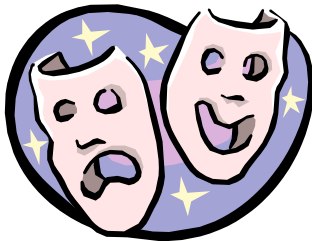
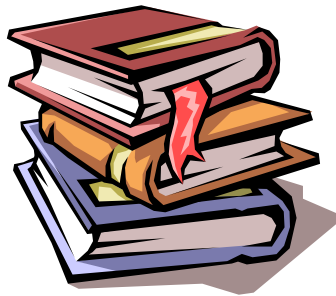


INVER GROVE HEIGHTS COMMUNITY SCHOOLS STUDENT ACTIVITY ACCOUNTING PROCEDURES HANDBOOK



ACCOUNT CODE for STUDENT ACTIVITY ACCOUNT:

Student Activity: _____

Activity Advisor: _____

Account Code: _____

Adopted 6/19/06

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INTRODUCTION

Student activity accounts are those funds, which are owned, operated, and managed by organizations, clubs, or groups within the student body under the guidance and direction of faculty or staff members for educational, recreational, or cultural purposes. These organizations receive their funding through fundraising events, dues from student members, or contributions from other organizations. Students manage the funds and the officers of the organization are students. Students implement, monitor, and control the activities of the organization under the supervision of an adult. The student members of the organization make the decisions. These accounts are required to have an audit by the Minnesota Department of Education.

CO-CURRICULAR vs. EXTRA-CURRICULAR ACTIVITIES

Co-curricular means those portions of the school-sponsored and directed activities designed to provide opportunities for pupils to participate in such experiences on an individual basis or in groups, at school and at public events, for improvement of skills. These activities have one or more of the following attributes:

- A) Are for credit or required for graduation;
- B) Are conducted at regular and uniform times during school hours, or if at times other than school hours, are established by school authorities;
- C) Are directed or supervised by instructional staff in a learning environment similar to that found in courses offered for credit; and
- D) Are primarily or totally funded by public moneys for general instructional purposes under direction and control of the local school board. Any deficits resulting from these activities are always subsidized by general school funds.

According to Minnesota Statute (M.S. 123B.49) the board must take charge of and control all co-curricular school activities of the teachers and children of the public schools in the district held in the school building or school grounds or under the supervision or direction of the school board. The board must adopt rules and regulations for the conduct of co-curricular activities in which the schools of the district or any class or pupils therein may participate. All money received on account of such activities must be turned over to the District, who shall keep the same in the general fund, to be disbursed for expenses and salaries connected with the activities, or otherwise, by the board upon properly allowed itemized claims. Co-curricular activities are under board control and therefore are not to be accounted for through the use of student activity accounts.

Extra-curricular activities means those activities that include all direct and personal services for public school pupils for their enjoyment that are managed and generally operated under the guidance of an adult or staff member. These activities have ALL of the following characteristics:

- A) Are not for credit or required for graduation;

- B) Are conducted for the most part during other than school hours, or if partly during school hours, at times agreed by the participants, and approved by school authorities;
- C) The content of the activities is determined primarily by the interests of the student participants and their parents with only the guidance of the staff member or other adult; and
- D) With the possible exception of direct costs of any salaries and indirect costs of the use of school facilities, the activity is self-sustaining as dues, admissions, or other pupil fundraising events meet all other expenses.

Extra-curricular activities would qualify for student activity accounting and come under the realm of this manual UNLESS they are under board control. Activities under board control must use the Uniform Financial Accounting and Reporting System (UFARS).

GUIDING PRINCIPLES FOR STUDENT ACTIVITY FUNDS

- 1) **Activity fund development and fund management are grounded in board policy and written procedures.**
- 2) **Student activity funds are used for student activity purposes and for those students currently in school.** Activity funds must not be used to circumvent management or purchasing decisions, which were made for the school district. Activity funds must not take on the image of a “slush fund.” Students must be the direct beneficiaries of their funds as contrasted with a method whereby other district overhead is reduced by these funds. Further, the contributions to these funds should be expended on those students making the contributions in the year of the contributions whenever possible. Since the funds should be spent for the general welfare of the student body and for purposes not currently fundable through the district’s general fund, great care must be taken to define the general welfare as contrasted with individual benefits. All students do not have to benefit directly; however, the majority should have the opportunity to benefit. Guidelines for acceptable general welfare purchases must be written out and evidence provided that the decision-makers have considered the guidelines when deciding on disbursements. In no case shall individual students or staff members benefit from funds in a unique, personal, and non-educational manner.
- 3) **There is an adult of record who is primarily responsible for the management of the fund.** Student activity dollars must be collected and disbursed under the general direction of the site leader when the fund is related to a particular building level activity. The site leader must involve those student leaders and faculty members who are responsible for generating revenue for approved projects in the decision making process. Decisions on disbursement of money from any type of school wide fundraising activity CANNOT be made unilaterally by the principal or other staff members. Participation by students must be supported by minutes, student signatures on purchase orders, requisitions, and check requests.

- 4) **All transactions are open to inspection.** There must be open access to transactions with scheduled displays of transactions in the fund. The board must have an accounting of these funds at least once a year.
- 5) **Activity funds are managed in accordance with sound business practice.** Activity funds must be maintained with the same high standards of accountability as those funds under the control of the board. The board should establish a policy requiring a thorough accounting of all moneys, which belong to the district. District employees cannot maintain a checking account or other cash fund for pupils without the knowledge and permission of the district leadership and sanctioned by the board of education nor can they operate an “off-campus” fund. The board should also develop a policy that prohibits deficit funding. Commitments cannot be made from an account unless there is sufficient funding to cover the commitment. If a transfer within a fund is needed, it may be made if the advisors, student officers, AND principal agree and the amount is paid back within a short period of time not to exceed three months.
- 6) **The size of an account is limited to a reasonable amount.** Large accumulations of money over more than a year should be avoided. District guidelines can determine an appropriate end-of-the-year balance size. Steps should be taken to reduce large account balances to a reasonable level.
- 7) **Activity accounts within an activity fund are audited annually.**

POLICY – STUDENT ACTIVITY ACCOUNTS

Student activities are established to allow students with similar interests and ideas a chance to become involved in those pursuits that fall within the scope of educational purposes.

In order to be a recognized student activity, the following criteria must be met:

- A. Students may organize a student activity provided that the formation and activities are student-initiated and voluntary.
- B. Membership in a student-organized activity is open to all students.
- C. A student activity shall have an advisor who ensures that school policies are not violated.
- D. Non-school persons, that is, persons who are neither students nor employees of the District, shall not direct, control, conduct, or regularly attend the meetings or activities of student-organized extra-curricular clubs.
- E. Activities of a student activity account shall take place only during non-instructional time.
- F. The school shall not expend public funds to the student activity account beyond the incidental cost of providing the space for meetings or for wages as board-designated.
- G. Student activity accounts are expressly prohibited from the following: Interfering with the orderly conduct of the educational purpose and activities of the school;

promoting, encouraging, or sanctioning activities that are unlawful; abridging the constitutional rights of any person; or compelling a school agent or employee to attend a meeting that is contrary to the beliefs of that agent or employee.

1. The school principal retains the right to prohibit activities and meetings and to disband student activity accounts that engage in the above-listed conduct.
 2. Student activity accounts may appeal to the School Board if a school administrator orders that the student activity be disbanded.
- H. Student activity accounts must have an annual activity purpose statement that is approved by the school principal prior to initiation of student activities. School administration will provide a standard format, requirements and advice on production of the purpose statement. All statements must be correct and factual. The statements of purpose may not:
1. Exclude students from membership.
 2. Propose unlawful or violent acts.
 3. Propose or otherwise entail a violation of the criteria set forth in School Board Policies.
- I. A student activity account may not raise and expend funds for purposes not endorsed in the activity statement of purpose.
- J. The District does not endorse or sponsor the meeting or activities of student activity accounts. Student activity exists as an expression of individual rights and is the sole responsibility of the membership.

Examples of Appropriate Expenditures for Student Activity Accounts Extra-Curricular Accounts

- | | |
|--------------------------|----------------------------|
| • Supplies and materials | • Admission fees |
| • Transportation | • Entertainment |
| • Travel expenditures | • Sweatshirts and T-shirts |
| • Food | • Donations |
| • Lodging | |

All expenses must directly benefit the students who raised the money. A student officer in addition to obtaining the other necessary approvals should approve all expenses.

Examples of Inappropriate Expenditures for Student Activity Accounts Extra-Curricular Accounts

- Office supplies
- Textbooks & library books
- Assemblies for the entire school
- Office or school furniture
- Employee compensation
- Facility meetings

All expenses must directly benefit the students who raised the money. A student officer in addition to obtaining the other necessary approvals should approve all expenses.

BUDGET PROCEDURES

An annual Activity Purpose Statement should be submitted to the building principal by October 1st of each new school year. This budget must contain the beginning balance, estimated sources of income, anticipated expenditures, and any ending balance at June 30. Limits must be placed on the carryover amounts of surplus that may be accumulated during the school year. See page 8 for the carryover procedures from year-to-year.

It is difficult to anticipate all revenue and expenditure activities that will occur in a given year. A simple method of projection is to relate past performance to what is planned for the future; that is, to estimate the next year's receipts and expenditures by relating them to current ones. Once the basis of comparison is established, the budget amount can be determined. Although the revenue amount should be adequate, a conservative estimate is appropriate to avoid over budgeting of expenditures. It is important to remember that not every event will be successful and allowances must be made for possible losses.

Once the building principal has approved the final budget, the budget becomes the official working financial document of the student activity. No expenditures will be approved if the student activity has a negative balance. See page 8. A transfer of funds can occur between student activity accounts, if mutually agreed. The funds must be transferred back within 3 months. Also, both parties must sign an agreement of the transfer. See page 8.

ACCOUNTING PROCEDURES

The accounting procedures for the student activity accounts will be similar to the District accounting procedures. All transactions will be recorded through TIES (cash receipts, cash expenditures, etc.). Every student activity will be assigned an account code, which is listed on the front page of this handbook. This code will be used for transactions relating to the student activity. Please make sure your code is listed on all items.

Required procedures follow:

1. Student activity funds must be in one checking account at a Board approved bank. This account is administered by the Business Office.
2. Schools are not authorized to borrow money from any individual or agency nor are they authorized to loan money to school employees or others.
3. All money collected must be locked in a safe place. No money should be left in desks, lockers, etc.

4. Deposits must be made intact at least weekly. Checks must not be cashed from activity money for anyone. Student activity money must never be left in a school over a weekend.
5. Investment of excess cash is encouraged, especially over the periods that school is not in session. These investments must also be with a Board approved bank, since it is a form of contract. Authorized staff in the Business Office will invest the funds. Interest from investments shall be allocated to each activity account based on ending monthly account balances.
6. Returned checks must be redeposited on a separate deposit. If checks are deemed uncollectible, the amount of the check shall be entered as a negative receipt and the activity account that originated the revenue will have its revenue reduced by that entry. The returned check shall be filed with the bank statements for an audit trail. Bank fees for the returned check shall be charged to the activity account that originated the revenue.
7. Any certificates of deposit shall be kept at a designated site in the Business Office for safekeeping.
8. Monthly reports include a statement of receipts and disbursements and current balances. These must be made available to the activity advisor monthly. These same statements should be made available to the school board periodically for its review. The secretaries should prepare a treasurer's report and give it to the student officer of the activity when asked for by the student officer so that he/she can present it to the membership at their meetings.
9. Any activity account that relates to a short-term activity must be discontinued following established procedures and approved by the advisor, principal, and student officer.
10. No individual activity account is to have a negative balance at the end of the fiscal year (June 30). Special exceptions may be made with written approval of the Director of Business Affairs. In order to receive this approval, a written plan must be submitted showing how the deficit is to be removed by October 31. A student officer, the advisor, and the building principal must sign this plan. The advisor of the activity is liable for any deficits and may be required to eliminate such deficit from his/her personal funds.
11. No activity account money shall be used to purchase personal items for staff members even with a reimbursement agreement. By implication, no item may be purchased of a personal nature for a staff person or student with the use of the District's non-profit tax identification number.

12. Amounts may be transferred between activity accounts but only after the members of the clubs or activities involved approve the transaction through a majority vote. See the transfer procedures discussed on page 8.
13. No student activity has the authority to advertise and award bids.
14. No student or employee will be compensated for services through the activity or club account. The direct payment of salaries from student activity funds is strictly prohibited. If the activity account needs to reimburse individuals for PRE-APPROVED expenditures for services provided, the initial payment will be paid through the general fund of the school district. The general fund will be reimbursed by the activity fund through the gift procedure.
15. Capital and non-capital equipment purchases made by a student activity become the property of the District.
16. Disbursements will be made in check only, never in cash. All checks must be pre-numbered and issued sequentially. A member of the District's Business Office will process all checks. Checks should be mailed the same day as they are generated.
17. All voided checks shall have VOID printed across the face of the check. If the check has entered the account ledgers, the entry shall be marked VOID. Amounts shall be recorded as negative expenditures, not as receipts. Voided checks shall be filed with the monthly cancelled checks. Blank checks must be kept in a locked location when not in use and will be properly controlled and safeguarded at all times.
18. In addition to having proper approval for the payment, each payment must be made only after an affirmation on the availability of cash in the individual student activity account. Deficit financing is the drawing of checks against student activity accounts, which have cash balances insufficient to cover the checks. That practice is strictly prohibited.
19. Items submitted for payment will be subject to review for the purpose of confirming their propriety and their conformance with policy and statutory authority.
20. There shall be no student activity petty cash fund or account.
21. When it is necessary to advance cash to persons in charge of school groups making class trips or outings, an authorized check request, with the proper signatures, shall be completed with supporting documents attached. Unused cash shall be returned immediately after the trip and deposited into the activity fund account.

22. Personal checks may not be cashed for anyone out of a student activity fund. Personal checks may be accepted when payment is for the student activity and is in the exact amount due. Checks shall not be made out for CASH.

Receipt and Expenditure Procedures:

The receipt and expenditure procedures are included on pages 11-14.

Deficit Balances:

No student activity account will be allowed to have a deficit balance. When requisitions are requested, the expenditure total will be compared to the amount of revenue the student account has. If the expenditures exceed the revenue, the requisition or payment will not occur until the revenue has been received.

If an immediate purchase needs to be done or paid and a deficit balance exists, the student activity may be able to get funds transferred from another student activity. See the process below in the transfer procedures section.

Transfer Procedures:

Transfers may be made between student activity accounts, but an agreement must be established. Both student activity accounts must agree on the transfer. It must be decided if the money will be reimbursed to the student activity account that gave the money to the other student activity account. If a reimbursement will be made, the funds must be reimbursed within 3 months of the agreement date. A student officer and advisor from each student activity account must sign the agreement stating they are allowing the transfer to occur. Then, it must be given to the building principal for approval. After the signatures have been obtained, the building student activities secretary will put it in a file and send a copy to the Business Office to enter into Skyward.

See the “Student Activity Account Funds Transfer Form” at page 17.

Carryover Procedures:

The student activity accounts are able to carryover any unspent funds from year-to-year, unless it relates to a graduating class. If the balance in the account is equal to or less than 25% of the current year revenue generated as of June 30th, it may be carried over to the next year. If the balance at June 30th is greater than 25% of the current year revenue, an explanation as to the intended purpose of the funds will be required. The explanation must be submitted to the building principal for his/her approval and then sent to the Director of Business Affairs. The balance over 25% must be spent by the following June 30th. If the balance is still over 25%, then any excess goes into the student activity office expense account.

Inactive and Closed Accounts:

If a student activity account has remained inactive for more than one year, the remaining balance in the account will be transferred as stated on the “Annual Activity Purpose Statement”. The student activity account will be considered closed.

A student activity account can be closed with a written request from the activity advisor. If the written request does not state what should be done with any remaining funds, the remaining balance will be transferred as stated on the “Annual Activity Purpose Statement.”

Guidelines for the disposition of accounts include the following:

1. All liabilities and obligations made by the student activity account must be paid.
2. Any money that was received subject to special limitations should be returned to the donor. If any money was donated for a specific purpose, which could be fulfilled by donating the funds to another activity account, then that should be noted to the donor and permission obtained for the transfer.
3. Student activity accounts cannot be used for any purpose that represents an accommodation, loan, or credit to any individual.
4. In no case shall individual students or staff members benefit from the funds in a unique, personal, and non-educational manner.

Audits:

Both external and internal audits will be performed on the student activity accounts.

Audits performed by individuals who are outside of the operation of the District are called external audits. Districts contract with independent auditors who are certified public accountants to perform audits of the District’s fiscal records, including those of student activity accounts. School audits are performed to determine compliance with State laws and regulations and with the District’s own policies.

Activity funds shall be audited annually by a certified public accountant. The fiscal year for annual audit reports shall coincide with the District’s fiscal year. The audit report shall be reviewed and approved by the school board. A copy of the audit report shall be filed with the Minnesota Department of Education. It must also be made available to the local public upon request. The legal citation for audit requirements is contained in M. S. 123B.77, Subd.3.

School district personnel perform internal audits. The word ‘audit’ conjures a detailed investigation in one’s mind, but internal audits can be as simple as day-to-day checking of receipts, invoices, and procedures. Each school should have certain audit procedures built into everyday fiscal routines. In addition, the Business Office will periodically do an internal audit of student activity accounts to determine if the accounts are in conformance with State laws and District policies and procedures.

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RECEIPT (DEPOSIT) PROCEDURES

1. The deposit receipt form found on page 18 must be completed with each deposit. The form must be attached to the money and completed by an officer or advisor. The advisor's signature must be present.
2. If checks are included in the deposit, make sure the subject or memo area of each check recognizes which student activity the money was collected. This will allow any NSF checks or questions to be directed to that student activity account.
3. Give the receipt and money to the building student activities secretary.
4. The secretary will review the receipt and money to make sure it agrees to what was turned in. Then, the secretary will sign the receipt acknowledging they agree. If not, they will contact the advisor to reconcile the difference.
5. The secretary will prepare a deposit slip and deposit the money into the bank.
6. The deposit slip and receipt will be routed to the Accounts Payable in the Business Office, so he/she can enter the amount into TIES.

Note: All money should be deposited in a timely manner. This will allow expenditures to occur because there must be funds available in order for expenditures to be approved and paid.

EXPENDITURE PROCEDURES

Note: Before any requisitions are entered or expenditures are paid, the student activity account must have funds available. Deficit balances are not allowed.

Expenditures can be requested in multiple ways. The process will be very similar to the District procedures. It is highly recommended to use requisitions to purchase items. This will allow the necessary approvals and will provide security for all participants involved. If items are bought without a purchase order, then a vendor check request must be completed. Any contracts that need to be entered into must be approved by the School Board.

The processes will be done through TIES. The Business Office will now cut all checks, once a week (Wednesday morning). Therefore, please plan accordingly with the deadlines listed below.

If requisitions are used to make purchases, the advisor or building secretary can prepare the requisition. Below is the process to prepare requisitions and how it will be paid. Use the tab key to go between fields. **Do Not use the “Escape Key.”**

1. Enter into TIES using your username and passwords.
2. Click on “Financial Management.”
3. Click on “Purchasing.”
4. Click on “Requisition.”
5. Click on “Add.”
6. Select the related building or group requisition. Select the related fiscal year. Click “OK”.
7. Enter the description-the name of person requesting the purchase
8. Leave the number as is.
9. The layout relates to different ways of entering the detail of the requisition.
10. Select the vendor by typing the first few letters of the vendor name. A drop-down vendor list will then display. Select the vendor from this list.
11. Leave the batch # as is. Leave the date as is.
12. Type in the first few letters of the “Ship To” information and a drop-down list will be displayed. Select the “Ship TO” location from this list.
13. Enter an Attention name (Should be the same as name in “Description” area)
14. Enter “Ship Via” if specific directions are needed.
15. Enter the ship date if specific ship dates are specified (i.e. “Do NOT ship before Aug 1st”)
16. Click on “Add” by the “Detail Line Items.”
17. For now, leave Type and Line # as is.
18. For the catalog line, enter all catalog numbers provided.
19. Enter what the line description needs to say on the purchase order.
20. Enter the quantity amount.
21. Enter the unit/measure for the items ordered.
22. Enter the cost per unit.

23. To add another line item, click "Add & Again" or "OK" button on the "Requisition Detail Line Information for RQ Number xxx" screen. Repeat steps 21-26. Continue until all items are entered.
24. Click on "Add" by "Account Distribution."
25. Enter the account code. Hit "OK".
26. The percentage or amount of allocation will automatically be distributed to the account codes listed.
27. Hit "OK".
28. If more than one account code, repeat steps 28-31. Otherwise, go to step 33.
29. If you need to add another line when you are on the "Requisition Master Information" screen for a requisition, click "Add" by the "Detail Line Items" and complete steps 20-31.
30. Select "OK" until you come to the "Requisition Entry" screen listing all requisitions entered.
31. To add another requisition for a different vendor, click on "Add" on the "Requisition Entry" screen and complete the process above.
32. Click "Close" when done entering requisitions.
33. The supervisor for the purchase order group will then receive an e-mail stating there is a requisition waiting for approval. Once they approve it, the Business Manager will receive an e-mail stating there are requisitions for approval. Once the Business Manager approves the requisition, the purchase order will be printed out and sent to the vendor and a copy will be sent to the person making the request. Both the supervisor and Business Manager can deny a requisition. When the requisition is approved or denied, the preparer of the requisition will receive an e-mail stating the status of the requisition.
34. Once the items have been received, a copy of the PO, along with the packing slip, can be initialed and sent to the AP Clerk for payment.

If a requisition is not prepared for a purchase, then a Vendor Check request must be completed. See page 19 for a copy of the Vendor Check request form. The request must be completed and signed by the advisor. All receipts of the purchases must be attached. Copies are OK. Also, a proof of payment must be attached. If paid with cash, the receipt will probably show this. If it was paid with a check or credit card, a copy of the check or related bank or credit card statement must be present showing it was paid. After completed and signed by the advisor, the Vendor Check request will need to be sent to the building principal. The building principal will then approve the expenditure and send it to the AP Secretary in the Business Office for payment.

Student activity account checks will be issued every Wednesday morning. To make the Wednesday check run, the documentation must be to the AP Secretary by 12:00 PM on Tuesday. Student activity account checks will only be cut once a week.

Inver Grove Heights Community Schools
Student Activity Account Funds Transfer Form

Date _____ School Name _____

Transfer Amount \$ _____

Activity Account Names: From: _____

To: _____

Reason for transfer of funds:

Check one only:

- A permanent transfer will be made between the two activity accounts identified above.
- The transfer will be paid back to the activity account that granted funds within 3 months of the date identified above.

Student Officer (from) Signature _____ Date: _____

Advisor (from) Signature _____ Date: _____

Student Officer (to) Signature _____ Date: _____

Advisor (to) Signature _____ Date: _____

Principal Signature _____ Date: _____

DEPOSIT REPORT

DATE: _____

CLUB/ORGANIZATION: _____

ACCOUNT NUMBER: _____

FUNDRAISER: _____

CHECKS _____ (provide list of checks)

\$100 _____

\$50 _____

\$20 _____

\$10 _____

\$5 _____

\$1 _____

Note: Write the Student Activity Account number in the memo area of each check you collect.

COIN

\$1 _____

\$0.50 _____

\$0.25 _____

\$0.10 _____

\$0.05 _____

\$0.01 _____

TOTAL DEPOSIT =====

NOTES:

ADVISOR SIGNATURE: _____

DATE: _____

BUILDING SECRETARY SIGNATURE: _____

DATE: _____

(attach copy of our Vendor Check Request form)