



A.W.BROWN
LEADERSHIP ACADEMY

Student Activity General Policy

A. Definition and Purpose of Activity Funds Generally

Activity funds are defined as funds consisting of resources received and held by the school as trustee to be expended or invested in accordance with the conditions of the trust. Specifically, they are funds accumulated from various school-approved money-raising activities and the receipt of student dues or fees, vending commissions, investment interest, and donations. **These funds are to be used to promote the general welfare of the school and the educational development and morale of all students.** All funds collected by school district personnel from students are defined as activity funds and must be handled through the activity funds accounts.

Funds collected or earned by specific groups of students (such as Cheer) should be expended to benefit those students from whom the funds are derived. Funds accumulated by the faculty may be used to benefit either the faculty or students, at the discretion of the faculty. Monies donated to the school by students, faculty or outside groups are to be expended solely for the purpose prescribed by the donor.

B. Definition and Purpose of Student Activity Funds

Student Activity Funds (SAF) – Consist of funds generated by specific student groups, not by the District or campus. These funds include the “SA” accounts such as band, senior class, student council, and various clubs, etc. These funds are accounted for as agency funds in Fund 461 (code for Charters)/(code for ISDs 865 and are not owned by the District. Student activity funds are not subject to purchasing and bid laws; they belong to the students.

The student group controls decisions about the expenditure of these funds with the assistance and supervision of a District sponsor. Sponsors of these organizations have a fiscal responsibility to ensure proper collection, proper expenditure of funds and professional stewardship and guidance in operational/financial matters. All sponsors must be familiar with the policies and procedures in this manual.

The basic purpose for raising and expending activity funds that belong to a particular student group must be for the direct benefit of the students belonging to that group or for the general benefit of the school as a whole (e.g., Eighth Grade Class campus beautification project). Within this scope, funds are to be used for financing the purchase of supplies, services, equipment and activities that add to the general welfare of the group members. The following guidelines apply to student activity funds:

- a. Student activity funds are to be used to finance a program of non-curricular school activities augmenting, but not replacing, the activities provided by the District.
- b. Projects for the raising of student activity funds shall contribute to the educational experience of students.
- c. **Before the purchase or requisition of goods and services, a parent volunteer/sponsor, the teacher sponsor, and the campus principal must approve the expenditure on the requisition approval form.**

A.W. Brown Leadership Academy Student Activities Fund Policy

- d. The faculty sponsor must submit all monies collected by student groups on a daily basis to the campus bookkeeper.
- e. School personnel who are associated with student activity funds could be responsible for replacement of money lost or improperly spent.

Organized student groups should have a set of by-laws and/or constitution and must have a charter approved by the principal annually. These documents are required to be updated annually and on file with the financial secretary along with a current list of officers and the sponsor's name. This will allow communication with these groups to be easier and timely.

Typical uses include travel, awards, banquets, supplies, etc.

Allowable

- a. Student trip related expenses such as meals, entry fees, lodging, transportation, etc.
- b. Awards/incentives
- c. Club supplies
- d. Equipment, but it must be donated to the campus
- e. Rentals such as vehicles, equipment, etc.
- f. Gift cards with a \$25 limit
- g. Contracted services such as printing, DJ services, motivational speaker, photographer, etc.*

*Contracted services must be in accordance with IRS regulations as they relate to Form 1099 issuance.

Non-Allowable

- a. Alcohol
- b. Individual gifts to a specific student or staff member: ie, Baby showers, birthdays
- c. Cashing personal checks

C. Responsibility for Student Activity Funds

The **principal** at each campus is responsible for the proper collection, disbursement, and control of **all activity funds at the school**. All School employees are required to follow the rules prescribed in this manual. Failure to follow the rules is cause for disciplinary action including termination. This responsibility includes:

1. Providing for the safe keeping of monies
2. Proper accounting and administration of transactions
3. Approval of expenditure of funds in compliance with Board policy and District guidelines as outlined in this manual
4. Adequate training and supervision of all personnel designated by the principal to administer activity funds

The Executive Director of Finance/**school secretary/bookkeeper** is responsible for maintaining an adequate supply of various activity fund forms. This person is responsible for issuing numbered

cash receipt books as needed to teachers and other persons authorized by the school principal. This individual must keep a distribution record of all receipt books issued, which is part of the official activity fund records. The school secretary/bookkeeper/ Executive Director of Finance is commonly responsible for the depositing of activity funds into the bank, accounting and reporting for activity fund activities and cash management. For simplification purposes, this role is referred to throughout this document as bookkeeper.

The **individual activity fund sponsors** are responsible for managing their respective activity funds. This responsibility can include developing fund raising plans, monitoring the financial position of the activity fund, reviewing the activity fund financial statements, safekeeping activity fund money until it is deposited by the school district, properly filing meeting minutes with campus bookkeeper/secretary and other fiduciary responsibilities.

D. Distinction between Activity Funds and Parent and Booster Organization Funds

The principal and campus personnel are not responsible for funds collected, disbursed and controlled by parents, patrons and booster or alumni organizations. These funds should not be accounted for in a school district's activity funds (i.e., PTA, Parent Teacher Organizations, athletic and band boosters clubs, etc.). Although such groups or activities are closely related to school functions or events, officers of the outside group themselves should handle funds.

E. Accounting for Receipts and Disbursements

Receipts must be accounted for according to how the money was raised. Disbursements must be accounted for according to how the money was expended. As an example, if the student council conducts a fundraiser, proceeds from that fundraiser must be recorded under the student council activity fund account. Likewise, if the student council subsequently votes to purchase new benches for the campus corridor, this expenditure must be recorded under the student council account. In all cases, the appropriate level of supporting documentation must be retained for audit purposes for all transactions involving activity funds.

F. Purpose of Control Procedures

School personnel are placed in a position of extraordinary trust by parents and students when student funds are placed in their care. Adequate measures to control these student funds will assure parents and students that the funds are being handled properly. It is for the purpose of providing this assurance and protection that activity fund control procedures have been established.

The various control procedures are also designed to help protect the individuals who work with activity funds. Each step in the control procedures (writing and delivering cash receipts, preparation of purchase orders, maintaining accounts, reconciling accounts in a timely manner, etc.) plays a vital part in the overall system of controls. Strict adherence to control procedures is the "safe harbor" of protection for all individuals who work with activity funds.

An adequate system of controls that is appropriately followed casts a favorable perception to the community concerning the individuals associated with activity funds, as well as the entire campus and the District as a whole.

G. Reviews of Activity Fund Records

The activity fund financial records and procedures of all schools will be subject to review at any time throughout the year with little or no advance notice to the campus. These reviews will be performed by District accounting staff and reviewed by the District's "outside" independent auditors. The independent auditors may perform additional test work on various activity funds during their annual audit of the District's financial statements. Written responses to the audit reports may be required from the auditors. The responses should describe actions that will be taken to correct any deficiencies or errors noted in the audit report.

Upon entering a new assignment, a principal should study the student activity fund records and the most recent auditor's report related to the activity funds at their new school. The principal should determine the financial condition of their activity funds and become aware of any deficiencies or errors noted by the auditor. Since principals are charged with custodial responsibilities for their activity funds, they should continually monitor the financial condition of the funds through the proper review and approval of monthly reports (i.e., as evidenced by the principal's signature). The principal may also request a special review if a situation or event warrants it.

H. Retention of Records

The campus records should be maintained for five years after the conclusion of the fiscal year and remain available for review at any time.

I. Defunct Student Activities Accounts

Occasionally a student group attached to a designated student activity fund is no longer functioning therefore the group is considered defunct. Student activity groups must provide a section in their bylaws that determines how remaining funds will be used if the group becomes defunct. If the bylaws do not include instructions if the group becomes defunct, funds can be moved to a similar student activity account to provide financial benefit to existing student groups with the approval of the Principal and Business Services department. A Defunct Student Activity Account Transfer form must be completed and sent to the activity accountant for approval.

1. Defunct Student Activity Account Transfer Form (see business forms under business services department website)
2. A typical occurrence with student activity fund accounts at the high school level is the "class of" accounts needing to be defunct. These groups must have in their bylaws what will happen to the remaining funds as of the graduation date (such as campus beatification).

J. Miscellaneous Guidelines

The following are policy statements intended to lay a framework for detailed procedures related to accounting for activity fund and capital asset transactions at the various campuses. These policies will be discussed in greater detail in the following chapters of this manual. Any doubts about how a specific transaction is affected by the detailed procedures that follow should be cleared with the director of financial services prior to entering into the transaction.

1. It is the intention of the Board and administration that each of the procedures set out in this manual be strictly adhered to, to avoid disciplinary action up to and including termination of employment for all involved parties.

A.W. Brown Leadership Academy Student Activities Fund Policy

2. Money collected through activity funds are public funds and should be safeguarded as such. The same concept applies to physical properties at each campus.
3. A school may maintain a number of different clubs within its general fund 461 activity fund (e.g., running club, cooking club); however, the funds will be housed in the general bank account for the District and controlled by the principal.
4. Student activity funds are not to be used for the general convenience of any individuals. Accordingly, no loans may be extended, stamps are not to be sold, checks must not be cashed, and change may not be made. Student activity funds (fund 865) are housed in the general bank account for the District.
5. A Requisition Request Form must support all disbursements unless specifically exempted in this manual or in writing from the district's administration.
6. Activity fund money shall not be expended for goods or services in conflict with official Board policy. These accounts shall not be used to bypass district procedures for expending budgeted district funds.
7. Borrowing money to purchase items at the campus level is not allowed. This includes items acquired on an installment or lease-purchase plan.
8. An original copy of this manual is to be maintained at each campus for use by the head administrator and bookkeeper/secretary. In addition, copies of relevant chapters of the manual should be made available to anyone affected by the policies or procedures mandated by this manual.
9. Do not co-mingle personal funds and district funds for any reason.
10. The principal or bookkeeper/secretary of a new campus should contact the activity Executive Director of Finance, in setting up the campus activity fund.
11. New bookkeepers/secretaries should contact the activity Executive Director of Finance, for assistance. However, the campus is responsible for having a backup for the bookkeeper/secretary on site at all times.