



FRANKLIN CENTRAL SUPERVISORY UNION
OPERATING GUIDELINES for
STUDENT ACTIVITY FUNDS



JULY 1, 2014

**For questions or comments,
contact the Business Office
at 524-2600, ext. 15**

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ATTACHMENTS:

- A. Statement of Purpose and Budget
- B. Cash Count Forms (B1 & B2)
- C. Request for Disbursement Form
- D. Sample Summary of Receipts and Disbursements

DEFINITION AND PURPOSE OF FUNDS

1. Student Activity and Athletic Fund Accounts are agency funds. The School District acts only as a custodian for these funds and is responsible for receiving and disbursing monies at the request of authorized activity representatives. The representative may be the Principal, activity administrator, faculty advisor or organizational treasurer depending on the fund. Sound accounting procedures are necessary to document that the District is acting within its authority as agent with regard to any transactions involving these funds. These operating guidelines are designed to ensure control over the safeguarding of assets and accurate reporting of these funds.
2. For the purpose of these guidelines, “bookkeeper” refers to any person(s) who maintains the bookkeeping records and/or deposits funds for the account.
3. All accounts must include the District Treasurer as a signer on the bank account signature authorization form. No accounts shall be opened without the treasurer’s authorizing signature.
4. All funds raised by the involvement of students and faculty are to be considered as school activity funds and must be deposited in the school bank account. This does not include monies raised by parent groups or booster groups who establish their own checking account as described in the “Booster Groups, PTA and PTO Groups” section of these guidelines; these are outside the control of the District (see page 7 of these guidelines).
5. Fund requirements and accounting procedures required for each student activity fund is described on pages 4-6 of this document. Each school shall initiate and employ efficient and accurate accounting procedures that have the approval of the Superintendent, the Business Office, the District Treasurer, and the independent auditors employed by the Franklin Central Supervisory Union (FCSU). Each school’s activity fund accounting will be conducted using District-approved software, such as MS Excel or accounting products such as QuickBooks, to provide the necessary controls and reports for both internal and external audit purposes, and to provide for consistency in reporting Student Activity Fund Balances in the Districts’ Annual Audit Reports.

SCHOOL LEVEL RESPONSIBILITIES FOR ADMINISTERING FUNDS

1. School Principal: The school principal is fully accountable to the Superintendent for management and oversight of all school funds. This includes, but is not limited to, ensuring staff is properly trained, all procedures are followed, and quarterly financial reports are submitted to the District Treasurer. For more information relative to the quarterly financial reports, please refer to Section V of these guidelines.
2. Teachers/Activity Advisors: Every teacher, coach or activity advisor maintaining an account within a school’s Student Activity Fund maintains a responsibility for monitoring the account to ensure that funds raised on behalf of the students participating in the activity are being used for the purposes stated for such activity. Each teacher/activity

advisor is responsible for completing all forms for student activity account transactions and to provide evidence of their approval of such transactions by signing all forms.

3. Bookkeeper: The high school, technical center, middle school and elementary school have an assigned bookkeeping position to accomplish the tasks relative to Student Activity Funds. These individuals are given the task to ensure all forms and documentation for Student Activity transactions are complete and accurate, and that they conform to all district procedures as outlined in these guidelines.

STUDENT ACTIVITY FUND REQUIREMENTS

1. For each activity there must be an identifiable person responsible for the financial operation of the activity. This identification shall be made in writing to the Principal. This shall be updated when necessary and kept on file in the office of the Principal.
2. For each activity there shall be a completed Student Activity Account Statement of Purpose and Budget form that details the following (Attachment A):
 - a. The primary objective for which any funds will be collected.
 - b. Planned activities.
 - c. Annual budget estimates (revenues & expenditures).
 - d. Allocation of residual funds. Specify what will be done with any residual balance when the fund is closed. For example, residual funds may be transferred to the general fund when the student activity fund is closed.
 - e. Signature of the advisor.
 - f. Approval by the Principal.
3. No activity shall commence, including fundraising, until the Principal has approved the activity and signed the form described in Paragraph 2 above.
4. No checks shall be written against accounts in excess of the monies on deposit in said account. No accounts shall have a negative balance (except as described in "Deficit Spending" on Page 5).
5. Each request for payment will include supporting documentation. Supporting documentation is described as detail information evidencing the purpose for the payment (e.g., invoice, sales receipt, food tab receipt, itemized credit card charge slip, or registration form). In the case of any advance (travel or petty cash), the bookkeeper is responsible to ensure supporting documentation is submitted after the fact. (Accounting Procedures 4.)
6. Funds shall be used for the event or activity that was announced when the money was collected.
7. The account bookkeeper will verify all cash receipts before they are deposited. All accounts must be reconciled monthly to the bank statement.
8. Student activity accounts shall be closed out if they have been inactive for more than one year or upon the request of the Principal. The Principal is authorized to transfer any residual balances to other student activity accounts or to a general fund account unless otherwise specified when the account is created.

ACCOUNTING PROCEDURES

1. Account Ledger: The account ledger for Student Activity funds shall be maintained by the Principals Office/Business Office and must include, at a minimum:
 - a. Description of each account.
 - b. Beginning balance at the start of the fiscal year for each account.
 - c. Receipts to date for each account.
 - d. Disbursements to date for each account.
 - e. Ending balance for each account for the period reported.
 - f. Location of the cash; petty cash, checking account, savings account and investments.
2. Cash Receipts
 - a. All funds collected should be turned in to the school office daily, as soon as possible, or when practicable. Money should never be left in a classroom overnight or taken to an individual's home. It is most important that receipts be written at the time of money collection for accounting and auditing purposes.
 - b. Collections received in the school office should be deposited in the bank daily or as soon as possible. Money should not be left in the school over weekends or holidays. Money left in the school must be in a safe or locked cabinet in the main office.
 - c. "Cash Count Forms" for ticket sales receipts (Attachment. B1) and for general receipts (Attachment. B2) shall be used to document all receipts for deposit. The total amount recorded on the Cash Count Form must equal the total value of checks, currency, and coin that are turned in and verified by the bookkeeper prior to depositing. The bookkeeper must maintain the original signed Cash Count Form for his/her records. A copy of the numbered Cash Count Form should be retained by the individual submitting the funds for deposit as their receipt.
 - d. Event sales receipts from gate receipts or tickets sold for any type of athletic event, school performance or fund raising sales must be verified by two individuals involved with the collection of those receipts prior to submitting the receipts for deposit.
 - e. All incoming checks must be made payable to the school. All checks must be endorsed and stamped "For Deposit Only" as soon as possible. No incoming checks shall be made out to an individual.
 - f. Payments for services, products, and reimbursements shall not be made out of cash receipts (cash on hand) under any circumstances.
 - g. Cashing of personal checks from cash receipt funds (cash on hand) is prohibited.
3. Bank Deposits
 - a. Weekend and night bank deposits are prohibited prior to preparing the appropriate cash receipt. All funds must be verified by the bookkeeper and recorded prior to deposits being taken to the bank.
 - b. The assigned bookkeeper will deposit funds received. Individuals who submit the funds to the bookkeeper for deposit shall not deposit those funds on their own at any time.

- c. A copy of the prepared bank deposit slip and the bank deposit receipt must be attached to, or referenced on, the associated Cash Count Form.
4. Request for Disbursements
 - a. Disbursements from Student Activity Funds for payments associated to school budget items are prohibited.
 - b. Disbursements made directly from cash collections are prohibited.
 - c. All disbursements via check, petty cash, start up cash, travel advances and account transfers must be processed using a Request for Disbursement Form (Attachment C).
 - d. Supporting documentation must be attached to the Request for Disbursement Form to provide detailed information regarding the purpose and legitimacy of the disbursement. Statements alone and non-itemized credit card signature slips are not an acceptable form of documentation.
 - e. The Request for Disbursement Form must be signed by the advisor or other Student Activity representative.
 - f. Pre-signing of blank checks is prohibited.
 - g. All voided checks must have "VOID" written across the face of the check as well as over the signature line. Voided checks are to be entered into the account cash ledger (check register) to maintain an audit record of all check numbers. These checks should be kept with the fiscal years' accounting records.
 - h. Payments: Compensation to any individual for services rendered must be in check form. "Gifting" an individual for services rendered (gift cards, gift certificates, etc.) in amounts above \$50 is not allowed. Merchandise may be given to individuals as an award, prize, or incentive. However, the value of the merchandise is also limited to \$50.
5. Payments for services rendered must be processed in one of the following ways:
 - a. Payments made to active district employees for services rendered must be processed through the Business Office's payroll department. Such payments are to be submitted on a Student Activities Timesheet accompanied by a Student Activities check for the amount of payment.
 - b. For payments to be issued to non-district employees/businesses for services rendered (Independent Contractors) and that are to be funded with Student Activity Funds, the bookkeeper must ensure a W9 form is on file. In addition, at calendar year end, a report of payments must be submitted to the Business Office for 1099 reporting purposes. (these payments made to individuals must be cleared by the Business Office)
6. Petty Cash, Travel Advances or Start-up Cash: For petty cash, start-up cash, or school trip advance disbursements, supporting documentation is to be attached to the Request for Disbursement. Prior to the fiscal year ending, a separate Cash Count Form should be completed to return the unused amount. This amount will be deposited back to the account and should not be combined with other cash receipts.

REPORTING REQUIREMENTS

1. By the end of the month, for the immediately preceding quarter, every bookkeeper must submit the following reports to the Business Office/District Treasurer:
 - a. Summary of Receipts and Disbursements for said quarter.
 - b. Original bank statement of the third month in each quarter.
 - c. Bank Reconciliation Report.
 - d. After June 30, the July bank statement.
2. The report submission schedule is as follows:
 - a. October 31th for the period July 1 to September 30
 - b. January 31th for the period October 1 to December 31
 - c. April 30th for the period January 1 to March 31
 - d. July 31th for the period April 1 to June 30

AUDIT OF ANNUAL FINANCIAL REPORTS

For auditing purposes following the end of every school year and upon the request of the Business Office, the bookkeeper shall submit to the Business Office all the financial records maintained for the student activity or athletic account for the previous fiscal/school year ending June 30. (All records will be returned after the records are audited.)

DEFICIT SPENDING

Deficit spending is not an approved accounting procedure. However, there may be times it will be necessary for an activity advisor to purchase items prior to payment for those items such as PE clothes, uniforms, etc. The payment for these items will be collected as the items are sold to the students. This procedure is to be used only in certain approved circumstances. Careful monitoring of the fund for which the deficit has been approved must be performed to ensure that proper payment is made toward the negative balance.

RECORD RETENTION

All records should be kept current and in good order and should be available for review at any time. All financial records should be retained for a period of six (6) years.

NON-SPONSORED ORGANIZATIONS

1. No private accounts are to be established to maintain funds for student group activities that are sponsored or authorized by the District. Monies raised by student groups for

activities not sponsored or authorized by the District, must not be raised in the name of the individual school or the FCSU. The District does not assume responsibility for such activities and will not maintain custody of such funds. Monies raised for these types of activities must be held in non-District bank accounts. It should be clear to students, faculty and to the community that the activity is separate and not associated with the FCSU or the individual school. These guidelines preclude the use of the school or District name, school colors or emblems, or the use of any resources of the District for conducting the fundraising activity.

2. Booster Groups, PTA/PTO Groups
 - a. Booster groups, PTA/PTO groups wishing to maintain and control their own checking accounts funds must comply with State and Federal laws relating to tax-exempt organizations. FCSU accepts no legal or financial responsibility for such funds not presented for deposit in the school's checking account.
 - b. Booster groups, PTA/PTO's, etc. must provide documented proof of non-profit status [IRS Tax Code 501(c)(3)] when wishing to maintain their own separate checking account(s).
 - c. Bank accounts for these groups must be established using the group's own federal Tax Identification Number (TIN). Except for Student Activity Fund checking or savings accounts, FCSU's TINs are never to be used to establish a bank account for any school or school group.
 - d. No District employee will be an authorized signer on a checking account for an outside Booster group, PTA/PTO group unless that individual is an elected officer of said group.
 - e. Any funds turned over to a school by booster groups, PTA/PTO groups, or others, shall not be refunded to any respective group without written approval by the Superintendent.

GIFTS AND DONATIONS:

1. Procedure D2-R4 must be followed when considering a gift or donation.
2. When accepted, a record of donations or gifts must maintained with the bookkeeping records via the Cash Count Form (if donation is monetary) to include the date of the donation, the individual's or business name and address, the amount of the donation or gift item and a copy of the check.
3. The bookkeeper must acknowledge all donations or gifts by processing a two-part receipt (original & copy) for monetary donations with the copy of the receipt attached to the associated Cash Count Form or by issuing a letter of acknowledgement for gift donations and maintaining a copy of the acknowledgement letter with the financial records.

SCHOLARSHIP/AWARD FUNDS:

Unless scholarship and/or award funds are maintained in a separate bank account, such funds that are maintained within the school's student activity account must have associated interest earnings recorded and posted to the specific scholarship or award fund balance.