

SCHOOL BOARD OF BROWARD COUNTY, FL
INTERNAL FUNDS ACCOUNTING

STANDARD PRACTICE BULLETIN

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YEAR END CLOSING AND FINANCIAL REPORTS

TOPICS IN BULLETIN:

- I. YEAR END CLOSING
- II. YEAR END CLOSING REPORTS
- III. RETAINING RECORDS (BOOKKEEPER'S FILES)

EXHIBITS REFERENCED:

- 1 Financial Report, Student Activity Operating Report
- 2 Checklist for Year End Closing
- 3 Year End Inventory Form
- 4 Statement of Revenue and Expenditures
- 5 Unpaid Liabilities Form
- 6 Prenumbered Ticket Inventory Form

I. YEAR END CLOSING

THE YEAR-END CLOSING REQUIREMENTS FOR INTERNAL ACCOUNTS are in memo form, issued by the Treasurer's Office every spring prior to year end closing.

It is very important all income and expenses be recorded in the applicable school year if possible. The following is a synopsis of the **YEAR-END CLOSING REQUIREMENTS**.

A. STUDENT ACTIVITY ACCOUNTS

- 1. All fund account balances should be reviewed by the Principal or designee. Inactive accounts should be closed by transferring balances to appropriate accounts.
- 2. **SENIOR CLASS MUST** furnish the Principal and bookkeeper with written authorization as to the disposition of any remaining senior class fund balance. **THESE FUNDS MAY NOT BE KEPT AT THE SCHOOL or HANDLED BY THE SCHOOL FOR THE CLASS' USE AFTER GRADUATION.**
- 3. Negative Fund balances **MUST** be cleared prior to the closing date.
- 4. **FINANCIAL REPORT STUDENT ACTIVITY OPERATING REPORT** (Exhibit 1) for **EACH** fundraising activity **MUST** be completed and available for audit purposes.

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I. YEAR END CLOSING (Continued)

B. VOCATIONAL, TECHNICAL AND ADULT EDUCATION

Tuition, registration and fees received for the June registration will be posted to their appropriate fund ledger accounts.

C. CHILD CARE COLLECTIONS

The collections and transmittals for Child Care Sessions are to be remitted according to the BASCC schedule.

D. INTERNAL ADVANCES

1. Personnel holding Internal Advance Funds not necessary for summer operations (**EXAMPLES** of summer operations are community school program, summer school petty cash, etc.) **MUST** deposit the funds with the bookkeeper before the end of the school year.
2. Internal Advance Funds **NOT** turned in before the year end closing are to be recalled and receipted after JULY 1. If the funds are to be issued again, they then will be issued for the new year's period.

II. YEAR END CLOSING REPORTS

All forms required to complete the year end closing requirements can be found in the Great Plains user's manual, including the **CHECKLIST FOR YEAR END CLOSING** (Exhibit 2)

A. INVENTORIES

1. Each and every continuous merchandising activity (school stores, P.E. uniforms, vending machines not on commission, etc.) must have an inventory cut off.

NOTE: An inventory price list for each school year **MUST** be maintained and be available for audit. The price list must show each item sold and the price at which it was sold. Any deviation from this price list must be documented (specific item discounted, discounted price and quantity discounted.)

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II. YEAR END CLOSING REPORTS (Continued)

2. A physical inventory must be taken and recorded on the **INVENTORY FORM** (Exhibit A) attached to the YEAR-END CLOSING REQUIREMENTS memo.
3. Completion of the inventory exhibit requires:
 - a. Description of the items (**MUST** be same as on the inventory price list)
 - b. Selling price
 - c. Kind of unit (how sold to purchaser, each; dozen; box; etc.)
 - d. Units on hand (classification, each; dozen; etc. must agree with 3c) This is the actual physical count.
 - e. Cost per unit (What did we pay the vendor for the units broken down as in 3c)
 - f. Total Cost (the computer will do the mathematics for this column)

B. STATEMENT OF REVENUE AND EXPENDITURES

A Statement of Revenue and Expenditures (Exhibit B) is required to be completed for **ALL** continuous merchandising activities. This form is a profit and loss statement for the activity. In addition, this form is used to summarize other fundraising activities when it is not possible to obtain an exact accounting of items available for sale, such as popcorn sales when the popcorn product is purchased and bagged in smaller portions.

EXTREMELY IMPORTANT TO NOTE: Any adjustments to inventory purchases, sales (sold product for less; gave product away) or purchase adjustments (bought product at a cheaper price), **MUST** be reflected on the Statement of Revenue and Expenditures.

In addition, instructions for the completion of the Statement of Revenue and Expenditures form are provided in the YEAR-END CLOSING REQUIREMENTS memo.

C. ALL UNPAID LIABILITIES

The Unpaid Liabilities form (Exhibit C) is used by the school to report any money owed to outside vendors at the year end closing. Conditions requiring the completion of this form are:

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II. YEAR END CLOSING REPORTS (continued)

1. An invoice has not been paid due to a conflict with vendor and further action is required
2. Receipt of invoice due during closing period
3. VTAE Fees to be remitted to the District

D. PRE-NUMBERED UNUSED TICKET INVENTORY

Any and all schools that have pre-numbered tickets in their possession are required to maintain an inventory of the unsold ticket numbers. The Pre-Numbered Unused Ticket Inventory (Exhibit D) is an annual report of unused pre-numbered tickets. Due care should be taken when completing this inventory.

E. CHECKLIST FOR YEAR END CLOSING

The Checklist for Year End Closing (Exhibit 2) is **VERY IMPORTANT**. The checklist takes the bookkeeper step by step through the computerized bookkeeping closing. The steps must be completed in the order they are presented on the checklist. Failure to follow the steps will result in an improperly closed year end.

As part of the year end closing the bookkeeper **MUST** print the following reports and maintain the reports in a binder. This step is very important since this information provides the basis for researching information and auditing purposes.

Reports to be printed are:

1. **Receipt Journal (not required for audit)**
2. **Disbursement Journal**
3. **Bank Deposit Journal**
4. **Reconciliation Journal**
5. **Adjustment Journal**
6. **Check Register**
7. **Summary Trial Balances for all accounts 0010-0000 thru 9999-0000**
8. **Transfer Journal**
9. **Year-End Report**

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III. RETAINING RECORDS (BOOKKEEPER'S FILES)

The following items **ARE** to be retained by the bookkeeper:

- A. Financial Report, Student Activity Operating Report
- B. Year End Reports as described in II, E above
- C. Canceled/Voided/Skipped Checks
- D. Bank Statements
- E. Copies of Principal's Monthly Reports
- F. Check Vouchers with backup documentation
- G. Pre-numbered unused tickets, unsold special print tickets, and ticket reports
- H. Unsold inventories other than school stores (yearbooks, one file copy of all publications, pom poms, candles, etc.)
- I. Any information that is pertinent to the year closed and may be needed for the audit (Newspaper/Yearbook Contracts; Picture Bids, Quotations for Field Trips, etc.)
- J. Used and unused Moines Collection Envelopes
- K. Used and unused BC-40P Departmental Receipt Books
- L. Price list for each sales operation summarized on a Statement of Revenue and Expenditures and any documented price deviation

SECTION: IV-D	PAGE: 1 of 3	DATE: April 25, 2011
TITLE: YEAR-END CHECKLIST FOR _____ LOC# _____		

INSTRUCTIONS: The following steps **must** be performed in sequential order as printed. Please **INITIAL** each step noted in the checklist once the step is completed.

This checklist is very **IMPORTANT** and must be completed, signed by the Bookkeeper, and submitted to the Internal Accounts Office with the May and June Principal's Monthly Reports and Year End Financial Reports.

- _____ 1. **Reconcile the month of May.** Be sure to enter any debit or credit memos shown on the statement that have not been posted. This includes any add-on interest for savings or certificate accounts (if applicable).
- _____ 2. **Print the May Principal's Monthly Report** using the FRx report.
- _____ 3. **Receipt all monies and deposit by the last day of work.** Receipts should **not** be dated after the last day of work. After this checklist is completed and the fiscal year closing process is complete, the next fiscal year is opened by the Internal Accounts Office.
- _____ 4. **Enter all invoices and print all checks.** Issue all reimbursement checks. Issue summer school advances if necessary. Any advances needed for the summer (i.e. community change fund, community school refund advance, summer school advance, etc.) will not be returned to the bookkeeper in June. The advance account will be closed in the red for summer school advances only.
- _____ 5. **Zero out all inactive accounts** by transferring any balance to another appropriate account. Never close or inactivate a fund account.
- _____ 6. **Ensure that fundraising reports are completed and printed for all fundraising activities.**

NOTE: CHECKS SHOULD NOT BE WRITTEN AFTER THIS POINT. CHECK WRITING MAY RESUME AFTER THE YEAR END PROCESS IS COMPLETED AND INTERNAL ACCOUNTS HAS OPENED THE NEW FISCAL YEAR. This is a good time to verify that checks have been issued for any **KSB1 balance, Lost & Damaged Textbooks, Facility Rentals** (except for July rental fees) and **Sales tax**. These accounts should have a zero balance for closing as well as the Arts and Science, NSF checks and Over/Under accounts.

SECTION: IV-D	PAGE: 2 of 3	DATE: April 25, 2011
TITLE: YEAR-END CHECKLIST		

- _____ 7. Get a bank statement from the bank on the first business day after the closing date.
- _____ 8. **Void all outstanding checks** dated prior to March. **REMEMBER TO VOID THE INVOICE AFTER VOIDING THE CHECK.**
- _____ 9. **Go to Transactions>Purchasing>Series Post** to verify that all transactions are posted. If any transactions are listed, check mark the box next to the transactions and click Post.
- _____ 10a. **Go to Transactions>Financial>Series Post** to verify that all transactions are posted. If any transactions are listed, check mark the box next to the transactions and click Post.
- _____ 10b. **Go to Transactions>Financial>Bank Deposits** to verify all deposits have been posted.
- _____ 11. **Reconcile the month of June.** Be sure to enter any debit or credit memos shown on the statement that have not been posted. Be careful: debits may put an account in the red. Verify any deposits in transit.
- _____ 12a. **Print the June Principal's Monthly Report** using the FRx report. Select your school and then change the Period to "12". Print.
- _____ 12b. **Print the Bank Maintenance screen.** (Cards>Fin>Bank Acct.) The **Bank** account and **Cash** account balances **must be equal**.

It is necessary for you to print the following reports for your files and future reference. These reports are to be bound in a notebook(s). Label the notebook: **20XX-XX YEAR END REPORTS**. This notebook must be retained for auditing purposes. All instructions can be found in the **GP User's Guide, Section IV-E**.

- _____ 13. **Print the Receipt Journal.** (Per Auditing, the printing of this journal is optional.)
- _____ 14. **Print the Disbursement Journal.**
- _____ 15. **Print the Bank Deposit Journal.**
- _____ 16. **Print the Reconciliation Journal.**
- _____ 17. **Print the Bank Adjustments Journal.**
- _____ 18. **Print a General Ledger for each account category** for the fiscal year by printing the **Summary Trial Balances**. (Cash: 0010-0000 through 0999-0000, Athletics: 1000-0000 through 1999-0000, Music: 2000-0000 through 2999-0000, Classes: 3000-0000 through 3999-0000, etc., for every category whether you use the category or not.)
- _____ 19. **Print the General Ledger** for the fiscal year by printing the **Summary Trial Balance** for ALL accounts on one Trial Balance. (0010-0000 through 9999-0000)

SECTION: IV-D	PAGE: 3 of 3	DATE: April 25, 2011
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- _____ 20. Calculate the Transfers In and Transfers Out. (Print the Excel report.)
- _____ 21. Prepare and Print one copy of the Year to Date Report. (The Transfers In and Transfers Out in the center section must be equal.)
- _____ 22. **SUBMIT THE FOLLOWING REPORTS TO THE INTERNAL ACCOUNTS OFFICE BY NOON ON THE FOLLOWING THURSDAY:**

PACKET 1

(STACKED AND STAPLED IN THE ORDER LISTED):

- _____ Original signed Principal's Monthly Report for May
- _____ May Bank Reconciliation
- _____ May Bank Statement
- _____ Original signed Principal's Monthly Report for June
- _____ June Bank Reconciliation
- _____ June Bank Statement
- _____ Deposit in Transit Bank Receipt or copy of the Dunbar log
- _____ Verification Letters and/or Statements for investments (Treasurer's Pool, CD's and Savings accounts)
- _____ Excel Spreadsheet (GJ Transfers from #20)
- _____ Print out of Bank Account Maintenance screen (#12b)

PACKET 2

- _____ A Xerox copy of Packet 1
- _____ A Xerox copy of the Year to Date Report (#21)

PACKET 3

- _____ This Checklist
- _____ Summary Trial Balances by fund account range(#18)
- _____ Summary Trial Balance for all accounts (#19)
- _____ Original signed Year to Date Report (#21)
- _____ Inventories
- _____ _____
- _____ _____
- _____ Statement of Revenue and Expenditures
- _____ _____
- _____ _____
- _____ Outstanding Liabilities
- _____ Ticket Inventory

(Make a copy of Packets 1 & 3 to keep for your records.)

_____ Bookkeeper Signature _____ Date

School: _____ Date: _____

Organization: _____ Account #: _____ Sub-Account #: _____

Type of Fundraising Activity: _____

Total Number of Units Available for Sales (From Vendor's Invoice)

FINANCIAL REPORT SUBMISSION ON TIME	
YES	NO
A/P Initials	

**CHECKLIST FOR
YEAR END CLOSING**_____
DATE_____
SCHOOL NAME_____
LOCATION

INSTRUCTIONS: The following steps are to be performed in the sequential order as printed. **DO NOT** perform the tasks requested out of order. You are to initial each step as you have completed the step.

- _____ 1a. Initialize one (1)/set of disks to be labeled
BACK UP DISK D 19??-??
School Copy
Back up prior to closing month
- _____ 1b. Initialize one (1)/set of disks to be labeled
BACK UP DISK E 19??-??
School Copy
- _____ 2. Receipt all monies and deposit
- _____ 3. Enter all invoices and print all checks
- Issue summer school advances if necessary
Any advances necessary for the summer
(i.e. community change fund, community
school refund advance, summer school
advance, etc.) will not be returned to the
bookkeeper in June. The advance account
will be closed in the red.
- Issue reimbursement checks
- _____ 4. Close out all inactive accounts by transferring
balances to appropriate accounts.
- _____ 5. Print any reports necessary in order to complete
Fundraising Financial Reports and Statements of
Revenue and Expenditures.

- _____ 6. Print an edit list from **TRANS & ADJUST / PRINT EDIT LIST MENU**. Delete, or edit and post those batches shown on the edit list.

NOTE to Schools with a June 30 closing date: The asterisk (*) to the left of items 7, 8, 9, 12 and 13 indicates that these steps are to be ignored by you. **You are to perform your normal bank reconciliation procedure after you close the year.**

- _____ *7. Go to bank and get cutoff statement no later than 6/??.
- _____ *8. Enter any debit or credit memos shown on statement that have not been posted. This includes any add-on interest for savings or certificate accounts.
- _____ *9. Clear all checks shown as paid on the bank statement. Use the date of the cutoff statement (i.e. 06/??/??) for the **DATE CLEARED** on the computer.
- _____ 10. Void all stale dated checks (more than 4 months old, DO NOT SAVE INVOICE.)
- _____ 11. Print an edit list from **DISBURSE/ PRINT EDIT LIST MENU**. Delete invoices that show on the list that do not need to be paid.
- _____ *12. Calculate the total of deposits in transit, if any.
- _____ *13. Print and balance the Bank Reconciliation. Make sure you use June 30, 19?? as the **DATE OF THIS BANK STATEMENT** date.
- _____ 14. Using **BACK UP DISK(S) D** (see #1a), perform a **backup** and **CLOSE THE MONTH OF JUNE**

- _____ 15. Print the following reports (located under the REPORTS MENU.)

_____ **DEPOSITS REGISTER** (MUST show the
Deposit in Transit)
_____ **TRIAL BALANCE**
_____ **PRINCIPAL'S MONTHLY REPORT**

- _____ 16. It is necessary for you to print the following reports for your files and future reference. These reports are to be bound in a notebook. Label the notebook: **199?-?? YEAR END REPORTS**. This notebook **MUST** be retained for auditing purposes.

_____ Receipts Register (for the year)
_____ Receipts Journal (for the year)
_____ Disbursements Journal (for the year)
_____ Transfers Journal (for the year)
_____ Adjustments Journal (for the year)
_____ General Ledger (All Accounts for the
year, \$0010-H8001)
_____ Check Register (for the year)

- _____ 17a. Backup on disks supplied by Management Audits
NOTE: You may be provided with more diskettes than you need to perform this backup. **Return all Office of Management Audits diskettes used and unused to Management Audits.** (See Step 21.)

- _____ 17b. Backup on disks supplied by Treasurer's Office
NOTE: You may be provided with more diskettes than you need to perform this backup. **Return all Treasurer's Office diskettes used and unused to Treasurer's Office.** (See Step 20)

- _____ 17c. Backup on your "E" Disks (See #1b). **Retain these disks for your school's records.**

- _____ 18. Under **FILE/UTILITIES** perform a **YEAR-END CLOSING**.
- _____ 19. Print the **YEAR-TO-DATE** Report (Since this report is printed after the year is closed, you need to indicate **L** for last year when printing the report
- _____ 20. **SUBMIT THE FOLLOWING ITEMS TO THE TREASURER'S OFFICE** (see Internal Accounts Bulletin A425 for due date).

PACKET 1 (STAPLED IN THIS ORDER)

- _____ Original signed Principal's Monthly Report
- _____ Bank Reconciliation
- _____ Proof of Cash
- _____ Transfers & Adjustments
- _____ Outstanding Checks
- _____ Bank Statement
- _____ Deposits Register (showing Deposit(s) in transit
- _____ Verification letters/statements for Investments (CD's, Money Markets, etc.)
- _____ Deposit in Transit Bank Receipt or Copy of Wells Fargo Manifest
- _____ Xerox copy of Packet 1

PACKET 2 (STAPLED IN THIS ORDER)

----- This Checklist
 ----- Trial Balance
 ----- Year To Date Report
 ----- Inventories

----- Statement of Revenue/Expenditures

----- Schedule C - Outstanding Liabilities
 ----- Schedule D - Ticket Inventory

----- **ALL** Treasurer's Office Supplied Disks -
 June, 19??, Closing (See Step 17b.)

21. SUBMIT THE FOLLOWING ITEMS TO THE OFFICE OF
 MANAGEMENT/FACILITY AUDITS.

----- **ALL** Office of Management Audits
 Supplied Disks used and unused (See
 Step 17a.)

22. ----- Bank Confirmations with Principal's
 original signature and attached copy of
 bank statement.

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: _____ 1996/97 SCHOOL YEAR
 (Identify Activity)

_____ 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 Sale		<u>0.00</u>
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4- Ending Inventory (At Cost)	- _____	
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5 COST OF SALES		- <u>0.00</u>
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C. <u>GROSS PROFIT FROM SALES</u>		<u><u>\$0.00</u></u>
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[illegible]

