

SCHOOL BOARD OF BROWARD COUNTY, FL.
INTERNAL FUNDS ACCOUNTING

STANDARD PRACTICE BULLETIN

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GENERAL

TOPICS IN BULLETIN:

- I. GENERAL INFORMATION
- II. REVENUES
- III. EXPENDITURES
- IV. TRANSFERS
- V. SCHOOL/BOOK STORES

EXHIBITS REFERENCED:

- 1. Year End Inventory Form
- 2. Statement of Revenue and Expenditures

I. GENERAL INFORMATION

General Fund monies are, according to the Financial and Program Cost Accounting and Reporting for Florida Schools Manual (REDBOOK), to be utilized for the general welfare of the student body. General Fund monies initially are received when a new school is opened and the feeder schools contribute a percentage of the feeder schools' internal funds. In cases when new schools are opened and no feeder school(s) is involved, the Area Superintendent's Office usually provides a start up dollar amount.

II. REVENUES

Revenues for the General Fund are usually obtained from:

- A. Commissions from the sales of pictures (individual, group, I.D., etc.).
- B. Profits and/or commissions from the operation of a school store; food/refreshment sales/vending not accruing to the benefit of any other specified internal fund account.
- C. Non-specified interest earnings on checking and if applicable, non-specified interest earnings on investment accounts.
- D. **UNEARMARKED** donations.

III. EXPENDITURES

As indicated in the opening statement, general fund monies must be expended for the general benefit of the student body.

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III. EXPENDITURES (Continued)

A. APPROPRIATE EXPENDITURES

1. Student awards/trophies/incentives provided **ALL** students have the opportunity to be a part of the incentive/award program.
2. Payment for police/security for school functions not specifically identified as a function of any other internal fund account. **NOTE:** Payment **MAY NOT** be made to an individual. The Police Officer's employing municipality may be paid from internal funds or funds may be remitted to the School Board of Broward County and a Check Request processed.
3. **SCHOOL** membership dues such as **NAESP, NASSP**, etc.
4. Materials and supplies used by the bookkeeper.
5. Purchases for picture/fundraising activities if the profits are revenues for the general fund.
6. Expenditures not specifically chargeable to any other internal fund account (**consult with Internal Accounts' office**).

B. INAPPROPRIATE EXPENDITURES

1. Payment for professional or curricular related travel; professional, technical or consultant services **EXCEPT** when the school's budget funds have been **verified** as being exhausted (Policy 3401).
2. Payment for personal memberships of school personnel.
3. Purchase of chemicals and custodial supplies.
4. Purchase of materials, supplies and postage appropriated for in the school's budgeted funds **EXCEPT** when the school's budget funds have been **verified** as being exhausted or unavailable (REDBOOK - Chapter 7).

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IV. TRANSFERS

A. FROM GENERAL FUND TO ANOTHER INTERNAL FUND ACCOUNT

1. Specifically, in School Board Policy 3411 Rule 9, "Schools are authorized to transfer from the General Fund to field trip accounts an amount not to exceed \$500 per school year." These funds are to cover deficits and/or provide payment for children financially unable to participate in the field trip.
2. Establishment of Hospitality and Promotion/Public Relations accounts as stipulated in School Board Policy 3413 and dollar amount limitations set forth in Standard Practice Bulletin I-311.
3. Clearance of uncollected NSF returned check charge(s); and other deficit fund account balances as covered in the **Year End Closing** memo.
4. Payments to other internal fund accounts for goods or services provided these are acceptable General Fund expenses, such as printing of office forms done by the graphics class.
5. It is generally acceptable for schools to utilize 10 to 15 percent of the General Fund balance to pay for **SCHOOL IMPROVEMENTS**. Funds are to be transferred to a Trust fund specifically established to track school improvement expenditures.

B. TO GENERAL FUND FROM ANOTHER INTERNAL FUND ACCOUNT

1. Inactive account balances per **End of the Year** memo.
2. Hospitality and Promotion/Public Relation account balances at year end per Standard Practice Bulletin I-311.
3. Gross profit from school store operations.

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V. SCHOOL/BOOK STORES

Any school may elect to operate a school or book store to sell essential school supplies, books and other miscellaneous merchandise to students. However, such items **SHALL NOT INCLUDE** any curriculum instructional materials and supplies deemed to be paid by budget monies as listed in School Board Policy 6.3, Rule 1.

The following rules pertain to store operations:

- A.** The responsibility for the control and operation of a school-run store must be assigned to a School Board employee but not the school bookkeeper. Students used in operating the store must be properly trained and supervised by the employee store operator.
- B.** There are multiple store accounts provided in the computerized bookkeeping system. The account numbers may be obtained from the Internal Accounts Office.
- C.** All transactions must be recorded in the appropriate account. The account is to be used exclusively for sales collections and purchases of items for **resale**.
- D.** Merchandise removed for classroom or office use must be recorded by a transfer of funds from an applicable fund account (General, Media, etc.) that will be using the merchandise.
- E.** School/book stores will be accounted for at year end by:
 - 1. completion of a physical inventory (Inventory Form EXHIBIT 1).
 - 2. completion of a Statement of Revenue and Expenditures (Form EXHIBIT 2).
 - 3. a price list of all items sold is to be kept and given to the bookkeeper.
- F.** Profits accrued from school/book store operations usually are transferred to the General Fund account. Occasionally clubs; classes, organizations, or departments operate the store(s). If this situation is applicable, all or a portion of the profits may be transferred to the applicable club's, classes', organization's, or department's internal fund account.

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V. SCHOOL STORES/BOOKSTORES (Continued)

G. Store operations should comply with the following references.

- o Cash Collections - SPB I-302
- o Deposit of Collections - SPB I-303
- o Disbursements - SPB I-305
- o Sales and Use Taxes - SPB - I-313
- o Certificate of Loss - SPB I-404
- o School Stores/Bookstores - SPB I-411

INVENTORY FOR:

(Identify Activity)

EXHIBIT A

SCHOOL

LOCATION NO.

[illegible]

UNIT CLASSIFICATION

Gross/GRS

Dozen/DOZ

Box/BX

Each/EA

Package/PKG

Pounds/LBS

Piece/SPCS

Count must be indicated and reported as unit is sold (i.e., paper sold by the package, pencils sold each, sodas sold each).

FORMULA: Unit on hand x Cost per unit = Total Cost

STATEMENT OF REVENUE AND EXPENDITURES**EXHIBIT B**FOR: _____
(Identify Activity)

1996/97 SCHOOL YEAR

SCHOOL

LOCATION NO. _____

A. SALES**B. COST OF SALES:****1 - Beginning Inventory:**

a. Beginning Inventory (At Cost)	_____	
b. Inventory Adjustment	- _____	
c. ADJUSTED BEGINNING INVENTORY		<u>\$0.00</u>

2 - Purchases:

a. Purchases	_____	
b. Returns	- _____	
c. ADJUSTED PURCHASES		+ <u>0.00</u>

3 - Merchandise Available for Sale0.00**4 - Ending Inventory (At Cost)**- _____**5 COST OF SALES**- 0.00**C. GROSS PROFIT FROM SALES**\$0.00