

*INSTRUCTIONS FOR OPERATION OF
STUDENT ACTIVITIES ACCOUNTS*

PLODZIK & SANDERSON PROFESSIONAL ASSOCIATION

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Introduction

The purpose of this manual is to provide guidance and support for accounting for student activity funds in school districts. A student activity program is intended to heighten the learning experience of students by allowing them to participate in the planning and execution of activities. It is imperative that the activity program be consistent with the policies of the School Board and the educational goals of the district. The accounting for the funds that support these programs should be stringent and governed by meaningful and financially sound principals. All accounting functions are designed to achieve maximum control over the safeguarding of assets and the accurate reporting of these funds.

What is a Student Activity Fund?

Agency Funds

Student activity funds are agency funds which the District holds on behalf of the students. They are Agency funds because the district acts only as a custodian of the funds. The district has a formal agency relationship with the students of the district. The district is responsible for holding the assets and receiving and disbursing them at the request of the authorized representatives. These funds do not report operations, only assets and liability account balances. The importance of sound accounting procedures for these funds is to document that the district acted within its authority as an agent with regard to any transactions that take place in the funds.

Student Activities vs. Other Activities

Student activity funds are used to account for monies earned and received *by* the students to be used for the *benefit* of the students. These typically include class accounts, yearbook, student council and other clubs and sports.

These funds must not be confused with convenience funds which are set up for the convenience and use of the faculty and staff of the school. These can include an employee fund, coffee fund, or sunshine fund.

It is important that student activity funds contain only student monies. Employee funds are not to be comingled with student activity funds under any circumstances. Additionally, it is important that a student activity fund not take on the appearance of a "slush" fund.

It is imperative that the various class, club, and activity accounts be maintained with the highest degree of accuracy and reliability. The accounting for funds that support these activities should be beyond reproach and should be governed by a set of financially sound principles.

The procedures outlined in this booklet are designed to provide a simple yet accurate accounting of these funds and to protect the integrity of the bookkeeper, advisor, and principal.

Responsibilities of Activity Representatives, Advisors, Bookkeeper, and Principal

All student activity accounts must be managed by a faculty or staff advisor. This advisor will help the students with oversight of the group and deal directly with the activity account bookkeeper. Student participation in the management of the activities account is very important.

Each activity representative, under the guidance of the faculty advisor, shall deposit funds and request payments from the bookkeeper in the prescribed fashion. It is the responsibility of the bookkeeper (in many cases, the principal's administrative assistant) to maintain the books and records of the Student Activities Funds. Finally, it is the school principal's responsibility to insure that these regulations are followed.

In the case of dues being paid by each member of an activity, (such as class dues), the activity treasurer must keep a year-to-year record of all students eligible to pay dues, with a cumulative record of such payments. Receipts for any dues collected must be issued to the payee (see Appendix I) and a copy of each receipt shall be kept on file by year.

Each class or club which engages in any financial transactions must have its accounts maintained by the bookkeeper. No "private" accounts should be authorized or permitted. Likewise, any funds which do not belong to student groups (such as sunshine or coffee funds) and are for faculty purposes, should not be handled through the Student Activities Funds.

General Requirements for Accounting for Activities Funds

The following general principles are required in accounting for activities funds:

1. The school board shall be responsible for all activities funds in the school district. The board should receive an accounting of those funds at least quarterly.
2. All activities funds shall be audited.
3. Any activities funds classified as governmental shall be budgeted and controlled in the same manner as other governmental funds.
4. School employees are not authorized to borrow or loan money from the student activity account under any circumstances.
5. Student activity funds cannot be used for the purchase of personal items for staff even if a reimbursement agreement exists.