

OLYMPIC ESD 114 BOARD POLICY ACCOUNTING SYSTEM

POLICY 6020

The Olympic Educational Service District 114 (OESD) accounting system shall be organized and operated on a fund basis in accordance with law and the Accounting Manual for Educational Service Districts in the State of Washington. Each fund shall have a self-balancing set of accounts which record cash and other financial resources to facilitate the efficient and effective operation of OESD business. Only the minimum number of funds shall be established for efficient financial management.

OESD funds shall be the Operating Fund, the Unemployment Fund, the Workers' Compensation Fund and the Compensated Absences Fund.

Operating Fund

The Board of Directors (Board) recognizes the importance of maintaining an adequate fund balance for long-term financial stability. The OESD operating (general) fund is used to account for all financial resources except those required to be accounted for in another fund.

Capital Assets

OESD capital assets such as land, buildings, machinery, vehicles, furniture and other equipment shall be safeguarded and controlled in accordance with the Accounting Manual for Educational Service Districts. Capital assets are those items with values of at least \$50,000 and large equipment purchased with federal funds at a cost of \$5,000 or more. Capital assets will be reported in the OESD Operating Expense Fund.

A physical inventory of all assets shall be made by the OESD Business Office every two years to establish the existence and condition of assets. Procedures for conducting the inventory shall be included in the OESD Business Office Financial Procedures.

Long-Term Liabilities

Per RCW 28A.310.200, an ESD may issue bonds or notes if the proceeds are used to acquire new or real personal property. Property so acquired shall be pledged as collateral for the obligation to be issued.

Current and long-term liabilities are recorded in the OESD Operating Fund.

Bank Accounts

OESD will maintain a system of bank accounts as follows:

- A depository and/or transmittal bank account;
- A travel advance account;
- A revolving account;
- Petty cash accounts in such numbers as are necessary to meet the petty cash needs of the departments of OESD.

The Board may authorize the establishment of such accounts. Each petty cash account will be approved by the Board. A custodian will be appointed for these accounts who will be independent of invoice processing, check signing, general accounting and cash receipts functions. If this separation of functions is not feasible, another employee who is independent of those functions will be responsible for reviewing the management of each account.

REFERENCE:

GASB Cod. Sec. 1100.103a(1)

RCW 28A.310.200

RCW 28A.310.370

RCW 28A.310.390

Date Adopted: October 20, 1988

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