

## **Principal Funds Management**

The purpose of this policy is to provide accounting of the various principal and activity funds.

- All principal fund administrators will follow procedures developed by the Business Office to adequately describe each transaction, using an approved accounting software program. All transactions shall be classified as either a student or an administrative activity.
- All principal funds will be subject to spot audits by the Business Office during the year.
- On a monthly basis the Business Office will reconcile all principal funds. The individual groups will submit a final report of all transactions to the Business Office on or before June 30 of each school/fiscal year.
- The Business Office recognizes it is difficult in some instances, (coke and snacks at the High School and Middle School) to segregate funding sources as student or administrative. In those instances, the cost of inventory as well as the revenues received shall be segregated by the student / faculty ratio of the building.
  - Those instances when the source of funds can be categorized as either student or administrative relationship must input as such, and these funds can only be used for that category.
- Disbursements shall be given out in the following manner:
  - A request for funds shall be submitted to the fund treasurer. When a check is issued, the person requesting the funds or the account treasurer cannot sign the check, a third authorization is required.
  - When a check is not necessary, i.e. petty cash, a third person authorized to use the fund must accept the cash, and complete the transaction giving back both the invoice and change.
- If the request is over \$500, the check must be approved by either the Business Office or Superintendent unless it is for an emergency or special exception.
  - Special Exception – funds collected by a school for the sole purpose of a specific function, i.e. field trip. Once all funds have been collected, the procedure of releasing funds must be followed. For this instance, it is not necessary for a third signature or approved by the District Office.
- Principal funds transactions must always be and remain segregated from any operating funds, i.e. petty cash funds.

**LONDONDERRY SCHOOL BOARD**

Adopted: May 20, 2003