

SCHOOL BUSINESS & INTERNAL ACCOUNTS NEWSLETTER

January 2011



School Financial Services - 125 South Clark - 14th Floor

New Payment Process for Sports & Other Officials

The IRS regulations require 1099 forms to be issued to certain companies and individuals that received payments from CPS, including sports officials.

Therefore, beginning this new calendar year, all sports officials are required to register with CPS prior to being allowed to perform any future services as an independent contractor. The Finance Department has sent notification to each Illinois High School Association sports official informing them to register with CPS by completing and submitting the W-9 and contact information forms by January 19, 2011. The forms are to be sent to Accounts Payable via fax (773-553-2704) or mail (P.O. Box 661, Chicago, IL 60690-0661).

Effective in February 2011, schools must follow the new payment process for all sports officials. The Internal Accounts Management System (IAMS) will be updated to include the new vendor type "sports officials". Once registered with CPS, School Financial Services will enter the official's information into our database and IAMS will automatically display the official as a licensed or non-licensed sports official.

No payment can be made to any official not listed in the IAMS "Sports Official" dropdown list after February 28, 2011.

Fundraising with Outside Organizations

Schools have the option of hosting a fundraising activity with an outside organization. This may occur if an outside organization (i.e., the Parent Teacher's Association/Organization) has initiated the solicitation and the school has consented to this request.

Each outside organization must be an established, not-for-profit entity registered with the State of Illinois and IRS with its own tax ID number, exemptions, and bank account. Schools must ensure all newly formed parent groups meet these requirements. Schools should

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If you need to pay a sports official who has not registered with CPS, a completed W-9 and contact information form must be immediately forwarded to Accounts Payable. ***Note:*** *There will be a 2-3 day turnaround time to process the registration and to add the name in the Sports Officials dropdown list IAMS.*

In addition, all payments to sports officials must be drawn from the IAMS 27110 account series for high school sports, and elementary schools must use the new account number that will be set up in the 24XXX series. If necessary, schools may transfer funds from other accounts into the 27100 or 24XXX series in order to write the checks.

Detailed instructions on processing payments for high school and elementary sports officials are forthcoming.

Direct questions to the Sports Official's hotline at 773-553-2722.

verify the legal status of an organization through the Illinois Secretary of State office and the Internal Revenue Service agreeing to participate in the fundraiser.

The school and the outside organization may share the profits or all profits may go directly to the school. Under no circumstances should all profits go to the outside organization. A new Fundraising Agreement has been designed for schools and outside organizations. Profits between the school and the outside organization are

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Internal Accounts & IAMS – Helpful Hints . . .

Steps for a Smooth Reconciliation:

- Be sure all receipts and all check disbursements for the month being reconciled are not in pending status.
- Make sure all deposits shown on the bank statement are not in pending status.
- Click on the checks that are listed as paid on the bank statement. Then compare the total withdrawal amount on the screen with the total checks paid on the bank statement: they should equal.
- If they are not equal, count the checks on the screen that are marked. Compare that with the total number of checks listed on the bank statement as paid. If there is a difference, then find out what check is missing.

How to record NSF checks that were part of your withdrawals.

If someone gave you a personal check and the check turns out to be NSF, make a General journal to record the NSF check in IAMS as follows:

- Debit the revenue account where the funds were credited and credit the checking account.

In addition, give the person a letter or memo indicating that the check was returned, there is a NSF charge due in the amount of \$34.00 and you need cash or a money order for the check amount that was NSF.

Other Hints:

- **Deposits without Receipt** should be used when you receive electronic deposits to the checking account. When checks and cash are received, a Treasurer Receipt should be issued at the time the funds are received by the treasurer.
- When there is a disputed check amount, a general journal entry should be made for the difference, do not void the check.
- Use the **Daily Bank Transactions** tab in IAMS to view all transactions that have cleared the bank and the checking account balance as of the previous day. You will also find the date the bank recorded

transactions. These transactions include checks, deposits, adjustments, etc. Schools should view transactions on a daily basis.

- Internal Accounts transactions must be recorded at a minimum of once a week. If you wait until the end of the month, you may miss transactions and run into problems reconciling.
- Schools are required to make at least one deposit per week. Please keep in mind that cash should not remain in **Cash on Hand** no longer than a week. Make deposits more frequently if necessary. And, the deposit should consist of ALL funds collected.
- Schools are encouraged to use computer-generated checks and computer-generated Treasurer Receipts. This will significantly reduce data entry because there is no posting from the checkbook to IAMS and it decreases the number of errors.
- When reviewing the **Reports**, remember:
 - The accounting balance on the reconciliation report should match the checking account ending balance on the summary trial balance for the month.
 - The expected balance on the reconciliation report should match the ending balance on the bank statement.
 - All checks and receipts written during the month must be submitted. These cannot be in pending status.
 - The ending balance on the bank statement must be entered accurately.
 - Receipts must be deposited.
 - If the armored car service picks up your deposit, enter the bag number when you make the deposit. If you carried the money to the bank yourself, enter "Teller" in the bag number space.
- **If you are not sure how to enter transactions or having trouble balancing, it is best to contact the internal accounts hotline at 773-553-4271 before entering the transaction.**

Fundraising with Outside Organizations (cont'd)

distributed in accordance to the Fundraising Agreement and Fundraising Proposal. Both of these completed and signed documents must be maintained on file.

All fundraising expenditures and receipt activities must be accounted for according to the guidelines in the internal accounts manual.

These updates will be reflected in the new Guide to School Business & Internal Accounts Manual scheduled to be distributed this summer.

If you have questions on fundraising, please contact the hotline at 773-553-2750.

Fixed Asset Application – System Updates

The Fixed Asset Application system has been enhanced to provide detailed information on each school asset and an improved transfer and disposal process. The system also includes tracking methods for purchases made from Central Office for items delivered to schools.

Training has been scheduled for mid-February. Go to CPS University to view dates and times of training sessions and to register.

Be sure to share training information with tech coordinators or other staff who are responsible for completing the fixed asset inventory.

Remember, Board Policy requires **ALL** schools and Area Offices to submit a fixed asset inventory by **June 30** of every year.

Book Transfer and Escheat Transactions in IAMS

- Funds transferred as a **Book Transfer** or **Escheat** in IAMS are processed the next business day.
- For **Book Transfers**, a Budget Transfer is not needed in most cases. Funds are transferred directly to the spending budget line or position line.

For FY11, all budget transfers require a SIPAAA activity and a SIPAAA activity must be attached to the "FROM" Line unless the "FROM" Line is a pointer line or miscellaneous line. Therefore, IAMS Book Transfers should be processed in the following manner:

- Salary
Regular Positions (ESP and Teacher)
Unit –124-51300-290001-002239
Bucket Positions
Unit –124-51320-290001-002239
Benefits (Regular and Bucket)
Unit-124-51330-290001-002239

- Non-Salary
Use the correct spending line. If you're not sure what line to use, transfer funds to the Miscellaneous Line (Unit-124-57940-119035-002239). This will require a Budget Transfer.

Schools should contact Monica Whitsey at (773) 553-2591 if assistance is needed or error occurs on Book Transfers due to SIPAAA activity.

- Only one **Book Transfer** and **Escheat** transaction can be completed per day; however, several lines can be included in a single transaction.
- All **Book Transfer** and **Escheat** transactions must be submitted to the Principal for approval. To add approval authority to other staff, the Principal must request the approval via email to internalaccounts@cps.k12.il.us or call the hotline at 773-553-2766.
- Do not enter a General Journal entry for Book Transfer and Escheat transactions.** The IAMS system will automatically post the journals.

Contact the hotline at 773-553-4271
if you have any questions or
need assistance with Book Transfer or Escheats.

Internal Accounts Manual – Revised 2011 Edition

The revised *Guide to School Business & Internal Accounts Manual* is scheduled for summer distribution. It has been organized in a new, easy to use format. Some sections are new and other sections have been revised. Revised sections provide additional details, instructions and information. Here are some highlights to the revised manual:

- New due date for monthly internal accounts reports – 15th of each month.
- New workflow approval process for internal accounts reports.
- New rules on conducting fundraisers with outside organizations.
- New payment process for sports and other officials.
- Explanations and instructions on how to maximize the benefits of using the new IAMS system.
- Instructions on when and how to enter General Journal entries in IAMS.
- Updated Book Transfer process and Special Income Fund 124 with SIPPA Activity.
- Seven most common audit findings.
- Responsibilities of schools scheduled to close, consolidate or turnaround.
- New period for escheating unclaimed checks is changed to checks outstanding for a year or more.
- Instructions for transition of Principals and Clerks.

Hard copies of the manual will be sent to each school. In addition, an electronic copy of the manual will be available online.

Schools will be notified when the revised manual is scheduled for delivery.

Help and Support

School Financial Services has extensive, expert and professional support available to schools on Internal Accounts, Fixed Assets, Accounts Payable, Consolidated Banking and the new payment process for Sports Officials. If you have questions or require assistance or support, please contact us. Also, please note that all bank forms can be found on the Consolidated Banking website.

- **Internal Accounts & Fixed Assets**

Hotline: 773-553-4271 or 2750

Fax: 773-553-2704

Email: InternalAccounts@cps.k12.il.us

Website: <http://www.quia.com/pages/internalaccounts/iams>

- **Accounts Payable Contact Information**

Phone – 773-553-2760

Email – accountspayable@cps.k12.il.us

- **Sports Officials Registration**

Phone – 773-553-2722

Fax – 773-553-2704

Email – apw9form@cps.k12.il.us

- **Consolidated Banking**

Hotline: 773-553-2766

Fax: 773-553-2704

Email: consolidatedbanking@cps.k12.il.us

Website: <http://www.quia.com/pages/consolidatedbanking.html>

- **U. S. Bank Customer Service**

Phone: 800-706-4727

Email: consolidatedbanking@cps.k12.il.us

SinglePoint Website: <https://singlepoint.usbank.com>



SCHOOL FINANCIAL SERVICES

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