

Chicago Public Schools Policy Manual

Title: SCHOOL INTERNAL ACCOUNTS MANAGEMENT

Section: 401.21

Board Report: 08-0924-PO3

Date Adopted: September 24, 2008

Policy:

THE CHIEF EXECUTIVE OFFICER RECOMMENDS:

That the Board adopt a new Chicago Public Schools Internal Accounts Management Policy.

Policy:

The Chicago Board of Education is responsible for the administration and control of all funds of the school system, including internal accounts. Internal Accounts is defined as all monies collected and disbursed by personnel within a school for the benefit of the school or a school-sponsored activity.

The School Code of Illinois, Section 10-20.19 (3), gives the Board authority to establish rules and regulations on collecting, spending and safeguarding funds generated by the schools. The Chief Financial Officer (CFO) is hereby delegated and directed by the Board to supervise the administration and operation of all internal accounts.

The CFO has established written rules governing internal account funds which are prescribed in the *Insider's Guide to School Business and Internal Accounts* manual. This manual assures that generally accepted accounting principles, governmental regulations and board policies are met, including, but not limited to the following:

- Each school must use the accounting system designated by the CFO to record all internal accounts transactions.
- School internal accounts shall be established under the Board's tax ID. The Principal as signatory on the account opening documents is responsible for managing the account to ensure that the requirements set out in the *Insider's Guide to School Business and Internal Accounts* manual are adhered to. This will ensure that clear and concise financial reports are available to depict the financial condition of the school at all times.
- Each school is allowed to maintain only one checking account which is under the CPS Consolidated Banking program described in the Money Handling section of the *Insider's Guide to School Business and Internal Accounts* manual.
- Each school must submit an annual internal accounts financial report that must include an annual physical inventory of school assets which is reported on the Fixed Asset Register as required under the Board's Policy on the Maintenance and Disposal of Assets Board Report 04-0526-PO1 as may be amended or otherwise modified. These reports are submitted to School Financial Services.
- Internal Accounts funds collected for educational programs and activities that benefit the student body shall only be spent on educational programs and activities that benefit the student body.
- The Office of Inspector General for the Chicago Board of Education and central office departments such as the Investigations unit of the Law Department, Internal Audit, and School Financial Services are authorized to conduct audits and investigations to ensure that the Internal Accounts are properly maintained and transactions are made in accordance with the *Insider's Guide to School Business and Internal Accounts* manual. Upon written request to the CFO, information may be provided via the Consolidated Banking system to facilitate audits and investigations.
- The CFO can recover funds from internal accounts via Consolidated Banking system in certain situations such as to correct inadvertent or erroneous funds transfers and to protect funds from fraudulent activity.

- Investment options for schools are described in Chicago Public Schools Investment Policy Board Report 08-0827-P01. Notwithstanding the investment options in the Investment Policy, schools are allowed only one account allowing check writing privileges.

The CFO will promulgate any changes to the *Insider's Guide to School Business and Internal Accounts* manual as are necessary to effectuate new technologies, regulations, best practices, guidelines and/or Board policies.

Effective Date

This Policy is effective immediately and applies to all accounts opened by CPS schools.

Amends/Rescinds: Adopted 08-0924-PO3
Cross References:
Legal References: 105 ILCS 10-20.19(3)