

Chapter 1 - General Policies

Section I - Policies

State Board of Education Guidelines (Financial and Program Cost Accounting and Reporting for Florida Schools “Red Book” – Chapter Seven); Gulf Coast Academy (GCA) Board Policy Handbook and Internal Accounts Policies.

1.0 Principles

The following are the broad principles governing internal funds. The broad principles establish the basic foundation for internal fund activity as prescribed by Financial and Program Cost Accounting and Reporting for Florida Schools – Chapter Seven, Section I.

- A. The GCA Board shall be responsible for administration and control of internal funds of the School, and in connection therewith shall:
 - 1. Adopt written rules governing the receipt and disbursement of all internal funds and for the accounting of property pursuant to Florida Statutes.
 - 2. Provide for an annual audit of internal funds in accordance with SBA Rule 6A-1.087, F.A.C.
- B. The financial transactions of the School shall be accounted for in the school’s internal funds. All funds handled by School employees during normal working hours shall be included in and become part of the internal funds of the School. All organizations of the School, or operating in the name of the School, which obtain monies from the public, shall be accountable to the GCA Board for receipt and expenditure of those funds in the manner prescribed by the GCA Board. If authorized by GCA Board rule, a school-based direct support organization as authorized by Section 237.40 F.S., may have all financial transactions accounted for in school internal funds.
- C. Funds collected by and used for the benefit of faculty and staff may be exempt from the preceding requirements at the option of the GCA Board.
- D. School internal account funds shall be used to benefit activities authorized by the GCA Board.
- E. Student participation in fundraising activities shall not be in conflict with the program as administered by the GCA Board.
- F. The objective of fundraising activities by the school, by any group within, or in the name of the school shall not conflict with programs as administered by the GCA Board.
- G. Funds collected shall be expended to benefit those students in school unless those funds are being collected for a specific documented purpose. Those internal account funds designated for general purposes shall be used to benefit the student body.

INTERNAL ACCOUNTS PROCEDURES MANUAL

1-2

- H. Collecting and expending of school internal account funds shall be in accordance with the Florida Constitution, Statutes, State Board of Education rules, and School Board rules. Sound business practices must be observed in all transactions.
- I. The School shall operate within a budget formulated by the directors. The format of the budget shall be prescribed by the directors and in compliance with that required for reporting to the GCA Board and the Hernando County School Board (HCSB).
- J. Purchases from internal accounts shall not exceed the resources of the applicable student activity/project account, except for items acquired for resale or items authorized by GCA Board rule.
- K. An adequate system of internal control shall be maintained in order to safeguard the assets of the school internal funds.

1.1 Responsibilities of Internal Accounts

The following are the responsibilities for processing internal fund accounts.

- A. GCA Board
 - 1. Shall require that its written policies relating to internal funds be enforced.
 - 2. Shall provide for an annual audit of internal funds by a certified public accountant or qualified auditor.
 - 3. Shall open and initial official bank statements
- B. Directors
 - 1. Shall administer all rules and policies established by the GCA Board relating to internal accounts.
 - 2. Shall have the authority to implement all policies and rules pertaining to the supervision and administration of internal funds in accordance with established policies and procedures of the GCA Board.
 - 3. Shall be held accountable for the handling of all phases of internal accounting in the school.
 - 4. Shall use a uniform system of accounting as required for reporting by HCSB.
 - 5. Shall submit to the GCA Board monthly and annual reports of internal accounts.
 - 6. Shall be directly responsible for the conduct of student financial activities in accordance with the policies, rules and procedures, and as amended from time to time.
 - 7. Shall have the opportunity to participate in the preparation, modification, and interpretation of policies and procedures affecting internal funds. Federal regulations, state laws, and State Board regulations are to be observed.
 - 8. Shall be responsible for all internal accounts.
 - 9. Shall maintain records and follow procedures as adopted by the GCA Board.

C. School Employees

1. Shall be responsible for compliance with all applicable laws, rules, policies and procedures in all internal account transactions.

1.2 Audits

- A. In accordance with State Board Rule, 6A1.087, Florida Administrative Rules, the GCA Board shall provide for an annual audit of internal accounts by a person certified by the State Board of Accountancy as a certified public accountant or qualified internal auditing staff employed by the GCA Board. The auditor shall submit a signed, written report to the GCA Board covering internal funds, which shall include any notations of any failure to comply with requirements of Florida Statutes, State Board rules, and policies of the School Board, and commentary as to financial management and irregularities. Such audit shall be presented to the GCA Board while in session and filed as part of the public record.
- B. The audit report shall be distributed to the GCA Board, the HCSB, and the directors.
- C. The GCA Board shall be notified when changes of directors, accountants and/or auditors or other staff with significant internal account activity occurs.

1.3 Bank Account Reconciliation

Bank statements, arriving by mail, will be opened and verified by a member of the governing board. Account statements will subsequently be reconciled each month using the Peachtree Accounting software. All account statements, bank statements, financial statements, and account reconciliation reports will be available for available for board review at each regularly scheduled board meeting.

Chapter 2 - Collections

Section I - Policies

State Board of Education Guidelines (Financial and Program Cost Accounting and Reporting for Florida Gulf Coast Academys “Red Book” – Chapter Seven); Gulf Coast Academy Board Policy Handbook and Internal Accounts Policies.

2.0 Overview (Chapter Seven, Section II)

- A. GCA approved computer numbered receipt forms shall be used as the means of recording cash received, and as the basis for entries to the accounting records.

2.1 Depositories for Internal Accounts (Chapter Seven, Section III, 1.1)

- A. Depositories in which GCA internal funds are kept must be qualified public depositories, approved by the Gulf Coast Academy Board.

2.2 Bank Accounts (Chapter Seven, Section III, 1.2)

- A. GCA shall utilize checking and savings accounts which shall be entitled "Gulf Coast Academy Gulf Coast Academy Board." This account title must be printed on all internal fund checks and deposit slips. All monies received by the Gulf Coast Academy will be deposited intact as collected into these accounts and all disbursements will be made by checks drawn on these accounts. Savings, certificates of deposit or investment accounts shall be titled in the same manner.
- B. All monies or other assets belonging to the Gulf Coast Academy, or for which the Gulf Coast Academy is responsible, must be reflected in these internal account fund records. Savings accounts, certificates of deposit, earned interest, etc., shall not be included.

2.3 Investments (Chapter Seven, Section III, 1.5)

- A. The Gulf Coast Academy Board shall adopt policies pertaining to the investment of Gulf Coast Academy funds not needed for immediate expenditures. The adopted policies shall make provisions for investing or placing on deposit all such funds in order to earn the maximum possible yield under the circumstances. (Section 230.23 (10) (k), F. S.)
- B. Internal funds, which are temporarily idle, shall be invested pursuant to the policies of the Gulf Coast Academy Board using authorized investments for public funds and must not exceed insurance protection or legal collateral limits. Investment funds must be kept in a qualified public depository.
- C. Under Florida Statute Section 236.24, Gulf Coast Academy are authorized to invest in the following investments:

1. Local Government Surplus Trust Fund.
 2. Negotiable direct obligations of, or obligations the principle and interest of which are unconditionally guaranteed by the U.S. government at the then prevailing market rate for such securities. Example: U.S. Treasury Bills.
 3. Interest-bearing time deposits or savings accounts in banks organized under the laws of Florida, provided that any such deposits are secured by collateral as may be prescribed by law.
 4. Obligations of the federal farm credit banks, Federal Home Loan Mortgage Corporation certificates; Federal Home Loan Bank certificates and obligations guaranteed by the Government National Mortgage Association.
 5. Obligations of the Federal National Mortgage Association including certificates and mortgage pass-through certificates guaranteed by the Federal National Mortgage Association.
- D. Surplus and operating funds may be invested in securities exceeding one year if the maturity of such investments were made to coincide with the expected use of the funds.
- E. Gulf Coast Academy must only purchase securities (investments) from financial institutions which are qualified as public depositories by the State of Florida Treasurer or Florida based regional dealers that qualify under Securities and Exchange Commission Rule 15C3 or Federal Reserve of New York designated primary security dealers or agents.
- F. When purchasing securities (investments), Gulf Coast Academy employees shall select the securities that will provide the highest rate of return within the parameters of GCA policy. The selection process shall be made utilizing one of the following methods:
1. Competitive bids wherein the Gulf Coast Academy employees solicit proposals from a minimum of three firms.
 2. Comparison to the current market price as indicated by one of the market pricing resources available to the Gulf Coast Academy. These include but are not limited to:
 - a. Bloomberg Information Delivery System.
 - b. Wall Street Journal or a comparable nationally recognized financial publication providing daily market pricing.
 - c. Daily market pricing provided by the Gulf Coast Academy's custodian or its correspondent institution.

2.4 Collection of Returned Checks (Chapter Seven, Section III, 1.6)

- A. The directors are responsible for seeking reimbursement for any unpaid check returned by the bank.

- B. A check can be declared uncollectable and written off the books only by action of the Gulf Coast Academy Board. This action will be taken only after every legal and reasonable effort at collection by the directors has been exhausted.
- C. The Gulf Coast Academy directors may require payment for Gulf Coast Academy obligations in cash, money order, or other form of guaranteed payment if it is deemed necessary.

2.5 Cash Collections and Deposits (Chapter Seven, Section III, 1.4)

- A. All money collected by the Gulf Coast Academy must be substantiated by computer numbered receipts, reports of monies collected, prenumbered tickets, reports of tickets issued and sold or other auditable records.
- B. Insofar as is practical, all money should be collected in the Gulf Coast Academy office. Collections made outside of normal Gulf Coast Academy hours must be remitted to the Gulf Coast Academy office no later than the next business day.
- C. All money collected must be deposited intact into a depository as frequently as feasible and as dictated by sound business practices. In any event, funds collected shall be deposited within ten working days after receipt.
- D. All deposits must equal the total amount of money taken in and recorded on receipts for the period covered by the deposit. Deposit slips shall be made in the number of copies necessary to meet the approved accounting procedures. All checks received shall be deposited with a restrictive endorsement. This endorsement shall read "FOR DEPOSIT ONLY" and specify the account title and number.
- E. The directors or designee shall be notified immediately of any errors in deposits or disbursements and shall take appropriate action to effect correction.
- F. All checks, receipt forms, and tickets shall be computer numbered and perpetual inventories of each shall be maintained. Inventories shall show the beginning and ending numbers of all documents acquired and issued. In all cases where tickets are used, ticket reports and unsold tickets must be available for audit. A certified statement of the numbers received shall accompany any prenumbered documents. If checks, receipts, or tickets are destroyed, a statement shall be prepared and must include document type and numbers, used/unused, and the method of destruction. This statement must be signed by two witnesses and retained for audit.

2.6 Student Fees, Fines, and Charges

- A. There is no statutory or constitutional provision, which would authorize the requiring of payment by a student of fees for consumable materials and supplies, educational

materials, matriculation, or tuition as a prerequisite to the student's enrollment. However, as the Gulf Coast Academy Board is authorized to receive gifts and donations and is held accountable for such, there is no objection to a Gulf Coast Academy Board solicitation of students for financial assistance to cover the cost of consumable and other educational materials and supplies when the Gulf Coast Academy deems it necessary to do so.

- B. The Gulf Coast Academy Board shall approve all fee schedules before they become effective.
- C. An amount shall be assessed under Section 233.46, Subsection I, Florida Statutes, when a textbook has been lost, damaged, or destroyed. Due notice shall be given to the pupil to whom the textbook was assigned for his/her parent or guardian to pay the amount assessed. Failure to pay shall result in no further issuance of state-owned textbooks to the pupil unless an exception has been granted. The directors may grant exceptions where extenuating conditions or a severe injustice will be worked on the pupil. Written evidence of the granting of such an exception shall be placed in the pupil's records. Transcripts, report cards, and diplomas will not be withheld because a student owes money for textbooks.

2.7 Internal Accounts General Policies

- A. Internal control requires that at least two (2) persons (e.g., the directors, assistant directors, teacher/sponsor, and directors or secretary) are responsible for the collection and expenditure of money. This provides all concerned with an opportunity to verify transactions.
- B. All collections of money must be delivered as received, daily, to the Gulf Coast Academy office or deposited in an overnight bank depository.
- C. No checks may be cashed.
- D. All money collected must be remitted to the directors intact (in the same form as collected) at the end of each business day. Checks may not be substituted for cash collected.
- E. An Monies Collected collection form must accompany all collections remitted to the directors.
- F. All monies entering the Gulf Coast Academy's internal accounts system must be documented by the issuance of an Monies Collected receipt.
- G. No cash expenditures are to be made from receipts. Such expenditures may be made from an approved petty cash fund.

- H. Erasures or alterations must not be made on any receipts. When an error is made, the receipt must be voided and rewritten. Voided receipts, both original and carbon, must be retained for audit purposes and an explanation must be noted on the receipt.

- I. All Monies Collected receipt forms must be completed in ink and signed by the person collecting the funds.

Section II - Accounting Controls and Procedures

Good internal control requires that monies collected be properly documented in ink at the initial time of collection and that the transfer of these collections between employees be properly documented. For this reason, each time the directors receives money to be entered into the Gulf Coast Academy's internal accounts system, a Report of Monies Collected Form, or other Monies Collected collection form, must accompany the money.

2.0 Report of Monies Collected Form

- A. A Report of Monies Collected Form (see Appendix), or other Monies Collected collection form, is the supporting documentation for the Monies Collected receipt and must be completed. When received by the directors, the forms must be computer generated unique numbered receipts. The signed duplicate collection form is returned to the payer if requested. If the source of collection is from students, the students' names must be listed.
- B. It is recognized that during special activities (e.g., registration fees, sales or rental of locks, etc.), there is a possibility of overages and shortages. If this occurs, it must be indicated on the Monies Collected Form as such. All discrepancies must be discussed with the person responsible for collection and clarified before receipting.
- C. Any differences between the Monies Collected Form and the actual amount of cash and checks on hand must be researched and documented. The corrections must be written in ink on the face of the collection document without obscuring the original entry and must be signed by both the directors and the collector.

2.1 Teacher/Department Receipt

- A. Teacher/Department receipts (see example in Appendix) may be issued to students, parents, employees or patrons as an accommodation upon request. They are not to be used in lieu of Monies Collected receipts or Report of Monies Collected.
- B. Receipts are not required to be issued if the student's name appears on the Report of Monies Collected. However, if a teacher receipt is issued, the name of the student and the teacher receipt number must be included on the Report of Monies Collected Form.
- C. A Teacher/Department receipt must be issued if requested by the payer.

2.2 Student Fee Receipts

- A. All monies collected for student fees must be receipted. When funds are remitted to the directors, a Report of Monies Collected must accompany the funds.

2.3 Report of Tickets Sold

- A. This report shall be prepared in support of all collections from the sale of admission tickets. Make sure the color of tickets, ticket numbers, and prices are listed on the form. A report of tickets sold must be turned in by the person responsible for the sales. Proceeds from the sale of tickets may be turned in to the office or deposited in the bank at the discretion and direction of the directors. But in all cases, a report of tickets must be turned in to the office and Monies Collected Receipts must be issued to the persons turning in the report. It is recognized that errors may occur in making change and that the actual cash received may not always agree with the numbers of tickets sold. For this reason, any difference in the cash is to be accounted for and actual cash received must be shown on the Report of Tickets Sold. Excessive differences must be investigated by administration.

2.4 Monies Collected Receipts

- A. An Monies Collected Monies Collected Form (see example in Appendix) must be written for all money collected by the directors from each source. These computer generated unique numbered receipts are the means of recording all monies received and substantiating each deposit, as well as providing support for entries on the Report of Monies Collected Forms and serve as evidence to document the transfer of monies between employees and the directors.
- B. Monies Collected Monies Collected Forms are to be computer generated and contain a unique tracking number.

2.5 Deposits

- A. The manner in which deposits are made throughout all Gulf Coast Academy is standard. The following is a step-by-step method of the depositing procedure. The directors shall:
1. Total the amount of Monies Collected Receipts.
 2. Total the actual amount of cash and/or checks on hand.
 3. Items 1 and 2 must agree.
- B. Upon this reconciliation, the directors shall prepare a bank deposit slip in duplicate. The total of currency, coins and checks is the total amount of that particular deposit.
- C. Checks should be endorsed immediately upon receipt.
- D. Deposits should be made daily to the extent practicable and as dictated by sound business practices. In any event, funds collected shall be deposited within ten working days after receipt.
- E. Money kept overnight must be kept in a secure locked area.

2.6 Returned Checks

- A. Returned checks are checks that have been deposited into the internal fund bank account but have been returned by the bank primarily due to insufficient funds or closed accounts. Checks returned are accounts receivable to the Gulf Coast Academy's internal funds. Once collection efforts have been exhausted, the worthless checks must be written off with the approval of the GCA Board.
- B. The procedures for processing returned checks are as follows:
1. As soon as a check is returned, collection procedures must begin immediately. Attempts must be made to contact the maker by phone or other means. All contact attempts must be documented. Contact should be made within ten working days of notice. If phone contact is unsuccessful, a certified letter (see Appendix) is prepared on Gulf Coast Academy letterhead, which is signed by the directors. The letter should be sent within 20 working days of notice.
 2. If restitution is made immediately (prior to the end of the month):
 - a. If the check is redeposited within 20 working days without letter contact, or if cash or a money order is submitted by the returned check maker within 20 working days without letter contact, additional checks may be accepted from that person without restriction.
 - b. If cash or a money order is submitted by the returned check maker for the amount owed, plus the appropriate service charge, following the receipt of the certified letter, additional checks may be accepted from that person without restriction.
 - c. If cash or a money order is submitted by the returned check maker for only the amount owed (no service charge collected) following the receipt of the letter, additional checks may not be accepted from that person until service charges are paid.
 - d. A Report of Monies Collected Form must be completed, a Monies Collected Receipt is prepared, and the check must be returned to the maker upon full payment. This amount is deposited separately, and no posting of the returned check is necessary. Service charges are posted to the directors' project in "Other Revenues."
 3. If restitution is not made by the time the end of the month reconciliation is done, the amount must be recorded in accounts receivable.
 4. If restitution is made after amounts have been recorded in accounts receivable:
 - a. A Report of Monies Collected Form must be completed, a Monies Collected Receipt is prepared, and the check must be returned to the maker upon full payment. This amount is deposited separately, and the amount of the check is posted to accounts receivable and the service charges are posted to the directors' project in "Other Revenues."

5. If restitution is not made within 30 days:
 - a. Documentation of phone contact, copies of the certified letter sent and the returned check must be sent to the Finance Director. All employees at the Gulf Coast Academy who collect funds must be notified that checks not be accepted from this individual until payment of check fees are received. These checks will be submitted to the Gulf Coast Academy Board for approval to write off the accounts. The Gulf Coast Academy will be notified when this approval is received.

2.7 Control of Computer generated unique numbered receipts and Tickets

- A. The directors will be the custodian of all computer generated unique numbered receipts and tickets. This person will be in charge of ordering, receiving, storing, issuing, and inventorying Monies Collected receipts, teacher receipts, student fee receipts, checks, tickets and all other prenumbered documents used in internal accounts. An inventory for each type of receipt or ticket must be maintained and must be available for audit along with unused receipts and tickets and supporting documents for those tickets that were used.
- B. Personnel who are not involved with the inventory records should complete or witness the physical inventory count. This information must be documented and include signatures of all involved.
- C. Inventories of computer generated unique numbered receipts and tickets may be completed more frequently at the discretion of the directors.

2.8 Miscellaneous Collections

- A. Donations: Any cash donations received by the Gulf Coast Academy will be handled using the normal receipting procedures. Restricted donations must be documented with a written statement from the donor indicating the intended purpose of the donation and any alternative use.
- B. Field Trips: Monies collected for field trips will follow the normal collection procedures.
- C. Interest: Interest earnings from checking accounts, savings accounts, certificates of deposits, etc., must be promptly recorded upon receipt of the bank statement and/or credit advice from the bank. These earnings shall always be placed in the director's account except where directed by a scholarship or endowment fund.
- D. Lost and Damaged Textbooks: Monies collected for lost and damaged textbooks will follow the normal collection procedures. All collections will be recorded to textbooks payable and remitted to the directors prior to the fiscal year-end.

INTERNAL ACCOUNTS PROCEDURES MANUAL
2-10

- E. Property Deposits (lock rentals, etc.): Because all property deposits may be fully or partially refundable, it is highly recommended that receipts be issued to those students.
- F. Commissions: Some Gulf Coast Academy activities have chosen vendors who handle all collections and then pay a commission to the Gulf Coast Academy at the close of sales (for example, Gulf Coast Academy pictures).
- G. Yearbook: The following procedures apply to yearbooks:
 - 1. Monies collected for yearbook sales must be receipted using the computer generated unique numbered Monies Collected Receipt. When funds are remitted to the directors, a Report of Monies Collected showing receipt numbers issued (beginning number through ending number) must accompany the funds. At year-end the yearbook sponsor shall submit a Yearbook Report (see Appendix). The report is an analysis of yearbooks purchased, sold, returned to publisher and on-hand.
- H. Property Damage Reimbursements: Any reimbursements collected from students, parents, or other outside individuals for damage to Gulf Coast Academy property must be remitted to the directors at the time of collection.
- I. Facilities Rental Fees: Any fees collected from outside individuals or organizations for the use of Gulf Coast Academy property must be remitted to the directors at the time of collection. Unless the individual or organization renting the Gulf Coast Academy facilities provides a copy of a valid sales tax exemption certificate, sales tax on the amount of the facility charge must be collected. The copy must be retained with the Application for Use of Building and/or Grounds (see Appendix). The sales tax amount must be separately identified on the invoice sent to the tenant.

Chapter 3 - Purchasing & Expenditures

Section I - Policies

State Board of Education Guidelines (Financial and Program Cost Accounting and Reporting for Florida Gulf Coast Academys “Red Book” – Chapter Seven); Gulf Coast Academy Board Policy Handbook and Internal Accounts Policies.

3.0 Purchasing Requirements (Chapter Seven, Section III, 3.1)

- A. The requirements pertaining to purchases and securing bids on purchases made from public funds shall be observed when purchases are made from internal funds except that:
 - 1. Gulf Coast Academy Board’s approval of internal account vouchers is not required unless specifically provided for by Gulf Coast Academy Board rule.
 - 2. Gulf Coast Academy Board requirements for internal funds may be more strict than those required for public funds.
 - 3. Gulf Coast Academy Board approval is required for all expenditures exceeding \$2,000.

3.1 Responsibility (Chapter Seven, Section III, 3.2)

- A. The Gulf Coast Academy directors are fully responsible for all purchases and purchase commitments requiring present or future disbursement of internal fund monies. No purchase shall be made unless sufficient resources are available, except items for resale.
- B. The Gulf Coast Academy directors are responsible for the making of purchases from internal funds and the securing of quotations and awarding of contracts.
- C. No person, unless authorized to do so by the directors, may make any purchase involving the use of Gulf Coast Academy funds.

3.2 Bids (Chapter Seven, Section III, 3.3)

- A. Bids shall be requested from three or more sources for any authorized purchase exceeding \$2,000.
- B. The directors shall have authority to reject all bids and/or request new bids. In acceptance of bids, the directors shall accept the lowest and best bid.
- C. The Gulf Coast Academy Board may establish more strict requirements for bids.
- D. The Gulf Coast Academy Board may establish procedures requiring competitive quotations for all or selected types of purchases in amounts under the Board-adopted bid requirement. Such quotations shall be documented.

3.3 Property Acquisition and Control (Chapter Seven, Section III, 3.6)

- A. Tangible personal property as defined in Chapter 274.01, Florida Statutes, purchased or acquired by donation becomes the property of the Gulf Coast Academy Board and is subject to the Board's procedures for property control.
- B. Notification to the Gulf Coast Academy directors is required when items that meet the criteria for fixed assets are purchased or received as a donation. A full description of any equipment or property acquired by a Gulf Coast Academy must be given, including make, model, serial number, date acquired and total cost or fair market value for donated property.
- C. Expenditures for buildings, remodeling, renovation, repairs, or alteration to the facilities or any property involving risk must have prior written approval of the Gulf Coast Academy Board.
- D. Approval must be obtained from the Gulf Coast Academy Board or landholder to change, alter, or attach permanent fixtures to Gulf Coast Academy property, or to utilize more than the ordinary amount of utilities.

3.4 Check Signatures (Chapter Seven, Section III, 1.3)

- A. Each account shall have at least two authorized check signers, one of whom must be the directors. These names shall be kept on file for audit. All checks must be signed by two signers as prescribed by the directors, if not prescribed by Gulf Coast Academy Board rule.
- B. The directors are responsible for all financial transactions and proper check signatures.
- C. Under no circumstances shall blank checks be signed.

3.5 Restricted Expenditures (Chapter Seven, Section III, 3.5)

- A. The following expenditures from internal funds are deemed inappropriate and shall not be made except from trust funds collected for a specifically identified purpose.
 - 1. Articles for the personal use of any student, employee, or other person; except those items which are identifiable as being in recognition of service or promotion of Gulf Coast Academy activities and those items identified under Rule 6A-1.043, FAC, Promotion and Public Relations Expenditures. Such items may be purchased as appropriate from general funds.
 - 2. Personal memberships or subscriptions.
 - 3. Loans, credit, or accommodation purchases for any personal individual.

3.6 Petty Cash (Chapter Seven, Section III, 3.4)

- A. If authorized by Gulf Coast Academy Board rule, petty cash funds may be established for internal funds.

3.7 Internal Accounts General Policies

- A. Purchases for any group shall not exceed the cash resources of that group during any Gulf Coast Academy year except as approved by the directors.
- B. Gulf Coast Academy employees or others are not to make personal purchases through student activity accounts in order to take advantage of purchasing privileges such as discounts, tax exemptions, etc.
- C. Approved prenumbered checks shall be used as the means for disbursing funds, and as the basis for accounting entries, with the exception of disbursements from properly established petty cash funds.
- D. Internal funds shall not be used to cash checks to accommodate individuals, make any kind of personal loans, or extend credit.
- E. Gulf Coast Academy internal funds shall be expended for the purpose for which they are collected. Gulf Coast Academy Board policies governing expenditures apply regardless of the method of making payment, whether by check or from a petty cash fund. Payments in cash are prohibited, except for properly authorized petty cash funds.
- F. Evidence supporting all expenditures must be kept on file and available for audit. These must be in the form of authorized purchase orders, original signed receipts or invoices, etc.
- G. Under Section 112, Florida Statutes, purchases should not be made from any Gulf Coast Academy Board employee or from a company owned in whole or in part by an employee. There are certain exceptions to the provisions of the Statute, for example, if the goods or services are purchased using a competitive bid process, or if a system of rotation is used which makes the process completely fair to those vendors who are not employees of the agency. Under any circumstances payment must be made to a vendor with a separate tax identification number from the employee.
- H. Purchases for any group shall not exceed the cash resources of that group during any Gulf Coast Academy year except as approved by the directors.
- I. No student activity account(s) shall be held responsible for an expenditure in excess of \$500.00 made by a pupil or teacher or by any other employee who has not first received an approved check requisition/purchase order form from the directors.

INTERNAL ACCOUNTS PROCEDURES MANUAL

3-4

- J. Where expenditures require prior authorization, Gulf Coast Academics should anticipate their needs in time to permit processing and proper clearance of written authorization requests. Expenditures should not be made until the directors have authorized the expense.
- K. Invoices must be paid on a timely basis. In most instances, the due date is stated on the vendor's statement. Payment must be made in time to avoid penalties and late charges. Also cash discounts for early payment must be taken when offered.
- L. Invoices must be properly canceled when paid.
- M. Persons signing checks shall require proper and adequate supporting evidence such as invoices, vouchers, or receipts.
- N. Generally, funds collected are to be expended to benefit those students currently in Gulf Coast Academy for whom the monies were accumulated.

3.9 Travel Procedures (Faculty Members and Students)

- A. Travel expenses may be paid from internal accounts. Such travel must be properly authorized, and all claims must be adequately documented.
- B. Travel reimbursement from internal accounts must not exceed the maximum approved by law. Per diem, meals, lodging and other travel allowances must meet the legal limits established by state law and Gulf Coast Academy Board policy.

Section II - Procedures

Every effort shall be made to take advantage of Hernando County School District approved contracts, bids and quotes, and items available through the warehouse. However, if supplies, services, and equipment cannot be purchased through the District and outside vendors are needed, the following procedures shall be followed.

3.0 Petty Cash Fund

- A. A petty cash fund is a relatively small amount of cash used to make infrequent, small emergency purchases. Normal pre-approval procedures are not followed with this kind of expenditure, but propriety is expected as with other purchases. The use of a petty cash fund is not required.
- B. Directorss may establish a petty cash fund for expenditures for their internal funds not to exceed one hundred dollars (\$100). Funds to establish such petty cash funds shall be taken from the general fund of the internal accounts.
- C. The following procedures apply to petty cash funds:
 - 1. A check is written to the directors or designee for the amount desired, but not to exceed one hundred dollars.
 - 2. After the directors or designee has endorsed the check it is to be cashed in whatever denominations of currency and coins are desired. The cash is to be kept in a secure place with access limited to the directors and the directors.
 - 3. As the need arises, cash is taken from the fund to make various small purchases. The limitation for a single purchase is a maximum of fifty dollars (\$50.00). A single purchase is defined as one that occurs infrequently and for a variety of goods and services.
 - 4. Each expenditure must be supported by an original invoice, ticket, cash register receipt, or other similar document.
 - 5. A Petty Cash Reimbursement request must be prepared and a check written to the directors or designee for the reimbursable amount. When recording the check into the books, charge the expense of each account as indicated on the documents. File all documents with the check voucher.
 - 6. The individual responsible for the petty cash fund must, at all times, have in his or her custody cash or paid bills, or both, totaling the amount of the petty cash fund. The petty cash fund should be replenished as needed.

3.1 Change Funds

- A. Fundraising events and many other student activities frequently require cash for making change. Change funds are issued and processed in the same manner as petty cash. The change fund must be returned to the directors and redeposited promptly after the event is over.

- B. A form of accountability must be maintained on all change funds. The directors must maintain a sign in/out register (see Appendix) showing the event, date, amount, signature of person responsible and the date returned.

3.2 Check Requisition/Purchase Order Request

- A. Internal Accounts purchases must be documented with a Check Requisition or Purchase Order. These forms document information about the anticipated purchase and the directors's approval of the commitment. The approval of a purchase order request is intended to serve as authorization for this purchase, not authorization for payment. This form is also used for requesting checks for payments included with an order, reimbursement of expenses, or payment to the District for monies collected at Gulf Coast Academy (such as textbooks payable, athletic participation, fees, etc.).
- B. Check requisitions and/or purchase order requests are to be completed and properly approved prior to purchase.
- C. Check requisitions and/or purchase order requests are required for any purchase \$500.00 or greater at the discretion of the Gulf Coast Academy directors.
- D. The check requisition/purchase order request must contain adequate documentation supporting telephone quotations, formal quotes and bids.
- E. The check requisition/purchase order request must be signed by the sponsor and approved by the directors or designee prior to the purchase.

3.3 "Blanket" Purchases

- A. Recurring expenses, such as soft drinks, may be covered by a blanket purchase order, which should be issued for a one year period. Such blanket purchase orders shall give the authority for these purchases. Each time an invoice is recorded against a purchase order, it should be noted or recorded in the check register and kept for audit purposes. A copy of the purchase order must be kept with the check voucher, and the final payment must have the original purchase order attached. The signature of the directors or designee is required prior to issuance.

3.4 Disbursements

- A. Obligations for services, equipment, or supplies shall be paid only upon receipt of an itemized invoice and a receiving statement signed and dated by the sponsor or responsible employee, certifying receipt of merchandise as described and in proper condition. All of these documents, including the approved purchase order, must be attached to the check voucher for audit purposes.
- B. Every effort shall be made to secure an original invoice as proof of purchase or service rendered. A statement is not an invoice and should not be used as the sole basis for

payment. A canceled check is acceptable as evidence in lieu of an invoice. If no receipt or invoice is available, a signed, dated, written explanation of the expenditures, approved by the directors, shall be recorded on or attached to the check requisition/purchase order.

- C. Evidence supporting all disbursements must be kept on file. The check requisition/purchase order, detailed invoice, receiving report and any other documentation must be attached to the check voucher. The check number, amount, and date of payment must be shown on each check voucher.
- D. Initials or rubber stamp signatures are not permitted on invoices to certify receipt of materials or services in good order and may not be used on check requisition/purchase orders, check vouchers, or checks.
- E. All checks must be signed with two signatures as prescribed by the directors, and at least one signer must be an administrator.
- F. If, for any reason, a check must be voided, "VOID" must be written across the face of the check. After reconciliation of the bank statement with the ledger, voided checks shall be kept for audit purposes.
- G. Checks that have erasures or alterations of any type on them must not be used. Such checks must be voided.
- H. Blank checks must not be signed or co-signed by either party in advance of requirement.
- I. Checks must not be made payable to CASH for any reason.

3.5 Refunds

- A. On occasion, refunds may be permitted to students and parents for collections previously made with approval by the directors. Such items as locks or lockers, field trips, class or club activity cancellations, etc., could cause refunds to students or parents previously having made remittance for this particular purpose.
- B. Monies collected and transmitted to the directors must be documented on a Report of Monies Collected, or other collection forms. Therefore, the directors have on file historical information that will verify any claim of payment for which a refund is requested. No refund can be made unless such claim is valid and a copy of the collection form or receipt is attached to the request. When the directors are notified that a refund is in order and has attested to the validity of the claim, the directors will issue a check or a petty cash reimbursement in the normal manner.

3.6 Compensation from Internal Funds

- A. Athletic events and/or social functions often require the presence of game officials, police officers, ticket sellers and takers, clock operators, disc jockeys, master of ceremonies,

bands, etc. Compensation to individuals who are not Gulf Coast Academy Board employees who perform a service for a Gulf Coast Academy must be paid in the following manner:

1. Ticket takers and sellers, scorekeepers, clock operators, disc jockeys, master of ceremonies, etc.: Payments for these services must be made in the form of a check upon receipt of an invoice covering these services.
- B. Gulf Coast Academy Board employees performing any of these functions who are compensated from internal funds must be paid through the Payroll Database. These payments are subject to federal taxes, retirement and withholding. Payment will be processed as soon as the information is received in the Payroll Database.

3.7 Transfers Between Funds and Projects

- A. Operating transfers are made to move funds from one account to another. The transfer is a receipt of the fund to which the money is transferred and an expenditure of the fund from which the money is transferred. It is not, however, considered a receipt or expenditure of the total activity fund of the Gulf Coast Academy.
- B. Equity transfers are made from one account to another with the directors's approval provided the accounts from which they are transferred are:
1. If no longer operative, the balance is moved to an appropriate active account.
 2. The account is an enterprise account (such as Gulf Coast Academy store and vending machine) and the profits are transferred to the general account or a designated account.
 3. At the request of the organization to whose account the fund was originally credited.
 4. From a general account to any other Gulf Coast Academy account where the funds are needed to complete a project which will benefit the major part of the student body or to cover negative balances at year-end.
- C. Transfers are made using a journal entry. Such transfers must be numbered, dated, and filed with documentation bearing the signatures of the directors or designee and the sponsor of the club/department from which the monies are transferred.

3.8 Travel Reimbursement (Faculty Members and Students)

- A. Faculty members traveling on official Gulf Coast Academy business shall complete a Leave of Absence Form (SO-Per-025). It must be submitted to the directors for authorization in advance of travel when involving student activities or when expenses are to be reimbursed or paid from internal funds.

- B. Upon return from travel, the Voucher for Reimbursement of Traveling Expenses (SO-Fin-008) must be completed by the traveler. A copy of the event program, where appropriate, and receipts for lodging, registration, tolls, parking, taxi, communication, and common carrier, to the extent reimbursed or paid from internal funds, shall be attached.
- C. The equivalent of any meals included in registration fees shall be deducted in computing travel costs.
- D. When out-of-county travel by students is necessary in the pursuance of an approved student activity, advance travel arrangements shall be made for services as appropriate, including transportation, meals, registration, or entrance fees, and lodging.
- E. Checks may be prepared in advance for the exact amounts of air travel, hotel, and registration fees and made payable to the businesses or proprietors providing services. When vendors cannot be determined or exact costs cannot be fixed in advance, the necessary funds may be issued by check for student expenses only to the faculty sponsor and recorded as a travel advance.
- F. The faculty sponsor accompanying the students shall be the custodian of the checks and is responsible for obtaining an invoice for the exact amount of the service from the vendor businesses or proprietors upon presentation of the payment. Any excess shall be returned to the directors for proper receipting and recording, with descriptive cross-referencing to the original disbursement documents.
- G. In situations where allowances are to be distributed to students, each student shall sign for the specific amount of money, certifying that he/she received the meal or lodging allowance.

3.9 Travel Meal Funds Distribution

- A. When students travel in the course of Gulf Coast Academy business related to a team or club, meals, as well as other travel expenses, may be paid from the Gulf Coast Academy's internal accounts.
- B. The Gulf Coast Academy directors may authorize the directors to prepare a check to the team/club sponsor in an amount sufficient to cover the estimated cost of the students' travel meals. A properly completed and signed purchase order made out to the sponsor must document the directors's prior authorization.
- C. The log of student expenditures must be filled in as funds are disbursed to the students during the travel period. The log must be turned in by the sponsor to the Gulf Coast Academy directors within three (3) working days of the completion of the travel. Any differences between the amount distributed to the sponsor and the total amounts distributed to the students as documented on the log must be accounted for. Any reimbursement due to the sponsor must be made by internal accounts check. The

purchase order completed prior to the travel may be used to demonstrate prior authorization. Any refund due to the Gulf Coast Academy from the sponsor must be properly receipted and referenced to the purchase order. The completed log must be filed with the purchase order.

3.10 Property Records

- A. Equipment costing \$750 or more must be placed on the Gulf Coast Academy property records inventory. State law also requires that this property be inventoried annually.
- B. Equipment donated to the Gulf Coast Academy in excess of \$750.00 must be reported to Property Control on a Report of Acquisition, Transfer, or Disposition of Property Form (see Appendix) in order that the item might be tagged and placed on the property records inventory.

3.12 Small Dollar Grants

- A. Gulf Coast Academy procedures require all grant monies to be accounted for within the Internal Fund system.
- B. When the award check is received, the check will be deposited to the appropriate project in the internal account of the Gulf Coast Academy. Normal internal accounts purchasing procedures will be followed to spend grant funds. These procedures, as well as compliance with the grant terms, will be subject to audit during the normal internal accounts audit of the Gulf Coast Academy.

Chapter 4 - Fundraising

Section I - Policies

State Board of Education Guidelines (Financial and Program Cost Accounting and Reporting for Florida Gulf Coast Academys “Red Book” – Chapter Seven); Gulf Coast Academy Board Policy Handbook and Internal Accounts Policies.

4.0 Overview (Chapter Seven, Section III, 4.4)

- A. Each fundraising activity shall be planned to finance a specified objective.
- B. Each fundraising activity shall have the approval of the organization sponsor and the directors.
- C. The directors shall control the fundraising activities conducted in the name of the Gulf Coast Academy, and assure that the purposes are worthwhile.
- D. Under certain circumstances, Gulf Coast Academy as a non-profit organization exempted under IRS Section 501(c) may hold raffles.
- E. Fundraising activities for which students are charged an admission shall not be presented during Gulf Coast Academy hours.
- F. When any Gulf Coast Academy organization or group is involved in a fundraising activity or any function exposing the Gulf Coast Academy Board to extraordinary liability, approval must be obtained in advance from the GCA Board.
- G. Collections for all Gulf Coast Academy-sponsored fundraising activities must be deposited in the internal fund, and all transactions in connection with the activity conducted in accordance with Gulf Coast Academy Board rules.

4.1 Fundraising Guidelines for Gulf Coast Academy

- A. An organizational meeting should be held with all parties involved to review goals, dates and materials to insure that the fundraising program is consistent with established policy.
 - 1. An explanatory letter, detailing the need for the project and the sale guidelines, should be attached to the order form.
 - 2. A place for the parent signature will be included in the letter to insure that they have read and understand the guidelines and agree to adhere to the statement prohibiting student participation.
 - 3. Companies should furnish to the parents a computerized accounting of orders, detailing how much is owed from each customer, including applicable state sales tax.

4. A second explanatory letter should be included with the accounting sheet, detailing the procedure of how and when the orders are to be paid for and received.
- B. Presentation of the fundraising program should be directed only to adults (parents, guardians, etc.) and not involve students during instructional times of the day.
 - C. A well-organized product distribution for parents, guardians, etc., should be held after school. They should bring in their computer sheets, pay for and receive their orders, and any incentives.
 - D. Incentives for participating in the fundraising project are to be determined by the Gulf Coast Academy directors and the Gulf Coast Academy fundraising chairman/sponsor.
 - E. Florida Department of Revenue Statute 12A-1.001, Article 15(d) specifies that tangible personal property sold through the Gulf Coast Academy for fundraising purposes is taxable based on the delivered cost to the Gulf Coast Academy. The Florida State Parent Teacher Association (PTA) recommends that the company be a registered sales tax vendor in the State of Florida, who will agree to collect and pay sales tax to the Department of Revenue.
 - F. These guidelines for fundraisers involving the sale of merchandise are intended to insure the following:
 1. The safety of the students is insured by limiting their participation in the process to taking home the fundraiser information.
 2. These guidelines include no encroachment on the instructional day.

4.2 Internal Accounts General Policies

- A. All fundraising projects and activities by the Gulf Coast Academy or groups within the Gulf Coast Academy shall contribute to the educational experiences of students and shall not be in conflict with the overall instructional program.
- B. A parent-teacher association or other organization connected with the Gulf Coast Academy may sponsor fundraising activities provided that Gulf Coast Academy work and time are not affected. Such activities shall be conducted in accordance with the policies of the GCA Board and with the approval of the directors.

Section II - Accounting Controls and Procedures

All fundraising activities must be approved in writing by the directors or designee. Planning for fundraising activities should include procedures to insure all funds and products are accurately documented and properly safeguarded.

4.0 Fundraising Procedures

- A. Prior to the start of fundraising activities and the procurement of merchandise for sale, the directors or designee must approve the activity.
- B. All products purchased for resale must be accounted for at retail value. Make a full count of all items received BEFORE the sale starts. An example follows:

Estimated Costs:

Received for resale	100 boxes of candy
Purchase price	\$0.50 per box
Total costs	\$50.00 (100 x \$0.50)

Estimated Revenues:

Received for Resale	100 boxes of candy
Selling price	\$1.00 per box
Expected income	\$100.00 (100 x \$1.00)
Gross profit	\$50.00 (\$100 - \$50)

- C. A fundraising report recap must be filed with the director's office at the close of each fundraising activity. Any material variances or explanations must be properly documented and attached to the form.
- D. Any reduction in the price of the product or service must be documented in writing at the time of the reduction and must be approved by the directors or designee. All items used as prizes or gifts must be documented at the time a fundraising activity is contracted.
- E. Florida sales tax must be paid to the vendor at the time any fundraising supplies are purchased.
- F. Other types of fundraising require pledges from individuals, such as walk-a-thons, dance-a-thons, etc. In these cases, all pledge sheets must be retained for audit. Each pledge sheet total must agree with the amount of monies deposited for each student, unless verified by the student and sponsor as uncollectable.
- G. Special events such as barbecues, dances, etc., represent yet another form of fundraising activity. These may require the use of tickets, with the following guidelines:
 - 1. If the Gulf Coast Academy prints tickets, an inventory of all tickets printed must be maintained.
 - 2. All tickets must be controlled by the directors.

INTERNAL ACCOUNTS PROCEDURES MANUAL

4-4

3. All unsold tickets must be maintained for audit.
- H. The sponsors and students may be required to reimburse the Gulf Coast Academy for funds, items or services for which there is no acceptable documentation for sales, spoilage, theft, or uncollectable bills for services.

Chapter 5 - Reports

Section I - Policies

State Board of Education Guidelines (Financial and Program Cost Accounting and Reporting for Florida Gulf Coast Academics “Red Book” – Chapter Seven); Gulf Coast Academy Board Policy Handbook and Internal Accounts Policies.

5.0 Overview (Chapter Seven, Section II, 7 through 10)

- A. Internal funds shall be accounted for on the same fiscal year basis and accounting basis as all other Gulf Coast Academy District funds. No Gulf Coast Academy organization shall make expenditures that exceed the cash resources available to that organization. All accounts payable shall be disclosed to the Gulf Coast Academy Board at year-end.
- B. Bank statements shall be reconciled as soon as received, preferably by a person other than the person who receipts and disburses funds. It is acknowledged, however, that this is generally not practicable. Therefore, bank reconciliations are reviewed monthly by the GCA Board.
- C. Monthly financial statements shall be made in an approved written form to provide the Gulf Coast Academy Board with financial information necessary for decision-making. An annual report prepared by the directors will provide data for inclusion of internal funds in the Hernando County School District’s annual financial statements.
- D. Accounts shall be subject to limits, which the Gulf Coast Academy Board may prescribe.

5.1 Reports (Chapter Seven, Section III, 4.1)

- A. The director’s financial report and any other interim reports shall be prepared and submitted monthly to the GCA Board.
- B. At the close of the Gulf Coast Academy year, the annual report shall be prepared as Hernando County School District procedures provide, and shall be attested to by the directors and the preparer by their signatures as to its accuracy on reflecting the year’s activity and year-end balances to be included in the Hernando County School District’s Annual Financial Report.

5.2 Inactive Account Balances (Chapter Seven, Section III, 2.3 (f))

- A. Any remaining balances in the account of a graduated class after graduation of that class, and after the class has had an opportunity to determine the disposition of the balance, should be considered as belonging to the general fund following a reasonable time after the date of graduation. The same procedure should apply to the fund balance of any club account three months after the close of the Gulf Coast Academy year during which said club account becomes inactive.

5.3 Internal Accounts General Policies

- A. In keeping with sound business practices and good accounting procedures, it is understood that no account is allowed to have a deficit balance at Gulf Coast Academy year-end.

Section II - Accounting Controls and Procedures

Financial reports are those reports designed to provide financial information necessary for the correct administration of internal funds and compliance with state and federal regulations. These reports provide necessary information to enable control of internal fund activity.

5.0 Bank Statement Reconciliation Report

- A. The importance of reconciling the bank balance cannot be over-emphasized. It must be done monthly, and the procedure is as follows:
1. When the bank statement has been received (usually several days after the end of the month), canceled checks should be arranged in a numerical sequence (if applicable).
 2. Each check that has been paid and returned with the bank statement should be checked off.
 3. If there are deposits in transit (deposits entered in the record book during the same period but not shown on the bank statement) they should be included in the next months' reconciliation.
 4. Outstanding checks (checks that were issued during the period covered by the statement, but which have not cleared the bank) should be included in the next months' reconciliation.
 5. The available bank balance should be equal to the balance per ledger and should be the same as that shown on the Balance Sheet. If the amounts do not agree, a mistake has been made either in the ledgers or in the reconciliation procedure and must be traced to the source immediately. Corrections must be made for any mistakes discovered. Sometimes it is necessary to verify each canceled check and each deposit against the bank statement and/or ledgers to find the error. If an error is found on the bank statement, the bank must be notified immediately so a correction may be made.
 6. If the bank requires any type service charge on internal funds or if there is a charge for check printing, deposit slips, etc., the amount of the charge must be posted to the ledgers through a negative deposit before starting the bank reconciliation.
 7. Occasionally, debits and credits will be made to a Gulf Coast Academy account through error. The bank must be notified immediately. The bank will issue a credit or debit advice correction to the Gulf Coast Academy account, off-setting the erroneous charge. Neither the charge nor the credit need to be posted to the ledgers; however, the error needs to be shown on the bank reconciliation as a reconciling item until the bank issues a debit or credit to the Gulf Coast Academy account to correct the error.
 8. Checks returned by the bank, primarily due to insufficient funds or closed accounts, are accounts receivable to the Gulf Coast Academy's internal funds. Returned checks can be carried as unrecorded reconciling items for thirty days. If the checks have not cleared within thirty days they must then be recorded to the appropriate accounts receivable account for the project.

5.1 Monthly Financial Reports

- A. The Monthly Financial Reports (see examples in Appendix), including the completed and signed Monthly Financial Report Checklist (see Appendix) must be submitted to the Finance Department. The report, along with a copy of the bank reconciliation report and bank statement, is due by the 25th of the month for the preceding month or the first business day following the 25th if it falls on a weekend.

5.2 Year-End Requirements

- A. The close-of-business for the last month of the fiscal year is the appropriate time for an analysis of all projects, to determine required transfers of monies that conform to Gulf Coast Academy Board policy, keeping in mind that:
1. No project shall show a deficit balance at year-end.
 2. Change Fund accounts must be closed out at the end of each Gulf Coast Academy year.

5.3 Year-End Reports

- A. The necessary forms will be provided to Gulf Coast Academy for completion of year-end reports except as noted elsewhere in this manual.

Chapter 6 - PTAs and Booster Clubs

Section I - Policies

State Board of Education Guidelines (Financial and Program Cost Accounting and Reporting for Florida Gulf Coast Academys “Red Book” – Chapter Seven); Gulf Coast Academy Board Policy Handbook and Internal Accounts Policies.

6.0 Cooperative Activities - PTAs and Booster Clubs (Chapter Seven, Section III, 4.3)

- A. A cooperative activity is one in which the Gulf Coast Academy participates with outside groups such as the Parent Teacher Association (PTA) or booster clubs through planning, staging, or conducting Gulf Coast Academy-related activities. Such activities may be held on or off the Gulf Coast Academy grounds and will usually take the form of fundraising events such as carnivals, paid entertainment, or food sales.
- B. Such activities must be approved by the directors and beneficial to the students. GCA Board procedures shall be followed to provide appropriate accounting for funds and to insure compliance with policies contained herein. If a share of the proceeds is to be disbursed to the cooperating group, a prior written agreement must be executed.

Section II - Accounting Control and Procedures

6.0 PTAs and Booster Clubs

- A. Cooperative activities with booster organizations or PTAs are encouraged and appreciated, and may be established with the knowledge and consent of the directors, to support or complement individual Gulf Coast Academy programs and activities. The directors charged with responsibility for the program or activity for which the booster club or PTA is formed to assist, or director's designee, shall be an active member of all such organizations.
- B. Gulf Coast Academy directors may enter into written agreements with PTAs, booster clubs, and other patron organizations in connection with student activity events, to participate through providing materials or services for sale. These may include sale of souvenirs, production and sale of football or other event programs, operation of concession stands and others. The distribution of profits shall be specified in the agreement; otherwise, the total proceeds shall belong to the Gulf Coast Academy and shall be deposited in the Gulf Coast Academy's internal funds. All such agreements shall be retained for audit purposes. Subsidiaries of the national PTA may submit a Plan of Work to satisfy this requirement.
- C. All fundraising activities and projects of Gulf Coast Academy-related or patron and booster organizations must have prior knowledge and written approval of the directors or designee.
- D. Gulf Coast Academy-related patron and booster organizations are permitted to hold their own fundraising activities and to account for their collections and disbursements through their own bank accounts provided the following procedures must be followed:
 - 1. Each authorized organization is required to submit to the directors a PTA/Booster Organization Financial Report listing projects, receipts, disbursements, accounts payable, and other data no less than semiannually, and preferably monthly. Subsidiaries of the national PTA will submit two financial statements showing business conducted during the year.
 - 2. The PTA/booster organization's accounts shall be audited annually by a certified public accountant (CPA), certified internal auditor (CIA), or an auditing committee of not less than three members. The executive board and the directors shall appoint the auditing committee. The CPA, CIA, or the auditing committee shall submit a signed, written report to the Gulf Coast Academy. Subsidiaries of the national PTA will submit a report of the financial review that is done, according to PTA bylaws, annually.
 - 3. The directors will maintain a file on each organization containing the financial statements and audit reports, and maintain a listing of operating organizations that have not filed reports for review by the Finance Department.

- E. All patron or booster groups formed for support and promotion of any or all programs and activities of the Gulf Coast Academy shall adhere to PTA, Southern Association of Colleges and Gulf Coast Academics, and Florida High Gulf Coast Academy Activities Association rules regarding non-interference with Gulf Coast Academy administration or Gulf Coast Academy programs.

- F. A patron organization or individual shall not use a Gulf Coast Academy Board Tax Identification Number (Federal T.I.N.) or the Gulf Coast Academy Board's Florida Sales Tax Exemption Number or any other number assigned to the Gulf Coast Academy District, in accordance with state and federal law.

Chapter 7 - Miscellaneous

Section I - Policies

State Board of Education Guidelines (Financial and Program Cost Accounting and Reporting for Florida Gulf Coast Academy “Red Book” – Chapter Seven); Gulf Coast Academy Board Policy Handbook and Internal Accounts Policies.

7.0 Retention of Records (Chapter Seven, Section III, 4.5)

- A. Chapters 119 and 267, Florida Statutes, provide that no public official may mutilate, destroy, sell, loan, or otherwise dispose of any public record without the consent of the Bureau of Records and Information Management of the Department of State. Provided applicable audits have been released, records may be disposed of in accordance with procedures established by Department of Records and Forms Management. Examples of such records of internal funds could include check requisitions and documentation, canceled checks, recap of collections, journals, ledgers, financial reports, purchase orders, payroll records, and serialized forms.
- B. Procedures for destruction of records shall be in accordance with Chapters 119 and 267, Florida Statutes.

7.1 Sale of Food and Beverages (Chapter Seven, Section III, 4.6)

- A. The sale of food or beverages to students by direct sale or through vending machines shall be in accordance with State Board of Administration Rule 6A-7.042, Florida Administrative Code.

7.2 Purchases Subject to Sales Tax (Department of Revenue - Sales & Use Tax Rules - 12A-1.001(15))

- A. The sale of Gulf Coast Academy books, including printed textbooks and workbooks containing printed instructional material, and questions and answers for Gulf Coast Academy purposes used in regularly prescribed courses of study in public Gulf Coast Academy are exempt.
- B. Yearbooks, planners, magazines, directories, bulletins, papers, and similar publications distributed by educational institutions to the students are classified as Gulf Coast Academy books and are treated in the same manner as other Gulf Coast Academy books.
- C. Sale of Gulf Coast Academy materials and supplies are taxable regardless of by whom sold; however, for the sake of convenience, Gulf Coast Academy and their respective PTAs have been granted the privilege of paying tax to their suppliers on Gulf Coast Academy materials and supplies that they purchase for resale to students, and the tax is passed on to the student as part of the selling price.

INTERNAL ACCOUNTS PROCEDURES MANUAL

7-2

- D. On the sale of food and drinks through vending machines, the Gulf Coast Academy must pay sales tax to the supplier on the cost of the food or drinks delivered to the Gulf Coast Academy.
- E. The sale of photographs by photographers for use in students' yearbooks is taxable if the student makes the purchase and payment. They are exempt only if payment is made from Gulf Coast Academy funds.
- F. Band uniforms, athletic uniforms and equipment, caps and gowns and other items of clothing bought and paid for by a Gulf Coast Academy with ownership and title remaining in the Gulf Coast Academy are exempt. If the student keeps any of these items, then the purchase is subject to sales tax.
- G. Tangible personal property sold outright or rented through the Gulf Coast Academy to students is taxable based on delivered cost to the Gulf Coast Academy on the amount charged to the student upon sale or rental. Student photographs, candies, confections, and novelties sold to students or the public for fundraising purposes come within this rule.
- H. Admissions to athletic or other events held are exempted only when student or faculty talent is utilized.
- I. If meals for members of Gulf Coast Academy organizations are paid for out of Gulf Coast Academy funds, the person paying for them may give a certificate to the person collecting for them, stating that the meals are purchased from the Gulf Coast Academy funds for Gulf Coast Academy purposes. This will relieve the seller of the responsibility of collecting sales tax on the meals. The certificate referred to above can best be in the form of a copy of the Gulf Coast Academy purchase order form.

Section II - Accounting Control and Procedures

7.0 Retention of Records

- A. Requests for authority to destroy records must be submitted to the Hernando County School District Record Retention Office and shall describe the specific records and fiscal years covered by the request, as well as the dates the audits were completed. No records pertaining to internal accounts may be destroyed or otherwise disposed of without prior written authorization by the GCA Board. It is strongly recommended that internal accounts records be properly boxed and stored on an annual basis.

7.1 Sale of Food and Beverages

- A. Vending machines – Directors are authorized to approve the sale of food and drinks to students and faculty through vending machines. Exclusive sale agreements entered into by Gulf Coast Academy must be honored by Internal Accounts.
- B. As a benefit to employees, directors are authorized to approve the sale of food and beverages to employees. Monies collected from these sales shall be deposited in the Gulf Coast Academy's internal accounts. Profits from these sales may be expended for the benefit of employees or students.

7.2 Purchases Subject to Sales Tax

- A. The general rule for the payment of sales tax is that all expenditures from internal accounts are exempt from sales tax when made for customary instructional activities and which do not represent expenditures for items for resale to individuals, including the general public.
- B. Individuals and sponsors requesting reimbursement for purchases paid by them, which includes sales tax, should not be reimbursed the sales tax, if such purchase would have been exempt from sales tax if paid by the Gulf Coast Academy. When individuals and sponsors pay for purchases, they must provide the vendor with the Gulf Coast Academy sales tax exemption number.
- C. The same sales tax exemption number is used for the Gulf Coast Academy Board and Gulf Coast Academy and departments. Each authorized purchasing agent should have a copy of the Gulf Coast Academy Board's exemption certificate. Should another copy be needed, contact the directors.

7.3 Fee Supported Programs

- A. The Gulf Coast Academy Board shall permit fee supported programs and camps of special interest to be offered at various Gulf Coast Academy locations upon the review and approval of the Gulf Coast Academy directors and the GCA Board.

B. Procedures for these programs are as follows:

1. Program Applications and Budgeting: Gulf Coast Academy directors interested in having a Fee Supported Program should obtain approval from the GCA Board.
2. Fee Collection: Once the Fee Supported Program is approved, the instructor will collect fees from participants. The instructor will follow normal internal accounts policies and procedures, including the completion of a Reports of Monies Collected, and will turn in all collections to the directors on a daily basis. All fees must be paid prior to the start of the program.
3. Refunds: If a sufficient number of participants in order to cover the cost of the program are not enrolled, the Fee Supported Program should not take place. Refunds, using normal internal accounts policies and procedures, will be issued to participants who had paid the fee. No refunds will be issued to participants who withdraw unless the request is made in writing and approved by the Gulf Coast Academy directors.
4. Returned Checks: If checks from Fee Supported Program participants are returned from the bank for insufficient funds, the Gulf Coast Academy directors will follow normal internal accounts policies and procedures to attempt collection. The entire fee and the service fee for the returned check must be paid before the participant will be allowed to return to the Fee Supported Program.
5. Purchases: Instructors will follow normal internal accounts policies and procedures regarding purchases for the Fee Supported Programs. Purchase orders should be completed and approved by the Gulf Coast Academy directors prior to the actual purchase of items.
6. Payroll: Time for all participating employees will be reported on a Gulf Coast Academy time sheet, and the total time will be transferred to the payroll database under the employee's appropriate number for the Fee Supported Program.