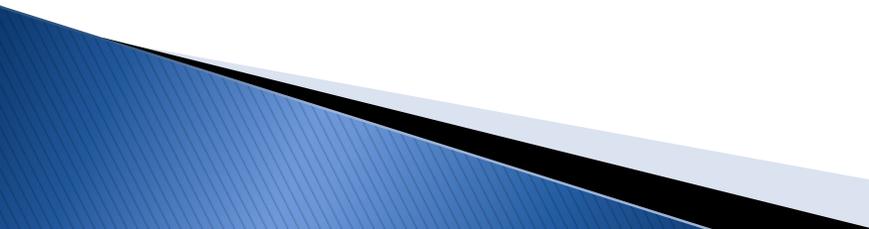


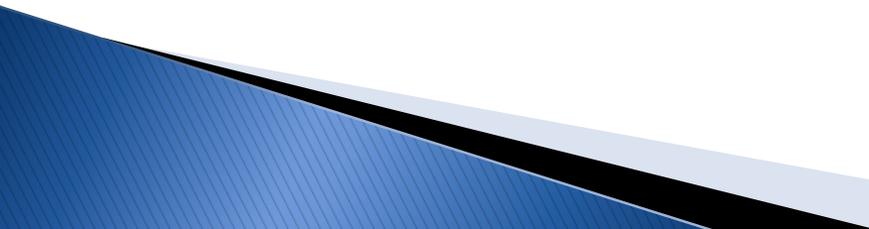
PUTTING YOUR BEST FOOT FORWARD WITH ACTIVITY FUNDS & CROWDFUNDING

PRESENTED BY: LIZ DOMITE AND JACKIE SPARKS

LAW OF SCHOOL ACTIVITY FUNDS

- ▶ Pursuant to LA Revised Statute 17:414.3, the principal shall maintain a school fund for the management of any money which accrues to benefit the school.
 - ▶ The principal assumes ultimate responsibility for all accounts in their school.
- 

LAW OF SCHOOL ACTIVITY FUNDS

- ▶ Records (ledgers) must be kept for all accounts and transactions for that school
 - ▶ Principals must sign all checks
 - ▶ No money shall be drawn on the school fund without a request (requisition form, purchase order, preapproval travel form)
- 

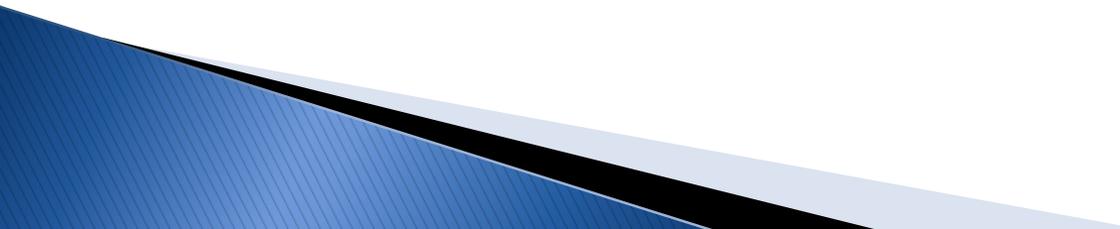
FIDUCIARY RESPONSIBILITY

- ▶ Principal's duty and legal obligation is to **act in the best interests** of the school and its stakeholders when managing and overseeing resources
- ▶ Encompass the principles of
 - Honesty
 - Integrity
 - Accountability
 - Prudence

PROHIBITED USES OF FUNDS

- ✓ Loans to school personnel or students
- ✓ Cashing any checks
- ✓ Gifts for staff from General Fund
- ✓ Cash gifts (except for cash prizes or incentives awarded to students)
- ✓ Purchasing alcohol
- ✓ Any Personal transactions
- ✓ Donations from General Fund
- ✓ Purchases of floral offerings from General Fund

ACTIVITY FUND INDEBTEDNESS

- ❖ No debt shall be incurred which cannot be liquidated within the school year unless permission is granted by the Board
 - ❖ Principle assumes ultimate responsibility for any account with a negative balance
 - ❖ Principle shall have a written plan to address any deficit balance at year end
- 

AUDIT REPORTS

Schools are internally audited based on the following schedules

- ❖ High Schools – Every year
- ❖ Jr High & Combo Schools – Every two years
- ❖ Elementary Schools – Every three years
- ❖ Change of Administration at school level

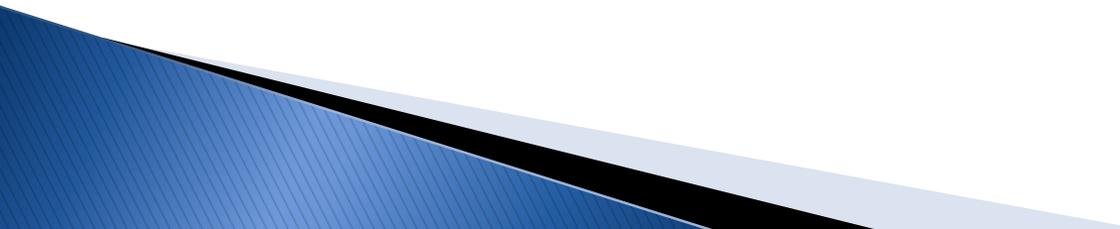
The external auditors audit one high school, one jr. high, and one elementary annually

AUDIT REPORT FINDINGS

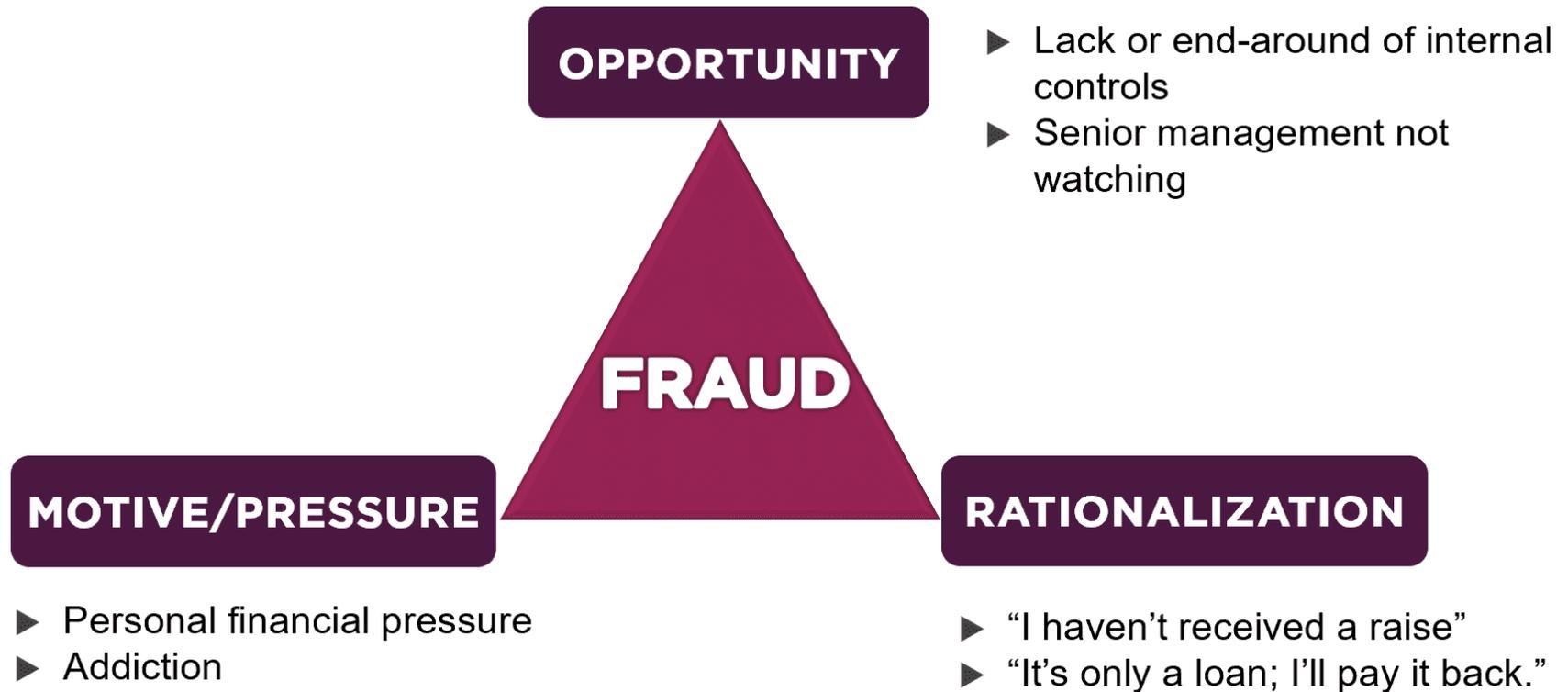
Audit reports are provided to the following District Administration:

- Superintendent
- Chief Financial Officer
- Executive Assistant Superintendent of Administration
- Executive Assistant Superintendent of Curriculum & Instruction
- Academic Director

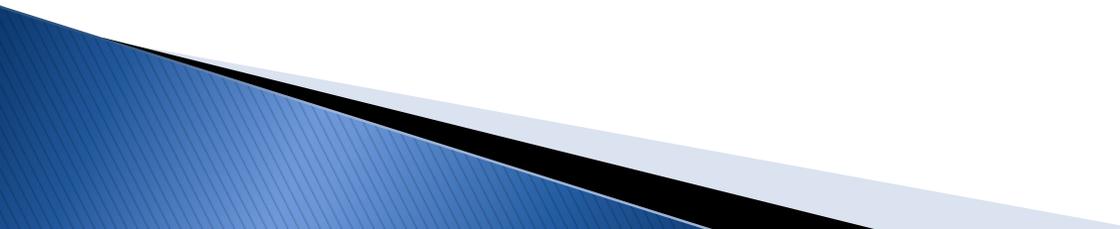
AUDIT REPORT FINDINGS

- ❖ First time violations of an immaterial nature are handled by District Administration with a Personnel Conference
 - ❖ Misappropriation or shortage of funds, gross misconduct, or incompetence by School Personnel shall result in disciplinary action and subject to be reported to the appropriate agency as required by State Statute
- 

THE FRAUD TRIANGLE



BANK ACCOUNTS

- ▶ Schools must have a checking account in an approved board approved financial institution
 - ▶ The Board approves financial institutions and enters into a fiscal agent agreement every two years
 - ▶ Bank statements must come to the **PRINCIPAL UNOPENED!!**
- 

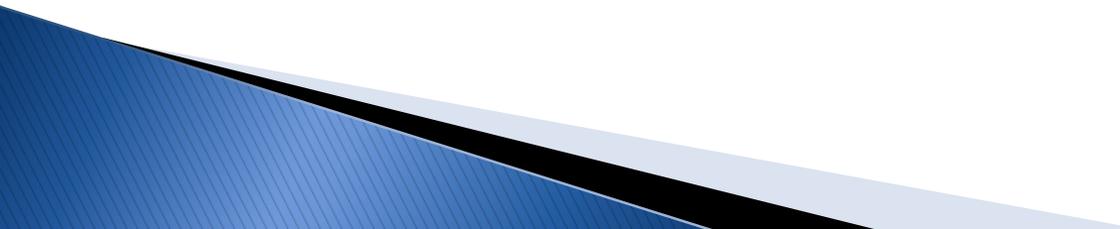
BANK STATEMENTS

- Principal should be the only person allowed to open bank statement.
- Once opened the bank statement should be reviewed for accuracy & signed by the principal
- In no instances should a signature stamp be used for anything with regards to school finance

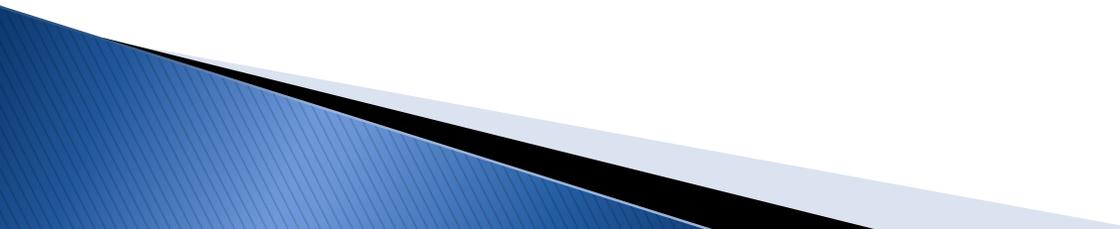
DEPOSITS

- ▶ Principal should be review deposits on the bank statement and compare to school calendar
- ▶ 22 days on the school calendar and 12 days with deposits – **RED FLAG** – Ask questions and verify answers to questions with additional questions or written proof

CHECKS

- ▶ Principal should review cancelled checks
 - ▶ Look at payee – ask questions if you see a check to someone you are not familiar with
 - ▶ Look at amount – large amounts should be looked at closely
- 

RECEIPTS

- ▶ All receipts must have supporting documentation attached
 - ▶ Teachers should not be holding money for any reason – All money should be turned into the office daily and promptly
 - ▶ Teacher Daily Deposit Slips must be signed by the teacher and Grade 4 and up must have student initials next to the name of the student verifying receipt amount
 - ▶ Teachers must receive a computer receipt for money turned in. If a teacher does not receive a receipt, the Principal should be notified and questions should be asked
- 

PURCHASES

- ▶ All purchases must have a purchase order prior to the purchase.
- ▶ If an invoice is dated prior to date of PO, purchase should be disallowed
- ▶ All purchase orders over \$5,000 must be signed by Central Office prior to order being placed
- ▶ Any purchases without an approved purchase order should not be reimbursed
- ▶ Sales tax cannot be paid on any purchases made on behalf of the school as per state law

PURCHASES

- ▶ All purchases must comply with LA Revised Statute 38:2212, Policy DJE, Policy DJEA, and Board purchasing procedures
- ▶ Materials and Supplies
 - Over \$60,000 – Formal public bid
 - \$30,000 – \$59,999 – Minimum of 3 quotes (Written, email, telephone, fax)
 - Under \$30,000 – At least 2 quotes
- ▶ State contract or purchases under TIPS may be used in lieu of public bid or quotes

CHECKS

- ▶ No check should be written without proper supporting documentation –
 - a. Approved purchase order prior to invoice date
 - b. Original Invoice
 - c. Signature of receiving party on invoice or packing slip verifying receipt of goods/services
 - d. Invoice should be marked PAID once check is written

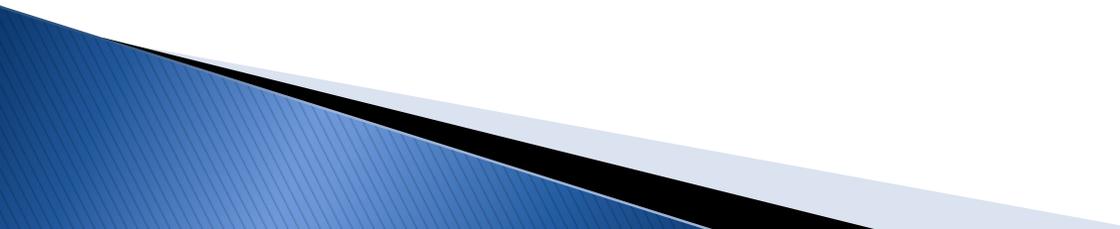
FUNDRAISERS

- ▶ All fundraisers must have permission from the principal prior to start of the fundraisers
- ▶ The Request Form for Fundraising must be signed by principal and kept on file at the school (Form 4)
- ▶ Records should be kept in detail to determine actual receipts and expenditures related to fundraiser and a completed Fundraiser Reconciliation Form at the end of the event must be completed by the sponsor of the fundraiser

FUNDRAISERS

- ▶ Additional requirements by the Board
 - Any fundraiser which has a single item with a selling price over \$100 must have approval of the CFO prior to the start of the fundraiser
 - Any fundraiser with an estimated profit greater than \$3,000 must be listed on the school's website with the dates of the fundraiser, the club/group conducting the fundraiser, and the intended use of the proceeds

CANTEEN / CONCESSION STAND

- ▶ An adult must be present in any canteen which has students selling concessions
 - ▶ All canteen collections must be counted by at least two people
 - ▶ All canteens and concession stands must maintain an inventory and a Concession Stand Inventory Form must be submitted monthly to the principal for review and signature (Form 5)
- 

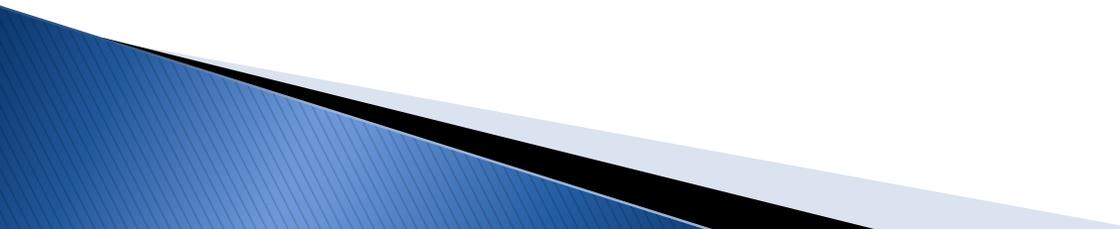
EXTRA CURRICULAR

- ▶ Must use pre-numbered tickets
- ▶ Admission Sales Report is mandatory for all extra curricular events
- ▶ Report must include beginning ticket number, ending ticket number, number of tickets sold, cost per ticket, signature of two gate workers and signature of principal
- ▶ Pre Game Sales (Form 6) & Game Receipts (Form 7)

EXTRA CURRICULAR

- ▶ Principal or designated official shall make every effort to deposit gate receipts into a night deposit or if not reasonable receipts must be secured in school's safe
- ▶ Receipt for deposit will be issued the next day
- ▶ Gate till (change box) must be secured in the safe daily – Under no circumstances should cash be held in the Coach's office

PAYMENTS FOR EXTRA WORK

- ▶ No payments to school personnel should be made directly from the school. All payments to school personnel must be paid thru payroll with legally required benefits paid
 - ▶ Payments to independent contractors must have a completed Professional Services Information Form or a W-9 on file prior to issuing a check
- 

MONTHLY REPORTS

- ▶ Can only be signed by the principal
- ▶ What to look for prior to signing report:

ABC School

Ending Balance on Statement	\$5,952.61
Add: Outstanding Deposits	686.50
Less: Outstanding Checks	<u>170.00</u>
Checking Cash Balance	\$6,469.11

Cash Balance for Checking	\$6,368.20
Add: Total Deposits	2,755.55
Less: Total Checks	<u>2,654.64</u>
Computer Cash Balance	\$6,469.11

GIFTS

- ▶ LA Revised Statute 42:1111 states, in part, that “No public servant shall receive anything of economic value, other than compensation and benefits from the governmental entity to which he/she is duly entitled, for performance of duties and responsibilities of his office or position”
- ▶ Based on the opinion of the LA Legislative Auditor’s office, gifts of little economic value may be given to teachers or staff

GIFTS

- ▶ LA Revised Statute 42:1123(26)(b) states, "The acceptance by a public servant employed by a prekindergarten, kindergarten, elementary, or secondary school of anything of economic value as a gift from or on behalf of a student or former student when the value of the gift does not exceed twenty-five dollars and the aggregate value of all gifts from or on behalf of any one person pursuant to this Subparagraph does not exceed seventy-five dollars in a calendar year."

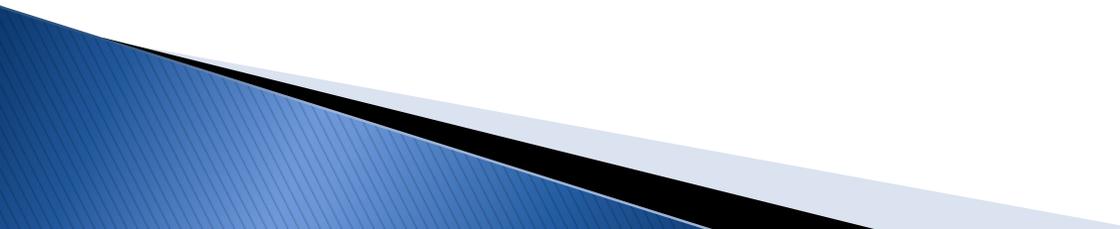
GIFTS

- ▶ Examples of little economic value include flowers, plaques, pens
- ▶ Generally, \$25 is considered reasonable for the cost of the gift
- ▶ Giving of gifts from the General Fund is strictly prohibited
- ▶ RPSB policy prohibits cash gifts to School Board Employees and students. Gift cards are considered cash

TRAVEL

- ▶ All out of parish travel must have prior approval by the employee's evaluator.
- ▶ All out of state travel must have prior approval by the Superintendent
- ▶ All reimbursement for travel must be requested in accordance with RPSB Travel Policy DJD-R
- ▶ When submitting travel form for reimbursement, all supporting documents must be attached (Agenda, baggage receipts, taxi receipts & funding source)

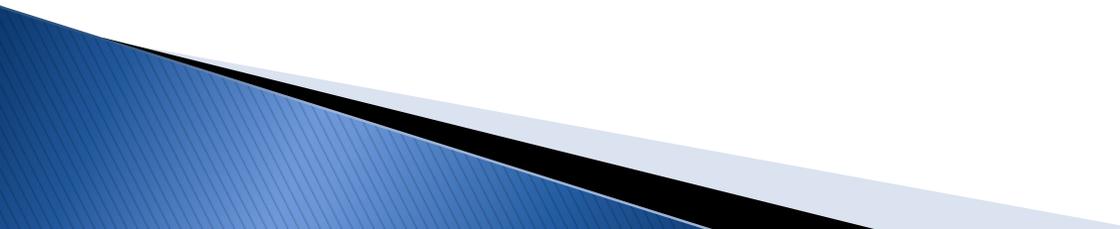
FIXED ASSETS

- ▶ Fixed Assets of each school are the responsibility of the principal of each school
 - ▶ Each school's fixed asset inventory is audited annually by the Central Office and the principal is held accountable for all missing items
 - ▶ All school purchases of an inventory items must have a School Board requisition submitted along with a school check for the purchase.
- 

DISPOSAL OF FIXED ASSETS

- ▶ Disposal of any assets on a school campus must start with a completed Discard/Destroyed/Obsolete Form
- ▶ Completed form is submitted to Executive Assistant Superintendent of Administration for approval
- ▶ Approved form is forwarded to Finance Department for work order for pickup
- ▶ School should not submit a work order directly for pickup of items

TRANSFER OF FIXED ASSETS

- ▶ Any transfer of fixed assets from one location to another location must have a Fixed Assets Transfer Form completed with the information regarding the assets being transferred
 - ▶ Principal of the transferring location must sign releasing the assets and Principal of the receiving location must sign receiving the assets
- 

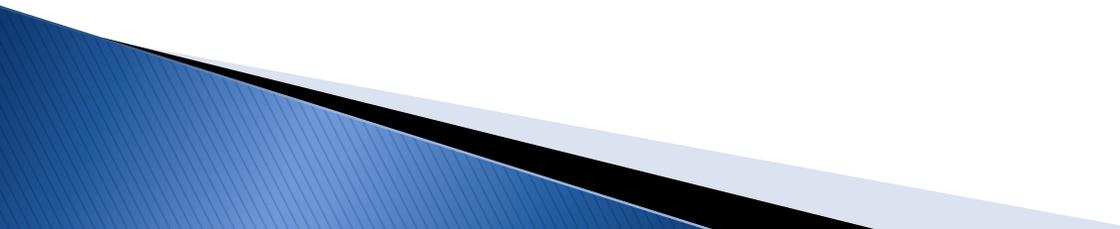
CONTRACTS

- ▶ Policy DJA – States that all contracts, leases, and other such agreements can only be signed by the School Board President and/or the Superintendent
- ▶ All contracts, leases, and agreements greater than \$8,000 can only be signed by the Board President and requires Board approval
- ▶ Contracts, leases, and agreements less than \$8,000 can be signed by Superintendent

CONTRACTS

- ▶ As per the Board's Legal Counsel, a Principal or any school employee has no authority to sign any contract on behalf of the School or School District
 - ▶ A school is not a legal entity and any contract will be between the Vendor and the Rapides Parish School Board
 - ▶ If anyone should sign a contract, they are signing that they are personally responsible or liable for the payment of funds
- 

DONATIONS

- ▶ Any donations which the school receives must be submitted to the CFO to be included in a monthly report to the Board for acceptance of the donation and providing any documentation in connection with the donation
 - ▶ Monthly report includes name of the donor, type of donation, amount of donation, and intended use of donation
- 

WHICH ONE ARE YOU??

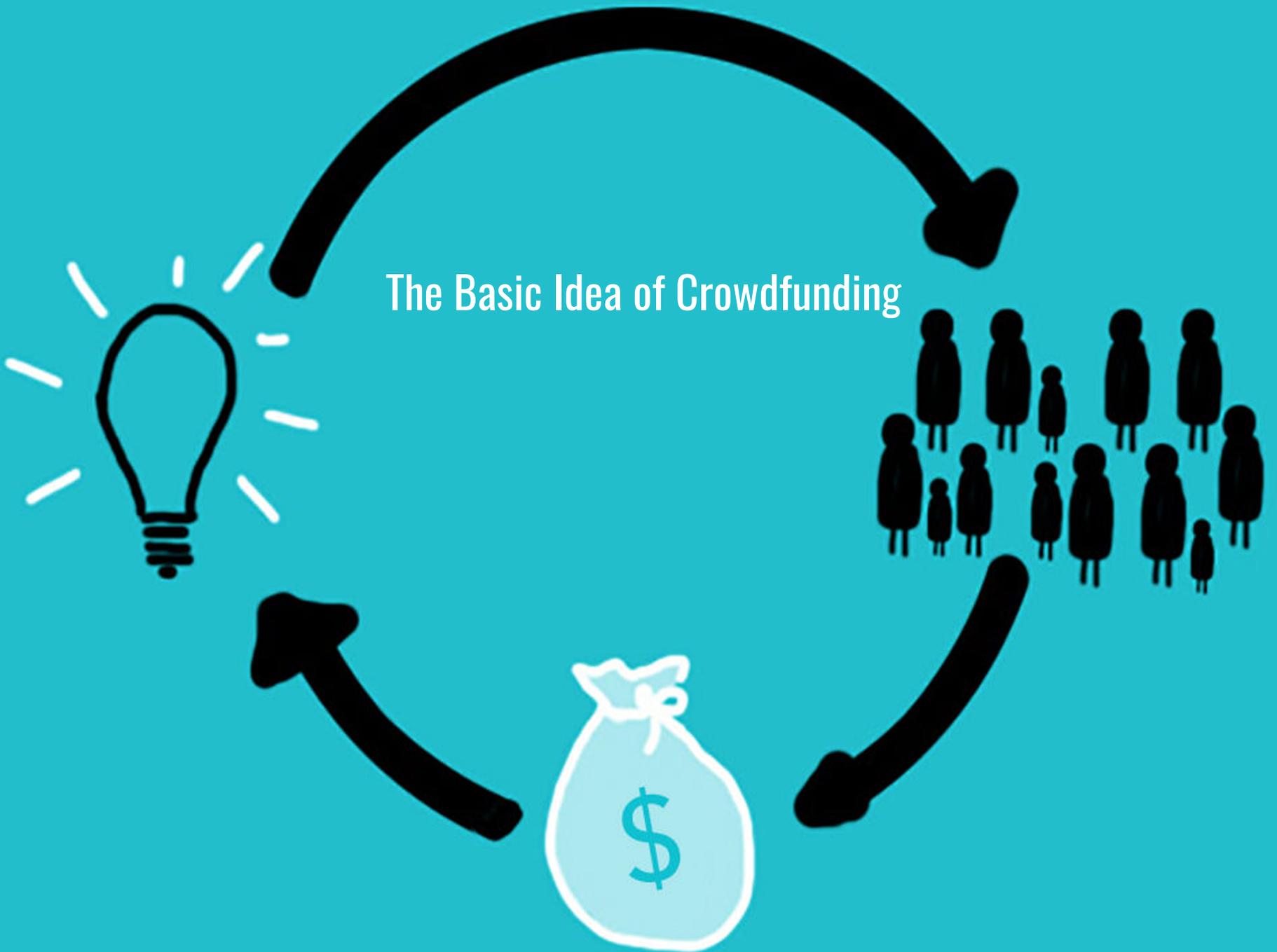


CROWDFUNDING

What is Crowdfunding?

The practice of funding a project or venture by raising many small amounts of money from a large number of people, typically via the Internet.

The Basic Idea of Crowdfunding



PledgeCents

	Teachers, Organizations	Not verified		Teacher, Organization	Not Applicable			No	
	Teachers, Organizations	Not verified			Not Applicable	Unavailable	No	No	
	Teachers, Schools	User account must be associated with a licensed district	Money		School/District	Teacher, School, District	Yes	No	
	Teachers, Organizations	User account must be associated with a verified school/district	Money, Services	Check, Direct Purchase	School, Organization, Vendor	Platform	Teacher	No	No

The term "organization" refers to a group that is associated with a school, but not financially supported by the school such as an after-school program, a community group or a parent-teacher association. The term "teacher" refers to any school-based staff.

²See full platform profiles in appendix.

77% of all employees
have posted a funding
request on a crowdfunding
platform -
Donor's Choose

Most of us are playing “catch up” to this “fundraising technique”. Let’s look at the PRO’s and CON’s

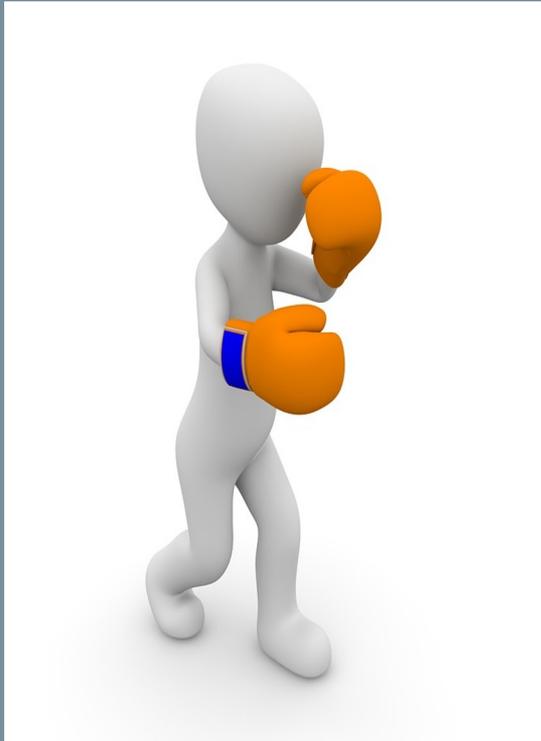
PRO’s

1. **Allows Schools to go beyond the local community to Alumni, Grandparents, Aunts and Uncles, and Community leaders.**
2. **It is easy for people to contribute from wherever they are typically using a credit card.**
3. **Social Networks allow these projects to be “shared” leading to another list of potential donors, such as friends of the students and friends of the family members.**

CON’s

1. **The ease at which anyone in your system can create a crowdfunding request.**
2. **Administrators have no control over inappropriate requests and no control over if donor expectations are met.**
3. **Funds collected could have no internal control of whether they are misused, lost, or stolen.**
4. **Equipment policies and procedures may not be followed if the district is unaware of the purchases.**

What we don't want to do



1. Discourage teachers who are trying to reinvent funding their classrooms, whether with technology, textbooks, or supplies.
2. Irritate our IT staff by using equipment that is not licensed, bar coded, tagged, and have proper virus and firewall protection.
3. Anger our School Administrators, who on most sites have to provide prior approval before a project goes live, by saying they are not following proper procedures.
4. Make our CFO, Finance Director, or Accounting Staff have a heart attack because funds are not properly accounted for.

The ONLY way to avoid confusion, irritation, and internal control infractions is for the District to create a formal policy regarding Crowdfunding.

How do I start a policy on Crowdfunding?

Each System is different, but this is how our policy began.....

1. First we had to start at the beginning of our presentation...WHAT was this new funding, and how did it work? What sites could teacher's use? How many of those sites had projects from our district listed on them? How did each site work?
2. We learned that Donor's Choose had the best setup for our district. In our policy we did acknowledge all crowdfunding sites, but we encouraged using Donor's Choose since the funds are never sent to the School or the Teacher. On their site, the teacher submits a request. The administrator is emailed for approval. Once approved the project goes live. When all funds have been collected the items are purchased and mailed to the school.

Cont.....

- 3. The Finance Director and IT Staff met with a panel of school administrators and teachers (including the one's who currently have projects listed on various sites). We discussed the need for their to be communication to make these project work in the guidelines of our normal internal controls.
- 4. Established the desire for no actions to seem fraudulent. Our district agreed that no cash should be sent to the schools or teachers.
- 5. We also agreed that no items should be shipped to teacher's homes during the process of operating a crowdfunding project.
- 6. We also expressed that all staff should never sound degrading to the school system when posting a crowdfunding project.

NOW WE HAVE A CROWDFUNDING POLICY AND PROCEDURE





REQUEST FOR CROWDFUNDING

FUNDRAISING PROJECT

School: _____ Date Submitted: _____

Grade/Program/Club: _____

Teacher(s): _____

Website: _____

Description of Project (Please be specific): _____

(more space needed write on back)

Estimated Project Cost: _____

It is understood that:

- a. Projects must be approved by the appropriate personnel before posting on the crowdfunding website.
- b. Monetary projects that will be administered through the school's accounting system must have an end date no later than March 15 of each year.
- c. All items received/purchased through crowdfunding projects are the property of Cook County Schools and all inventory procedures apply.
- d. Teachers/employees must comply with student privacy and other requirements set out in the Family Educational Rights and Privacy Act (FERPA). Thus, student images, names, and descriptions which would cause students to be identifiable or would allow logical deductions about disabilities or other factors deemed to be within the student sphere or privacy must not be used on such websites or elsewhere, unless written, parental permission is secured in advance.

I have read and understand and will abide by all Cook County Board Policies and procedures.

Teacher(s) Signature: _____

Building Administrator's Signature: _____

Technology/Maintenance/Finance Director/Superintendent's Signature: _____

QUESTIONS???

CONTACT INFORMATION:

JACKIE SPARKS – jsparks@cook.k12.ga.us

POLICY INFORMATION:

[View Board Policy DFK: Gifts and Bequests
\(eboardsolutions.com\)](http://eboardsolutions.com)