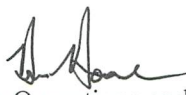




MEMO NO. JM23-15

TO: All Support Groups and Principals

FROM: Dr. Benjamin D. Boone, Director of Finance 
Dr. David Scott, Assistant Superintendent for Operations and Administrative Services 
Sandy Strayer, Superintendent 

SUBJECT: Support Group Financial Recordkeeping and Internal Controls

DATE: July 14, 2022

The purpose of this memo is to provide guidance for Support Groups in financial record keeping and internal controls. The items discussed below are informed by feedback from our annual audits over several years. This memo contains information regarding training dates for support groups, internal controls, treasurer responsibilities, and guidelines for volunteers, revenues/receipts, expenditures, financial reporting, audits, and fundraisers.

Annual financial trainings for support groups provided by school system business officials will be held in person at the Henry County Administration Building in the Summerlin Room for the 2022-2023 school year. The president, treasurer, and authorized check signers for the support groups will be required to attend a training but other board members of the support group may also attend. Only support groups having persons attend the seminars will be authorized to conduct fundraising activities. Meeting dates offered for trainings provided to support group presidents, treasurers, and authorized check signers are;

August 2, 2022 - 11:00 a.m.
August 2, 2022 - 6:00 p.m.
August 16, 2022 - 11:00 a.m.
August 16, 2022 - 6:00 p.m.

In January 2009, internal controls were put in place for support groups by the school system. The controls are designed to strengthen certain areas of weakness in operations and to outline procedures and internal controls on the handling of funds to protect the volunteers. The auditors included the following paragraph in a prior report concerning internal controls:

“It is important to note that while internal controls are cumbersome to follow, especially when someone is dealing with the public, it is critical not only to the safeguarding of the assets but also to protecting the reputation of the many volunteers. The legal protection afforded by the implementation and utilization of a quality internal (fraud) control program is immeasurable and should encourage more volunteer’s participation.”

It is the Treasurer’s responsibility to maintain an accounting system with an accurate record of the receipts and expenditures for the fiscal year and that the records are kept up to date. The absence of the proper documentation

from the support group for the auditors to complete the audit in a timely fashion may result in additional audit fees which will be passed onto the support group.

VOLUNTEER GUIDELINES -Henry County Public Schools Volunteer Process

Henry County Public Schools will pay for background checks for up to five support group officers for each support group. For further information about paid volunteer background checks for support group officers, contact Tanya Verlik at tverlik@henry.k12.va.us.

Henry County Public Schools requires that a full background check be processed for any person wanting to act as a volunteer within the school system. For Henry County, the background check process has two steps. The total cost for the entire background check process is \$26.95. Effective September 1, 2018, the total cost will increase to \$28.30. Once completed and approved, all background checks are effective for three years.

Step One: Central Registry Background Check

This portion of the background check is conducted by the Virginia Department of Social Services. The Central Registry form must be completed, notarized, and returned to a school or the central office. The overall cost is \$10.00 which must be paid by a cashier's check or money order.

Step Two: Criminal Background Check

This portion of the background check is offered online and must be completed along with the Central Registry background check. The total cost is \$16.95 which is paid online through a credit or debit card. Effective September 1, 2018, the total cost of the Criminal Background Check will increase to \$18.30.

After the Process has been Completed

After both portions of the process have been successfully completed, results will take at least 6 weeks to be received. If the person submitting is approved, they will receive an email (to the email provided in step two of the process) stating they are now a Henry County Public Schools volunteer; they will also receive a visitor's badge in the mail upon approval of their application. Additionally, while waiting for the visitor's badge in the mail, the email can be used as a temporary visitor's pass; just print it and bring your government ID to the school to volunteer. The volunteer badge will be mailed by Secure Volunteer/BIB within 7-10 business days after receiving the email.

There is no way to expedite the background check process; it takes at least 6 weeks for the background checks to be returned. Please be aware of this when planning to attend all field trips or volunteering/chaperoning opportunities within the school system.

REVENUES/RECEIPTS

If using items such as wristbands/tickets for a raffle or entrance to a carnival, you should record the beginning and ending numbers of the tickets being used for that event before you begin distributing them. At the end of each day/fundraiser you will then be able to record the ending number and subtract the beginning number to verify the number sold. This will enable you to calculate and verify the monies collected are correct. At least two people should be responsible for the distribution of tickets and the collection of money at one station.

All Revenues should be receipted using pre-numbered receipts. The receipt numbers should be noted on the deposit slips and the dates should be legible on the receipts. There should be a duplicate copy of all receipts maintained in the receipt book for tracking and audit purposes. Deposits are to match supporting documentation and documentation should be attached to the deposit slips for the annual audit (receipts, report of ticket sales, concessions money count form, etc.). All cash, checks, money orders, etc. should be deposited on a daily basis. The monies should be counted by two designated persons to verify the amounts collected and deposited. The two designated persons should not be husband and wife or related family members. No monies should be taken to a person's house. If monies cannot be counted and deposited the same day, one solution may be to check with your

bank and see if you can drop the bag with a note that the group will pick the deposit up the following day to count the funds and complete the deposit.

EXPENDITURES

All purchases should be approved by the support groups in advance. The original invoice should be marked as approved and items received by the Board before payment is made. Check number and date paid should be noted on the invoice. Photocopies of receipts are not acceptable documentation.

Every check should be recorded in the checkbook at the time it is written and an explanation for the purchase written in the register and on the check. All purchases should be paid by check and never paid with cash to provide an accurate record of the group's transactions. As indicated above, check number and date paid should be noted on the invoice being paid.

Two check signatures are required on all checks. No blank checks should be signed in advance by any member of the support group. The check format should include two distinct lines for two signatures as well as the statement "Two Signatures Required."

Signature cards at the bank should be updated annually. Names of persons no longer authorized to sign checks should be removed and new names added.

School support groups may, on occasion, want to make a cash donation of a specified amount for each teacher in the school. The donations will be processed through the school's activity accounts and thus subject to the school system procurement procedures. For example, a support group might donate \$1,000 to a school with 20 teachers. Each teacher, using personal funds, could purchase \$50 of items, submit an original invoice or cash register tape, and receive a \$50 reimbursement check from the school. Gift cards, cash, checks, and savings bonds are not acceptable.

REPORTING

Minutes of the support group board meetings are to be turned into the auditors for the annual audit in addition to previously requested documentation. The minutes for each meeting are required to include the Treasurer's Report. The Treasurer's Report should show the following:

- 1.) Balance on hand at the beginning of the year, month or as of the last meeting.
- 2.) List all receipts in detail and total.
- 3.) List all disbursements, itemized, and totaled.
- 4.) End with the balance on hand as of the date of the report.

An example treasurer's report is included in the attachments in this memo. It is encouraged to have a printout of the Excel expenditures and bank reconciliation (or similar program as Excel) as documentation to limit duplication of summarizing data. A Microsoft Excel spreadsheet has been sent in addition with this memo to help provide a valuable resource. Examples taken from the spreadsheet are included with this memo. Other attachments included with this memo are: Example of an Annual Report from the Treasurer, Regulations for Fundraising and Solicitation, and the Fundraising Request Form.

AUDIT

For the year end audit the following information/forms should be provided:

- 1.) Checkbook
- 2.) Copies of the support group meeting minutes for the entire year.
- 3.) Bank statements July 2022 through July 2023, with cancelled checks.

- 6.) Bank reconciliations, July 2022 through July 2023
- 7.) Cash receipts and cash disbursements journals (A check register does not qualify.)
 - Cash receipts and disbursements journals must be summarized for the year by account category.
 - Cash receipts and disbursements journals must be in sequential order.
- 8.) Prenumbered purchase orders and requisitions.
- 9.) Budget for the year if applicable.
- 10.) Reconciliation of cash receipts and disbursements for the year with beginning and ending cash balances in the format below.
- 11.) All of the items mentioned above should be supported in an organized platform (i.e. Excel spreadsheet provided or another user created spreadsheet format organized/designed to reflect the templates provided in this memo).

Cash – July 1, 2022	\$ xxx
Cash Receipts	\$ xxx
Cash Disbursements	\$ xxx
Cash June 30, 2023	\$xxx

FUND RAISING

All Fund Raisers are to be approved in advance by the Superintendent of Henry County Schools. No fundraisers are to be carried out without prior approval by the superintendent. A copy of the fund raising policy and form are included in with this memo. The Fund Raising Request form should be filled out and given to the principal. The form will then be forwarded to the Superintendent for approval.

IRS publication 3079 Gaming Publication for Tax-Exempt Organizations prohibits the practice of giving volunteers monetary credit for fundraising, including working at concession stands and bingo games. According to the IRS, the waiver or reduction of fees for workers or items or services normally charged to non-workers constitutes compensation and should be reported as income. School groups that violate this regulation may cause their group and the school division to be subject to large fines/penalties if audited by the IRS.

The right to use the school system's name and affiliation with the school may be revoked for any group that fails and/or refuses to comply with policies and regulations.

BB/DS/SS

****Please see the following attachments as a reference for the collection of funds and fundraisers.**

Treasurer's Report July Sample

[illegible]

\$	250.00	\$	-	\$	-	\$	-	\$	250.00	\$	-	\$	-	\$	250.00	\$	-
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July Expenses

	Aud new mts memo
Total Expenses July 2022	\$ 200.00
	\$ -
	\$ -
	\$ -
	\$ 200.00
	\$ -
	\$ -
	\$ 200.00
	\$ -

July 2022 Bank Reconciliation

Beginning Balance	\$ 2,000.00
Deposits	\$ 250.00
Disbursements	\$ (200.00)
Subtotal	<u>\$ 2,050.00</u>

Add:

O/S checks

Ending Balance	\$ 2,050.00
Bank Stmt Balance	\$ 2,050.00
Difference	\$ -

Add new lines here
Total Income August 2022

Add new lines here
Total Expenses August 2022

Beginning Balance	\$ 2,050.00
Deposits	\$ 300.00
Disbursements	\$ (100.00)
Subtotal	\$ 2,250.00
Add:	
O/S checks	\$ -
Ending Balance	\$ 2,250.00
Bank Stmt Balance	\$ 2,250.00
Difference	\$ -

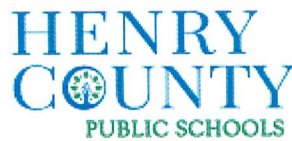
	Fall Festival	Magnets	Annual Fundraiser	Harvest Festival	T-Shirts	Yearbooks	Chocolates	Spring Festival	Miscellaneous	Total
2022-2023 School Year										
July	0.00	0.00	0.00	0.00	250.00	0.00	0.00	0.00	0.00	\$ 250.00
August	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	300.00	\$ 300.00
September	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
October	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
November	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
December	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
January	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
February	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
March	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
April	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
May	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
June	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
Total Income 2022-2023	\$ -	\$ -	\$ -	\$ -	\$ 250.00	\$ -	\$ -	\$ -	\$ 300.00	\$ 550.00

Expense

	Fall Festival	Magnets	Annual Fundraiser	Harvest Festival	T-Shirts	Yearbooks	Chocolates	Spring Festival	Miscellaneous	Total
2022-2023 School year										
July	0.00	0.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	\$ 200.00
August	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	\$ 100.00
September	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
October	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
November	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
December	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
January	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
February	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
March	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
April	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
May	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
June	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
Total Expense 2022-2023	\$ -	\$ -	\$ -	\$ -	\$ 200.00	\$ -	\$ -	\$ -	\$ 100.00	\$ 300.00
Net Proceeds(Loss)	\$ -	\$ -	\$ -	\$ -	\$ 50.00	\$ -	\$ -	\$ -	\$ 200.00	\$ 250.00

Support Groups 2022-2023 Bank Balance Summary

Certificate of Deposit	\$ -
Beginning Bank Balance 07/01/2022	\$ 2,000.00 ▼
Total Deposits	\$ 550.00 ▼
Total Disbursements	\$ 300.00 ▼
Ending Balance	\$ 2,250.00



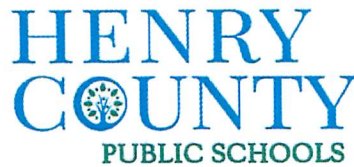
Book	Henry County Schools Policies and Regulations
Section	J. Students
Title	Fundraising and Solicitation
Code	JL
Status	Active
Legal	Code of Virginia, 1950, as amended, §§ 22.1-70, 22.1-78.
Cross References	IIBEA/GAB - Acceptable Computer Use IICA - Field Trips JHCF - Student Wellness KGA - Sales and Solicitations in Schools KJ - Advertising in the Schools KMA - Relations with Parent Organizations KQ - Commercial, Promotional, and Corporate Sponsorships and Partnerships
Adopted	September 6, 2001
Last Revised	February 1, 2021
Last Reviewed	June 3, 2021

All fundraising activities conducted for the benefit of the the school division must provide an educational benefit to students and must not interfere with the instructional program. All fundraising activities conducted by school-sponsored organizations or clubs must be approved in advance by the principal, chief financial officer and superintendent. Fundraising refers to the raising of non-appropriated funds by students, parents or others for the educational benefit of students and their schools.

Students may participate in fundraising activities provided such activities are approved in writing and carefully monitored and regulated by the school principal or principal's designee. Elementary school students may not participate in door-to-door solicitation. Students are not excused from class to participate in fundraising activities. No grade is affected by a student's participation, or lack of participation, in a fundraising activity.

Each principal develops and maintains a list of all approved fundraising activities and reports all activities to the superintendent pursuant to procedures issued by the superintendent.

The superintendent periodically furnishes the School Board with an up-to-date listing of all fundraising activities being conducted in the school division



Book	Henry County Schools Policies and Regulations
Section	J. Students
Title	Regulations for Fundraising and Solicitation
Code	JL-R
Status	Active
Adopted	September 10, 2002
Last Revised	February 2, 2017
Last Reviewed	February 2, 2017

Since the schools of Henry County are financed at public expense, fund raising campaigns that infringe upon the business community are discouraged. All schools are allowed to hold picture sales, yearbook sales, and Scholastic book fairs annually. Elementary schools are restricted to one additional general fund raising activity and one philanthropic (charitable) fundraiser during the school year. Middle and high schools are restricted to two additional general fund raising activities and two philanthropic (charitable) fundraisers during the school year.

If an individual school support group organization or association proposes and sponsors such a fund raising program, the school may cooperate under the following restrictions:

All aspects of the organization of the sales campaign shall be jointly planned and supervised by the school and the school and the support group organization.

There shall be no classroom instructional time devoted to sales campaign activities.

Support group representatives and/or organized clubs within the school shall handle daily collections to avoid using teachers, and

Elementary school students are not involved in door-to-door sales.

It is expected that principals will monitor the frequency and duration of fund raising activities within a school. Sequential and/or multiple fund-raising activities should not be approved.

The School Board recognizes crowd funding as an effective way for teachers to obtain financial support for additional supplies and activities. Crowd funding is considered to be a fundraiser in addition to general and philanthropic school fund raisers and, as such, administrative oversight is necessary to allow all projects to be tracked to ensure donor expectations are met. Schools are limited to a maximum of 5 crowd funding fundraisers during the course of a school year.

Crowd funding includes, but is not limited to, crowd funding companies such as DonorsChoose, Fund2Orgs, GoFundMe, etc.

The school principal and superintendent must pre-approve a crowd funding request prior to it being posted on a crowd funding platform in order to ensure that the message being conveyed is consistent with that of other fund raisers. Crowd funding requests should include the regular school fund raising form, as well as the project narrative and photos or images to be posted with the project.

When using crowd funding platforms, there can be different terms used to describe the type of project. Principals and other approving directors should understand the terms prior to the start of a project:

- AON - All or nothing. If the amount requested is not reached, the project is not funded. The donor then has the option of selecting another project to fund or giving the current teacher a credit toward his/her next project.
 - KIA – Keep it all. If any amount is reached, the school will receive a check (even if the goal is not reached).
- The project sponsor and principal should monitor and take down projects when the event/request is completed.
- If the request involves equipment, either technology or non-technology (including purchases with electrical or plumbing consideration), pre-approval also needs to be obtained from the director(s) responsible for the area(s) impacted.
- All non-monetary items (supplies, equipment, etc) obtained through crowd funding efforts are the property of HCPS and all inventory procedures apply.
- Use of video/images of any students or staff, other than the employee creating the request, is not permitted without approval from the principal and superintendent.

FUNDRAISING REQUEST

School _____ Date _____

Club/Organization _____

Sponsor/Monitor _____

Describe fundraising proposal (specifically include student role, if any, in proposed fundraising activity):

Vendor(s) (if applicable): _____

of previous fundraisers by this organization this year: _____

Planned date of fundraiser: Beginning: _____ Ending: _____

Intended use of funds, other than general club/organization use (must be for a specific purpose): _____

Describe the documentation for the collection of funds that will accompany each deposit for this fundraiser (receipts, report of ticket sales, concessions money count form, etc.).

As a reminder, deposits are to match supporting documentation and documentation should be attached to the deposit slips for the annual audit (receipts, report of ticket sales, concessions money count form, etc.). List the individual names of persons responsible for overseeing this procedure for the group below.

Percent of Profit: School _____ % Vendor _____ %

I understand that fundraising may not infringe on instructional time. It is further understood that no fundraising activities are to be announced or held until the principal and sponsor have received approval of this form. A minimum of 2 weeks processing time should be allowed.

Signature of Sponsor/Monitor Date

Application is:

<input type="checkbox"/> Approved	<input type="checkbox"/> Denied	_____	_____
		Principal	Date
<input type="checkbox"/> Approved	<input type="checkbox"/> Denied	_____	_____
		Director of Finance	Date
<input type="checkbox"/> Approved	<input type="checkbox"/> Denied	_____	_____
		Superintendent/Designee	Date

ADDENDUM TO FUND RAISING REQUEST

Consistent with School Board Policy and Regulation, fundraising must comply with the following:

- 1) The strict financial procedures governing procurement, disbursement, and oversight of funds used by the schools shall apply to support groups. Special attention must be given to receipt of funds and timely deposit of funds.
- 2) The treasurer of the support group must attend, at least annually, a seminar conducted by the school division's director of finance.
- 3) A written financial report must be included in the minutes of the support group.
- 4) The audited financial records and meeting minutes shall be retained at the school, or in a central file location, for a period of ten years.
- 5) All fundraising must be approved in advance by filing the request with the superintendent and must be accompanied by a copy of this memo signed by the treasurer and principal. Failure to do so will result in the withdrawal of the group's affiliation with the school and school division. Any funds in the group's treasury should then be placed in the school's general account.
- 6) All proceeds from fundraisers should be deposited into the bank account and expenses paid by check. NO CASH PROCEEDS FROM FUNDRAISERS SHOULD BE USED TO PURCHASE ADDITIONAL ITEMS.

HENRY COUNTY PUBLIC SCHOOLS
CHECK REQUISITION FORM FOR USE BY SUPPORT GROUPS

School _____

Support Group _____

Person Requesting Check _____

Check Payable to _____

Check Number/Amount _____ **Check Date** _____

Purpose of Check _____

Approved By:

President _____ **Date:** _____

Treasurer _____ **Date:** _____

CONCESSIONS MONEY COUNT FORM

EVENT _____

DATE _____

\$100 _____

\$20 _____

\$10 _____

\$5 _____

\$1 _____

Quarters _____

Dimes _____

Nickels _____

Pennies _____

Grand Total \$ _____

Start Up Change _____

Total Money Deposited \$ _____

Person(s) counting money _____

Report of Ticket Sales

Support Group Name Here

Event:

Date:

[illegible]

*Last number left on the roll, not the last number sold.

Total Value of Tickets Sold

Beginning Change Fund

Total Accountability

Cash Remitted This Report**Cash Over (Under)**

***2 signatures for the counting of money**

Certified correct by (Ticket Seller's Signature)

Certified correct by (Ticket Seller's Signature)