



Memorandum

June 10, 2020

To: Margaret Stamatis, Chairman of the Board of Education
Dave Ulmer, Chairman of the Board of Finance
Rudy Marconi, First Selectman

From: Susie Da Silva, Ed.D Superintendent of Schools
Dawn Norton, Business Manager

In an effort to clarify and answer inquiries with respect to the sources and uses of the Board of Education 'Bank Accounts', a Budget, Finance and Operations committee meeting took place on June 2, 2020. This memo is intended to answer questions that have been raised during Town Board meetings this spring, as well as provide further detail on each of the accounts and related policy/statute information.

Board of Education Bank Accounts

SOURCES AND USES

Special Revenue / Donation Account

Fairfield County Bank Account ending in #2011

****This bank account includes Athletics funds but funds are accounted for in separate Ledger Funds**

Donations:

Funding Sources: booster clubs, PTA's, Ridgefield Education fund, Whole Kids foundation (garden) etc.

Uses: **restricted**; can only be used for the purpose of the donation.

Sources and uses tracked and identified in accounts within ledger fund 600.

Policy 3280: Gifts, Grants and Bequests Those Gifts, Grants and Bequests valued more than \$2,000 shall be presented for review and approval of the Board of Education. Those Gifts, Grants and Bequests valued at \$2,000 or under may be accepted without Board of Education approval as long as they follow the administrative regulations.

The Superintendent shall annually report to the Board a summary of all Gifts, Grants and Bequests reviewed and accepted by the district in the previous year.

If the Superintendent determines that a Gift, Grant or Bequest (valued at \$2,000 or more) fails to meet the criteria established in the administrative regulations it will be returned.

Policy 1324: Soliciting by Students School-sponsored solicitation of funds and/or sales of merchandise or services, via Ridgefield Public School students, is not permitted unless the Superintendent or his/her designee determines it is in the best interest of the District or student.

Funds so collected may not be used to replace budgeted funds for existing programs or activities. All funds collected shall be subject to approved school activity accounting procedures and periodic audit.

Athletics:

Funding Sources: General Fund contribution, gate receipts, pay-to-participate, rental revenue.

Uses: **restricted**; supports the overall Athletic budget and all aspects of the various athletic programs offered to students.

Sources and uses tracked and identified in ledger fund 510.

Policy 3454: Gate Receipts – admission to school events; Principal responsible for the administration and supervision of all phases of school events for which admission is charged.

State Grants

Fairfield County Bank Account ending in #1625

Funding Sources: State of Connecticut and Federal Passthrough Grants from the State (i.e. IDEA; Title II; Title IV; Workforce Consortium; Title III Lang Consortium; Title I; Perkins)

Uses: **restricted**; Specific grant requirements use and State governed.

Sources and uses tracked and identified in accounts within ledger fund 200.

Policy 3290: After the annual school budget is set by the voters, the town raises from local property taxes such funds as are necessary to meet the approved budget allocation. The Superintendent and/or his/her designee shall make application for all state and federal aid to which the school system is entitled. The Board encourages the Superintendent to apply for private or alternative

funding sources to which the district may be eligible. State and federal grants received directly by the school Board shall be managed in accordance with state and federal guidelines.

The Superintendent and/or his/her designee is authorized to sign all required forms for state and federal programs. The Superintendent and/or his/her designee shall ensure that procedures governing the procurement, use, management and disposal of goods, materials and equipment purchased with all grants or alternative funds will follow applicable state and federal regulations and existing policies and controls.

Imprest Fund

Fairfield County Bank Account ending in #1641

The main activities that flow through the Imprest checking account – Workers Compensation income to employees and fingerprinting income and expenses.

Funding Sources: workers compensation, fingerprinting, liability insurance settlements, account payable refunds, overpayments from payroll, rebates etc.

Uses: mainly a passthrough back to the Town to pay for expenditures that were processed through our Accounts Payable or Payroll process, with the exception of fingerprinting. Funds collected for fingerprinting get returned to the State and remain in the bank/ledger accounts to pay for supplies needed for fingerprinting.

Sources and uses tracked and identified in accounts within the ledger fund 580.

Policy 3451: Petty Cash Funds are not associated with this bank account in any way. Three buildings currently have petty cash associated with this policy – Central Office, SRMS and RHS.

School Building Rental

Fairfield County Bank Account ending in #1617

This account is used to deposit the funds received from the renting of our buildings to outside organizations / individuals.

Funding Sources: payments from organizations / individuals who rent our buildings.

Uses: to pay for the cost of the custodians and building cleaning and overhead and/or damage repairs not budgeted.

Sources and uses tracked and identified in accounts within the ledger fund 570.

Policy 1330: Use of School Buildings and Grounds

The Board or its designated agent may approve the use of facilities and equipment for public or educational purposes, or for such other purposes as are permitted by law.

The Board reserves the right to limit the usage of its facilities and equipment or access to its students by any persons, entities, or organizations, non-profit or otherwise, to the following:

1. Circumstances or events which have some reasonable connection to the Town of Ridgefield or issues related thereto; or
2. Circumstances or events sponsored by or involving residents, taxpayers, or property owners of the Town of Ridgefield, unless otherwise required by law; or
3. Other circumstances or events approved by vote of the Board from time-to-time.

A rental fee for such use shall be charged according to regulations based on an annual fee schedule approved by the Board. If the Ridgefield Board permits the usage of its buildings and grounds or access to its students by persons, entities or organizations, under terms and conditions which do not require the payment of costs or standard use fee set forth in the Building Use Fee Schedule that would otherwise be applicable to the general public, such persons, entities or organizations must be in full compliance with any and all rules, regulations and procedures of the Board as of the date of both the application and usage of the facility in order to qualify for such fee and/or cost reduction or elimination.

Groups having permission to use certain facilities and equipment shall be permitted to do so as long as such use is under the supervision of a school employee or other authorized person.

Non-school groups shall not be permitted to take equipment out of the school buildings.

Applications for use of any facilities may be obtained from the Principal of the school. The Principal shall approve or deny the request based on space availability. Any activities occurring on school grounds must conform to all regulations as may be promulgated by the Board and Planning and Zoning Commission and shall be consistent with reasonable standards of conduct.

Non-school organizations must furnish proof of insurance which will name the District and the Town of Ridgefield as additional insureds and which will hold harmless the Board from liability, property damage or other obligations incurred in the connection with the use of school buildings or grounds. The terms, conditions and charges for such facility use are found in the regulations of this policy.

School Lunch Program

Fairfield County Bank Account ending in #1633

This bank account is used for the receipt and expenditures (expenditures run through our normal AP process) of our Student Lunch Program; this program is self-sustaining.

Funding Sources: parents and students deposit funds to pay for their meals purchased at the schools; School Lunch Card account (see below).

Uses: **restricted**; pays for the cost of providing meals to our students in the schools. Covers the cost of our outside vendor, currently Chartwells, who administers the program in our schools. Revenue for the Student Lunch Program, is a State and Federal program for our students that qualify for free or reduced lunches. This program is **audited by the State each year**.

Sources and uses tracked and identified in ledger fund 520.

Funds are returned to families when the student graduates or leaves the district (unless the family opts to have the funds allocated to a sibling's account) otherwise they stay "tied" to the student and rollover into the next academic year.

Policy 3542.43 Food Service **Charging Policy**

The goal of the food service program is to provide students with nutritious foods that will provide students with energy to sustain learning. The school nutrition program is an essential part of the education system and by providing good-tasting, nutritious meals in pleasant surroundings, we are helping to teach students the value of good nutrition.

The Board of Education has an agreement with the Connecticut State Department of Education to participate in one or more school Child Nutrition Programs and accepts full responsibility for adhering to the federal and state guidelines and regulations pertaining to these school Child Nutrition Programs. The Board also accepts full responsibility for providing free or reduced priced meals to elementary and secondary students enrolled in the District's schools. Meals are planned to meet the specified nutrition standards outlined by the United States Department of Agriculture, for children based on their age or grade group.

All students will have an account with the school that can be used to pay for meals. Students who do not have sufficient funds to pay for a meal in school will not be denied food. In the instance that a student does not have sufficient money to cover the cost of a meal, either through prepayment or at the time of sale, the following guidelines apply:

- The student may receive a standard lunch which will be charged to his / her account.
- The student may not charge a-la-carte items or snacks.

Policy 1324 School-sponsored solicitation of funds and/or sales of merchandise or services, via Ridgefield Public School students is not permitted, unless the Superintendent or his/her designee determines it is in the best interest of the District or student.

Funds so collected may not be used to replace budgeted funds for existing programs or activities. All funds collected shall be subject to approved school activity accounting procedures and periodic audit.

Conn Gen Stat 10-237: Any local or regional board of education may establish and maintain in its custody a school activity fund through which it may handle the finances of that part of the cost of the school lunch program not provided by town appropriations.

Policies 3542 (Food Service management company to operate under the direction of the school Business Manager); **3542.1** (free and reduced lunch); **3542.43** (Food service charging)

School Lunch Card Account

Fairfield County Bank Account ending in #7304

This bank account captures the credit card payments of funds by parents for student meals in the school.

Funding Sources: parents use a credit card or debit card - the merchant payment is deposited into this account. Funds from this account are transferred to the School Lunch Program account. (see above).

Sources and uses tracked and identified in ledger fund 520

Uses: **restricted**; specific to student meals in the schools. Funds are transferred from this account to the main School Lunch bank account (see above).

Adult Education

Fairfield County Bank Account ending in #1991

This bank account is used for our Adult Education offering, which is a self-sustaining program since it began around 1975-76. It offers a variety of programs to adults each year.

Funding Sources: tuition and registration fees from participants.

Uses: **restricted**; self-sustaining program, salaries of the teachers and other expenses such as office supplies, brochure printing, postage, etc.

Sources and uses tracked and identified in ledger fund 550.

Policy 6200/6700 Superintendent can establish adult education programs and charge fees for tuition and supplies.

Conn Gen Stat 10-73a: The Board of Education of any providing school district which collects fees may establish and maintain in its custody an adult education school activity fund through which it

may handle the finances of the adult education program as outlined in this section; said fund to be maintained and operated in conformance with the provisions of section 10-237.

Summer Learning

Fairfield County Bank Account ending in #1983

This bank account is used for our Summer Learning program. Various courses are available for high school students to attend over the summer.

Funding Sources: payments from parents registering their child for a summer course.

Uses: not budgeted for, self-sustaining; to cover the cost of the course the funds were received for, i.e. instructional materials, instructor, clerical and teacher salaries.

Student Activity Accounts

These accounts are established to direct and account for monies used to support co-curricular and extracurricular student activities. As a general rule, co-curricular activities are any kinds of school-related activities outside the regular classroom that directly add value to the formal or stated curriculum.

Funding Sources: student fundraisers, club money, theater ticket sales, field trips, parking fees.

Uses: **restricted. Can only be used for the purpose of the donation**

Sources and uses are tracked at each building level. They are tracked by central office through Ledger Fund 990.

Policy 3453: School Activity Funds. The Superintendent of Schools or his/her designee shall direct the maintenance of a school activity fund. The Superintendent shall designate an individual to:

1. Maintain separate accounts within the activity fund, and for each school fund and each organization fund included within the fund;
2. Make expenditures in the manner prescribed and authorized by the Principal, provided the control of school funds and the funds of all school organizations shall remain in the name of the respective schools and organizations.

The accounts of the school activity fund shall be audited in the same manner as all other school district accounts.

Policy 3281: School Fundraisers. Fund-raising activities may be approved by the Superintendent of Schools or designee consistent with the following guidelines:

1. Fund-raising is in connection with school-sponsored projects. Requests for approval of fundraisers shall be made and approved, in writing, on the form provided.

2. There are sufficient educational or financial benefits which will accrue to the school and for students, either directly or indirectly, from the activity.
3. The mechanics or procedures of fund-raising will neither be an unacceptable burden to teachers or other school staff members nor subject the school to inappropriate risks or responsibilities in handling funds.
4. Student participation in such fund-raising activities must be entirely voluntary. Direct or indirect coercion of students to participate in such activities by staff and outside vendors is expressly prohibited. For safety reasons, staff and outside vendors are prohibited from encouraging door-to-door solicitation by students.

School fundraising activities shall not take away from instructional time.

Upon approval by the Superintendent or designee, information from recognized charitable and other organizations of a nonprofit, nonsectarian nature which could eventually result in voluntary student and/or parental activities, contributions, or memberships of benefit to the organization may be distributed through the schools. In these instances, the distribution of material would be the only school involvement on behalf of the organizations.

There shall be no direct solicitation of funds by outside organizations from students except on specific approval of the Superintendent of Schools.

Policy 1324: Soliciting by Students: School-sponsored solicitation of funds and/or sales of merchandise or services. Funds so collected may not be used to replace budgeted funds for existing programs or activities. All funds collected shall be subject to approved school activity accounting procedures and periodic audit.

Conn Gen Stat 10-237: Any local or regional Board of Education may establish and maintain in its custody a school activity fund through which it may handle such funds of schools and school organizations as such board from time to time determines to be desirable, which funds may include amounts received as gifts or donations.

RHS: student activity checking account ending in #1975 Fairfield County Bank

Main checking account for all of the RHS student activity functions. Ledger activity maintained in the 992 fund.

Together, the RHS student activity checking and RHS student activity savings accounts reconcile to all of the ledger activity within RHS Student Activity fund 992.

Balance in the following accounts, as with all checking accounts, varies depending on outstanding checks, timing of deposits and withdrawals.

Checking account balances as follows:

2017 Beginning \$65,876.48 Ending \$171,213.00

2018 Beginning \$171,213.00 Ending \$154,873.31

2019 Beginning \$154,873.31 Ending \$107,327.12

RHS: student activity savings account ending in #1976 Fairfield County Bank

This is an old RHS student activity account used for student activity functions. Details were maintained in an outdated financial system at RHS that is no longer available. Together, the RHS student activity checking and RHS student activity savings accounts reconcile to all of the ledger activity within RHS Student Activity fund 992.

Ledger activity maintained in the 992 fund is for both the student activity checking and the student activity savings bank accounts.

Savings Account Balances are as follows:

2017 Beginning \$276,485.75 Ending \$276,485.75

2018 Beginning \$276,485.75 Ending \$276,485.75

2019 Beginning \$276,485.75 Ending \$278,970.91

Current year (2020) activity shows some of the larger balances (as an example) in the student activity fund 992 (checking and savings) as:

- AP Exams \$40,219.05 (missing one invoice to be paid);
- Transcripts \$46,778.48;
- Theater-Musical \$31,127.18 (funds received from ticket sales, used for supplies, costumes, stage settings, etc.)
- Rebate \$24,021.20 (student life touch rebate for use of vendor);
- Student Parking \$23,961.97 (check back to parents being processed);
- Student Council \$19,425.20 (all grades);
- Weight Lifting Training \$8,326.63;
- Current Class of 2020 \$7,095.88;
- Key Club \$6,370.89;

SRMS: checking account ending in #1959 Fairfield County Bank

2017 Beginning \$47,219.28 Ending \$64,359.55

2018 Beginning \$64,359.55 Ending \$61,678.65

2019 Beginning \$61,678.65 Ending \$58,474.25

Current year (2020) activity shows the larger balances in the student activity fund 991 as Field Trip \$14,269.55; Music Activity \$13,358.78; Yearbook \$6,828.52; Thorntree Project \$2,928.17

ERMS: checking account ending in #1940 Fairfield County Bank

2017 Beginning \$30,360.98 Ending \$36,605.48

2018 Beginning \$36,605.48 Ending \$39,682.83

2019 Beginning \$39,682.83 Ending \$19,601.36

Current year (2020) activity shows the larger balances in the student activity fund 990 as Grade 8 June Trip \$4,129.00 (waiting deposit refund to return to parents); Student Activity Fee \$3,416.32; Yearbook \$1,744.22

FES: checking account ending in #4320 Webster Bank

2017 Beginning \$8,454.18 Ending \$5,729.06

2018 Beginning \$5,726.06 Ending \$5,096.69

2019 Beginning \$5,096.69 Ending \$6,264.70

Current year (2020) activity shows the larger balances in the student activity for FES as Kosbob Foundation \$1,500.00; Lost Books \$713.74; Transportation for Field Trips not billed for yet.

BMES: checking account ending in #3267 Fairfield County Bank

2017 Beginning \$4,165.98 Ending \$2,002.77

2018 Beginning \$2,002.77 Ending \$3,485.09

2019 Beginning \$3,485.09 Ending \$2,966.84

Current year (2020) activity shows the larger balances in the student activity for BMES as a few fundraisers and field trips which parents need to be reimbursed for.

SES: checking account ending in #1682 Fairfield County Bank

2017 Beginning \$12,669.16 Ending \$11,879.51

2018 Beginning \$11,879.51 Ending \$11,657.34

2019 Beginning \$11,657.34 Ending \$10,253.73

Current year (2020) activity shows the larger balances in the student activity for SES as field trips \$9,740.00 Grade 5 NYC Trip (parents need to be reimbursed); \$728.00 Grade 4 Ridgefield Playhouse (parents need to be reimbursed); \$1,000 for SES PTA (need to refund as they contributed \$500 for each the grade 5 and grade 4 field trips that did not occur).

BES: checking account ending in #5713 Webster Bank

2017 Beginning \$386.83 Ending \$353.74

2018 Beginning \$353.74 Ending \$1,929.28

2019 Beginning \$1,929.28 Ending \$1,831.28

Current year (2020) activity shows the larger balances in the student activity for BES as \$580.00 Grade 1 Ridgefield Playhouse field trip (refund due back for this).

RES: checking account ending in #7060 Fairfield County Bank

2017 Beginning \$14,359.10 Ending \$12,982.96

2018 Beginning \$12,982.96 Ending \$13,892.74

2019 Beginning \$13,892.74 Ending \$10,990.76

Current year (2020) activity shows the larger balances in the student activity for RES as \$5,923.43 Used Book Fair; \$3,145.11 Field Trips.

VPES: checking account ending in #7541 Wells Fargo

2017 Beginning \$7,382.03 Ending \$4,281.69

2018 Beginning \$4,281.69 Ending \$2,494.30

2019 Beginning \$2,494.30 Ending \$3,646.47

Current year (2020) current balance in the student activity for VPES #7541 checking account is only \$618.42 with \$486.00 in outstanding checks as of the April statement.

VP: money market account ending in #4498 Wells Fargo

This account has only one purpose to hold the funds raised in a special fundraising event for "Room to Read." This organization did not receive it's 506(c) status until well after the fundraising event. Funds were held in the money market account waiting for the not for profit status of the organization. The funds received for this purpose are earmarked and when they have been expended the fund will be closed.

2017 Beginning \$10,037.79 Ending \$10,037.79

2018 Beginning \$10,037.79 Ending \$10,040.25

2019 Beginning \$10,040.25 Ending \$5,052.28

Current year (2020) current balance in the student activity for VPES #4498 money market account is \$3,055.11.

Questions/Answers

Questions we are asking ourselves:	
How can we add clarity to the purpose of the 'Districts 'bank accounts' for Town Boards and Community?	
Are the accounts appropriately named for the purpose of clarity?	
Should we consider using an experienced auditor in school accounting and 'Agreed Upon Procedures' to review Bank Accounts to determine if our procedures reflect best practices? And if/should revisions be needed determine policy/student activity manual direction.	
Athletic Account: Does the set-up of this account continue to be the best way to account for revenue from multiple sources?	
Questions we have been asked:	
What types of 'bank' accounts are there?	<p>The Board of Education is authorized under State Statute Sec. 10-237 to have bank accounts where the source of funds is not the municipality. (full statute below)</p> <p>(See various bank accounts explained above)</p>
Why do we have them? And what is the role of the Town Treasurer with regard to student activity funds?	<p>Sec. 10-237. School activity funds. (a) Any local or regional board of education may establish and maintain in its custody a school activity fund through which it may handle (1) the finances of that part of the cost of the school lunch program not provided by town appropriations, (2) the finances of that part of the cost of driver education courses furnished by such board of education and not provided by town appropriations and (3) such funds of schools and school organizations as such board from time to time determines to be desirable, which funds may include amounts received as gifts or donations. Whenever a board of education establishes a school activity fund, it shall designate one of its members or some other person to serve as treasurer of such fund and shall fix his or her salary, which shall be paid from the regular town appropriation for school purposes. Such treasurer shall be bonded and shall keep separate accounts for each school lunch program, for each driver education program and for each school fund and each school organization fund included in the school activity fund and shall make expenditures from such fund in the manner and upon such authorizations as the board of education by regulation prescribes, provided the control of school</p>

	<p>funds and the funds of all school organizations shall remain in the name of the respective schools and organizations. The accounts of the school activity fund shall be considered town accounts and shall be audited by the town auditor in the same manner as all other town accounts.</p> <p>(b) The accounts of any public school lunch program, whether maintained directly by the board of education or through an agent, shall be kept in accordance with regulations prescribed by the board of education and may include a petty cash fund on the imprest basis and shall be subject to the regular audit of town accounts as provided in section 7-392.</p> <p>(c) Any local or regional board of education may receive and accept any donation or gift of personal property to be used for the educational benefit of students.</p> <p>Such treasurer: (per our Policy 3453 we designate the principal of each school as the treasurer/custodian of their schools student activity accounts)</p> <p>*Student activity accounts are not funded by tax-levy dollars, therefore are not public funds. (see Charter Section 4-9)</p>
<p>How are these accounts currently reviewed?</p>	<p>Conn General Statute 10-237. The accounts of the school activity fund shall be considered town accounts and shall be audited by the town auditor in the same manner as all other town accounts.</p> <p>The District reconciles all accounts on a monthly basis, in addition to maintaining a reconciliation with the Town Comptroller.</p> <p>Blum Shapiro audits the town accounts as they do the Board of Education. Blum Shapiro reviews all ledger and bank reconciliations every year during their independent audit.</p>

<p>Why is there a student activity savings account with no activity? Where did the balance come from? Why hasn't the high balance of the RHS savings account been reviewed before?</p>	<p>The student activity savings account at RHS contains residual student activity monies. See above: Sources RHS Student Activity fund 992. All of the ledger accounts total the funds in the student activity checking and the student activity savings account.</p> <p>The balance of the student activity savings account has been brought to the attention of the permanent Superintendent and we are actively reconciling this account, as outlined in 'Questions we are asking ourselves.'</p>
<p>Can monies from Student Activity accounts be returned to Town Coiffers?</p>	<p>No. BOE Policy 1324 Soliciting by students: Funds so collected may not be used to replace budgeted funds for existing programs or activities.</p> <p>The monies must be used consistent with the intent of the account (for the purpose of that school or student organization).</p>
<p>What are the balances of the Student Activity Accounts at the end of the year?</p>	<p>End of year balances are being finalized. See prior school years above.</p>
<p>Why are the balances on some accounts so high?</p>	<p>This year's balances are high due to Covid-19; however, there are other times when our accounts may run high. Checking account balances are based on timing. Outstanding checks may not have cleared, final invoices received or events may not have taken place at the time the balances are presented.</p>
<p>Can we see high/low balances for each of these accounts for the past 5 years?</p>	<p>Given the end of year deadlines/requirements of the Business office, this will require additional time and resources.</p>
<p>Are we leaving interest on the table? Why aren't we investing these monies to earn more?</p>	<p>Most of these accounts are checking accounts, with the exception of the RHS Savings account. These accounts are intended to be liquidated and not invested.</p>