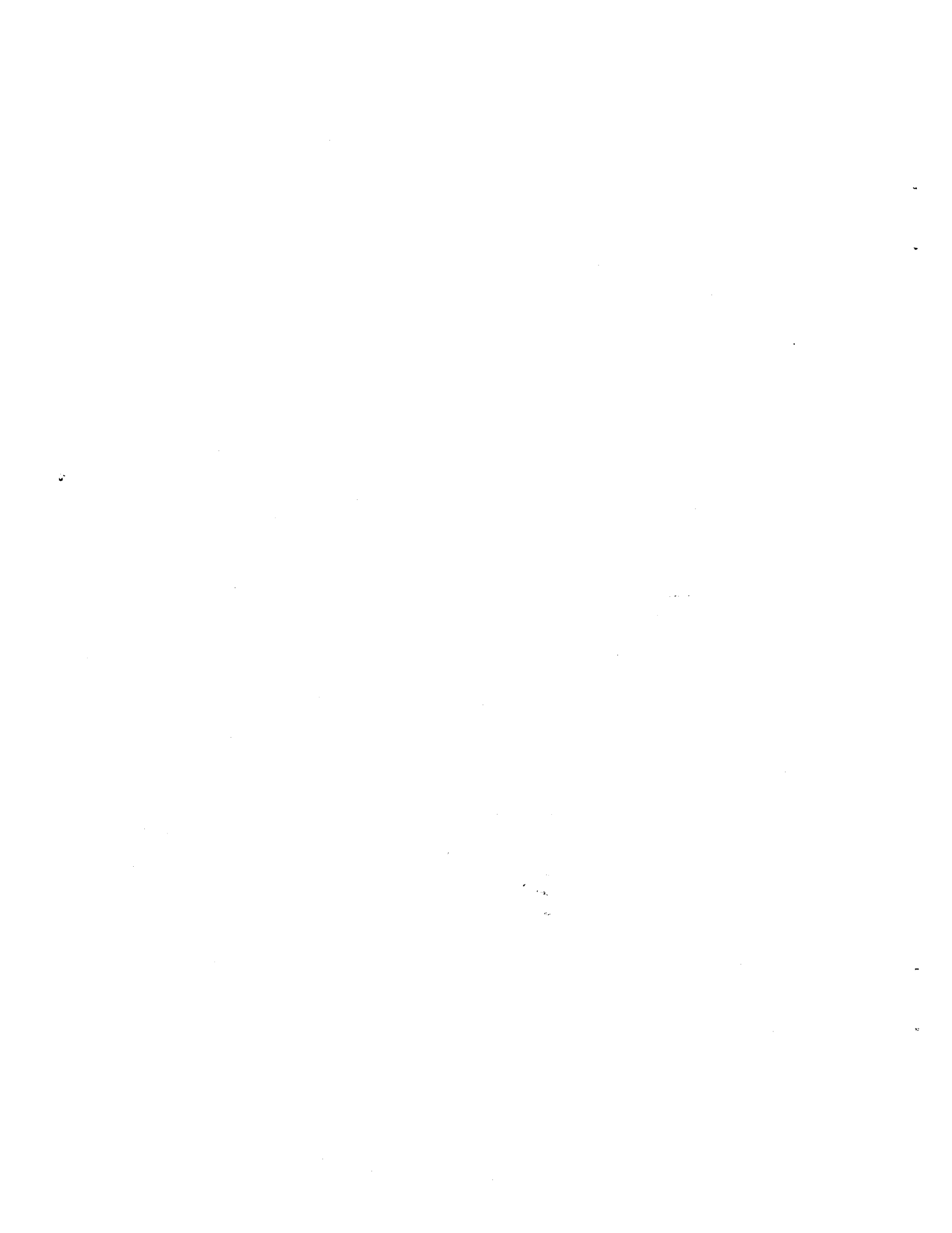


Chapter 3
Faculty Senate Funds

FACULTY SENATE FUNDS



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3-1. General:

A faculty senate is to be established at every public school operated by a board of education, including vocational and multi-county vocational centers (WVC §18-5A-5).. Each faculty senate is to be comprised of all permanent, full-time professional educators employed at the school.

Permanent, full-time professional educators should be considered to be those professional educators as defined in West Virginia Code §18A-1-1 who are employed on at least a 200 day contract, regardless of whether they are employed for a half day or a full day.

The professional educators who are assigned to more than one school should be considered to be a member of the faculty senate of their choice.

Faculty senate funds are to be accounted for in the same manner as all other school funds. The same accounting practices and procedures described in Chapter 1 of this manual for the general activity funds of the school are to be followed for faculty senate funds.

The requirements presented in this section of the manual have been developed to provide more specific guidance to school personnel who are responsible for the accounting of faculty senate funds.

3-2. Control of Funds:

Faculty senates are to control the funds allocated to each school from the legislative appropriations of \$200 per professional instructional personnel or funds donated to the faculty senate. County boards are required to distribute the faculty senate funds received from legislative appropriations to each faculty senate during the month of September each year.

Of the total allocation received by each faculty senate, \$50 is to be allocated to each classroom teacher, counselor and librarian for expenditure during the instructional year for academic materials, supplies or equipment which in the judgement of the individual will assist him or her in providing instruction. This includes expenditures for programs and materials that, in the opinion of the teacher, enhance student behavior, increase academic achievement, improve self-esteem and address the problems of students-at-risk.

The remaining funds are to be expended only for academic materials, supplies or equipment in accordance with a budget approved by the faculty senate.

If the amount allotted to each classroom teacher, counselor and librarian is not expended during the instructional year, it is to be returned to the faculty senate.

3-3. Annual Budget:

Every faculty senate is to prepare an annual budget approved by the membership which reflects how the faculty senate funds are to be expended. The budget is to be made a part of the minutes.

Expenditures are to be made only in accordance with the budget. Revisions to the budget may be made as frequently as necessary. Revisions are to be approved by the membership in the same manner as the original budget.

3-4. Fund Accounting:

As discussed in Section 1-5 under the General Fund Operations part of the manual, each county board of education must establish by local policy the number of funds the schools within a county are authorized to maintain. The schools may be authorized to maintain a separate fund for faculty senate funds or they may be required to maintain the faculty senate funds as a separate account within the school's general fund.

If a separate fund is being maintained for faculty senate funds, a separate bank account must be established.

3-5. Bank Account:

The bank account in which faculty senate funds are deposited must contain the name of the board of education, the name of the school and the county board's Federal Employer Identification Number (FEIN). Faculty senates funds are not to be deposited in a bank account in the name of the faculty senate. Every bank account in which school funds are deposited must be insured or the bank must provide adequate bond to cover the maximum amount that may be deposited at any one time.

The school principal must have signature authority for every bank account in which school funds are deposited, including faculty senate funds. In addition, the chief school business official of the county must also have signature authority on all school bank accounts. This will ensure that the schools have access to school funds in circumstances in which the principal and his designee, if applicable, are absent unexpectedly or for an extended period of time.

All checks must have pre-printed on them the name of the school, the fund, the school address, the check number and two blank spaces for signatures. Current stocks of checks, however, may be used until exhausted.

3-6. Issuance of Receipts:

A pre-numbered receipt must be issued for all moneys received by the faculty senate at the time the funds are received. This includes the faculty senate funds allocated to each school from legislative appropriations as well as contributions received from others.

Receipts are to be prepared in duplicate: the original is to be given to the individual from whom the funds were received at the time the moneys were remitted; the copy is to be retained in numeric order, either in the receipt book or in a file established for this purpose.

Every receipt issued must show the following information: the date, amount received, name of the individual from whom received, purpose of the collection and the fund and account for which the monies were received.

In many cases the individual who is remitting the funds to the school office is not the same party from whom the funds were actually received. Every receipt issued must identify both the party from whom the funds were originally received and the individual who is remitting the funds to the school.

If an error is made while preparing a receipt, void the receipt and issue another one. To void a receipt, write the word "VOID" across the face of the receipt and retain the original along with the copy in the receipt file. Do not discard voided receipts.

All receipts written must be posted to the transaction journal in a timely manner, but no less frequently than weekly, and in numeric order, including those that were voided. Receipts should normally be posted individually but may be posted in a batch, if the funds received are from the same source and receipted on consecutively numbered receipts. The range of receipt numbers in the batch must be shown in the receipt journal.

3-7. Bank Deposits:

All funds received must be deposited intact in a bank depository account in a timely manner. If more than one bank account is being maintained at a school, care must be exercised to be certain that collections are deposited in the correct bank account.

A bank deposit must be made whenever total receipts on hand exceed \$500 or before any extended school holiday. Bank deposits must be made at least weekly, regardless of the amount of collections.

3-8. Purchase Orders:

A purchase order system is to be maintained at each school whereby all purchases of materials, equipment, supplies and services are made through a pre-numbered purchase order approved in writing by the principal or designee before the purchase is made.

Purchase orders, however, are not required for the \$50 allocation of faculty senate funds to individual teachers, counselors and librarians. Purchase orders are required for expenditure of the remaining faculty senate funds.

3-9. Individual Allotments:

The allotment to each classroom teacher, counselor and librarian may be made in one of several ways. Local procedures should be established by each county board. Two suggested methods are:

- (1) A \$50 check could be issued to each classroom teacher, counselor and librarian at the beginning of the school year with the understanding that the individuals receiving the allotment are to submit receipts by the end of the school year to show how the funds were expended or refund any difference.

If this method is selected, recipients should be instructed that funds would have to be refunded: if the entire amount were not expended during the school year; if funds were expended for unauthorized purposes; or if itemized receipts were not submitted.

- (2) Require each individual to submit a request for reimbursement after the purchase is made. Individuals could be allowed to submit requests for reimbursements after each purchase or be required to wait until a certain dollar amount is reached.

If the reimbursement method is selected, an account balance would need to be maintained for each individual.

With either method, local forms should be developed for each individual to use to list the items purchased. This makes it easier to ascertain that the expenditures were for an authorized purpose. See Appendix A for a sample copy of the form to be used.

If the amount allotted to each classroom teacher, counselor and librarian is not expended during the instructional year, the unexpended amount is to be returned to the faculty senate. This also applies if a classroom teacher, counselor or librarian resigns or transfers to another school during the course of the school year.

Funds allocated to classroom teachers, counselors or librarians are to remain with the faculty senate to which the individual was originally assigned; the funds are not to be transferred among faculty senates.

3-10. Authorized Expenditures:

The funds allocated to faculty senates are to be expended for academic materials, supplies or equipment in accordance with a budget approved by the faculty senate.

The \$50 allocated to each classroom teacher, counselor and librarian is to be expended during the instructional year for academic materials, supplies or equipment which in the judgement of the individual will assist him or her in providing instruction. This includes expenditures for programs and materials that, in the opinion of the teacher, enhance student behavior, increase academic achievement, improve self-esteem and address the problems of students at risk.

Receipts are to be submitted for all purchases made to provide an accounting of how the funds were expended. Any funds not expended during the course of the school year are to revert back to the faculty senate to be expended in accordance with the faculty senate's approved budget.

The remainder of the \$200 legislative appropriation allocated to each school is to be expended only for academic materials, supplies or equipment in accordance with a budget approved by the faculty senate.

Faculty senate funds not expended during the course of the school year are to be carried forward to the subsequent year.

3-11. Disbursements:

All disbursements by the faculty senate must be made by check. The check must be made payable to the individual or vendor to whom the payment is being made, not to another party that is subsequently making payment on behalf of the school. Checks are not to be made payable to cash.

Every check and check stub must be completely filled out at the time the check is issued.

Two signatures are required on every check issued by the school, regardless of the fund from which issued. Both signatures cannot be by the same individual.

One of the required signatures must be either that of the school principal or other individual(s) designated to act in the place of the principal in his/her absence. For faculty senate funds, the second signature is to be that of an individual designated by the faculty senate. Blank checks are never to be pre-signed.

3-12. Posting Disbursements:

All checks issued must be posted in a timely manner, but no less frequently than weekly, to the general journal of the fund from which the disbursement is being made. The checks are to be posted individually to the journal in numeric order. Checks may not be posted in a batch.

The amount of the check must be classified to the account from which the disbursement is being made. Proper classification is based on the nature of the disbursement. Proper classification may require that a disbursement be posted to more than one account. The total amount posted to all accounts must equal the total disbursement.

3-13. Reconciliation of Bank Statements:

For an effective system of internal accounting control, all bank statements are to be presented to the school principal unopened as soon as they are received through the mail. The principal is to open the envelopes and review the bank statements and canceled checks for any possible irregularities, such as checks made payable to cash or unauthorized individuals, checks

presented for payment without the proper signatures, or bank deposits not made in a timely fashion.

After this review, the bank statements and canceled checks are to be forwarded to the individuals who will be preparing the bank reconciliations. Every bank account must be reconciled monthly as soon as possible after the bank statements are received. See Appendix A for a sample bank reconciliation form.

Any differences noted between the balance reflected in the school's checkbook and the bank statement must be resolved immediately. After the bank reconciliations are completed, the bank statements are to be signed and dated by both the individual who performed the reconciliation and the principal.

All bank statements are to be filed in chronological order. Canceled checks are to be filed either in numeric order with the monthly bank statements or in a separate canceled check file in numeric order by school year.

In situations where a bank is providing only an image of the canceled checks to the school with the bank statements rather than returning the actual canceled checks, the bank is to provide an image of both the front and back of every check.

Voided checks are to be retained and filed in the correct numeric sequence with the canceled checks.

3-14. Consumer Sales Tax on Purchases:

Public schools are statutorily exempt from the payment of consumer sales and use taxes on all purchases of goods and services (WVC§11-15-9) as long as a properly completed exemption certificate (Form CST-280) is issued to the vendor. This includes purchases made by faculty senates in the name of the school.

In order to be able to issue a tax exemption certificate, public schools must be registered with the Department of Tax and Revenue and have a current business registration certificate. See Section 1-34 for an explanation of how to apply for a business registration certificate.

All purchase invoices should be reviewed at the time of receipt to ensure that the vendor has not charged consumer sales taxes. If so, the vendor should be notified and the tax subtracted before payment is made.

Normally, vendors are required to collect consumer sales tax on all purchases made by individuals. Consequently, the consumer sales tax paid by classroom teachers, counselors and librarians on purchases made from their \$50 allotment is to be considered an authorized expenditure. In the school systems that have selected the reimbursement method for allocating the \$50, the consumer sales tax paid should be included in the total amount reimbursed.

3-15. Monthly Financial Statements:

Monthly financial statements are to be prepared for each fund maintained by a school in a timely manner. All accounts maintained by the school within each fund are to be listed separately. The financial statements are to be signed and dated by the preparer and the school principal.

The principal is required to submit at least one signed copy of the financial statements for each fund to the county board's chief school business official in a timely manner and make one copy available for review at the school by anyone who desires to do so.

Multi-county vocational centers are to provide one signed copy of their monthly financial statements to their fiscal agent. The monthly financial statements are to include all financial activities of the school for the month for which the statements are prepared.

3-16. Annual Financial Statements:

Annual financial statements are also to be prepared for each fund maintained by a school on forms provided by the State Department of Education. The annual financial statements are to be prepared on the fiscal year basis of July 1 through June 30 each year and are to include all financial activities of the school for the year for which prepared.

All accounts maintained by the school within each fund are to be listed separately. The financial statements are to be signed by the preparer and the school principal.

In addition to the annual financial statements, a list must be prepared of all outstanding purchase orders at year end, all invoices that have not been paid and all revenues, if any, that have not been received.

The principal is required to submit two signed copies of the annual financial statements for each fund to the county board's chief school business official in a timely manner and make one copy available for review at the school by anyone who desires to do so.

Multi-county vocational centers are to provide two signed copies of their annual financial statements to their fiscal agent and one copy to the Department of Education, Office of School Finance.

