

CASWELL COUNTY SCHOOLS BOARD OF EDUCATION POLICY	<u>BUSINESS OPERATIONS</u> Cash Management	503
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In recognition of the trust and responsibility placed with the Board of Education to manage financial resources for the local educational program, the Board establishes the following standards:

- a. The Board and all employees of the School District will manage and use available funds efficiently and effectively to meet the goals of the local board and the State.
- b. Accounting, financial reporting and management control systems will be designed and maintained to show in detail the Board's assets, liabilities, equities, revenues, expenditures, to show appropriations and estimated revenues as established in the original and amended budget resolution, to record and show encumbrances outstanding against each category of expenditure, to enable the Board and School District to have access to accurate, reliable and relevant data, and to permit audits and periodic reports adequate to show that those in charge have handled funds within legal requirements and in accordance with Board policy.
- c. The Superintendent and Finance Officer will keep the Board sufficiently informed regarding the budget through quarterly financial statements showing the financial condition of the school system as of the last day of the preceding month.
- d. No monies will be expended, regardless of the source, except in accordance with the Board's budget resolution or amendments to the budget resolution.
- e. Principals will be familiar with the State and local board requirements related to managing and using fiscal resources and will comply with these requirements in developing and implementing school improvement plans.

1. Depositories

The Board of Education will solicit requests for proposals at least every ten (10) years from, and will designate as official depositories of the School District, one or more banks, savings and loan associations, or trust companies in North Carolina. Money belonging to the School District may be deposited in official depositories in Negotiable Order of Withdrawal (NOW) accounts. No money will be deposited in any place other than an official depository, except as permitted by G.S. 115C-443(b), which allows deposits in the form of certificates of deposits or such other forms of time deposits approved by the Local Government Commission to be made at any bank, savings and loan association or trust company in North Carolina.

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2. Daily Deposits

Except as otherwise permitted by law, all monies collected or received by an officer, employee or agent of the School District or an individual school will be deposited in accordance with this policy. Each officer, employee and agent of the School District or individual school whose duty it is to collect or receive any taxes or other monies will deposit daily his collections and receipts. However, if the amount on hand is less than \$50.00, daily deposits are encouraged but not required, unless cash is involved. Daily deposits shall be required when the monies on hand amount to \$50.00 or more. Regardless of the amount on hand, all remaining funds shall be deposited on the last business day of the month. All deposits will be made with the Finance Officer or in an official depository.

At the end of every school day, funds on hand shall be turned in to the School Treasurer or designated recipient of the funds and those funds shall be kept under lock and key. All monies held overnight shall be kept in a locked, secure facility in the school.

The Finance Officer at any time may audit the accounts of any officer, employee or agent collecting or receiving any taxes or other monies, and may prescribe the form and detail of these accounts. The accounts of such officer, employee or agent will be audited at least annually.

3. Facsimile Signatures

All checks issued by the Board of Education will require the signature of only the Finance Officer. The Board authorizes the use of facsimile signature machines, signature stamps, or similar devices in signing checks and drafts and in signing the pre-audit certificate on contracts or purchase orders. The Board charges the Finance Officer with the custody of the necessary machines, stamps, plates, or other devices. The Finance Officer and the sureties on his official bond are liable for any illegal, improper or unauthorized use of these signature devices.

4. Un-Appropriated Fund Balance

Any fund balance amount exceeding the previous year allocation from the County may be appropriated in the subsequent year's budget. Whenever possible, appropriated fund balance (retained earnings) should be used to finance only non-recurring expenditures because it is a non-recurring resource.

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5. Incurring Obligations

The School District may not incur an obligation unless the budget resolution includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year.

All requests for goods, services and equipment for which the Board of Education will be responsible for payment must be made on official purchase orders/requisitions that meet the requirements of the pre-audit certification, discussed in the purchasing section.

6. Disbursements

When an invoice or other claim against the school district is presented, the Finance Officer will either approve or disapprove the necessary disbursement. The Finance Officer will approve the claim only if:

- a. The Finance Officer determines the amount to be payable
- b. The budget resolution includes an appropriation authorizing the expenditure; and
- c. Either an encumbrance has been previously created for the transaction or an unencumbered balance remains in the appropriation sufficient to pay the amount.

A bill, invoice or other claim may not be paid unless it has been approved by the Finance Officer or by the Board of Education.

7. Payment

The Board of Education will provide for the prompt payment of all incurred obligations, other necessary expenses and the salaries of School District personnel. The Board may not pay an invoice, salary or claim except by check or draft on an official depository, by bank wire transfer from an official depository, or by warrant on the State Treasurer. Each check or draft on an official depository, except for payroll checks, payroll drafts or state warrants, will bear on its face a certificate signed by the Finance Officer or signed by the chairperson or some other member of the Board of Education. The certificate will take the following form:

“This disbursement has been approved as required by the School Budget and Fiscal Control Act.”

(Signature of Finance Officer)

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8. Penalties

Any officer or employee of the School District who incurs an obligation or pays out or causes to be paid out any funds in violation of this section will be liable, along with any surety on his official bond, for the sums so committed or disbursed. If the Finance Officer gives a false certificate to any contract, agreement, purchase order, check, draft or other document, the Finance Officer, along with any surety on his official bond, will be liable for any sums illegally committed or disbursed as a result.