.

The Principal's Discretionary account is the least-restricted activity account in Student Body Funds. However, all funds must be spent in accordance with all SBF and District rules. Funds for special projects should not be put into the Principal's Discretionary account. Such funds should be put into a separate designated account.

Documentation for new activity accounts is maintained at the school. Keep informational letters that specify the use of a donation.



CHAPTER 2: RECEIPTS & DEPOSITS



RECEIPTS & DEPOSITS QUICK REFERENCE

Receipting

Always receipt funds using SchoolPay. No funds should be received and then disbursed without being deposited in the bank. **SchoolPay Login:** <https://www.schoolpay.com/login/authorize>

Always count cash when received and whenever practical in the presence of the provider to verify the correct amount. In times when you cannot count cash when first received the person turning in the money should count it and put it in a sealed envelope. The sealed envelope **must contain:**

Amount:	\$1,000
Date:	12/12/2019
Account #:	1200
Purpose:	Purchase student computers
Signature:	John Doe

The envelope **MUST** be opened and counted in the presence of a witness.

TIP: Maintain security and accountability over cash receipts at all times. Lock un-deposited checks and cash in a secure location with limited access.

Deposits

Make deposits timely according to SBF policy and procedures.

- **Pre K-8th grade schools** are required to make deposits to the bank at least weekly or whenever cash and checks total \$500 or more
- **High schools** must make daily deposits via armored car

At the end of each day you will run a Transaction Report or Chart of Account report (your preference) in SchoolPay to balance your cash and check receipts to determine if you need to make a deposit.

A **deposit slip** must be completed to accompany money to the bank. The deposit total should be the total of all the cash receipts since the last deposit was made. There will be two copies of the deposit slip.

- Original (white) – to the bank with the deposit
- Duplicate copy (yellow) – should be kept at the school and filed with the deposit summary

TIP: Deposit files should include: (1) Transaction Report, (2) Duplicate copy of bank deposit slip, (3) Receipt from bank or armored car

Secretaries and Bookkeepers must daily record all cash and cash equivalents (such as checks, money orders, etc.). All cash and coin must be counted by two people – the provider and the receiver – and a receipt must be issued. Checks should be made out to the school, not to a specific employee.



CASH HANDLING ROLES & RESPONSIBILITIES

SECRETARY/BOOKKEEPER DUTIES

- Daily receive money and record cash receipts for all money related to student activities.
- Make bank deposits timely according to SBF rules.
- Lock un-deposited checks and cash in a secure location with limited access.
- Maintain security and accountability over cash received at all times.
- Record and account for all cash received in the SchoolPay software.
- On a monthly or more frequent basis, review the Activity Ledger Report with your principal to update her/him regarding the cash position of all accounts in the Student Body fund.
- Highlight or otherwise note the accounts that are in a negative position and review with your principal.

PRINCIPAL DUTIES

- Ensure that the Secretary/Bookkeeper receives and has sufficient time to deposit all monies according to the SBF manual and PPS guidelines.
- Make sure the Secretary/Bookkeeper has a secure area to properly handle and store all money.
- Make sure all money is remitted to the Secretary/Bookkeeper on a daily basis. An annual written notification from the Principal to staff regarding the processes, policies and procedures of the Student Body Funds is recommended.
- TIP! Contact SBF Support or the Accounting Services Department staff whenever assistance is needed.
- Make sure that new secretaries have a basic understanding of finance in addition to providing access to training and assistance.



COUNTING CASH WHEN RECEIVED

Cash should be counted when received and whenever practical, in the presence of the provider to verify the correct amount.

If cash cannot be counted when first received, the person turning over the money should count it and put it in a sealed envelope. The person turning the money over to the Secretary/Bookkeeper should then write the following items on the envelope:

- Amount of money contained in the envelope
- Date they are turning the money over
- The activity account into which the money should be recorded
- A description of the deposit (i.e., Scholastic Subscriptions)
- Their signature (signed across the seal of the envelope)

The Secretary/Bookkeeper should lock the envelope in a secure location. When the amount is able to be verified, the Secretary/Bookkeeper should open the sealed envelope and count the currency in the presence of another adult. The other adult then verifies that they witnessed the counting by signing on the cash receipt form next to the Secretary/Bookkeeper's signature. After verification, the Secretary/Bookkeeper enters information into SchoolPay emailing receipt if email address is known.

Monies taken in by all individuals other than bookkeepers/secretaries should be turned in by the end of the day that it is received. An exception would be weekend events, in which case the money should be turned in to the person in charge and kept secured until the next school day. Alternative arrangements should be made in advance and approved by the Principal for receipting funds from summer fundraisers.

No funds should ever be received and then disbursed without being deposited in the bank.

For required student fees such as Pay-to-Play fees, a list of students who paid should be turned in along with the money at the end of each day. These required fees should not be held and turned into the bookkeepers/secretaries on a monthly or other periodic basis.

Funds may be collected by either the teacher or secretary. If the teacher collects the money, it should be turned over to the secretary on the day it is received with a list of the paid students, the amounts and the purpose of the collection. The secretary will enter the payment into SchoolPay with the teacher's class/parents as the payer. The written list of students **MUST** be attached to the copy of the receipt and retained at the school. This list is necessary if refunds need to be made in the future.

If payments are made to the secretary, the secretary should enter the payment into SchoolPay and email a receipt to each person making a payment.

Students should not handle cash without an adult present.



BANK DEPOSITS

Pre-K to 8th Grade Schools

Pre K-8th grade schools are required to make deposits to the bank at least weekly or whenever cash and checks total \$500 or more.

Ways to get the deposit to the bank:

- Principal’s Secretary or Principal takes the deposit to the bank.
- Arrangements can be made for your school to use the night deposit drop box at your local Wells Fargo branch.
- As a last resort, contact SBF Support or the Director of Financial Services and explain the situation to arrive at acceptable alternatives.

High Schools

High Schools must make daily deposits via Armored Car. If there are no deposits or the bookkeeper is out of the office due to sickness or other reason, the Armored Car services should be notified by noon that there will be no pick up that day. The bookkeeper should notify their principal and Accounting Services Department if they will be out for an extended time, so arrangements can be made to take care of deposits.

Deposit Slips

A deposit slip must be completed to accompany money to the bank. The deposit total should be the total of all the cash receipts since the last deposit was made.

DATE	AMOUNT	DESCRIPTION
10/15/21	200.00	CASH
10/15/21	446.20	CHECKS
TOTAL		646.20

ADAMS SCHOOL
MULTNOMAH COUNTY, OREGON
GENERAL FUND ACCOUNT

TOTAL DEPOSIT \$ 646.20

There will be two copies of the deposit slip:

- Original (white) - to the bank with the deposit.
- Duplicate copy (yellow) – should be kept at the school and filed with the deposit summary

TIP: If you have several checks to deposit, use an adding machine or spreadsheet to total them together. Run two tapes if using an adding machine. Keep one with your deposit to the bank and keep the other with your yellow deposit slip copy

TIP: To ensure that your work is correct, each deposit packet should contain the following:

1. Transaction Report
2. Duplicate copy of the bank deposit slip
3. Receipt from bank or armored car



STUDENT FEES

Requested Donations

Under Oregon law, students cannot be required to pay a fee for classes that are part of the regular school program. However, in some instances, you may ask parents to make a contribution for certain classes where additional learning materials enable the school to expand and enrich those classes. Certain science lab expenses and art class supplies are examples of appropriate requests for contributions. Parents are not required to pay the requested contributions in order for their children to enroll in the class.

Required Fees

Required fees are expenses that parents can be charged for activities or items that supplement or enhance their child's regular school education. Examples of allowable required fees:

- Optional field trips that are not part of the regular school program (If the trip contributes significantly to an understanding of the course, for which the teacher has specifically planned the trip, it is a regular part of the school program).
- Admission to extracurricular activities (attendance must be optional)
- Rental of musical instruments
- Gym clothes and towel (when student does not furnish their own)
- Other non-instructional expenses

Bus Passes & Student ID (Identification) Cards

There is no charge for an original, basic student ID card, which includes a bus pass. If an enhanced ID card that provides additional benefits is offered, a reasonable fee may be charged for it. Schools should make clear that the fee is optional, and list the benefits offered. Charging a nominal fee for replacement of Student ID cards and/or Bus passes is acceptable.

Deposits

Deposits are charges that are refunded to the parent once the item is returned in acceptable condition. If parents cannot be located, deposits must go through the escheatment process (see Appendix 3). Examples of deposits:

- Textbook security deposit
- Locker padlock deposit

Return of Required Fees and Deposits

Refunds of required fees and deposits should not be paid to students in cash. Such refunds should be paid by check to the parent or guardian of the student. No refund will be given without original SchoolPay receipt of payment.

TIP: Receipted payments made with **credit card** are refunded using SchoolPay; receipted payments made with cash or check are refunded using EPES.



COLLECTION OF STUDENT DEBT

Student Owes Less Than \$50

The school **may** withhold the grade reports, diploma, and records of students and former students until the outstanding debt is paid.

Student Owes \$50 or More

The school **must** withhold the grade reports, diploma, and records of students and former students until the amount owing has been paid.

Written Notice Required

The student or parent must receive written notice that the records will be held until the debt is paid. This notice must be given at least 10 days before withholding the records. The notice must state:

1. The reason that the student owes the money
2. An itemization of the fees, fines, or damages owed
3. A statement that the District may pursue the matter through a private collections agency or other methods
4. A statement that the amount owed can be contested through the parent/student complaint procedure (a copy of the complaint procedure must be enclosed)
5. A statement that if the parent/student complaint procedure is not commenced within 30 days of the notice, the amount of debt will be considered correct and the records will be held

If the requested grade reports, diplomas, or other education records are required for placing a student at another educational institution (excluding an institution of post-secondary education), the records must be forwarded.



DONATIONS

Schools are required to provide a Charitable Contribution Acknowledgement Form to all donors. Please encourage donors to include their names and list in the designated areas of the donation form how the donated funds should be used. Donations from parents or organizations should be made directly to the school and not to the classroom teacher.

On infrequent occasions, return of donation has been requested. If the name of the individual is not on the receipt or as an attachment to the receipt, as in the case of an anonymous donation, we will be unable to return the donation to the individual.

Donations from PTA groups to cover costs that the school may incur for supplies, copies, as well as funding programs for students for enrichment and extracurricular activities should not be regarded as Unrestricted Funds. Such funds should not be put into the Principal's Discretionary account; they should be placed in a PTA Accounts Receivable Account for better accounting of the donated funds.

Reporting of "other than cash" donations (physical assets) from an outside organization to a school should also adhere to the donations acknowledgement policy. Do not include a dollar value for any in-kind item – that is the responsibility of the donor. Reporting will allow the District to add the donation to its Capital Assets listing, if applicable.

Donations of \$250 - \$4,999

Individuals or organizations making contributions of \$250 or more to Portland Public Schools should be provided with a completed Charitable Contribution Acknowledgement form or receipt. You should provide donors a written acknowledgement no later than seven (7) days after receipt. If you choose to you may set up your SchoolPay to send these receipt acknowledgements for you. For more information about this process please contact the SBF Coordinator.

If sending a paper receipt give the original to the donor and keep a copy for your files.

Donations of \$5,000 or More

The school must complete two forms when donations aggregate to \$5,000 or more within the school year: (1) The Charitable Contributions Acknowledgement form shown on the preceding page and (2) the Request for Authorization to Receive Donation form shown here.

Deposit donations into your school checking account in a timely manner – do not wait for the Request for Authorization to Receive Donation form to be returned before making the deposit.

Do not prepare forms for donations that are estimated or proposed, only those that have actually been received.

TIP: Make a Donations folder in your SBF files and put a copy of each Charitable Contributions Acknowledgement form and Request for Authorization to Receive Donation form in the file as it is completed or keep a file on your computer with electronic copies of each receipt.



GRANTS

Only in limited situations can grants be handled through the Student Body Funds accounts. If you have received grant funds, please contact Grant Accounting (grantaccounting@pps.net) and Student Body Funds (sbf@pps.net) for guidance.

Federal and State awards, regardless of size, cannot be managed through the Student Body Activities Funds accounts, nor can they be managed at the school department level. Such funds must be centrally managed through District Grant Accounting. This requirement is in place to ensure that the District complies with grants management and reporting standards.

Grants of \$10,000 or more should be managed on the school's behalf by District Grant Accounting.

Grants with special reporting requirements as a condition of the award, should be managed at the District level by Grant Accounting to reduce the risk of having to return the funds because the District did not meet reporting requirements.

*Non-federal grants under \$10,000 that are not subject to reporting requirements may be managed by District Grant Accounting at the school's request.



CHAPTER 3: DISBURSEMENTS



DISBURSEMENTS QUICK REFERENCE

Disbursements

Record and account for all disbursements in EPES. Funds in the Student Body Fund accounts are to be spent for the general welfare of the student body and not for staff or for purposes funded as a part of general operations.

EPES Login: <https://epesaccounting.epes.org>

- Before ordering, the principal **MUST** approve all purchases of goods/supplies which are to be paid for with SBF
- Purchases of software and/or hardware require approval from Information Technology (IT)
- You **MUST** first have a check request signed by the Principal
- Follow check writing procedures: sequential order, dual signatures, photocopy for files, proper documentation
- Enter all checks in EPES software (PK-8) or print checks from EPES (high schools)
- Do not write any checks or make any purchases unless money is available in the account to cover the purchase
- Contracts are required for all Personal Services and payments must be made by District Accounts Payable

Prohibited SBF Disbursements

- Employee travel advances, and/or related expenses for local and out-of-town travel except when accompanying students
- Employee registration fees
- Reimbursements to District employees – all employee reimbursement requests must be submitted to District Accounts Payable for payment within 60 days of the purchase
- Payments to District employees for services performed in addition to their regular duties – this is taxable compensation to the employee and must be processed through the Payroll Department
- Purchases for staff members; equipment, meals, supplies, staff appreciation
- Payments for fixed assets, office equipment, and building repair needs
- Alcohol, tobacco products, adult entertainment
- Gift cards **except**:
 - To meet the immediate needs of homeless students
 - With written pre-approval from the CFO – If approved



DISBURSEMENTS ROLES & RESPONSIBILITIES

SECRETARY/BOOKKEEPER DUTIES

- Funds in the Student Body Fund accounts are to be spent for the general welfare of the student body and not for staff or for purposes funded as part of general operations.
- Duties include processing invoices, POs (if HS), check requests, and reimbursements for payment.
- Employee reimbursement requests should be submitted to AP within 60 days of the expense being incurred.
- Prepare checks for signature and mailing. Do not pre-sign or permit any SBF checks to be pre-signed. Signature stamps are not permitted on SBF checks or forms.
- Maintain a filing system to organize documentation for disbursements on a monthly basis.
- Maintain security and accountability over the checkbook and checks.
- Record and account for all cash disbursements in EPES software daily.
- Assure that no SBF account or checking account becomes over expended. Do not write any checks unless money is available in the account to cover the purchase. The only exception is if the deficit is temporary and funds are expected.
- Monitor requests for disbursements and alert the Accounting Department / SBF Support staff of prohibited purchases.
- Update signature cards immediately when there is a change in signers.
- Inactive activity accounts (over 2 years) with no balance should be removed from the chart of accounts.
- Dormant balances should be addressed promptly. For example, Class Year of 2012 has a balance. At the conclusion of the school year, the funds may be used to clear appropriate deficit balances or transferred to the next year's class. The student groups should designate how excess funds can be used when the account is set up.
- All salary payments should be made through Payroll to ensure compliance with Federal regulations.
- Ensure that student designated funds are not spent to directly benefit staff, or on other prohibited purchases.

PRINCIPAL DUTIES

- Arrange check signing authorization.
- Before signing, review checks and other payment requests timely for legitimacy and accuracy.
- Require adequate documentation in support of all disbursements.
- Ensure policies are followed regarding prohibited/restricted use of Student Body Funds.
- Assure that checks are not written unless money is available in the activity account to cover it.
- Monitor procedures to assure checks are issued and used in numeric order.
- Verify checkbook and unused checks are locked in a secure location with limited access.
- Call Student Body Funds Support whenever needed.
- Meet with bookkeeper or secretary no less than monthly to discuss and review status of SBF funds, reconciliations, consolidated budget and purchases using procurement cards.
- Monthly review of bank reconciliations.
- Provide bookkeeper or secretary adequate time and appropriate work space to perform their SBF duties with minimal distraction.



WHAT CAN I PAY FOR WITH SBF?

What can I pay for with SBF?

Funds in the Student Body Fund are to be spent for the general welfare of the student body and not for purposes of general operations. Allowable SBF disbursements include:

- Class activities and field trips
- Student incentives – should not be greater than \$50 per student; for more guidelines around the use of incentives see the Administrative Directive: Use of Funds for Meals, Refreshments, and Student Incentives <https://www.pps.net/Page/231>
- Student events, dances, parties
- Out-of-town student contests and events
- Purchase of student supplies for classroom use
- Small gifts of appreciation for volunteers
- Reimbursement for reasonable tipping (up to 20%) is permitted for meals at a restaurant and for food deliveries
- If a staff member purchased supplies in Washington and has a receipt showing sales tax was paid, the amount of the sales tax may be reimbursed from SBF

TIP: Although the Principal's account is discretionary, payments or donations should show a direct benefit to the student population, and complete supporting documentation must be provided for each expenditure.

What can I NOT pay for with SBF?

- Employee travel advances, and/or related expenses for local or out-of-town travel (except when accompanying students) are prohibited. All airline ticket purchases need to be handled through the Travel Desk in Accounts Payable.
- Employee registration fees
- Reimbursements to parents/volunteers that need to be charged to an account code must be processed through the District Accounts Payable Department
- Reimbursements to District employees must be submitted to District Accounts Payable for payment within 60 days of the purchase
- Payments to District employees for services performed in addition to their regular duties must be processed through the District Payroll Department
- Purchases for staff members; equipment, meals, supplies, staff appreciation
- Payments for fixed assets, office equipment, and building repair needs
- Alcohol, tobacco products, adult entertainment
- Gift cards **except:**
 - To meet the immediate needs of homeless students
 - A grant explicitly provides for gift cards
 - With written pre-approval from the CFO

TIP: Expenses not associated with/unrelated to the account should not be paid for out of the account. For example, *Pass-thru accounts* are set up for specific purposes, such as Run for the Arts or Athletics, and expenses relating to refreshments, supplies, office equipment, etc. should not be purchased with funds from such accounts.

TIP: Advances to contractors for purchases of items or inventory are prohibited. If an exception is required, please contact the SBF Coordinator.



DISBURSEMENT APPROVAL AND DOCUMENTATION

Prior Approval for All Purchases

Before ordering, the principal must approve all purchases of goods/supplies that are to be paid for with Student Body Funds. In addition to Principal/designated Administrator approval, purchases of software and/or hardware require approval from the Director of the Office of Information Technology.

All purchases equal to or greater than \$500 require written evidence of prior approval. The Purchase Approval Form should be approved by the Principal prior to ordering the goods or supplies that are not already approved through the contracting or PO process. The Principal's "signature stamp" is not an acceptable approval.

Documentation

The following are acceptable forms of documentation for expenses:

- Invoices for goods received
- Personal Services Contract invoice for work performed
- Original receipts
- For pass thru accounts: a detailed report of receipts from EPES showing the collections to be remitted to another organization (example: Run for the Arts)

The following are **not** acceptable forms of documentation for expenses:

- Quotes are not an acceptable form of documentation in place of an invoice
- Statements are not acceptable
- Copies of receipts are not acceptable
- Packing slips alone are not acceptable

Proof of Receipt of Goods: In order to pay a vendor you first must have written verification that the goods were received in good order and that the invoice is okay to pay. This may be the signature of the person who received the goods on the packing slip or it may be a written authorization on the invoice.

Original Receipts: Original receipts must accompany the request for reimbursement. They need to be detailed enough to show what was purchased. For example, date, time, place, amount, number of guests and business purpose. A generic credit card receipt that only shows the amount charged will not provide enough information.

Online Purchases: If a purchase was made online, or through e-commerce vendors using a blanket PeopleSoft Purchase Order, make sure to have a printed copy of the electronic purchase, in addition to all other pertinent support documentation. Verify that the receipt is shown paid in full as appropriate.

Summer Purchases: On occasion, school personnel may need to purchase items (e.g. uniforms) during the summer in order to have the items available for the start of the school year in the fall. Before making any purchase during the summer, it is the purchaser's responsibility to ensure that funds are available. The purchaser should check the Student Body Fund account balance with the bookkeeper or principal's secretary prior to the end of the school year to ensure that there are sufficient funds to pay for the items. Once the goods are received, written verification should be provided to the bookkeeper or secretary that all the goods were received in good condition and that the invoice is "OK to pay". Payment should not be made in full if all items have not yet been received.



CHECK REQUESTS

The Principal must approve all requests for check issuance. You may use a blue Request for Issuance of Check form or a district voucher payment stamp (put SBF account number and name in the "charge to" line). This stamp or form must be on all supporting documentation.

REQUEST FOR ISSUANCE OF CHECK

School _____ Date _____

Pay to _____

Address _____

For _____

Charge to _____ Acct. No. _____

Requested by _____ Title _____

Approved by _____ Title _____ Treasurer _____

Check No. _____ Date _____

Received payment _____ Date _____

67 1023
REV. 2021

Check Request Process

- Complete a Request for Issuance of Check form for all disbursements. The Principal must sign the check request (or reimbursement request) before a check is written.
- If the disbursement is equal to or greater than \$500, compare the invoice to the approved Purchase Approval Form. If the invoice is for a larger dollar amount than the amount originally approved for purchase, this should be noted on the invoice and the Principal needs to sign to approve the increase in spending. In addition, the invoice should be approved by the Principal before the expense is paid.
- If the disbursement is for \$2,500 or over and the Student Body Funds account will result in a deficit position, the Deficit Funding Form should be prepared, approved by the principal, and submitted to the Bookkeeper.

Account Deficits

Check requests should be approved by the Principal **only if** there are sufficient funds in the SBF account to cover the expense. Exceptions to this rule would be:

- The deficit is temporary and a deposit is forthcoming. Example: Event costs are paid in advance, causing a temporary deficit until the event fees are received that cover the costs.
- The Principal approves the expenditure knowing that a secondary source will be reimbursing the account. Examples: The Principal has a discretionary or other allowable account to transfer the costs from; an outside source such as PTA is paying the costs and those funds have not yet been received.

Refunds

All refund requests must be in writing from the requestor and approved by the account holder for which the original fee was paid. NO refund will be given without sufficient documentation showing the original receipt of funds.

Refunds for receipted checks should not be issued until sufficient time has passed to ensure the check has cleared the bank.

TIP: Receipted payments made with **credit card** are refunded using SchoolPay; receipted payments made with cash or check are refunded using EPES.



WRITING A CHECK

A check may be written once the previously discussed approval is obtained.

Pre-K to 8th Grade Schools

Checks are manually written in numeric sequence to pay invoices by the due date and in time to take advantage of any cash discount offered. Approved bills should be paid within 30 days of receipt. Do not pay late fees without authorization.

Make a copy of the check and the invoice for the SBF records. There must be **two authorized signatures** on the check (usually the secretary and the principal). One of the signatures must be an administrator.

File together numerically (by check number) in your monthly folder:

- Copy of Check
- Original Request for Issuance of Check form (unless sent to District for reimbursement)
- Original Purchase Approval Form, if applicable
- Original receipt, copy of invoice or appropriate documentation of expense

If the check request and original invoice or documentation are sent in to the District for reimbursement, please keep copies of the check stub, Request for Issuance of Check form or Purchase Approval Form, and all related backup documentation.

High Schools

Checks are created through the EPES software. See Appendix 6 for more detail on this process. There must be **two authorized signatures** on the check (usually the principal and the bookkeeper and/or business manager). One of the signatures must be an administrator.

File together numerically (by check number) in your monthly folder:

- Check Stub
- Original Request for Issuance of Check form (unless sent to District for reimbursement)
- Original Purchase Approval Form, if applicable
- Original receipt, copy of invoice or appropriate documentation of expense invoice or appropriate document

If the check request and original invoice or documentation are sent in to the District for reimbursement, please keep copies of the check stub, Request for Issuance of Check form or Purchase Approval Form, and all related backup documentation.

TIP: The Principal cannot approve his/her own reimbursement – the request must go to his/her supervisor for approval before submitting to Accounts Payable for reimbursement.



PAYMENTS FOR SERVICES/CONTRACTS

When Do I Need a Contract? <https://www.pps.net/Page/118>

When your school or department wants to secure services from vendors or contractors, you need to create a written contract signed by both parties. For example, you need a contract for high school dance venues, for overnight field trips, and for special programs. District contract templates are found on the Purchasing & Contracting website under the Contract Forms heading. Templates and forms are updated frequently; please always download a new template for each contract you initiate.

Note: The District cannot enter into a contract with a current District employee or someone who has been employed by the District in the previous year. Please contact Purchasing & Contracting if you have any questions about this policy. If additional work is performed by an employee (e.g. playing piano at a school concert), the employee should be paid through the “extended hours/extended responsibility pay” process through Payroll.

All contracts, regardless of dollar amount, must be routed through Purchasing & Contracting for signature. Similarly, all contract payment requests must be routed through Accounts Payable for payment; schools are not permitted to write checks to pay for contracts. Work may not begin until you receive the signed contract back from Purchasing & Contracting. Payments will not be made for work done without a contract in place.

Contract Payments

Once an invoice is received from the contractor and approved by the budget holder (principal), complete the Request for Payment on a Contract form and submit it with the invoice to Accounts Payable (ppsap@pps.net). The Request for Payment form must be initialed in two places and signed by the budget holder (principal), and the attached invoice must be detailed and specific. The payment will appear as a debit on your next monthly wire.

Note: Student Body Fund checks cannot be used to make payments on contracts.

Master Contracts – <https://www.pps.net/Page/1875>

A Master Contract is a contract negotiated by Purchasing & Contracting or another central administrative department and under which any department or school can request services without having to enter into a separate contract. The process for requesting services and obtaining payment is different for each vendor. Follow the steps outlined on the Purchasing & Contracting website under Master Contracts.

PTA-Paid Contracts

If the PTA is paying for a service or activity for students (e.g. for a class to go on an overnight fieldtrip, for OMSI, etc.), a PPS contract is still needed to cover the legal and monetary aspects of the transactions. Typically schools doing this will use an activity account in Student Body Funds called Accounts Receivable – PTA. The PTA will deposit the full contract amount with the school up front and the school will draw down the account as contract payments are charged on the monthly wire.

Alternatively, the school can copy the PTA when it submits a Request for Payment on a Contract form to AP. The PTA then issues a check to the school for the amount of the contract payment. The PTA check is deposited to Student Body Funds in the AR-PTA Activity account. When the monthly school wire deducts the contract payment from the school’s SBF, the secretary codes that wire payment to the AR-PTA account.

TIP: Contact Purchasing & Contracting (purchasing@pps.net) with any questions.



PAYMENTS FOR OUT-OF-TOWN STUDENT TRIPS

Pre Travel/Training Authorization Form

The trip leader should prepare and submit to the Accounts Payable Travel Desk, a completed Pre-Travel Authorization form signed by the trip leader and approved by the Principal. Attached to the Pre-Travel/Training Authorization form should be (1) a memo describing the trip and purpose, (2) a copy of the contract, and (3) a copy of the roster of students and adults who will be on the trip.

Trip Expenses

- Airfare must be arranged through CTM (Corporate Travel Management). If you wish to arrange airfare through another vendor, please contact the Accounts Payable Manager.
- Group meals for student may be paid for by the trip leader. Documentation of the group meal (itemized receipt and roster of attendees) should be submitted along with an Employee Expense Reimbursement Request form for reimbursement through Accounts Payable.
- **No travel advance or stipend checks should be issued by the Student Body Funds bookkeeper or secretary.** Small travel advances or stipends are allowed for students and coach/volunteers accompanying students on an out-of-town school sponsored trip. Such a stipend will be issued by the Accounts Payable department. Each student receiving the advance is required to sign off on the roster confirming that he or she has received the advance.
- All other documented expenses incurred by the trip leader, teachers, and/or volunteers will be reimbursed if supported by appropriate receipts. Expenses related to this trip must be submitted to Accounts Payable for processing.

Travel/Training Expense Reimbursement Request

Upon return from the trip, the trip leader should prepare and submit to Accounts Payable Travel Desk, a completed Travel/Training Expense Reimbursement Request. Travel/training expense reimbursements require the following documentation:

- A copy of your approved Pre-Travel/Training Authorization form
- Original, itemized receipts for reimbursement of expenses the trip leader paid for personally, showing method of payment and no balance due

Reimbursement should be requested within 30 days after having incurred the expense. Requests will be forwarded to Payroll as a taxable benefit if received after 60 days of when the expense(s) were incurred.



PAYMENTS TO EMPLOYEES

To ensure that the expense is appropriate, and that reimbursement will be paid, employees must have **prior written approval** from the principal/administrator before spending money out of pocket.

Do not write a check from SBF to reimburse an employee. Payments to employees directly from Student Body Funds for business expenses (travel, training, tuition, mileage, meals, etc.) or limited staff compensation is prohibited. However, Student Body Funds may be used to fund these items, as long as the expense otherwise meets criteria for SBF permissible expenses, and the employee is first paid through District Accounts Payable or Payroll departments. Such expenses should be coded to 115320-101-XXXX (your school's department id#). Using this coding will ensure your SBF is subsequently charged on the monthly SBF wire for these items.

Generally, employee business expense reimbursements may be charged to Student Body Funds as described above, as long as the Student Body Funds have the money to pay, the employee receives their payment directly from Accounts Payable or Payroll, and the expense complies with other SBF guidelines regarding permissible SBF expenditures.

Mileage and other travel expense should not be charged to SBF, unless transporting students. Mileage cannot be paid from SBF for making bank deposits.

Meals and Refreshments for non-overnight travel

Meals or refreshments provided by an employer for meetings occurring across a meal time, or to promote the morale or goodwill of employees are an inappropriate and unauthorized expense for Student Body Funds, because there is no direct benefit to students. These types of expenses should be charged to consolidated budget or other District funding sources. Exception: Staff meals may be paid from SBF funds if the coach/trip leader, teachers and/or volunteers are traveling with the students during a meal time.

Business Expense Reimbursement Form

If reimbursement is to be charged to a District account code, this same form can be used to obtain authorization for reimbursements to parents, volunteers, students and others in addition to employees. Reimbursements paid from SBF funds to parents, volunteers or students are to be made at the school, with an SBF check. *All employee payments, no matter the source, are to be directed to District office.*

The Principal's or other designated administrator's approval signature on the form is required to authorize the payment. Please note that all documentation must be received by Accounts Payable within 60 days of the expense being incurred, so timely approval by a supervisor is essential. The Principal cannot approve his/her own expense reimbursement form – it must be signed by the Principal's supervisor. Only forms with original signatures are accepted. If the Principal will be absent for an extended period, the principal or their supervisor may designate, in writing, another individual to approve/sign expense requests for a limited and specified period of time in their absence. This approval should be forwarded to the Accounting department.

Staff Compensation

Student Body Funds cannot be used to pay for regular staff compensation (FTE, Limited Term funded positions). Student Body Funds can only be used to pay for extended responsibility, temporary, extended hours or for substitute time. **Do not write a check to the employee from the Student Body Funds account.** All other payroll (e.g. FTE) must be processed through the budgetary chart field.



CHAPTER 4: MONTHLY RECONCILIATION



MONTHLY RECONCILIATION QUICK REFERENCE

Reconciliation Process

Have the following available to complete the reconciliation process:

- Wire Statement, if applicable – enter wire statement as a check, enter check number as “9999” followed by wire statement number into EPES. The payee is: PPS Bank Wire.
- Wells Fargo bank statement for the month you are reconciling
- Bank Reconciliation report
- Activity Ledger report
- Outstanding Checks report
- Sequential List of Checks cancelled (by check number)/Sequential List of Receipts (by receipt number)
- List of Journal Adjustments (if any)
- List of Activity Transfers (if any)
- Outstanding deposits to bank – provide supporting documentation of your outstanding bank deposits (e.g. bank deposit slip & receipt from bank, list of transactions in SchoolPay)

Reconciliation Tips

- Cancel all checks cleared by the bank listed on the Wells Fargo bank statement and cancel the wire you created as a check if applicable in EPES
- Make sure all deposits, wires, checks, and other electronic debits and credits are entered into EPES
- Identify all outstanding deposits to the bank
- Run trial bank reconciliation report
 - When balanced print the report
 - When out of balance complete steps in the SBF Manual



MONTHLY RECONCILIATION ROLES & RESPONSIBILITIES

SECRETARY/BOOKKEEPER DUTIES

- Record all monthly disbursements and adjusting journal entries into the EPES accounting software.
- Reconcile the cash balance in the accounting program to the monthly bank statement.
- Print all required month-end reports in the following order:
 - Bank Reconciliation report
 - Bank Statement (copy)
 - If there are deposits in transit provide supporting documentation (i.e.; copy of bank deposit receipt, SchoolPay transaction report or SchoolPay batch report)
 - Activity Ledger report for the month
 - Outstanding Checks report for the month
 - Sequential List of Checks cancelled, by check number
 - Sequential List of Receipts for the month, by receipt number
 - List of Journal Adjustments (if any)
 - List of Activity Transfers (if any)
- Attach copies of all signed Activity Account Transfer forms and supporting documentation
- Attach the wire statement and wire backup
- Sign the Bank Reconciliation report, Activity Ledger report and the Journal Adjustment (if any) for the month
- Review this packet with the Principal
- Obtain Principal's signature on the Bank Reconciliation report and the Activity Ledger report
- File the original signed documents to keep in your monthly SBF file.
- Scan original signed documents to sbf@pps.net no later than the 25th of the following month.

Timely reporting is vital to maintaining proper internal controls over the checking account. If a situation arises where you cannot meet the filing deadline, it is your responsibility to notify the SBF Accountant about your situation. Two late reports in a row may result in suspension of access to the school's checking account and EPES.

PRINCIPAL DUTIES

- Review and sign the monthly bank reconciliation report.
- Review and sign the month end ledger report and note any negative balances. Obtain a reasonable explanation for account deficits (i.e. inventory on hand, reimbursement not yet received, etc.).



MONTHLY WIRE STATEMENT

All school checking accounts belong to the District. In order to reduce the volume of paper checks going from one District account to another, funds are transferred or “wired” in/out of the Student Body Funds monthly. Therefore, a check does not need to be written as the money is transferred electronically. However, the expenses will still need to be recorded in the EPES software before you can close the month transactions and reconcile the account. The monthly wire (bank transfer) may include charges for contract payments, interdepartmental charges, reimbursements, PCard expenditures and more.

The monthly wire transfer usually occurs on the last banking day of the month, except for June, when it occurs mid-month. There is no monthly wire in July since most schools are on summer vacation. Please keep in mind that there is usually at least a one month lag for items to show up on the wire statement.

To obtain a copy of your school wire statement:

- Go to the SBF webpage: <https://www.pps.net/Page/1129>
- Scroll down to Wire Statements in the left column and locate the month of the statement you need.
- Use the Ctrl-F keys to access the Find feature in Adobe, then type in your department number to go to your school’s wire statement.
- Print just the current page, or you will get a copy of every school wire statement!

Coding Items to the Wire

Often there are instances where the District’s Accounting Services Department handles payments to employees, contractors and vendors where the expense should be charged to Student Body Funds. Since the District pays the vendor, Student Body Funds has to be charged after the fact. The account code to code an expense to a school’s monthly wire is **115320-101-XXXX** (your school’s department id#).

When Accounts Payable processes requests coded to this account code, it will charge school on the next monthly wire. At the end of the month all entries coded to your school’s account code will be listed on the wire statement. It is your responsibility to enter and reconcile these items on a monthly basis in EPES.

All Direct Vouchers and any supporting paperwork will be needed to code the wire statement activity to the correct activity account. After the monthly wire is processed in Accounts Receivable, the transactions coded to your consolidated or grant budgets will be recorded on your Combined Expenditure reports.

Monthly Wire Statement

If you have credits or debits incurred during the month from/to AP, AR or other departments, you will have a monthly wire statement from the Accounting Services Department. The statement will itemize each item that is being transferred.

- Only the grand total of the transfer will show on your bank statement.
- If the grand total of the wire statement is **positive** you will see the amount being **deducted** on your bank statement as a withdrawal.
- If the grand total of the wire statement is **negative** you will see the amount being **added** on your bank statement as a deposit.



ACTIVITY ACCOUNT TRANSFERS

Activity account transfers are used to move funds among Student Body Fund activity accounts. An Activity Account Transfer Form must be used to record the Principal's approval prior to making transfers in EPES. The Activity Account Transfer Form be accessed on the SBF webpage under Forms <http://www.pps.net/Page/1129>

Activity Account Transfer Process

- Prepare an Activity Account Transfer Form for all transfers that are required to be recorded in the computer accounting program
- Clearly describe the purpose of the transfer and attach any documentation that would support the purpose
- Verify that the transfer amount from one account is equal to the amount going into the other account
- Obtain the signature of approval from the Principal – Principals should ensure that funds received for a restricted purpose are not used for another unrelated purpose (e.g. funds raised for PE equipment should not be moved to a technology account)
- Record the entry in EPES
- File the approved Activity Account Transfer Form and back-up in numerical order in a separate file/envelope marked "Activity Account Transfers, 20xx – 20xx" – start each school year with Transfer #1 and continue in numerical sequence throughout the school year

Negative Activity Account Balances

All SBF activity accounts at month and year-end should have positive balances.

Schools experiencing negative balances at year end in their Student Body Funds will be required to prepare a Student Body Fund Negative Balance action plan report. The report should include a narrative of the negative accounts, the reason for the negative balance, and the action steps planned to correct it.

TIP: Attach a copy of all signed Activity Account Transfer Forms to your monthly reconciliation reports



TRANSFERRING EXPENSES

Transferring Expenses from SBF

If you wrote a check from SBF and want to shift that expense to a District account code, you should use an expense label attached to your check copy (or check stub for High Schools) and completed Request for Issuance of Check form. Please keep your original documentation and send an email to wire-sbf@pps.net with scanned copies of your supporting documents.

The following information should be attached to the email:

- Original Request for Issuance of Check form and supporting paperwork
- Original receipt
- Copy of the check issued from SBF
- Sign in sheets, flyers and/or agendas to support meeting costs

Be sure to fill in the account, fund, dept., program, subclass and grant fields representing the account code you want to be charged. The Vendor Name field should be your school name. The Principal must sign the expense label authorizing the expense transfer. If the funding source represents a grant, please reach out to grantaccounting@pps.net for Grant Accounting approval before submitting to wire-sbf@pps.net.

SBF will be reimbursed through the monthly wire transfer process. Each check being reimbursed will show as a credit line item (negative amount) on the wire statement.

Transferring Expenses to SBF

In order to move expenses from your consolidated budget or District-managed grant funding source to SBF, you should use a Journal Entry Request Form. The Journal Entry Request Form should include the amount of expenses to be moved, reason for the request as well as a copy of the PPS Combined Expenditure Report with the relevant expenses highlighted. The request should be signed by the Principal. The account code to designate Student Body Funds is **115320-101-XXXX** (your school's department id#). Send the Journal Entry Request to Accounting, attention AR Accountant.

SBF will be expensed through the monthly wire transfer process. Each item being expensed will show as a debit line item (positive amount) on the wire statement.

Transferring Expenses Should be Rare

Although transfers between funding sources are permitted, each transfer requires review of the account to and from which the funds are being transferred to ensure they are not designated for specific purposes. An excessive number of transfers may indicate poor management or a lack of oversight of the Student Body Funds by the bookkeeper/secretary and Principal.

Prior fiscal year expenditures cannot be moved between funding sources once the fiscal year is closed. It is important that you review your financial reports and request any transfers before you leave for the summer break.



YEAR-END CLOSING PROCESS

End of the Year Checklist

- Complete the May monthly reconciliation process, including reviewing the monthly reconciliation with your principal, prior to your last working day in June
- Enter all June checks and bank wire statement items into EPES
- Note any account balances that are negative, review the accounts with the Principal and obtain approval and do activity transfers of funds to zero out the negatives as appropriate
 - Schools experiencing negative account balances at year-end will be required to prepare a Student Body Fund Negative Balance Action Report – the report should include a narrative of any negative accounts, the reason for the negative balance and the action steps planned to correct it
 - Do not transfer funds from restricted SBF accounts to the Principal's Discretionary account for any reason, including resolving a negative account balance
- Ensure that all donations aggregating to \$5,000 or more have been forwarded to the Accounting Department
- Make arrangements to have your school mail held during the summer if no one will be there to accept it
- Ensure that your checkbook is locked in a safe location
- Before you leave the school for the summer, make sure that your Student Body Funds files and records are easily accessible for Accounting Services personnel to access them if needed. Please leave out the or provide instructions for how to access the following:
 - Check stubs (please lock up your checkbook but leave out the stubs)
 - Receipt books
 - Monthly envelopes/folders that contain check and deposit documentation
 - Activity account entry support
 - Bank wire statements showing accounts that need to be charged, if any



APPENDIX 1: COMMONLY USED TERMS

Commonly Used Term	Definition
Activity Ledger Report	EPES report showing balances by activity account
AD	Athletic Director
AP	Accounts Payable
AR	Accounts Receivable
Bank Reconciliation Report	EPES report on SBF receipts and expenditures that reconciles to monthly bank statement
BESC/Central Office	Blanchard Education Service Center, 501 N. Dixon Street
Budget to Actual Report	Monthly report on consolidated or grants budget
Account Code	Fund-Function-Object-Site Location-Area-Project-Dept for expenses
Combined Expenditure Report	PeopleSoft report on consolidated or grants expenditures
Consolidated or consolidated budget	The Board-approved funds your school receives annually from central office, used to provide for school staffing and school program needs
Direct Voucher Form	Request for immediate payment from AP
EPES	Student Body Funds accounting software program
GL	General Ledger
Grants	Funds held in designated grant accounts for your school and administered in conjunction with your school's Grant Accountant
HS	High School
IT	Information Technology department
JA	Journal adjustment, an adjusting entry made to the accounting records
JE	Journal Entry, an adjusting entry made to SBF, consolidated or grants expenditures
NSF	Non-Sufficient Funds, a check returned for lack of funds
P-Card	Procurement card issued by Bank of America
PK-8	Pre-kindergarten to 8 th grade level school
PO	Purchase Order
PONY	Interoffice mail system
PTA/PTO	Parent Teacher Association/Parent Teacher Organization
SBF	Student Body Funds
Title One	Federal grant program applicable to specific schools
WF	Wells Fargo Bank
Wire	Monthly bank transfer from central office that credits or debits a school's Wells Fargo checking account
Principal's Discretionary Account	SBF activity account #1000
1820 Account	SBF activity account #1820, Accounts Receivable District



APPENDIX 2: STUDENT BODY FUNDS DISTRICT REVIEW

The Student Body Funds are reviewed by District Accounting Staff to ensure that cash, receipts, payments and adjustments are handled in accordance with PPS guidelines.

Frequency of Review

SBF reviews are conducted using a risk based approach. The frequency of review for a particular school is based on several risk factors and is established annually to give particular attention to schools with the following:

- Schools with a large volume and dollar amount of transactions
- Schools with a history of review findings
- Schools with new principals, secretaries and bookkeepers
- Schools that are experiencing management issues with their SBF funds
- Schools that have missed a regular review

Schools may also be reviewed on request of someone with a particular concern.

TIP: If there is a change in either the Secretary/Bookkeeper or the Principal, there is a very high chance your school will be reviewed for that year.

Scheduling of Review

District Accounting Staff will contact schools that are to be reviewed at least one week prior to the review.

Documentation for Review

The following reports and documentation should be made available during the review:

- Backup for all bank deposits (Deposit Summaries or Daily Sequential listing of receipts)
- Backup for all disbursements (vendor invoice, Principal approval, and request for issuance of check, if paid by check)
- A list of contracts entered into during the school year
- A list of donations made to the school during the school year



Guidelines for Student Body Funds District Review

Review Parameter	PK-8	High Schools
Cash Receipts/Deposits		
Money is secure	Keep undeposited money in locked place.	
All money received is deposited	<ul style="list-style-type: none"> • Create Summary of Cash Receipts for all money received. • Maintain numeric sequence of Summary of Cash Receipts. • Ensure Summary of Cash Receipts agrees to deposit slip. • Verify deposit amount agrees to bank statement. 	<ul style="list-style-type: none"> • Create deposit slip for all money received. • Record receipts into EPES. • Print Sequential Listing of Receipts. • Verify Sequential Listing of Receipts agrees to deposit slip. • Verify deposit slip amount agrees to bank statement.
Money is deposited on time	Deposit money at least weekly or when it totals \$500 or more.	Deposit money daily via Armored Car Services.
Money is properly recorded in software	Record incoming cash into proper account, keeping staff and student money separate.	
Donations are properly handled	Send in Request for Authorization to Receive Donation of \$5,000 or Above in to Accounting Services Department.	
Grant funds are properly handled	Forward to the grant accounting department.	
Cash Disbursements/Payments		
Purchases are approved before spending occurs	<ul style="list-style-type: none"> • Obtain written approval before goods are ordered (preferred but not required). • Have personal service contract in place before service is performed and paid. 	<ul style="list-style-type: none"> • Obtain written approval before goods are ordered. • Verify that cost of goods is at or below the approved amount. • Have personal service contract in place before service is performed and paid.
Special approval is obtained when needed	Obtain IT approval for software, hardware and multimedia purchases	
Proper documents support spending	Pay from vendor invoice, not vendor statement or quote. PPS contracting rules are followed for payments for services.	
Transaction is recorded into software	Record payment to proper account, making sure that staff and student spending are not commingled.	
Reimbursements are proper	Ensure the employee reimbursement form is filled out and signed by the employee and principal/designated administrator. Original receipts must be attached and the business purpose must be clearly defined. Ensure that restricted funds are spent for their intended purpose.	
Other		
Journal entries and activity transfers are approved	Have administrator sign Journal Adjustment Log and Activity Transfer forms.	
Deficit balances are appropriate	Verify that the only accounts that have negative balances at year-end are Accounts Receivable.	
Reconcile bank statement monthly	Reconcile monthly and obtain administrator approval. Reconciliations are submitted on time. Reconciliation should have both Principal and bookkeeper/secretary signatures. Deposits in transit clear out in the first few days of the next month.	



APPENDIX 3: STALE CHECKS/UNCLAIMED PROPERTY

Under Oregon law, old un-cashed checks become unclaimed when the District cannot reach the owner of the un-cashed check after a specified period of time, generally two years.

When un-cashed checks become “unclaimed” the law requires that those funds be periodically transferred to the Oregon Department of State Lands.

Each spring, the SBF Coordinator contacts bookkeepers and secretaries with stale checks on their books with instructions to make contact with the individuals on such outstanding checks older than two (2) years at fiscal yearend. Contact must be attempted 6 months prior to the reporting deadline of November 1. If contact cannot be made, the funds will be forwarded to the Oregon Department of State Lands. A copy of the Escheatment Letter can be found on the SBF website under Forms

Policies and procedures regarding Unclaimed Property information can be found at the Oregon State Lands web site: <https://www.oregon.gov/dsl/Money/Pages/Reporting.aspx>



APPENDIX 4: FUNDRAISING

The Principal's authorization must be obtained for all fundraisers conducted by staff and/or students during school hours or on school premises, as well as all weekend and summer fundraising plans using the school name.

All fundraising activities supervised by school staff and conducted by staff and/or students during school hours or on school premises must be considered student body activities. Proceeds from fundraisers conducted in the school's name should be submitted promptly to the Principal's Secretary or Bookkeeper for deposit to the school checking account.

If a fundraiser will occur during the weekend/summer:

1. The Principal must be informed of the event in advance and must help arrange for funds to be secured at the school or deposited to the bank immediately following the event.
2. All cash handling procedures must be followed (double counting, 2 signatures, etc.)
3. No purchases may be made from fundraiser proceeds prior to depositing in the bank.

Parent support groups may conduct off-site fundraisers that include alcohol, such as a wine auction. The school can accept the revenues from such activities, as long as the school is not a sponsor, the activity is not on PPS property and there isn't alcohol or alcohol-specific related advertising on the school grounds.

If funds raised for overnight or other field trips exceed the cost, the excess funds should remain with the grade during the school year (e.g. 4th grade activity account). At year-end, such funds or donations can be put into an activity account designated to assist needy families.

General Guidelines for Fundraising Projects

- Children shall not be exploited in any way. (Activities imposing on classroom schedules, unnecessary involvement of children during school time, etc.)
- Health and sanitation codes shall be observed. This rules out such activities as pony rides, beauty shops (danger involved in the use of cosmetics), etc.
- Activities wherein the result is determined primarily by the laws of chance rather than through the skills of the individual are contrary to the laws of the State of Oregon.
- Activities that may endanger students, staff or others by their actions as participants or spectators are prohibited.
- Only entities that exist solely to support Portland Public Schools and are directly tied to the District's pursuit of its educational mission, such as the Portland Schools Foundation, individual school foundations, parent teacher groups, and booster clubs are allowed to distribute fundraising materials during school hours.
- The school District shall require all schools' fundraising efforts to be supportive of student wellness, comply with Nutrition Guidelines for All Foods Available on Campus during the School Day, promote physical activity and limit commercial influence.
- In raising funds, any type of door-to-door sales promotion or solicitation is prohibited by the student body, class, club or other units of the school, except that tickets to school programs may be sold in that manner. There shall be no solicitation of homes for any purpose except the sale of tickets to school functions.
- If the school facility will be used for the fundraising, check with CUB to determine if a permit is necessary.
- Food and beverage sales must comply with guidelines established by the PPS Wellness Policy AD 3.60.062, AD 3.60.060 and state law ORS 336.423.
- All fundraised money should be deposited promptly to Student Body Funds and then inventory or other costs can be paid from the same account. Do not take the costs out first and deposit net proceeds. (Example: pizza for organizers should not be paid with money taken at the door that evening.)



Fundraising Programs by Private Organizations

Private organizations, which will charge students for programs they wish to conduct in school and return a royalty to the school, may not conduct programs during the school day or under the auspices, sponsorship, or assistance of the school or a school organization.

Schools and school organizations may, however, contract with private organizations for a specified amount of money to present a program for which the school would market tickets and take any profits available. All such contracts must follow the District's Purchasing & Contracting rules and Oregon Revised Statutes for contracts. Please note that some of these organizations may be able to rent District buildings at the full rental rate for the purpose of presenting programs after school hours and charge admission. Please contact the Civic Use of Buildings department to coordinate building rentals.

Use caution when selecting fundraisers. Some organizations provide optional school supplies (e.g. laptops) at reduced rates or require inclusion in programs that require donations from the school, etc. Please check with the Accounting Department before committing funds or participating in such programs.

Examples of acceptable Fund-Raising Projects:

- Auctions
- Auditorium shows
- Book sales
- Car washes
- Coin pitch
- Dinners, luncheons, food sales and refreshment centers operated under appropriate health regulations
- Gift wrap sales (with approved vendor through Purchasing & Contracting)
- Hobby shows
- Movies
- Plant sales
- Play and movie sponsorships
- Rummage sales (off school premises)
- School store
- Sporting events
- eScrip

Examples of unacceptable Fund-Raising Projects:

- Bingo
- Cake walks based on chance
- Donkey basketball
- Door prizes
- Fish ponds based on chance
- Guessing number of articles in a receptacle
- Lotteries and raffles
- Pony rides (danger involved)
- Roulette-type games
- Sales of home-baked goods
- Used clothing sales
- Balloon rides/Bungee jump
- Wine/Alcohol tastings



Personal checks given to teachers by parents and/or organizations:

Checks should be made payable to the school rather than to individual staff members. Funds may be designated for an individual teacher's class or project using the memo line. Once the donated funds are deposited into the school's Student Body Fund bank account, they are then credited to the specific teacher's activity account based on the donor's instructions.

Fundraising for Charitable Organizations

Administrative Directive 3.30.037-P states that the District will permit three sanctioned fundraisers each year, in fall (Combined Fund Drive), winter, and spring (Young Audiences). After receiving proposals from the community, the Board will decide which charitable organizations will be allowed to fundraise and the Office of the Superintendent will assist the Board in putting the event on.

If your fundraising project does not fit into any of the above categories, please contact the SBF coordinator before proceeding with the fundraiser.

'Thons'

Jog-a-thons, walk-a-thons, etc., that are sponsored by the school for school purposes are permitted. Outside organizations permitted to conduct jog-a-thons, walk-a-thons, etc., under school sponsorship are those, which may be designated by the Board for one of the three annual fund drives in the school. Walk-a-thons, jog-a-thons and similar types of events in which students obtain pledges for some non-school purpose are not permitted to be sponsored by the school. However, the District may authorize the posting of certain announcements regarding such off-campus activities and make available to students application forms for such events. Schools should not distribute such material in classrooms and should not promote them directly with students.

Principal's Approval Required

The Principal's pre-approval of all school fundraisers is required. In considering fundraiser requests, Principals should acquaint themselves with the type of fundraiser planned, to ensure it meets District guidelines. Review with the organizer how much money is expected to be raised, how and when it will be deposited to Student Body Funds and how it will be spent.

Written fundraising materials and communications with donors should specify the intended use of funds. Communications should include information about how excess funds will be spent.



APPENDIX 5: SCHOOLPAY

SchoolPay – Entering Receipts

All money received should be immediately entered into SchoolPay. Before entering payments it is important to make sure the payment item has been created in SchoolPay. Payments can be processed using either the Office Terminal or the Event Terminal.

OFFICE TERMINAL – used for individual payments with email receipt

- In SchoolPay, navigate to Virtual Terminal and choose Office Terminal
- Select the correct item in the drop down menu
- Assign the purchase to the correct student
- Verify the price/amount matches amount received
- Enter any additional information required for the purchase
- If you are entering more than one item add to shopping bag before going to checkout

2016/17 Leadership shirts price \$18.00
\$18.00

Always use the correct item number

Purchase for student (Optional)
NA - Not Available

Additional Information Requested

Student Name

Size
Select from

Please choose your size

Not used for this shopping Checkout

- Review the purchase and verify the total amount received and check the email receipt option

Place Order

Payment

Manually Enter Tap to Swipe

Review

Item	Charge
Purchase for student (Optional)	\$18.00
Order Total	\$18.00

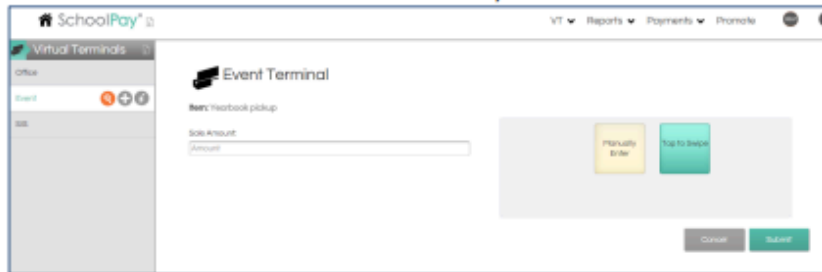
Email Receipt to Payer

Pay \$18.00



EVENT TERMINAL

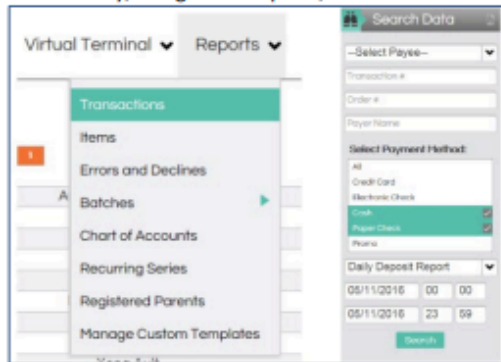
For sales of items that do not require receipts such as concession stands, admission to athletic events and some field trips you may use the Event Terminal for faster processing. This will still record sales but items will not be assigned to student. This terminal should only be used for items that do not require a receipt and would never generate a possible refund. In this terminal the amount is the only information entered.



SchoolPay – Deposit Reconciliation

At the end of each day, you will run a Transaction Report to balance your cash and check receipts and to determine if you need to make a deposit.

- In SchoolPay, navigate to Reports, then select Transactions



- Select Payment Method: Cash and Paper Check
- Under the drop down, select Custom Format, choose Daily Deposit Report
- To filter for the day's activity, narrow the date range to today's date – select today's date for beginning and end
- Click "Search"
- Click the "CSV" box at the top right hand side of the screen to download the report into an Excel format
- Open the report using Excel and expand all columns to show the data, sort the spreadsheet by cash and checks
- Print the report
- Verify your cash and check reports against the funds taken in to ensure that all deposits were receipted correctly
 - Total your cash and change
 - Total your checks

TIP: The balance reported on the Transaction report should match the amount recorded on the bank deposit slip. If the deposit does not match a Journal Adjustment should be made in EPES for the amount over or short. See Appendix 6 for more information about completing journal adjustments in EPES.



APPENDIX 6: EPES

The District currently uses EPES Accounting Software to track Student Body Funds receipts and expenditures.

EPES Login

To access your school's Student Body Funds accounting software, please open your internet browser and navigate to: <https://epesaccounting.epes.org> You will see a login screen that looks like this:

Login Information:

District ID: **6245**
Customer ID: Unique to each school.
User Name: Unique to each user
Password: Unique to each person.



EPES Activity Account Ledger

Your school's EPES General Ledger report shows its checking account balance reported by activity account. To run this report, in EPES navigate to Reports/Accounting/Activity Ledger. Select the Period Begin and Period End dates you want and Preview or Print.

August 01, 2014		TEST							Page 1 of 1
General Ledger Report									
Financial Report									
Activity Accounts									
From Date:	8/1/2014						From Acct:	1	
To Date:	8/31/2014						To Acct:	999999	
Acct	Account Name	Beg. Bal.	Recept / JV	Disb / JV	Transfers	End. Bal.	YTD Payables	Work Bal	
1000	PRINCIPAL'S DISCRETION	\$4,254.94	\$0.00	\$0.00	\$0.00	\$4,254.94	\$0.00	\$4,254.94	
1600	LIBRARY	\$2,516.92	\$0.00	\$0.00	\$0.00	\$2,516.92	\$0.00	\$2,516.92	
2000	STUDENT FUNDS	\$4,695.29	\$0.00	\$0.00	\$0.00	\$4,695.29	\$0.00	\$4,695.29	
2010	FIELD TRIPS	\$4,674.65	\$0.00	\$0.00	\$0.00	\$4,674.65	\$0.00	\$4,674.65	
2100	1ST GRADE	\$350.00	\$0.00	\$0.00	\$0.00	\$350.00	\$0.00	\$350.00	
2200	2ND GRADE	\$400.00	\$0.00	\$0.00	\$0.00	\$400.00	\$0.00	\$400.00	
2300	3RD GRADE	\$450.00	\$0.00	\$0.00	\$0.00	\$450.00	\$0.00	\$450.00	
2400	4TH GRADE	\$500.00	\$0.00	\$0.00	\$0.00	\$500.00	\$0.00	\$500.00	
2500	5TH GRADE	\$1,374.00	\$0.00	\$0.00	\$0.00	\$1,374.00	\$0.00	\$1,374.00	
7400	ART CLUB	\$867.00	\$0.00	\$0.00	\$0.00	\$867.00	\$0.00	\$867.00	
8200	PLAYGROUND FUND	\$1,350.00	\$0.00	\$0.00	\$0.00	\$1,350.00	\$0.00	\$1,350.00	
8520	RUN FOR THE ARTS	\$1,645.53	\$0.00	\$0.00	\$0.00	\$1,645.53	\$0.00	\$1,645.53	
Activity Accounts Grand Total		\$23,078.33	\$0.00	\$0.00	\$0.00	\$23,078.33	\$0.00	\$23,078.33	

COMMONLY USED EPES ACCOUNT NUMBERS

- 1000 Principal's Discretion-The least restricted SBF account. Still must follow SBF & District guidelines.
- 1200 School Designated Funds- computer, literacy, garden, technology, incentives, other,
- 1600 Library
- 1810 Accounts Receivable District- use if you will reimburse SBF from consolidated budget/other District account.
- 1820 Accounts Receivable PTA- use if you will request reimbursement from your school's PTA/PTO
- 2000 Student funds, including classroom funds
- 2010 Field trips, general
- 2050-2750 Kindergarten through 8th grade
- 3000 Class of 20xx
- 4000 Academic funds- middle school and high school teacher accounts, by subject area
- 5000 Arts & languages
- 6000 Athletics
- 7000 Student Extracurricular activities- e.g. academic clubs, all-school events, student council, cultural groups
- 8000 Pass-thru accounts- Donations (Run for the Arts, etc), District fees, PTA/PTO,

New activity accounts are created upon request. Please contact sbf@pps.net for new activity accounts, account deletions and account name changes.

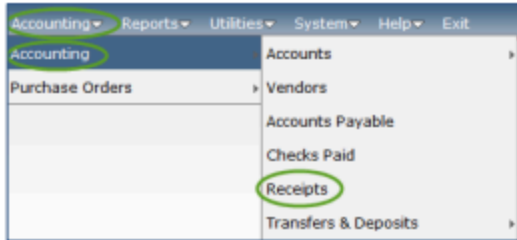


EPES Receipts

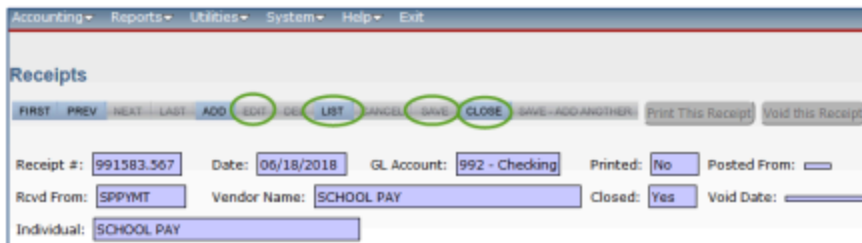
All receipts are automatically entered nightly from SchoolPay transactions.

Occasionally a receipt may be recorded to the wrong account. If the receipt needs to be edited on the day of the deposit, it can be done in SchoolPay. If the receipt needs to be edited after the day of the deposit, it needs to be done in EPES. Utilize the following steps to edit a receipt in EPES:

- Navigate to 'Accounting/Accounting/Receipts'



- Select 'List' on the blue toolbar at the top to find the receipt you want to edit. The receipt list can be sorted by Date, Receipt #, Individual or Amount by clicking on the blue underlined column header. Select the receipt you want to edit by clicking once on the row with the receipt.
- Select 'Edit' on the blue toolbar at the top to make the changes needed. If 'Edit' is greyed out and not an option, this indicates the month has been closed. Contact SBF Support at sbf@pps.net to ask to have a closed period reopened for editing.
- When the receipt has been edited correctly, select 'Save' and then 'Close' on the blue toolbar at the top



ENTERING THE WIRE STATEMENT IN EPES

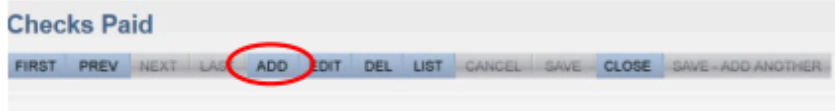
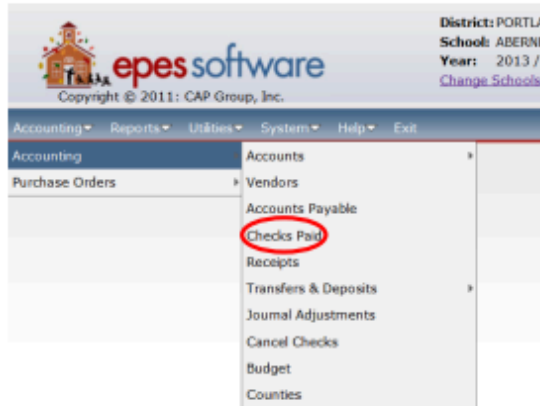
- Enter the wire statement in EPES as a check, regardless if it is a debit or credit on your bank statement.
- Enter the wire statement as check number 9999 followed by the wire statement number (i.e., 99991602) and use the date of the wire statement as your check date and Payee enter as PPS Bank Wire.
- Enter the wire statement line by line, breaking each line down as necessary to charge the appropriate activity account(s).



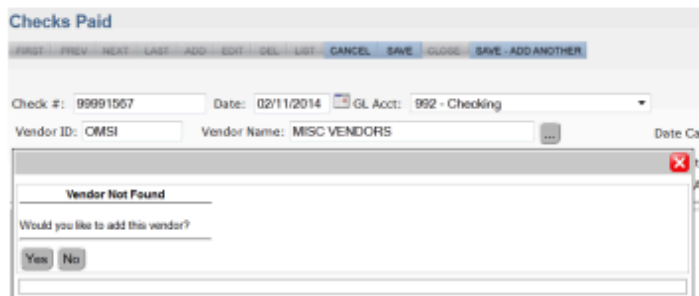
EPES Disbursements

ENTERING CHECKS IN EPES

- In EPES, navigate to 'Accounting/Accounting/Checks Paid'



- Select 'Add' on the blue toolbar.
 - Enter the check number
 - Enter the date of the check
 - Enter the Vendor ID of the vendor you wrote a check to, or if you didn't choose to use the Vendor ID function, enter the name of the payee in the Payee box
- If the Vendor ID you enter is not set up in the system, a box will appear asking if you would like to add this vendor





- Select 'Add Line Item' and enter the check information.
 - The "Acct" is the account you want to pay the money from
 - Invoice is the vendor invoice number
 - Add any notes that may be helpful to you in the future, such as Reimbursement, Registration, etc.

Checks Paid

Check #: 99991957 Date: 02/11/2014 GL Acct: 992 - Checking Closed: No

Vendor ID: BLANK Vendor Name: MISC VENDORS Date Cancelled:

Payee: OWSI Date Voided:

Total Amount: \$0.00

Add Line Item Save Total Amount: \$0.00

Acct.	Sub Acct.	Amount	Tax Amt.	Working Balance	P.O.#	Invoice	Notes	1099
Select Activity Account	0 - No Sub Account	\$0.00	\$0.00					

- Select 'Save' on the blue toolbar to record the entry and update your balances

EDITING CHECKS IN EPES

Navigate to Accounting/Accounting/Checks Paid. Select List to find the check that you want to edit. Note: If the item is greyed out, the period has been closed and you will need to contact the SBF Coordinator to have the period reopened before editing. Find the disbursement on the list and select it by clicking on it. Select edit and make the changes needed. If you decide not to edit the payment, you can select Cancel. Otherwise, select Save, then Close.

VOIDING CHECKS IN EPES

All checks should be entered into EPES. If you make a mistake, the check should be entered and voided so all check numbers are represented. Navigate to Accounting/Accounting/Checks Paid. Select List and open the disbursement you want to void. Select void this Check in the lower left corner. A box will pop up to allow you to put in a reason for the void. Type in your reason (ie. stale dated) and select Continue to void. Select cancel if you decide not to void the disbursement. When voiding a check you should always use the current date if you have already reconciled the month of the original check.

Checks Paid

Check #: 2821 Date: 01/22/2014 GL Acct: 992 - Checking Closed: No

Vendor ID: BLANK Vendor Name: MISC VENDORS Date Cancelled:

Payee: SARAH JONES Date Voided:

Total Amount: \$80.01

Add Line Item Save Total Amount: \$80.01

Acct.	Sub Acct.	Amount	Tax Amt.	Working Balance	P.O.#	Invoice	Notes
1000 - PRINCIPAL'S DISCRETION	0 - No Sub Account	\$80.01	\$0.00	\$7,053.85			Print stripping supplies

VOID THIS CHECK

If the voided check is in your possession, write VOID across the face of the paper check and staple it into your check book behind its stub. If the check is missing, consider putting a stop-payment on it. Contact SBF at sbf@pps.net for stop-payment requests. Include the check number, name of the payee, amount and date the check was written in your message.

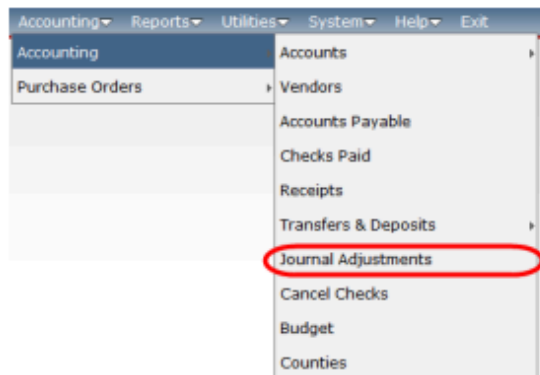


EPES Journal Adjustments

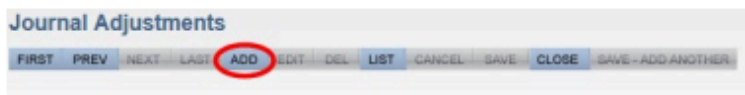
Journal Adjustments are used to correct differences between Student Body Fund activity transactions in EPES and the activity in the school checking account. They account for items that appear on your bank statement that may not have crossed your desk directly, such as nonsufficient fund ("NSF") charges, e-Scrip payments and bank charges.

Each month, use a Journal Adjustment Log to list all of the adjustments needed in order to balance. Complete the Journal Adjustment Log and obtain the Principal's approval and signature prior to entering a Journal Adjustment in EPES. Journal Adjustments are used to correct differences between Student Body Fund activity transactions in EPES and the school checking account.

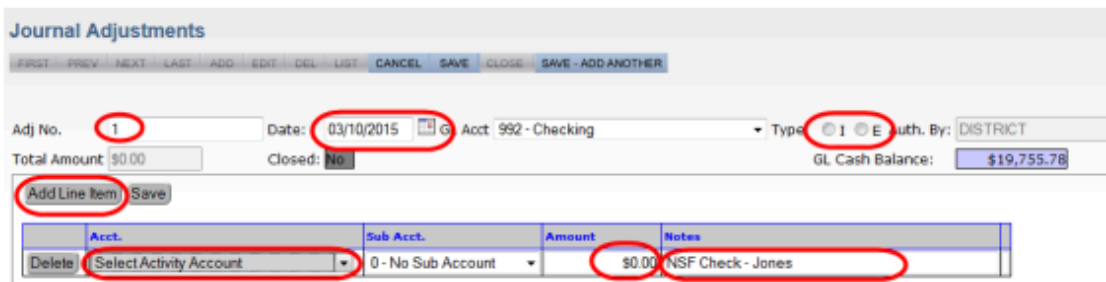
- In EPES, Navigate to: Accounting/Accounting/Journal Adjustments



- Click on 'Add'



- The Journal Adjustment number will default to the next consecutive number. Enter the date of the adjustment. The system will automatically fill in the GL Acct 992 – Checking. Select the type of adjustment ("I" for Income, "E" for Expense). A check that clears the bank for an amount different than it was issued is an Expense type; Interest earned or an NSF check is an Income type. Enter a short description of the Journal Adjustment. Click on Save. Click on Close.





WHEN TO COMPLETE A JOURNAL ADJUSTMENT IN EPES

- **NSF Returned Checks** – whenever you have items returned as NSF, you must record them in the EPES accounting software to reverse out the original receipt of the funds. An NSF will be recorded as a negative adjustment to income in EPES. Navigate to Accounting/Accounting/Journal Adjustments. Use the date of the NSF notice as the Journal Adjustment date and put the charge to the same activity account that the check was originally receipted to. Enter the dollar amount as a negative to reduce the activity account balance.
- **Electronic Deposits (other than the monthly PPS Wire)** – when you have an electronic deposit to your bank account that you do not have a written receipt for, you must enter it as a Journal Adjustment in the EPES program. An example is e-Scrip. Enter the amount as a positive number, classified as “I” (Income).
- **Bank Charges** – schools should not be charged for orders of check stock and deposit slips. If you see a charge from Superior Press on your monthly bank statement, please contact the Accounting Services Treasury Manager to have it corrected. You will need to enter the charge in EPES as a Journal Adjustment.
 - In order to balance your account, enter the transactions as a Journal Adjustment, with a positive amount, and classified as “E” (Expense).
 - When you see the reversal on a future statement, do another Journal Adjustment, with a negative amount, and classified as “E” (Expense). This shows you are “reversing the expense”.
- **Credit Card Charges** – if your school accepts credit card payments, a monthly credit card charge will be reflected on your bank statement and will need to be accounted for in EPES as a Journal Adjustment.
- **Counterfeit Currency** – if you are notified by the bank that a deposit included a counterfeit bill, you will have to create a Journal Adjustment to reduce receipts by that amount.



EPES Bank Statement Reconciliation

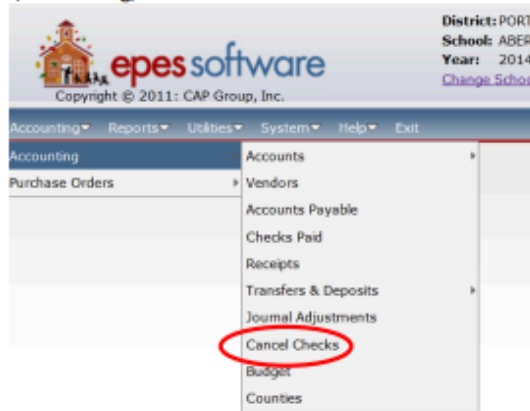
Have the following available to complete the reconciliation process:

- Wells Fargo bank statement for the month you are reconciling
- Monthly wire statement – if there are any electronic debits or credits from School Dist. #1 on the bank statement, you have a wire transaction to record in EPES
- Procurement card records, if applicable – if there are procurement card charges on the monthly wire, you will want to have a record of these charges available to help code entries to the correct activity accounts

Before you begin the reconciliation process, make sure all deposits, wires, checks and other electronic debits and credits are entered in EPES.

1. Cancel checks

- Navigate to Account/Accounting/Cancel Checks



- Enter the last day of the month you are reconciling as shown on the bank statement as the Cancellation date and click 'OK'. This will bring up a list of checks.
- Click on the 'Cancel' box for all checks that are listed on the bank statement as having cleared
- Click 'OK'

Checks List			
Cancellation Date:			07/31/2014
Cancel	Check #	Ck Date	Amount
<input type="checkbox"/>	1471	09/13/2012	\$0.00
<input type="checkbox"/>	2629	01/08/2013	\$123.76
<input type="checkbox"/>	2714	09/09/2013	\$0.00
<input type="checkbox"/>	2794	11/12/2013	\$162.60
<input type="checkbox"/>	2842	03/13/2014	\$4.00
<input type="checkbox"/>	2890	06/13/2014	\$398.00
<input type="checkbox"/>	2895	06/17/2014	\$18.18
Total Cancelled:			\$0.00

OK Close



2. Run a trial Bank Reconciliation Report

- a. Navigate to Reports/Accounting/Bank Reconciliation



- b. Enter the first and last day of the month you are reconciling as shown on the bank statement
- c. Enter the 'Ending Balance on the Bank Statement'
- d. Enter 'Total Deposits not on Bank Statement', if any – these outstanding deposits are the receipts which you entered in EPES, but did not deposit in the bank until the next month

Bank Reconciliation

Preview Print Close

Bank Account: 992 - Checking

Statement Date Range: From: 08/01/2014 To: 08/31/2014

Ending Balance from Bank Statement: \$0.00

Total Deposits not on Bank Statement: \$0.00

- e. Select Preview
 - i. If the report comes up on the screen without a warning message, then it balances and you are almost done. Print it and move on to Producing Reports
 - ii. If you get an out of balance message, click 'OK' to view the report

TIP: The cash Balance must equal computer Balance. Follow the steps on the next page to find and correct any out-of-balance issues.

Note: Total Deposits not on Bank Statement shown above should be zero unless you have receipts not deposited as of the last banking day of the month. The amount recorded in this line of the bank reconciliation should be supported by a list of those receipts with a note as to when they were deposited. It is best practice to make a bank deposit on the last banking day of the month to avoid these "deposits in transit"



3. If Out of Balance

- a. Find the difference between the starred (***) numbers – look at the bank statement and try to find the item that matches the difference. If found, make the necessary correction and rerun the bank reconciliation report.
- b. Compare 'Recpt/JV' total with 'Total Credits' on the bank statement. They should match.
 - i. Run a Sequential List of Receipt Report by receipt number – if the report total matches your total credits, your receipts are accurate; if they are off, export the data to Excel and use this spreadsheet to match up your bank deposit records with the EPES records
 1. In EPES, navigate to Reports/Accounting/Sequential List/List of Receipts/By Receipt #
 2. Under 'Fields', select 'Date'. Under 'Operators', select 'Month Is'.
 3. In 'Compare to' box, enter the number of the month you are balancing – Jan = 1
 4. Click 'Add Condition. Click 'Preview'.
 - ii. If you are still out of balance, run a transaction report from SchoolPay to identify each receipt by receipt number, date and amount
 1. In SchoolPay, navigate to Reports/Transactions
 2. Under 'Custom Report Format', select date range from 1st day of the reconciling month to mid-month of the following month to make sure you can see all relevant transactions
 3. Click 'Search', then click on the ▼ CSV box at the top right of the screen to export transactions for review and matching to the bank statement and EPES
- c. Compare 'Disb/JV' total with Sequential List of Checks. They should match.
 - i. Run a Sequential List of checks Reports by date cancelled – if your total debits match checks cancelled on the bank statement, you know your checks are correct; if they are off, review the list and check to see if an amount or date was entered incorrectly and edit as needed
 1. In EPES, navigate to Reports/Accounting/Sequential List/List of Checks/By Check Num
 2. Under 'Fields', select 'Date Cancelled'. Under 'Operators', select 'Month Is'
 3. In 'Compare to' box, enter the number of the month you are balancing – Jan = 1
 4. Click 'Add Condition'. Click 'Preview'.

4. Producing Reports – when balanced, print these reports and send to sbf@pps.net

- a. Bank Reconciliation Report
- b. Activity Ledger Report (also called General Ledger or Financial Report)
 - i. In EPES, navigate to Reports/Accounting/Activity Ledger
 - ii. 'Period Begin' is the first day of the month being reconciled
 - iii. 'Period End' is the ending statement date from bank statement
 - iv. Do not modify any other selections
- c. Outstanding Checks Report
 - i. In EPES, navigate to Reports/Accounting/Outstanding Checks
 - ii. 'Thru What Date' = ending statement date from bank statement
- d. Sequential List of Checks Report (see above)
- e. Sequential List of Receipts Report (see above)
- f. Journal Adjustments Report, if any – in EPES, navigate to Reports/Accounting/Journal Adjustments
- g. Activity Transfers Report, if any – in EPES, navigate to Reports/Sequential List/List of Activity Transfers
- h. Bank Statement
- i. Outstanding deposits to bank – supporting documentation (e.g. copy of bank deposit receipt, SchoolPay transaction report or SchoolPay batch report)



RECORD RETENTION

Record Category	Office of Record	Examples:	4 Years	6 Years	11 Years	Notes
Interscholastic activity	Athletics			X		
Accounts Payable Program Administration	Accounts Payable	Travel expense report; invoice/invoice voucher; billing; reconciliation worksheet/spreadsheet; payment authorization; daily batch list; check register; canceled/redeemed/voided checks/warrants; unclaimed property; aging reports		X		Unclaimed property: OAR 166-400-0025(26) - Remittance + 3 years
Accounts Receivable Program Administration	Accounts Receivable	Account statement; deposit/withdrawal slips; check conversion (image); billing; receipt/receipt register/cash receipt; credit/debit card receipts; petty cash; aging reports; reconciliation worksheet/spreadsheet		X		
General Ledger Program Administration	General Ledger	Journal entry forms; year end ledger; CAFR working papers/reconciliations			X	
Grant File	Grant Accounting	Receipt of grant; gifts and contributions (conditional); summary reporting			X	Gifts/contributions - OAR 166-400-0025(15) - Expiration of Agreement or Conditions met + 6 years "Grant reporting" - OAR 166-400-0025(2) - Final/Annual Expenditure Report accepted + 3 years (Federal funds) - Collection/Write-Off + 3 years (non-federal funds)
Payroll Program Administration	Payroll	Administrative reports; registers; leave balance reports; leave accrual; deduction registers; monthly payroll registers; wage and tax statements; employee time and attendance; unemployment reports			X	
Employee Payroll Records	Payroll	PERS enrollment form; W-4; deduction authorization; garnishment				OAR 166-400-0045(3) - Separation + 3 years PERS Enrollment Form: OAR 166-400-0045(3) - Date of hire + 75 years W-4: OAR 166-400-0045(14) - Supersession/Separation + 5 years Deduction Authorization: OAR 166-400-0045(1) - Supersession/Termination + 3 years Garnishment: OAR 166-400-0045(6) - Resolution + 3 years
Purchase Order	Purchasing & Contracts	Purchase order; reports of receipt of goods or services;		X		
Non-Construction Contracts/Agreements	Purchasing & Contracts					OAR 166-400-0010(12) - Expiration + 6 years
Safety	Risk Management	Safety committee; safety inspection and compliance; risk factor evaluations			X	
Purchase Order	Purchasing & Contracts	Purchase order; reports of receipt of goods or services;		X		
Solicitation File	Purchasing & Contracts					OAR 166-400-0025(9) - "Substantial" Completion + 10 years OAR 166-400-0025(9) - Awarded or Canceled + 2 years



APPENDIX 7: SBF TRAINING CHECKLIST

REQUIRED ACCESS

- EPES
- SchoolPay
- Wells Fargo

DISTRICT/SBF BANKING POLICIES

- The SBF checking account allows schools to handle business quickly and efficiently at the school level.
- Each school may have only one SBF checking account. There may NOT be any other checking accounts that refer to either the school or the School District.
- Funds such as social dues, that are used and managed at the school during the school day and for the benefit of the school and/or staff, may not be handled through the school checking account.
- No one is permitted to go into a bank branch and make “over the counter” withdrawals.
- All checks written from the school checking account require two authorizing signatures.

RECEIPTING

- Cash should be counted when received and whenever practical, in the presence of the provider to verify the correct amount.
- If cash cannot be counted when first received, the person turning over the money should count it and put it in a sealed envelope. When the amount is able to be verified, count the currency in the presence of another adult and obtain their signature.
- Record and account for all receipts in SchoolPay immediately.
- Lock un-deposited checks and cash in a secure location with limited access. Never leave cash unattended or un-secured.
- No funds should ever be received and then disbursed without being deposited in the bank.

BANK DEPOSITS

- Pre K-8th - must make deposits to the bank whenever cash and checks total \$500 or more, or weekly, whichever occurs first.
- High Schools - must make daily deposits via armored car.

DISBURSEMENTS

- Funds in the Student Body Fund accounts are to be spent for the general welfare of the student body and not for staff or for purposes funded as part of general operations.
- Do not pre-sign or permit any SBF checks to be pre-signed. Signature stamps are not permitted on SBF checks or forms.
- The principal must approve all requests for check issuance.



DISBURSEMENTS (continued)

- Follow check writing procedures: sequential order, dual signatures, photocopy of check for files, proper documentation.
- Record and account for all cash disbursements in EPES daily.
- Check request should be approved by the Principal only if there are sufficient funds in the SBF account. Any expenditure that would create more than a temporary deficit should not be approved.
- Maintain a filing system to organize documentation for disbursements on a monthly basis.
- Maintain security and accountability over the checkbook and checks.
- Do not write a check from SBF to reimburse an employee. All employee reimbursement requests must be submitted to District Accounts Payable for payment within 60 days of the purchase.
- Do not write a check from SBF if payment is to be charged to a District account code
- Gift cards should not be purchased with District funds (consolidated budget, grant funds, Student Body Funds, or department budgets)
- Do not write a check from SBF to pay for a contract. Contracts are required for all Personal Services and payment must be paid by District Accounts Payable.

MONTHLY RECONCILIATION (REPORTING)

- Record all monthly disbursements and adjusting entries in EPES.
- Review the bank statement for entries that have not been made in EPES and complete these entries, if necessary.
- Complete the bank reconciliation.
- Print all required month-end reports.
- Review month-end reports with the Principal, obtain signatures.
- Scan original signed documents to sbf@pps.net no later than the 25th of the following month.
- File the original signed documents to keep in your monthly SBF file.

You must sign the Training Checklist before EPES access will be granted. The Training Checklist is a guide used in conjunction with the SBF Manual. By signing the Training Checklist, I certify that I have read the Student Body Fund Manual and understand that I am responsible for following the guidelines and procedures outlined in the manual.

I will contact the Student Body Fund Coordinator (sbf@pps.net) for clarification or further questions regarding policies, procedures, and information outlines in this manual.

Employee’s Signature: _____ Date: _____

SBF Trainer’s Signature: _____ Date: _____

Appendix F: Recommendations for Consideration

To assist the Accounting Services Department with the implementation of recommendations, we provided additional information related to each recommendation for their consideration.

Recommendation 1: We recommend the Accounting Services Department strengthen internal controls to ensure:

- **The required SBF training is completed prior to granting the staff access to the SBF Accounting systems and appointing them as authorized bank signers.**
- **Access to the SBF accounting system and the authorization at bank signers is terminated timely when staff change roles or leave PPS employment.**

Recommendations for consideration:

- We recommend the Accounting Services formalize the SBF Training by creating a training module in the PPS professional development application (Pepper).
- We recommend Accounting Services staff confirm SBF training was successfully completed in Pepper before granting staff access to the SBF Accounting systems and appointing them as authorized bank signers.
- We recommend Accounting Services staff obtain a list of employee status changes bi-monthly and utilize the list to ensure access to SBF Accounting systems terminated and they are removed as authorized bank signers timely.

Recommendation 2: We recommend the Accounting Services Department require all staff with SBF management or oversight responsibilities complete the SBF training.

Recommendations for consideration:

- We recommend Accounting Services develop a SBF training module in Pepper specifically for Principals, that focuses on the Principal's review and approval process and procedures.
- We recommend all Principals (current and new) be required to take the newly developed Principal specific SBF training.
- We recommend Accounting Services develop a SBF training module in Pepper that focuses on the process and procedures that is specific to the utilization of SBF in the Athletics Department.

- We recommend all Athletics Department staff that collect or disperse SBF be required to take the newly developed Athletics Department specific SBF training.

Recommendation 3: We recommend the Accounting Services Department strengthen internal controls to ensure SBF transactions are for allowable purposes and are adequately supported by the required documentation.

Recommendations for consideration:

- We recommend Accounting Services increase the dollar amount (currently set at \$500 or more) of purchase that requires a Purchase Approval Form be completed and approved by Principals, only at high schools.
- We recommend Accounting Services develop and implement a tiered infraction table, similar to the one utilized by PPS' PCard program.
- We recommend Accounting Services allow Principals to assign a proxy for the Principal's pre-approval responsibilities; similar to what is utilized by PPS' PCard program.
- Allow high school students access to SchoolPay.

Recommendation 4: We recommend the Accounting Services Department strengthen internal controls to ensure SBF Monthly Reconciliation Reports are complete, timely, and contain all required documents; and deposits of SBF funds are timely.

Recommendations for consideration:

- We recommend Accounting Services develop and implement a tiered infraction table, similar to the one utilized by PPS' PCard program.

Recommendation 5: We recommend the Accounting Services Department perform the SBF District Review procedures to provide adequate oversight of SBF funds and ensure complete and accurate accounting, tracking, and safeguarding of SBF.

No additional recommendations for consideration.

Recommendations 6. We recommend the Accounting Services Department develop a formal SBF Training course in the PPS professional development application (Pepper) and develop internal control procedures to ensure the training module is reviewed annually and updated when necessary.

Recommendations for consideration:

- We recommend the Accounting Services/SBF Coordinator host (optional) virtual SBF responsibilities and collaboration meetings where staff with SBF responsibilities can attend, ask questions and get support from each other.
- We recommend Accounting Services update the SBF Manual and applicable trainings to address the following items:
 - Current practices for Armored Car services for deposits of SBF at high schools
 - Process and procedure expectations related to ticket sales at PPS events
 - Process and procedure expectations related to Game workers

7. We recommend PPS discontinue the utilization of the SBF account as a pass-through account for non SBF related revenues and expenditures or update the SBF policy, administrative directives, SBF manual, and SBF training to include adequate guidance and oversight of these pass-through funds.

No additional recommendations for consideration.