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MEMO NO. JM26-17

TO: All Support Groups and Principals

FROM: Mr. Richie Weaver, Director of Finance
Dr. Ben Boone, Assistant Superintendent for Operations and Administrative Services
Dr. Amy Blake-Lewis, Superintendent

SUBJECT: Support Group Financial Recordkeeping and Internal Controls

DATE: July 24, 2025

The purpose of this memo is to provide guidance for Support Groups in financial record keeping and internal controls. The items discussed below are informed by feedback from our annual audits over several years. This memo contains information regarding training dates for support groups, internal controls, treasurer responsibilities, and guidelines for volunteers, revenues/receipts, expenditures, financial reporting, audits, and fundraisers.

Annual financial trainings for support groups provided by school system business officials will be held in person at the Henry County Administration Building in the Summerlin Room for the 2025-2026 school year. The president, treasurer, and authorized check signers for the support groups will be required to attend a training but other board members of the support group may also attend. Only support groups having persons attend the seminars will be authorized to conduct fundraising activities. Meeting dates offered for trainings provided to support group presidents, treasurers, and authorized check signers are;

August 5, 2025 - 12:00 p.m.
August 5, 2025 - 6:00 p.m.
August 21, 2025 - 11:00 a.m.
August 21, 2025 - 6:00 p.m.

In January 2009, internal controls were put in place for support groups by the school system. The controls are designed to strengthen certain areas of weakness in operations and to outline procedures and internal controls on the handling of funds to protect the volunteers. The auditors included the following paragraph in a prior report concerning internal controls:

“It is important to note that while internal controls are cumbersome to follow, especially when someone is dealing with the public, it is critical not only to the safeguarding of the assets but also to protecting the reputation of the many volunteers. The legal protection afforded by the implementation and utilization of a quality internal (fraud) control program is immeasurable and should encourage more volunteer’s participation.”

It is the Treasurer’s responsibility to maintain an accounting system with an accurate record of the receipts and expenditures for the fiscal year and that the records are kept up to date. The absence of the proper documentation

from the support group for the auditors to complete the audit in a timely fashion may result in additional audit fees which will be passed onto the support group.

VOLUNTEER GUIDELINES -Henry County Public Schools Volunteer Process

Henry County Public Schools will pay for background checks for up to five support group officers for each support group. For further information about paid volunteer background checks for support group officers, contact Tanya Verlik at tverlik@henry.k12.va.us.

Henry County Public Schools requires that a full background check be processed for any person wanting to act as a volunteer within the school system. For Henry County, the background check process has two steps. The total cost for the entire background check process is \$29.45. Once completed and approved, all background checks are effective for three years.

Step One: Central Registry Background Check

This portion of the background check is conducted by the Virginia Department of Social Services. The Central Registry Search form must be filled out and a \$10.00 cashier's check or money order attached. Please make the check payable to "Virginia Department of Social Services" and make sure you sign the money order/cashier's check, if required. A notary is no longer required.

Step Two: Criminal Background Check

This portion of the background check is offered online and must be completed along with the Central Registry background check. The cost is \$19.45, which is paid online by credit or debit card.

Once all background results have been received, you will be notified by email from Secure Volunteer that your application has been approved. You will then be able to access your Secure Volunteer digital card via their new mobile app and your name will be added to the Henry County Public Schools Approved Volunteer list, which is available to all school secretaries and principals.

There is no way to expedite the background check process; it takes at least 6 weeks for the background checks to be returned. Please be aware of this when planning to attend all field trips or volunteering/chaperoning opportunities within the school system.

REVENUES/RECEIPTS

If using items such as wristbands/tickets for a raffle or entrance to a carnival, you should record the beginning and ending numbers of the tickets being used for that event before you begin distributing them. At the end of each day/fundraiser you will then be able to record the ending number and subtract the beginning number to verify the number sold. This will enable you to calculate and verify the monies collected are correct. At least two people should be responsible for the distribution of tickets and the collection of money at one station.

All Revenues should be receipted using pre-numbered receipts. The receipt numbers should be noted on the deposit slips and the dates should be legible on the receipts. There should be a duplicate copy of all receipts maintained in the receipt book for tracking and audit purposes. Deposits are to match supporting documentation and documentation should be attached to the deposit slips for the annual audit (receipts, report of ticket sales, concessions money count form, etc.). All cash, checks, money orders, etc. should be deposited on a daily basis. The monies should be counted by two designated persons to verify the amounts collected and deposited. The two designated persons should not be husband and wife or related family members. No monies should be taken to a person's house. If monies cannot be counted and deposited the same day, one solution may be to check with your bank and see if you can drop the bag with a note that the group will pick the deposit up the following day to count the funds and complete the deposit.

EXPENDITURES

All purchases should be approved by the support groups in advance. The original invoice should be marked as approved and items received by the Board before payment is made. Check number and date paid should be noted on the invoice. Photocopies of receipts are not acceptable documentation.

Every check should be recorded in the checkbook at the time it is written and an explanation for the purchase written in the register and on the check. All purchases should be paid by check and never paid with cash to provide an accurate record of the group's transactions. As indicated above, check number and date paid should be noted on the invoice being paid.

Two check signatures are required on all checks. No blank checks should be signed in advance by any member of the support group. The check format should include two distinct lines for two signatures as well as the statement "Two Signatures Required."

Signature cards at the bank should be updated annually. Names of persons no longer authorized to sign checks should be removed and new names added.

School support groups may, on occasion, want to make a cash donation of a specified amount for each teacher in the school. The donations will be processed through the school's activity accounts and thus subject to the school system procurement procedures. For example, a support group might donate \$1,000 to a school with 20 teachers. Each teacher, using personal funds, could purchase \$50 of items, submit an original invoice or cash register tape, and receive a \$50 reimbursement check from the school. Gift cards, cash, checks, and savings bonds are not acceptable.

REPORTING

Minutes of the support group board meetings are to be turned into the auditors for the annual audit in addition to previously requested documentation. The minutes for each meeting are required to include the Treasurer's Report. The Treasurer's Report should show the following:

- 1.) Balance on hand at the beginning of the year, month or as of the last meeting.
- 2.) List all receipts in detail and total.
- 3.) List all disbursements, itemized, and totaled.
- 4.) End with the balance on hand as of the date of the report.

An example treasurer's report is included in the attachments in this memo. It is encouraged to have a printout of the Excel expenditures and bank reconciliation (or similar program as Excel) as documentation to limit duplication of summarizing data. A Microsoft Excel spreadsheet has been sent in addition with this memo to help provide a valuable resource. Examples taken from the spreadsheet are included with this memo. Other attachments included with this memo are: Example of an Annual Report from the Treasurer, Regulations for Fundraising and Solicitation, and the Fundraising Request Form.

AUDIT

For the year end audit the following information/forms should be provided:

- 1.) Checkbook Register (Ledger). Not the checkbook.
- 2.) Copies of the support group meeting minutes for the entire year.
- 3.) Bank statements July 2025 through June 2026, with cancelled checks.
- 4.) Vendor invoices and approved purchase requisitions/vouchers.
- 5.) Cash receipts records (with prenumbered individual and/or grouped receipts), including deposit slips with documentation for the deposit (receipts, etc.).

- 6.) Bank reconciliations, July 2025 through June 2026
- 7.) Cash receipts and cash disbursements journals (A check register does not qualify.)
 - Cash receipts and disbursements journals must be summarized for the year by account category.
 - Cash receipts and disbursements journals must be in sequential order.
- 8.) Prenumbered purchase orders and requisitions.
- 9.) Budget for the year if applicable.
- 10.) Reconciliation of cash receipts and disbursements for the year with beginning and ending cash balances in the format below.
- 11.) All of the items mentioned above should be supported in an organized platform (i.e. Excel spreadsheet provided or another user created spreadsheet format organized/designed to reflect the templates provided in this memo).

Cash – July 1, 2025	\$ xxx
Cash Receipts	\$ xxx
Cash Disbursements	\$ xxx
Cash June 30, 2026	\$xxx

FUND RAISING

All Fundraisers are to be approved in advance by the Superintendent of Henry County Schools. No fundraisers are to be carried out without prior approval by the superintendent. A copy of the fundraising policy and form are included with this memo. The Fundraising Request form should be filled out and given to the principal. The form will then be forwarded to the Director of Finance and Superintendent for approval.

IRS publication 3079 Gaming Publication for Tax-Exempt Organizations prohibits the practice of giving volunteers monetary credit for fundraising, including working at concession stands and bingo games. According to the IRS, the waiver or reduction of fees for workers or items or services normally charged to non-workers constitutes compensation and should be reported as income. School groups that violate this regulation may cause their group and the school division to be subject to large fines/penalties if audited by the IRS.

The right to use the school system's name and affiliation with the school may be revoked for any group that fails and/or refuses to comply with policies and regulations.

****Please visit the following site for more information and forms:**

<https://www.henry.k12.va.us/family/pto-support-group-information>

