

Local School Financial Procedures Webinar

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Financial Procedures for Local School

- > Available from Alabama Department of Education web site – www.alsde.edu
- > Locate **Department Offices** upper left
- > Under **Office of Supporting Programs** select **LEA Fiscal Accountability**
- > Select **Local Schools** (yellow tab)
- > Select **Procedures** (tab)
- > Select **Local School Financial Procedures**

FINANCIAL PROCEDURES
FOR
LOCAL SCHOOLS

APPROVED JUNE 10, 2010



ALABAMA DEPARTMENT OF EDUCATION

Public vs. Non-Public



Public Funds

- Funds received from public (tax) sources.
- Funds received from non-tax sources but used for public purposes.
- Any funds subject to the direct control of the school principal.

Public Funds – Revenue

- | | |
|------------------------|---|
| Admissions | Grants |
| Appropriations | Sales |
| Concessions* | Donations* |
| Commissions | Accommodations* |
| Dues & Fees – Required | Other* |
| Fines & Penalties | |
| Fund Raisers* | *In specific situations, these may be considered Non-Public |

Public Funds - Allowable Expenditures

- Professional Development Training
- Refreshments for an open house at a school where the public would attend
- Pregame/Postgame meals for student athletes and coaches
- Academic incentives for students
- Athletic and band uniforms for students participating in school activities
- Membership in professional organizations
- School landscaping, maintenance, furnishings, and decorations

Public Funds - Expenditures Unallowable

- Food items for teachers or teachers lounge
- Food items for social gatherings
- Faculty & staff Christmas luncheon
- Coffee & cups for employees
- Lunches for teachers for school closing activities
- Planned lunches for faculty & staff
- Faculty Appreciation Gifts
- Flowers for sickness, death, secretary week, etc.
- Beginning of year breakfast with faculty & staff
- Meal expenditures for employee spouses
- Scholarships
- Championship rings

Non-Public Funds

- NOT received from public (tax) sources.
- NOT used for public purposes.
- Subject to the intent and authorization of the organization's members, officers, and sponsors and not used for general operations of the school.
- The Principal does not direct the use of these funds.

Non-Public Funds – Revenue

- Concessions*
- Dues & Fees – Self imposed by clubs or classes
- Fund Raisers*
- Donations*
- Accommodations*
- Other*

*In specific situations, these may be considered Public funds

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Public vs. Non-Public

- You can transfer non-public to public, but NOT public to non-public
- You cannot purchase “stuff” (clothing, food, flowers, coffee, etc.) for teachers or other staff from public funds
- If non-public receipts are commingled with public receipts, the all become public
- A non-public account is not allowed to have a deficit.
- When in doubt, it’s probably public!!!

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Non-Public Activity Accounts

The Principal cannot use or transfer non-public activity funds without the approval of the organization’s officers or sponsor.

Monthly reports should be provided to the organization’s officers or sponsor reflecting the operations and balances of the activity.

Academic Incentives

Public funds can be used to promote educational excellence by students.

Excellence includes

- Attendance
- Honor rolls
- Test scores
- Other academic achievements

Academic Incentives

Incentive awards procedure


- Action required for a student to receive an incentive
- Relationship of the required action to educational excellence
- Description of the planned incentive
- Value of the planned incentive
- Process for determining the incentive recipients.

For incentives of significant value, signed documentation of the student's receipt of the incentive should be maintained. This should include signatures of the student, school official, and a witness.

Accounting Procedures & Internal Controls

- RECEIPTS
- BANKING
- PURCHASE ORDERS
- EXPENDITURES

Receipts



Receipt Collection Documents

- Teacher Receipts
- Alternative Receipt Records
- Master Receipts
- Automated Receipts

Manually Prepared Receipts

- Pre-numbered, duplicate receipts.
- Issued in numerical order.
- Cannot be pre-signed.
- Original signature – no signature stamp.
- No correcting fluid or erasures.
- Complete with indelible ink.

Teacher Receipts

The Principal should keep a log of teacher receipt books to track receipt books to the teacher.

The teacher receipt books should be returned to the Principal at the end of the school year or earlier, if required by local board policy.

Log sheets to track the assignment of these documents are part of assuring the security of school funds.

Teacher Receipts

The teacher is responsible for funds collected until turned in to the office.

No funds should be left in the classroom overnight.

Do not hold funds until the activity or fund raiser collection is complete. Timely deposits of funds collected is required.

Teacher Receipts - Alternative

As an alternative to writing individual receipts most local school boards allow a collection form to document collections from multiple students for small amounts for field trips, daily juice, etc.

The collection form must identify:

- The purpose of the collection
- The date the funds are received
- The individual student
- The amount
- And be signed by the teacher

The alternative receipt form is taken to the office with the funds collected.

Teacher Receipts

Finding – The Board’s Fiscal Management Policies Manual requires all funds should be deposited on a daily basis. Additionally, all funds collected by teachers are to be submitted to the school office daily. At xxx High School, money was not being deposited on a daily basis, and teachers were not submitting funds received to the office in a timely manner.

Recommendation – The Board should ensure compliance with the Fiscal Management Policies Manual.

Response – The superintendent has called this matter to the attention of the principals, school secretaries, and staff at each school. The school secretary has been instructed to notify the principal of anyone who does not follow correct procedures. The principal will take the necessary action to correct this situation at his/her school.

Teacher Receipts

Finding – The Board has established policies and procedures for local schools to adhere to for receipting & depositing of local funds. These policies and procedures require all teachers at the local schools to receipt funds from the students and turn the money in to the bookkeeper in a timely manner. The following deficiencies were noted for local schools:

- At xxx Primary Schools, teachers did not issue receipts to individual students for money collected for a fundraiser. It could not be determined if teachers turned in receipts timely or intact to the bookkeeper.

Recommendation – The Board should ensure that schools comply with the established policies and procedures as they relate to the issuance of receipts.

Response – The Interim CSFO and the Board’s Local School Accounting (LSA) Support Clerk will provide training. The training attendees will consist of all bookkeepers and principals. The proper receipting process in the schools will be covered in detail during the training. Specialized training and attention will be given to the schools identified above. The LSA Support Clerk will make onsite visits to the schools during the upcoming school year to insure the correct receipting process is being adhered to in all schools. The LSA Support Clerk will audit the specific areas of weakness in the schools identified above and report any findings to the CSFO.

Teacher Receipts

Finding – The Board’s Local School Financial Manual requires all receipts written to be deposited on the day received and all copies of voided receipts to be stapled together and filed in numerical order with all other receipts. The following matters were noted at xxx High School relating to local school receipting:

- Teacher receipts were not remitted to the school office in a timely manner.
- All copies of voided receipts were not retained for subsequent review.

Recommendation – The Board should ensure that procedures related to local school receipting are followed.

Response – A financial advisor (Assistant Director of Finance) will be assigned to xxx High School to provide additional training regarding the proper handling of cash receipts.

Teacher Receipts

Finding – Management is responsible for establishing policies and procedures to ensure local schools receipt and deposit revenues in an accurate and timely manner.

- At xxx Elementary, xxx Elementary, and xxx Middle Schools, monies collected by the teachers were not turned in to the bookkeeper in a timely manner.
- Not all teacher receipt books were maintained for subsequent review at xxx Middle School. Not all master receipt documentation was maintained for subsequent review at xxx Middle School.
- Not all teacher receipts could be traced to the master receipt book at xxx Elementary and xxx Middle Schools.

Recommendation – The Board should ensure that adequate internal control procedures are established for the issuing of receipts at the local schools and to ensure that monies collected by teachers are turned in to the bookkeeper in a timely manner, and that deposits are made timely.

Response – Local school accounting personnel from the central office provide regular training to school bookkeepers and principals on the proper procedures to follow, including a workshop for all principals that is usually conducted in the summer. There will be another one conducted this summer that will focus on the audit findings. The entire local school accounting office staff will continue to work with all schools and monitor for compliance of local and state auditing standards – including xxx and other secondary schools for proper handling of athletic events funds.

Teacher Receipts

Finding – The Board has established policies and procedures for local schools to adhere to for receipting & depositing of local funds. These policies and procedures require all teachers at the local schools to receipt funds from the students and turn the money in to the bookkeeper in a timely manner. The following deficiencies were noted for local schools:

- At xxx High School, several instances were noted where teachers did not turn money in to the bookkeeper timely. Some teacher receipts were issued out of numerical sequence. One instance was noted where cash was refunded to a student two days after the teacher receipted the funds. Receipts were made out to the student activity instead of the students. The receipt book used for baseball fees was not made available for review.

Recommendation – The Board should ensure that schools comply with the established policies and procedures as they relate to the issuance of receipts.

Response – The Interim CSFO and the Board’s Local School Accounting (LSA) Support Clerk will provide training. The training attendees will consist of all bookkeepers and principals. The proper receipting process in the schools will be covered in detail during the training. Specialized training and attention will be given to the schools identified above. The LSA Support Clerk will make onsite visits to the schools during the upcoming school year to insure the correct receipting process is being adhered to in all schools. The LSA Support Clerk will audit the specific areas of weakness in the schools identified above and report any findings to the CSFO.

Master Receipts

Issued in the school office.

Teacher should not leave funds and come back later to get receipt.

The teacher should bring their receipt document to the office with the funds.

Funds should be counted and verified to the receipt documents before the Master Receipt is written to the teacher.

Master Receipts

Receipt should be made to the name of the individual actually delivering the funds and given to that individual.

Retain voided Master Receipts for audit.

Deposit funds daily or according to local board policy. Secure funds until deposit.

The Master Receipt should be completed with the information required to document the funds received.

Master Receipts

DO NOT CASH CHECKS!

Do not use cash collected for change cash.

Master Receipts

Finding – An adequate system of internal control requires that all monies collected by the school, be receipted in a master receipt book and reconciled to the bank deposits for the school.

Recommendation – All monies received by the school should be receipted in the master receipt book and reconciled to the amounts deposited in the bank.

Managements Response – Management will instruct school personnel to receipt all monies collected and reconcile the amounts receipted to the bank deposits.

Master Receipts

Finding – The Board has established policies and procedures for local schools to adhere to for receipting & depositing of local funds. These policies and procedures require all teachers at the local schools to receipt funds from the students and turn the money in to the bookkeeper in a timely manner. The following deficiencies were noted for local schools:

- At xxx Elementary School, some master receipts were issued out of numerical sequence. Also, there were several unused master receipts that had been signed and voided. It appears that blank receipts were pre-signed.

Recommendation – The Board should ensure that schools comply with the established policies and procedures as they relate to the issuance of receipts.

Response – The Interim CSFO and the Board's Local School Accounting (LSA) Support Clerk will provide training. The training attendees will consist of all bookkeepers and principals. The proper receipting process in the schools will be covered in detail during the training. Specialized training and attention will be given to the schools identified above. The LSA Support Clerk will make onsite visits to the schools during the upcoming school year to insure the correct receipting process is being adhered to in all schools. The LSA Support Clerk will audit the specific areas of weakness in the schools identified above and report any findings to the CSFO.



Banking

Bank Account

Centralized bank account.

Bank designated by school board.

Bank selected by Principal.

Bank Account

A school should have no more than one checking account, preferably interest-bearing.

The bank must be a Qualified Public Depository (QPD) under the SAFE program.

All school funds must be maintained in a QPD and must be included in the school's financial statements.

Deposits

School funds must be deposited in a timely manner.

Deposit slips should be pre-printed, duplicate forms containing the name of the school bank account and the bank account number.

The deposit slip should contain the Master Receipt numbers of the funds deposited.

Deposits

Deposit funds intact.

- DO NOT CASH CHECKS!
- Do not use cash collected for change cash.
- Do not use cash for payments.

Do not use correcting fluid for mistakes.

The bank should authenticate the duplicate deposit slip.

Bank Reconciliations

Bank statements should be delivered unopened to the Principal.

Bank statements should be reconciled to the accounting records soon after receipt.

The Principal should review bank reconciliations each month.

Reconciling the bank statement to the checkbook balance is not sufficient.

Deposits

Finding – An adequate system of internal controls over cash requires that deposits be made timely. During the review of receipts at the local schools, instances were noted of teachers not submitting money to the bookkeepers daily, resulting in deposits not being made timely. In addition, instances were noted of deposits not being made timely by the bookkeeper.

Recommendation – Teachers should remit all money received each day to the school bookkeepers, and deposits should be made timely by the bookkeepers.

Response – Board policies and procedures will be reintroduced to the teachers, bookkeepers, and principals of all local schools to insure that receipts and deposits are processed timely. The CSFO will periodically visit each local school to review local school receipts and deposits. Receipt Book Referrals will be completed in triplicate. A copy will be given to the principal, a copy will be given to the teacher to keep in the teacher receipt book and a copy will be retained in the master receipt book.

PURCHASING



Purchase Orders

The Principal should approve all purchases that will be paid from school funds.

A completed, pre-numbered purchase order should be approved by the Principal before the purchase.

A purchase order register should be maintained to account for purchase orders.

Capital Improvements & Contracts should be approved by the Board.

Invoices

An invoice should be obtained for each purchase before payment is made.

IRS Form W-9 should be completed & maintained on file to determine necessity of 1099 at year-end.

The invoice should provide

- Pre-printed vendor name & address
- Description of purchase
- Itemized listing of items purchased and item price
- Shipping & handling charges
- Total amount of the purchase.

Invoices

Unless provided in another document, the school employee receiving the items should sign the invoice to verify the items billed were actually received.

Match the invoice to the purchase order before processing payment.

Purchasing

Finding – The Board’s Local School Finance Manual requires schools to properly issue purchase orders for items purchased. These requirements include the purchase order to be dated and signed by the appropriate official. At one of the local schools tested, numerous purchase orders did not contain the proper information or approval.

Recommendation – Purchase orders should contain the pertinent information and should contain proper approval.

Response – The Board will provide professional development to the District’s bookkeepers and principals in the local schools on implementing the proper procedures for issuing purchase orders. The Central Office Finance Department will also monitor on a regular basis to insure that proper procedures are being observed.

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Purchasing

Finding – According to the Board’s policy, the purpose of the purchase order is to provide written documentation of the principal’s written approval to purchase items or services as well as a description of the purchase and a purchase order must be completed and approved (by the principal) before every purchase. Numerous instances were noted at xxx Middle where invoices were dated prior to the purchase order date and where invoices were not supported by appropriate purchase orders at all. At xxx Elementary, there were instances noted where purchase orders were approved by the principal and purchases were made with a purchase order that did not contain a description of the purchase.

Recommendation – The Board should ensure that the purchase order system is functioning as prescribed.

Response – Local school accounting personnel from the central office provide regular training to school bookkeepers and principals on the proper procedures to follow, including a workshop for all principals that is usually conducted in the summer. There will be another one conducted this summer that will focus on the audit findings. The entire local school accounting office staff will continue to work with all schools and monitor for compliance of local and state auditing standards – including xxx and other secondary schools for proper handling of athletic events funds.

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Purchasing

Finding – An adequate system of internal controls over purchases requires that a purchase order system be properly utilized. A properly functioning purchase order system includes the issuance and approval of purchase orders prior to the actual purchase of an item. During the testing of expenditures at the local schools, it was noted that several items were purchased without using purchase orders.

Recommendation – All invoices should be supported by an approved purchase order. The purchase order should be estimated for the amount of the expenditure and should be issued and dated prior to the date of the invoice.

Response – All local school bookkeepers issue computer generated purchase orders for all anticipated purchases. A requisition for purchase order is submitted to the bookkeeper to verify activity balance(s). The principal approves the requisition for purchase order issuance and the bookkeeper generates a purchase order from the computer. The CSFO will periodically request expenditures for review. An Employee Expenditure Referral will be completed and given to employees that fail to comply with Board policies and procedures. A copy of the referral will also be retained with the expenditure with inadequate documentation. All bookkeepers will be required to attend mandatory meetings with the CSFO to discuss accounting policies and procedures.

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Purchasing

Finding – The Board’s Local School Financial Manual requires a PO to be obtained and approved by the Principal before the purchase is made, all disbursements to be secured by a valid invoice and PO, and all invoices to be paid in a timely manner. The following matters were noted at xxx High School relating to local school expenditures:

- Instances were noted in which POs were dated after the invoice date.
- Disbursements were made from statements rather than invoices.
- Late charges were paid.
- Invoices exceeded the PO amount.

Recommendation – The Board should ensure that procedures related to local school expenditures are followed.

Response – A financial advisor (Assistant Director of Finance) will be assigned to xxx High School. The financial advisor will be required to review and approve all financial related items. The financial advisor will also provide additional training to the office coordinator at this school.



EXPENDITURES

Expenditures

Payments for school expenditures should be made from the school’s checking account.

The Principal should sign all school checks.

Signature stamps should not be used.

The school bookkeeper should not be the sole signer or allowed to sign on behalf of the Principal.

Expenditures

- Do not write checks to "Cash".
- Do not sign checks that do not contain the check recipient's name and the amount of the check.
- Do not pay for items in advance.
- Invoices and supporting documents should be provided with the check to be signed.
- Invoices should be cancelled when the check is signed.

Expenditures

- Vendors should be paid on a timely basis.
- Checks should be used in numerical order.
- Checks must be secured at all times.
- Voided checks must be maintained for audit.
- Sales tax should not be paid on purchases.
- School employees may not use the school's tax exemption for personal purchases.
- Investigate checks outstanding more than 60 days.

Expenditures

Finding – The xxx County Board's Local School Accounting Department requires documentation to be retained to support all purchases made at the local schools. Invoices were not retained to support all purchases at xxx Elementary, xxx Middle, and xxx High Schools.

Recommendation – Adequate documentation should be retained for all purchases.

Response – The "Local School Accounting Procedures" requires invoices and/or paid receipts to support purchases. Continued training and emphasis on procedures will be provided to staff.

Common Problems noted by the Examiners

Salary Supplements

- All salary supplements paid to school personnel should be included in the employee's gross wages even if supplements are paid by booster organizations.
- IRS regulations do not permit an employer to send a Form 1099 to an employee, wages must be included on the W-2.
- Payments to employees MUST go through the payroll process unless specifically approved by the CSFO.

Common Problems noted by the Examiners

Deficit Balances – Non Public Accounts

- Deficit balances in non-public activities / accounts are not allowed
- The school can not loan money or extend credit to individuals per the State Constitution
- The Principal / Bookkeeper should ensure money is available for a non-public expenditure prior to authorizing a purchase order.



FUND RAISERS



Fundraising

Each school fundraising activity should be approved by the Principal.

A form requesting authorization for a fundraising activity must be approved by the Principal before the start of the fundraising activity.

Fund raising activities involving students should be supervised.

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Fundraising

All funds collected must be delivered to the Principal for a Master Receipt.

DO NOT USE FUNDS TO CASH CHECKS!

Fundraising collections must be deposited on a timely basis. Collections should not be held until all funds are collected.

Sales awards to students should be pre-determined and approved by the Principal.

Do not make payments from funds collected.

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Fundraising

A school employee cannot receive a gift or gratuity from the fundraising vendor.

After completion of the fundraising activity, a form that documents the result of the fundraising activity should be submitted to the Principal and reconciled to the Master Receipts.

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Fundraising

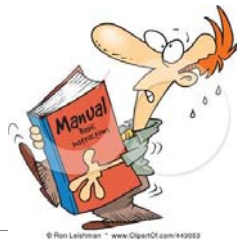
Finding – The Board’s Local School Financial Manual requires a “Fundraiser Request Form” to be completed by the sponsor and approved by the Principal before any fundraising activity is started. The following matters were noted at xxx High School relating to local school receipting:

- Fundraiser request forms were not completed for several fundraisers.

Recommendation – The Board should ensure that procedures related to local school receipting are followed.

Response – A financial advisor (Assistant Director of Finance) will be assigned to xxx High School to provide additional training regarding the proper handling of cash receipts.

Local School Finance Policies, Procedures, & Regulations



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TICKET SALES



Ticket Sales

Pre-numbered tickets should be sold at all events where admission is charged.

Tickets sold for different amounts for the same event should be different number series in order to account for funds at varying ticket prices.

The ticket collector should not be the ticket seller.

Ticket Sales

A report of ticket sales should be issued to each individual responsible for selling tickets.

The Principal or responsible school official should enter the following information on the report of ticket sales when the tickets are issued to the individual seller:

- Name and date of event.
- Name of seller.
- Beginning and ending number of each series of pre-numbered tickets issued to seller.

Ticket Sales

When ticket sales have ended, ticket seller should complete the following information on the report of ticket sales:

- Beginning and ending number of each series of tickets not sold.
- Reconciliation of tickets sold to cash.

The Principal or school official receiving the cash and unsold tickets will sign the report.

Ticket Sales

A Master Receipt should be issued to the responsible individual for the cash collected from ticket sales after counting the funds.

A separate Master Receipt should be issued to the responsible individual for the change cash after counting the funds.

Do not use cash collected or change cash to cash checks, including school checks issued for officiating, security, ticket sellers, or ticket collectors.

The Principal cannot issue any complimentary passes without the express authority of the local school board.

Ticket Sales

Finding – Internal control procedures relating to gate receipts at the local schools require gate receipts to be supported by complete and accurate control sheets and check-up sheets with beginning and ending ticket numbers and ticket seller signatures. The following problems were noted in testing ticket sales reports at the local schools:

- Calculations on ticket sales reports were not always accurate. Number of tickets sold per the report did not agree with amount reported as gate receipts.
- Ticket sales reports did not always contain adequate information needed to determine the number of tickets sold.
- In some instances signatures were not obtained from all individuals involved in the sale of tickets.
- Change funds used for the gate start-up money were not properly recorded in the accounting records.

Recommendation – The Board should ensure that proper internal control procedures are in place to make certain that the gate receipts are supported by complete and accurate ticket sales reports and that the use of change funds is properly recorded.

Corrective Action – Proper procedures and Board policies will be reviewed with the Principals and Secretaries at all schools on how to properly issue and complete control and check-up sheets relative to ticket sales and accounting procedures for change funds. The CSFO will periodically examine the progress of the schools and report to the Board any procedures which do not adhere to Board Policies.

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Ticket Sales

Finding – The Board has established policies and procedures for all local schools requiring each school to complete a Ticket Sales Report Form ("the Form") for each athletic event, dance, talent show, etc. The Board's policy also requires the local schools to deposit funds from those events in a timely manner and retain an inventory of issued and unused tickets. At xxx High School, for 6 of the 10 athletic events tested, funds were not turned in to the bookkeeper for deposit in a timely manner. Also, the required form was not being properly completed because ticket numbers overlapped each other.

Recommendation – The Board should ensure that adequate internal control procedures are followed regarding ticket sales.

Response – Local school accounting personnel from the central office provide regular training to school bookkeepers and principals on the proper procedures to follow, including a workshop for all principals that is usually conducted in the summer. There will be another one conducted this summer that will focus on the audit findings. The entire local school accounting office staff will continue to work with all schools and monitor for compliance of local and state auditing standards – including xxx and other secondary schools for proper handling of athletic events funds.

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Ticket Sales

Finding – The Board’s Local School Financial Manual requires a “Ticket Sales Report” to be completed for each event held on school property, including athletic events. The bookkeeper is responsible for filling in the beginning ticket number on the report before the event and the ending ticket number after the event, based on the unused tickets returned by each cashier. Unused tickets are required to be retained for subsequent review. The following matters were noted pertaining to athletic ticket sales at xxx High School:

- Unsold tickets from the 2011 football season were not retained for subsequent review.
- A sequence of tickets reflected as “sold” on a Ticket Sales Report were actually included with the unsold tickets from the 2012 football season.
- Not all of the unsold tickets from the 2012 football season could be accounted for.
- Proceeds from a softball game did not appear to have been receipted and a Ticket Sales Report for the game was unavailable for review.
- Some gate receipts did not appear to have been remitted to the office bookkeeper in a timely manner.

Recommendation – The Board should ensure that procedures related to athletic ticket sales are followed.

Response – A financial advisor (Assistant Director of Finance) will be assigned to xxx High School. The financial advisor will be required to review and approve all financial related items. The financial advisor will also provide additional training to the office coordinator at this school.

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Common Problems noted by the Examiners

Receipts from Athletic Activities

Pre-numbered tickets should be used for all athletic events

Control sheets should be maintained documenting the beginning and ending ticket numbers issued for each event

Check-up sheets should be used to document the number of tickets used and cash turned in.



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STUDENT FEES



Student Fees

Alabama Code § 16-13-13 Fees for courses

- No fees should be collected in courses required for graduation

Alabama Code § 16-6B-2 Core curriculum

- Courses required to be taken by every student

Alabama Code § 16-10-6 Incidental fees in elementary schools

- No fees of any kind shall be collected from children attending any of the first six grades

AAR 290-3-1-.02 Driver Education

- Course fee established before enrollment and cannot exceed anticipated local costs of the drivers education course.

Student Fees

Academic fees during the regular school term (excluding driver education) may only be charged for materials and equipment used in instructional courses, and that the fees collected may only be used in the course for which the fee was collected.

Actions against a non-paying student, such as withholding grades, report cards, transcripts, academic recognitions, and graduation activities, are prohibited. However, state laws governing textbooks may require the withholding of additional textbooks for a student due to unpaid lost or damaged textbook fines. (See Alabama Code § 16-36-69).

Student Fees

No fees are allowed in courses required for graduation.

In courses not required for graduation, fees may only be charged in courses requiring laboratory and shop materials and equipment, provided that fees are waived for students who cannot afford to pay the fee.

Funds collected for student fees can only be used for the purpose for which the fee was collected.

Student Fees

No fees are allowed in grades K – 5.

State laws allow for out-of-district fees, lost textbook fees, and driver education fees.

However, there are limitations to the collection of other student fees.

Donations & Voluntary Contributions

Voluntary contributions are allowed.

Donation/Contribution/Fee requests must be approved by the Principal.

A student who does not pay the voluntary contribution for an academic course, instructional materials (including workbooks), access to instructional resources, school day academic field trip, or other instructional activity cannot be treated any differently than a "paying" student.

Donations & Voluntary Contributions

Actions taken against students for non-payment of student fees, contributions, or donations are prohibited.

Examples of prohibited actions include:

- Withholding:
 - Grades
 - Report cards
 - Transcripts
 - Diplomas
 - Honor rolls
 - Participation in graduation events & student recognition events
 - Membership in honors organizations
- Other actions that would subject the student to embarrassment or ridicule.

Resources in ALSDE

Available from Alabama Department of Education web site – www.alsde.edu

Locate **Department Offices** upper left

Under **Office of Supporting Programs** select **LEA Fiscal Accountability**

Select **Local Schools** (Yellow tab)

Audits tab

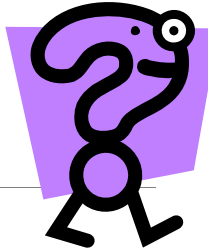
- Audit Findings
- Presentation – State Examiners 2010 Update on Local School Finances

Procedures tab

- Local School Financial Procedures
- School Parking & Locker Fees
- Presentation - Procedures for Local Finance



QUESTIONS



Contact Information

SDE helpline:

1-800-831-8823

First Contact: Your system's CSFO

Utilize SDE website: www.alsde.edu

Call SDE helpline: 1-800-831-8823



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