



Federal Hocking Local School District

Student Activity Funds

Handbook & Guidelines

Purpose

This Student Activity Funds Handbook has been prepared for the purpose of assisting the students and faculty advisors involved with regard to their responsibilities. The handbook also outlines the rules, regulations, philosophy and procedures that will lead to successful implementation of student activity fund programs.

The goals of the student activity fund programs in Federal Hocking Local School District are to:

- 1.) Provide a diversified and balanced program of extra-curricular activities which are designed to affect the educational development of students in a positive manner;
- 2.) Provide opportunities for students in which the fundamentals of leadership can be developed and exercised;
- 3.) Provide opportunities for students to actively participate in planning, developing, and implementing activities;
- 4.) Provide opportunities for students to participate in a variety of situations where a spirit of cooperation among the participants is essential to the success of a project;
- 5.) Provide a variety of opportunities for students to develop a sense of school and community spirit.

Student-Managed Activity Programs are those student activity programs in which students participate and manage through elected or appointed officers and are maintained in the 200 fund. The Board has adopted policy governing the management and overall guidelines of these funds.

District-Managed Activity Programs are those programs in which students participate but do not manage the activity and are maintained in the 300 fund. These activities usually include athletic programs and may include band, cheerleaders, and other similar type groups. The primary criterion for determining how funds are classified is "who determines how the money is spent?"

The Board of Education has established policy to govern the management of district-managed activity programs. The policies promote participation in these activities and set parameters within which such activity programs can achieve their purpose and operate effectively.

District Obligation

The District is not obligated to pay for purchases made without an approved purchase order executed prior to the receipt of such goods or services.

(ORC Sec. 5705.41)

Administrative Responsibilities

Authority of the Board of Education (O.R.C. 3315.062)

If more than \$50 a year is received through a student activity program, the monies for such a program shall be paid into an activity fund established by the Board of Education. This handbook, as adopted and amended by the Federal Hocking Local School District, provides the regulations governing the establishment and maintenance of student activity funds, including a system of accounting.

The Superintendent shall have responsibility and authority to implement all policies and rules pertaining to the supervision and administration of student activity funds in the Federal Hocking Local School District in accordance with established policies and rules of the Board of Education, as outlined in this handbook.

The Treasurer is responsible for internal controls of student activity funds, for prescribing appropriate accounting procedures, and monitoring the financial activities of the student activity funds.

The Principal of each building, as trustee, shall be directly responsible for the conduct of student financial activities in accordance with the policies, rules and procedures set forth by the State of Ohio, Federal Hocking Local School District and the Superintendent. The Principal shall act as the activity group sponsor for receiving and disbursing funds if the activity group has no designated sponsor.

The Activity Advisor acts as a resource for the activity group. The success of any student activity program has a great deal to do with the advisor's ability and willingness to lead a group of students in a specific direction. However, it is most important that the students themselves design the planning development of the program. The responsibilities of a student activity advisor at Federal Hocking Local Schools include:

- 1.) Scheduling meeting locations, meeting items, and meeting dates for group functions on Federal Hocking Local School District's Master Calendar;
- 2.) Completing all required paperwork in advance of the date upon which an activity is schedule to take place;
- 3.) Supervising all meetings and activities scheduled by the group;
- 4.) Supervising the group's treasurer with regard to the collection and deposit of funds. All expenditures of activity funds must be handled exclusively by the activity advisor;
- 5.) Enforcing the Code of Student conduct at all group meetings and activities;
- 6.) Scheduling a meeting in the spring of each school year for the specific purpose of electing officers who will hold office for the following year;

- 7.) Developing, revising, and publishing an activity club constitution which must include all of the rules and regulations that pertain to the operation of the activity club which are not already covered by school or corresponding classroom rules;
- 8.) Developing any announcements which will be read during the school day over the school's public address system;
- 9.) Developing any correspondence, which is to be released to the community as a whole.
- 10.) Retain all records of the activity club in an organized manner and make such records available upon request of the district Treasurer and/or the Auditors during the district annual audit.

The Student Officers shall assist the advisor in the management of student activity funds and *shall keep records of its transactions* and establish policies, which will be available for reference and audit. The Principal of the building has the power to veto any action which is contrary to the best interest of the school.

Management of Student Activity Program Funds

Policy Statement

The Board of Education, within the adopted policies and procedures governing the establishment and operation of activity funds, must use its sound discretion in determining what are proper expenditures, using caution that will guarantee all expenditures serve a public purpose. The expenditures from an activity fund must directly or indirectly benefit those students who are participating in that particular student activity program, and be in accordance with the policies and/or purposes established by the group. Certain expenditures may be made covering the expense of staff personnel, when the purpose of such expense benefits the group. If such expenditures are made, they must conform to the Activity Purpose statement of the Activity Fund.

Further, the Board of Education, when within the adopted policies and regulations governing the establishment and operation of activity fund(s), hereby authorizes the Building Principal to approve expenditures from activity funds as submitted and approved by the Activity Advisor.

It has been consistent policy of the office of the Auditor of State that findings for recovery shall be issued for any expenditures which fail to serve a public purpose. The determination of whether an expenditure serves a public purpose will be based on the policy adopted by the Board of Education and the Activity Purpose Clause.

Activity Purpose Clause

Each organization must develop a purpose clause. This states the purpose or intent of the group and declares how they plan to generate funds and expend them towards the accomplishment of the activity's goals. The purpose clause should be reviewed each year and changes made to fit the needs of the organization.

It is advisable to make the receipts and expenditures broad enough so as not to be too restrictive that it severely limits the group's activities.

The advisor submits an Activity Revenue/Budget Worksheet for the coming year which corresponds to the objectives set forth within the Purpose Clause. The Purpose clauses and budgets must be approved by the Board of Education each year, normally in September. Building Principals and the Superintendent approve addenda to Board approved budgets.

Student Activity Program Fund Accounting System

The Uniform School Accounting System provides adequate verification of each transaction, the source of funds received, the amount collected and the amount expended for each activity group.

Sources of Student Activity Program Funds

Funds for extra-curricular activities may be generated from any administratively approved source provided the welfare and long-range benefit of pupils is the primary consideration. Funds raised by and for pupils will be used in accordance with the stated general purpose of that activity program. The Principal and the Superintendent must approve any variation from the stated purpose clause.

Funds generated from the public by sales, services, or donation become public funds and subject to a public purpose. Accordingly, no individual may receive personal benefit without commensurate personal service or expense.

Questions regarding the appropriateness of funding sources and/or expenditures are to be resolved by the District Treasurer.

The Board expects, and hereby directs, the Superintendent to institute the following criteria for any fundraiser:

- 1.) Each activity group must have Board of Education approval for the purpose clause and budget of the organization and the Principal and Superintendent, or his designee, will approve the Approval for Fundraising Activity form.
- 2.) Once the fundraiser is approved, duplication of this project will be limited for the balance of the year.
- 3.) When a date for a fundraiser is requested, an effort will be made to avoid similar activity fundraisers running at the same time.
- 4.) A beginning and ending date of the fundraiser shall be listed on the Approval for Fundraising Activity form and should be followed.
- 5.) A Fundraiser Activity Financial Summary must be submitted at the close of each project.
- 6.) When tickets are used for a function, they must be pre-numbered. All tickets collected at the event must be submitted to the Treasurer's office for audit.
- 7.) All money collected *shall be deposited within a twenty-four hour period of collection in accordance with ORC Sec. 9.38 and the 1980 OAG #060.*
- 8.) All potential fundraiser funds must be accounted for with explanations for those funds not deposited.

Fundraising Activities

Approval for Fundraising Activity Form

An Approval for Fundraising Activity form must be completed prior to all fundraisers sponsored by student activity groups. The fundraiser must have been approved as part of the activity group's purpose clause and budget worksheet.

The vendor from whom the items will be purchased should be listed on the form. An estimate of quantities to be ordered and the cost and sales price should be completed. The "Potential Sales" is only an estimate at this point of the fundraiser.

Enter the date the fundraiser should be completed. Obtain the necessary signatures for the approval of the fundraiser. Once the form has been approved, a copy will be returned to the advisor for completion of the Fundraising Activity Financial Summary at the close of the fundraiser.

Fundraising Activity

Once the fundraiser is approved, a purchase requisition should be completed for items to be ordered as stated on the Fundraiser Activity form. All items received must be safeguarded until distribution for sale to the students. At time of distribution, the students should initial or sign for the specific number of items they receive and will be accountable for.

When money is received from the students for sales, the advisor or treasurer of the organization should verify the amount collected, write a receipt to the student or initial and keep the student's collection envelope.

ALL sales money is to be deposited daily with the designated building secretary. The secretary will issue a receipt to the advisor or activity treasurer for money turned in each day. The advisor/treasurer should reconcile this receipt to the receipts they have issued for that day. This leaves a good audit trail which assists the auditors when they review the activity club's records.

Unsold items are to be returned to the vendor and an updated invoice, a credit, or a refund check requested. A verification of items returned should be submitted to the Treasurer's office to make certain proper credit is received and applied to the purchase order or credit given to the student activity account.

Disposal of spoiled or damaged sales items must be witnessed by a principal and a signed letter stating the quantity disposed of submitted with the Fundraising Activity Financial Summary.

Groups keeping an inventory stock from one year to another must provide a beginning and ending inventory. These figures will be used to determine the amount of sales which must to be accounted for at the end of the fundraiser.

If items are sold at a "reduced price" for quick sale, an accurate accounting must be made to show the number of items sold at the reduced price.

Money uncollected from students at the completion of the sales project should be noted on a list attached to the completed Fundraiser Activity Financial Summary form. This list should include the student's name, grade, and the amount owed for the merchandise that student was responsible for selling. A copy of the list should be given to the building secretary responsible for collecting student fees. If the money is collected from the student after it has been reported to the office, make certain the office is notified so that the name can be removed from the fee & fine list.

Fundraising Activity Financial Summary Form

At the conclusion of the fundraiser, the Fundraising Activity Financial Summary should be completed. All purchases should be listed by noting the purchase order number and the total paid on each purchase order. Any returned items should be noted. The "Potential Sales to be Accounted For" should be calculated.

The "Total Deposited with Treasurer" should equal all deposits made that relate to this fundraiser. Any difference must be accounted for with a list of outstanding collections from students, a list of unsold items being kept on hand and for what purpose, any spoilage or damaged items to be accounted for, items sold at "reduced" price, or other explanations needed to account for the difference.

Any discrepancy over 5% of the total "Potential Sales" must be explained with a letter signed by the advisor and activity treasurer. This letter must be attached to the Fundraising Activity Financial Summary form when submitted to the district Treasurer's office.

Audit

The Treasurer's office will review the calculations on the Fundraising Activity Financial Summary form in comparison with the related paid invoice(s) and deposits in the group's activity account. Any discrepancies will be reported back to the advisor for further explanation.

When the report is satisfactory, the Treasurer signs the form and it is filed for audit at the end of the fiscal year.

Collection and Deposit of Cash

A. General

All money collected from any source MUST be substantiated by a pre-numbered receipt. The following information must be maintained for each fundraiser:

- 1) name of person funds are received from
- 2) amount received
- 3) date of receipt

B. Cashier/Secretary

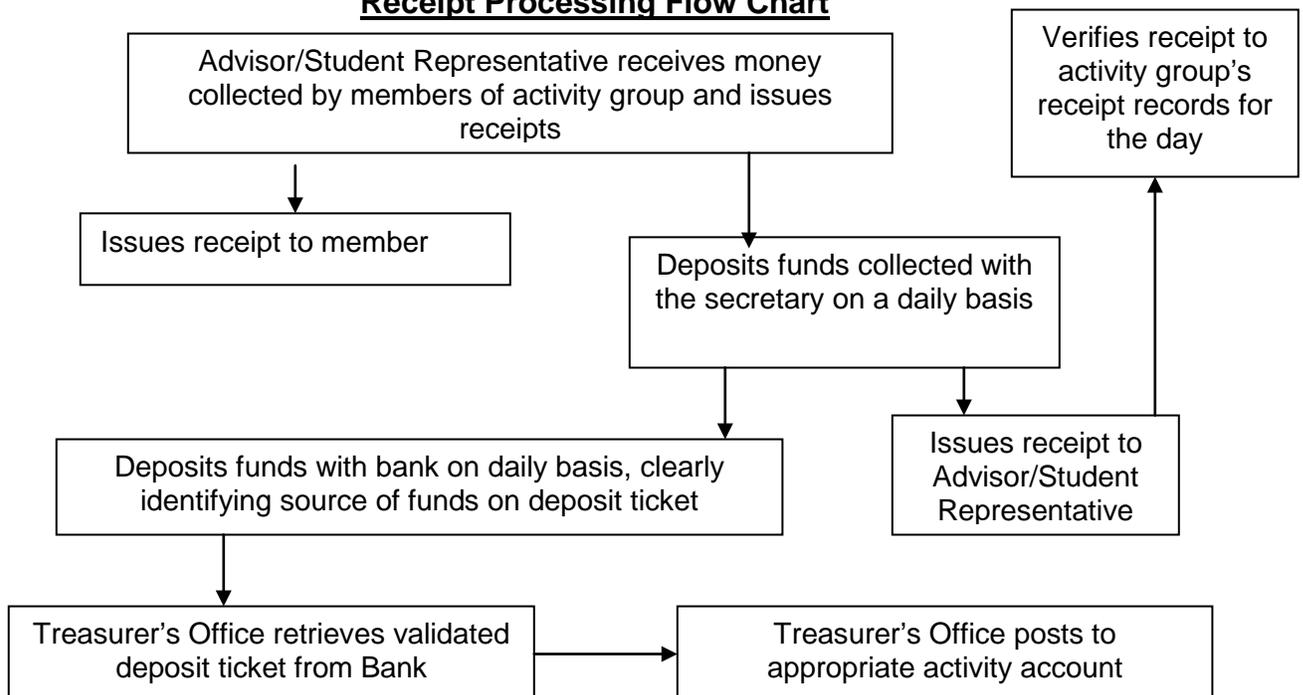
The Board of Education has designated the Treasurer of the Board to act as the supervisor of the student activity fund accounts. The secretary is responsible for issuing a receipt to the activity advisor/treasurer for funds received for deposit and must balance all activity funds collected with the deposit transaction slip. All money collected must be counted, wrapped and deposited daily.

C. Receipts – Pay-In

The Building Principal, advisor or student treasurer shall deposit all money received with the secretary daily. The receipt issued to the advisor/treasurer by the secretary should be reconciled with the activity group's record of receipts.

Under no circumstances may payments be made from receipts prior to being deposited into an activity fund. Supplies and reimbursement for services (such as game officials, ticket takers, and security) must be paid through approved purchase orders from the Treasurer's office.

Receipt Processing Flow Chart



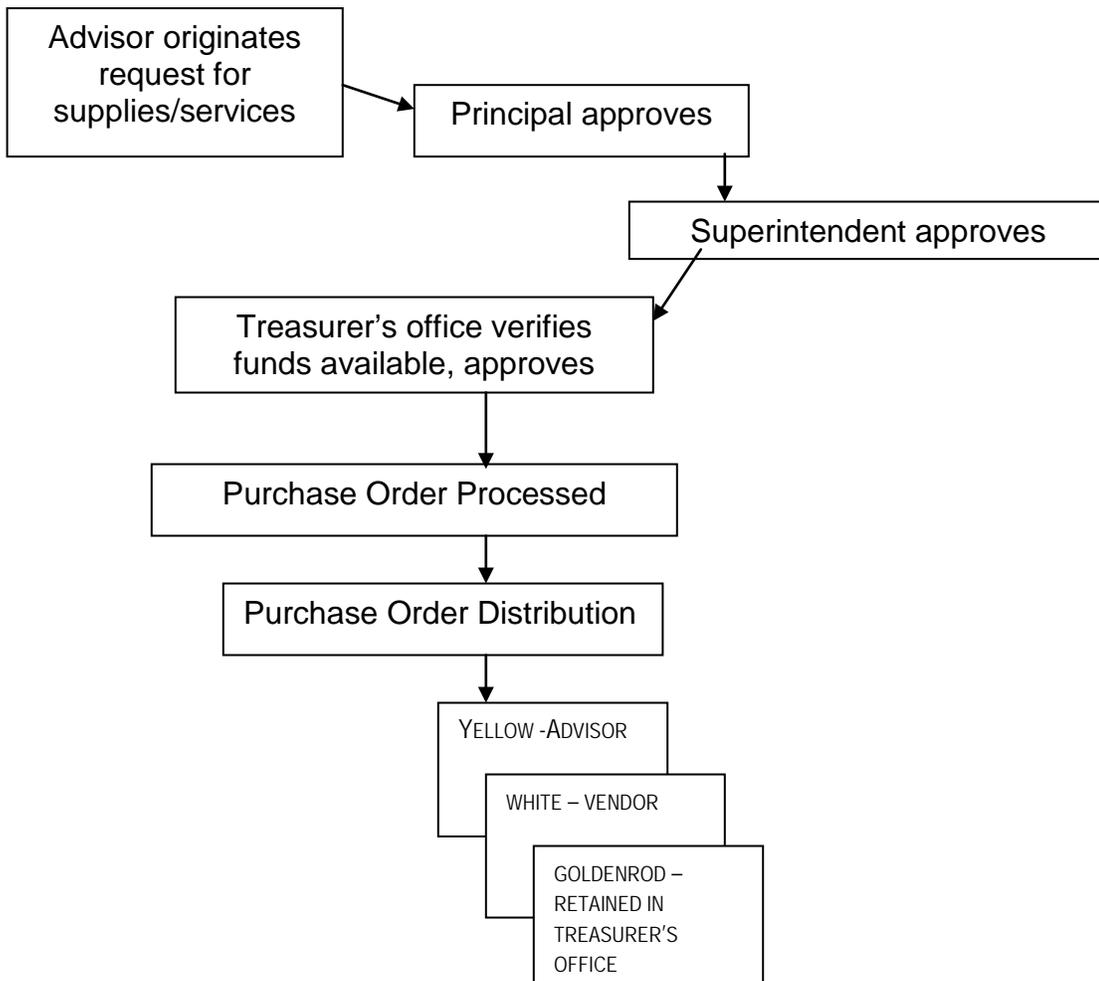
Expenditures and Purchase Order Processing

No purchase may be made without an approved purchase order. Under ORC Sec. 5705.41 the District is not liable for any items or services ordered by an employee or representative of the District without the proper authority of a purchase order.

The Activity Advisor will present a Purchase Requisition to the Principal, who will either approve or deny it. The requested purchase must be supported by the Activity Purpose Clause. Once approved, the Principal will forward the request to the Superintendent's office for approval. If funds are available, the Treasurer will process a purchase order and encumber the funds from the activity fund. The Treasurer's office will mail the vendor copy of the purchase order directly to the vendor unless other instructions are noted on the requisition.

Once all supplies/and or services are received, the student activity advisor will sign the receiving copy of the purchase order and forward it with supporting packing slips and/or invoices to the Treasurer for final payment.

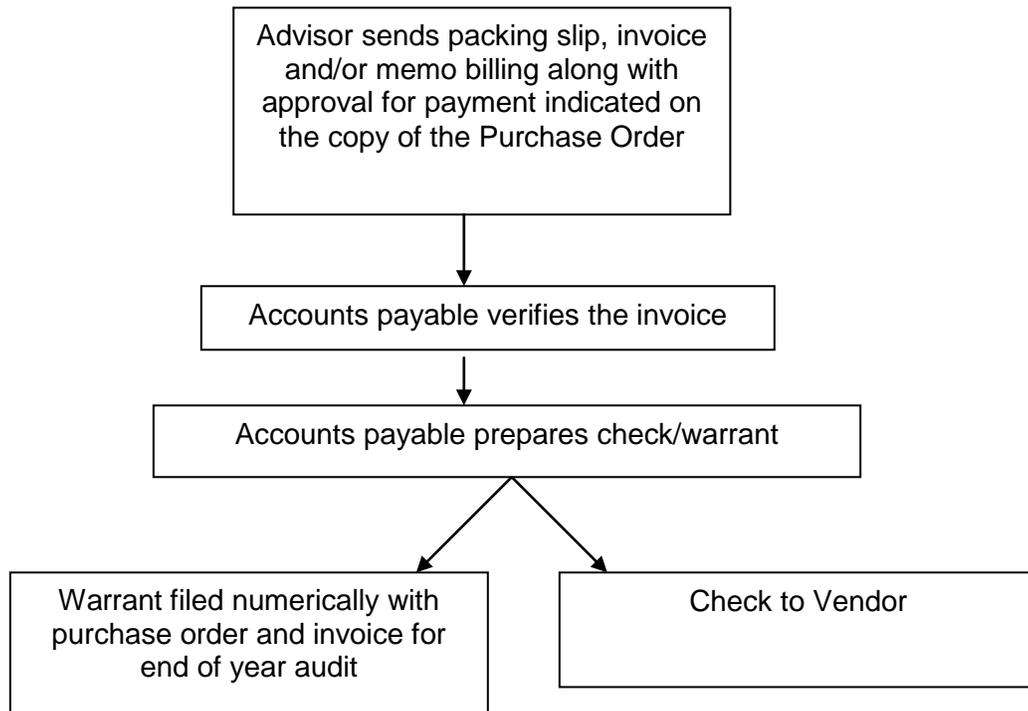
Requisition Flow Chart



Upon the receipt of supplies and/or services, the sponsor is required to submit the invoice to the Treasurer for payment. If payment is for supplies and/or services for which no invoice will be received, a memorandum billing must be prepared to meet this requirement and forwarded to the Treasurer. The invoice or packing slips should be attached to the copy of the corresponding purchase order with the advisor's approval to pay clearly marked on the purchase order or invoice.

A check is processed for payment of the obligation. The check is a two-part document. The original (check) goes to the vendor and the duplicate (warrant) is posted and filed numerically with supporting documents in the Treasurer's office.

Expenditure Processing Flow Chart



Accounting System

Financial Statements

The District Treasurer is required to furnish monthly statements of fund and cash balances to the Board of Education, as well as reconciliations with depositories. The monthly financial statements include month-to-date receipts, and month-to-date expenditures, and current balances by fund.

Examination and Scope of Audit

The auditors will audit each activity fund established by the Board of Education at the same time the examination of the records and accounts of the district is made, or at such time other circumstances deem an audit necessary.

The scope of the audit of the District activity funds by the auditors will be taken to ascertain that the Uniform School Accounting System and procedures prescribed by the Board of Education are being followed and that all records are correct and in balance and being properly maintained by the District.

Vending Machines

Sponsors for vending machines, which are operated on school property, must be designated and only an established fund can sponsor such vending machines. The Superintendent must approve all sponsors in writing prior to operation.

Ticket Sales

In all cases where tickets are used, tickets must be pre-numbered. The Activity Financial Summary is to be completed to account for all tickets and proceeds from the sale of tickets. All tickets collected at the event are to be retained and submitted to the Treasurer for audit with the completed Fundraiser Activity Financial Summary.

Inactive Funds

When a fund is no longer functional within the student activity program, the balance in the account can be dispensed of by action of the Board of Education.

Tax Exempt

The District operates a public school system as a subdivision of the State of Ohio and therefore is exempt from paying sales tax on purchases. (ORC 5739.02) A Sales Tax Exemption Certificate is available through the Treasurer's office to send to vendors to avoid paying sales tax.

The vendor is required by law to have this exemption certificate on file if they do not charge sales tax on an invoice. According to law, payment must come directly from the tax exempt entity therefore, without a district purchase order or check the sale could be considered non-exempt and the vendor can refuse to accept a tax exempt certificate.

General Rules

The Board of Education must approve transfers between accounts with prior approval of the Superintendent. Law may limit such transfers.

Questions regarding activity fund accounting should be directed to the Treasurer.

The original Activity Purpose Clause shall be maintained in the Treasurer's Office with the initial proposed budget.

The Activity Purpose Clause is to be reviewed and amended on an annual basis.

Under no circumstances may payments be made using money collected. All receipts must be deposited and payments made by check using the Requisition/Purchase Order process.

All activity records must be made accessible to the district Treasurer and the auditor upon request. Activity records should be maintained in an orderly manner.

Personal Service Contract

A person providing personal service through a contract (disc jockey, off-duty policeman, etc.) and being paid from student activity funds should be covered by his/her own workers' compensation program.

If the person is receiving compensation for sponsoring or advising an activity group, a supplemental contract is issued for additional duties. No supplemental contracts will be paid through student activity programs. These payments must be approved by the Board of Education.

FEDERAL HOCKING LOCAL SCHOOL DISTRICT
STUDENT ACTIVITY PROGRAM FUND
QUICK REFERENCE

Each Student Activity Group Must:

1. Appoint or elect student officers for student-managed activity groups.
2. Prepare an Activity Purpose Clause.
3. Prepare an Activity Budget.

Each Fundraising Activity

1. Must be included as part of Activity Purpose Clause.
2. Must have an Approval for Fundraising Activity form approved by the Superintendent, or his designee, prior to the event.
3. Must not coincide with any similar fundraising activity being held by another activity group during the same time period.
4. Must have a completed Fundraising Activity Financial Summary on file in the Treasurer's office prior to the last day of school.
5. All potential fundraising monies must be accounted for.

Receiving Money

1. Each person from whom money is collected must be given a pre-numbered receipt or sign off on the collection envelope when the money is presented.
2. All funds received must be deposited with the cashier/secretary within 24 hours of collection and must be reconciled with the receipts issued for that time period.
3. All undeposited funds must be secured in a locked area with limited access.
4. All funds must be deposited. Cash collected cannot be used to purchase supplies, supplies, or pay student incentives except through requisition process.
5. Cashing personal checks with student activity funds is not permissible.

Expending Money

1. Obtain quotation for supplies or services to be ordered.
2. Complete a Purchase Requisition for approval.
3. Obtain a Tax Exempt Certificate for the vendor to avoid paying sales tax.
4. All orders will be placed using an approved district Purchase Order.
5. Approve payment of invoices for supplies or services received on authorized purchase orders.

Unacceptable Purchases

1. Gifts, appreciation gifts for services performed, flowers, and honorariums must be specified in purpose clause.
2. Personal apparel for individuals unless turned in at end of year and kept on inventory. Does not include personal apparel purchase by students through fund.
3. Donations to non-profit organizations unless authorized within purpose clause.
4. Reimbursement to an individual for replacement of a personal article which has been lost, destroyed, or damaged while participating in an activity function.
5. Expenses of students who attend State and National contests cannot be reimbursed unless the activity group has set aside money for this specific purpose.