

## **FINANCIAL REPORTING**

### **Monthly Bank Reconciliation**

Bank statements shall be reconciled as soon as received, preferably by a person other than the person who receives and disburses funds. The SFA should complete the monthly reconciliation process utilizing the SBAA module of the Skyward Accounting Software. The bank statement balance is to be reconciled to the Principal's Monthly Report. The reconciliation should be completed by the 15<sup>th</sup> day of the month following the closing date on the bank statement.

The bank statement should be received, reviewed, signed and dated by the principal prior to providing the signed bank statement to the SFA to complete the reconciliation process. In cases where the school receives the bank statement electronically, the principal should log into the online banking system, print, review, sign and date the bank statement and forward a hardcopy to the SFA to complete the monthly reconciliation process.

The monthly reconciliation process is completed utilizing the Skyward Accounting System. The reconciliation process requires entering pertinent information from monthly bank statements, clearing checks, and generating all of the necessary journal entries (interest, corrections, transfers, adjustments, etc.). Prior to finalizing the monthly reconciliation, the SFA should research and clear any variances noted on the Bank Reconciliation Report. Variances cannot be cleared by entry of manual adjustment figures on the Principal's Monthly Report.

In addition to the steps noted above, the SFA should take steps to research accounts with negative balances, NSF checks, and stale dated checks. See Chapter 5 for additional information on these topics

### **Administrative Review Process**

Upon completion of the reconciliation by the SFA, the bank statement(s), bank reconciliation(s), Principal's Monthly Report, and all journal entries should be provided to the principal for review. The Principal's Monthly Report should detail account balances including total monthly and year to date receipts and disbursements by activity account. This level of detail will aid the principal in obtaining an understanding of the current financial position of each activity account. The principal should complete a comprehensive review of the Principal's Monthly Report and compare account balances to the values on the monthly Bank Reconciliation Report. Further, the principal should review the monthly bank reconciliation report to identify any variance between the bank balance and the balance recorded in the SBAA software. Any exceptions or variances should be investigated by the principal. Appropriate action should be taken by the principal to document exceptions or variances (journal entries, incident reports, etc.)

The bank statement(s), bank reconciliation(s), Principal's Monthly Report and all journal entries should be signed and dated by the principal. The original signed copies of these documents should be maintained as a part of the school's internal accounts records.

## **Recordkeeping**

The following documentation must be maintained to support the monthly reconciliation process:

1. Bank Statements (signed by the Principal or designee)
2. Bank Reconciliation Report (signed by the Principal or designee)
3. Principal's Monthly Report (signed by the Principal or designee)
4. Journal Entry Report (signed by the Principal or designee)
5. Properly completed check requisition forms with all invoices, receipts and other necessary supporting documentation attached. The checks and support should be organized in sequential order.
6. Properly completed ROMCs with all necessary supporting documentation. The cash receipts should be kept in sequential order and attached to the corresponding deposit slip. The deposit slips should be organized by the date of deposit.

The detailed steps necessary to complete the monthly reconciliation can be found in the Skyward User's Guide included in the Appendix of this manual.

## **Year End Closeout**

In addition to the reconciliation activities completed on a monthly basis, the SFA should work in collaboration with the school principal to ensure that adequate support and documentation has been maintained for the following:

1. NSF Checks
2. Stale Dated Checks
3. Student Fee Accounts
4. Deficit Spending
5. Fund-Raiser proceeds

Internal accounts records should be organized and stored in a secure location. Reconciled bank statements and monthly financial reports should be readily available for review. In addition to the documents noted above, the list below, although not comprehensive, provides guidance regarding the types of additional documentation that must be maintained:

### **1. Cash Receipts**

All Reports of Monies Collected (ROMCs) and supporting documentation for the fiscal year.

### **2. Cash Disbursements**

All Check Requisitions and supporting documentation for the fiscal year.

### **3. Monthly Financial Statements**

Bank Statements, Bank Reconciliation Reports, Principal's Monthly Reports, and Journal Entry Reports.

#### **4. IA P-Card Policy Acknowledgement Log**

The IA P-Card Policy Acknowledgement Log should be completed annually at the beginning of each school year, preferably during the school's initial planning meeting. The SFA should print LCSB Policy 6424 – Purchasing Cards and LCSB Administrative Procedure 6424 – Purchasing Cards and attach them to the IA P-Card Policy Acknowledgement Log. Each staff member should read the governing policy and procedure and sign the log indicating their understanding of IA P-Card rules.

#### **5. IA P-Card Sign-In / Sign-Out Log**

The IA P-Card Log tracks custody of the miscellaneous IA P-Cards and should be completed when the card is checked out and/or returned. It is recommended that one continuous log be maintained for the entire fiscal year.

#### **6. Teacher Receipt Book Log**

The Teacher Receipt Book Log serves as an inventory of the teacher receipt books issued during the fiscal year. It includes the date issued, receipt numbers included in the receipt book, signature of teacher receiving the book and signature of the SFA evidencing return of the completed book.

#### **7. Gift Card Log**

The Gift Card Log documents all gift cards purchased during the school year. The log should include the account number and check number used for the purchase of gift cards, the reason for the purchase, as well as the signature and date of the individual receiving the gift card. Additionally, purchases of gift cards should not exceed District guidance as follows: Gifts or honorariums cannot exceed \$100 per person, per year.

#### **8. Log of Complimentary Athletic Purchases**

The Log of Complimentary Athletic Purchases should be maintained for any gratis or complimentary items purchased using athletic funds. The log should include the type of item purchased, account number and check number used for payment, and the signature and date of the individual receiving the item.

#### **9. Fee Letters**

Student fee letters must be provided to the parents whenever fees are requested. The fee letters should include an itemization of expenses and clearly detail the purpose for collection of funds.

#### **10. Yearbook Report**

The Yearbook Report is used to track all yearbook inventory for the school year.

#### **11. Yearbook Ads Sold Report**

The Yearbook Ads Sold Report lists the date sold, advertiser's name, ad size and amount, and a record of payment. This report is used to track all ad sales for the school year.

**12. Donation Letters**

Donation letters should be obtained from all donors and include details regarding how the donor would like the funds disbursed. If a donation letter cannot be obtained, the funds must be posted to the general student account and used for the general welfare of the entire student body.

**13. Activity Request Forms**

Activity Request Forms must be completed and approved by the principal prior to beginning fundraisers. The forms should include the type and duration of fundraising efforts, costs of items sold, and the intended use of all fundraiser proceeds.

**14. Inventory Reports**

Inventory Reports must be maintained whenever items are purchased for resale to include concession sales, school store inventories, T-shirt inventories, etc. The Inventory Report should include the type and quantity of items purchases, actual costs, sales price, and profit information. The report should also indicate the status of any unsold inventory (spoiled, salvaged, donated, retained for future sale, etc.).

**15. Ticket Seller Report**

Ticket Seller Reports indicating ticket prices and the number of tickets sold should be completed by an event sponsor whenever tickets are sold for an event. This record should contain a perpetual inventory of tickets on hand by color code (price), ticket number, the admission prices, and actual cash on hand. Ticket Seller Reports should be attached as supporting documentation to the ROMC when funds are being submitted for deposit.

**16. Fundraiser Reconciliation Report**

Fundraiser Reconciliation Reports should be completed to identify the types, frequencies, and profitability of fundraising efforts.

**17. PTSAs**

Professional Technical Service Agreements (PTSAs) should be initiated in accordance with the requirements outlined in LCSB Administrative Procedures 6320.01 – Professional/Technical Service Agreement (PTSA).

**18. Extra Duty Payroll**

Any Extra Duty Payroll must be processed through the LCSB Payroll Department. Salaries are not to be paid from internal accounts.

**19. PTO/PTA/Booster Group Officers & Budgets**

A copy of the current officers and an approved budget should be provided to the SFA annually. Additionally, any periodic financial reports must be provided to the principal in accordance with LCSB Policy 9211 – Parent Organizations, Booster Clubs, And Other Fund-Raising Activities.