

BOARD AGENDA ITEM
November 15, 2016

SUBJECT:

Changes to Policy DIAA* and Administrative Rule DIAA-R* Student Activity Funds Management

BACKGROUND:

This policy and administrative rule establish the structure and procedures for the management of student activity funds.

ADMINISTRATIVE CONSIDERATION:

The proposed policy update brings the procedures for student activity fund management in line with the district's current administrative structure and reinforces adherence to purchasing and procurement guidelines.

RECOMMENDATION:

Approve the proposed changes on first reading

ATTACHMENT:

Policy DIAA* Student Activity Funds Management
Administrative Rule DIAA-R* Student Activity Funds Management

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STUDENT ACTIVITY FUNDS MANAGEMENT

Code **DIAA*** Issued **2/12**

Purpose: To establish the basic structure for the management of student activity funds.

The board requires that all student activity funds ~~handled by area bookkeepers and individual schools~~ be accurately accounted for and properly handled. The division of business services is responsible for recommending proper bookkeeping procedures to ~~areas and schools~~. ~~Appropriate academic officers, along with principals,~~ will be responsible for seeing that proper bookkeeping procedures are established and that they are properly followed.

Adopted 6/10/75; Revised 8/20/85, 10/22/91, 1/10/95, 6/11/96, 12/10/96, 10/9/01, 2/7/12

STUDENT ACTIVITY FUNDS MANAGEMENT

Code **DIAA-R*** Issued **2/12**

The following Established procedures will be followed in handling and accounting for all student activity funds.

Area bookkeepers

The accounting system requires the maintenance of the following.

- ~~cash receipts and disbursements journals~~
- ~~receipts for all monies received~~
- ~~completed deposit slips~~
- ~~fund ledger~~
- ~~supporting material~~
- ~~bank reconciliation forms~~
- ~~purchasing forms~~
- ~~financial statements~~

~~Monthly financial statements showing cash balance, last month's receipts by account, expenditures by account and end of month cash balance will be furnished the comptroller for each month. The appropriate academic officer or other designated administrator will sign this statement.~~

The area bookkeepers business services department will maintain all bank accounts. Accounts will be established by level (elementary, middle, and high). In no instance will a school maintain separate bank accounts. Level bookkeepers will receive, review and consolidate financial information by level and reconcile level bank accounts. Level bookkeepers also provide assistance and guidance to school bookkeepers.

Schools

The accounting system requires the maintenance of the following.

- receipts for all monies received
- completed deposit slips
- supporting material
- cash receipts and disbursement journals

~~Journals will be reconciled monthly with the area books.~~

Audits

The district's internal auditor will audit all activity funds periodically. The external auditor will review the internal audits annually as part of the district's audit. All financial records will be open for inspection by the district superintendent and the chief financial officer ~~comptroller~~ at all times.

Authorized expenditures

Disbursements may be made from school activity funds only for the purpose for which the money was collected. The principal and the ~~appropriate academic officer~~ must approve all disbursements. Permission to purchase must also be granted by the appropriate executive director for any items with costs of \$2,500 or more.

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Expenditures that exceed \$1,500 must be approved by the area advisory council and so recorded in the official minutes of council meetings with the following exception: expenditure requests from \$1500 to \$3000 which have prior budgetary approval need not be re-approved if in compliance with the procedures set forth in the **Bookkeeping and Accounting Procedures Manual for Student Activity Funds**. Additional area advisory council approval is not required for class rings, pictures, workbooks, textbooks, annuals, field trips, fund raisers and concession payments. Purchases from school activity funds must comply with the district's purchasing and procurement guidelines. Profits generated are subject to additional approval according to the above guidelines.

Liquidation of funds

At the end of each school year, funds remaining in the account of a student, class or alumni organization are carried over as funds for that organization in the subsequent year. This will continue as long as that organization continues to function, hold regular meetings and elect officers. Any school organization that does not meet at least once annually and which does not duly elect officers will be considered inactive, and this fund will be liquidated and placed in the general school account.

Fundraising projects

Fundraising projects must have prior approval of both the principal and the appropriate executive director ~~academic officer~~. The principal will supervise the conduct of each approved activity.

Receipts

A system must be provided for personnel responsible for collecting monies from students to report to the principal. Pre-numbered receipts filled out in duplicate will accomplish this. The individual must turn in money collected each day and receive a receipt from the principal or his/her designee. A log will be maintained of receipt books issued to staff members. All receipt books must be turned in to the school office by the end of the school year for safekeeping. Receipt books must be maintained for five years.

The principal will see that receipts are issued for monies turned over to the office. Pre-numbered receipts will be used and will indicate the following.

- date
- where the money came from
- amount of the money
- purpose

Money will not be received without issuing a receipt. Monies collected will be deposited on a daily basis.

Disbursements

All monies except petty cash disbursements must be disbursed by check, and no check is to be issued without supporting invoices. When goods or services have been received, the principal will authorize in writing the payment of invoices. All check disbursements are handled through the district's accounts payable department.

Deposits

Duplicates of each deposit slip will be maintained and deposits will be made daily.

Files for supporting material

All documents relating to purchases or payments must be kept and filed as a permanent record to support the cash receipts and disbursements journals.

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Financial records

All financial records such as ledgers, receipt booklets, deposit slips, checkbooks, cancelled checks and other bookkeeping records will be kept for five years.

School events

Special attention should be paid to the collection, disbursement, receipting and appropriate accounting for monies collected at school events. Pre-numbered tickets will be used to account for admissions and gate receipts (see DFD).

School sales

Sales will be compared to purchases on a regular basis. When two or more people are involved in collections for a given period, each person will be responsible for turning cash into the employee designated by the principal.

Issued 6/10/75; Revised 8/20/85, 10/22/91, 1/10/95, 6/11/96, 12/10/96, 10/9/01, 2/7/12