

**SCHOOL DISTRICT OF BAYFIELD  
STUDENT ACTIVITY FUNDS MANAGEMENT**

**LINES OF AUTHORITY**

Proper control begins with district-wide recognition of the lines of authority over all funds maintained by the school district.

- School Business Official: The business official has overall responsibility for the accounting and reporting of all agency funds to the Board of Education. The school business official/designee is responsible for the implementation of the policies and internal control pertaining to the supervision and administration of the agency funds in accordance with the established policies of the Board of Education.
- Principal: The principal of each school building is the designated activity fund supervisor. The activity fund supervisor has overall responsibility for the operation of the agency funds, including approving disbursements, fund-raising plans and assigning faculty advisors. The principal shall inform the advisor that all fund-raising activity and each disbursement of funds must be approved in advance by the principal, and of the advisor's responsibility to document the collection and disbursement of funds.
- Faculty Advisor: The faculty advisor of each student organization is responsible for supervising all activities of the organization. As such, the faculty advisor shall approve all transactions of the student activity fund and shall be responsible for maintaining proper documentation to support all student financial activity. The advisor must keep an accurate record of the activity group membership.

**ESTABLISHMENT OF STUDENT ACTIVITY FUNDS**

Policies governing student activity funds shall be in writing and distributed to all agency fund supervisors, faculty advisors, and accounting personnel. The Board of Education shall approve each student activity fund. Application for the creation of the student organization shall include the purpose of the organization, proposed membership, and stipulate the faculty advisor. The name of the student organization shall indicate its purpose. Only approved student organizations shall conduct money-raising activities in the school's name.

**GENERAL POLICIES AND INTERNAL CONTROL FOR THE OPERATION OF STUDENT ACTIVITY FUNDS**

- All student activity funds are subject to the same internal controls as all other school funds and are subject to periodic internal and external audit.
- Quarterly financial reports on all agency fund activity shall be prepared by the business office and submitted to the Board of Education Finance Committee for review.
- Any employee or student, who misappropriates activity funds, which includes theft and any other misuse of activity funds, shall be subject to discipline up to and including expulsion or termination. The District Administrator has sole discretion on filing criminal charges or complaints.

- If an organization develops a deficit balance and then becomes inactive, the members of the group at the time the deficit occurred shall be liable for the amount necessary to bring the fund into balance. The amount of this debt shall be equally divided among the members of the group.
- The business office shall notify the faculty advisor and the principal if an account has had no activity for twelve consecutive months. If there has been no activity after the thirteenth month, the account funds shall be allocated to the remaining student activity funds with the next earned interest allocation.
- Senior class officers, after covering the expenses and activities of their class, may designate how remaining funds will be spent. If no designation is made, any remaining funds will be distributed proportionately to the remaining activity funds with the September 30<sup>th</sup> interest allocation.

### ***Disbursements***

- A request for cash disbursement shall be initiated by the student organization, then, approved by the organization faculty advisor and principal. The principal is responsible for ascertaining that all disbursements for an organization are for the benefit of that organization and may not be for the personal gain of any individual or pupil.
- Disbursements shall be requested using a requisition for purchase order form or check request form requiring the principal's authorization for payment.
- Invoices or authorized check requests shall be obtained for all disbursements prior to payment. Check requests require supporting documentation for approval.
- The business office shall disburse funds using pre-numbered checks that require two original signatures. One signature shall be by authorized district office staff and the other shall be a principal's signature.
- Student organizations shall not maintain a negative balance in any of their accounts. Exceptions may be made by the principal responsible for that organization for temporary negative balances that will be funded with incoming receipts.
- The use of student activity proceeds to cash personal checks, make loans or extend credit to individuals, or to pay compensation directly to employees or vendors is prohibited.

### ***Receipts***

- The business office shall issue numbered receipts for all cash and checks submitted to the school.
- Advisors shall submit all receipts intact to the business office. Advisors shall not use receipts for petty cash or other disbursements.
- Receipts shall be brought to the business office in a timely manner as defined by school board policy.
- The faculty advisor is responsible for all money collected until deposited with the business office.
- Advisors shall not place school funds in a personal account.
- The business office shall allocate interest earned less any bank charges proportionately to each student activity account on a quarterly basis.

### ***Recordkeeping***

- A third person, other than the check writer or the agency fund supervisor, shall prepare monthly bank reconciliations.
- The business office shall prepare quarterly reports of the revenues and expenditures for each activity fund and submit them to the appropriate principals and advisors. These reports shall include the beginning balance, revenues, expenditures and ending balance

for each activity fund. It is the responsibility of the faculty advisor to reconcile their student activity fund records to the quarterly report. Any discrepancies between the quarterly report and the activity fund records shall be reported back to the school district business office and resolved immediately.

## RESOURCES

- *Handbook for Evaluation and Improvements of Business Offices and Support Services Functions*. Issued by the Wisconsin Association of School Business Officials. Chapter 22 provides recommended procedures and internal controls for student activity accounts. WASBO has also developed a “*Sample Policy and Procedures for Student Body Activity Accounts*” which it has included in the handbook as Appendix I.
- *Student Activity Funds: Procedures & Controls* by Charles E. Cuzzetto. Published by the Association of School Business Officials International.

**LEGAL REFERENCE:** Wisconsin Statutes 120.12(1), 120.16(2,5), 34.05(3), 66.042, 21 OP. Atty. Gen. 376, 1932

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