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**ACCOUNTING PROCEDURES
FOR LOCAL SCHOOLS**

CITY OF CHICKASAW BOARD OF EDUCATION

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**CITY OF CHICKASAW BOARD OF EDUCATION
ACCOUNTING REGULATIONS FOR SCHOOLS**

To: Principals

The financial accounting records and reports for all City of Chickasaw Schools will be prepared using the **MCALEER LOCAL SCHOOL ACCOUNTING (LSA)** system approved by the City of Chickasaw Board of Education. No other accounting system may be used in the City of Chickasaw Schools without the approval of the Board.

The following are some general rules regarding the financial affairs of the schools. These rules, as well as the accompanying procedures and policies, are to be followed completely and will be subject to continual audit by the Chief School Financial Officer, the independent auditors of the City of Chickasaw Board of Education and the State Department of Examiners.

1. All money collected at the school for any purpose must be receipted and deposited in the school bank account.
2. All expenditures must be paid by check and supported by a valid invoice based on a purchase order issued and signed by the Principal before a purchase is made.
3. All purchases must conform to the policies of the Board of Education and to the State Bid Law.
4. Authority to enter into a contract or a lease for a subsequent year for debts beyond the current cash assets for a school requires written approval of the Superintendent and the Board of Education. Copies of any contracts entered into must be on file at the Board of Education.
5. All accounts payable must be reported at the end of each month on the ACCOUNTS PAYABLE REPORT and submitted along with the monthly FINANCIAL STATEMENT. Monthly financial reports should be sent electronically to the Central Office on a monthly basis along with a electronic media file for the month.

The Principal must be familiar with all policies of the Board of Education so that he will not permit practices which are contrary to policy or which would cause embarrassment to his/her school or to the school system.

The Principal should work with those members of the Central Administrative staff who have general supervision of particular functions. The Chief School Financial Officer should be consulted if accounting problems are encountered.

The attached instructions relate to the keeping of school financial accounting records. They should be read carefully and followed closely.

Respectfully,

Kyle Kallhoff
Superintendent of Education

ACCOUNTING PROCEDURES AND POLICIES FOR HANDLING SCHOOL FUNDS

To: Principals

The attached regulations pertain to the handling of financial records for schools under the supervision of the City of Chickasaw Board of Education. All monies received from any source in or about the school (by any employee or group) are regarded as School Funds (the only exceptions to this rule may be funds raised by booster clubs and parent-teacher organizations when approved by the principal).

Funds are received, receipted, and deposited daily into the school's bank account. Deposits are entered and posted daily into the school's computerized local school accounting (LSA) cash receipts journal. Cash receipts are summarized at the end of each month and the month-end cash receipts report is generated.

Expenditures are incurred only under the authorization of the Principal. All expenditures are paid by check through the "batch" process of the computerized local school accounting (LSA) program, and posted at the time of payment to the school's cash disbursement journal. These expenditures are summarized at the end of each month and the month-end cash disbursement report is generated.

A monthly financial report submitted to the Board of Education by the 10th business day of each month contains an analysis of transactions for all accounts handled in the school.

Cash basis accounting does not take into consideration income or expenditures until the money is actually received or disbursed.

Books and materials common to all schools are as follows:

1. Receipt books - To record all monies received.
2. Checkbook - To record all monies expended. The McAleer Local School Accounting "check register" shall be designated the **OFFICIAL CHECKBOOK** of the school.
3. Ledger - To summarize financial transactions of all accounts monthly.
4. Monthly financial report - To report financial conditions of the school as of the last day of each month.
5. Purchase Order Register - To record all purchase orders issued.

The accounting procedures contained herein may vary only with the written consent of the Superintendent. Suggestions for the accounting system may be submitted to the Chief School Financial Officer. Please do not hesitate to call if I can be of service.

Respectfully,

Chris Arras
Chief School Financial Officer

ACCOUNTING REGULATIONS FOR SCHOOLS

SECTION 1

RECEIPTING MONEY

A. MASTER RECEIPT BOOK

All monies must be receipted in receipt books that are pre-numbered. Each school principal is responsible for obtaining and furnishing receipt books for use in the school office and pre-numbered receipt books for individual teachers.

A log will be kept by the school bookkeeper of the pre-numbered receipts books and the personnel they are issued to. All receipts books (used and unused) must be returned at the end of year checkout. Failure to return these books requires proper documentation for explanation.

Receipts written in the Master Receipt Book must be recorded in the school ledger and all funds deposited on the day received, if possible. Schools may establish a daily cut off time after which funds will not be received and receipted. This receipt book must be handled with the utmost accuracy.

Receipts are never to be destroyed or changed. If a mistake is made, write VOID on both copies and staple the original to the duplicate.

Receipts are to be issued only when money is received. Under no circumstances are receipts to be issued in advance. *If time does not permit proper receipting, money should not be accepted.*

Interest earned on bank accounts does not constitute "money received" in the school office, therefore, a receipt is not necessary. The amount of interest earned must be entered into the schools' LSA Cash Receipts Journal at the end of each month.

Receipts written MUST state the source and purpose of funds. Receipts must always be written to a person.

The person receipting the money must never write a receipt to his or her self.

Receipts must be completely filled out including the date, to whom receipted, source of the funds, amount received, and then signed by the person receipting the funds. The original copy of the receipt must be detached and given to the person turning in the monies.

The school bookkeeper is directly responsible in the handling of the receipt books and/or monies received. This responsibility can not be delegated unless written permission is secured from the Superintendent.

THE SCHOOL BOOKKEEPER IS RESPONSIBLE FOR ANY SHORTAGES RESULTING FROM ERRORS OR OTHERWISE IN THE HANDLING OF SCHOOL MONIES.

The School Bookkeeper is responsible in the handling of this MASTER RECEIPT BOOK.

B. TEACHER RECEIPT BOOKS

The School Bookkeeper will issue each teacher an individual receipt book to be used to record all funds collected in his/her class. (This includes funds derived from the selling of pictures, fund-raising items, tickets, etc.) A teacher is not to have more than one receipt book at a time. The receipt books must be pre-numbered. The receipts must be written in the same manner as described in the instructions above under A. Master Receipt Book.

Each principal has the option of waiving the requirement to write a receipt to each student in a class when the amount being collected from each person does not exceed five dollars (\$5.00). If this option is used, the teacher may write one receipt to one student in the class for the entire amount collected, and the teacher must attach a list of the students and the amount paid by each to the copy of the receipt in the teacher's receipt book.

A permanent record must be kept by the principal of each numbered receipt book issued; this record must be retained with the school's accounting records. The Principal is responsible for checking these books. Any major errors or mistakes must be reported to the Superintendent or the Chief School Financial Officer immediately.

Funds should be remitted to the principal's office no more than once a day. However, a teacher is never to hold funds beyond the date of collection.

The School Bookkeeper must issue a Master Receipt to each teacher for all money brought into the office. Teachers *should* take money and their

receipt book to the office personally. All receipt books must be checked by the principal periodically.

C. RECEIPTING AND DEPOSITING MONIES

1. A school Master Receipt must be issued in the office for all funds "received in the school".

A Master Receipt must not be issued in the office for funds collected by the teacher or others unless the Teacher Receipt book is submitted to the office at the same time the money is turned in to the office.

2. The Master Receipt must show the numbers (inclusive) of the Teacher Receipts from the teacher's book which covers the total amount collected and submitted.
3. The amount, date, and Master Receipt Number must be written on the carbon copy of the last Teacher Receipt comprising the total remittance. The person receiving the funds must also sign or initial the last receipt in the Teacher Receipt Book.
4. The Principal must check the procedures as often as necessary to assure compliance and correctness.
5. The bank deposits must be made in such an orderly manner that each deposit will reflect the total daily receipts (in the Master Receipt Book) that comprise the deposit.
6. Monies receipted should be deposited intact.

SECTION 2

EXPENDITURES

All obligations of the school are to be paid from the official checkbook. Only authorized school expenses are to be paid from this checkbook. A check is never to be destroyed. When an error is made, mark the check VOID and file it in numerical order with cancelled checks.

The School Principal and Chief School Financial Officer are authorized to sign checks. Prior approval must be obtained from the Superintendent before a bank account is changed.

An original invoice must be secured to serve as a basis for issuing any check; statements are insufficient. The invoices must be itemized with prices listed for each item. Invoices must be signed by the person who receives the goods at the school.

All invoices must be approved by the principal before payment is made. The check number of the check written to pay the invoice should be copied onto the invoice. If more than one invoice is paid with one check, the check number should be copied onto all invoices.

The proper handling of the School Bank Account is the primary responsibility of the Principal. The principal does not have the authority to issue a check unless an itemized voucher is secured beforehand.

Gifts, prizes, or other merchandise obtained from the purchase of school items are the property of the School and Board of Education. School employees are prohibited from purchasing personal items through the school. School personnel will neither solicit nor accept funds or gifts from vendors as stated in Board Policy.

SECTION 3

POSTING

Each school must post all receipts and expenditures into the computerized McAleer Local School Accounting System. Entries into the accounting system are to be made in accordance with procedures prescribed in the McAleer Local School Accounting Manual.

The security of the computerized accounting system must be protected by the use of an access password. This password must be protected, and is the responsibility of the school's principal and bookkeeper.

Changes, updates, or alterations of any type to the accounting system will be made by McAleer/Harris Computer Systems and must be authorized by the Superintendent of Education, the Principal or the Chief School Financial Officer.

It is recommended that each school use an uninterrupted power supply (UPS) surge protector to prevent loss of information during processing.

SECTION 4

BANKING

Money received by the school must be deposited DAILY. If funds are received after regular banking hours, they should be put into a locked bag and deposited in the night deposit at the bank. Under no circumstances will funds be left in the school overnight.

Principals may establish a cut-off time to receive funds from teachers/staff each day but such time must not be earlier than 1:00 p.m. Funds may be received after that time if allowed by the Principal.

The total deposit made each day must coincide with total receipts. The date and amount of the deposit must be written on the last Master Receipt comprising each respective deposit. All checks payable to the school or department should be endorsed immediately "FOR DEPOSIT ONLY _____ SCHOOL". CHECKS MUST BE LISTED ON BANK DEPOSIT SLIPS USING LAST NAME OF PAYOR.

The funds in all deposits must be counted and a deposit ticket prepared before being taken to the bank for deposit.

Principals must assess all areas of receipting and depositing funds in order to develop the internal control measures needed to safeguard funds. In order to ensure the proper segregation of duties, at least two (2) Board employees must be involved in all cash collection, cash receipting, and cash disbursement functions.

Each school principal must set up a system of internal control to assure that all deposits reach the bank.

Principals are prohibited from establishing a bank account for school funds in a name other than that of the school. All school funds must be kept in school bank accounts and accounted for in the official accounting records of the school.

School funds must be deposited only in banks and financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC). A school that has more than \$100,000 in a bank, regardless of the number of different accounts involved, must require the bank to pledge to the school securities in an amount sufficient to cover the funds on deposit in excess of \$100,000.

Properly pledged securities are defined as follows:

1. Securities must be issued in the name of the school.
2. The pledge of such securities must be approved by the Board of Directors of the pledging bank.
3. Approval for the pledge of the securities must be recorded in the Board minutes of the pledging bank.

A letter must be obtained from the school's bank at the end of each fiscal year (September 30) stating whether the school's depository balance exceeded \$100,000 during the year, and if so, the amount of collateral pledged. This letter, along with copies of pledge receipts, must be attached to the September 30 Financial Report to the Superintendent.

Where permissible and feasible, school funds should be placed in interest earning checking accounts. School principals should discuss with bank officials on a regular basis the various accounts available in order that the greatest amount of interest may be earned on funds on deposit. When schools have sufficient funds available for a period of time, the principal should purchase certificates of deposit provided that so doing will result in increased interest earnings.

SECTION 5

THEFT OF SCHOOL FUNDS

If a theft or loss of school funds occurs, notify the police and the Superintendent or the Chief School Financial Officer immediately.

SECTION 6

RETURNED CHECKS

Whenever a check is returned, the school must notify the person who issued the check in writing to bring cash to the school to cover the check. After ten (10) days, if no response has been received, a certified letter should be sent as per Mobile County District Attorney's office requirements. (See attached) Do not charge the returned non-paid check off in the ledger. Write a new receipt for the cash received and mark it re-deposited with a notation of the earlier receipt number issued, a copy of the notice received from the bank and a copy of the returned check attached to the master receipt. The returned check may be returned to the person who wrote the check after cash has been received to cover the amount. The name on the returned check should be entered on the deposit ticket. Returned checks not promptly redeemed by cash must be collected by legal means. Assistance should be obtained from the District Attorney's office in the Mobile County Courthouse. The fee charged by the school for a returned check shall be \$25.00 and a separate receipt shall be written for this amount. Once a check has been returned from an individual/company, the school will no longer be able to accept personal check from them. The school will require a money order or cashier's check in its place.

In the event a returned check is not collected by the school or the District Attorney, a school must request permission from the Superintendent of Education before writing off the check. A returned check should be written off by reducing the revenue and cash. A journal entry must be made to reduce (DEBIT) receipts for the appropriate ACTIVITY account and reduce (CREDIT) cash. All documentation, including District Attorney's statement and the written permission from the Superintendent of Education to write off the item must be retained with the school's accounting records for the period in which the item is written off the school's books.

The use of school funds for the personal use of any member of the school staff is prohibited. Personal checks of personnel that are returned for insufficient funds must be given immediate attention. If the matter is not promptly resolved, the Superintendent or the Chief School Financial Officer must be notified immediately.

SECTION 7

PAYMENTS TO BOARD OF EDUCATION

Monies collected for damaged or lost textbooks should be remitted to the Board of Education at the close of the school year. In the event money is not collected for damaged or lost textbook, the student will not be able to take textbooks home until the money is paid, but will still be able to use them on school premises.

All funds collected that are due to the Board of Education other than textbook monies should be paid as soon as possible. Each check should include a stub or voucher signifying what the payment covers.

An official receipt for all funds remitted will be issued and must be attached to the invoice to complete records. If a proper receipt is not received, please call the Chief School Financial Officer.

SECTION 8

DISPOSAL OF EQUIPMENT

The requirements for the recording of the fixed assets of the City of Chickasaw Board of Education shall be the same as that of the State of Alabama. That requirement is that all items that are not consumable with an acquisition cost of \$5000 or more must be recorded as capitalized fixed assets.

The removal of worn out, obsolete or lost general fixed assets from the fixed asset accounting system must be reviewed and authorized by either the Superintendent or the Chief School Financial Officer. (Copy of form to be added)

A copy of the police report for stolen or destroyed fixed assets must be attached to the school's copy of the fixed asset inventory card and sent to the central office bookkeeping department. The school should retain a copy of this information.

All equipment and furniture purchased with Federal funds must be marked as being purchased with Federal funds.

SECTION 9

OBLIGATIONS

All obligations of the school must be paid in full by the due date unless a written contract is made setting forth definite time payments. Written contracts for the time payments must be approved by the Superintendent before a purchase is made. Any contract entered into by the Principal may be cancelled by the Superintendent and the Principal held personally responsible unless written permission is secured beforehand.

Obligations made for delayed billings must be included in the listing of "Accounts Payable" submitted at the end of each month to the Superintendent. These amounts must be included in the year end financial report as an obligation of the school.

SECTION 10

SALARY SUPPLEMENTS-GIFTS

No school is authorized to make supplemental payments to personnel for any services rendered in connection with the normal and customary duties associated with the employee's job description. Any supplemental payment for extra work "above and beyond" the normal duties of a specific job must be submitted to the Superintendent of Education for approval by the Board of Education **prior to such payment**. After Board approval, such payments will be made on the regular monthly personnel payroll to ensure that all deductions are properly handled. The local school will be billed for the funds to cover such payments.

Schools are expressly prohibited from making loans to employees.

Gifts of money or school property to any individual or organization are prohibited. This includes floral arrangements. A flower fund may be operated by the school provided complete and accurate records are kept to verify that all such purchases are paid for by contributions from employees and/or students. The school will not be permitted to contribute to this fund. An exception to this regulation will be made when a class, organization, or the school purchases floral arrangements for such events as proms, beauty contests, graduation exercises, etc.

It shall be permissible for a non-public fund (student club, organization or class) to expend funds collected from fundraising activities and membership dues for such things as:

- 1) sending flowers to a funeral or hospital for a student, teacher, or someone else,
- 2) food or clothing for a needy family or individual
- 3) contributing to the state or national student organization foundation, and
- 4) to pay state and national dues for such organizations.

SECTION 11

PAYMENTS FOR NON-EMPLOYEE SERVICES **CONTRACT LABOR**

Local schools must comply with the Internal Revenue Service requirements for the reporting of payments to non-employees (such as athletic officials' associations) for services rendered. Records must be maintained to account for any payments or any service rendered by any individual or organization that is not an employee of the Board, and a Form 1099-MISC (Miscellaneous Income) must be filed in accordance with Internal Revenue Service guidelines.

This provision for "contract labor" does not apply to employees of the Board. Compensation for employee services is covered in SECTION 10, paid on the regular monthly payroll for employees, and reported on the employee's Form W-2, (Wage and Tax Statement) at the end of each year.

SECTION 12

SALES TAX

Principals are required to follow the Alabama Department of Revenue's Sales and Use Tax Rules. (Code of Alabama 1975, Sections 40-23-31 and 40-23-83)

Schools are not required to pay sales taxes on purchases or, generally, collect sales taxes on sales at the school with the exception of the following:

- 1) sales of class rings to students, either directly to the students or through a teacher or school organization,
- 2) sales of school photographs either directly to students or to students through a teacher or a school organization, and
- 3) sales of sweaters and jackets to students either directly to students or to students through a teacher or school organization.

Such property listed in the three items above is not school property and is not used for school purposes, but becomes solely the property of the student who ultimately pays for the item.

SECTION 13

ACCOUNTS PAYABLE

Unpaid items of any nature are to be reported on the Accounts Payable Report Form which is to be a part of the monthly financial report and must be stapled thereto.

SECTION 14

TRANSFERS BETWEEN A SCHOOL'S ACCOUNTS (ACTIVITIES) AND THE CLEARING OF DEFICITS IN ACCOUNTS (ACTIVITIES)

Revenues may be transferred from one account (activity) to another by following the procedures for the transfer of funds included in the LSA manual. (This will be a transfer-out from one activity and a transfer-in to another activity.) This prevents overstatement of total revenues. Generally, these transfers would be made at or near the end of the school's fiscal year. All such transfers must first be approved by the Principal in writing. Copies of all APPROVALS must be retained in the financial records of the school.

The utmost caution should be taken to prevent any account from ending in a deficit on September 30th each year; under no circumstances shall funds be transferred from any other account to cover a deficit without receiving approval following the instructions listed above.

Public funds may not be transferred to non-public fund activities.

SECTION 15

ATHLETIC TICKET SALES

All funds collected for the sale of athletic tickets must be supported by a "TICKET SALES CASH RECONCILIATION REPORT". This form should be signed by the person or persons in charge of ticket sales. Any exceptions or problems should be noted on this form. Gate receipts should never be counted by one person.

SECTION 16

FIELD TRIPS

Monies collected from pupils for Field Trips must be receipted, deposited, and expended through the schools' Financial Records. FIELD TRIPS ARE NOT TO BE CONDUCTED FOR A PROFIT.

Field trips must comply with Board of Education policies.

SECTION 17

FUNDRAISING ACTIVITIES

An accounting MUST BE MADE of the total revenues and expenditures for each fundraising event. The Master Receipt issued must identify the source of funds for items sold or activities conducted (the notation class project, senior class, etc. is not acceptable).

Fund raising activities held during class time, activity periods, before or after school must be reported. This includes school organizations, classes, or clubs. Pre-paid fundraisers are recommended but not required. This is left to the discretion of the Principal.

A "Report on Fund Raising Activity" must be completed for each fund raising activity and kept on file in the school. If a separate activity is used to record ALL transactions involved in a fund raising activity, you may print a "Detailed Activity Report" to serve as the "Report on Fund Raising Activity". These reports are subject to review by the appropriate individuals and agencies.

ALL fundraising will be preapproved by the Principal prior to implementation.

SECTION 18

FUNDS COLLECTED FOR LOST OR DAMAGED SCHOOL PROPERTIES

TEXTBOOKS - Funds collected from students for lost or damaged textbooks that are the property of the Board of Education must be receipted and accounted for in the local school and remitted by the school to the Board of Education at the end of each school year. The funds will be used by the Board to purchase textbooks.

LIBRARY BOOKS, EQUIPMENT, AND MATERIALS - Funds collected from students for lost or damaged library books, equipment, and/or materials must be receipted and accounted for in the local school and expended for library items. These funds may not be expended for any other purpose.

OTHER BOOKS, EQUIPMENT AND MATERIALS - Funds collected from students for lost or damaged books, equipment, and/or materials purchased with funds collected by a specific class, club, or other "ACTIVITY" must be expended to purchase books, equipment, and/or materials for that specific "ACTIVITY".

SECTION 19

REQUISITION - PURCHASE ORDER

A Requisition - Purchase Order must be completed and signed by the Principal **before** a purchase is made. The form must be numbered in the upper right hand corner (example #001). If pre-numbered purchase orders are not used, the numbering system should begin back at 001 at the beginning of each fiscal year for the school.

The Requisition - Purchase Order should adequately describe the items to be purchased. *Do not order by item number alone*--identify items. Avoid use of "per attached list" except for things like a list of food items for the child nutrition program that may be prepared by a salesman at the time he calls on the manager on the school campus. Purchase Orders with "per attached list" must have the list electronically attached in NextGen accounting system.

The requisition part must be completed and signed by the person making the requisition. The purpose for the purchase of such items as foods, meats, beverages, etc. for banquets, dinners, etc. must be explained on the purchase order.

The invoice received for a given purchase order must be compared to the items listed on the purchase order. Items received must be checked off with notes made for items cancelled, no longer available or not received as well as notations regarding items received that were damaged.

SECTION 20

INVOICES

An invoice must be obtained for each purchase order before payment is made. Payments should never be made from a statement unless the statement also itemizes the items purchased with a price for each. The invoices must include the name and address of the vendor, quantity and description of the items purchased, unit price, extensions, and the total.

If the vendor does not have an invoice, the school may furnish an invoice to the vendor to be completed. For example, if the school contracts with John Doe to paint the school flagpole for \$50.00 and Doe does not have an invoice to submit, the school may use their own invoice form. Write on this invoice the purchase order number, date, name and address of the vendor, a description of the work performed, the amount to be paid and have John Doe sign it.

The check number of the check written to pay an invoice must be copied onto the invoice along with the date payment was made or a copy of the check may be stapled to the invoice. The invoice must also be stapled to the purchase order with the invoice on top. Each month's paid invoices must be put in numerical order by check number and filed in "batch" order in an envelope or file folder plainly marked as invoices for the applicable month and year. Each "batch" of paid invoices must include the batch listing, merge listing and cash disbursement listing that is generated by the LSA system at the time the checks are printed.

SECTION 21

TRAVEL EXPENSE REIMBURSEMENT

School principals are permitted to reimburse school employees for actual travel expenses while such employees are conducting school business. Such payment must be on a reimbursement basis. The rate of reimbursement for travel shall be the Board of Education approved rate per mile payable only to the person who drives a vehicle and provides the transportation for travel. Reimbursement for meals and lodging shall be limited to the employee's expenses minus any charges for entertainment expenses. These claims must be supported by paid itemized receipts. Receipts for registration charges for attending conferences, etc. must be submitted. All such requests for travel reimbursement must be made in accordance with the Instructions for Completing and Submitting Statement of Travel Forms for Reimbursement issued by the Superintendent.

All travel reimbursement must be based on a statement from the employee that includes the date of the travel, points of travel, beginning and ending odometer readings, miles traveled and the purpose of the travel.

All travel expenses for school principals that are to be paid out of school funds must first be approved in writing by the Superintendent or the Chief School Financial Officer.

Reimbursement requests should be turned in no later than one week after the date of return. Meal reimbursements are limited to \$40/day or \$32/day if you stay in a hotel that serves breakfast. Alcoholic beverages should never be included on any itemized receipts turned into the Central Office. Gratuity is not a reimbursable expense.

SECTION 22

FINANCIAL RECORD RETENTION SCHEDULE

All records of the school must be filed and retained in compliance with the requirements of the **City of Chickasaw Board of Education Policy**.

SECTION 23

STATE DEPARTMENT OF EDUCATION PROCEDURES FOR LOCAL SCHOOL ACCOUNTING

Every school must keep on hand for reference a copy of the State Department of Education's FINANCIAL PLANNING, BUDGETING AND REPORTING SYSTEM FOR ALABAMA PUBLIC SCHOOLS, issued and revised July, 2002. The accounting procedure outlined in this publication has been approved by the State Department of Education for use by local schools.

SECTION 24

REQUIREMENTS REGULATING BORROWING OF FUNDS AND ENTERING INTO LEASE-PURCHASE AGREEMENTS BY SCHOOLS

The City of Chickasaw Board of Education expressly prohibits the Principal and/or any employee at a school from borrowing any funds from any source in the name of the school or the Board of Education without first obtaining the written approval of the Superintendent of Education and the Board of Education.

The principal and/or any employee at a school are prohibited from entering into any contract or lease-purchase agreement without first obtaining the written permission of the Superintendent of Education and the Board of Education.

The Alabama Code, Section 41-16-57(e) states that "contracts for the purchase of personal property or contractual services shall be let for periods of not greater than three years."

SECTION 25

BID LAW

Items being purchased with non public funds do not have to be bid. The procedure for purchasing items that must be bid, will follow Board Policy.

SECTION 26

BOOSTER CLUBS

Booster Clubs and Parent Organizations are encouraged to promote a positive relationship between the School and the Community. The primary purpose of these organizations is to assist and support the School in recognizing and promoting student activities. The Principal is responsible for maintaining close communication with such organizations to ensure the organization's goals and activities are in compliance with Board policies. The following criteria will be used by the Principal in determining if an organization will be permitted to operate as a Booster Club or Parent Organization. All such organizations must be approved annually.

The Organization must be managed or operated by adults, rather than students, and will file its Bylaws and Constitution with the Principal. These will clearly identify the organization as a Parent Organization or Booster Club separate from School District Student Organizations and will provide details of the structure of the organization including:

- Officers and their duties
- Election of officers and term limits
- Purpose and goals
- Dues structure, if any
- Intended use of funds generated by the organization
- Distribution of remaining funds upon termination of the organization.

Organizations must include at least one representative from the School as a Liaison.

Students will not participate in fundraising during regular class periods. Participation in Extracurricular Activities cannot be dependent upon fundraising – No Student can be required to participate in fundraising.

All funds raised by the Organization will be used to achieve the stated purposes and goals of the organization. No administrative fees or stipends to officers or others will be permitted.

All Capital Outlay or equipment purchases equal to or in excess of \$2,000 must be pre-approved by the School Principal and Chief School Financial Officer.

In no manner will Board-Sanctioning of an Organization preclude the Organization from compliance with State and Federal Laws as they pertain to equal opportunity and treatment of all students. Gifts of services provided to the School shall comply with Title IX, Education Amendment of 1972, 20 U.S.C., 1681, et. seq. 1

Parent Organization and Booster Clubs shall indemnify, defend, and hold Chickasaw City Board of Education, its employees, and its schools, harmless to the extent permitted by applicable law from and against any and all claims, actions, proceedings, costs, damages, losses, liabilities, and expenses (including attorney's fees and costs) arising out of or in connection with: (a) Parent Organization and Booster Club's use of Chickasaw City Schools' facilities; and/or (b) Parent Organization and Booster Club's operations in support of Chickasaw City Schools.

The Board reserves the right to revoke the sanctioning of any organization if it is found that the organization's operations and purpose are not consistent with the policies adopted by the board.