

Crook County School District
School District #1970
Prineville, Oregon

Student Activity Accounting Procedures

January 9, 2009
Revised January 9, 2015
3rd Revision August 10, 2017

Student Activity Accounting Procedures

Student activity accounting procedures provide the rules, regulations and guidelines to be followed by the building principals, faculty advisors, student activity club officers, and school office staff. The following procedures are designed to provide consistency, completeness and continuity in the recording and reporting of student activity transactions. Careful observance of the procedures will:

1. Establish uniformity of practices and procedures.
2. Reduce or eliminate the misunderstanding of established procedures.
3. Assure financial operations are properly conducted.
4. Assure financial reports are properly presented.
5. Provide a reference for required and recommended accounting procedures.
6. Serve as a training tool for new employees.
7. Assure all financial transactions are recorded.
8. Strengthen internal control procedures.

This accounting system described herein has been developed in accordance with the following assumptions:

1. The Student Activity Fund transactions will be recorded in a Special Revenue Fund in the district accounting system.
2. Student Activity Funds should be accounted for on the modified accrual basis of accounting for year-end financial reporting purposes.
3. Budget estimates will be projected and included in the district's annual budget document.
4. Athletics, Drama, Art, Woods, Metals or other similar activities where the District may be the primary provider of supplies, materials or services for the activity, may not necessarily be connected to an organized student group. Since the authority to fund raise and make spending decisions, generally, do not reside with a student group, the revenue and expenditure activity should be segregated from the student activity accounts and be accounted for and budgeted under district accounts. Revenue must be collected and deposited as district revenue and the related expenditures must be expended using the purchase request/purchase order system established by the district.
5. A special revenue account for district/faculty sponsored activities may be established under the supervision of district staff to strengthen the monitoring and control of the co-curricular activities.
6. A Fund Raising Request Form must be completed and submitted for all fund raising activities prior to the beginning of the activity. Funds may not be raised for any purpose contrary to board policy. In addition, if the fund raiser is a Raffle, our school district does not have a raffle license which is regulated by the state and is therefore limited to the number of raffles held annually. Raffles require a separate application, approval & tracking process which can be found on CCSD website and needs approval from the District Office Staff Accountant.

7. Fund raising activities will be conducted with student and faculty conduct standards enforced.

Introduction

Management of Student Activity Funds must be accomplished within the framework of state laws and regulations, board policy, and administrative rules. It is fundamental that management of student activities be organized to best serve the interest of pupils. The School Board has set forth in Board Policy IGDG and DFE, the purpose, definition and authority for student activities.

Student activities and their corresponding revenues and expenditures, are generally separated into four categories:

1. General Student Activities – impact all students, i.e., Yearbook
2. Classes – i.e., Class of 2007
3. Clubs – i.e., Honor Society, Anthropology Club
4. Organized Sport Clubs – i.e., Golf, Ski, Lacrosse

Students who choose to participate in various activities should be involved in the fiscal management of those activities; consequently, each activity group should consist of a Student President, Student Treasurer, and Faculty Advisor. The Faculty Advisor may or may not be paid by the School District for their participation. The Faculty Advisor and Student Treasurer must maintain a record of their activity balance.

At the end of each month, the Faculty Advisor and Student Treasurer must review the financial report received from the school office. Any discrepancies must be brought to the immediate attention of the school office and differences reconciled. Discrepancies that cannot be reconciled must be reported to the Principal. Discrepancies that cannot be resolved should be reported to the District Business Office immediately.

The accounting system will account for revenue and expenditures of activity funds by various student groups. These funds should include only student funds, should be custodial in nature and should be used to promote the general welfare, education, and morale of all the students and to finance the normal, legitimate activities of the various individual student groups. All funds derived from an individual student activity, as a whole must be expended only to benefit that student activity as a whole. Fund activities that cannot be identified with a specific student group are usually credited to a general student body activity account.

Athletics, Drama, Art, Woods, Metals or other similar activities not having an approved student group including student officers, shall be managed by the principal, and/or a designated faculty member. If possible the activities that are related to instruction or co-curricular activities will be managed by a staff member closely associated with the instructional activity. The revenue and expenditures should be segregated from the student activity accounts if possible, and the accounting and budgeting performed under the direction of the district office.

Other funds which are not derived or related to students shall not be commingled with student activity funds. For example, faculty, parent or other outside organization funds will not be recorded in these accounts. The Principal, Faculty Advisor and school office staff are prohibited from collecting and recording monies for organizations whose scope is not directly related to student activities sponsored by the district.

Cash Receipt Procedures

1. Funds will be collected and counted by two individuals. The Faculty Advisor, Student Officer, or other authorized individuals, are charged with the trust of the public funds collected. The designated individuals are directly responsible as custodians of the cash collections and accountable for the preparation of the cash reconciliation form to be completed for each activity or event.
2. Major events should include a collection station with tickets or receipts given to each donor. Donor names and the accompanying contribution amount should be recorded on the district "Fundraising Log" forms. If tickets are distributed the log would not be necessary. If a donation in-kind is received the donor name, a description of the item and the estimated value are recorded in the log.
3. If the volume and amount of donations is large, interim bank deposits may be made by returning the fundraising log(s) and the Event/Ticket Cash Reconciliation form to the school office with the funds to be deposited or by making the deposit directly to the bank if authorized to do so. Special arrangements must be made with the secretary/bookkeeper of each school for direct deposits to the bank.
4. The Faculty Advisor and/or Student Officer shall compare the Fundraising Log form with the amount of checks and cash available and complete the Event/Ticket Cash Reconciliation form. Copies should be retained by the student organization and the original forms submitted to the school office.
5. One copy of the Fundraising Log and the related funds shall be placed in the school safe with the associated cash collections if the deposit cannot be made and recorded immediately.

Depositing Receipts

1. The designated school office staff will endorse all checks with a special deposit stamp as follows: FOR DEPOSIT ONLY, ACCOUNT NAME, and BANK ACCOUNT NUMBER.
2. The Event/Ticket Cash Reconciliation form must be completed and initialed by two individuals. Usually the Faculty Advisor, Student Officer, parent or other authorized individual involved in the collection of the funds are responsible for the preparation of the reconciliation form. The cash reconciliation form becomes the basis for the bank deposit slip preparation at the school office. The designated school office staff will count the checks and cash as the bank deposit is prepared. Any difference in the cash count by

office personnel and the reconciliation submitted by the fundraising staff should be reported immediately and the differences resolved.

3. As bank deposits are completed an entry should be recorded in the accounting system, providing credit to the appropriate student organization. The revenue may be recorded in the accounting system prior to making the actual bank deposit if subsequent corrections or adjustments are made timely in the system. High School & Middle School use InTouch Receipting. Elementary Schools record on Excel Deposit Template and email to Staff Accountant.
4. Bank deposits should be made timely and frequently to provide student group, faculty and administrators the latest and most accurate information regarding the account balances available.
5. Copies of the bank deposit slip(s) shall be attached to the Event/Ticket Reconciliation form(s) and filed with the batch listing of receipts or contributions received.
6. All receipts not deposited immediately will be kept under the safekeeping of the School Principal or a designated staff member.
7. When the validated bank receipt is received from the bank, the receipt shall be compared with the deposit slip and any discrepancies resolved immediately.
8. A copy of the validated bank receipt should be attached to a copy of the deposit and filed sequentially in a deposit control file for audit purposes.

Donations in Kind

Donations of merchandise and services may be received by student groups for door prizes, raffles or an auction process as part of the fund raising event.

1. The district "Fundraising Log" should be used to record the donor name, an estimated value, and if the contribution is a check, cash or an in-kind item. The value of the in-kind donations will be listed in a separate column from the cash donations.
2. The Fundraising Log is returned to the school secretary with the cash collections. Any donations in-kind shall be held by the faculty advisor or school office staff.
3. The intended and/or ultimate disposition of the donated item should be noted by those soliciting donations.
4. Any donations in kind that are not disposed of at the event should be listed and tracked until the ultimate disposition is known. The list of remaining in-kind donations should be given to the school secretary immediately following the event.
5. Remaining donations of merchandise should be sold or made available for sale as soon as possible to minimize the risk of loss of value.

Admission Tickets

Ticket sales will be required for cash control at all school sponsored events where an admission price is charged.

One person is to be custodian of admission tickets. The person having custody of the tickets will take the appropriate measures to safeguard the ticket inventory.

The inventory record will reflect the ticket numbers of tickets distributed for events and the last ticket number sold. This record should contain a perpetual inventory of tickets on hand by color code and serial number. Resale of previously used tickets is prohibited.

All tickets acquired must be pre-numbered, pre-priced and color coded. Different colors allow more than one admission price to be charged for a single event. Special admission tickets may be produced on campus for season tickets, complimentary and guest passes. The printing and distribution of special admission tickets must be approved by the athletic director and building principal.

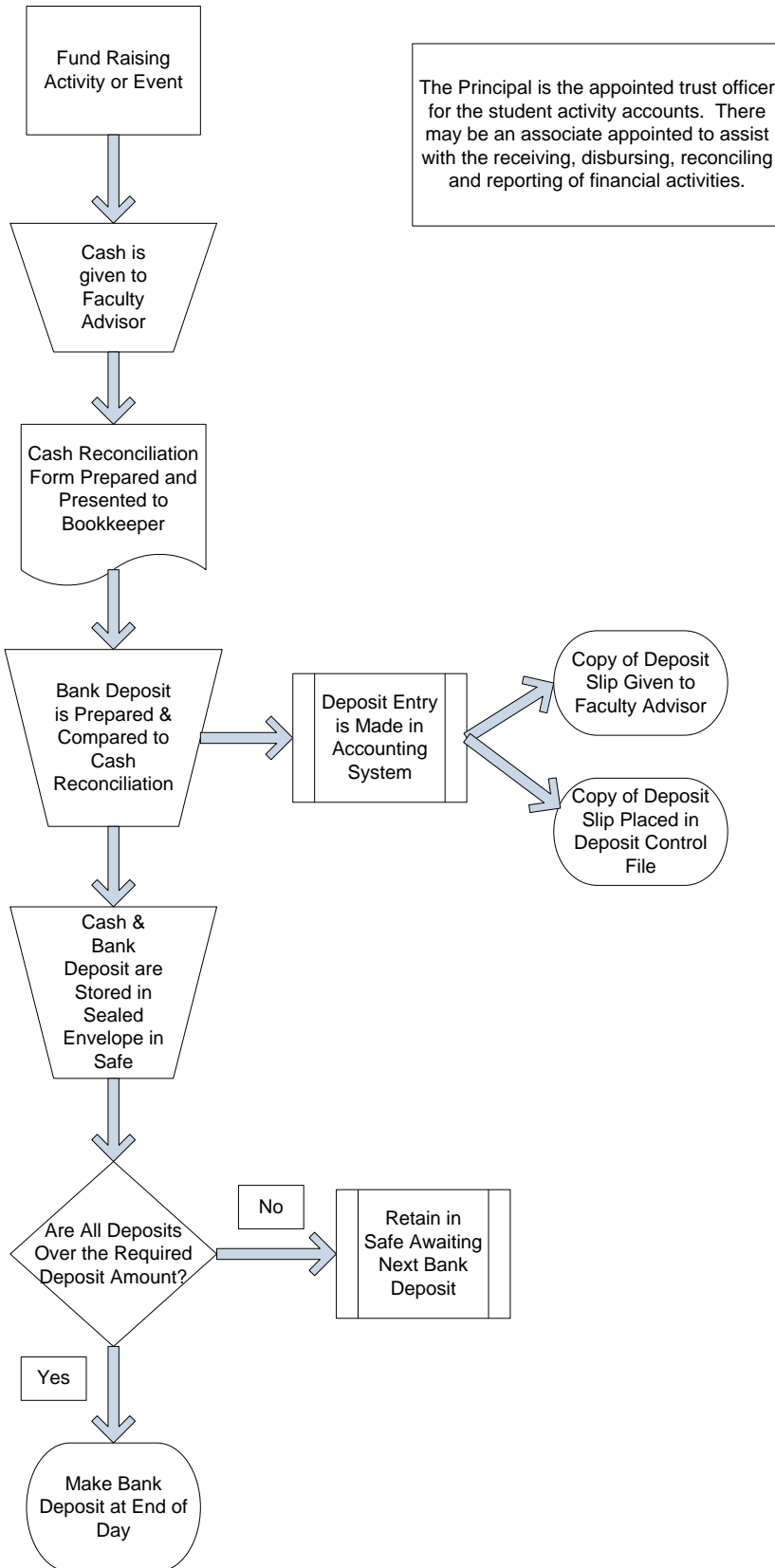
Tickets are to be issued to the sponsor of the event. The sale of tickets by the person making the deposit or recording the accounting entry is strictly prohibited. The person selling the tickets should not be the person responsible for collecting them at the door/gate. The sponsor is held totally accountable for tickets all tickets issued.

A ticket reconciliation report for each event must be executed and presented to the school Bookkeeper and made available for audit. Ticket inventory records and remaining tickets must also be on hand for audits. The loss or theft of tickets is to be reported to the District Business Office as soon after the occurrence as possible. All monies generated by an event are to be deposited with the school bookkeeper intact. No expenditures are to be made from receipts.

Account Transfers

Transfers between accounts may occur as an alternative to writing checks from one account to another account. The transfer eliminates the need for writing a check and the subsequent deposit into the same bank account. Since the transfer has the same impact as a written check the authorization for the transfer must be obtained. A Transfer form should be completed with the appropriate advisors or student officers indicating approval by signing the form. Upon obtaining the appropriate signatures, the transfer is entered into the accounting system by the business office. A principal signature on the transfer form may also be required if deemed appropriated.

Student Activity Fund Cash Receipts



Cash Disbursements

Student activity accounts should not be used to account for School District expenses. For example, athletics gate receipts, district related registration fees, library book fines and charges for student examinations should be deposited directly into a district fund. The related expenditures for such activities should also be expended from budgeted District accounts. The district related activities could be budgeted and expended in a separate special revenue fund to enhance the measurement of district support provided.

Fees, donations from students, parent groups or commissions for services which the district general fund bears the majority of expense should be deposited in the district related special revenue fund. An example would be fees paid by users of facilities, cafeteria sponsored banquets or similar events. The receipts should not be deposited in a student activity accounts but rather into the appropriate District General Fund, Cafeteria Fund or other designated Special Revenue Fund.

Prohibited expenditures from student activity accounts include:

- refreshments served at parent events
- receptions for community members or staff
- other expenditures not made to benefit the student body as a whole

Purchase requests should be submitted by staff and approved by the Principal. An approved purchase order is required prior to placing an order with a vendor. Direct purchases using personal funds of staff members should also be approved with a purchase order completed prior to the purchase being executed.

Existing purchase contracts are available for most items purchased by the District and savings or discounts are available for student activity funds also. If a vendor exists in the accounting system, it is likely a purchase contract with discounts may be accessed for purchasing.

Staff purchases without prior approval may not be reimbursed if the nature of the expenditure is deemed to be outside the scope of the student activity accounts.

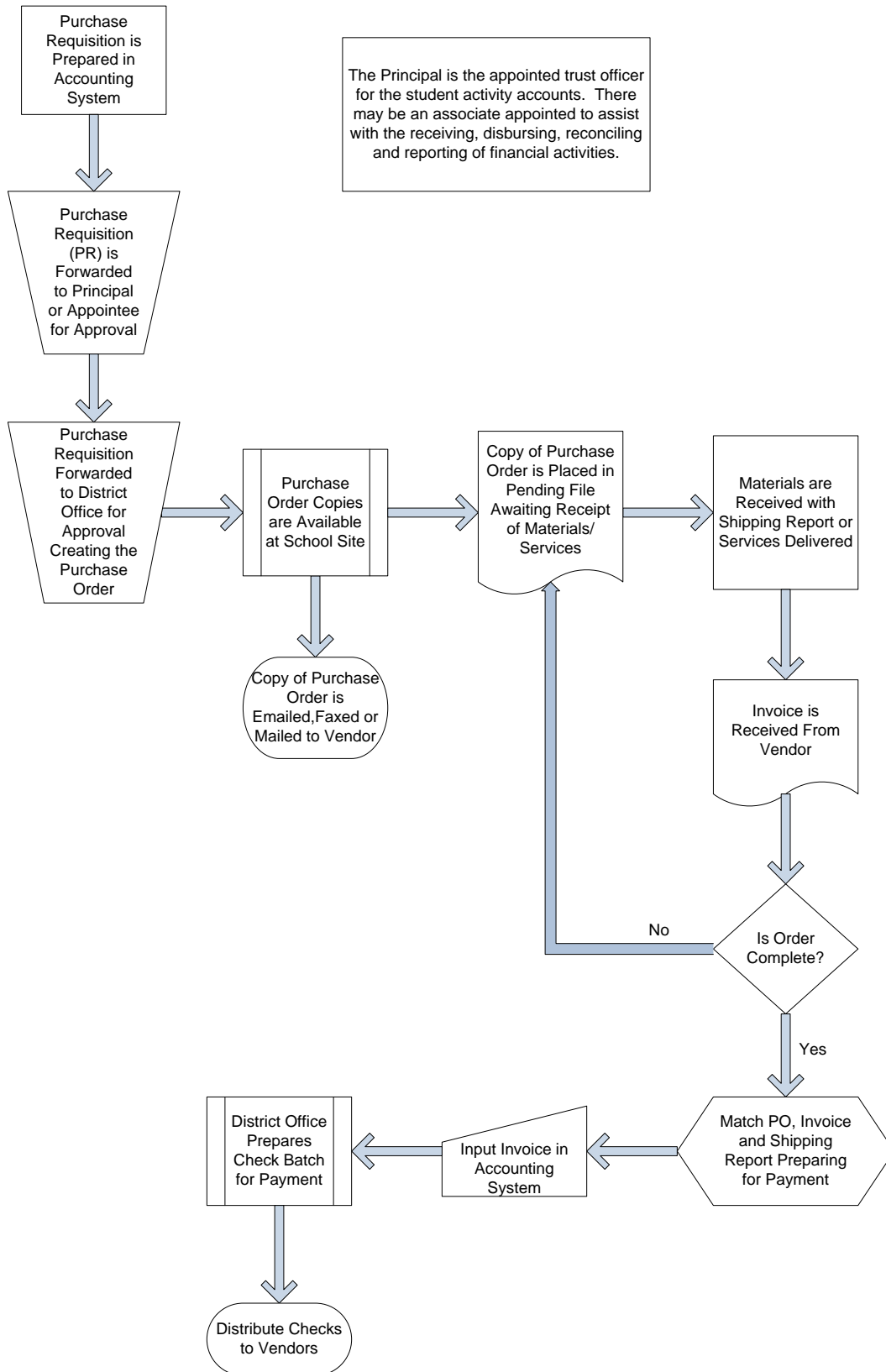
Oregon purchasing laws must be followed in the expenditures of student activity funds. Generally, purchase contracts for less than \$5,000 may be executed after obtaining three verbal quotes. Contracts in excess of \$5,000 must have three competitive price quotes or proposals. A written record of the quotes or proposals must be maintained as evidence of competitive bidding. The written record of quotes should be attached to the purchase order documentation.

Students should always be the ultimate beneficiary of student activity funds expenditures.

All payments for activities should be made by check. No expense should be paid in cash directly from ticket sales, dues collection, contributions or other cash receipts. If a purchase is necessary during a fund- raising due to an unexpected need, a personal purchase may be made by a district employee. A subsequent reimbursement claim can be submitted to the school office by the employee.

The Building Principal, as trustee, will be ultimately responsible for the expenditures of the student activity funds.

Student Activity Accounts-Cash Disbursements



Monthly Bank Reconciliation

All funds for Student Activity accounts will be held in the District's main checking account, which is reconciled monthly in the Financial Services department. Because the District utilizes Fund Accounting, no separate bank account is necessary as all Student Activity funds are kept separate within the accounting system. Additional bank accounts increase risk and workload and require additional internal controls.

Graduated Class Funds

Money left over in senior class funds following the graduation of each senior high school class must be used to further a school-related purpose. The class officers must remove the funds within six months of graduation. Maintaining or distributing funds for class reunions after graduation is not a legitimate use of the funds.

Upon graduation, senior class funds/assets should be handled using one of the following methods:

1. Expend remaining funds in a way that will benefit the student body;
2. Transfer remaining funds to the next year's graduating class accounts; or
3. Transfer the remaining balance to the General Student Activity Account.

Senior Class officers should make the decision and clearly document, with records of minutes, etc., how the class funds were distributed within six months of graduation. If Senior Class officers do not make this decision within six months of graduation, the remaining graduated class funds will be transferred to the General Student Activity Account. Documentation of the decision must be recorded in the Purchase Order Requisition for purchases or the journal entry to transfer funds.

Inactive Accounts

Student groups that are no longer active may have any remaining balance in their activity account transferred to the General Student Activity account. All transfers of inactive accounts will be ordered by the building principal after considering the length of the inactivity and the potential resurgence of the group.

District Responsibility

Student Activity Fund activity must be supported by detailed records. Due to the fiduciary responsibility of the Board of Education, these funds are subject to the same internal controls and subject to audit as all other district funds.

Elementary Activity Funds

Student participation in revenue and expenditure decisions may be limited in an elementary school. The maturity level of elementary students may not provide the reasoning and logic necessary to make prudent revenue and expenditure decisions.

It is understood the financial decisions will depend heavily on the judgment of the faculty and principal of each school. A lack of student participation will bring additional responsibility and focus on the nature and purpose of the fund raising activity. District staff members encounter additional responsibility for the funds in the absence of student participation. All expenditures, regardless of the activity, must benefit the students.

Expenditures for classroom supplies to support curriculum areas are best supported by the district budget. Student activity monies should not be spent on classroom supplies to replace district budget dollars. Fund raising activities approved by the principal may include activities such as field trips, student assemblies, seasonal parties or special art activities if the purpose of the expenditure is identified and approved before the fund raising effort is launched.

It is not necessary to obtain student signatures for expenditures and reimbursement claims. However, all expenditures at the elementary school must be approved by the principal.

Student activity fund reports must be reviewed monthly by the principal. Beginning and ending balances together with expenditures should be reviewed and compared to prior balances and expenditure levels. Sharp spikes or drops in specific accounts should be identified by the principal. Deficit balances should be reviewed immediately with the faculty member responsible for the student class or organization, and the plan to rectify the deficit balance should be communicated to the Financial Services team.