

RECOMMENDED SCHOOL GUIDELINES FOR FINANCIAL REPORTING FOR SCHOOL-BASED CHECKING ACCOUNTS

The purpose of these guidelines is to establish a procedure for recording, reporting, and interpreting of financial information regarding school-based checking account activities. Reference is to accounting for funds associated with school-based activities such as monies belonging to staff (ex. Sunshine funds, staff vending machines) or other ancillary fundraisers conducted by the school.

1. School-based checking accounts are funds that belong to the staff of the building and are not the property of the City of Worcester or Worcester Public Schools.
2. School-based checking accounts are not permitted to use the City of Worcester tax identification number.
3. School-based checking accounts do not replace Parent Group accounts or student activity accounts. The Worcester Public Schools have separate financial guidelines for both Parent Group accounts and Student Activity Accounts.
4. **No gifts or donations** made to the school may be deposited into the school-based checking account. Gifts and donations are governed by Section 53A of Chapter 44 of the General Laws of Massachusetts, and shall be processed in accordance with such, including deposit of monetary gifts into a restricted account with the approval of the School Committee. All gifts and donations should be forwarded to the Chief Financial and Operations Officer.
5. **No scholarships** should be placed in a school-based checking account. Scholarships are considered a gift for educational purposes and are governed under the provisions of Section 53A of Chapter 44 and Section 37A of Chapter 71 of the General Laws of Massachusetts, and shall be deposited into a restricted account. All scholarships should be forwarded to the Chief Financial and Operations Officer.
6. **No graduating class student activity account funds** shall be deposited into a school-based checking account. The Worcester Public Schools has written guidelines as to the disposition of graduating class student activity funds.
7. The Building Principal should annually provide the following information to the Business Office regarding any school-based checking account:
 - a. Name of Account
 - b. Financial Institution of the Account
 - c. Account Number
 - d. Tax Identification Number Used on the Account
 - e. Names of all Signatories on the Account
8. The school shall maintain standardized forms to record all receipts and expenditures.
9. The school shall maintain all transactions and to maintain a current balance.
10. The monthly bank statement should be kept on file with all supporting documentation to substantiate all receipts and expenditures.
11. Detailed records with appropriate backup documents should be maintained at all times. This would include the following:
 - a. Pre-numbered tickets should be used with an inventory system for monitoring the use of such:

- b. Standardized forms (for deposits, disbursements, etc.) should be used whenever possible;
 - c. All disbursements should require a bill or some type of receipt;
 - d. All deposits should require a school deposit slip stating source of the monies, total amount being deposited, and signature of the person making the deposit;
12. Bank reconciliations and account reconciliations should be done monthly with copies kept on file at the school.
 13. The up fronting of personal monies should be avoided whenever possible. If it is anticipated that up fronting of monies may be necessary, sufficient documentation shall be maintained to substantiate the reimbursement.
 14. No check shall be made payable to cash and there should be no withdrawal from ATM machines using this account.
 15. Consideration should be given to requiring two signatures on checks issued over a certain dollar threshold.
 16. No checks shall be issued without bills or receipts to document the disbursement. Vendor statements alone (i.e., without any supporting documents) should not be used for the issuance of checks.
 17. A record of all checks issued will be maintained. All checks shall be accounted for, including voided checks (which shall be mutilated to avoid reuse but not destroyed).