



STUDENT ACTIVITY ACCOUNTS

POLICY & PROCEDURES



STRATFORD BOARD OF EDUCATION

STUDENT ACTIVITY ACCOUNTS POLICY & PROCEDURES

PHILOSOPHY:

The following guide has been established to assist in the financial accounting for student activity funds. This is to ensure that efficient procedures are available for the creation, operation and financial accounting of student activities.

Regardless of the methods used to finance student activities, the Stratford Board of Education, specifically the individual school administrator, is ultimately responsible for the funds they manage. Connecticut General Statutes require that separate accounts are maintained and, further, that such student activity funds will be considered Town accounts and will be audited by the Town Auditor in the same manner as all other accounts.

The raising and expending of activity money by student bodies should have but one purpose – to promote the general welfare, education and morale of the students and to finance the normal legitimate extracurricular activities of the school body organization. Student activity money shall, insofar as possible, be expended in such a way as to benefit those pupils currently in school who have contributed to the accumulation of such money. The management of student activity funds will be in accordance with sound business practices, accounting procedures, and through audits on all accounts.

It is the intent of these guidelines to provide direction in bookkeeping procedures for handling the money, and set policies governing the use of student activity accounts.

LEGAL AUTHORITY:

Per Section 10-237 – School Activity Funds of the Connecticut General Statutes:

(a) Any local or regional board of education may establish and maintain in its custody a school activity fund through which it may handle (1) the finances of that part of the cost of the school lunch program not provided by town appropriations, (2) the finances of that part of the cost of driver education courses furnished by such board of education and not provided by town appropriations and (3) such funds of schools and school organizations as such board from time to time determines to be desirable, which funds may include amounts received as gifts or donations. Whenever a board of education establishes a school activity fund, it shall designate one of its members or some other person to serve as treasurer of such fund and shall fix his or her salary, which shall be paid from the regular town appropriation for school

purposes. Such treasurer shall be bonded and shall keep separate accounts for each school lunch program, for each driver education program and for each school fund and each school organization fund included in the school activity fund and shall make expenditures from such fund in the manner and upon such authorizations as the board of education by regulation prescribes, provided the control of school funds and the funds of all school organizations shall remain in the name of the respective schools and organizations. The accounts of the school activity fund shall be considered town accounts and shall be audited by the town auditor in the same manner as all other town accounts.

(b) The accounts of any public school lunch program, whether maintained directly by the board of education or through an agent, shall be kept in accordance with regulations prescribed by the board of education and may include a petty cash account on the impressed fund basis and shall be subject to the regular audit of town accounts as provided in section 7-392.

(c) Any local or regional board of education may receive and accept any donation or gift of personal property to be used for the educational benefit of students.

POLICY & PROCEDURES:

I. PRINCIPLES GOVERNING ACTIVITY FUND ACCOUNTING

The accounting procedures outlined in this section are based on the following principles:

- A. The administration of the activity funds will be governed by rules and regulations prescribed by the State of Connecticut and the Stratford Board of Education.
- B. The Principal of the school, as trustee for the fund, will be directly responsible for the conduct of the student financial activities in accordance with policies, rules, and procedures set forth by the State and the Stratford Board of Education
- C. The Principal of the school, as trustee for the fund, will be directly responsible for all student activity funds within the school and shall be responsible for the maintenance of records and administration of procedures as prescribed by Central Administration.
- D. The Chief Operating Officer shall have the responsibility and authority to implement all procedures and rules pertaining to the supervision and administration of student activity funds in schools in accordance with established policies and rules of the Stratford Board of Education.

II. MANAGEMENT OF STUDENT ACTIVITY FUNDS

- A. Student activity funds and financial procedures will be subject to periodic audits by internal personnel and annual audits by outside independent auditors. Audit reports shall be referred to the Principal and Central Administration for informative purposes and possible improvement of procedures.
- B. Regular monthly and annual reports will be prepared by the Principal or his/her designee and submitted to the Finance Department. These reports reflect the financial condition of all the student activity funds and proof of reconciliation of the bank accounts. **All activity accounts will be reconciled monthly.**
- C. Student activity funds will not be used for any purpose that represents a loan or credit to any person.
- D. The Principal of each school will designate one person, in addition to himself/herself, who will be authorized to receive, deposit and account for funds. Two (2) signatures will be required for all withdrawals. A “check request form” (see Attachment A) must be completed by the person requesting payment. The check request form as well as the supporting documentation shall be submitted to the authorized school secretary for review and approval. **Blank checks will never be signed** – such action makes the signer personally liable for anything recorded over his/her signature.
- E. Interest should be earned on savings accounts and checking accounts whenever possible.
- F. Each account must be accounted so that the identity of its resources, obligations, revenues, and expenditures are continually maintained.
- G. **The Chief Operating Officer (COO) must be notified immediately in writing of any modifications to bank procedures (i.e., changing signatures).**
- H. Procedures for Using A Cash Box – A cash box should be used at sporting events, but could be used at any event where a ticket taker starts with a certain amount of cash in order to make change while collecting money. The amount of starting cash is determined from experience and the expected attendance at an event. The cash box is a secure way to handle receipts. After an event, the cash box must be reconciled and a bank deposit made as quickly as possible. If this is not practical, the proceeds should be secured in the school safe. The cash box and the starting money should be returned to the principal’s office along with a deposit slip covering the amount collected at the event.

III. GENERAL PROCEDURES FOR RECEIVING AND DISBURSING MONEY

A. Collection and Deposit of Cash

1. Duplicate-copy receipts must substantiate all monies collected from any source. A receipt will be issued immediately upon receipt of funds by an authorized school employee. The first copy of the receipt is to be given to the person from whom the money is received. The second copy is to be retained by the Principal or his/her designee as permanent record of money received.
2. **Collections should be deposited daily, if reasonable. Money should never be left in the school over weekend or holidays.** All monies/checks collected and the checkbook(s) will be placed in the school safe or other locked and secure area if no safe is available. All checks to be deposited in the student activity bank account will be endorsed immediately upon receipt showing a restrictive endorsement (i.e.: For Deposit Only).
3. For control purposes there must be two adults involved in the collecting and depositing of cash. These adults must initial all forms.
 1. Students are not allowed to count or reconcile cash.
 2. All money collected will be deposited into the account within 3 business days.
4. Money is not to be held and must not be used to pay expenses; all disbursements must be made with a check.

B. Documentation of Receipts

Cash receipts must include supporting documentation. For example, if teacher “X” is organizing a field trip and collecting money from students, the deposit receipt should include a class list indicating those students who have paid and/or a narrative of funding transactions. Other examples, would include the number of tickets, gifts, etc. sold. At the very least, the receipt must include a brief summary of the reason for the deposit.

C. Disbursements

1. All disbursements will be made on pre-numbered checks that serve as the basis for making an entry recording the disbursement. Receipt of merchandise must be documented with recipient’s signature prior to disbursement of funds.

2. Accuracy of prices, extensions, and the totals should be checked prior to payment. When a check has been written, the invoice, and supporting documents, will be marked "PAID BY CHECK NUMBER _____" and "DATE OF PAYMENT _____" and will be filed for auditing purposes.
3. **TWO (2) signatures are required for all disbursements.** A "check request form" (see Attachment A) must be completed by the person requesting payment. The secretary's approval and signature on the check request form is considered the first of two (2) signatures required for all withdrawals. Once approved by the secretary; the check request, supporting documentation and check will be submitted to the School Principal for his/her review and signature. The Principal's review and signature on the check is considered to be the second of two (2) required signatures. This rule will apply to savings as well as to checking accounts.
4. If purchased item exceeds \$7,500, competitive bids are required. Contact the Purchasing Agent for procedures to follow.
5. **Payments should be made for items related to the organization involved. The purchase of gifts for employees of the district is forbidden unless permission is granted by the Superintendent of Schools.**

D. Record of Transactions

The school principal, or designee, shall maintain a complete set of books recording all monies deposited and disbursed. The cash receipts journal and cash disbursement journal shall serve as a control whereby the total amount of money deposited and expended for all funds is maintained continuously. All transactions shall be entered into a district approved accounting system and categorized to permit appropriate analysis.

E. Forms W-9 and 1099-MISC

Any vendor used to provide services, not sale of goods, and is not incorporated must fill out an IRS Form W-9 (see Attachment B). A "LLC" is not considered incorporated; therefore a W-9 form must be completed. When uncertain as to whether a vendor is incorporated, they must complete a W-9 Form. This must be done before any payment is made and the form should be forwarded to the Finance Department. At the end of the calendar year, if a vendor has been paid \$600 or more, the Finance Department must be notified in order for a 1099-MISC to be issued to the vendor. The Student Activity Fund bookkeeper is not responsible for issuing the 1099-MISC, but is responsible for gathering the information and reporting it to the Finance Department. The Finance Department must be notified of any 1099 vendors no later than January 10th. According to IRS regulations, 1099-MISC forms must be issued to the vendor by January 31st.

F. Monthly Reconciliation of Bank Statements

Monthly bank statements shall be reconciled by the Principal or his/her designee and submitted to the Finance Department no later than the 20th of each month. The Chief Operating Officer, or designee, will review the reconciliation package for overall financial status as well as to provide an internal audit. A copy of the bank statement, the reconciliation, a transaction history report and a detailed list of outstanding checks must be included in the monthly package. Any checks outstanding for more than six (6) months must be brought to the attention of the School Principal with a request for approval to either write-off or void and reissue the check.

G. Fiscal Year End Reports

The Principal or his/her designee will provide the Finance Department a copy of the transaction history for the fiscal **year no later than September 15th of each year.** The information contained in this report shall include the financial status of each activity making up the activity fund including the opening balance, the inflows and outflows for the year, and the closing balance.

H. Audit

An annual audit will be conducted each year by the Town Auditor in the same manner as all other Town accounts. Copies of the audit report will be maintained as a permanent record.

I. A Word to Student Advisors

Working as a student advisor has a great many rewards and responsibilities. This section is designed to assist the advisor in carrying out these financial responsibilities in an approved and procedurally correct manner.

1. Fund-raising is a well-established procedure in most Connecticut schools regardless of grade level. When involved in fund-raising, accurate records with respect to distribution and receipt of inventories are essential to a successful fundraiser.
2. When receiving money for trips an accurate record of student deposits and destination costs are imperative for a successful trip. A full rebate for students who withdraw at the last minute should be the general rule. However, there may be a penalty to the entire group if a certain size group needs to be guaranteed. In this case, it is acceptable to determine a reasonable rebate penalty. It is the advisor's obligation to make such penalties clear at the onset of student participation. When in doubt, the advisor should contact the School Principal and/or the Chief Operating Officer. Rebates should be made in a timely manner.

3. **Under no circumstances are advisors to open student accounts using their own signatures or names of parents.**
4. **As general policy, schools will issue receipts when cash monies are received.**

J. Senior Class Activity Accounts

Activity accounts that are classified as “Class of” will remain open until the graduated class has had its fifth (5th) year reunion. At the fifth (5th) year reunion, the class will be requested to designate a trustee of the class funds or to authorize a transfer of any remaining funds to the school’s general scholarship and awards trust account. If the appointed trustee does not withdraw the funds within six (6) months, or the class does not elect a trustee or authorize the transfer of the balance, the balance will automatically be transferred to the scholarship and awards trust account six (6) months after the class reunion.

It is the obligation of the Senior Class Advisor to assure that the senior class and its officers are advised on this policy.

K. Scholarship Funds

Scholarship funds, in custody and under the control of the Principal, will be included in the activity fund accounting system. These funds may be maintained in separate interest bearing accounts, but will be audited as a part of the school activity account.

L. Gate Receipt Accounts

All Athletic Department cash accounts (i.e.: Gate accounts) will be maintained by the School Principal in a manner consistent with Board of Education policy and the directions within this policy.

IV. WHAT IS A SCHOOL ACTIVITY EVENT

A. School Activity Event

1. Funds must be accounted for and expended under the State’s guidelines of school accounts if the following conditions are met:
 1. The event takes place during the school day.
 2. It is under the direction of school staff.
 3. It takes place on school property during a school-sponsored activity.
2. Examples of school activity events:
 1. athletic events
 2. concerts
 3. school dances

4. school plays
5. school pictures
6. school stores
7. book fairs

B. Parent organized event – **NOT** a school activity event

1. Funds belong to the parent organization when the following is met:
 1. Activity is operated by parents.
 2. Only involves adults.
 3. Are usually conducted off of school property.
2. Examples:
 1. dinner dances
 2. raffle
 3. casino nights
 4. golf tournaments

These guidelines are established to avoid problems and to protect students and staff. Questions should be referred to the building principal or the Chief Operating Officer for assistance or clarification.



**STRATFORD BOARD OF EDUCATION
STUDENT ACTIVITY FUND
CHECK REQUEST FORM**

DATE REQUESTED: _____

SCHOOL NAME: _____

DOLLAR AMOUNT: _____

ACCOUNT / ACTIVITY FUND: _____

MAKE CHECK PAYABLE TO: _____

NAME: _____

ADDRESS: _____

CITY/STATE/ZIP: _____

1099 VENDOR (Y/N): _____ CURRENT W-9 ON FILE (Y/N): _____

PURPOSE: _____

SPECIAL INSTRUCTIONS: _____

REQUESTOR SIGNATURE: _____

SCHOOL SECRETARY SIGNATURE: _____

Please ensure that you have attached the original invoice to be paid or original receipts for out of pocket purchases. Checks will not be processed without backup documentation.

Attachment A