

Bedford County Public Schools

SCHOOL ACTIVITY FUNDS

ACCOUNTING AND FINANCIAL GUIDELINES MANUAL

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Table of Contents

I. PURPOSE	3
II. AUTHORITY	3
III. STATE REGULATIONS	3
IV. BASIC PRINCIPLES	3
V. ADDITIONAL PRINCIPLES	4
VI. RESPONSIBILITIES	5
VII. CONTROL OF CASH	7
VIII. REVENUE	8
IX. DISBURSEMENTS	9
X. ACCOUNT INFORMATION	12
XI. TRANSFERS	12
XII. SALEABLE ITEMS	13
XIII. SCHOOL STORE	14
XIV. VIRGINIA RETAIL SALES AND USE TAX	14
XV. CHECKING ACCOUNT	15
XVI. INVESTMENTS	15
XVII. DEPOSITING OF DAILY RECEIPTS	16
XVIII. PURCHASING AND EXPENDITURE CONTROLS	17
XIX. MEMORIAL GIFTS OR BEQUESTS	17
XX. CHARITY DRIVES	17
XXI. TICKET MANAGEMENT	17
XXII. CASH CONTROLS FOR ATHLETIC EVENTS	19
XXIII. FIDELITY BOND	19
XXIV. AUDITS	19
XXV. MAINTAINING RECORDS	21
XXVI. PURCHASING PROCEDURES	21
XXVII. OTHER ACCOUNTING PROCEDURES	23
Forms Section	25
Account Structure	38
Required Conditions	39
Board Policies	
TRA User Guide	

I. PURPOSE

The purpose of this manual is to establish division policies and accounting procedures to ensure proper administration of student activity funds and provide the standard operating policies, procedures and guidelines for school activity funds. The manual is based upon both state and local policies for Bedford County Public Schools.

II. AUTHORITY

The authority for the Bedford County School Board to establish and operate school activity funds is provided for in the Bylaws and Regulations of the Board of Education of the Commonwealth of Virginia pursuant to the Code of Virginia. The School Principal is directly responsible for the conduct of student financial activities subject to state law, Bedford County School Board Policies, Regulations, and the *School Activity Funds and Financial Guidelines Manual*.

III. STATE REGULATIONS GOVERNING SCHOOL ACTIVITY FUNDS INTERNAL ACCOUNTS (VIRGINIA BOARD OF EDUCATION)

The following are excerpts from the Virginia Board of Education regulations governing school activity funds.

1. Classification, responsibility for administration of regulation, exclusion of specific funds

“All funds received from extracurricular school activities, such as entertainment, athletic contests, cafeteria, club dues, etc., and from any and all activities of the school involving personnel, students, or property is hereby classified as school activity funds (internal accounts). The local school boards will be responsible for the administration of these regulations in the schools under their control. Funds defined by law as public funds are not subject to these regulations and are to be handled as provided by law.”

2. Records, school finance officer, bonds

“Each school shall keep an accurate record of all receipts and disbursements so that a clear and concise statement of the condition of each fund may be determined at all times. It shall be the duty of each principal to see that such records are maintained in accordance with these regulations and rules promulgated by the local school board. The principal or person designated by him/her shall perform the duties of school finance officer or central treasurer. The school finance officer shall be bonded, and the local school board shall prescribe rules governing such bonds for employees who are responsible for these funds.”

IV. BASIC PRINCIPLES OF SCHOOL ACTIVITY FUNDS

The establishment and operation of school activity funds may be separated into two (2) types of activities:

1. General

These activities generate revenue from various sources, such as vending machines and school store operations; disbursement of these activity revenues is for the benefit of the school and its student body. The oversight of these activities is generally the responsibility of the school principal or his/her designee.

2. Student Activity

These activities generate revenue for specific student purposes and require a sponsor for oversight of the activity, such as a club activity, class activity, or athletic activity.

3. All school activities shall be in accordance with the following principles:

- a) School activity funds shall be used solely in accordance with the purpose for which such funds are collected.
- b) Projects for raising school activity funds shall contribute to the educational experience of pupils and shall not conflict with the instructional program.
- c) Funds derived from the student body, as a whole shall be used to benefit the student body as a whole.
- d) Generally, school activity funds should be spent in such a way as to benefit those pupils who are in school and who have contributed to the accumulation of such funds.
- e) Student representation is encouraged in the management of funds raised by the student body and spent for its benefit, subject to faculty supervision.
- f) School activity funds shall be managed in accordance with the best business practices, including sound budgetary and accounting procedures.
- g) Student activity fund business shall be conducted in such a manner as to offer maximum competition with commercial concerns.
- h) Principals, through their representatives, shall participate in the preparation, modification, and interpretation of the policies, regulations and procedures affecting student body affairs.

V. ADDITIONAL PRINCIPLES OF SCHOOL ACTIVITY FUNDS ARE

1. Place emphasis on spending activity funds for their fundamental purpose. For example, French Club funds should benefit the French Club activities and the General Fund should benefit overall school operations and activities.

2. School Activity Funds should not be expended on activities, which are not directly related to the benefit of the School or its students. Contributions to civic or social organizations would not be appropriate expenditures unless funds were collected specifically for that purpose.

Specific club activities may sponsor an event with proceeds being contributed to a charitable organization(s). The club sponsor is responsible for the collection of all revenue from the event. Appropriate documentation and approval of the disbursement should be retained on file for the proceeds remitted to the charitable organization.

3. Transfers of monies between club accounts and general activity accounts are generally prohibited except to close out the accounts of clubs, which have terminated their operations. Transfers among general activity accounts may be made in accordance with normal transfer policies and procedures. These policies and procedures are defined in the "Transfers" section of this manual.

4. All public funds must be deposited in a qualified public depository.
5. Funds may not be used for any of the following:
 - a) Any purpose that represents and accommodation, loan, or credit to a School Board employee or person other than students.
 - b) School Board employees or to others may not make purchases through a Student Activity Fund in order to take advantage of purchasing privileges.
 - c) No funds will be retained on hand for cashing personal checks.

VI. RESPONSIBILITY FOR SCHOOL ACTIVITY FUNDS

The responsibility for safeguarding, accounting and managing the school activity funds rests solely with the principal. The duties which must be performed in providing proper management and security of funds may be delegated to the degree desired by the principal, but the responsibility remains with the principal. The following information outlines minimal duties, which must be performed, by the principal and/or others in order to achieve proper management and security of funds. Other measures should be taken as necessary to carry out these responsibilities.

1. Principals

- a) Be familiar with and enforce the provisions of this manual.
- b) Insure that the school bookkeeper is properly instructed as to duties to be performed, instructed in proper methods and procedures, and given adequate supervision and guidance.
- c) Obtain accurate and timely reports from the school bookkeeper covering the results of operations and status of school activity funds.
- d) Review and analyze the status and operations of the school activity funds at least monthly. The review process should involve the school bookkeeper. Department heads and fund sponsors should be involved, if necessary. The review should include but not necessarily be limited to areas such as:
 - Questioning of inactive accounts and minimal or deficit account balances.
 - Noting the cash position, considering reserved funds and outstanding obligations.
 - Assessing the reasonableness of reported receipts and disbursements, by account and in total, to include comparison with prior periods.
 - Assessing the adequacy of and compliance with cash control provisions.
 - Review purchase orders and checks presented for a signature to assure that purchases and expenditures are properly authorized and supported.
 - Assure that adequate facilities and physical controls are available and are used for protection of cash and other assets.
- e) Monitor the operation of revenue producing activities with a view to (1) generating revenue, (2) responsible management, (3) inventory accountability and (4) avoiding losses.
- f) The principal is responsible for designating a fund sponsor for each school activity account. The principal may deem that it is appropriate for him/her/herself to be the fund sponsor and perform the duties outlined in item 3 of this section. Any individual may be appointed as a fund sponsor to more than one account.
- g) Monitor progress in implementation of approved audit recommendations and management decisions.
- h) Approve all transfers between activity funds.

2. School Bookkeeper

Under the supervision of the principal or designee, the school bookkeeper will receive, receipt, deposit, account for, and disburse all funds flowing through the school activity fund accounts. The school bookkeeper, under the supervision of the principal, will comply with all pertinent provisions of this manual and perform the following duties:

- a) Deposit all funds daily (if over \$100)
- b) Maintain all required activity fund records on a current and accurate basis.
- c) Submit all required reports promptly and accurately.
- d) Maintain a record of all fund transfers and related supporting documentation/ authorization of such transfers.
- e) Keep the principal informed of all known or potential activity fund problems.
- f) Perform such other duties as specified by the principal.

3. Fund Sponsors and Other School Personnel

General activity funds will be the responsibility of the school principal. Student activity funds, which are for the benefit of students, will have a school sponsor. A detailed list of student activity funds and activity fund sponsor(s) will be approved by the school principal, each school year and maintained on file in the school's office.

Fund sponsors, department heads, and other individuals with duties affecting school activity funds will become familiar with and assure compliance with the portions of this manual are pertinent to their duties. Such individuals must deal with the bookkeeper in a sincere spirit of cooperation, performing their functions in a complete, accurate and timely manner. Those persons responsible for activities for which a school activity fund account is maintained will review the financial operations and position of the account at least quarterly. Major activities involving large amounts with considerable activity will be reviewed monthly.

- a) Fund Sponsor: The fund sponsor will be an employee of the Bedford County School Board, designated by the principal for the duration of the school term unless relieved of these duties in writing by the principal.
- b) Duties of a Fund Sponsor:
 - Approving and/or submitting purchase requests to the school's bookkeeper.
 - Certifying that the billings pertinent to the account are correct prior to payment.
 - Collecting and receipting of funds received from the students on a timely basis (Fund Raising Form found in forms section of this manual if fund sponsor wants to use).
 - Depositing such funds daily with the school's bookkeeper, using the Monies Collected Form in the forms section of this manual.
 - Insure that the individuals affiliated with his/her account conduct themselves according to good business practices and in compliance with this manual and school board policies.
 - Initially responsible for the solvency of the account and the propriety of the school activity.
 - Preparation of proper accounting and financial information on all fund raising activities.

VII. CONTROL OF CASH

1. Need for Cash Controls:

The sensitive nature of cash demands strong internal control procedures. Some of the traditional and most desirable internal controls of cash cannot be fully implemented in school activity fund procedures due to the limited number of personnel and the nature of the activity funds operations. For this reason, it is necessary to place heavy reliance on effective review and an analysis of the reports by the principal.

2. Types of Controls

- a) All expenditures shall be made by check.
- b) Check signing authority is limited to the principal, his/her designee, and the bookkeeper.
- c) All funds must be deposited daily if amount is over \$100.
- d) School activity funds shall be receipted on receipt forms.
- e) Ticket sales shall be reported with the relationship established between revenue and serially numbered tickets sold on Report of Ticket Sales Form.
- f) The central office Finance Department shall reconcile bank statements on a monthly basis.
- g) Appropriate secure containers, i.e., safes, shall be used for activity fund receipts and change funds. Funds shall not be left unattended or accessible to unauthorized personnel.
- h) The principal and appropriate staff members connected with school activity funds shall review the operation and status of the school activity fund on at least a monthly basis. As a part of the review of operations and status required, the principal or designated representative will evaluate the reasonableness of the reported cash position. Documents needed for this review are:
 - Monthly financial statement(s) for the month(s) being reviewed.
 - Documentation pertaining to expenditures for the month(s) being reviewed.
 - Checks for large amounts, which continue to appear, should be questioned.

3. Loss of Cash

Any loss of money, including checks, will be promptly reported by telephone to the Chief Financial Officer.

4. Indebtedness

No school may incur an indebtedness, which will cause or increase a projected year-end deficit.

VIII. REVENUE

1. Purpose

School activities are established as an adjunct to, and in support of, the education program. It is intended that school activities be self-supporting. Hence, revenue is necessary to establish and maintain the various activities.

2. Revenue Producing Activities

The principal shall insure that all fund raising activities are approved in advance. Approval of fund-raising activities should consider the impact of such an activity upon local businesses, parents, students and other school and school division functions. In accordance with the basic principles of school activity funds, no school activity should be conducted for the sole purpose of generating revenue without benefiting students.

3. Revenue Classification

Revenue is classified for school activity fund purposes as either “General” or “Specific.”

- a) **General Revenue:** Revenue derived from a continuing or recurring activity or service-performing operation conducted by the school for the benefit of school, e.g., school store, pictures, annual fund-raising events, etc. General revenue may be applied beneficially for the entire student body.
- b) **Specific Revenue:** Revenue obtained from a one-time project or event which has been approved by the proper authority to be conducted by and for a specific purpose or a specified activity fund, e.g., car wash, candy sale, dues, etc. Specific revenue should be applied beneficially only for the student organizations concerned or for the specific purpose for which the revenue was obtained.

4. Revenue Receipts

All general and specific revenue classified as school activity funds will be receipted into the school activity fund records promptly and intact. There will be no disbursements made from the cash collected. **Individual receipts will be issued for cash in amounts of \$100.00 or greater, receipts are not necessary for checks. Receipts for amounts less than \$100.00 will use the Monies Collected Sheet located in the forms section of this manual. A receipt will be issued for any amount if requested by payer.**

5. Extracurricular School Activities

Extracurricular school activities which involve the students, faculty and school facility, and which are conducted with participation or support of an outside organization (PTA, PTO, Booster Clubs, etc.) are classified as cooperative activities funds derived from such activities are school activity funds and are to be managed and accounted for accordingly. The distinction between school activity funds and an outside organization’s funds is determined by the principal and agreed to by the outside organization. Once determined, school activity funds remain subject to this manual while the outside organization’s funds remain its responsibility.

6. Revenue Controls for Extracurricular Activities

If the extracurricular activity involves the payment of an admission fee, such fees will be controlled through the use of serially numbered tickets, printed tickets or attendance sheets obtained through and controlled by the bookkeeper. Specially printed tickets for dances, prom and play may be used as appropriate controls are in place to account for the ticket sales. Accounting for tickets sold must be made on prescribed forms and agree to deposit made. Additional details are noted in the Ticket Management Section of this manual.

7. Donations/Contributions

Individuals, businesses, community groups and civic organizations often desire to make contributions for the benefit of the school or school activity. These contributions may be in the form of cash, actual physical items, or other forms of consideration. As consideration for such contributions, the contributor is often considering, the tax benefits associated with such a contribution. The Internal Revenue Code is clear in defining the deductibility of contributions. Such contributions shall qualify as *charitable contributions* to or for the use of *...any political subdivision ...but only if the contributions or gift is made for exclusively public purposes*. A file should be maintained for documenting all donations received during the year. The file should be remitted at year-end with other required audit files.

Other Contributions - All gifts made by patrons, or students to a school or classroom must be approved by the building principal. If gift is valued at \$5,000 or greater, then such donated gift must be approved by the School Board before being accepted. The school will need to complete a Public Gift to Schools Form, located in the forms section of this manual, to the Finance office which will then present the recommendation to the School Board for approval. Such gifts become the property of the school division.

8. Charges for Lost or Damaged Books

Principals are responsible for collecting fees for lost and damaged textbooks. Funds collected are deposited in the school activity account and a check is drawn on that account and sent to the Finance Office for such fees by June 30th of each school year. Charges for lost or damaged books are determined by contacting the Instruction Department, which will obtain the actual cost for replacement. If a lost book is found within the school year, a refund should be made to the student and the book returned to inventory.

IX. DISBURSEMENTS

Approval of Disbursements: the principal must approve all disbursements made from a school's activity fund. In order to make a purchase, a purchase order must be submitted and approved by the principal. A School Purchase Order form is in the form section of this manual.

1. Receiving Goods and Services

An invoice must be presented when a school receives goods or services. The person receiving the goods/services should verify the quantity received or services rendered and indicate approval by signing/dating the packing slip. The invoice number should be noted on the check stub. Teachers should be encouraged to turn in invoices as soon as possible so payments can be made in a timely manner. **Invoices are never to be paid before goods/services are received or contracted for.**

2. Payment of Invoices

When the bookkeeper receives an invoice for payment, the invoice should be checked for receipt of the goods/services (the quantity, unit price, and total amount verified). The due date should also be noted, so that any allowable discounts can be taken. Invoices should be paid promptly to claim the discount. If the vendor sends statements, the charges on the statements should be checked against the invoices, and the invoices should be attached to the statement to support the disbursement. All unpaid invoices and obligations of the school should be paid prior to the June 30 school year-end. All checks written from the school's activity funds must be supported with complete documentation. All disbursements should be reviewed for the propriety of the charge to the individual activity fund.

Appropriate supporting documentation is as follows:

- a) Completed PO form (when applicable) with written approval (signed purchase order/expenditure vouchers) by the principal and;
- b) The original invoice
- c) Receiving document

3. Writing a Check

Check should be written only when supported by documents indicating evidence of receipt of goods and the appropriate approvals. Pre-number checks printed with the exact name and address of the school and the account number should be used for all disbursements. The principal must then sign the checks only after a thorough review of the supporting documents. When checks are presented to the principal for signature, all lines should be completed and the supporting documents should accompany the checks. The following guidelines should be followed when paying by check:

- a) Checks must never be signed in advance or in blank.
- b) Checks should never be issued payable to "Cash." A vendor or individual should always be the payee.
- c) After payment, invoices and expenditures vouchers should be canceled by indicating "PAID" or by some other means.
- d) All checks must be signed by two approved individuals: the principal (or designee) and the bookkeeper.
- e) If the principal/designee is not available, then the bookkeeper may present the check to the Finance Office for the second signature.
- f) The check must be filled out in complete form before being submitted to the authorized signers. Only original handwritten signatures are acceptable.
- g) Check signers should review all supporting documents for the existence of the above attributes before signing each disbursement check.

4. Voiding a Check

If an error is made in writing a check, mark the check and stub “VOID” in ink. The check should be retained by the bookkeeper. Appropriate entries noting the void should be made in all accounting records.

5. Return of Goods

When goods are returned for any reason, an accurate accounting is necessary to ensure that the school receives proper credit for the return. Never return goods to a vendor without first contacting the vendor for the procedure to be followed in shipping the merchandise and a return authorization number if the vendor requires one.

6. Reimbursements from County Instructional Funds

All paid invoices, which are going to be reimbursed using County instructional funds, should be authorized, stamped, coded and forwarded to the Finance Office with a Reimbursement Request (Travel, Non-Travel or Federal Funds) form, located in the form section of this manual.

7. Sales and Use Tax

Generally school activity fund expenditures are exempt from sales tax; however there may be circumstances that the activity is not exempt and will be subject to the payment of such tax. *The Code of Virginia, 1950, As Amended exempts...Tangible personal property purchased for use, consumption, or sale at retail by an elementary or secondary school conducted not for profit, or Parent teacher Association or other group associated with an elementary or secondary school conducted not for profit for use in fund-raising activities, the net proceeds (gross receipts less direct expenses) of which are contributed directly to the school or used to purchase certified school equipment, and certified school equipment purchased by such groups for contribution directly to the school. For the purposes of this subdivision, “certified school equipment” means that equipment for which the Parent Teacher Association or other group has received certification from the school that it will accept a donation of equipment. The certification provided by the school shall be in accordance with regulations promulgated by the Tax Commissioner. Notwithstanding the other provisions of this subdivision, the tax shall not apply to the sale of class rings, school photographs, and other fund-raising programs from which an elementary or secondary school conducted not for profit receives a commission or the net proceeds after the payment of vendors and other direct expenses.*

The Sales and Use Tax Regulations defines exempt **Purchases** ...*The tax does not apply to sales to the Commonwealth of Virginia or to its political subdivisions, if the purchases are pursuant to required official purchase orders to be paid for out of public funds. The tax applies when such sales are made without the required purchase orders and are not paid for out of public funds. No exemption is provided for state or local government employee purchases of meals or lodging whether purchases are pursuant to required official purchase orders or not.*

8. Parent Teacher Associations and Other Groups

Parent Teacher Associations acting as Independent Affiliated Entities engaging in fund raising projects are the consumers of any tangible personal property they purchase for the projects. They must pay the tax to their suppliers. These organizations are not to use our Federal Tax ID nor are they to use our State Sales Tax Exemption ID.

9. Prohibited Disbursements

In accordance with School Policy, purchases of alcohol, tobacco and illicit substances are specifically prohibited. Purchase of such items may result in immediate dismissal of the purchaser.

X. ACCOUNT INFORMATION

1. General

All activities associated with and funds flowing through school activity funds shall be categorized into accounts established for the specific activity. See account structure in appendix A.

2. New Accounts

New school activity fund accounts may only be established through the Finance Department.

3. Account Titles

The Account titles should reflect the purposes for which the accounts are to be established.

XI. TRANSFERS

Transfers among funds may not be made without proper approval from the fund sponsor and the school principal. Transfers may only be made for authorized purposes.

1. Typically, transfers to the General Fund may not be made from fund activities (unless the activity has terminated operations), athletic funds and specific revenues funds (e.g. scholarship, gifts for specific purposes, etc.).
2. Drinks, picture, school store and similar fund profits which arise from revenue generated from the entire student body and general faculty activities may be transferred to the General Fund since they are not considered specific revenue funds.
3. Transfers from booster club funds; if applicable, should be authorized by a booster club official.
4. Transfers among athletic accounts should be authorized by the athletic director or fund sponsor. Athletic funds may not be transferred to the General Fund or non-related funds without documentation detailing the reason for the transfer.
5. Transfers from fund activities should be authorized only by the fund sponsor and the school principal. However, there should be a limited number or no transfers involving club accounts unless a club has terminated operations, or the club is reimbursing another fund for expenditures paid in its behalf.

6. There should be no transfers to activity funds except from the General Fund to cover activity deficits that will not be recovered through future activity operations, or to correct instances where receipts have been classified to the incorrect accounts.

XII. SALEABLE ITEMS

1. General

Inventory of school activity fund saleable merchandise represents funds, which are the property of the school and must be safeguarded and managed accordingly.

2. Accounting for Sales of Inventory

Sales which produce general revenue and involve inventoried merchandise such as gym suits, school store merchandise, drinks, etc., must be accounted for in appropriately titled accounts as a means of determining profit and loss. Only the revenue and expenses attributed to the sales activity will be included in these accounts, except that profits may be transferred to appropriate accounts.

3. Inventory Valuation

An inventory of saleable merchandise will be taken at least annually during the school year (1) as a learning and responsibility factor for the students concerned with the sales activity, (2) as a control and safeguarding tactic and (3) in the latest cost price of the item as reflected on the latest vendor's invoice. When it becomes apparent that inventory items cannot be sold for an amount at least equal to the invoice value, adjusted values should be used, based on the judgment of the fund sponsor concerned, for inventory valuation. A copy of this inventory should be forwarded to the school bookkeeper, and retained on file for audit.

4. Selling Prices of Inventoried Items

Pricing should consider change transactions and rounding to a convenient sales figure, as well as local competition. Inventory items which are deemed not saleable at the normal price due to age, damage, shopworn condition, unsuitability, etc., should be disposed of (1) by return to the vendor for credit, if possible, (2) by a reduced sales price or (3) as ultimately determined by the principal.

5. Inventory Security

Substantial losses to school activity funds can occur due to losses of saleable inventory. Inventory security can best be obtained by rapid turnover of merchandise and limiting inventory to minimal amounts during the time the school is closed. Access to stored inventory should be limited to those personnel charged with the responsibility for the sale of merchandise. The absence of a means to limit access to store inventory inhibits charging anyone with the responsibility for the merchandise and generally results in no security at all.

XIII. SCHOOL STORE

1. General

The purpose of the school store is to provide a convenience to the students and school staff for the purchase of items associated with the instructional program of the school and items which contribute to the development of school spirit. Additionally, the operation of the school store provides a learning and responsibility opportunity for the students. Revenues, excluding the change fund, will be deposited intact with the bookkeeper daily. Cash from sales will not be used in lieu of a change fund or to make cash payments to vendors or others. A change fund should be kept to less than \$25 and return intact to the school bookkeeper prior to extended breaks and at the end of the school year. Daily sales will be turned into the bookkeeper each day along with the Monies Collected Form (located in forms section of this manual).

2. Merchandise for Sale

Merchandise offerings should be limited in selection and competition with local business firms should be minimized. Items will be sold directly to the students from a central point, not held by classroom teachers for sale. Merchandise should be purchased for sale only if it can be reasonably expected to be sold during the course of the school year.

3. Inventory Losses

School store merchandise held in storage during the summer months should be checked against the End-of-Year Inventory Report when the school store opens at the beginning of the school year. Any losses attributed to pilferage should result in steps being taken to further secure access to the inventory. A copy of this inventory should be forwarded to the school bookkeeper and retained for audit.

4. School Store Profits

Unless otherwise established, the suggested school store profit margin should not exceed 50% of the cost of goods sold. Pricing of individual items should be based upon considerations of local competition and rounding to a convenient sale price. School stores must be self-supporting.

XIV. VIRGINIA RETAIL SALES AND USE TAX

Use of the Certificate of Exemption Form ST-12

This exemption certificate is to be provided to vendors as needed or when paying an invoice on which sales tax has been incorrectly assessed. In the latter case, deduct the sales tax from the amount due on the invoice and enclose an exemption certificate with your payment to the vendor.

The Certificate of Exemption Form (ST-12) is to be utilized for purchases, from either activity funds or appropriated funds, when the tangible personal property is to be consumed (used/owned) by the school system. Please note that a tax exempt number is not required to be issued to the school system. The Finance Office will keep the original form on file and will forward to the schools upon request.

XV. CHECKING ACCOUNT

1. General

Only one checking account will be established for the school activity funds for each school. The account will be titled in the name of the school along with the address. The checking account is to be established and maintained with DUAL SIGNATURES being required on all checks drawn against the account. The school's principal, bookkeeper and other persons designated by the principal may be cosigners on checks.

2. Interest Bearing Checking Account

Interest earned will be shown on the school activity books in an account called "Net Interest Revenue" or interest may be recorded to the general account. The interest will be posted on whatever basis the bank reports to the school. The Principal may transfer the interest earned in excess of service charges to other appropriate accounts for expenditures.

3. Service Charges

Bank service charges should be recorded to the same account where interest income is recorded.

4. Stop Payment on a Check

If a school activity fund check has been issued and is then reported lost or stolen, a stop payment action may be necessary. The circumstance surrounding this situation should be carefully evaluated prior to incurring the expense of a stop payment request.

5. NSF Policy

The division has contracted with an outside third party vendor to collect on NSF. Banks will be instructed to send the vendor the information regarding the NSF check and the vendor has guaranteed the school system the amount on the check. Check must be presented within 20 days form the day printed on the check. Guarantee is limited to \$300.00, if over then payment will only be made if funds are collected.

XVI. INVESTMENTS

1. General

Savings accounts, time deposits (Certificate of Deposit) and insured government bonds are justified only for the purpose of accumulating funds through the deposit of temporarily idle funds. The identification and availability of idle funds will be determined through a recurring comparison of the balances shown on the ledgers and the bank statement against which the anticipated cash flow will be applied. Savings accounts and time deposits may be in a different bank than the checking account. The most favorable interest rate should be obtained. Accounts or bond will be titled in the name of the Bedford County School Board followed by the school's name and address. Withdrawals will be accomplished with the signature of the principal and one other designated person. Investments in insured government bonds will mature not later than five (5) years from date of purchase.

2. Conflict of Interest

To avoid the appearance of a conflict of interest, school activity funds will not be deposited in any bank, credit union or other financial institution in which the principal or any other official of the school holds a position of trust or authority.

3. Designated Funds

An organization or activity may designate all or a portion of its fund (subject to the limitation set forth below) to a savings account. If funds are designated to a savings account, the appropriate fund account is entitled to the interest earned on the funds.

XVII. DEPOSITING OF DAILY RECEIPTS

1. General

All funds collected by any school employee must be remitted to the school's bookkeeper on the day collected. These funds and any funds collected directly by the school's bookkeeper are to be deposited daily. If amount is under \$100.00, then the principal may determine if the deposit can be made at a later date. Properly established change funds may be retained in the school building from day to day. All change funds not necessary for the summer months are to be remitted to the school's finance officer/bookkeeper prior to June 30 of each year. These change funds will be closed out and reissued when school operations commence.

2. Receipt Forms Used by Collectors

Receipt forms used by collectors other than the bookkeeper are used to record various types of collections before the money is remitted to the bookkeeper.

The school bookkeeper will issue a receipt book to persons collecting monies of \$100.00 or greater, receipts for checks are not necessary. The receipt should be prepared in duplicate (at least) showing from whom the money is received, the account to be credited and the signature of the person collecting the monies. The original copy should be given to the payer of the funds and the copy to be kept by the collector. When turning funds into the bookkeeper, the collector should have the funds, receipts, and checks for that particular collection. This form must be returned to the bookkeeper when it is filled or the activity for collection of monies stops.

Instances where amounts received are under \$100.00, the collection of funds may list the payers and amounts received on the Monies Collected Form with no receipt number assigned to that revenue. The collector should have the funds and a Monies Collected Form (found in the forms section of this manual) listing who, how much, etc. for that particular collection when turning funds into the bookkeeper.

XVIII. PURCHASING AND EXPENDITURE CONTROLS

1. General

To effectively manage the school activity fund, the principal must have some knowledge of future obligations prior to billings or disbursements. The absence of such a system could involve the over-obligation of available school activity funds. All purchasing of goods or services made from school activity funds is to be done in accordance with the Bedford County School Board purchasing procedures and policies.

2. Charge Accounts

The school may have charge accounts with various vendors or bank for conducting activity fund business. All charge accounts should be titled with the vendor as follows:

- a) Individual School Name
- b) Mailing Address will be the schools mailing address, (not the School Board's Mailing Address)
- c) The School may use the School Board's Tax Identification Number when these accounts are established.

XIX. MEMORIAL GIFTS OR BEQUESTS

Memorial gifts should be accepted with a written record designating the purpose or intended use of the gift. If such a record is not received, or if the donor declines to provide one, the gift will be used as determined by the principal. Regardless of the nature, cash or equipment, they will be accounted for in accordance with this manual's established accounting categories.

XX. CHARITY DRIVES

School-wide charity drives will be limited to those approved by the principal. Donations will be purely voluntary and the establishment of a quota or other scheme suggesting achievement in obtaining donations will be avoided. All donations for charity drives will be deposited in-tact and 100% disbursed to the charitable organizations for which the funds were solicited. No disbursements will be made from the donations.

XXI. TICKET MANAGEMENT

1. General

All school activities which involve the students, faculty and for which an admission fee of one dollar (\$1.00) or more is charged, will be controlled by the use of serial numbered and color coded tickets supplied from an inventory of tickets under the control and supervision of the bookkeeper. Specially printed tickets for dances, prom and play may be used as appropriate controls are in place to account for the ticket sales. Tickets will be issued on an event-to-event basis, except for athletics, which may have tickets, issued on a seasonal basis. Accountability of serial numbered tickets in sequential order is absolutely required for all athletic events. Other events will be required to account for tickets in

sequential order, except when they are sold by more than five (5) individuals. When non-athletic events use more than five (5) tickets sellers, the Activity/Fund Sponsor to whom the tickets were issued by the bookkeeper will be held accountable for the total number of tickets issued, but not necessarily in sequential order.

2. Accounting for Serial Numbered Tickets

Tickets used for control of admission revenue have monetary value and are only slightly less sensitive than cash with regard to fraud, theft and abuse. School authorities must be able to assure proper control of admission revenue. The bookkeeper will procure, control and dispense tickets used in the school. Along with the principal, this person will exercise general supervision of ticket use in the school. All schools will account for tickets and ticket sales in accordance with the instructions outlined in this manual. Records will be kept which provide for ready determination of the following information:

- a) Sale of tickets by numbers, event, date of event and price.
- b) The number of tickets: Destroyed, Lost or stolen
- c) Season tickets sold and/or given free

3. Duties of the Bookkeeper

- a) To obtain the necessary quantity and color of pre-numbered tickets.
- b) To immediately notify the principal of any accountability discrepancies.
- c) To work directly with the Activity/Fund Sponsor in relation to ticket sales.
- d) To issue the required quantity and appropriate color of tickets to the Activity/Fund Sponsor.
- e) To assure that the Report of Ticket Sales Form is properly completed by the Activity/Fund Sponsor.
- f) Other duties as assigned by the principal in relation to proper management and security of ticket sales.
- g) To provide for proper supervision of the ticket sellers/takers at the school event.
- h) To deposit all monies collected from ticket sales with the bank.
- i) To insure that the Report of Ticket Sales Form is properly completed immediately after the event.
- j) To maintain and balance the Report of Ticket Sales Form for all presale tickets if applicable.
- k) To insure that the unused tickets are returned.

4. Duties of the Ticket Sellers/Takers

- a) To sell and/or take tickets.
- b) To adhere to the following general procedures unless directed otherwise by the bookkeeper.
- c) Ticket seller will sell a ticket for each person entering the event except for those individuals holding a valid ticket issued prior to the event, or a valid issued pass.
- d) Other duties as assigned by the bookkeeper in relation to selling and taking tickets at a school event.

5. Duties of Athletic Director or School Resource Officer

- a) Collect receipts and tickets and secure in the school safe. For football games bank bag will be taken to bank night depository.
- b) For football game, two people are required when securing the receipts. These individuals must be an administrator, school resource officer or athletic director.
- c) No counting of funds will be done the night of the event, the bookkeeper will perform the counting and reconciliation the next day.

XXII. TICKET MANAGEMENT & CASH CONTROLS FOR ATHLETIC EVENTS

1. General

Ticket accountability is to be strictly maintained at all high school athletic events for which an admission fee is charged. However, ticket accountability is only required at middle school athletic events for which an admission fee of one dollar (\$1.00) or more is charged. The procedures and duties per the Ticket Management section of this manual will apply to athletic events.

2. Additional Ticket Management Procedures for Athletic Events

- a) A minimum of two ticket sellers is required for high school varsity football, district, regional and state events. Additional help may be provided based on the needs of the individual school.
- b) Only online pre-sale tickets are allowed for events.

XXIII. FIDELITY BOND

1. Fidelity Bond

The School Board provides a blanket position bond that covers all employees' dishonest acts arising out of their employment. It does not protect the employee against a subsequent claim by the bonding company for any loss sustained through settlement of a claim due to any dishonesty on the part of an employee. The bond protects the assets (money) of the fund and not the individuals charged with the responsibility for such assets. The responsibility for safeguarding school activity funds lies directly with the principal and the school bookkeeper. Their actions and authority should be governed and respected accordingly.

XXIV. AUDITS OF SCHOOL ACTIVITY FUNDS

1. General

The responsibility for auditing the school activity funds rests with the School Board and their independent auditor. The principal or designee will review the funds to the extent required by this manual and to any further extent deemed necessary or desirable.

2. Annual Audits

State regulations require that school activity funds be audited annually. Accordingly, the audits will be conducted by the auditor as soon as possible after the close of the school's fiscal year for school activity funds.

The primary objective of the annual audit of the school's school activity fund is to determine/assess if the funds are being managed in accordance with the applicable State Laws and Regulations and local School Board policies and regulations. Accordingly, the purpose of the audit is to permit the auditor to arrive at opinions which will result in advice to the school system's management and the principal as to the overall condition of the school's school activity fund.

The scope of the annual audit will conform to generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. The scope will be as follows:

- a) Assessing the adequacy of internal control physical safeguards for school activity funds.
- b) Reviewing compliance with policies, plans, rules and regulations established by the School Board, as well as procedures established internally.
- c) Examine the validity and propriety of financial transactions in view of the purpose of the various funds.
- d) Evaluate management practice in the administration of the school activity funds.
- e) Reconciling the receipts with the bank deposits.
- f) Reconciling the balance on the school's books to the cash balance in the school's bank account(s).
- g) Conducting such other audit tests as are deemed appropriate in a given circumstance.

3. Report of Annual Audits

Reports of annual audits will be published as soon as possible after completion of the audit, setting forth the financial condition of the school's school activity funds, a narrative discussion of the audit findings and recommendations in regards to corrective action. A copy of the audit report will be forwarded to the Superintendent, Finance Manager, School Board and to others as deemed appropriate.

4. Response to Annual Audit Reports

The Principal's response to management letter comments noted in the annual audit report will be addressed in writing to the Superintendent. The Principal's response should be forwarded as soon as possible, but no later than 30 calendar days after receipt of the comments.

5. Interim Audits

The primary objective of an interim audit is to determine the financial condition of the school's school activity funds. The auditor will be free to expand the scope of the audit if circumstances warrant. Interim audits may be conducted upon:

- a) The direction of the Superintendent or Chief Financial Officer.
- b) A change of principal during the academic year.
- c) A change of finance officer/bookkeeper if the principal requests an audit.
- d) The loss or suspected loss of funds. (It is incumbent upon the principal to request an audit in these cases.)

6. Preparation for Audits

The following records will be required:

- a) All purchase orders and payment vouchers, invoices and bid specification sheets arranged by account number and in date sequence (reverse sequence is acceptable).
- b) All bank statements, deposit slips and canceled checks (include void and/or skipped checks) arrange in numerical sequence (one continuous sequence).
- c) Copies of all bank reconciliations for the year.
- d) A printout of the following reports after the bank reconciliation has been completed:
 - Receipt Register – [Registers/Receipt]
 - Check Register – [Registers/Check]
 - Cash Account – [Reports/Account/Account History] Select only Cash Account
 - Year to Date Report (7/1/XX – 6/30/YY), 2 clean copies with no staples or hole punches.
- e) All records pertaining to ticket sales and ticket inventories.
- f) A physical inventory of the school store, gym clothing, drinks, etc. This inventory is to be as of the last day in your school’s audit period and is to reflect the quantity and cost (per vendor’s invoice) of the various items.
- g) Other information as may be requested.

XXV. MAINTAINING SCHOOL ACTIVITY FUND RECORDS

School activity account records will be returned to the school after the yearly audit has been completed. Records will be stored at the school for five years and then destroyed.

XXVI. PURCHASING PROCEDURES

All purchases made by the school division will be in accordance with the Virginia Public Procurement Act. All personnel in the division who desire to purchase equipment and supplies shall follow the established procurement procedures within their departments or schools for the issuance of a requisition or purchase order.

It is the policy of the Bedford County Schools to encourage full and open competition whenever practicable among potential contractors and suppliers by competitive bidding practices; to centralize purchasing and contracting to realize the economies resulting therefrom; and to seek maximum educational value for every dollar expended.

1. Certification Regarding Sex Offenses

As a condition of awarding a contract for the provision of services that require the contractor or his employees to have direct contact with students on school property during regular school hours or during school-sponsored activities, the school board will require the contractor to provide certification that all persons who will provide such services have not been convicted of a felony or any offense involving the sexual molestation or physical or sexual abuse or rape of a child.

This requirement does not apply to a contractor or his employees providing services to a school division in an emergency or exceptional situation, such as when student health or safety is endangered or when repairs are needed on an urgent basis to ensure that school facilities are safe and habitable, when it is reasonably anticipated that the contractor or his employees will have no direct contact with students.

2. Unauthorized Aliens

The School Board shall provide in every written contract that the contractor does not, and shall not during the performance of the contract for goods and services in Virginia, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.

3. Purchasing Limits

Due to the need for expediency in allowing for the efficient administration of the school system's operations, procedures and methods employed in the procurement of higher valued goods and services are not appropriate for the purchase of lower valued items. Therefore, these administrative regulations are hereby published to govern the procurement of goods and services expected to cost \$100,000 or less.

The Superintendent or his designee shall make purchases of goods and services using the following guidelines based on the anticipated cost of such purchase:

- a) Less than \$10,000. The Superintendent or his designee shall take reasonable steps to ensure competitive pricing given the nature of the good or service.
- b) Between \$10,000 and \$30,000. The Superintendent or his designee shall take reasonable steps to ensure competitive pricing given the nature of the good or service, which shall include obtaining a minimum of two informal verbal bids/proposals.
- c) Between \$30,000 and \$100,000. The Superintendent or his designee shall take reasonable steps to ensure competitive pricing given the nature of the good or service, which shall include obtaining a minimum of three informal written bids/proposals.

4. Approval

Schools must obtain the Finance Departments approval for any purchase order in excess of \$2,500 prior to executing the order. Purchase order must be faxed in with any documentation supporting the purchase to the Finance Department. If approved, the purchase order will be initialed and returned

via fax to the school. A bid Sheet form is located in the forms section of this manual and should be used to support purchases in excess of \$2,500.

5. Additional Terms to Contracts

Vendors must incorporate the “**REQUIRED CONDITIONS TO ALL CONTRACTS FOR BEDFORD COUNTY SCHOOLS**” (found in the forms section of this manual) for larger and multiple year contracts. Contact the Finance Department for guidance when determining if these term need to be included.

XXVII. OTHER ACCOUNTING PROCEDURES

1. Grant Funds

Schools will find it necessary to expend grant funds and then seek reimbursement from the central office. Grant accounts number are locate in the 5000 range within the chart of accounts. It is appropriate for these accounts to reflect a negative balance until the reimbursement funds are received. Grant fund accounts should never have a positive balance. If this occurs contact the Finance Office for assistance. Schools will either use the Expenses Reimbursement form or the Travel Reimbursement Form located in the forms section of manual. Proper documentation will include invoices, purchase orders and sales receipts.

2. Field Trip Refunds

If the remaining balance for a field trip exceeds 10% of the amount collected, the remaining balance should be refunded to the students. Any remaining balance in the field trip account (subject to the 10% amount covered above) should stay in the field trip account. These amounts may not be transferred to another account including the general fund. The funds would be used to offset the costs of future field trips.

3. Dated Checks

Checks that have not cleared the bank are called outstanding checks. All outstanding checks will remain in the outstanding check file until they have either cleared the bank or have remained outstanding for a year. Once an outstanding check has been carried in the outstanding check file for at least twelve months it is considered a dated check. Dated checks are considered revenue after having been outstanding for a year and must be added back to the school’s book balance by voiding the check in the system.

4. Payments to Bedford County Public School Employees

All Bedford County Public Schools employees who perform extra duties must be paid through our payroll system. The time worked for those individuals should be turned in with the regular payroll on their timesheet. The extra time must be approved by the appropriate person (principals, assistant principal, athletic director, etc.).

School should follow the following procedures for extra duties which are performed for an outside vendor (ex. Church) in which the vendor is paying for the service. After the vendor has paid the

school for the services, the school will submit the funds collected for the employee service to the Payroll Department. Funds will be submitted with a separate time sheet for the employee and the Employee Payroll\Facility Use form located in the forms section of this manual.

5. Book Fairs

The procurement of a book fair vendor(s) will be made in accordance with Bedford County Public Schools purchasing procedures and policies. Control over individual book sales may be by cash register or by a hand written receipt in duplicate. Daily book sales should be reconciled to the total amount of cash collected and remitted to the school bookkeeper on a daily basis. A final accounting should be made for the book fair sales showing remittance to vendor(s) and net profit from the book fair.

6. Independent Affiliated Entity

Independent affiliated organizations should have a separate federal identification number and will maintain a separate bank account.

FORMS

SECTION

{school}
Fundraiser Form

DATE OF REQUEST: _____

GROUP: _____ SPONSOR: _____

DATE OF FUNDRAISER: _____ TO _____

PURPOSE OF FUNDRAISER: _____

METHOD OF FUNDRAISER: _____

EXPECTED PROFIT: _____

APPROVED: ___ YES ___ NO

BY: _____ DATE: _____

PRINCIPAL: _____ DATE: _____

Office use only:

SALES: _____

COSTS: _____

PROFIT: _____

**** All checks received for this fundraiser MUST be made payable to {school}. Checks that do have {school} written on them will not be accepted.**

{School}
Monies Collected Sheet

Teacher / Sponsor Member: _____ Date: _____

Money Collected For: _____
(activity) (account)

**All money should be turned in to {bookkeeper} by 1:30 p.m. each day.
 Place a checkmark to show that a receipt was given to the student.**

Student	Check Amount	Cash Amount	✓ Receipt
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
16.			
17.			
18.			
19.			
20.			
21.			
22.			
23.			
24.			
25.			
26.			
27.			
28.			
29.			
Total	\$	\$	

Total: \$ _____ **Teacher/Sponsor Signature** _____

REPORT OF TICKET SALES

Event _____ Date _____ 20__

Tickets Issued		Tickets Returned		Number Sold	Price Of Ticket	Total Amount
First Number	Last Number	First Number	Last Number			
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

Total Value of Tickets Sold _____
 Change Fund _____
 Total Accountability _____
 Cash Remitted This Report _____
 Cash Over (Under) _____

Amount Received — Sales _____
 — Change Fund _____
 — Total _____

Certified Correct

Box Office Manager _____

Ticket Seller _____

SCHOOL PURCHASE ORDER

248001

VENDOR: WHITE
SCHOOL: YELLOW

Date: _____

Deliver By: _____

Deliver and Bill To:

To:

CATALOG NO.	DESCRIPTION	QTY.	UNIT COST	TOTAL COST
TOTAL				\$

GRADE	DEPARTMENT	ACCOUNT	COST

- PURCHASE ORDER REGULATIONS**

 1. Purchase order not valid without signature of Dept. Head or Teacher and Principal.
 2. Purchase orders not filled by June 1st are automatically cancelled.
 3. No invoice should be sent until complete order is shipped.
 4. Backorders outstanding more than 90 days will be automatically cancelled.
 5. No C.O.D. freight charges.

Dept. Head or Teacher

I certify all items or services were received in a satisfactory condition in the quantity ordered except where noted.

Receiving Clerk _____ Date _____

Principal

Bookkeeper

Bedford County Public Schools

Public Gifts to Schools

Date of Request: _____

School: _____

Group: _____

Purpose:

Amount: _____

Method of fundraiser:

Attachments:

School Board Approval

By: _____ Yes _____ No _____

Date: _____

Bid Sheet

School: _____

Teacher: _____

Purchase Requirements:

- Purchases up to \$2,500 – No bids required
- Purchases of \$2500.01 - \$10,000 – Verbal quotes required (2), document
- Purchases of \$10,000.01 - \$29,999 – Written quotes required (3), attach
- Purchases of \$30,000 and up – Formal bid procedures required

Purchases from “Sole Source” vendors: You must answer the following questions (see the reverse of this form)

1. Explain why this is the only product that can meet your needs.
2. Explain why this vendor is the only practicably available source from which to obtain this product.
3. Explain why the price is considered reasonable.
4. Describe the efforts that were made to conduct a noncompetitive negotiation to get the best possible price.

Source 1:

Vendor: _____ Fax # _____

Cost: \$ _____

Source 2:

Vendor: _____ Fax # _____

Cost: \$ _____

Source 3:

Vendor: _____ Fax # _____

Cost: \$ _____

Vendor selected to receive this order: _____

If lowest vendor is not chosen, explain the reason for selecting this vendor: _____

Purchases from “Sole Source” vendors: You must answer the following questions.

1. Explain why this is the only product that can meet your needs.
2. Explain why this vendor is the only practicably available source from which to obtain this product.
3. Explain why the price is considered reasonable.
4. Describe the efforts that were made to conduct a noncompetitive negotiation to get the best possible price.

Account Structure

- 1000.000 – Funds Allotted to schools from central office
 - Sub-accounts are available if school desires to further allocate funds to departments or by grade level.
- 3200.000 – Elementary Fieldtrip
- 3400.000 – Middle School Fieldtrip
- 3600.000 – High School Class Dues
- 4000.000 – General Fund Accounts
 - 4200.000 – Elementary
 - 4400.000 - Middle
 - 4500.000 – BSTC
 - 4600.000 – High
- 5000.000 – Federal Funds
- 7000.000 – Athletic & Competition
- 8000.000 – Clubs
- 9000.000 – Memorial & Scholarship

REQUIRED CONDITIONS TO ALL CONTRACTS FOR BEDFORD COUNTY SCHOOLS (“Owner”)

1. **AVAILABILITY OF FUNDS:** Award and contract are conditioned upon appropriation and availability of funds from year to year. If sufficient appropriation and funding is not available, in the sole judgment of the Schools, the Schools may terminate the contract without penalty, cost, or damage payment.

2. **INSURANCE:** If requested in the solicitation, the Contractor shall secure and provide insurance in at least the following amounts:

- a. Automobile Liability Insurance: \$1,000,000 combined single limit.
- b. General Liability Insurance: \$1,000,000 occurrence limit, \$2,000,000 general aggregate.
- c. Professional Liability (if appropriate): \$1,000,000 occurrence limit, \$2,000,000 aggregate.
- d. Workers’ Compensation Insurance at statutory limits as required under the Virginia Workers’ compensation Act.

Within 15 days after Notice of Award, if requested in solicitation, the Contractor agrees to furnish a Certificate of Insurance naming Bedford County Public Schools as additional insured.

All insurance shall be written by insurance companies licensed to do business in the Commonwealth of Virginia. The insurance company must have an A.M. Best Rating of A- or better. The policy obtained by Contractor shall require insurer to provide 30 days written notice to Bedford County Public Schools before any cancellation or non-renewal of insurance coverage.

3. **EMPLOYMENT DISCRIMINATION:** During the performance of this contract, the contractor agrees as follows:

- a. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
- b. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.
- c. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.
- d. The contractor will include the provisions of the foregoing paragraphs a, b and c in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

4. **DRUG FREE WORKPLACE:** During the performance of this contract, the contractor agrees to (i) provide a drug-free workplace for the contractor’s employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor’s workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, “drug-free workplace” means a site for the performance of work done in connection with a specific contract awarded to a contractor in accordance with this chapter, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

5. NONDISCRIMINATION STATEMENT

In accordance with the Code of Virginia §2.2-4310 and §2.2-4343.1, this public body does not discriminate against faith based organizations or against a bidder or offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

6. **LICENSE:** If in a business or profession required to be licensed by the Commonwealth of Virginia, you must provide your state contractor's or professional certificate number.
7. **STANDARDS OF CONTRACT:** The Owner reserves the right to cancel and terminate a contract at any time, without penalty, for unsatisfactory product quality and/or service on the part of the contract holder, in the sole judgment of the Owner, or when Owner determines the cancellation to be in the best interests of the Owner. Repeated delayed or partial deliveries and returns for inadequate, damaged, or spoiled products shall be interpreted as failure to meet contractual obligations and may cause cancellation of the contract. Upon receipt of notice of termination, the Contractor shall cease all deliveries or services unless advised by the Owner to do otherwise. In the event of termination, the contractor shall be compensated for those deliveries or services provided to the satisfaction of the Owner as of the date of termination.
8. **MODIFICATION:** Any term or provision submitted as part of your response that in any way attempts to change or modify the term of the contract documents or these contract terms, conditions, and instructions shall be ineffectual, null and void. In addition, Bedford County Schools may declare a bid that attempts to do so unresponsive and disqualified, in its sole discretion. In lieu of declaring the bid or response disqualified, the Schools shall consider the modifications null and of no effect.
9. **ASSIGNMENT:** The contractor shall not assign this contract without the prior written consent of Bedford County Schools.
10. **APPLICABLE LAWS AND VENUE:** Any contract resulting from any solicitation shall be governed by the laws of the Commonwealth of Virginia. Venue for any litigation arising from a solicitation or resulting contract shall be proper only in Bedford County General District Court or Bedford County Circuit Court. The Schools do not agree to arbitration.
11. **INDEMNITY:** The contractor shall indemnify and hold harmless the Bedford County School Board, its officers, boards, commissions, agents and employees against any and all claims, demands, causes of action, suits, proceedings, damages, costs or liabilities (including costs or liabilities of the Bedford County School Board with respect to its employees), of every kind and nature whatsoever, including, but not limited to, damages for injury or death or damages to person or property, regardless of the merit of any of the same, including any attorney fees, accountant fees, expert witness or consultant fees, court costs, per diem, expense traveling and transportation expense, or other costs or expense arising out of or pertaining to the performance of the Agreement by contractor unless resulting from the sole negligence of the Bedford County School Board or its officers, boards, commissions, agents or employees.
12. **WARRANTIES:** All goods and services must be warranted to be Merchantable, fit for usual and ordinary purposes, and to meet usual, ordinary and expected standards.
13. **TAXES:** Bedford County Schools are tax exempt and will not contract to pay taxes. Any such provision is void and not accepted
14. **PAYMENT TERMS:** Unless otherwise provided in the solicitation, payment will be made thirty (30) days after receipt of a proper invoice, or thirty (30) days after receipt of all goods or acceptance or work, whichever is later. No interest, late charges, or attorney fees will be paid under any circumstances by the School Board.

- 15. COMPLIANCE WITH LAWS:** The Contractor shall comply with all applicable federal, state and local laws.
- 16. CLAIM OF BREACH:** In the event Contractor alleges or claims that Owner (CCS) is in breach of any provision of the contract the Contractor shall first give notice of the claimed breach to Bedford County Schools in writing with all details . Copy of the claim shall be sent to the law offices of Overbey, Hawkins, Selz & Wright, P. O. 38, Rustburg, Va 24588, attention Frank A. Wright, Jr. The Schools shall have 30 days to correct any non-performance without penalty. If no agreement is reached or non- performance/breach continues after 30 days from receipt of the written notice the Claim Procedure set out herein shall be followed. Failure to follow the terms hereof shall result in waiver and release of the claim by contractor.
- 17. CLAIMS PROCEDURE:** Contractual claims must be submitted to the Bedford County School Board in writing no later than sixty (60) days after the time of occurrence of events upon which the claim is based. The claim shall state that it is a formal claim and provide all facts or justifications with supporting documentation. The Board will consider all facts provided to it in a format established by the Board and render a decision within sixty (60) days of receipt of the claim. Failure to act by the Board shall operate to relieve the contractor from the claims procedure and allow the contractor to file suit for relief.
- 18. SEVERABILITY:** In the event that any provision of this document shall be adjudged or decreed to be invalid, such ruling shall not invalidate the entire contract but shall pertain only to the provision in question and the remaining provisions shall continue to be valid, binding, and in full force and effect.
- 19. REQUIRED TERMS:** The terms herein are required to be a part of any contract with the Bedford County Schools, any school, division, or contract relating to Bedford County Schools. Any contractor who receives this document and chooses to offer goods or services agrees to be bound by these terms. Any term of any contract that attempts to in any way modify any term hereof is void and of no effect unless approved by the school board attorney.

TRA Activity Fund Accounting System School User Guide