STANDARD OPERATING PROCEDURES:

General School Funds - GSF

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General School Funds (GSF) and Cash Transactions

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1. INTRODUCTION

This chapter *is* intended to provide guidance on the receipt of money by a school to be deposited into a bank account known as a general school fund account. General school fund (GSF) accounts maintain the accumulated funds donated to and/or raised by the students and/or school organizations to support extracurricular and co-curricular student activities. These funds include money raised for senior year activities, such as the senior prom and yearbook; funds raised by students from book sales; and funds collected from other fund raising activities undertaken to offset extracurricular expenses. Regardless of school grade levels or size, accountability, fiscal integrity, and proper accounting procedures for the handling of such funds are required to ensure that the monies allocated to support student activities programs are utilized to maximize the effectiveness of these activities.

While this chapter is intended to provide minimum standards regarding the use of general school funds and cash, schools and/or superintendents may establish more stringent standards than those set forth.

Note: New technology and accessibility to personal computers have made many handwritten accounting procedures obsolete. Schools are encouraged to use a commercially developed computer software program(s) available for keeping track of income and expenditures or school/site-developed software programs specifically designed for this purpose. Computer software should have at least as many fields as the forms and exhibits commencing in Topic 8 indicate.

1.1 Glossary of Terms

Budget Committee

A committee that is responsible for preparing a budget. The committee is composed of the president of the student organization (SO), representatives of the SO, and the Coordinator of Student Affairs (COSA). The school treasurer and the assistant principal for operations serve on this committee in an advisory capacity.

Cash

Monies received by a school from sources such as, cash, checks, money orders from fund raisers, and dues but not limited to, reimbursement from vendors and miscellaneous checks.

Cash Journal

A record that documents the receipt and expenditure of general school fund money. This record may be maintained via pen and paper or a software program (see Exhibits A and B).

Co-curricular Activity

A student activity pursued outside the regular classroom schedule but is integrally related to the instructional curriculum. Examples include a student newspaper, related to a class in journalism, or an environmental field trip for a science class.

Coordinator of Student Affairs (COSA) (High Schools Only)

A title used to describe a faculty member at a high school who is responsible for the effective implementation of all student activities - particularly non-athletic activities. The COSA reviews recommendations for raising and expending general school fund money.

Equipment

Items which can be reused or which maintain their character through use. Examples may include, but are not limited to, computers (desktop and laptop), tablets (for example, iPads), video cameras, TV sets, audio recorders, science lab equipment, musical instruments, digital cameras, DVD players, etc. must also be inventoried

Extra-curricular Activity

A student activity that is pursued outside the regular class schedule.

Faculty Advisor

A member of the regular teaching staff who volunteers or accepts appointment to advise a particular student activity.

Finance Committee

Elementary or middle/intermediate/junior high school staff and students who advise the principal on matters pertaining to student activities - especially raising and expending funds. The principal appoints committee members.

General School Fund (GSF)

The accumulated funds (not tax levy or reimbursable funds) donated to and/or raised by the students and/or school to support extracurricular and co-curricular student activities. Other cash may be deposited to this fund as well.

Gifts

Donations of cash, services, or materials (including equipment) from private individuals or organizations.

Grants

Funds awarded to a particular program in response to a proposal.

Limited/Special Purpose Fund

Funds whose uses have been predetermined or prescribed by the funding source. Examples are a trust fund (a gift or bequest for a special purpose), the lost book fund, and senior class dues.

Senior Class Officers

Elected students who represent the senior class to determine activities associated with the senior year of high school.

Senior Dues

Monies collected from students for senior class expenditures and activities.

Signatories

Employees authorized to sign checks drawn against the general school funds account. There must be two (2) signatures on each check. The treasurer cannot be one of the authorized signatories. An individual who is an authorized signatory cannot sign a check that is made out to him/herself.

Student Activity Fund (SAF)

An allocation of tax levy money designated to support student activities in high schools.

Student Organization (SO)

Sometimes referred to as a general organization (G.O.), the purpose of the student organization is to enhance the development and improvement of student life. The organization is elected by the student body according to its constitution and/or by-laws

Treasurer

A full-time regular staff member of a school selected by the principal (subject to all applicable DOE and contractual regulations) to manage the general school fund account.

Trust Fund

A fund comprised of assets intended to provide a specific benefit to its beneficiaries. Funds held in this manner cannot be diverted to serve another purpose.

Voucher

A document authorizing the payment of money.

2. REGULATIONS GOVERNING CASH TRANSACTIONS

2.1 Chancellor's Regulations Governing Fund Raising Activities
The following are summaries of Chancellor's Regulations that pertain to the collection and expenditure of student money. The full text of each regulation can be accessed on the DOE website.

A-601: Activities, Clubs, and Organizations

Outlines the process for establishing non-athletic student organizations and clubs and the requirements with which they must comply.

A-610: (Fund Raising Activities and Collection of Money from Students)

Defines fund raising as any activity related to the solicitation of monies by a school or parent-teacher association which may be deposited into a general organization bank account or other school-based bank account. This regulation defines parameters concerning when fundraisers may be held and sets forth internal controls concerning monies collected and expended.

A-650: Flea Markets

Sets forth the conditions under which flea markets and city market programs may be initiated and conducted on Department of Education property for the primary purpose of raising funds to benefit public schools.

A-812: (Competitive Foods)

Provides guidelines to conform to the Department of Education's initiatives to improve the quality and nutritional value of food that is available to children.

2.2 Fund Raising Responsibility
The principal of a school bears the ultimate responsibility for ensuring that all regulations regarding fund raising are observed. Everyone involved in managing student activities should have a copy of Chancellor's Regulation A-610 – Fundraising Activities and Collection of Money from Students – which describes the extent and limits of fund raising activities.

2.2.1 Prohibited Forms of Fund Raising

The following fund raising activities are prohibited in schools:

- Students must not be charged for the purchase or rental of any textbooks, cassettes, or other materials supplied by the Department of Education for use in classes, shops, or laboratories. However, this does not preclude the assessment of charges for loss, breakage, or damage to shop and laboratory supplies, textbooks, and equipment.
- Any activity that involves gambling (e.g., the sale of raffle tickets to students or the conducting of bingo games) is absolutely prohibited.
- No teacher or parent shall solicit or collect any money from students unless authorized in writing by the principal in conformance with the rules and regulations of the Department of Education.

Note: The sale to students of crafts and finished products made by the students at school as part of the educational process may be considered a fund raising activity.

2.3 Regulations Governing Checking Accounts
General school funds and other cash must be processed through a checking account at a New York City Department of Finance approved institution offering checking account services. With the exception of lunch accounts, schools are

encouraged to open one checking account and manage sub-accounts for activities such as General School Funds, Scholarships, Memorials, Senior Dues and Afterschool Activities.

See section 5.3.1. (Opening a Bank Account) to learn how to establish a checking account, including one that holds GSF funds (a GSF account). Bank accounts holding GSF funds must adhere to the following regulations:

- There must be at least two (2) signatures on each check. The treasurer cannot be one of the authorized signatories. An individual who is an authorized signatory cannot sign a check that is made out to him/herself.
- Under no circumstances may a checking account have, or a DOE site use, overdraft privileges.
- Under no circumstances may an ATM/debit card be requested, issued, or used in association with a GSF account(s).
- Under no circumstances may PA/PTA funds, "sunshine funds," or "personal funds" be co-mingled with funds held in a GSF account.
- Checks must be pre-numbered consecutively and imprinted with the following:

  New York City Department of Education In Trust For (School Name and/or Number)*; General School Fund Account*

Funds from any source, including cash receipts, must be deposited into the school's checking account, ideally on the date they were received, or as close to the date as possible. The checking account must be reconciled monthly. For exceptionally large deposits of monies received from student activities, the services of an armored car company may be employed to make the deposit. Payment for such services may be paid from the GSF account.

All transactions, deposits, expenditures, and transfers between accounts must be recorded in the cash journal(s) (Exhibits A and B).

2.4 Regulations Governing Senior Class Funds

At high schools, the senior class, through its officers, designates specific purposes for which senior funds are to be expended. The resolution for these expenditures must be specific and definite, and signed by three (3) senior class officers. They may not allow for disbursement at the discretion of the principal.

At the lower school level, the principal should designate a faculty advisor to act in conjunction with the students.

Monies collected from students for expenses related to graduation ceremonies (e.g. cap, gown and tassel, printing of ceremony tickets and programs, ceremony decorations and accessories, the yearbook, the senior trip, and the prom) are usually referred to as "senior dues".

It is advisable that the officers of the graduating class in the elementary, middle school, junior high school, and high school make provisions for the disposition of any accumulated cash surplus after their graduation. That may include a gift to the school. The senior class may request that the surplus funds, or a portion thereof, be:

- Transferred to the alumni association of the school or to an association or organization formed by the class to conduct activities for members of the class after graduation.
- Refunded to seniors who have paid their dues if the surplus exceeds 10% of the senior dues or $10.00 per student, whichever is greater.

- Designated for a specific project that might require a sum of money that would take several years to accumulate. Future graduating classes might want to contribute their surplus to the same specific project. The principal must secure the written permission of the superintendent before establishing this project.
- Added, at the end of the school year, to the Student Organization general fund, provided the graduating class did not make a designation for the disposition of its surplus funds. If a special purpose fund set up by a graduating class becomes inactive for five (5) years, it should be transferred to the general school fund account for general student activity use.

Note: The amount of money that is collected for senior dues must cover the projected amount of expenditures for senior activities that are agreed upon by the senior class officers. Senior dues should not be used for purchases for other general school activities.

3. IMPLEMENTING AND OPERATING A STUDENT ACTIVITIES PROGRAM

3.1 Sources of Funds

Schools receive general school funds to support student activities from various approved sources. These sources may be:

- The profits from a student or school run flea market, crafts sale, or other approved fund raising activity.
- Monies collected by student organizations or clubs (not membership fees that are prohibited by Chancellor's Regulation A-601) that are used to benefit the club and its members.
- Graduation fees/senior dues and/or dues to the general student organization.
- Admission fees to plays, concerts, movies, athletic, and/or social events.

> **Note:**
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> Whenever tickets to a school event (play, game, concert, or other event) are sold, they must be pre-numbered by the printer. This will help the advisor of the activity monitor and report authorized sales of tickets to the school treasurer. A file must be maintained of the record of distribution and sale of tickets. Please refer to Exhibit D for the necessary forms to assist in the record keeping of the sale of tickets. Unused tickets must be maintained as a record.
>
> If a school chooses to print its own tickets, it must pre-number all tickets with an automatic numbering machine.

- Returns from vendors for purchases made with general school fund money.
- Revenue from sales of any kind from a school-operated (Student Organization) store or entrepreneurship activity. Exhibit D is to be completed at the conclusion of such activity or event by the faculty advisor in charge, and given to the principal, budget/finance committee and school treasurer.
- Sales tax (collected then deposited and disbursed through the GSF account).
- Monetary gifts from the parent association, community organizations, alumni, or local businesses where the gift is designated for student activities.
- Revenue from the sale of items sold from vending machines accessible to students. (Note that leased vending machines must have a contract approved by the Office of Legal Services (OLS)).
- Funds raised for special/limited purposes whose uses have been predetermined or prescribed by the funding source. Examples are a trust fund (a gift or bequest for a special purpose), the lost book fund, and senior class dues. Note: Please see section 5.6 for additional information regarding the receipt of gifts or grants.
- Revenue from the sale of goods or services produced by students registered in a particular shop or class (vocational activities). Exhibit D is to be completed at the conclusion of such activity or event by the faculty advisor in charge, and given to the principal, budget/finance committee and school treasurer.

Note: The per capita allocations of tax levy money to high schools for the support of student activities – known as a student activity fund (SAF) – is different from general school fund money. Although SAF is a tax levy allocation, the rules associated with SAF money parallel those rules on GSF funds as outlined in this chapter.

4. USING FUNDS MAINTAINED IN A GSF ACCOUNT

4.1 Disbursement of Cash

The disbursement of funds from a GSF account must adhere to the following guidelines:

- All disbursements from the GSF account must be supported by written approval from the principal or his/her designee on the *Request for Expenditure* form. The principal may delegate this responsibility to the COSA at the high school level, or any other responsible staff member (all school levels).The school treasurer must maintain copies of all approved forms.

> **Reminder:** Unauthorized purchases are the responsibility of the purchaser.

- No expenditures are to be paid directly from cash collections. Cash collected must be deposited directly into the GSF account, and following deposit, expenditures can be made from the account.
- Except for petty cash disbursements (see Section 5.8), payments for purchases are to be made by check only.

> **Note:** Never draw a check payable to "cash".

- Before the treasurer can make any disbursements from the general school fund account, s/he must complete a *Request for Expenditure* form. This form must be signed by the treasurer, the purchaser, the principal (or his/her designee: the COSA at the high school level or any other responsible staff member regardless of school level), and the student activity advisor (if applicable). If the purchaser is someone other than the advisor of the student activity, the advisor must also sign the *Request for Expenditure* form indicating the account to which this expenditure will be charged.
- The purchaser or receiver of goods or services must sign the vendor's invoice to signify that the goods were received in satisfactory condition and that the service was properly performed. In the case of services performed where an invoice is not customarily given, the advisor of the student activity or the principal must prepare or collect documentation indicating that services were rendered. This will be used to validate the appropriateness of the service.
- The completed and properly approved *Request for Expenditure form* , along with supporting documents such as invoices, bids if used (see item 4.3 – Bidding), etc. must be submitted to the treasurer so that a check can be prepared. The treasurer will examine the signatures for authenticity and completeness, verify the amount of the invoice, and ensure that all supporting documentation is attached to the form. Upon verification, the treasurer can prepare a check and then complete the "payee" section of the form ((i.e., name/address of the payee, check number, and the date check was written).
- Checks drawn against the general school fund account must show at least two of the minimum of three signatories' signatures. The treasurer and students may not be designated signatories of the checking or any other account. The payee on a check issued from the checking account may not be a signatory for that check.
- Each completed *Request for Expenditure* form and supporting documentation must be retained for seven (6) years for possible future audit.
- The treasurer must record each transaction in the Cash Disbursement Journal (Note**:** Every check must be accounted for in this journal, even those that have been voided.
- If a check is outstanding for more than 60 days, the treasurer should contact the payee for resolution. If there is no resolution and the check remains outstanding for an additional 30 days (90 days total), it should be

voided. A stop payment request to the bank should be made.

Public schools do not pay New York State or New York City sales tax and the treasurer should not write checks that include sales tax unless "good cause" (e.g., vendor insists that sales tax be paid) is shown. All student activity advisors should be provided with the *Exempt Organization Certification Form* () prior to making any purchase.

4.2 Expenditure of General School Fund Money

Whenever permissible, goods and services should be purchased with tax levy and/or reimbursable school funds before general school funds are utilized. When general school funds are used, there are certain rules governing expenditures, dependent upon the grade levels of the school:

- **Elementary and Middle/Intermediate/Junior High Schools:** General school funds must be spent on items necessary for the proper functioning of student extracurricular and co-curricular activities, or for the direct benefit of students. However, if an item is not to be used either solely by the students or for their direct benefit, the superintendent (or his/her designee) must provide his/her approval, in writing, prior to the purchase. This approval must be attached to the *Request for Expenditure* form.
- **High schools:** The budget committee should spend general school funds on items necessary for the proper functioning of student extracurricular and co-curricular activities, or for the direct benefit of students.

The following is a list of the types of expenses associated with student activities:

4.2.1 Operation of the Student Organization

Administrative expenses connected with the operation of the student organization (sometimes called the "general organization" or "student government organization"). This can include office supplies, stationery, postage, purchase/lease of office equipment (such as a copier or computer), and costs of repairing any equipment.

4.2.2 Teams and Individual Competitions

Expenses connected with the conduct of individual or team intra/intermural sports and intra/intermural scholastic competitive activities may be paid with general school fund money. These expenses include, but are not limited to, rental of fields or other playing arenas, printing of tickets, purchase and maintenance of uniforms (for cheerleaders/boosters as well as players), purchase of supplies and equipment, payment of entry fees and licenses, purchase of awards (such as plaques or trophies), team insignia, and bus rental or other travel expenses.

4.2.3 Student Publications

All expenses related to the development, design, composition, printing, and dissemination of a student newspaper or literary journal may be paid for out of the general school fund account. Such expenses also may include membership in the Scholastic Press Association, travel expenses for students attending inter-scholastic meetings for purposes of reporting, film and developing costs, expenses associated with the development and maintenance of a web site, purchase of a computer, necessary software, and other editorial supplies.

4.2.4 Clubs

Any club organized with the permission of the student organization and the principal may request general school fund money for its necessary expenditures such as magazine subscriptions, travel, refreshments, decorations, printing, entry fees, and dues for related national or state organizations. The allocation does not have to match funds raised by the club. Approval of such an allocation is at the principal's discretion at the elementary and middle/junior/intermediated level, or the budget committee at the high school level.

4.2.5 Cultural Events

Expenses related to musical or theatrical events where the students are either the participants or the audience may be paid for out of the general school fund account. These expenses include the rental of a film, stage scenery, costumes, scripts, performance space, and the printing of programs and tickets.

4.2.6 Social Events

Expenses related to the efficient operation of school dances, school parties (on or off-site), school excursions, field days, or any other kind of approved, supervised activity intended to encourage the development of positive social attitudes may be paid for with GSF funds. Printing programs and tickets for such events are permissible expenses.

4.2.7 Student Welfare

Expenses related to assisting students whose financial circumstances prevent them from participating in student activities may be paid for with general school fund money. With the approval of the principal, general school funds may be used to assist the student in the purchase of uniforms or equipment, travel expenses, rental of a musical instrument, purchase of crafts supplies, or any other expense which is directly related to his or her involvement in a worthwhile learning activity, be it curricular or extracurricular.

4.2.8 General School Activity

Awards, trophies, insignia and other prizes used at recognition events may be purchased. Radios, cassette players, and other electronic equipment that may not be available through tax levy or reimbursable funds and that will be used solely for student activities also may be purchased.

4.2.9 Charitable Donations

With the approval of the principal and the consent of the student and faculty representatives on the budget or finance committee, it is permissible to raise funds for charitable purposes. All funds raised in this way must be deposited into the GSF account for subsequent disbursement by the school treasurer to the proper recipient.

4.2.10 Special Purpose Money

Examples of money that have been collected for a special purpose and must pass through the general school fund account are:

- Awards for student leadership or achievement
- Scholarships
- Sales tax collected in a student operated store. Note that sales tax must be forwarded to the City and State tax bureaus (see section 6.2 for information about collecting and remitting sales tax).
- Charitable collections which must be forwarded to the designated charity
- Interest earned on a trust fund earmarked for a specific purpose
- Scholarship trust fund monies
- Private grants less than $9,999 for scholarships
- Donations intended for the purchase of OTPS items only

Note: Trips, including those out of state and to foreign countries, may be considered appropriate expenditures. Chaperones may be reimbursed for the cost of reasonable expenses incurred on these trips (e.g., transportation, admission costs, meals). * Tax levy funds should be used for these expenditures following the guidelines detailed in the SOP chapter on Travel and Conferences. If tax levy funds are unavailable for this purpose, general school funds may be used.

* As a good business practice, staff responsible for organizing a student trip and collecting money for it should notify parents that part of the money collected for the trip may include chaperone expenses.

4.2.11 Restrictions

In addition to the rules concerning the use of GSF funds mentioned in section 4.2, certain restrictions apply in making payments in the expense categories listed above. Everyone who is involved with the administration of a student activity should note the following:
Public schools are exempt from paying both New York State and New York City sales taxes. To claim the exemption for purchases made during the performance of official DOE duties, please present the vendor with a properly completed *New York State Tax Exemption Certificate* (Form AC 946). Please note that this form may not be used to purchase food or drink for personal consumption. If the purchaser pays the tax, under certain circumstances where "good cause" is shown, the purchaser will be reimbursed for the tax.

- All individual purchases (e.g., refreshments for a meeting, equipment, tickets, rentals) must be pre-authorized by the principal or his/her designee via the completion of a *Request for Expenditure* form; otherwise the buyer will bear the cost of the expense personally.

- Limited/special purpose funds (e.g., scholarships and trust funds) must be used only for the specific purpose for which they were collected. No disbursement may be made if the fund is in a deficit condition.

- If New York State and New York City sales tax is collected in the operation of a school store, the taxes collected must first be deposited into the GSF account and then transferred on a quarterly basis to the New York State Department of Taxation and Finance using Form ST-100. (Please see section 6.2 for additional information regarding sales tax.)

- Schools are not allowed to engage a full time or part time employee to assist with student activities (such as overseeing a GO store) and pay his/her salary directly from GSF account.

- Any equipment purchased with GSF money must be inventoried and secured with the same care as equipment purchased with tax levy or reimbursable funds. Refer to the SOP chapter on Inventory for specifics. Also refer to the SOP chapter on *OTPS Purchases for Equipment Purchase Specifications*.

- Petty cash in an amount no greater than $200 may be drawn from the GSF checking account to cover incidental expenses. Money collected through student activities should not be diverted to "petty cash" before it is deposited into the checking account. The check may be made out to the treasurer/COSA or other responsible person, but never to one of the account signatories. Unexpended petty cash must be accounted for and locked up.

- No expenditures for alcoholic beverages can be made.

- Gifts for teachers, custodians, or school staff are not permitted from the GSF account unless the "gift" is a certificate or plaque in recognition of achievement or service. The budget committee at the high school level and the superintendent at the elementary or middle/junior/intermediate school level must approve any other form of honorarium that will involve general school funds.

- Under no circumstances may an ATM/debit card be requested, issued, or used in association with a GSF account(s).

4.3 Bidding

All purchases should be made ensuring the wise and prudent use of funding. Every precaution should be taken to guard against favoritism, improvidence, and extravagance. Although obtaining bids is not required when making purchases with general school funds, schools are encouraged to do so. The superintendent or principal may mandate bidding in his/her district/school.

When using GSF money other than SAF money (which is tax levy), formal bids are not required. However, when purchases are not made via bidding or when the lowest bid is not accepted, the expenditure must be supported by documentation including a statement of why the vendor was chosen (e.g., neighborhood store, makes immediate deliveries, repair and exchange policy is advantageous, or lowest bid did not meet all the needs of the users).
A bid is a request from a vendor to provide an item at a specified price. Depending on the price, a bid may be made by telephone or in writing.

The following bidding thresholds have been developed as a guide for those who prefer to manage their purchases through the bidding process. These thresholds are applicable to the use of general school funds only; they are not to be used for purchases made with tax levy or reimbursable funding. Tax levy bidding rules are stated in the SOP chapter on "Bidding and Contracts".

Purchase Value	**Bidding Guide**
$1 - $500	No bid is required. Limited up to $ 2,500 per vendor for the fiscal year. Purchase instrument must be school letterhead.
$501 - $5,000	Three telephone bids should be collected either by telephone or in writing. If collecting a bid(s) by telephone, details of the bid must be recorded on the *Telephone Bid Summary Form.* At least two vendors must respond to the request (a response from a vendor of "no bid" is considered a bid) s.
$5,001 - $25,000	Three written or faxed bids. At least two vendors must respond to the request (a response from a vendor of "no bid" is considered a bid). Purchase instrument must be school letterhead.
Over $25,000	Three written or faxed bids needed. At least two vendors must respond to the request (a response from a vendor of "no bid" is considered a bid). Purchase instrument must be on school letterhead. Schools are encouraged to develop a contract with vendors to ensure terms and conditions are delivered. If assistance is required in the preparation of a contract, the Contracting Unit at the Division of Contracts and Purchasing (DCP) is available to help you. The Division of Contracts and Purchasing contract registration with the New York City's Comptroller's Office will not be required.

5. HOW ARE MONIES ALLOCATED AND MANAGED?

5.1 Organizational Roles and Responsibilities
5.1.1 Responsibilities of the Principal

The principal:

- Is ultimately responsible for the collection, distribution, and accounting of all general school fund money.
- Must make certain that all receipts and expenditures are monitored on a regular basis.
- Appoints a responsible member of the regular school staff to be the school treasurer (per diem substitute employees are not permitted to serve as the treasurer). The treasurer should have experience in budget and/or finance and/or should have some aptitude for simple accounting procedures.
- Must appoint a minimum of three check signatories, one of whom must be him or herself.
- Must approve, maintain, and submit an *Authorization to Collect General School Funds* .
- Must ensure that bills are paid on a timely basis.

5.1.2 Responsibilities of the Treasurer

The school treasurer:

- Serves as an advisory member of the school budget or finance committee.
- Receives and monitors money for deposit and issues receipts.
- Issues checks in the manner prescribed by these regulations.
- Maintains records of income and disbursements.
- Maintains and examines purchase documents and verifies their accuracy.
- Verifies that a *Request for Expenditure Form* has been completed for each expenditure.
- Maintains records and prepares fiscal reports as the principal may request (e.g., a record of project appropriations, expenditures, and balances) and prepares monthly bank reconciliation for approval by principal or designee.
- Advises the principal of any inconsistencies with regulations or school instituted policies and procedures.
- Reconciles the balance for all bank accounts for the period ending June 30th (see section 5.3.2 for guidance).

Note: The treasurer may not perform any function officially assigned to the faculty advisor of a student activity. The treasurer is not allowed to be a signatory on the general school fund checking account.

5.1.3 Responsibilities of the Finance or Budget Committee

What is called a "finance committee" in the elementary and middle/intermediate/junior high school is called a "budget committee" in the high school.

- **Elementary and Middle/Intermediate/Junior High Schools:** The principal appoints a finance committee to assist in the administration of general school funds money. This group includes staff members and students if the students are not deemed too young to participate. The finance committee serves as an adviser to the school principal and the student organization, and recommends a program of income producing activities upon which general school funds money can be appropriately generated.

- **High Schools:** The budget committee is composed of staff and students. It is required that representatives of the student organization be voting members of the budget committee and speak for the student body in approving or rejecting fund raising or fund expenditures.

  The committee is composed of the President of the Student Organization (SO), representatives of the student organizations, and the Coordinator of Student Affairs (COSA). The school treasurer and the assistant principal for operations serve on this committee in an advisory capacity.

Regardless of school level, finance and budget committees should meet regularly. The committees review the budget requests and determine the actual appropriation for each activity. Members of the committees must verify that appropriations are based on the overall financial status of the school's general school fund account. When the committees have approved a budget of allocations for annual activities, they submit the budget to the principal for his/her approval.

5.1.4 Responsibilities of a Faculty Advisor

The principal (or his/her designee) appoints a faculty advisor to manage a particular project or activity. The faculty advisor's responsibilities are to:

- Submit a reasonable *Budget Appropriation Request* for the project or activity near the end of the preceding spring term or at the formation of a new club or activity.
- Deliver all money collected to the school treasurer.
- Receive or collect money for the projects as authorized by the principal.
- Maintain a record of project-related income and expenditures.
- Prepare and maintain a physical inventory of supplies, equipment and materials. (This should be performed at the time of the school's regularly-scheduled annual inventory activities.)
- Prepare required financial reports and serve as the person who initially approves all expenditures related to the project.

In a large school where the budget committee determines expenditures of general school fund money, the faculty advisor may be asked to appear before the committee to explain the budget request.

5.1.5 Responsibilities of the Student Organization Advisor

The advisor of the student organization (or the COSA as he or she is called in high school) is a faculty member designated by the principal. His/her responsibilities with respect to financial activities may include:

- Coordinating and supervising all fund raising activities and overseeing income and disbursements.
- Serving as a resource to the student organization in the preparation and allocation of the student organization (SO) budget (i.e., the collection of the relevant data on anticipated income and requests for funds) and the disbursement of these funds.
- Serving as a liaison to insure proper communication among the principal, the treasurer, student clubs, teams, and other organized activities as they plan for the expenditure of SO funds.
- Assisting advisors in planning income-producing activities.
- Overseeing the publication and appropriate distribution of the approved budget. (At the end of the academic year, the COSA may wish to distribute to each faculty advisor of a student activity a *Budget Authorization Form* for the coming year.)
- Supplying to and collecting from each advisor a *Budget Appropriation Request*.

5.1.6 Responsibilities of the Cosigners of Checks

A minimum of three full-time employees must be designated as cosigners of checks for the GSF checking account, one of whom must be the principal. Two signatures are required on each check. The signatories must not sign blank checks. They should make themselves available to the school treasurer for check signing as deemed necessary. A cosigner may not be the payee.

5.1.7 Responsibilities of Student Members of the Budget or Finance Committee

Student members of the budget or finance committee represent the student body. If the principal (or his/her designee) vetoes a budget request made by the student body, the student members should ask the principal to reconsider. If their differences cannot be reconciled, the superintendent or his/her designee will resolve the situation. His/her decision will be final.

5.2 How the Account is Monitored

Although the principal of a school may delegate administration of GSF money to responsible staff, the principal remains ultimately responsible for the management of the general school fund and other cash accounts.

5.3 Bank Account Procedures

The New York City Department of Finance (NYCDOF) requires all City agencies, including the Department of Education, to use the City's taxpayer identification number (TIN) when establishing a new bank account (to obtain the City's TIN, call the DOE's Banking Unit: (718) 935-2654). Banks must be selected from the NYCDOF's list of approved banks. The opening and closing of all City bank accounts must be processed through the NYCDOF. Because of this, it may take up to four weeks to open a new bank account.

It is imperative that schools comply with these requirements and adhere to the procedures described below.

5.3.1 Opening a Bank Account

The principal must first determine the type of account to open. The allowable types are:

5.3.1.1 School Lunch Account: A school lunch account is intended to hold monies received from students for lunch payments, as established in guidelines concerning federal grant monies. These funds are the property of the DOE and are reported as cash in both the DOE's and the City's annual financial statements.

5.3.1.2 General School Funds: This account is intended to hold monies collected from students, parents or others in the school, including those donated or collected by way of sales receipts. These monies are maintained for the benefit of the students. General school funds accounts are fiduciary accounts and are reported by both the DOE and the City on their respective annual financial statements.

Once the principal has determined the type of account to open, s/he (or his/her designee) must:

a) Select a bank from the NYCDOF's list of designated banks. Ideally, the bank will have a branch convenient to the school.

b) Contact the DOE's Banking Unit – (718) 935-2654 – to request bank-specific signatory cards and other materials required to initiate the opening of a new account.

c) Identify at least two other people – in addition to the principal – to act as account signatories (a minimum of three account signatories are required). Signatories must be full-time employees. Once the bank's signatory cards are received from the DOE Banking Unit, the signatories must sign the signatory cards.

d) Complete/prepare the following two documents:

   1) Bank Account Request Form (received from the DOE Banking Unit)
   2) A letter, on school letter head, addressed to the bank requesting the opening of a new bank account. All information, as provided in the sample letter received from the DOE Banking Unit, must be included in the letter and signed by the principal.

e) Forward the completed Bank Account Request Form, the letter to the bank, and the signature cards to:

New York City Department of Education
Banking Unit, Division of Financial Operations
65 Court Street, Room 1802
Brooklyn, NY 11201

Upon receipt of the documentation, the DOE Banking Unit will review the materials submitted and, if all are in order, forward them to the NYCDOF who will open the account on behalf of the school. Because the process involves both the DOE and the NYCDOF, the opening of an account may take up to four weeks. The school should plan accordingly to ensure that the new account is open prior to any funds being collected or any necessary banking transactions.

f) Await notification from the NYCDOF that the new account is active. The NYCDOF will notify both the school and the DOE Banking Unit when this occurs.

g) Upon notification that the new account is active, the principal (or his/her designee) must immediately enter the new account information into the DOE bank account survey. The principal is responsible for updating this information as necessary, and reporting year-end balances pursuant to section 5.3.2 (below).

Questions about this process, or any other banking issue, should be brought to the attention of the DOE's Banking Unit: (718) 935-2654.

5.3.2 Annual Reporting of Reconciled Bank Balance

By mid-September of each year (the exact due date will be announced annually via Principals' Weekly), the principal (or his/her designee) should:

a) Reconcile the balance for all bank accounts for the period ending June 30th. (For guidance, refer to the Bank Reconciliation Statement that your school completes periodically throughout the year.)

b) Visit the banking system website to record the reconciled balance, as of June 30th, in the Bank Account Survey for each account.

c) Review the information about your school (for example, location) and bank accounts, as contained in the Bank Account Survey, and update, if necessary.

d) Failure to report these balances in the Bank Account Survey by the annual due date will jeopardize the accurate reporting of cash and fiduciary amounts in the Department's and the City of New York's financial statements.

e) Questions concerning the recording of balances or issues with the banking system website should be brought to the attention of the Banking Unit: (718) 935-2654.

5.3.3 How to Change Signatories, Treasurer, etc.:

All changes in signature authority for school bank accounts, as well as change of school treasurer, must be reported to the DOE Banking Unit.

If changing signatories, schools should first contact the DOE's Banking Unit – (718) 935-2654 – to request bank-specific signatory cards. Once the bank's signatory cards are received, all new signatories must sign the signatory card. Next, the school must prepare a letter on the school's letterhead addressed to the bank. The letter should include the following information:

- Account title and number
- Names and title(s) of signatory(ies) to be deleted and added.

The letter must be signed by the principal. Forward the letter and the two completed signature cards for each account to:

NYC Department of Education
65 Court Street, Room 1802
Brooklyn, NY 11201
Attention: Banking Unit

5.4 Cash Disbursements Journal

All disbursements must be recorded in a cash disbursements journal (Exhibit B). The following information must be recorded:

- Date (Date check was written)Payee
- Explanation (Explanation of the nature of the expense)
- Check Number (Note: All checks, even those that have been voided, must be listed in the journal.)
- Amount Disbursed
- Sales Tax (This amount must be equal to the amount collected as recorded on the Cash Receipt Journal.)
- Other. This field is used for miscellaneous expenses.
- Columns ("fields") should be titled according to the different school accounts assigned by the advisor of the activity. Amounts posted on these columns should equal the amount disbursed (column 5).

5.5 Maintaining the General School Funds Checkbook

The checkbook must be safeguarded both fiscally and physically by adhering to the following:

1. Checks must be pre-numbered and issued sequentially.
2. All checks must be recorded and accounted for, including voided and blank checks.
3. Blank checks must be kept in a locked place.
4. Do not destroy voided checks. To avoid re-use, make certain the signature area is torn/cut off.
5. Each check must be signed by two signatories.
6. Signatories must not sign blank checks. It is a signatory's responsibility to know the justification for issuing the check before he/she signs it.
7. Lost or stolen checks must be reported to the school principal (or his/her designee), the police, the bank, the office of the superintendent, the DOE's Banking Unit, and the Special Commissioner of Investigation for the New York City School District (SCI). A record of this report must be kept on file. All "stopped checks" must be reported to the principal as well.
8. A replacement check should not be issued until written notification confirming the stop payment is received from the bank. The stub of the original stopped check should include a notation that it has been canceled.
9. The checkbook must be kept up-to-date. The running balance must be current at all times.
10. The account register should be reconciled against the bank statement on a monthly basis.
11. Following reconciliation of the June 30th bank statement, the balance must be reported via the annual Bank Account Survey. See section 5.3.2 for details.

Cash receipts (revenue or income) and cash disbursement (expenses) documentation must be retained for a period of seven years at the school. Canceled checks and bank statements must also be retained at the school for seven years and filed chronologically to facilitate retrieval and auditing.

5.6 Closing a Bank Account

If a principal needs to close a bank account, s/he must do the following:

1. Have the treasurer ensure that all outstanding checks have cleared.
2. Make arrangements to settle all pending adjustments with the bank in order to "zero" out the account.
3. Report the closing to DOE's Banking Unit by preparing a letter on school letterhead. The letter should include the following:

    - Bank name
    - Account title and account number
    - Effective date of closing
    - Reason for closing the account and where the remaining funds (if any) have been transferred
    - Name and title of the individual responsible for maintaining the closed account file
    - Bank statement showing a $0 balance for the closed account

This letter should be mailed to the Banking Unit at the following address:

NYC Department of Education
65 Court Street, Room 1802
Brooklyn, NY 11201
Attention: Banking Unit

4. Destroy all unused check stock for the closed bank account.

DOE's Banking Unit will notify the NYC Department of Finance of the closing of the account.

5.7 Accepting a Gift or Grant

5.7.1 Gifts

A gift can be considered a donation rendered via check, materials or services. Gifts must be reported differently, depending upon its value.

Gifts of $1,000 or More: ALL GIFTS OF $1,000 OR MORE AND ALL GRANTS MUST BE REPORTED TO THE SENIOR GRANTS OFFICER

For Monetary Gifts up to $9,999

- The school receives a letter and check from the donor specifying the nature of the gift, and any guidelines for use of the funds. The original letter and a copy of the check are kept on file with the school account records.
- **For gifts of $1,000 - $9,999,** the school completes the form on the "School Based Gifts and Grants Reporting System" which is on the DOE Intranet – http://nycboe.net/schools/giftsgrants . A copy of the report will be sent electronically to the Senior Grants Officer, the (FSC) Director and/or designee, and to the school's Outlook mailbox. A printout of the form must be kept on file at the school.

- **If the funds will be used only for OTPS** (materials, equipment, supplies), the school completes the appropriate form and then may deposit the funds in the school's bank account.

- **For gifts of $1.00 - $9,999** to be used in part or in whole for personnel expenses (per diem, per session, trainee), the original check must be sent to the Senior Grants Officer. In addition, the school forwards a copy of the donor's letter of transmittal, the letter of request or proposal (if applicable) to the Senior Grants Officer at the Field Support Centers. The Senior Grants Officer will then enter the gift on the Division of Financial Operations (DFO) on-line Gifts/Grants Tracking System. A copy of the on-line gifts/grants report and the original check will be sent to DFO's Office of Revenue Operations where the 5070 table is created in FAMIS and a unique grant number is assigned. The Division of Budget Operations and Review enters the appropriate lump sum in Galaxy.

- The Principal ensures, in collaboration with the School Finance Committee, that the **funds are expended in accordance with Funder requirements**, and all associated documentation must be kept on file at the school.

For Non-Monetary Gifts (materials, equipment, services) Valued by Donor at $9,999 or Less.

- The school receives a letter from the donor specifying the nature of the gift, the approximate value and any requirements for use of the gift. The letter must be kept on file at the school.

  Note: When applicable, the principal should seek guidance from the senior grants officer if there are any concerns regarding the appropriateness of the gift (i.e. quality/safety of donated equipment, costs of upkeep of the donation, content of books, tapes, software, etc.)

  Note: a gift may be declined if it is deemed inappropriate

- **For non-monetary gifts valued from $1,000 - $9,999,** the school completes the form in the School Based Gifts & Grants Reporting System on the DOE Intranet Once submitted, a copy of the report is electronically sent to the senior grants officer, the Field Support Center (FSC)and to the school's Outlook mailbox. A print out of the completed form must be kept on file at the school. **Note:** It is the responsibility of the donor to estimate the value of the gift; the school should not make this determination.

- The school forwards a copy of the donor's letter of transmittal, plus the letter of request or proposal (if applicable), to the senior grants officer at the FSC.

- The senior grants officer will record the gift in the Gifts & Grants Reporting System.

- The principal ensures that the gift is used in accordance with the donor's requirements, and all associated documentation is kept on file.

- The school receives a letter from a donor specifying the nature of the gift, the approximate value of the gift and/or a check, and any requirements for use of the items and/or funds. The original letter and a copy of the check (if applicable) are kept on file at the school.

- The school completes the appropriate form within the Gifts & Grants Reporting System. – A copy of the report will be sent electronically to the senior grants officer, the FSC and the school. A hard copy of the form must be kept on file at the school.

- The school forwards a copy of the donor's letter of transmittal, the letter of request or proposal (if applicable), requirements for the use of the gift and the original check (if applicable) to the senior grants officer at the

- The Senior Grants Officer will enter the gift into the Gifts & Grants Reporting System. If the gift includes a check, the Senior Grants Officer will forward a copy of the on-line gifts/grants report and the original check to the Department where the 5070 table is created in FAMIS. The Division of Budget Operations and Review enters the appropriate lump sum in Galaxy.

5.7.2 Grants

A grant is an award based on approval of a written proposal that is transmitted by the sponsoring agency to the New York City Department of Education.

- The school completes the form on the "School Based Gifts and Grants Reporting System" which is on the DOE Intranet – http://nycboe.net/schools/giftsgrants. A copy of the report will be sent electronically to the Senior Grants Officer, and to the school's Outlook mailbox. A printout of the form must be kept on file at the school.

- The school forwards a copy of the grant award letter, and a copy of the school's proposal or letter of request to the Senior Grants Officer..

- The Senior Grants Officer will enter the grant on DFO's on-line Gifts and Grants Tracking System. A copy of the on-line gifts/grants report and the grant award letter will be sent to DFO's Office of Revenue where the 5070 table is created in FAMIS. The Division of Budget Operations and Review enters the appropriate lump sum in Galaxy.

- The School Operations Liaison schedules the funds in collaboration with the Senior Grants Officer and in accordance with the requirements of the grant.

- The Senior Grants Officer and the Principal ensure, in collaboration with the School Finance Committee, that the **funds are expended in accordance with the requirements of the grant**. All associated documentation, including evaluation reports, are kept on file in the school and with the SGO? .

Applying for New Grants: Pre-Approval Process

An application for a new grant cannot be pursued without prior approval of the Office of Government and Grant Programs.

Refer to: Grant Proposal Pre-Approval Form, available on the web site of the Office of Government and Grant Programs: www.nyc.gov/schools/offices/d_chanc_oper/budget/dbor/ocps/default.html
Click on "Professional Development/Materials," then "Office of Government and Grant Programs" – then "Proposal Pre-Approval Form."

5.7.3 General Information

Note: Equipment donations must be recorded on inventory records just like equipment purchased with tax levy or reimbursable funds.

Equipment donations must be accompanied by a letter outlining and describing (including dimension: height, width, weight, etc.) the equipment, the cost associated with handling, the moving or trucking of the equipment, and who will bear these costs. Equipment must be in good operating condition and useful to the school. For restricted use items, the schools should contact the Division of Contracts and Purchasing (DCP) for inspection before accepting the donations.

Donations of physical plant and/or restricted or regulated items must be cleared with appropriate Central Department of Education offices (e.g. DCP). Schools should consult with their respective FSC Support Team before accepting such donations.

5.8 Administering Petty Cash

- Reimbursement for expenditures should be made by check whenever possible. However, petty cash may be used to meet small immediate expenses incurred while conducting student activities.

- Cash on hand is not to be more than $200.

- The treasurer is permitted to draw a check payable to him/herself for no more than $200 to fund the Petty Cash account. Each check for Petty Cash must be recorded in a Petty Cash column on the *Cash Disbursements Journal.* To request advances from Petty Cash, an individual must complete and have approved a *Petty Cash Voucher.*

- The treasurer must assign a number sequentially to each voucher. The vouchers should be filed chronologically.

- Proper supporting documentation must accompany every expenditure, no matter what the amount. Receipts or invoices must be attached to the Petty Cash Voucher. Before the Petty Cash account is replenished, all outstanding Petty Cash Vouchers should be accounted for.

5.9 How to Process Cash Receipts

The principal approves an *Authorization to Collect General School Funds* that is prepared by each faculty advisor whose activity requires the collection of money.

Only teachers, parents, other staff members, or students who have been properly authorized by the principal (or his/her designee) may collect cash.

Cash collected from all sources should be given to the school treasurer as soon as possible. Upon receipt, the school treasurer will give the bearer of the cash a *Treasurer's Receipt*. Cash receipts are placed in a safe, vault, or other secure location until deposited as soon as possible, but not less than once a week. To assist in the accounting of funds collected you may wish to use a School Deposit Summary Form. The use of this form is optional.

Note: Use receipts that are pre-numbered and have a duplicate copy. The treasurer will give the original receipt to the bearer of the cash; the duplicate copy will remain in the treasurer's book. If the cash received included New York State and New York City sales tax, show the breakdown on the cash receipt. This will help the treasurer account for the sales tax that must be remitted on a quarterly basis to the New York State Department of Taxation and Finance.

5.10 Record of Cash Receipts

After receiving cash and issuing a receipt for it, the school treasurer must make a record of this transaction in the *Cash Receipts Journal*. If you prefer, appropriate software or a "hard" cash receipts journal can be used for this purpose. In either case, column headings ("fields') for cash receipts must reflect the type of activities adopted by each individual school. The source of entries is from the *Treasurer's Receipts* or the *School Deposit Summary Form*.

Column 1 Date - Date of the receipt of cash.

Column 2 Received from - Source of the cash received.

Column 3 Explanation - Explanation of the nature or purpose of the cash received.

Column 4 Receipt - Number of the Treasurer's receipt.

Column 5 Bank Deposits - Amount deposited in the bank. The deposit slips are filed chronologically according to the date of deposit.

Column 6 Amount Received - Amount received must be the same as the total amount recorded on the Treasurer's receipt.

Columns 7-15
Name these columns ("fields") according to your school activities. The amount recorded in these columns should equal (Column 6) the amount recorded on the Treasurer's Receipts.

Note: Column 9 Sales Tax: The amount is computed based on the current rate of sales tax in New York City. See topic **6.2** below: *How to collect and Remit Sales Tax.* Sales tax collected from all activities is posted in this column.

Column 13

Only collections for charity that are authorized by the principal are posted in this column. A school check is issued in exchange and forwarded to the benefiting agency.

5.11 Internal Controls

Internal Control procedures have been discussed throughout this chapter. The following is a summary:

- Cash must be deposited on a daily basis or as close to daily as possible. Until the time of deposit, it must be accounted for and kept in a secure place.

- Receipts are issued for all revenue collected and deposited. The source(s) of revenue is identified on the Cash Receipt.

- Controls over the checkbook are to be followed as outlined in topic **5.5** "How to Maintain the General School Fund Checkbook."

- All expenditures are to be paid by check except for very small expenses that may be paid out of petty cash (see topic **5.7** "Petty Cash").

- All cash receipts and disbursements are recorded daily or as close to daily as possible. They are recorded in the appropriate ledger or financial report.

- Supporting documentation for all purchases must be maintained.

- Receipts and expenditures are regularly monitored by the school principal (or his/her designee) and treasurer as well as by the members of the budget or finance committee.

- To the extent possible purchasing, receiving, and accounting functions must be segregated.

- All bank accounts maintained in the school should be properly listed with the Bureau of Financial Management and Reporting, Banking Unit at 65 Court Street.

- Bank statements should be reconciled monthly.

- All regulations outlined in this SOP chapter on *General School Funds and Cash Transactions* are subject to audit by the Office of Auditor General (OAG).

6. HOW ARE SCHOOL ACTIVITY FUNDS ACCOUNTED FOR AND REPORTED?

6.1 General School Funds Reports

6.2 How to Collect and Remit Sales Tax

FINANCIAL ACTIVITIES REPORTS

NAME OF REPORT	EXHIBIT	DESCRIPTION	PREPARED BY	FREQUENCY	COPIES TO
Final Statement at Conclusion of Revenue Producing Activity		Multi-purpose form used to record income, expenses and profit and loss related to a school sponsored activity or event.	Faculty advisor in charge of the activity or event.	At the conclusion of the activity or event.	Principal Budget/Finance Committee Treasurer
Sales Tax Report Instructions	**D**	Quarterly Sales Tax Return Form - ST-100 Instructions for the Completion of Exhibit D	Treasurer	Quarterly	NYS Bureau of Taxation and Finance

6.2 How to Collect and Remit Sales Tax

The public schools are exempt from ***paying*** sales tax but are ***not exempt*** from collecting and remitting sales tax when *operating a school store* that sells goods normally sold by a private vendor.

The State of New York and the City of New York levy sales tax on most non-food items. The State administers the New York City Sales Tax Program. Therefore, only **one** certification and report is necessary.

In order to collect this tax the school must ***apply*** to the New York State Department of Taxation and Finance for a **Certificate of Authority**. For information, forms, or publications call toll free, New York State only, **1-800-225-5829 or visit the website at http://www.tax.state.ny.us.** You may also get forms via Fax through the Fax on Demand System **(800) 748-3676**.

Registered tax collectors will automatically receive forms to file quarterly reports. These reports are due on the 20th of December, March, June and September.

> **Note:** You may wish to visit the official website of the New York State Department of Taxation and Finance located at http://www.tax.state.ny.us to ensure that these dates are accurate. All changes will be reflected on the website.

Failure to receive the form does not excuse the school from its obligation to file these reports on time. Call the above toll free number or visit the website to obtain the form you need for the specific quarter you are missing.

It is the responsibility of the faculty advisor in charge of a student store to **visit the website** to access information regarding those items that are taxable or exempt from taxes. **Please do the following to access this information:**

Visit the official website of the New York State Department of Taxation and Finance located at: **http://www.tax.state.ny.us**.

For Taxable Items:

Click on "Publications and Technical Bulletins" Click on "Popular Publications" Click on "Sales Tax Publications" Click on "PUB-840 (May 1, 2000)*

*Publication PUB-840 is for Drug Stores and Pharmacies. We have been advised by the state that in this publication most of the items sold in school stores will be found.

For Tax Exemptions:

Click on "Publications and Technical Bulletins" Click on "Memos (TSB-M) (1981 – Present)" Click on "Sales Tax Memos" Click on "TSB-M-01 (2) S (2/21/01)"*

*This publication includes the tax exemption on clothes in New York City.

The faculty advisor must teach the seller/s in the school store how to compute sales tax and how to record the tax portion of the sale. This will enable the treasurer to remit the collected sales tax and to file the sales tax report (*Form ST-100*) quarterly.

The **ST 100** form and its instructions are updated frequently by the New York State Department of Taxation and Finance,

and therefore, we will **not** provide facsimiles in our exhibit section. Instead, we will provide the address of the website where you can go to download the form and its instructions. Please see Exhibit H for the address of the website to download the ST 100 form and Exhibit H-1 for the website to download the Instructions for the completion of this form.

If the ***school is registered as a tax collector***, it is required to file a return even if it does not have taxable sales.
See item **6.2** for additional details regarding the filing and payment of sales tax.

The treasurer must prepare a *Request for Expenditure* before remitting the collected sales tax. Remit by issuing a check and follow the procedures for cash disbursement. He or she must include the **State Sales Tax Identification Number** used by the Board of Education ***on the check***. A completed copy of the New York State Sales Tax Return will serve as the invoice for this disbursement. Keep a copy in the file.

7. CASH FUNDS

This topic addresses accounts other than the general school fund. It contains information for cash receipts that are deposited or processed to two other accounts:

- Deposited to the Central Department's Consolidated Trust Fund, or
- Processed through the central DOE cash receipts

The two types of accounts are not discussed in this chapter, but are included in the chapter entitled *OTPS Purchases*. For informational purposes only, however, we will provide a brief explanation here.

7.1 Cash Receipts Deposited to the Consolidated Trust Fund

Cash receipts for deposit to the Consolidated Trust Fund are approved by the Division of Financial Operation's (DFO's) Banking Unit, and include donations payable to the Department of Education (not to a specific school) for the purpose of recording donations to establish Department-wide scholarships.

7.2 Cash Receipts Processed Through the Central Department of Education Cash receipts, which may **not** be deposited into a **General School Fund, district, or central bank account unless specifically authorized, are:**

- Reimbursements from vendors if the transaction originated from the expenditure of Department of Education funds (tax levy or reimbursable)
- Payment for emergency personal use of Department of Education telephones if the transaction originated from the expenditure of Department of Education funds(tax levy or reimbursable)
- Restitution for or acts of theft or vandalism if the items stolen or vandalized were purchased with Department of Education funds (tax levy or reimbursable) or General School Funds
- Fees collected for Extended Use of School Buildings (Please see SOP chapter on same topic for additional information)
- Non-resident Tuition
- Jury Duty stipends
- Grants and Royalties
- Fees collected in connection with self-sustaining programs (i.e., medical examinations, fingerprinting fees)

These receipts must be forwarded to the Division of Financial Operation's (DFO's) Banking Unit along with the Cash Receipts form for processing as follows:

No school, district or central office may deposit such receipts into an established bank account or establish new bank accounts for these purposes.

Note: Funds reported (see 7.2 above) prior to May 15th (except for Jury Duty stipends), would be credited to the schools/districts budgets for the fiscal year ending June 30th. All subsequent receipts will be deposited into the DOE Miscellaneous Revenue Account, and schools/districts will not get any credit/reimbursement for these funds for that fiscal year.

(Please refer to year-end closing deadlines issued by the Office of Accounting for additional information on due dates.)

7.3 School Meals Accounts

In section **5.3** of this chapter, it was suggested that a school consult with the – Banking Unit of the Division of Financial Operations (DFO) if it wishes to open a School Meals account for the deposit and subsequent disbursement of monies collected for meals provided by the Office of School Food and Nutrition Services (OSFNS).

Although school meals are purchased with tax levy money, a school may elect to deposit revenue from the sale of reduced or fully paid meals into the General School Fund account. The principal, however, must ensure that all such transactions are listed separately in the cash receipts and disbursements journals, and all revenues are transmitted in a timely fashion to OSFNS.

7.4 Lost Textbooks

Although purchases for textbooks are also made with tax levy money, funds received for lost/damaged textbooks may be deposited in the General School Fund Account. The principal however, must ensure that these funds are used for the replacement of lost and/or destroyed books only.

8. FORMS AND EXHIBITS

Included on the following pages are the forms and exhibits discussed in this chapter. For ease of reference, this section has been divided into two parts:

- An explanation of each exhibit showing the pages within this chapter that the particular exhibit is referenced.
- A "thumbnail" image of each exhibit.

Note:

The "thumbnail" images of the various forms and exhibits discussed in this chapter, and appearing on the following pages, are **SAMPLES** and are provided for **REFERENCE** only. You may, if you wish, use the sample provided or adapt it to better meet the needs of your school. You can use school prepared, or over-the- counter computer software programs instead of a paper form. You may also generate additional forms not included here to better meet your school's needs and/or provide a better "paper trail." In an effort to reduce paperwork, it is suggested that you consolidate forms to better meet your school's requirements.

If you wish to download a particular form or exhibit, please select: SOP Forms & Related Resources.

SAMPLE OF EXHIBIT A

CASH RECEIPTS JOURNAL 2001 - 2002

Note: Amounts, Dates and Columns are filled in for ***SAMPLE*** purposes only

1 Date	2 Received From	3 Explanation	4 Recpt	5 Bank Deposits	6 Amount Received	7 G. O. Dues	8 School Store Revenue	9 Sales Tax	10 Cultural Entertain.	11 Club & Group Activities	12 Graduation	13 Exchange	14 Faculty Fund	15 Misc.
Sept.				$	$	$	$	$	$	$	$	$	$	
7	M. Brown	GO Dues	301		60.00								60.00	
7	M. Anderson	Pupil Handbooks	302		20.00					20.00				
7	B. Dawson	School Store	303		11.15		10.32	0.83						
8	M. Brown	G.O. Dues	304		120.00	120.00								
8	L. Rodriguez	Jr. Red Cross	305	261.15	50.00							50.00		
12	M. Brown	G.O. Dues	306		360.00	360.00								
13	M. Brown	G.O. Dues	307	590.00	210.00	210.00								
15	B. Dawson	School Store	308		72.96		67.56	5.40						
15	M. Brown	G.O. Dues	309	192.96	120.00	120.00								
(OTHER SEPT. TRANSACTIONS NOT SHOWN IN EXHIBIT)				*332.50*	*332.50*	*70.00*	*196.06*	*15.69*		*18.25*		*32.50*		
TOTALS SEPTEMBER 1 TO SEPTEMBER 30, 2001				*1376.61*	*1376.61*	*900.00*	*273.94*	*21.92*	*-0-*	*38.25*	*-0-*	*82.50*	*60.00*	
	TOTAL BROUGHT FORWARD			*1376.61*	*1376.61*	*900.00*	*273.94*	*21.92*		*38.25*		*82.50*	*60.00*	
4	M. Brown	G.O. Dues	326		110.00	110.00								
4	B. Dawson	School Store	327	164.30	54.30		50.28	4.02						
4	R. Berkowitz	G. O. Movie	328		10.20				10.20					
10	D. Feldman	PTA Donations	329		25.00					25.00				
16	M. Brown	G.O. Dues	330		70.00	70.00								
16	B. Dawson	School Store	331	116.02	10.82		10.02	0.80						
OTHER OCTOBER TRANSCT. NOT SHOWN IN EXHIBIT				*112.68*	*112.68*		*46.30*	*3.70*				*2.68*	*60.00*	
TOTAL OCTOBER 1 TO OCTOBER 31, 2001				*1769.61*	*1769.61*	*1080.00*	*380.54*	*30.44*	*10.20*	*63.25*	*-0-*	*85.18*	*120.00*	
Nov.	TOTALS BROUGHT FORWARD			*1769.61*	*1769.61*	*1080.00*	*380.54*	*30.44*	*10.20*	*63.25*	*-0-*	*85.18*	*120.00*	
(November - June Transactions not shown in exhibit				*2167.92*	*2167.92*	*20.00*	*792.87*	*63.43*	*89.80*	*176.75*	*180.00*	*515.07*	*330.00*	
TOTALS SEPTEMBER 1 THROUGH JUNE 30, 2002				*3937.53*	*3937.53*	*1100.00*	*1173.41*	*93.87*	*100.00*	*240.00*	*180.00*	*600.25*	*450.00*	
Balance of cash in bank previous year June 30, 2001					*73.34*									
TOTAL RECEIPTS RESPONSIBILITY June 30, 2001					*4010.87*									

SAMPLE OF EXHIBIT B

CASH DISBURSEMENTS 2001 - 2002

Note: Amounts, Dates and Columns are filled in for ***SAMPLE*** *purposes only*

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Date	Paid to	Explanation	Check #	Amount Disbursed	G.O. Gen. Expense	School Store Expenses	Sales Tax	Cultural Entertain.	Club & Group Activities	Awards	Graduation	Exchange	Faculty Fund	Other
Sept.				$	$	$	$	$	$	$	$	$	$	
14	Jr. Red Cross	Pupil Contributions	1201	50.00								50.00		
14	Four Star Flag Co.	Class Pennants	1202	10.00						10.00				
15	Scholastic Supplies	Sundry School Store Items	1203	60.14		60.14								
18	Reed & Co.	G.O. Officer Pins	1204	10.65	10.65									
19	M. Brown	G.O Dues Reimbursement	1205	16.00									16.00	
29	N.Y. Sales Tax Bureau	Tax on G.O. Store Sales	1206	21.92			21.92							
(OTHER SEPT. TRANSACTIONS NOT SHOWN IN EXHIBIT)				*417.71*		*365.21*			*20.00*			*32.50*		
TOTALS SEPTEMBER 1 TO SEPTEMBER 30, 2001				*586.42*	*10.65*	*425.35*	*21.92*	*-0-*	*20.00*	*10.00*	*-0-*	*82.50*	*16.00*	
	TOTAL BROUGHT FORWARD			586.42	10.65	425.35	21.92	-0-	20.00	10.00	-0-	82.50	16.00	
5	Ace Rubber Stamp Co.	Name Stamps	1227	6.50	6.50									
5	Royal School Supplies	Letterhead Ringbinders	1228	54.19		54.19								
6	A. Facci	Math Club Carfare	1229	10.00					10.00					
10	Hartack Printing	Stationary	1230	16.30	16.30									
10	Brewster & Co.	Sundry School Store Item	1231	57.49		57.49								
OTHER OCTOBER TRANSCT. NOT SHOWN IN EXHIBIT				*169.91*				*120.48*	*19.00*			*2.68*	*27.75*	
TOTAL SEPTEMBER 1 TO OCTOBER 31, 2001				*900.81*	*33.45*	*537.03*	*21.92*	*120.48*	*49.00*	*10.00*	*-0-*	*85.18*	*43.75*	
Nov.														
1	TOTALS BROUGHT FORWARD			900.81	33.45	537.03	21.92	120.48	49.00	10.00	-0-	85.18	43.75	
(OTHER NOV. THROUGH JUNE TRANSACTIONS NOT SHOWN IN EXHIBIT				*3020.33*	*43.05*	*265.55*	*71.95*	*1079.56*	*426.10*	*40.00*	*200.00*	*515.07*	*379.05*	
TOTALS SEPTEMBER 1 THROUGH JUNE 30, 2002				*3921.14*	*76.50*	*802.58*	*93.87*	*1200.04*	*475.10*	*50.00*	*200.00*	*600.25*	*422.80*	

INSTRUCTIONS:

SAMPLE LETTER TO BANK REQUESTING THE OPENING OF A NEW SCHOOL CHECKING ACCOUNT

(1) Copy the sample letter (below) onto school letterhead.

(2) Enter information specific to your school in the fields beginning/ending with brackets (for example, [NAME OF SCHOOL]).

(3) Be sure to indicate, in the designated field, the type of account you wish to open: Either a General School Fund Account or a School Lunch Account.

(4) If you do not know the City's Taxpayer Identification Number (TIN), call the DOE's Banking Unit – (718) 935-2654 – to obtain it in order to add it to the letter.

(5) Provide the names and signatures of three people at your school who will act as account signatories. One of the signatories must be the principal. All signatories must be full time employees.

(6) If your school letterhead does not include the school's mailing address, include it after the principal's signature (along with the other contact information).

(7) Mail the completed letter, plus the completed *Bank Account Request Form* and bank signatory cards (obtained from the DOE's Banking Unit), to:

New York City Department of Education
Division of Financial Operations, Banking Unit
65 Court Street, Rm 1802
Brooklyn, NY 11201

[DATE]

[BANK NAME]
[BANK BRANCH ADDRESS]

Re: Request to Open a New School Checking Account

Dear [NAME OF BANK] Representative,

I am the principal of [NAME OF SCHOOL]. Please open a checking account in the name of the New York City Department of Education (DOE) as follows:

Account Name: New York City Department of Education

In Trust for [NAME OF SCHOOL]

[GENERAL SCHOOL FUND ACCOUNT or SCHOOL LUNCH ACCOUNT]

Please ensure that all associated account documentation is imprinted with the account name as indicated above. Further, the account should reference New York City's Federal Taxpayer Identification Number (TIN): [INCLUDE THE CITY'S TIN HERE].

Each check must be signed by a combination of any **two** of the following three people whose signatures appear below:

Names of Account Signatories	Signatures
[SIGNATORY 1]	[SIGNATORY 1 TO SIGN HERE]
[SIGNATORY 2]	[SIGNATORY 2 TO SIGN HERE]
[SIGNATORY 3]	[SIGNATORY 3 TO SIGN HERE]

Should you have questions, please do not hesitate to contact me.

Sincerely,

[PRINCIPAL'S NAME], Principal
Tel No: [(XXX) XXX-XXXX]
Fax No: [(XXX) XXX-XXXX]
E-Mail: [PRINCIPAL'S EMAIL ADDRESS]

SAMPLE OF EXHIBIT C-1

SAMPLE OF EXHIBIT C-1

Notification of a New Bank Account for General School Funds

Please type or print information (except signatures)

1

District/FMC/ROC No.: _____ Fax No.: _____
School/Office Name: _____ E-Mail: _____
School Number: _____ Telephone No.: _____

2

NEW ACCOUNT INFORMATION

Federal Tax Identification Number: 13-6400434

_____
New Account Number

Name of Account:
New York City Department of Education
In Trust For_____
School Name and/or Number
General School Fund Account or
_____ Scholarship Fund or
_____Trust Fund, etc.

Type of Account
(Check)
- ☐ Checking
- ☐ Savings
- ☐ Certificate of Deposit
- ☐ Trust
- ☐ Scholarship
- ☐ Secured Money Mkt.
- ☐ Other

Name of Bank: _____
Address (Branch): _____
Zip Code

3

OTHER ACCOUNTS

Please list all other accounts at your school

Name of Bank	Branch No.	Account No.

4

REPLACED ACCOUNTS

Use this section only when a new account replaces an existing account

Account Name: _____ Account Number: _____
Bank: _____

- ☐ Active
- ☐ Closed

(*Check*)

5

SIGNATORIES

Enter a minimum of three (3) full time annual employee names. Two (2) signatories must sign each check. Signature cards must be updated immediately upon any change in signatories.

Name: _____ Title _____
Name: _____ Title _____
Name: _____ Title: _____
Name: _____ Title _____

6

TREASURER OF ACCOUNT

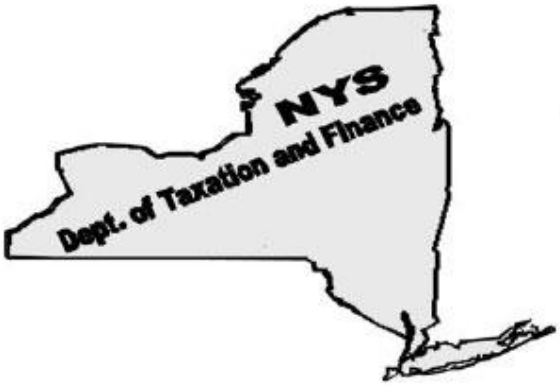
*The School Treasurer may **NOT** be designated as a check signatory*

Name:_____ Title: _____
Home Address: _____
Telephone Number: _____ Zip Code

Name of School Principal: _____
Signature: _____ Date: _____

PLEASE ATTACH TO THIS FORM A COPY OF THE COMPLETED BANK SIGNATURE CARD AND LETTER TO BANK FORWARD BOTH DOCUMENTS TO: DFO, BUREAU OF FINANCIAL MANAGEMENT AND REPORTING, ROOM 1802, 65 COURT STREET, BROOKLYN, NEW YORK 11201 AND YOUR DISTRICT OFFICE/FMC/ROC.

SAMPLE OF EXHIBIT D



NEW YORK STATE and LOCAL QUARTERLY SALES and USE TAX RETURN

FORM ST-100

Since this form is changed often by the New York State Department of Taxation and Finance it would not be prudent to provide a facsimile here as we have done with other forms. Instead, we are providing you with directions to access this form from the website of the New York State Department of Taxation and Finance so that you may download, print and complete it for filing by the appropriate due date.

1. Go to **www.tax.state.ny.us**

2. Go to "Forms and Instructions."

3. Click on "Numerical List by Form Number."

3. Go to the ST 100 Form.

4. Click on the ST 100 Form. It will open in Acrobat Reader. Print it.

If you prefer, you may go **directly** to the web page of this form by placing the following into your web browser:

http://www.tax.state.ny.us/pdf/2001/st/st100_202.pdf

http://www.osc.state.ny.us/agencies/forms/ac946_f.pdf

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