

INDEPENDENT SCHOOL DISTRICT 196  
Rosemount-Apple Valley-Eagan Public Schools  
*Educating our students to reach their full potential*

Series Number **701.8.1P** Adopted **June 2011** Revised **February 2018**

Title **Student Activity Accounts Manual**



**DISTRICT196**  
One District. Infinite Possibilities.

# **STUDENT ACTIVITY ACCOUNTS MANUAL**

**District 196 Finance Department**

A complete Manual for Activity Fund Accounting (MAFA) Student Accounts can be found on the MN Dept of Education website in the UFARS Manual, Chapter 14.

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## Source Documents

**MN Department of Education**, UFARS manual, Chapter 14: Student Activity Funds (MAFA)

### **District 196 Policies and Administrative Regulations**

Policy 604, Co-curricular Student Activities 201

Policy 701, General Financial Guidelines

Administrative Regulation 701.8AR, Student Activity Accounts

Policy 703, Revenue

Administrative Regulation 703.3AR, Disposal of District Property

Administrative Regulation 703.5.1AR, Gifts

Administrative Regulation 704AR, Appropriate Expenditures

Administrative Regulation 704.2AR, Contracting

Administrative Regulation 708.4AR, Use of District Equipment by Employees and Students

Policy 801, District Community Relations

Administrative Regulation 801.3AR, Booster Clubs and Booster Organizations

### **MN Rule 3500.105 and MN Statute 123B.49**

**MN Department of Revenue - Sales Tax Fact Sheet 111**

**Please refer to UFARS Manual Chapter 14 for more comprehensive information on policies and regulations for Student Activity Accounts.**

<http://education.state.mn.us/MDE/dse/schfin/fin/UFARS/index.htm>

1. **Introduction: Student Activity Accounts (Administrative Regulation 701.8AR) -** Student activity accounts are used to account for dollars raised **by** the students **for** the students who are currently enrolled. Student activity accounts are operated and managed by organizations, clubs or groups within the student body under the guidance and direction of staff member(s) for educational, recreational or cultural purposes. Student activity accounts receive their funding through fundraising events, dues from student members or contributions from other organizations. Students manage the funds and serve as officers of the student activity accounts. Students implement, monitor and control the activities of the student activity account under the supervision of an adult. The student members of the student activity account make the decisions. One student activity checking (bank) account per school may have multiple student activity accounts. A complete Manual for Activity Fund Accounting (MAFA) can be found on the Minnesota Department of Education website in the UFARS Manual, Chapter 14 (Accountability Programs-Program Finance-Financial Management-UFARS).
2. **Non-curricular Activities (as defined by Minnesota Rule 3500.1050 and Minnesota Statute 123B.49) -** Non-curricular activities are defined as those activities that include all direct and personal services for public school pupils for their enjoyment that are managed and operated under the guidance of a staff member. These activities must have **ALL** of the following characteristics:
  - 2.1 Are not for credit or required for graduation;
  - 2.2 Are conducted for the most part during non-school hours or if partly during school hours, at times agreed upon by the participants, and approved by school authorities;
  - 2.3 The content of the activities is determined primarily by the interests of the student participants with only the guidance of the staff member, and
  - 2.4 With the possible exception of direct costs of any salaries and indirect costs of the use of school facilities, the activity is self-sustaining as all other expenses are met by dues, admissions or other pupil fundraising events.

Some examples of District 196 non-curricular activities would be Student Council, National Honor Society, Chess Club, etc.

3. **Establishing a Student Activity Account and Annual Duties**
  - 3.1 All student activity accounts must have an approved statement of purpose on file with the district's Finance Department. This statement of purpose will be stated on the Activity Purpose Form (**see Exhibit 1**) and completed annually by each student activity account advisor, approved by the building principal or authorized administrator. A plan for the disposal of un-obligated monies if the student activity account becomes inactive or terminates is also included on the Activity Purpose Form.
  - 3.2 When a student activity account is approved, and annually after initial approval, an election of officers must be conducted each spring or fall. Each student activity account must submit a list of officers (**see Exhibit 1**) to their school bookkeeper or secretary in case questions about the student activity account should arise.
  - 3.3 Each year, students participating in the student activity will establish a focus and develop goals and objectives. These objectives or outcomes become the basis upon which to build a tentative budget for the upcoming academic year and may determine the type and amount of fundraising the students will need to do.

3.4 Meeting times and dates should be established in order for the students to conduct business and approve disbursements.

3.5 The advisor(s), student officers and members of the group need to become familiar with the appropriate district policies (604, 701, 703, 801), regulations (701.8AR, 703.3AR, 703.5.1AR, 704AR, 704.2AR, 708.4AR, 801.3AR) and procedures.

4. **Policies and Procedures** - Student activity account monies are not under School Board control, therefore must be accounted for separately from the general fund of the school district. Student activity account monies must not be intermingled with other district funds. Required policies and procedures are listed below:

4.1 General

4.1.1 Meetings must be documented with minutes (*see Exhibit 2*) when student activity account monies are collected, disbursed or transferred. Minutes must be taken when *the student activity account members are...*

- Requiring a vote to make a decision;
- Planning a fundraiser;
- Receiving money from dues, gifts or other;
- Gifting monies to the District or other(s);
- Transferring monies to another activity fund, and
- Approving purchases of goods.

4.1.2 All expenses must benefit the students who raised the money and be appropriate (examples below). (Please refer to MAFA, UFARS Manual Chapter 14 <http://education.state.mn.us/MDE/dse/schfin/fin/UFARS/index.htm>, for additional guidance.)

4.1.2.1 Appropriate expenditures for student activity accounts:

Admission fees	Entertainment	Travel
Food	Lodging	Supplies/materials
Transportation	Clothing (for students participating in the activity)	
Donations (see exceptions in inappropriate expenditures section below)		

4.1.2.2 Inappropriate expenditures for student activity accounts:

Textbooks	Gift cards	Gift certificates
Library books	Office supplies	Office/school furniture
Contract payments	Assemblies	Employee compensation
Faculty meetings/events	Labor payments	Field trips (curricular in nature)
Donations (to individuals, religious groups, booster clubs, parent teacher organizations, staff related accounts, school foundations and scholarship funds)		
Personal items for coaches, advisors or other staff members		

4.1.3 Employees or individual students cannot purchase personal items or services through a student activity account

4.1.4 Student activity accounts cannot make payments for labor/services including, but not limited to, students, employees, gate keepers, ticket takers, DJs, police officers, accompanists, referees, and chaperones. The direct and indirect payment of salaries from student activity accounts is strictly prohibited. If and when the student activity account needs to reimburse individuals or companies for services provided, the payment will be through the general fund of the school district by forwarding the labor/services invoice(s) to accounts payable for payment out of 01-xxx-298-150-305-000. The general fund will be reimbursed by the student activity account for all the service payments at least

twice a year, once prior to winter break in December and then again prior to fiscal year-end in June, and deposited into general fund using 01-xxx-298-150-305-000.

- 4.1.5 All equipment purchases funded by a student activity account become the property of the district. Additionally, for equipment purchases \$2,500 and greater, the student activity account must gift the money to the district and the district will purchase the equipment consistent with Administrative Regulation 704.2AR, Contracting.
- 4.1.6 Student activity accounts **cannot** advertise, solicit and award bids.
- 4.1.7 Student activity accounts **cannot** borrow money from any individual or agency nor are they allowed to loan money to school employees or others.
- 4.1.8 Student activity account **cannot** be used to cash personal checks.
- 4.1.9 Gifts received by a student activity account must follow Administrative Regulation 703.5.1AR, Gifts. The amount of the gift will be deposited in the student activity account that received the gift.
- 4.1.10 Fund transfers between student activity accounts must have approval by a majority vote of the members of the student activity account. A funds transfer form (*see Exhibit 3*) is then completed and signed by student treasurers, advisors and the principal and sent to the bookkeeper or secretary. The bookkeeper or secretary will make the proper entry on the student activity account books.
- 4.1.11 No individual student activity account is to have a negative balance at the end of any fiscal year (June 30). Special exceptions may be made with written approval by the principal and superintendent or their designee. In order to receive this approval, a written plan must be submitted showing how the deficit is to be removed within three months after the end of the fiscal year. A student officer, the advisor, and the building principal or administrator must sign this plan. The advisor of the student activity account is liable for any deficits and may be required to pay the deficit from his or her personal funds.
- 4.1.12 Student activity account fundraising must follow Sections 2.1 and 2.4 of Administrative Regulation 801.3AR, Booster Clubs and Booster Organizations. A fundraiser accountability form is included for use but not required (*see Exhibit 4*).
- 4.1.13 Sales tax is not reimbursed (Administrative Regulation 704.2AR and Minnesota Department of Revenue – Sales Tax Fact Sheet 111).

## 4.2 Banking

- 4.2.1 Student activity account monies must be in one checking account per school at a School Board-approved depository. Official depositories are approved by the School Board every June/July. Maintenance of the checking account will be handled by the school bookkeeper or secretary (not the advisor of the student activity).

- 4.2.2 Investment of excess cash is encouraged, especially over the periods that school is not in session. These investment types (instruments) must be approved by the School Board. Official investment instruments are approved by the board every June/July. Examples of investment instruments are certificates of deposit, money market portfolios, U.S. government securities and commercial papers of A1-P1 rating.
- 4.2.3 Any student activity account balance exceeding \$250,000 (FDIC insured limit) must have additional collateral pledged by the bank; the secretary or bookkeeper should contact the bank to obtain the additional collateral. Also the excess balance should be invested with one of the School Board-approved investment instruments referred to in Section 4.2.2.
- 4.2.4 Interest from investments must be allocated to individual student activity accounts at the end of each fiscal year. The investment and allocation of funds will be handled by the school bookkeeper or secretary.
- 4.2.5 Blank checks, investment instruments and proof of collateral must be kept in the school's safe or fireproof locked cabinet and will be properly controlled and safeguarded at all times.

### 4.3 Deposits

- 4.3.1 There must be at least two separate individuals that count the deposit, for example, student activity advisor and/or student treasurer and school bookkeeper or secretary. The secretary or bookkeeper must not be the first or only person counting the money and completing the deposit summary form.
- 4.3.2 Immediately upon receipt, all checks must be endorsed "For Deposit Only."
- 4.3.3 All money collected by students/advisor must be listed on a deposit summary form (**see Exhibit 6**) that includes date, receipt number, name of activity, description of deposit, the coin, currency, check and total deposit amounts, deposit date plus student, advisor and secretary/bookkeeper signatures fields.
- 4.3.4 Bank deposit slips must contain the check number and the amount of each check. For a large number of checks, a separate spreadsheet may be used to record all checks and amounts and then summarized on the deposit slip.
- 4.3.5 Bank deposits must be made at least weekly and in the form that funds were received. In between weekly deposits, all money must be secured in a safe (for example, for the admissions collected at the dance on Friday night, the cashbox is locked in the office in a safe with a completed deposit summary form; then the money is deposited the following week).
- 4.3.6 The district's armored truck service must be used to make bank deposits.
- 4.3.7 When you receive a returned check, at least one written attempt must be made to recover the amount of the check; the amount of the check shall be entered as a negative receipt and the student activity account that originated the revenue will have its revenue reduced by that entry. The returned check shall be filed with the bank statement for an audit trail. Bank fees for the returned check shall be charged to the student activity account that originated the revenue.

#### 4.4 Disbursements

- 4.4.1 Disbursements must be made only by check.
- 4.4.2 Check requests (**see Exhibit 5**) must be prepared and approved by the student treasurer, the advisor and the principal (or his/her designee) and accompanied by the **original invoice** in order for a check to be prepared. This form requires complete vendor addresses.
- 4.4.3 Checks must not be made out for CASH.
- 4.4.4 The bookkeeper or secretary prepares all checks. All checks must be prenumbered and issued sequentially. **All checks require two signatures.** Checks should not be pre-signed; payer and amount must be filled in prior to signatures. Checks should be mailed the same day as they are signed.
- 4.4.5 All voided checks must have VOID printed across the face of the check and the signature area shall be torn off. Amounts must be recorded as negative expenditures, not as receipts. Voided checks must be filed with the monthly bank statement.
- 4.4.6 After three months, all checks that have not been cashed must be followed up by contacting the payee of the check, either directly or by letter; a stop payment may be placed and a new check may be issued when necessary.

#### 4.5 Reporting

- 4.5.1 Each school's bookkeeper or secretary (not advisor) must reconcile the student activity bank account monthly (**see Exhibit 7**) and forward a copy to the Finance Department. Discrepancies in deposits or checks must be reported immediately to the principal, advisor and student treasurer.
- 4.5.2 Monthly reports which include a statement of receipts, disbursements and current balances must be made available upon request by student activity account advisors or student treasurers (**see Exhibit 8**). Advisors and student representatives must receive a minimum of three reports annually along with copies of deposit summary forms for all deposits made to their student activity account.
- 4.5.3 A complete detailed and summary register by activity must be provided to the Finance Department for 1099 reporting (in January) and to verify activity accounts are still active. Schools must close all inactive accounts prior to June 30.
- 4.5.4 Each school's bookkeeper or secretary must prepare a schedule of student activity accounts (**see Exhibit 9**) upon request from the principal or Finance Department. This report along with a detailed transaction report of all student activity accounts must be submitted to the Finance Department by July 15 for the district's annual financial audit.
- 4.5.5 The bookkeeper or secretary that handles the student activity account cannot also be the primary person assigned to handling the school's staff sunshine account.

- 4.5.6 Record retention of student activity account documents, including minutes, is six years.
- 4.6 Disposition of Cash Balances in Discontinued Activity Funds - Student activity accounts that become inactive must be closed during that fiscal year. Refer to the student activity account purpose form (**see Exhibit 1**) for planned disposition of fund monies. Complete student activity account transfer form (**see Exhibit 3**) or check request (**Exhibit 5**) based upon the planned disposition of unobligated funds.
  - 4.6.1 Guidelines for the disposition of student activity accounts include the following:
    - 4.6.1.1 All liabilities and obligations made by the membership of the student activity account must be paid;
    - 4.6.1.2 Transfer of any remaining funds to the organization identified in the activity purpose form (**see Exhibit 1**).
- 4.7 Disposition of Equipment, Supplies and Materials - In accordance with Section 4.1.4, all equipment purchased using student activity funds is already district property; if a student activity account has any other surplus supplies or materials, they will become the property of the district. For example: the chess club becomes inactive and has 40 chess boards, the chess boards become the property of the district and the disposal of this property must follow Administrative Regulation 703.3AR, Disposal of District Property.
- 4.8 Auditing
  - 4.8.1 Annual financial audits will be conducted by the district's external auditors. School bookkeepers or secretaries will be required to provide annual reports to the Finance Department by July 15 (see Reporting section 4.5 above). Additional detailed documentation related to receipts and disbursements may be requested by the district's external auditors.
  - 4.8.2 Periodic internal audits will be conducted by the district's Finance Department personnel. The audits are performed to determine compliance with state laws and regulations and with the district's policies and regulations. A random checking of minutes, receipts, invoices, reports and procedures will be performed.