

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER**



**DISTRICT OF COLUMBIA PUBLIC SCHOOLS
STANDARD OPERATING PROCEDURE MANUAL
STUDENT ACTIVITY FUND (SAF)**

Purpose

The purpose of this Manual is to document the procedures for use and administration of Student Activity Fund (SAF) accounts within the District of Columbia Public School system. The policies and procedures set forth in this Manual with an effective date of September 6, 2016 supersede any previous versions of this Manual.

Policy

Recognizing the responsibility placed upon the School Principal in the management of Student Activity Fund (sometimes referred to as Non-Appropriated General Fund), the Chancellor has directed the Office of the Chief Financial Officer (OCFO) to establish policies for administering the Student Activity Funds (SAFs) within the District of Columbia Public Schools (DCPS).

Any entity, be it a government agency, a for-profit business or a non-profit organization, exists to achieve its' mission and purpose. It is the role of the Principal to provide the leadership needed for the schools to realize their purpose. The Principal is not free simply to act in any way to achieve the SAF goals. Rather, the Principals' options and actions are circumscribed by constraints and expectations. Principals, Business Managers, Activity Sponsors, and Central Office Personnel responsible for the monitoring of SAFs must be familiar with the provisions of this manual. Principals and/or their designees may be held personally and financially responsible for misuse of the SAF.

SAF accounts are not required by any DCPS policy or regulation. Rather, they are provided as a means to finance and manage the extra-curricular activities that enhance the students' overall educational experience. Use of the SAF for reasons other than those expressly stated herein is strictly prohibited. All SAFs in DCPS must be maintained in the manner prescribed in this Manual. **FAILURE TO DO SO, MAY RESULT IN DISCIPLINARY ACTION UP TO AND INCLUDING TERMINATION.**

1) Purpose of the Student Activity Fund (SAF)

- a) **To finance the recognized extra-curricular activities of the student body, as authorized by the Principal**, for which there is no allocation of funding from the annual appropriated budget.
- b) The SAF must not to be used to support or supplement the appropriated budget for normal school operations. All collections for and disbursements from the SAF account must be in accordance with supporting the recognized extra-curricular activities, as listed in this Manual, of the school.

2) General Principles Governing the Use of the Student Activity Fund (SAF)

- a) The SAF of the school belongs to the student body which is comprised of the pupils currently in that school.
- b) Staff owned funds may be included in the SAF but they must be clearly segregated from student owned funds.
- c) School staff and organizations must not use such devices as gambling, including raffles, lotteries, pinball machines, pool, bingo and other games of chance, as a means of raising funds.
- d) Funds derived from the student body as a whole must be used to benefit the student body as a whole. This includes school wide fundraising activities and ticket sales from school sponsored activities.
- e) The management of SAFs must be in accordance with sound business practices, sound accounting procedures and adequate internal controls.
- f) PTA funds must be handled by that association and must not be mixed with the funds of the school. The SAF must never be co-mingled with PTA funds or any other auxiliary group funds.
- g) Private grant funds cannot be deposited in the SAF. All private grants must be set up in the financial system of record, SOAR, and processed under existing policies & procedures for private grant administration.
- h) Unsolicited donations greater than \$500 cannot be deposited in the SAF. All solicited donations must be set up in the financial system of record, SOAR, and processed under the existing city-wide process for solicitation and acceptance of private donations. Unsolicited or "Drop Off" donations less than \$500 may be deposited into the SAF account and credited to Unsolicited Donations (Blue Bear Account 9000). See Appendix for complete Donations Handbook.
- i) All school staff involved in the administration of the SAF must complete training before gaining access to the SAF. It is the responsibility of the Principal to ensure that all staff, including business managers, school bankers and authorized signatories, complete training provided by the Office of the Chief Financial Officer.

3) Responsibilities for the Management of Student Activity Fund

- a) The principal has the ultimate responsibility for all SAF funds received and disbursed within the school.
- b) Neither a school nor school activity fund shall be held responsible for an expenditure made by a pupil, teacher, or any other school staff member who has not received prior written authorization from the principal.
- c) Principals must not use the SAF account as a supplement to the schools' operating budget. The SAF account is provided to make small dollar purchases in support of the students' extra-curricular activities i.e. payment to a bus company for field trips; refreshments for an honor roll assembly, etc. **Classroom supplies, professional development, repair of leased equipment, office supplies, materials for CTE programs and all other expenditures associated with normal school operations must not be paid from the SAF.** Principals are encouraged to work with the Budget Office to identify all funding sources available in the operating budget to finance school operations.

- d) Principals are required to seek prior approval from the Chief of Schools before making a commitment for purchases in excess of \$10,000.00.
- e) The Principal must investigate the causes of large negative balances in the SAF accounts and take corrective action to eliminate these negative balances. All large dollar negative balances must be resolved on a monthly basis.

4) Control of Student Activity Funds

Principles of Internal Control: The Principal is primarily responsible for the effectiveness of the internal controls for the SAF. The SAF is accounted for, by DCPS, as a trust fund, and it operates in a similar manner. The SAF makes the same presumptions as a trust fund: the beneficiaries (i) do not have financial or legal capacity to carry out the operations of the SAF, and (ii) do not have training and ability to preserve the SAFs assets and resources for the current and future use and needs of the students. These presumptions place the Principal, SAF Business Manager, and School Banker in a position similar to the trustees of a trust fund, in this case the SAF. A complete accounting of all funds received and disbursed through the SAF is required. The purpose of this accounting is to document that the funds have been properly expended and the assets and resources have been preserved.

Basic principles of good management and internal controls assure the following:

- a) **Authorization.** All transactions must be properly authorized by the Principal in accordance with SAF policies. No school personnel are permitted to make obligations for the SAF of the school without the prior, written approval of the Principal.
- b) **Properly designed records.** All deposits and payments must be supported by sequential pre-numbered receipts and checks respectively. Blue Bear software is the Book of Record (ledger) for the SAF. This software must be used by all schools. The SAF ledger must be maintained on an “as you go basis” meaning all transactions must be recorded in Blue Bear as they occur. Failure to record all transactions in Blue Bear may be construed as misuse or fraud and prompt revocation of the SAF. All checks must be printed from the Blue Bear software to ensure timely and accurate recording on the ledger. **Manual or hand-written checks are strictly prohibited.**
- c) **Security of assets and records.** The only individuals to have access to assets or records are those that are required based on the specific needs of their job. All cash, checks, receipt books, bank statements and other SAF records must be protected against the danger of loss or theft. A functional safe or locked file cabinet must be used to safeguard the assets and records of the SAF.
- d) **Segregation of Incompatible Duties.** An “incompatible” duty is one that would put a single individual in the position of being able to commit an irregularity and then to conceal it. For all transactions, (2) or more persons must be involved in each transaction. This enhances the integrity of the accounting process and encourages accuracy. To achieve this separation of duties, the Principal shall designate one staff person to act as the SAF Business Manager, one staff person to act as the School Banker and two staff members to act as authorized signatories.
 - School Banker: This person is responsible for collecting all cash and checks from faculty, students and parents; issuing pre-numbered receipts; maintaining the SAF source documentation (i.e. completed SAF-22 Deposit Forms and SAF Deposit Total Forms with supporting documentation); and making deposits at the bank. All SAF source documentation must be maintained in one central location in an organized fashion so that the documentation is readily available for review by internal or external auditors.
 - SAF Business Manager: This person is responsible for entering the deposit information into the Blue Bear software, preparing checks for signature, maintaining the SAF source documentation (i.e. completed SAF-22 & SAF-23 Forms, invoices, receipts, etc.) and completing the monthly reporting package. The SAF Business Manager is also responsible for ensuring the accuracy and completeness of all SAF source documentation and resolving any outstanding issues related to the SAF.
 - The SAF Business Manager and School Banker cannot be the same person.

- Authorized Signatories: In addition to the Principal, two staff members will be designated as authorized signatories.
- e) **Two signatures are required on all checks.** Schools must have at least three persons as signatories for the bank account. Any person who acts as a signatory on the SAF will be held responsible for fraud or misuse of the account. At the discretion of the Principal, signatories may be designated or removed from the account. Authorized personnel shall sign all checks by hand. The use of a signature stamp is strictly prohibited. The SAF Business Manager and the School Banker cannot act as signatories on the account and cannot be listed on the signature form. All changes to the authorized bank signatories must be processed through the Office of the Chief Financial Officer.
 - f) **Pre-numbered receipts must be issued whenever cash is received for deposit in the SAF.** All schools must use either a pre-numbered receipt book with at least three (3) parts or use the 'Print Receipts' function within Blue Bear software. These receipts must accompany the SAF-22 Deposit Form. All checks received for deposit must be photocopied and attached to the SAF-22 Deposit Form.
 - g) **Monthly bank statements must be given to the Principal unopened.** The Principal will review the statement and the cancelled checks for any irregularities. After this review, the statement must be signed by the Principal and given to the SAF Business Manager who is responsible for preparing the monthly reporting package.
 - h) **Issuing an ATM or debit card is strictly forbidden. Cash withdrawals are strictly forbidden. All disbursements from the SAF must be made by check.**

5) Bank Accounts

Checking Accounts

- a) All Student Activity Fund (SAF) bank accounts are held at Wells Fargo Bank. One checking account is permitted per school for use as the SAF bank account. Every SAF bank account is under the control of and subject to oversight and monitoring by the Office of the Chief Financial Officer. Failure to comply with the policies and procedures established by the Office of the Chief Financial Officer will result in revocation of the SAF.
- b) All bank accounts must be in the name of the school, and not in the name of a school employee, school club, booster group or any individual. Any bank accounts for PTAs, Home School Associations, school employees, or booster groups must be set up using that organizations' name and tax identification number. These groups are strictly forbidden from the using the District of Columbia Governments tax identification number and the name of the school on the account.
- c) Bank statements are delivered directly to the individual schools on a monthly basis. Only **one** checking account shall be maintained for all SAF transactions for each school.
- d) When a school has a change in personnel, signature cards at Wells Fargo must be updated. Signature forms are available from the OCFO. Contact the OCFO for new signature forms any time there is a need to change the authorized signatories.
- e) All schools must use voucher style, laser checks which are compatible with the Blue Bear software.
- f) All check stock must contain: (1) District of Columbia Public Schools in line 1 of the account name; (2) the name of the school on line 2 of the account name; (3) at least two signature lines; and (4) must contain the phrase, "Not Valid After 180 Days" on the face of the check.
- g) **Individual schools CAN NOT set up bank accounts. This can only be done through the Office of the Chief Financial Officer.**

Savings Accounts, Certificates of Deposits and Money Market Accounts

- a) Schools are permitted to have a savings account, certificate of deposit, or money market account. Historically, these types of accounts have been established to fund scholarships for post- secondary education.
- b) Individual schools cannot establish these accounts independently; these accounts must be opened through the Office of the Chief Financial Officer.
- c) Any school which has one of the accounts listed above must include the account statements with the monthly report packages.
- d) Disbursements cannot be made directly from the savings, CD's or money market accounts. Any withdrawal from these accounts must be deposited in the checking account. All disbursements must be made via check disbursement from the checking account.

6) Receipt and Deposit of Funds

- a) Cash receipts must be deposited intact; this means that all cash collected must be deposited in the SAF bank account. **Disbursements must never be made from cash receipts.** All disbursements must be made by check printed from the Blue Bear software. **Failure to comply will result in immediate suspension of the SAF account.**
- b) All checks received for deposit must be immediately protected with a restrictive endorsement containing the words "For Deposit Only".
- c) All monies collected, cash or check, must be confirmed by issuing a pre-numbered receipt to each person remitting the monies. Pre-numbered receipts must be issued in numerical sequence. Each school must use: (1) the automated Receipt function in Blue Bear software or (2) pre-numbered receipt books that must be at a minimum in three parts:
 - original receipt – given to the person submitting the money
 - copy 1 – attach to SAF-22 Deposit Form
 - copy 2 - will remain in the receipt book
- d) All funds collected by teachers from students or collections by other employees must be remitted daily to the School Banker. Teachers and other faculty are not permitted to keep money collected from students in the classroom; all monies collected must be turned over to the School Banker on a daily basis. The teacher will receive a receipt for the total amount of the money deposited into the school bank.
- e) Funds that are raised via a crowdfunding or fundraising website cannot be deposited into the SAF. Examples would include but are not limited to Go Fund Me, Permission Click and Kickstarter.
- f) Personal checks must not be cashed for DCPS employees or other persons from cash receipts or other school funds.
- g) To provide proper accounting control, cash receipts must be deposited initially in the schools' checking account. Deposits in a savings account must be made by check drawn on the schools' checking account. Withdrawals from savings accounts must be deposited in the school's checking account before being used to make disbursements.
- h) Timelines for Depositing Funds

For all schools, bank deposits must be made, at a minimum, on every Wednesday and Friday of the week. Bank deposits can be made as often as is necessary to prevent accumulation of cash on the school premises.

7) Disbursement of Funds

- a) Disbursements from the SAF shall be made in a manner consistent with the principles and purposes of student body funds as stated in Section 1 and 2 of this Manual.
- b) All personnel requesting disbursements from the Student Activity Funds must prepare a SAF-23 Request for Check Disbursement Form. Section I of the form must be completed by the requestor and submitted to the Principal for review and authorization. Section II will be completed by the Principal and the SAF Business Manager. All requests require the Principals' approval prior to preparation of the check disbursement.
- c) All disbursements from the SAF account must have proper supporting documentation attached to each request. The SAF-23 Form must be completed in its' entirety by the requestor. The "purpose section" of the SAF-23 Form must be completed with details that clearly tie the purpose of the disbursement to an authorized extra-curricular activity or event of the school. Reimbursements to staff or faculty for miscellaneous out of pocket classroom expenses are prohibited. School supplies are to be purchased through the operating budget established for each school. Invoices for items that should have been purchased through the operating budget cannot be paid from the SAF. **In short, the SAF cannot be used to circumvent the standard procurement process.**
- d) All SAF-23 Disbursement Requests must be supported with the original documentation. All request forms must have supporting documentation. No check shall be issued from the SAF without the Principal's approval and supporting documentation. Any disbursement made that does not have the corresponding supporting documentation (i.e. authorized SAF-23 form, receipt, invoice, etc.) may be subject to having to be repaid to the SAF account by the Principal before the next reporting period. Disbursements which are primarily for the benefit of the school staff or other DCPS employees, such as gifts, social events, cook outs, meals, retirement functions or other staff social activities must be made entirely from available faculty funds. Disbursements related to faculty can never be charged to the General Fund or any other student owned funds.
- e) A written warning will be issued to the Principal on the first occurrence of a disbursement from the SAF that is not allowable per this Manual. A second occurrence of a disbursement from the SAF that is not allowable per this Manual may result in revocation of the SAF account for the remainder of the school year.
- f) All disbursements from the SAF must be for allowable expenditures.
- g) Payments for Personal Services from SAF:

Students

- It is permissible to pay students small sums of monies for services provided in connection with SAFs.
- All students are exempt from FICA taxes and most are exempt from state and federal income taxes.
- The principal must approve of such requests, and the student must sign beneath the principal's approval signature, to acknowledge receipt of funds.

Independent Contractors

- Persons receiving payments for personal services who are neither DCPS employees nor students shall be assumed to be independent contractors. No deduction for taxes is necessary and no reporting is required unless the aggregate payments to one person in one calendar year exceed \$600.
- If the payment(s) to one person exceed \$600 in one calendar year, a separate file must be kept with the following information: Name, current address, social security number, and total amount paid.
- This information must be provided to the Office of the Chief Financial Officer by December 31. For any questions, you may contact the Division of Finance at 442-5330 for direction.

h) Signature on Checks

- In addition to the principal, at least two employees must be authorized to sign checks.

- All checks must contain two authorized signatures.
- The principal shall designate via the SAF Designated Personnel Worksheet those school employees who are authorized to sign checks.
- The last spaces to be completed on a check must be the signature spaces. Neither the principal nor any other school employee should sign a check until both the payee and amount spaces have been completed. In short, checks must never be pre-signed at any time.
- Checks that remain outstanding for more than 180 days must be voided. A stop payment must be placed on any check that is \$100.00 or more. SAF Business Managers must actively review the list of outstanding checks to ensure compliance with this rule.

Allowable and Unallowable Expenditures from SAF: Most disbursements from the SAF may be made without approval or review by the Office of the Chief Financial Officer.

Criminal Background, Traffic Records Checks, and Mandated Reporter Training for Contractors That Provide Direct Services to Children or Youth (includes all DCPS students)

- a) All vendors providing services to DCPS (including independent contractors) shall ensure the following:
 - i. That their employees, contractors, volunteers and other personnel (Contractor Personnel) submit to all background checks required by DCPS, which may include, but is not limited to, a tuberculosis screening and a criminal background check pursuant to the Criminal Background Checks for the Protection of Children Act of 2004 (D.C. Code § 4-1501.01, et seq. (2011)) and any rules promulgated thereunder, including D.C. Mun. Regs. Subt. 6-B, § 412, et seq. (2011). Contractor shall also ensure that all Contractor Personnel who have not submitted to any DCPS-required background check are restricted from serving in positions affording such individuals unsupervised direct access to DCPS students while providing service and that such persons at all times avoid unsupervised direct contact with such students.
 - ii. That any Contractor Personnel having direct contact with students while providing services to DCPS annually take the mandated reporter training offered by the DC Child and Family Services Agency (Mandated Reporter Training), which is provided for ANY person or employee (private or public) at no cost. This training can be found using the following website: <https://dc.mandatedreporter.org/Registration/Registration.action>. Additional information regarding the Mandated Reporter Training can be found by calling (202) 442-6000 or by visiting <http://cfsa.dc.gov/>. Contractor will ensure that Contractor Personnel report suspected instances of child abuse and neglect according to the requirements of District law and the means prescribed in the Mandated Reporter Training. Contractor must also ensure that its representative responsible for managing this purchase order takes the Mandated Reporter Training annually. Copies of all Mandated Reporter Training certificates verifying Contractor Personnel have completed training must be provided to DCPS (including the school or central office program receiving services) for record keeping. Contractor must also maintain copies of such certificates for its internal records. At any time, DCPS reserves the right to request a copy of a Mandated Reporter Training completion certificate for ANY Contractor Personnel working in direct contact with DCPS students.
- b) Principals are responsible for ensuring the provisions outlined in item “a” of this section are communicated to and adhered to by vendors providing services to DCPS utilizing SAF funds. Questions regarding these provisions should be directed to the Office of Contracting and Acquisitions (OCA).

Allowable Expenditures

- a) Student awards
- b) Costs for field trips with an educational purpose and athletic events approved in accordance with Office of the Chief of Schools field trip and athletic policies (excludes transportation costs – see items c & d).

- c) Public transportation costs for approved field trips and athletic events (see item b).
- d) Private chartered bus transportation for approved field trips and athletic events (see item b). All transportation vendors must hold an active Washington Metropolitan Area Transit Commission (WMATC) Certificate of Authority and be listed as active on the WMATC Active Carrier List found at <http://www.wmatc.gov/index.php/carrier-information> (excludes the Washington Metropolitan Area Transit Commission (WMATA)).
 - i. Local Bus Travel (travel within 50 miles of the District of Columbia): Only vendors pre-approved by the DCPS Office of Contracts & Acquisitions (OCA) to provide transportation services may be utilized to provide local bus transportation to DCPS students. A list of pre-approved vendors is published by OCA and entitled "Vendors Approved to Provide Transportation Services to DCPS Students."
- e) Purchase of athletic supplies, equipment and uniforms
- f) Student newspapers and publications
- g) General assemblies and student programs (i.e. Honor Roll Assembly)
- h) Purchase of supplies, materials, membership dues for authorized schools clubs & organizations
- i) Event or contest registration fees (i.e. The Spelling Bee, Robotics Competition entry fee)
- j) Payment of student membership dues in organizations
- k) Graduation venues and supplies
- l) Promotional exercises
- m) Graduating Class activities
- n) End of the school year community gatherings (Fun Day)
- o) Purchase of merchandise for sale in school store (must be in compliance with the D.C. Healthy Schools Act)

Expenditures Requiring Prior Approval from the Chief of Schools: Any disbursement over \$10,000 or any contract, agreement, or order form with anticipated aggregate expense over \$10,000.

Expenditures Requiring Prior Approval from the Office of the Chief Financial Officer:

- a.) Building bulletin boards or other structures, including alterations and attachments thereto
- b.) Purchase or lease of equipment which is to be attached to a school building
- c.) Purchases made from any DCPS employee
- d.) Purchases made for any employee of the DCPS
- e.) Purchases made from a partnership or corporation owned by a DCPS employee
- f.) Any capital improvement projects including "green roof" projects

Unallowable Expenditures

- a) Non-educational trips of any kind
- b) Gift cards of any value (applies to students and faculty)
- c) Computers and MP3 players
- d) Testing supplies and materials
- e) Cellular phones and internet service (applies to students and faculty)
- f) Gas mileage for travel to student activities and events

- g) Food and beverages for faculty meetings and conferences (unless purchased using Faculty owned funds).
- h) Games of chance or raffles
- i) Disbursements which are primarily for the benefit of the school staff or other DCPS employees, such as gifts, socials, BBQ's, meals, retirement functions or other staff social activities (unless made from Faculty owned accounts)
- j) Payment for individual membership dues
- k) Repair or maintenance of equipment purchased with DCPS appropriated funds
- l) Payments for security equipment i.e. radios, walkie-talkies
- m) Payments to security officers or custodians for special events
- n) Replacement for items confiscated from students or lost items
- o) Merchandising accommodations, extensions of credit or loans to DCPS employees or to any person other than a pupil; however, small emergency loans for carfare, lunches, and similar items may be made to pupils at the discretion of the principal.
- p) Any disbursement which is prohibited by Federal or District of Columbia Law, or by DCPS policy or regulation
- q) Contributions to charitable organizations, unless funds have been contributed by students for that specific charity
- r) Salaries for services that are a responsibility of the school system or are for school system assignments; all compensation for DCPS employees must be processed through the Office of Payroll.
- s) Any expenditure which should be paid from the annual appropriated budget
- t) Alcoholic Beverages of any kind
- u) Travel and training expenses for DCPS employees. This includes but is not limited to hotel costs, transportation costs, conference registration fees, professional development, food and per diem.
- v) Third Party reimbursements- Staff or Faculty cannot be reimbursed for expenses that were incurred by another employee, parent, or student.

8) Accounting & Reporting

Accounting: Book of Record

- a) Accounting records for SAFs must be maintained using the Blue Bear software.
- b) Blue Bear GL Accounts: All transactions, checks and deposits, must be recorded in the appropriate GL account in Blue Bear.
- c) The Blue Bear Ledger must be current through the fiscal year to provide Principals and activity sponsors with accurate information on any given GL account. Financial reports must be prepared cumulatively in order to provide the accurate GL account balance as of a certain point in time.

Broad Categories of GL Accounts in Blue Bear

There are five (5) broad categories GL accounts in Blue Bear. These are:

- a) **General Fund Accounts** - Consists of unrestricted funds owned by the student body as a whole. Some of the sources of the general fund are:
 - Unsolicited donations of \$500 or less
 - Profits from the operation of vending machines in areas accessible to students
 - Money earned from student body fund-raising activities
 - Profits from the school store, ticket sales from athletic events and other approved school activities

- These Unrestricted General Funds will be disbursed at the discretion of the Principal.
- b) **Class, Club and Organization Accounts** - This would include accounts such as the National Honor Society, Future Business Leaders of America, Student Government, concert choir, Class of 2013 and others. The following principles shall govern the maintenance of class, club and organization accounts:
- Any balance remaining in the account of a graduating class after the class has graduated and has had an opportunity to determine the disposition of the balance, must be closed out to the General Fund at the beginning of the next school year.
 - Any balance remaining in the account of an inactive club after the club has had an opportunity to determine the disposition of the balance must be closed out to the General Fund at the beginning of the next school year.
- c) **School Activities Accounts** - This would include accounts such as school store, homecoming dances, etc.
- d) **Clearing Accounts** - These are accounts through which funds flow in and out, often in equal amounts so that the accounts come to a zero balance over a period of time, usually the school year. Funds in these accounts are generally dedicated for a specific purpose or are to be forwarded to destinations outside the school. Examples of clearing accounts include field trips (i.e. Senior class trip), camping trips, and collections for contributions to charitable organizations
- e) **Athletic Accounts** – This would include accounts such as cheerleading, football, girls’ basketball, lacrosse, etc.

9) Reporting

Monthly bank statements must be delivered unopened directly to the principal. The principal must review the statement, the cancelled checks, and other bank documents and thereafter arrange for the SAF Business Manager to submit the proper accounting forms. It is imperative that the Principal review the Bank Statement and corresponding forms for accuracy and irregularities. The required documentation must be forwarded to the Office of the Chief Financial Officer at 1200 First Street, N.E. 11th Floor, Route #3 no later than the 15th day following the close of the month. Monthly Reports of 10 pages or less may be faxed or emailed to the assigned Accountant. Reports over 10 pages must be sent via inter-office mail or hand delivered to the OCFO. All monthly reports are reviewed by personnel of the OCFO. Schools will receive notification of any errors or policy violations upon review of the reports. Failure to submit the report packages timely and accurately for 2 consecutive months will result in immediate revocation of the SAF for the remainder of the school year.

Schools with no activity during the month are still required to submit a monthly report by the 15th of the following month.

Monthly Reporting Requirements: No later than the 15th day of each month, the Principal must ensure that the following items are submitted to the OCFO:

- SAF Monthly Report Package Cover Sheet signed by the Principal
- Monthly Wells Fargo bank statement signed by the Principal
- Most recent statement available for CD, Money Market or Savings Accounts
- Completed SAF-23 Check Disbursement Forms with Supporting Documentation
- Completed SAF-22 Deposit Forms and Deposit Control Forms with Supporting Documentation
- G/L Summary Report generated from Blue Bear – this reports provides the balances of the various activity accounts

10) Protection of Funds

- a) Funds stored overnight at the school must be kept in a locked cabinet or safe.

- b) Blank checks, pre-numbered receipt books, cash equivalents and other important documents must be maintained in a locked cabinet or safe.
- c) The combination to the safe shall be limited to only those persons with a continuous need for free access to the safe.
- d) The safe combination must be changed whenever a person who has the combination leaves the school or is transferred to a position where she or he no longer has a continuous need for free access to the safe.
- e) DCPS employees and students must be instructed never to attempt to thwart a robbery in the school.
- f) In event of a theft or break-in, the following persons/agencies must be notified immediately: (a) the Metropolitan Police Department; (b) the Security Division; and (c) the Office of the Chief Financial Officer. Failure to do so may result in the suspension or termination of the SAF.

11) Residual Student Activity Funds of Closed Schools

- a) SAFs will be transferred between schools only when a school is closed. The gain or loss of a grade, or the gain or loss of students due to boundary changes, will not result in the transfer of SAFs between schools unless a school closing is also involved.
- b) The policy for allocating the funds (other than trust funds) of closed schools is based on duplicating, so far as possible, the situation which would have prevailed if the school had not closed. The funds will be allocated to the new receiving schools in proportion to the number of students to be newly assigned to each, in the school year following the closing, who would have attended the school had it remained open.
- c) Only those schools which receive students from within the boundaries of a closed school shall be entitled to any portion of the closed school’s funds. The fact that, at the time of closing, some of the receiving school’s students are reassigned to a third school, does not entitle the third school, to any portion of funds of the closed school.

Record Retention Schedule

<u>Record Description</u>	<u>Retention Period</u>
1. End of the Year Financial Statements	7 years
2. Journals	7 years
3. Ledgers	7 years
4. Audit Reports and Correspondence	7 years
5. Records of Investigations	7 years
6. Bank Statements and Reconciliations	7 years
7. Cancelled Checks & Deposit Slips	7 years
8. Saving Account Passbooks	7 years
9. Expense Vouchers with documentation	7 years
10. Invoices from vendors with documentation	7 years

Audit of SAFs

1. Student Activity funds may be audited annually by a firm of independent certified public accountants. This type of audit is conducted annually in connection with the yearly preparation of the Comprehensive Annual Financial Report (CAFR).
2. Unscheduled audits or reviews shall be performed by the Internal Audit Division and the Office of the Chief Financial Officer.
3. These audits shall be performed in accordance with generally accepted auditing standards, including such tests of the accounting records and such other auditor's procedures as considered necessary under the circumstances.
4. At the time of the audit or review, the following records must be made available to the auditor(s):
 - a. Check stock
 - b. Cash receipts book(s)
 - c. SAF-23 forms with supporting documentation
 - d. Monthly Bank Reconciliation Reports
 - e. Bank statements and cancelled checks for each month for the period being audited.
 - f. Supporting records of cash receipts (including receipt books, SAF Deposit Forms)
 - g. Unpaid invoices and obligations; and
 - h. Any other documents requested by the auditors
5. Audited SAF transactions shall be consolidated and reported as an Agency Fund in the Comprehensive Annual Financial Report (CAFR) of the DCPS.
6. Upon entering a new assignment, the Principal should study the financial reports and audit reports to become aware of the financial condition of the SAF.