

CASH IN SCHOOL BUILDINGS/ACTIVITY FUNDS

Principals should open a checking account at a convenient financial institution and arrange for night depository service. Cash in excess of \$500 should be deposited in the school's checking account before the close of the day. Schools with Class A vaults may hold this amount overnight but should deposit it as soon as possible. Cash transfers to the Building and/or General Fund should be made via checks drawn upon the respective school's checking account.

In general, cash should be handled in accordance with the Student Activity Funds Manual, which is included the Procedures, 663-Rule.

Cross Reference: Cash in School Buildings/Activity Funds (Student Activity Funds Manual), 663-Rule

Legal References: Wisconsin State Statutes 118.001, 118.27, and 66.0603

Adoption Date: February 25, 1991

Amended Date: April 14, 2003

CASH IN SCHOOL BUILDINGS/ACTIVITY FUNDS**Procedures****For the Administration/Management of Study Activity Funds****Student Activity Funds Manual**

This Manual is designed to provide a set of standardized accounting procedures for the administration of student activity funds in all schools in the Appleton Area School District. Adherence to these guidelines and procedures is expected from all District staff and students. All monies that are handled for bookkeeping purposes by school building personnel are considered student activity funds. All student activity funds are considered to be assets of the District. The student activity records should be up-to-date at all times and are subject to audit at any time without warning. The Superintendent or his/her designee may request any or all funds be remitted to the Business Office and all transactions would then flow through the Business Office.

These guidelines and procedures reflect existing State Statutes, School Board policies, current administrative procedures, and good business practice. They are intended to protect the building administrators, the respective staff members who are responsible for maintaining student activity fund financial records, the students, and the District.

ADMINISTRATION

- A. The Superintendent or his/her designee shall have responsibility and authority to implement all policies and rules pertaining to the supervision and administration of student activity funds in schools under his/her jurisdiction in accordance with established policies and rules of the Board of Education.
- B. The Principal of the school shall be directly responsible for the conduct of student financial activities in accordance with the policies, rules, and procedures set forth by the State, District, and Superintendent.
- C. The Director of Business Services of the District is responsible for prescribing and monitoring appropriate accounting procedures.

MANAGEMENT

- A. Clearance of Money Collected from Pupils - All money collected from pupils on school premises shall be processed through the office.
- B. Signatures on Checks - The principal of each school shall designate two persons including himself/herself who shall be authorized to sign checks withdrawing money from the bank account or accounts. Two authorized signatures are required for all withdrawals. This rule applies to savings as well as checking accounts. Persons signing checks shall require supporting evidence and shall initial the invoice and statement accompanying each check before signing the check. Signing blank checks is prohibited, and such action makes the signer personally liable.

663-Rule (cont.)

- C. Personal Checks - Personal checks may not be cashed for anyone. Personal checks may be accepted, however, when they are for the exact amount due the school.
- D. Loans and Accommodations from Student Activity Funds - Student activity funds shall not be used for any purpose that represents an accommodation, loan, or credit.
- E. Contracts and Other Payments - Student organizations may obligate themselves by contract for the purchase of equipment, supplies, or services through the purchase order system. Funds should be remitted to the District business office and payment will be processed through the District operating fund accounts. Any agreement with a vendor in excess of twelve (12) months must be reviewed and approved by the Business Office.

The **payment of salaries/stipends to District employees from student activity funds is prohibited.** All payments for purchased services (310) to individuals \$100 and over MUST be done through Accounts Payable. You can send your check issued to AASD with your PO request to Accounts Payable for payment processing. This procedure is to be followed by all schools, with the exception of the high schools, in which case they follow the established 1099 procedures.

Expenditures from student activity funds for professional books and magazines and personal memberships in professional organizations is prohibited.

- F. Audits - Student activity records and financial procedures are subject to periodic internal audits by the Business Office and to outside audits by independent auditors.
- G. Protection of Funds - The following rules should guide all employees who are custodians of Board of Education and student activity funds:
 - 1. When an activity advisor delivers cash to the school secretary for deposit, the advisor should complete the Bank Deposit Request/Receipt form. The secretary should immediately count the money, in the presence of the advisor, and sign off on the form.

After the deposit is made at the bank, a copy of the deposit slip or receipt should be forwarded to the advisor. The advisor can then compare the receipt to the amount given to the secretary.
 - 2. No school employee shall keep student activity funds overnight on his/her self, in his/her personal bank account, or at any other place.

FACULTY/ADVISOR RESPONSIBILITIES FOR FUNDRAISING ACTIVITIES

- A. The faculty member/advisor in charge of the fundraising project is responsible to the principal for preparing and maintaining sales and financial records.
- B. All money that is raised by the project must be properly receipted and deposited daily in the school office.
- C. No money may be disbursed from receipts waiting to be deposited. No cash payments shall be made from activity funds.

663-Rule (cont.)

- D. No money may be deposited in the advisor's personal checking account.
- E. The faculty member/advisor is personally liable for all money collected until it is deposited at the school office, or in night deposit (bank), or turned over to a school administrator for handling. The faculty/advisor who deposits money in the school office or turns over money to another school employee is responsible for securing a receipt for the exact amount of money transferred at that time.

RETENTION OF RECORDS

Activity fund financial records shall be kept a minimum of seven (7) years after audit.

CASH HANDLING PROCEDURES

- A. Student Activity Funds - All monies that are handled by school personnel are considered to be student activity funds for bookkeeping purposes. Student activity funds include but are not limited to funds raised by student groups, athletic funds, student fees, and sale of supplementary materials.
- B. Bank Account
 - 1. Each school shall have its own bank account for the purpose of depositing and disbursing activity funds
 - 2. The only authorized signatures are those of the principal and assistant principal or his/her designee. Two signatures are required for withdrawals from either the checking or savings account. The designee must be a separate individual from the person responsible for the bank statement reconciliation, except for elementary schools with a single secretary.
- C. Receipts
 - 1. When an activity advisor delivers cash to the school secretary for deposit, the advisor should complete the Bank Deposit Request/Receipt form. The secretary should immediately count the money, in the presence of the advisor, and sign off on the form.

After the deposit is made at the bank, a copy of the deposit slip or receipt should be forwarded to the advisor. The advisor can then compare the receipt to the amount given to the secretary.
 - 2. One receipt may be issued to a person turning in money to the school office, received from a group collection; however, the person turning in the money must have a detailed record of the group collection.
 - 3. All checks received shall be immediately stamped "For Deposit Only."

663-Rule (cont.)

D. Deposits

1. All accumulated receipts over \$500 must be deposited promptly, as per AASD Board Policy 663 – “Principals should open a checking account at a convenient financial institution and arrange for night depository service. Cash in excess of \$500 should be deposited in the school’s checking account before the close of the day. Schools with Class A vaults may hold this amount overnight but should deposit it as soon as possible.” Cash should be removed from vending machines on a daily basis.

No employee shall keep any amount of student activity funds overnight except those funds properly receipted and stored in the designated school safe.

2. Schools shall use the bank night depository for receipts from night activities. Money is not allowed to be taken home by an advisor in charge, or by any other school employee. The advisor assumes personal responsibility until funds are deposited.

E. Disbursements

1. All disbursements must be in form of a check.
2. Check request forms must be completed and accompanied by supporting documents such as invoices, sales slips, letters, etc.
3. All check request forms must be signed by the advisor for the activity and initialed by the principal or his/her designee indicating approval.
4. Use of cash collection for disbursements is prohibited. There shall be no cash payments from student activity funds for any purpose.
5. Principals should not reimburse themselves for school expenditures through the student activity account. Any reimbursements of this type should be processed through the Business Office.

F. Bad Checks

1. Call the maker of a bad check and make a note of the conversation. All returned check fees are the responsibility of the maker.
2. Before accepting a new check from the maker of a bad check, confirm with the bank that funds are available. If someone has multiple instances of bad checks, the school may, at the principal’s discretion, require all transactions to be cash.
3. Treat the check reversal by the bank as a negative receipt for the amount of the check plus any fees charged by the bank. When the replacement check (or cash) is deposited it should be treated as a new receipt.
4. If there is no response from maker of the bad check within seven (7) days of the initial call, the principal should send a follow-up letter.

663-Rule (cont.)

- G. Student Instrument Rental Fees and Fines - All instrument rental fees and fines must be forwarded to the Director of Fine Arts. These accounts must be at a zero balance at the end of each school year.
- H. School/Student Fees - All school fees must be deposited at the bank as soon as reasonably possible, in conjunction with the Board policy. All school fees must be forwarded to the Central Business Office by October 31 of each year. These accounts must be at a zero balance at the end of each school year.
- I. Investments
1. The principal may invest activity funds.
 2. Activity funds may be invested only in the types of securities that are qualified for investment of School District funds in accordance with Wisconsin State Statutes and are subject to annual financial audit review.
 3. Interest earned from such investments may be prorated to the various activity fund accounts or credited to a central activity fund. (General account)
- J. Transfers Between Accounts - All transfers between accounts must be authorized in writing by the principal and the advisor(s) for the activities. The documentation should include an explanation of why the transfer is needed and any receipts, invoices, or checks associated with the transaction.
- K. Reporting - Preparation of bank reconciliation reports must be completed and submitted to the district Business Office, according to the schedule that follows. This report should include a summary of each activity fund's beginning balance, receipts, disbursements, and ending balance.
- High schools submit monthly report, due prior to the 20th of each month
 - Middle schools submit quarterly reports (September, December, March and June), due prior to the 20th of each month after the above noted months
 - Elementary schools submit semi-annual reports (December and June), due prior to the 20th of each month after the above noted months

The auditors require that the principal sign off on the monthly bank reconciliation reports, since in most cases the secretary writes the checks, signs the checks, and balances the statement.

Cross Reference: Cash in School Buildings/Activity Funds, 663

Legal References: Wisconsin State Statutes 118.001, 118.27, and 66.0603

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