

# Current Issues in Local School Accounting

AASBO

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Happily Retired CSFO's

# Current Issues in Local School Accounting

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- Grants
- Deadlines
- Journal Entries
- Review account balances
- Receipts and Deposits

# Current Issues in Local School Accounting

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- Ticket & Concession Sales
- Purchase Orders
- Public vs. Nonpublic accounts
- Student Unpaid CNP Balances
- Invoices

The reason you  
do what you  
do.....

For precious  
children like  
these four  
girls.....

Four of our girls  
on a trip. Mine  
have orange  
arrows above  
their heads,  
Melanie's are  
the other two.  
😊



# Grants

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## Accounting for grants and their restrictions:

- Be sure you tell teachers/counselors/librarians/administrators if they apply for a grant to include you so you will know for what they have applied, how the grant funds are to be used and from whom to expect the money.
- Grant information should include what the funds can be spent on and if there is a deadline for the funds to be spent. If there is a deadline is it realistic that the funds can be spent by that deadline?
- Be sure you record the grant according to the State Accounting Manual. If you aren't sure, contact your CSFO or local school accountant for assistance.

# Deadlines

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- As the bookkeeper, deadlines must be established and adhered to. Know the reason why because you WILL be asked by someone or multiple people.
- Setting a time deadline for receiving receipts from teachers for your daily deposit. However, once you set that deadline, you must have a safe place for teachers to place the funds they collect. **They should not keep the funds in their classrooms.**
- Setting a time deadline for turning in credit card receipts or invoices that you must submit to Central Office. The teacher's failure to comply not only affects your school reconciliation but also the Central Office ability to reconcile.

# Journal Entries

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- Make sure that any journal entry you prepare is signed by your Principal or by the CSFO. This is part of the monitoring process plus it is good internal controls.
- Be sure you make the journal entry correctly – review the accounts you are using after you post to ensure you made the entry correctly. In the event you made the entry backward (it can happen to the best of us) you can correct it while it is fresh on your mind.
- Be sure you have documentation on ALL journal entries.
- If you aren't sure of the entry, ALWAYS call your CSFO or local school accountant. They truly don't mind you calling and asking. It's better to ask before you post the entry than to make it, reverse it, and try again. 😊

# Review Account Balances

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- Always check your trial balance monthly to ensure all account balances are correct.
- Your assets (1's) and expenditures (5's) should ALWAYS have debit balances. If they do not you need to be able to explain to your CSFO why. When the CSFO uploads their monthly financial statements, any unusual balance will generate an edit to be corrected.
- Your liabilities (2's), fund equity (3's) and revenues (4's) should have credit balances. The only exception is the encumbrances (3's) have a debit and credit account if you have open encumbrances.
- If you have a balance you don't think is correct, research it and if required, do a journal entry to correct it immediately - so you don't forget. It's easy to get distracted with phone calls, people coming in, etc.

# Receipts and Deposits

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- Always deposit your money timely and intact.
- Never make change from your deposits for administrators, teachers, etc. You are not a bank!!!
- Set a time to make your deposits daily. Be sure everyone knows when to have their money turned in so they can meet the deadline you have set. If you have an activity or club that you know is having a large fundraiser, be sure you set aside extra time for the deposit. If a teacher collects money last period, be sure to accommodate a safe storage location so funds are not left in the classroom (as discussed under the deadline topic).
- Be sure you count the money in the presence of the teacher. In the event there is a discrepancy, it should be resolved immediately.
- Providing teachers/coaches with a listing of accounts in the general ledger for their use is a good practice.

# Receipts and Deposits (continued)

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- Make sure you and the individuals collecting money in your school are using pre-numbered receipt books. When teachers turn in their money, account for the receipts in order to ensure there are no missing receipts or voided receipts that they are holding.
- Check the date of the receipt vs. the date of the check. There are instances where teachers hold the money (sadly this happens too frequently) however, there are times where children forget and carry the money in their backpack for a week or two. If the second instance is the case, be sure and notate.
- If you see a pattern of late receipts being turned submitted, discuss with the individual and let your administrator know as well. The Principal needs to know since they are the one responsible for all financial activity in your school.

# Ticket & Concession Sales

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- Balancing forms should be used to account for ticket sales. This is used primarily for athletic events but other events such as Fine Arts performances may also use tickets. There should be proper controls over cash when given to anyone (Boosters, etc.)
- GoFan is one platform that is currently being used with sale of athletic tickets. The platform charges \$1 per ticket and for the systems I spoke with, this fee has been passed on to the purchaser and not paid by the sport. This is another way to reduce handling of cash.
- Cash registers are a great tool to use in the concession stand. It helps to make accounting for collections much easier. The use of electronic collections such as the Square are another way to assist with collections and reduces the amount of cash handled in the concession stands.
- All change cash should be coded as Change Cash in the general ledger when you write the check to get the funds from the bank. All cash should be properly secured by the holder (band, football, etc.). When the change cash is returned and deposited, be sure to code back to Change Cash and it balances out to zero.

# Purchase Orders

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- Be sure all purchase orders are filled out completely (signatures, descriptions, amounts)
- Purchase orders should be prenumbered
- If the teacher/coach is responsible for coding the PO, review it to ensure coding is correct. Providing the teacher/coach with a list of accounts to use from the general ledger is a good practice.
- Purchase orders should be prepared BEFORE anything is purchased. Failure to follow this requirement is one of the most common items that a system will be written up over.

# Public vs. Nonpublic Accounts

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- **Public funds:**

- Funds received from taxation
- Controlled by the principal
- Funds generated schoolwide
- Used for all students
- Public funds can NEVER be transferred to Nonpublic accounts

## **Nonpublic funds:**

- \* Funds raised for a particular group
- \* Organization or parent group determine how funds are to be expended
- \* Controlled by sponsor or organization
- \* Nonpublic funds should NEVER have a negative balance
- \* Nonpublic funds can be transferred to public funds

# Unpaid CNP Balances

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- Any unpaid student child nutrition balance at the end of the period set by your CNP department (no later than the end of school) should be paid from non-public funds, such as PTO or specific donations.
- Do not wait until the end of school to begin calling parents for outstanding balances. This is normally initiated by the CNP department.
- Employees and visitors should not be allowed to charge meals.
- Collecting balances is going to be challenging after all the “free” covid funds for student meals. As a former board member told me, if you are making everyone happy, you probably aren't doing your job.  
😊

# Invoices

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- Invoices should be reviewed to ensure they match the information on the purchase order.
- The invoice should be signed by the person who received the merchandise as proof of receipt.
- Acknowledgement of shipment or other shipping documents is not an invoice.
- Invoices should be remitted to the bookkeeper promptly, especially invoices paid with a teacher purchasing card. If you have problems getting receipts from a teacher/coach, be sure you notify the principal since he/she is the one responsible for all finances of the school. Most teachers/coaches do not want the principal on them about a receipt. If the problem persists, their purchasing card can be taken away based on failure to abide by the rules of the purchasing card agreement they sign.

# Questions???

Please ask!! 😊

On one of  
our trips  
with our  
grands! This  
is what you  
do when you  
retire. 😊

We wore  
them out!!!  
LOL

Hope you  
enjoy the  
rest of the  
conference!!

