

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

Series Number 701.8AR Adopted June 1993 Revised November 2016

Title Student Activity Funds

1. **Definition** -- Student activity funds are used for non-curricular activities which are not normally school sponsored, but which are school-related and offered to students for their enjoyment and motivation, that are managed and generally operated under the guidance of an adult or staff member. (Private organizations, such as PTAs and parent booster clubs, are separate entities and are not included in the guidelines written for student activities.) Student activities are characterized as follows:
 - 1.1 Are not for credit or required for graduation;
 - 1.2 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;
 - 1.3 The content of the activities is determined primarily by the interests of the student participants and their parents with only the guidance of the staff member or other adult; and
 - 1.4 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.
2. **Adult Supervision** -- Student activities are managed and operated under the supervision of an adult citizen or staff member.
3. **Source of Funds** -- Student activities are funded with donations, dues and fund-raising activities conducted by the activity or supporters of the activity, and not with funds from school or district revenues.
4. **Management of Student Activity Funds** -- Separate reports must be kept for each student activity. The funds for each activity should be managed as described in Procedure 701.8.1P, Student Activity Accounts Manual.
 - 4.1 Fund Balances -- Generally, activity accounts shall not be allowed to accumulate deficits and may not have negative fund balances. If a student activity account has a negative balance, the advisor of the activity must be able to explain the negative balance and describe the plan for eliminating the negative balance. A positive fund balance in one activity account may not be used to subsidize a negative fund balance in another activity account.
 - 4.2 Use of Funds -- For a more comprehensive list for use of funds, refer to UFARS Manual Chapter 14, Student Activity Accounting, under Section "Expenditures not under Board control" at:
<http://education.state.mn.us/MDE/dse/schfin/fin/UFARS/index.htm>

4.3 Student activity funds may not be used as depositories for parking fees, parking fines, library fines, drivers education fees, revenues from the resale of items purchased with district funds, and other funds which do not relate to non-curricular activities. (These fees, fines and revenues are to be deposited in the district account.)

4.2.2 Fund receipts and disbursements must be approved by the appropriate faculty advisor and authorized check signer. Employees responsible for overseeing student activity accounts may be personally liable if they fail to perform their fiduciary duties in regard to the account.

4.2.3 Any interest earned on a student activity fund shall be allocated to the account at least once a year.

4.3 Use of Money in Funds

4.3.1 Student activity money may be used to purchase goods, services or equipment which represent contributions to the school district or to the individual schools. These items should be presented to the district or school through the usual district gift process (see Administrative Regulation 703.5.1AR, Gifts).

4.3.2 Student activity money may not be used for district expenditures and subsequently reimbursed by district funds.

4.4 Each student activity account must be reconciled monthly to the bank statement, and a copy of the reconciliation, bank statement and a summary report of each student activity account's month-end balance must be sent to the Finance Department.

4.5 Any new activity, change in an activity or termination of an activity should be documented. A current list of active accounts should be maintained, including the activity name, brief description of purpose and the advisor's name. This list, and a summary of the year's transactions by activity, will be submitted to the Finance Department by June 30 each year to be reviewed.

5. **Termination or Dissolution of Student Activity Funds** -- A student activity fund may be dissolved by the members whenever all the members of the activity graduate (for class funds) or when the activity cannot be advised or maintained by a staff member or adult. As a general guideline, an activity fund balance should be disposed of when the original purpose of the fund no longer exists or when a fund has been inactive for a year. Appropriate expenditures to liquidate the balance are listed below in priority order:

5.1 Payment of all liabilities and obligations;

5.2 Returning to donor(s) any funds subject to special limitations that have occurred as a result of the liquidation;

5.3 Donating funds given for a specific purpose to another organization which can accomplish the same purpose, and

5.4 Any remaining funds may be distributed in other ways, as long as they do not represent an accommodation, loan or credit to any individual.

6. Annual Review

- 6.1 Student activity funds will be reviewed at year-end by the Finance Department.
- 6.2 Student activity funds will be audited by the district's independent auditing firm and included in the district's annual financial report.

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- References:**
- Manual on Activity Fund Accounting (MAFA) Student Accounts (Chapter 14 UFARS Manual)
 - Minnesota Rule 3500.1050, Definitions for Pupil Fees
 - Minnesota Statute 123B.49, Extracurricular Activities; Insurance