

# SLPS

## Standard Administrative Procedure

### Student Activity Accounts

#### **I. Introduction**

This procedure is written to ensure standardization of the Student Activity Accounts process and that the student activity funds are managed in accordance with sound business practice.

#### **II. Purpose**

The procedures below are written as a method of improving controls and capturing accurate transactions of all student activity-related monies in the district's financial records.

#### **III. Responsibility and Authority**

The student activity funds shall be administered in accordance with board policy and procedures. The student activity funds shall be collected and disbursed under the general direction of the building principal; however, the principal shall involve those student groups, faculty and staff members who are responsible for the necessary aspects of the approved projects.

#### **IV. School Bookkeeping Procedures**

The following policy guidelines and procedures will be strictly adhered to:

The student activity funds will operate with a separate tracking for each different activity at the building level. Each specific account will be operated by student organizations and classes under the supervision of faculty advisers.

A centralized accounting of the student activity funds will be maintained in the principal's office. This will be carried out by a one-write system with separate Student Activity Ledger or Cash Transaction Sheet (Ledgers) (**See Attached**) maintained for each class, club or organization having an account within the activity fund.

##### 4.1 Receipts

A system for receipting cash should be adopted that includes using pre-numbered receipt forms for recording cash and other negotiable instruments received.

Moneys for deposit in the student activity fund are to be presented to the building principal or his/her designee on a daily basis. All deposits are to be accompanied by an approved deposit receipt, prepared in duplicate, showing the organization to be credited, the amount for deposit and signed by the representative presenting the deposit. The deposit is to be verified by the designee accepting the moneys who will then sign the receipt. The duplicate will be returned to the organization's representative and will be maintained as part of the organization's records until an official receipt is received from the district office.

All checks should be endorsed "For Deposit Only" by the principal or secretary or book clerk-treasurer. Bank deposits should be made within 3 days of receipt. All cash deposits must be verified by a minimum of two people. All moneys received for deposit are to be kept in the safe until deposited in the bank. Amounts kept in the safe should be minimal with daily bank deposits made during sales campaigns when receipts may be substantial. After moneys are deposited in the bank, the deposit amount should be entered in the organization ledger.

#### 4.2 Disbursements

A system for disbursing funds that includes using pre-numbered checks and multiple original signatures (no signature stamps) should be adopted as the sole means for disbursing activity fund monies.

All disbursements should be documented in the ledger. All disbursements should be made by pre-numbered checks issued from the school's checking account. All checks should be issued in sequential order. All voided checks should be clearly marked "Void" with the signature portion removed from the check.

Requests for checks from the activity fund are to be submitted on a disbursing order showing the organization to be charged, the amount of the check, the name and address of the payee and the purpose of the disbursement. All requests must be accompanied by proper invoices and authorized by a representative of the organization and the principal. Under no circumstances should a disbursing order be honored if the amount exceeds the organization account balance.

Checks must have two signatures of which one must be the principal. One of the two people must be the other signer: staff member or secretary or book clerk-treasurer. Checks will not be issued for any amount in excess of the balance maintained by the organization.

#### 4.3 Interest Income

Activity funds will be maintained as interest bearing accounts, unless bank fees exceed interest earned. Interest earned by the accounts will be credited to the various organizations on a

quarterly basis. Interest will be distributed on the basis of each organizations share of the account balance at the end of the quarter.

#### 4.4 Reporting

Bank reconciliations will be performed monthly by the school's principal or secretary or book clerk-treasurer. The ending bank statement balance must reconcile to the balance on the ledger. The school must maintain a listing of outstanding checks and a sub-ledger for each separate activity account. The monthly totals of the sub-account ledgers must reconcile to the total listed on the monthly ledger account.

**Each month for the high schools and middle schools, copies of the ledger, bank statements and bank reconciliations should be forwarded to the Fiscal Control Office by the 20<sup>th</sup> of the next month. Elementary schools should submit at the end of each quarter by the 20<sup>th</sup> of the next month.**

A monthly report of all receipts, disbursements and current balances will be prepared in the district office and forwarded to the building principal and faculty advisers of each organization. In addition, the corresponding receipts and disbursements will be posted to the general ledger on a quarterly basis.

### V. Organizational Procedures

#### 5.1 Use of Activity Funds

The student activity fund will not be used for small cash and check needs of other funds and organizations. Student activity funds should be used solely for their intended purposes, for the benefit of the students.

#### 5.2 Initiating Accounts / Terminating Accounts

Each activity fund principal, secretary or book clerk-treasurer should maintain a checking account for the activity funds.

New programs, clubs or organizations may be added as new accounts with the approval of the building principal. New accounts should not be established solely for individual charitable drives. Requests to the principal should be in writing and occur only after a need for the new account is determined.

**BANK ACCOUNTS ARE AUTHORIZED ONLY AT BANKS DETERMINED BY  
FISCAL CONTROL/TREASURY**

### 5.3 Cash Payments

All payments for activity fund purchases should be made by check. No expenses should be paid in cash directly from dues, collections, sales or other cash receipts. Checks will not be made payable to "Cash." Blank pre-signed checks cannot be issued. Debits/withdrawals cannot be made at the bank counter. Credit/debit/ATM card transactions cannot be made.

### 5.4 Loans and Purchases

Student activity funds shall not be used to make loans for any purpose. Student activity funds will not be used to make purchases by an individual for other organizations. It is against policy to use student activity funds to make privileged or tax-free purchases for any school employee or other person.

### 5.5 Purchase Orders

Purchases of \$1,000 and over shall be initiated by a purchase order. The purchase order will be a pre-printed form with space for delivery address, date, quantity, description of items or service being required, unit cost, total cost and signature of the secretary or book clerk-treasurer and faculty advisor. The purchase order must be approved by the building principal. Purchases will not be made or authorized without first having sufficient funds in that specific account to cover the purchase in full.

### 5.6 Bidding

District policy requires that purchases of materials or supplies by any organization, club, class or group in excess of five thousand dollars (\$5,000) shall be made upon solicitation of three or more quotations or bids. Purchases must be made from the lowest responsible bidder on the basis of price, quality and service. Services such as those of prom hotels and music groups are not subject to bidding. Purchases of materials such as rings, yearbooks and pictures, if made directly by the students and no transactions go through the student activity funds, will not require bidding. If they are purchased through the student activity fund, bidding is required. Long-term contracts may be desirable and service should certainly be considered when reviewing bids.

### 5.7 Contracts

Student groups may obligate themselves by contracts for materials, equipment or services with the approval of the faculty adviser and the building principal, provided that legal requirements for bidding and district policies are followed. Contracts, presented by vendors such as musical

groups and yearbook publishers, should be reviewed by Fiscal Control and/or solicitor, as well as by the principal.

#### 5.8 Petty Cash

The student activity funds will not have any petty cash funds.

#### 5.9 Unused Funds

When the interest of membership in a student club or organization funded by the students themselves declines to the point where organizational activities cease and there is a financial balance in the account, the money will be returned to the remaining club members if they are still in school and can be identified readily as having contributed to the balance, or the balance may be transferred to the general account.

#### 5.10 Commissions

The purchase of items for which commissions are paid will be avoided. A reduced sale price shall replace commissions.

#### 5.11 Non-School Funds

The student activity funds are not to be utilized for such non-school funds as faculty accounts, booster club accounts, PTA/PTO accounts and the like.

#### 5.12 Employees

All school district employees who are to be paid for duties performed at a function of a student organization will be paid through the district's payroll with regular deductions. When necessary, the student organization will reimburse the general fund for the payments.

### **VI. Fundraising Activities**

#### 6.1 Supervision

The principal will have overall supervision of all fundraising activities that take place on school grounds, whether organized and sponsored by the school, parent organization or both. The principal must be an authorized signer on all bank accounts for the school but not parent organizations.

## 6.2 Fundraising Approval Form

The principal must maintain a completed Fundraising Approval Form on file for each planned activity. This form should include a description of the activity, a statement of the fundraiser's purpose, the anticipated gross receipts and net proceeds and copies of any contractual agreements relating to the activity.

## 6.3 Refunds

All refunds will only be made by check and will only be made provided the appropriate documentation is presented.

## 6.4 File

Upon completion of the fundraising activity, the principal should maintain on file a summary detailing the net proceeds, certification that all expenses have been paid and a statement that the proceeds will be used as previously stated on the approval form.

## 6.5 Proceeds

The parent organization is entitled to receive all proceeds from activities organized and sponsored solely by the parent organization. Activities held on school grounds must be approved in advance by the principal, and, upon completion of the event, a final report must be submitted to the principal.