

ACCOUNTING MANUAL
TREKNORTH JR & SR HIGH SCHOOL
ISD # 4106-07



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ACCOUNTING MANUAL

INTRODUCTION

This manual will be used in conjunction with current policies and procedures, and to incorporate procedural guidelines established by TREKNORTH HIGH SCHOOL Board of Directors and their independent auditors.

The procedures set forth in this manual follow the Generally Accepted Accounting Principles.

Budget requirements

- TrekNorth Board adopts a budget for all funds in accordance with state statutory requirements.
- Approved budget by June 30, 20XX (annually)
- TrekNorth Board approves all budget revisions
- TrekNorth Board approves all interfund transfers

Capital Assets

- Capitalization threshold (\$1,000 or more), Cost of asset includes freight, tax and installation
- Depreciation method is straight-line method
- Maintain subsidiary ledger (SmartFinance), reconcile to control account
- Sales of assets formally approved by responsible officials
- Fixed asset tags used

Journal Entries

- Adequate documentation will be maintained to support all journal entries
- The Assistant Executive Director reviews and approves journal entries on a monthly basis.

Purchases

- Purchases over \$50,000 will be required to undergo a competitive bid procedure in accordance with the Minnesota Legal Compliance Manual

BANK ACCOUNTS: AUTHORIZATION AND RECONCILIATION

ACCOUNTS:

TREKNORTH maintains a general business checking at:

First National Bank of Bemidji
PO Box 670
Bemidji, MN 56601

TREKNORTH maintains a separate general checking account (Check Card), for the Outdoor Adventure Program, Service Learning Program, and online ordering at:

First National Bank of Bemidji
PO Box 670
Bemidji, MN 56601

INVESTMENT:

TREKNORTH maintains certificates of deposit at:

First National Bank of Bemidji
PO Box 670
Bemidji, MN 56601

TREKNORTH does not maintain a separate account for payroll as it uses the general business checking account for this purpose.

AUTHORIZATIONS

TREKNORTH Board of Directors reviews and approves the openings and closings of bank accounts. Two appointed Board of Directors members, Executive Director, and the Assistant Executive Director are authorized to sign checks. All checks require two of these signatures.

The **Business Manager** maintains an up-to-date list of authorized check signers and authorized safety deposit signatories and keeps the banks informed of any changes. The list is attached to this manual.

RECONCILIATION

General:

The TrekNorth Business Manager communicates with First National Bank prior to the MDE IDEAS direct deposits payments on the 15th and 30th of each month to make sure pledged collateral is adequate.

The TrekNorth Business Manger reviews outstanding checks over 90 days, finds the problem, takes appropriate action to remedy it.

RESPONSIBILITY

ACTION

Operations Manager

1. Receives the unopened bank statements, opens and Examines and gives them to the Business Manager For reconciliation

Business Manager

2. Reconciles checking account monthly, using Smart Finance accounting software and the bank statement

Executive Director

Asst. Exec. Director

Operations Manager

3. Reviews reconciled statements and corresponding documents for unidentified variances and unusual reconciling items and initials them.

Finance Chair

4. Reviews, Initials and dates prepared reconciliations.

CASH RECEIPTS

General:

TREKNORTH receives revenues, direct deposit, from the Department of Education in the form of federal grants and funds from the State of Minnesota Department of Education,

All checks or money orders are made payable to TrekNorth High School.

TrekNorth High School does not accept currency from personnel to pay for personal copying, phone calls or other reimbursement.

Other checks and cash, which TrekNorth High School might receive, come from local donations and/or individuals paying for lunch, school sport wear, art fees, OAP/SLP trip collections, and other field trip collections.

RESPONSIBILITY

ACTION

Operations Manager

1. Receives money, restrictively endorses all checks with the TrekNorth High School stamp and prepares pre-numbered receipt form and attaches to deposit.
2. Prepares a deposit tracking form containing date received, payor (if necessary), amount, date deposited. Photocopies checks and attaches copy of receipts.
3. Daily lunch receipts are prepared with pre-numbered receipt form.

Business Manager

4. Prepares bank deposits showing detail of receipt.

Asst. Executive Dir.

5. Reviews & confirms deposit/receipts and amount.
6. Delivers deposits to the bank, deposited intact on a bi-weekly basis unless the amount to deposit exceeds \$2000.00 early in the workweek, then deposit is made immediately. While receipts are waiting to be delivered to bank for deposit, all monies are stored and locked in a locked cabinet, within the locked business manager's office, within the locked general office.

Business Manger

7. Codes and Records total deposit into Smart Finance accounting system

Finance Committee

8. Maintains deposit records.

9. Reviews and approves monthly cash receipts for board approval within the cash flow statement.

DISBURSEMENTS

OPERATING

General:

All disbursements are made by check, credit card, or electronic fund transfers for payroll. All disbursements are accompanied by a bill/invoice, approval to pay, voucher and supporting documentation. All electronic fund transfers have written confirmation of each transaction.

TREKNORTH Board of Directors resolves annual delegation of authority to make electronic fund transfers to the TrekNorth Business Manager. The identification of all initiators of electronic transfers is kept on record at TrekNorth (business manager responsibility).

The disbursing bank of electronic fund transfers keeps a certified copy of delegation of authority, and the TrekNorth Business Manager keeps accurate and up to date information regarding current vendors who receive payment via EFT.

The supply of checks is kept in a locked cabinet within the locked business manager’s office, within the locked general office.

The TrekNorth Business Manager assures that voided checks are properly mutilated (signature area torn away) and retained for audit review, and assures that blank checks are not signed.

Examples of adequate supporting documentation are:

Advance expenditure-	Requisition form for approval of purchase requests
Travel Advance-	agenda and registration at time of request, proof of payment following completion of travel.
Staff reimbursement-	invoice or receipt showing items have been received or purchased.
Bill from Vendor-	bill or invoice, shipping or receiving documents

RESPONSIBILITY

ACTION

All Staff

1. Prepares travel authorization or Requisition form and attaches the supporting documentation where there is no vendor

(Special Ed) Obtains Special Education Director Signature

Obtains business manager's signature of approval that funds are available in appropriate fund. Business manager indicates what expense code will be affected and current balance and routes the requisition for to the Executive Director for approval via signature.

2. Post Executive Director signature, business manager prepares Smart finance Purchase Order.

Operations Manager/Requesting Staff

3. Operations Manager or requesting party orders items, makes reservations, or makes travel arrangements.

Operations Manager

4. Receives and dates all bills, invoices, etc., received in the mail.

Business Manager

5. Examines invoices, bills, etc. and supporting documentation for correctness. (i.e., original invoice attached.)
6. Updates current budget status and retains Executive Director/Assistant Director/SPED Director "OK to Pay".
7. Post Executive Director/Assistant Director/SPED Director signature, business manager prepares checks for paying the item.
8. Forwards the documents to two approved check signers for manual signatures.

Check Signers

9. Receives and reviews documents. The checks should have adequate documentation, the packing slip should be initialed by the purchaser according to standard operating procedure.
10. Signs checks and returns the documents to the Operations Manager.

Operations Manager

11. Reviews Invoice/Payment, approval, signatures and check, then mails checks along with any remittance notices or correspondence needed.

Business Manager

12. Reviews and organizes and files the vouchers alphabetically.

Finance Committee

13. Approves list of checks monthly for board approval via the payment register.

PAYROLL

TrekNorth High School does not allow salary advances.

RESPONSIBILITY

ACTION

General

1. TrekNorth High School uses Region I software/ SMARTHR for software support, process support and backup to assist the Business Manager's role in payroll processing.

Operations Manager

2. Maintains a record of personal and sick leave time for each employee by the Operations Manager. It includes the time accrued and taken and the available balance.

Executive Director

3. Reviews time sheet and sub entries and signs approval for payment on all non-contract hours prior to check issuance.

Business Manager

4. Prepares and enters payroll data into SMARTHR between the dates of the 20th and the 25th of each month.
5. Follows payroll checklist (attached in Appendices)
6. Makes tax deposits, PERA/TRA/HSA deposits, prepares quarterly tax returns

Assistant Executive Director

7. Reviews payroll expenditures and initials Timecard detail and Payroll Register each payroll.

FINANCIAL STATEMENTS

TrekNorth High School has a fiscal year, which runs from July 1 to June 30. TrekNorth High School contracts with Region 1 for its accounting software, SmartFinance, and for the software support. It enables TrekNorth High School to departmentalize the accounting (revenues & expenses) by programs. It additionally enables the **Business Manager** to print a number of financial statements for management information. The **Business Manager** is primarily responsible for accumulating and entering financial data into the computer and for printing the financial statements.

Statements are prepared each month for review by the Finance committee. Included in these statements are a list of checks issued for the month, cash flow statement, and monthly expenditure matrix. A quarterly expenditure matrix is also prepared for board review. All documents detail expenses, which include electronic fund transfers. Financial statements are approved and submitted to the Board of Directors for approval on a monthly basis.

AUDITS

An external accounting firm is employed to conduct an independent, timely audit of the TrekNorth High School books in conformance with Generally Accepted Accounting Principles. Policy is for the audit to be complete and delivered to MDE by December 31 following the end of the fiscal year.

At the end of the fiscal year it is the duty of the **Business Manager** to accumulate all the accounting information that the auditor needs to complete the audit. Necessary data includes financial statements for each month of the fiscal year, all checking and savings deposit slips, bank reconciliations, all grant award letters and financial documents tying out expenses to each grant, any information that has been received from the bank throughout the year, monthly vouchers (attached to bills and invoices), check stubs, salary schedules, payroll ledgers, employee time logs.

When the audit is complete, copies are submitted to the Finance Committee as well as the Board of Directors. A motion is necessary to accept the audit as presented. The audit is available to be submitted to the granting agencies along with a letter of intent to correct any discrepancies the audit lists. It is imperative that TrekNorth High School follows the recommendation set forth in the audit and every effort is made to comply with those specifications as stated.

The auditing firm is additionally contracted to complete the annual 990 return and all other applicable forms and statements.

CHARTER SPONSORSHIP

TrekNorth High School is in contract with Volunteer of America for its charter authorization. VOA receives monies from TrekNorth High School on a yearly basis based on enrollment.

Annual Report is required to VOA, as well as the monthly financial statements.