

## **Business and Non-Instructional Operations**

### **School Activity Funds**

#### **INTRODUCTION**

Public school districts in the State of Connecticut have authority to establish and maintain student activity funds under Section 10-237 of the Connecticut General Statutes. Pursuant to this authority, the Ledyard Board of Education has adopted policies and regulations governing the establishment and use of District Student Activity Funds.

Under state law, student activity funds are considered District accounts and must be audited by the auditor annually in the same manner as all other accounts as required by law.

The following regulation is established to govern student activity funds to ensure that efficient procedures are available for the creation, operation, management, supervision and culmination of such funds. These guidelines apply to all school district staff who raise or handle student activity funds or who are involved in fundraisers for or gifts to the school system.

#### **PURPOSE OF STUDENT ACTIVITY FUNDS**

Connecticut General Statute 10-237 provides for Boards of Education to establish and maintain school activity funds that are used for the educational benefit of currently enrolled students. Student activity funds are to be used in ways that complement but do not conflict with instructional programs, that supplement but do not take the place of programs or services which should be funded through the regular district operating/capital budgets with the exception of Pay to Play funds. The District is responsible for establishing procedures that define and regulate how and for what purposes expenditures from and donations to student activity funds can be made.

The raising and expending of student activity funds should promote the general welfare, education, and morale of the students and to finance the athletic and extra-curricular activities of the student body organization. The management of student activity funds shall be in accordance with sound financial practices, including sound budgetary and accounting procedures and thorough audits.

The Ledyard Public Schools appreciates and welcomes the generosity of community members' and groups' financial contributions to benefit student athletics and extra-curricular activities. At the same time, the District has an obligation to ensure proper oversight of student activity funds, including compliance with accounting requirements and equity requirements under Title IX of the Education Amendments of 1972 and its implementing regulations. As a result, aside from funds provided by the Board of Education, all financial support to athletic and extra-curricular activities must be processed through a student activity fund and comply with applicable procedures. This requirement applies to financial support to benefit student athletics or extra-curricular activities made by outside sources, including, but not limited to, individuals, community groups, parent-teacher organizations or associations, and booster clubs.

Administrators, coaches, teachers, and student activity advisors are responsible for ensuring these funds are processed and spent appropriately and in accordance with procedures.

If Principals, coaches, or activity advisors have questions regarding these regulations, please contact the Business Manager for clarification.

## I. MANAGEMENT AND SUPERVISION OF STUDENT ACTIVITY FUNDS

### **Establishment of Funds**

Student activity funds may only be established with the written consent of the Principal. Financial records will be kept at individual schools under the supervision of the Principal. Coaches and activity advisors must also maintain financial records of receipts, expenses and financial standing of the specific activity. Coaches and activity advisors may not establish separate funds or accounts in their names, student and/or parents' names, or the name of the any school for the benefit of their teams or activities.

### **Use of Funds**

Student activity funds may only be used to support authorized athletics, extra-curricular activities, and other school-related activities and are governed by state law and the rules and regulations of the Ledyard Board of Education.

Student activity money shall, insofar as possible, be expended in such a way as to benefit those pupils currently in school who have contributed to the accumulation of such money. Student activity funds may not be used for any purpose that represents an accommodation, loan, or credit to any person.

### **Ledyard High School Class Accounts**

A student activities account may be established for each individual class at Ledyard High School for the purpose of receiving funds and paying class obligations. Upon a class's graduation, the account will be maintained and will offset the costs of reunion.

### **Oversight by Central Administration**

The Ledyard Board of Education has designated the Business Manager to provide supervision of all school activity funds within the District, and the Principal, or his/her designee, of each school. The Business Manager shall have the responsibility and authority to implement all procedures and rules pertaining to the supervision and administration of student activity funds in schools in accordance with state law and established policies and regulations of the Ledyard Public Schools and the Ledyard Board of Education.

### **Supervision of Student Activity Funds**

Each Principal is responsible for all student activity funds within the school, including the proper handling and use of funds and compliance with District procedures. Each Principal or his/her designee is responsible for ensuring the maintenance of records identifying resources, obligations, and the origination of revenues through written receipts. The Principal must provide all required approvals for raising and spending student activity funds as provided in these procedures.

The Principal is responsible for supervising student activity funds for athletic teams, including the proper handling and use of funds and compliance with District procedures. The Principal will maintain copies of records identifying resources, obligations, and the origination of revenues through written receipts.

The Principal is responsible for ensuring coaches comply with record keeping and approval requirements as provided in these procedures. The Principal or his/her designee must provide advance approval for raising and spending student activity funds for athletic teams as provided in these procedures.

**Responsibilities for Student Activity Funds**

Coaches, faculty advisors of student activities, or other staff members involved in the handling or spending of student activity funds are responsible for managing such funds in a manner that complies with District procedures, including the requirement that, aside from funds provided by the Board of Education, all financial support to athletic and extra-curricular activities must be processed through a student activity fund and comply with applicable procedures. Coaches and activity advisors must maintain financial records for their respective activity groups in addition to the records kept by the Principal or his/her designee.

**Athletic Teams**

All planned spending and fundraising must be pre-approved by the Principal and/or designee.

**Audits**

Student activity records and financial procedures shall be subject to periodic and random internal audits. In addition, as specified in Conn. Gen. Stat. § 10-237, the Town Auditor shall conduct an annual audit each year in the same manner as all other Town Accounts. To this end, it is recommended that the district financial software be used to account for all deposits, requisitions, purchase orders, invoices, and checks/payments. Copies of the audit report shall be maintained as a permanent record.

**Monthly Financial Statements**

Each month, the Principal or his/her designee will reconcile the bank statement for the student activity fund and prepare a report indicating the status of individual activities accounts and provide the report to the activity advisor or coach overseeing the activity. Upon receipt, the activity advisor or coach will review the deposits and expenses made to the accounts with their records of receipts and expenses. A member of the Business Office will assist schools in reconciling bank statements. A copy of these monthly reports will be sent monthly to the Business Office. Any discrepancies should be reported to the Finance Office immediately, but no later than two (2) business days. A monthly summary of the district's student activities will be provided to the Superintendent and the Board of Education.

**II. GENERAL PROCEDURES FOR RECEIVING FUNDS AND GIFTS**

All money collected to benefit an athletic team or student activity must be processed through a student activity fund.

**Collection and Deposit of Cash and Checks**

All money collected must be substantiated by duplicate-copy receipts, pre-numbered tickets, student lists, lists of items sold, or some other auditable record ("substantiating documentation").

For all money collected, coaches and activity advisors, or other staff must complete the following steps:

1. The coach or activity advisor must count all receipts.
2. The coach or activity advisor must complete and submit an athletic deposit form indicating the name of the team, student activity or organization and the amount of receipts and provide substantiating documentation. Activity advisors of non-athletic groups and organizations must submit the Deposit Form to the Principal or his/her designee. Coaches must submit the Deposit Form to the Athletic Director.
3. The Principal or the Principal's designee, as the case may be, will verify the Deposit Form, receipts, and substantiating documentation.
4. The Principal or the Principal's designee, as the case may be, will deposit the money in the student activity account.
5. The Principal or the Principal's designee, as the case may be, will file the bank receipt with the Deposit Form and substantiating documentation and make the corresponding entry into the books.

## Regulation 3453 (d)

All checks to be deposited should be endorsed immediately upon receipt, showing a restrictive endorsement (i.e., "For Deposit Only"). Deposits for field trips and team trips (or other monies to be re-disbursed) must be in the bank before check requests drawn against funds collected will be processed.

All checks should be made out in the name of a specific school with a notation as to the activity, trip, or purpose of the check. This procedure applies to checks from any school-related fundraising efforts. No third party checks may be accepted. At no time should checks be made payable to individual advisors, parents or coaches, nor are advisors, parents or coaches permitted to accept checks made out to themselves or to cash. Coaches and advisors must turn over cash and checks on a daily basis to the Principal or his or her designee and obtain a receipt.

### Donations

The School Activity Fund will be the normal vehicle for accepting and expending cash donations to the school in accordance with Board Policy 3280, Donations and Bequests.

### Use of Student Activities Revenues

From time to time, certain fundraisers/events will generate revenue without a specific purpose for expenditure. Those events may include: school pictures, lost books from the school library, dance ticket sales, department store and/or supermarket giving campaigns.

Acceptable expenditures and uses of revenue from events listed above are limited to:

- Educational field trips and other activities planned for the benefit of students
- Student functions such as Open House, Parent Night, and Graduation
- Refreshments and snacks for meetings where the school serves as host for related activities for students. The expenditure from these functions requires an agenda and sign-in sheet
- Awards such as plaques, certificates, and school apparel in recognition of student accomplishments or service to the school or District
- Incentives for student involvement, participation and achievement
- Improvement of school communications such as bulletin boards, newsletters and signs
- School assembly services
- Student body social function costs
- Scholastic magazines for students
- Student organizational activities
- Student waivers based on need for the activities above as determined by the Principal

## III. GENERAL PROCEDURES FOR DISBURSING FUNDS

### Payments and Disbursements

Aside from funds budgeted by the Board of Education, payments for goods, services, or activities for a team or student activity generally must be paid directly by the District from the student activity fund. All purchases, withdrawals, and disbursements from student activity accounts ultimately must be preapproved by the Principal or his/her designee. Students are never authorized to make such purchases directly with a vendor. Coaches, activity advisors, and parents are not authorized to make purchases directly with vendors, except as noted in the "Reimbursements" section below. Disbursement checks may not be made out to "cash" and blank checks shall never be signed.

Disbursements for field trips, planned activities, or equipment should not be made or requested until all funds collected have been deposited in the bank. As several activities are generally served by one account, all activities must maintain a positive balance to avoid overdrafts.

## Regulation 3453 (e)

All purchases shall be made in accordance with applicable Town and District purchasing guidelines, including Ledyard BoE Policy & Regulation 3320, and reflect the purpose and intent of these policies.

### **Athletic Teams**

All purchases, withdrawals, or disbursements from team activity accounts must be approved by the Athletic Director. With few exceptions, all purchases for the team must be made by coaches through the school secretary. The Board of Education will not pay for or reimburse any purchases that are made outside of established guidelines. Coaches should be the team's only contact with the Athletic Director and school secretary regarding purchases and payments. Coaches requesting a purchase, withdrawal, or disbursement from a student activity account must complete the following steps:

1. The coach must complete and submit to the designated secretary a requisition form with supporting documentation (e.g., catalog information, event registration forms, etc.) that includes the cost and describes the goods, services, or events for which approval is requested.
2. The school secretary will process the request and forward an electronic requisition to the Athletic Director who will review the requisition and supporting documentation for accuracy and will determine whether to approve the request. If the Athletic Director approves the request, he or she will forward the requisition to the Principal or his/her designee for approval.
3. If the request is approved by the Principal, the invoice will be processed and a check will be issued and signed by the Principal or his/her designee or, alternatively, the Principal or his/her designee will make or authorize an electronic payment for the goods, services, and events. If payment is required after receipt of an invoice, the Principal or his/her designee will authorize such payment in the same manner upon receipt of the invoice.
4. The Athletic Director, coach, and school secretary will each retain a copy of the requisition, purchase order, supporting documentation, and any receipts or invoices for record keeping.

### **Non-Athletic Student Activity Groups**

Activity advisors requesting a purchase, withdrawal, or disbursement from a student activity account must complete the following steps:

1. The activity advisor must complete and submit to the Principal or his/her designee a requisition form with supporting documentation (e.g., catalog information, event registration forms, etc.) that includes the cost and describes the goods, services, or events for which approval is requested.
2. The school secretary will process the request and forward an electronic requisition to the Principal or his/her designee who will review the requisition and supporting documentation for accuracy and will determine whether to approve the request.
3. If the Principal or his/her designee approves the request for withdrawal/disbursement, the school secretary will process and invoice and issue a check signed by the Principal or his/her designee or, alternatively, will make or authorize an electronic payment for the goods, services, and events. If payment is required after receipt of an invoice, the Principal or his/her designee will authorize such payment in the same manner upon receipt of the invoice.
4. Both the Principal or his/her designee and activity advisor will retain a copy of the requisition, purchase order, supporting documentation, and any receipts or invoices for record keeping.

### **Reimbursements**

Principals will make every effort to minimize requests for reimbursement. There are a limited group of purchases which can be made directly by coaches, activity advisors, or parents and then reimbursed through the student activity account (e.g., flowers for awards, gifts for seniors)

- Requests for reimbursement must be made using a requisition form to the school secretary and electronically submitted to the Principal.
- Reimbursements to individuals must be accompanied by original receipts.

## Regulation 3453 (f)

- Sales tax will not be reimbursed.
- Reimbursements should be for nominal amounts of money.
- Whenever possible, advance approval to incur the cost is preferred.

Administrators reimbursing themselves for petty cash activities must have the reimbursement signed off by another administrator.

### **Use of Funds to Hire District Staff**

Student activity funds should not be used to hire, pay, or retain district staff. All payments to employees will be made through payroll; the operational budget will be reimbursed by the CAF account.

### **Forms W-9 and 1099 MISC**

Any vendor engaged to provide a service must complete and return an IRS Form W-9. W-9s will not be required for employee reimbursements. The Business Office will prepare and file any 1099 MISC forms, if required.

Vendors who have any questions regarding this process or requests clarification, should be directed to the Business Office.