

# **KENOSHA UNIFIED SCHOOL DISTRICT NO. 1**

## **Student Activity Funds Fund 60**

### **Regulations & Guidelines**

(November 2009)

# KENOSHA UNIFIED SCHOOL DISTRICT

## STUDENT ACTIVITY FUNDS

### REGULATIONS

#### INTRODUCTION

Student Activity accounts are those funds which are owned, operated, and managed by organizations, clubs, or groups within the student body under the guidance and direction of faculty or staff members for educational, social, or cultural purposes. These organizations receive their funding through fundraising events, dues from student members or contributions from other organizations.

Student activity funds must be accounted for and reported in Fund 60, an Agency Fund, over which the District has custodial responsibility, not ownership. Acting as an agent, the District is responsible for maintaining records and properly accounting for the activity within the funds (student activity funds). The Wisconsin Department of Public Instruction requires that policies and controls over agency funds meet or exceed the requirements that govern other District funds, and that they be in writing and fully accessible to all parties involved with the administration of the funds.

The guidelines and procedures outlined in this manual create the foundation for proper accountability and uniform handling of student activity fund accounts. Adherence to these guidelines and procedures is expected from all District staff and students. This manual replaces all prior publications regulating the administration of student activity funds including all earlier editions of the manual itself.

#### ADMINISTRATION

##### State of Wisconsin

The authority to collect and administer student activity funds is directed by the State of Wisconsin. WI Statute 120.16(2) states, "The school district treasurer may receive money raised in extracurricular activities."

Wisconsin Statute 946.13 warns against conflicts of interest:

*"Private interest in public contract prohibited (1) any public officer or public employee who does any of the following is guilty of a Class E felony:*

- (a) In the officer's or employee's private capacity, negotiates or bids for or enters into a contract in which the officer or employee has a private pecuniary interest, direct or indirect, if at the same time the officer or employee is authorized or required by law to participate in the officer's or employee's capacity as such officer or employee in the making of that contract or to perform in regard to that contract some official function requiring the exercise of discretion on the officer's or employee's part; or*

*In the officer's or employee's capacity as such officer or employee, participates in the making of a contract in which the officer or employee has a private pecuniary interest, direct or indirect, or performs in regard to that contract some function requiring the exercise of discretion on the officer's or employee's part."*

#### Wisconsin Department of Public Instruction

The Department of Public Instruction (DPI) states that "student activity funds consist of activities that revolve around a student organization" and "if it is not a student organization, it should not be classified as a student activity fund".

The dispersed nature of student activity funds and the diverse schools within the District's educational environment require structured controls on all activity fund accounts. In addition to written policies and procedures, the controls include establishing clear lines of authority and properly placed accountability.

- Board of Education – The Board of Education adopts policies to govern the establishment and operation of all activity funds. The District's auditors review these policies for sound accounting and reporting practices.
- Superintendent – The Superintendent has responsibility and authority to implement all policies and rules pertaining to the supervision and administration of student activity funds in District schools in accordance with the policies of the Board of Education.
- Business Official – The District Business Official has overall responsibility for accounting for and reporting of all funds, including District and student activity funds, to the Board. The Business Official is also responsible for implementing and enforcing appropriate internal control procedures.
- School Principal – The Principal at each school site is designated as the student activity fund supervisor for that school's accounts. The Principal has overall responsibility for the operation of all activity funds, including collecting and depositing activity fund monies, approving disbursements and supervising the bookkeeping function. The Principal is a signatory to all disbursements, including checks drawn on the activity fund.
- Faculty Advisor – Each student organization is assigned a faculty advisor who is responsible for supervising all activities of the student club or organization. DPI specifically states that, "The faculty advisor is responsible for maintaining proper documentation to support the student activity fund records." The advisor's role is not to run the group, but to provide supervision and to facilitate student participation and decision-making. Faculty advisors must be employees of the District who are assigned by and report to the activity fund supervisor (School Principal).

## Board of Education

Below are the policies adopted by the Kenosha Unified School District Board of Education which relate to student activities.

### **Related Policies:**

1400	Gifts, Grants and Bequests
1500	Public Solicitations/Fundraising
1510	Advertising/Promotions in Schools
1520	Distribution of Materials and Literature to Students
3121	Financial Accounting
3260	School Sale of Student Supply Items
3310	Depository of Funds
3313	Non-Sufficient Funds Checks (NSF)
3321	Student Activity Funds
3340	Monies in School Buildings
3420	Purchasing
3422	Exclusivity Agreements with Vendors
3430	Payment for Supplies, Equipment and Services
3514	Use of Privately Owned Vehicles to Transport Students
3523	Vending Machines for Food Items
4224	Employee Code of Ethics
4332	Criminal Background Checks
6520	Field Trip/Co-curricular Trips
6520A	Field Trip/Co-curricular Trip Request Form
6520D	Walking Field Trips
6520E	Student Responsibilities on Field Trips
6520F	Chaperone Responsibilities for Field Trips
6520G	Field Trip/Co-curricular Check Off List
6700	Extracurricular Activities and Programs
6710	School Organizations
6740	Fundraising Permission Form
6740	Student Fund Raising Activities
6741	Raffles

## ACTIVITY ACCOUNT SETUP

### Definitions

Student activity funds in this manual are sometimes referred to as student activities, clubs, organizations, groups, student activity accounts, accounts activity accounts, or activities. All these identifiers relate to one organization. For example, a high school may have 50 different organizations in their student activity 'fund' and so would have 50 different accounts. The school staff may view all 50 accounts as one 'fund' but this would be incorrect.

### **Student Activity Funds (Fund 60):**

Student activity funds consist of extra-curricular activities that revolve around a student organization. The students in the organization own the funds, participate

in the activities of the organization and are also involved in managing and directing the organization's activities. An important distinction is that disbursing monies from the student activity fund is subject to approval by the student organization and its advisor, rather than by the Board of Education. Student activity funds remain under the control of the School Principal and are accounted for at the school site.

*Examples of typical student activity funds:*

- Yearbook
- Student Government
- Graduating Classes
- National Honor Society
- Photography Club

**District Activity Funds (Fund 10):**

District activity funds consist of co-curricular activities in which students participate, but which are administered and supported by the District. According to DPI co-curricular activities, "supplement the regular instructional activities". Any activity that purposefully supports and enhances a corresponding District curriculum is co-curricular. Any time a student receives a grade or a credit for participation in the activity, the activity is co-curricular. Any time the District provides funding, including salaries, to support the activity, the activity is co-curricular. District activity money belongs to the District, not the students, and the funds are accounted for in the District general operating fund subject to all District policies and approvals.

*Examples of typical district activity funds:*

- Athletic teams
- Music/Theatre productions
- Field trips
- Business co-op
- Debate team

New Accounts

Any student group wishing to form a new student organization must complete the **New Student Account** form and receive signed authorization by the School Principal prior to engaging in any activities in the name of the school and/or on school property.

All new groups must have a unique name that is consistent with its purpose.

Advisors

A maximum of two (2) advisors of record are allowed for each student activity fund. Additional parent or volunteer help is allowed, but such individuals may not conduct the official business of the fund, nor sign off on any documents or approvals.

A student activity advisor must be an employee of the District, and must complete and sign the **Advisor Information Sheet** accepting all responsibilities and requirements associated with administering extra-curricular activities in compliance with DPI and District guidelines.

All advisors must also be free from conflicts of interest, and must complete and sign the student activity **Conflict of Interest Disclosure**.

### Banking

All student activity monies must be deposited into an established School or District student activity account in accordance with School Board Policy #3310 – Depository of Funds, which states, “All funds received by the District from various sources shall be deposited in bank accounts designated by the School Board.”

### Accounting

#### **Software:**

Bi-Tech financial software is required to be used for all student activity year-end balance reporting. (See separate guidelines on year-end processing.)

- Elementary schools – All elementary schools will also use Bi-Tech for the processing and recording of all receipts and disbursements for student activity fund transactions throughout the school year.
- Middle and high schools – All middle schools and high schools will use EPES School Accounting software to maintain detailed general ledger and activity fund records and to process activity fund transactions throughout the school year.

#### **Chart of Accounts:**

DPI does not require that student activities maintain a detailed chart of accounts for revenues and expenditures. DPI does require that student activity cash accounts and individual student activity fund accounts are properly maintained and accounted for.

In Bi-Tech financial software, individual student activity fund accounts contain the generic function 2490 to designate them as a student activity, and the object code 2499 to denote an activity supply, according to the DPI account codes.

*For example, McKinley Middle School's Bi-Tech student activity account number is–*

*332-2490-000 / 2499*

Starting with the 2009-2010 school year, new accounts setup in EPES School Accounting software will be assigned a more specific and descriptive account function that will be used as the student activity account number.

Individual student activity fund account numbers should be four digits consisting of:

- Series -----describes the nature of the account
- Category -----provides classifications of activities
- Type -----describes the specific type of activity within each category
- Counter -----place holder digit in case there are several activities falling under similar descriptions

Numbers are assigned according to the following key –

Series definitions:

<b>1</b>	Student groups – FBLA, Sign Language Club, Yearbook
<b>2</b>	Parent organizations – booster clubs, PTO's
<b>3</b>	Co-curricular activities – choir, 8 <sup>th</sup> grade trip, theatre
<b>4</b>	District activities – athletic teams, KYPAC, Madrigal Feaste
<b>8</b>	Building accounts – charitable, principal's account, sunshine fund
<b>9</b>	District fees & fines held temporarily – replacement locks, testing fees

Categories with corresponding Types:

<b>1</b>	Academics	TYPES: 1-art, 2-English language, 3-world language, 4-math, 5-music, 6-science, 7-social science, 9-other, 0-vocational
<b>2</b>	Athletics	TYPES: 1-winter, 2-spring, 3-summer, 4-fall, 9-other
<b>3</b>	Fine arts	TYPES: 1-art, 2-theatre/drama, 5-music, 9-other
<b>4</b>	School / public service	TYPES: 1-public svc.-students, 2-public svc.-staff, 3-school improvement, 4-charitable-students, 5-charitable-staff, 6-school fundraising, 7-bldg. admin., 9-other
<b>5</b>	Social activities	TYPES: 1-students, 2-teachers, 3-parents
<b>6</b>	Classes / student government	TYPES: 1-classes, 2-student government
<b>9</b>	Other	TYPES: 1-fees, 2-supplies, 3-vending/concessions, 9-other

*For example, a Choir activity fund would be assigned #3351 –*

Series    3       *co-curricular*

Category 3       *fine arts*

Type       5       *music*

(counter) 1

If there is uncertainty about what number to assign a particular group, contact the District Accounting Department for assistance.

**KENOSHA UNIFIED SCHOOL DISTRICT  
STUDENT ACTIVITY FUNDS  
GUIDELINES**

**PROCEDURES**

**Reporting:**

All student activity bank accounts and student activity fund ledgers must be reconciled monthly. An EPES “Bank Reconciliation Report” with detailed “List of Outstanding Checks” and a summary “General Ledger Report” by activity account must be provided to both the School Principal and the District Accounting Department monthly.

All cash disbursement activity will be suspended by the District for any school with reconciliation reports more than 60 days past due.

All student activity advisors must be provided with a monthly activity report for all clubs with activity during the month, and a balance report for all clubs with zero activity during the month.

*Recommendation – print a **Reconciliation Report** in EPES each month for each activity account for the advisor to review.*

Advisors should review this information and report any problems to the School Secretary immediately.

Balance and activity reports should also be printed after a transfer or other adjustment affects an account; and reports can also be generated upon request.

Cash Receipts

**Best practices:**

While individual school procedural steps may vary, it is important to build accountability into all cash handling procedures. All cash collections require two signatures – the individual collecting and handling the money, and the individual recording the money.

It is District policy that a deposit to Johnson Bank is made whenever money in the school accumulates to \$200, or at a minimum once per week. Specifically, it is extremely important to not hold checks.

Prior to submitting a deposit, any and all cash or checks collected during the week must be kept in the building safe/vault overnight. At no time should cash or checks ever be kept in a classroom, desk, locker, etc. after hours.

Checks should never be cashed from the cash awaiting deposit, and neither purchases nor change should be made from cash awaiting deposit.

Checks or cash received for fees, events, fundraising, or other school purposes should never be deposited into a personal bank account under any circumstances.

### **Cash boxes for events:**

Cash boxes with up to \$100 startup cash are available for events by completing a **Request for Cash Box** form. All requests require a 48 hour notice in order for the School Secretary to be able to manage the building cash needs.

The individual requesting the cash box must be available to pick up the cash box and sign for it on the day of the event.

After the event date(s), the user must return the box with startup cash included and prepare a deposit for the proceeds.

### **Cash Receipts:**

All money raised by a student activity must be properly receipted and deposited at the school office on the same day received – never kept in a classroom overnight.

Always issue some type of receipt in return for cash received from students, parents, or others. Be sure to include at a minimum: date cash received, amount received, purpose and initials/signature verification. A receipt can be a pre-numbered slip, a pre-numbered ticket stub, etc.

### **Scenarios:**

Periodic payments from students – for example fieldtrips. Issue **Pre-Numbered Receipts** or keep a log using the **Money Collected from Students** form then add total collected.

Admission events – Issue pre-numbered tickets and verify amount sold using the **Event Ticket Reconciliation** form to report total admissions sold.

Sales of small items – for example fundraisers, cookouts, concessions, or supplies sales. Create an inventory control sheet for items purchased, less items leftover to report items sold; or use a **Post-Fundraising** form.

Services performed – for example car washes. Keep a roster of which services were performed or how many cars were washed, then multiply by fee charged to report total collected.

Donations – Submit a completed **Donation Information Sheet** with the deposit for all cash donations over \$100 and all gifts of property (tangible goods).

Vending machines – Complete a report including location of machine (or machine #), date of cash collection, amount collected, owner of the funds,

signature of individual emptying machine and signature of witness to verify amount pulled from the machine.

*REMEMBER: All contracts/agreements with vendors (including vending machines) must be reviewed and approved by the Executive Director of Business Services prior to implementation.*

**Deposits:**

Elementary, Middle and High school procedures may vary slightly, but regardless of the school, every deposit must be properly documented.

All funds for deposit must be submitted to the School office sealed in a District issued bank deposit bag and organized in the following manner:

- Cash – Sort and face bills according to denomination and fix any that are crumpled, ripped or folded. Multiple bills should be secured with cash straps or rubber bands. All money should be submitted for deposit organized and manageable.
  
- Checks –
  - Be sure all checks are written to “[school name] [club name]” - for example, “Bradford Honor Society”.
  
  - Each check must have student’s name or ID # in the memo field.
  
  - The back of each check should be stamped with “For Deposit Only” on the endorsement line.

Regardless of the specific deposit method, be sure to document, at a minimum – deposit date, source of funds, list of currency and checks, total deposit, and two signatures.

- For clubs issued an official Johnson Bank deposit slips – Seal all cash and/or checks in a District issued deposit bag along with the original bank deposit slip (white copy). Be sure the deposit slip is filled out completely and contains two signatures. The second verification signature can be that of a student and is a good way to promote student involvement.
  
- For clubs using internal District deposit slips – Seal all cash and/or checks in a District issued deposit bag, then complete the blanks on the outside of the deposit bag and sign for verification. Under this scenario, the School Secretary will open the bag, add his/her second verification signature, and then prepare a bank deposit saving the original bank deposit bag as documentation.

All deposits must include some form of cash collection documentation to support the source and amount of the money collected (see above section on Cash Receipts). This may include:

***Event ticket reconciliation*** report

**Pre-numbered receipt** copies

Event headcount

Event participant roster

**Money collected from Students** form

**Post-fundraising** forms or other fundraising summary report

Inventory control sheet

Vending machine collection report

*NOTE: Deposited funds will not be available for expenditures until appropriate documentation is received.*

The School office must always issue two receipts for the money accepted –

1. Deposit verification – Complete the receipt attached to the bank deposit bag, initial and give to the advisor immediately upon accepting a deposit. Always give the deposit to a person and receive a receipt – do not leave money unattended.
  
2. Posting verification – Once the deposit has been posted to the respective student activity fund account, issue a signed receipt for the dollar amount, deposit bag # and date of the deposit.

Cash Disbursements

**Best practices:**

All purchases must be made in line with the purpose of the student activity fund and represent the intentions of the students involved.

Purchase orders will only be accepted from the advisor(s) that are authorized to request purchases on behalf of the club.

Under no circumstances can cash advances be made for activity purchases.

Approved purchasing methods are:

- Purchase order – Issue a purchase order to vendor and request billing. Then submit invoice for payment.
  
- Request for reimbursement – Pay for the item(s) and request reimbursement from original receipts.
  
- District P-card – Use of a District procurement card under restricted circumstances.

A few purchases require pre-approval by an administrator before a check can be cut:

- Insufficient account balance to cover the intended purchase – It is at the discretion of the Principal to consider when and if funds will be available to cover these purchases and then approve or deny the request.

- Any single item > \$1,000, improvements to buildings or grounds, equipment, high theft items – Purchases of these items may not be appropriate in student activities and a determination should be made if they are really District (Fund 10) purchases before making payment. Fixed assets and other equipment or high dollar items must also be located and tagged.
- Payments to individuals for services – All payments to individuals other than for expense receipt reimbursement must be made from the District office in order to be in compliance with IRS reporting requirements. All payments for services must be accompanied by an ***Independent Contractor Agreement*** and adhere to the applicable District guidelines.
- Contracts / Vendor agreements – All purchase contracts or vendor agreements must be reviewed and approved by the Executive Director of Business Services prior to implementation. If pre-approval is not obtained, the individual signing the document may be held personally responsible for the terms of the contract.

**Check requests:**

Checks will be cut for exactly the amount on the Purchase Order or Check Request and payable to exactly the name and address on the Purchase Order or Check.

Checks must be mailed to a valid address via US mail. Under restricted circumstances, checks may be picked up from the School Secretary. When picking up a check, the recipient must sign and date the check stub to acknowledge receipt of the check.

Preparing a Purchase Order or Check Request for payment:

- Must use ***pre-numbered Purchase Order*** or ***Check Request*** forms.
- The pre-numbered forms must be accounted for in a log. Be sure to note the Purchase Order or Check Request number in the log book before taking it.
- All purchase orders must have supporting documentation – *original* receipt or vendor invoice or purchase confirmation – and include a brief explanation. No photocopies, vendor statements, or price quotes will be accepted. Be sure to fully complete and sign the purchase order, or it will be returned for correction.

**Scenarios:**

Travel expenses – for example athletic team travel. Documentation must include dates of travel, event/purpose, names of individuals that incurred the travel expenses, and all original receipts. Any travel for a District (Fund 10) activity must adhere to the District Travel Policy.

Personal credit card purchases – Three items of backup documentation are required: 1) credit card receipt 2) itemized store receipt and 3) verification that the credit card account number on the receipt(s) belongs to the individual requesting reimbursement.

Payments for services – All payments for services must be processed with an **Independent Contractor Agreement**, vendor invoice, **IRS Form W-9**, and **Criminal Background Check** release form (if applicable) submitted to the District Human Resource office. Under no circumstances can a payment to an individual be made directly from a School student activity account, unless it is for reimbursement of expenses only.

Goods received by shipment – Must attach to the Purchase Order or Check Request a packing list verifying that the goods were received in good condition signed by the advisor along with the vendor receipt or invoice.

District P-card purchases – for example booking airline tickets. All original receipts and other purchase documentation must be submitted to the holder of the P-card coded with the Bi-Tech software account number for student activities xxx-2490-000-2499. Then attach copies of all purchase documentation to a student activity fund Purchase Order (or Check Request) made out to Kenosha Unified School District to reimburse the cost. School Secretary will cut the check from the student activity account and then deposit the check on a Deposit Transmittal to Bi-Tech account number xxx-2490-000-2499 to cover the costs charged to the P-card.

Check before receipts – There are limited circumstances when a check may be required before a receipt has been obtained. In this case, the advisor must submit some type of official documentation from the vendor. Appropriate documentation would include a printed order confirmation, a printed reservation confirmation, and an authorized price list that can then be multiplied times the number of units being purchased. An original receipt is still required at the conclusion of the trip/event.

*Example – Train tickets purchased at the train station on the day of the trip. Required – Official train ticket price publication and roster of students riding the train. Check cut for – published ticket price x number of students riding.*

Student refunds – Advisors may choose to refund a student his/her participation fees for student activity events. Advisor must attach a copy of the deposit documentation showing the original receipt of the monies received to the Purchase Order or Check Request. If you cannot verify the funds were received, you cannot refund them to the student.

Purchases should be exempt from sales tax, and sales tax will not be reimbursed by the School or the District in accordance with District policies. Present the District's **Wisconsin Sales Tax Exemption Letter** to purchase tax free.

The individual making the order is responsible for the order – including accuracy of items ordered or reservations made, receipt of the order, on-time payment request, and returns.

*REMEMBER: Late payments affect the District's credit and decrease purchasing power.*

### Fundraisers

The School Board has authorized students to raise funds for school-related purposes within a defined framework.

School Board policy requires proper recordkeeping and reporting for these activities.

- District Activities (Fund 10) – Fundraising for the benefit of groups operating as a District activity must be accounted for and reported at the District level.
  
- Student Activities (Fund 60) – Fundraising for the benefit of groups operating as student activity must be accounted for at the School level within the student activity fund accounts.

All School Board fundraising forms and policies must be adhered to when operating a fundraiser. A completed **Fundraising Permission** Form must be completed, signed, submitted and approved prior to any fundraising occurring.

- School community – Fundraising for any purpose that solicits the school community (students, staff, parents) must be approved by the School Principal before any fundraising begins.
  
- Business community – Those events soliciting the community at large or businesses (advertising, signage) must be approved by the School Principal and Executive Director of Business Services before any fundraising begins.

A **Post-Fundraising** Form must be completed and submitted at the conclusion of each fundraiser.

*REMEMBER: Fundraisers and other student events may be required to submit a detailed reconciliation of money spent, money collected and profit or loss for audit or review.*

### Field trips

All student activity field trips must adhere to District fieldtrip guidelines.

### Scholarships

All scholarships must be setup according to District scholarship guidelines.

*REMEMBER: Scholarships are not student activity funds and may not under any circumstance be deposited into or awarded from a student activity account.*

### Donations

The District may receive, accept and use gifts, grants or bequests of furniture, books, equipment, supplies, money, securities or other property, real or personal, used or new, for school research and educational purposes.

All donations made to a student activity fund must be made directly to the School or District and approved by the Superintendent or designee on a ***Donation Information Sheet*** before the monies can be accepted or deposited.