

2009 STUDENT ACTIVITY HANDBOOK

(WHY DO WE DO THIS?)

STATE GUIDELINES FOR STUDENT ACTIVITY PROGRAMS

Prior to 1981 there were no regulations governing student activity funds. However, there were some complaints from taxpayers as to how school districts were using the money that was being collected for activities within the district. Therefore, due to the amount of money that was being collected for student activity programs and to address the complaints from taxpayers, the Auditor of State put together “Guidelines for Developing Policies for Student Activity Programs” so that all activity advisors within the state would have the same instructions to follow. Furthermore, each Board of Education has policies in place that also address student activity fundraising procedures.

This handbook serves as a synopsis of both the auditor circular and the local board policies with regard to student activity financial procedures.

In addition, the following is a true excerpt from the Auditor of State’s Management Letter to Conneaut Area City Schools in response to the fiscal year 2007 audit:

“To help improve accountability over student activities and to help reduce the risk that revenue is lost and/or misused the District should require the following for each of its student activities:

A uniformed detail journal, as prescribed by the Treasurer, should be maintained for each student activity. These journals should include all beginning and ending balances, receipts, and pay-ins, as well as reconciliation with the Treasurer’s records.

All source documents should be maintained such as duplicate pre-numbered receipts, ticket stubs, and any other supporting documentation in order to clearly substantiate amounts recorded in the detailed journals mentioned above. Deposits should clearly identify the amount of revenue for each sales project.

Documents that identify to whom the merchandise was distributed for sale, the amounts collected and/or merchandise returned by each person, and any amount remaining uncollected. In addition, there should be a listing of merchandise remaining unsold, damaged, or lost. All revenue considered uncollectible should be listed. Unsold items should be maintained in a secure place, and a determination on what will be done with the inventory as approved by the Board.

The student managed activities should not change the price of a fundraiser without the authority of the Board. The Board should approve

the change in the Minutes for documentation. If the sale price is changed, there should be a proper accountability of how many items were sold at each varying price.

In addition, sales potential forms should be completed for all District fundraisers. The forms should show the expected profit of an event, how actual revenue at the completion of the project was met, and the reason(s) for any variance. Signature(s) should be included on the forms to indicate that the project has been reviewed and approved by someone other than the activity advisor. The Board of Education should approve every fundraiser, and be documented such as in the Minutes.”

STUDENT ACTIVITY BUDGET FORMS

All student activity clubs and organizations are required to have an annual budget that is approved by the Board of Education at the beginning of each school year. Include in the **“Purpose Statement”** on the budget form the reason for the existence of the club, the goals of the club, and the ways and means in which these goals will be accomplished.

In the **“Revenue”** section include all types of money-making projects (both sales and service projects) that are going to be accomplished during the year. Be sure to list ALL POSSIBILITIES. Also, include a line for donations, dues, etc. that the club may receive during the year.

In the **“Expenditure”** section list all types of expenditures on the form. Include all sales projects, expenses for club meetings, any donations/fees that the group has agreed upon, or any other types of expenditure. If expenditure is not contained within the purpose statement, then it is not a legal expenditure and cannot be approved. However, it is permissible to revise an approved budget at any time during the year and have the revision approved by the Board. Again, it will be better to include ALL POSSIBILITIES.

EXPENDITURES MAY NOT EXCEED THE BEGINNING BALANCE PLUS REVENUE MINUS EXPENDITURES AND ENCUMBRANCES. (An encumbrance is generated by a purchase order and is an amount of money set aside to cover an invoice until the bill arrives.)

SALES PROJECT “SEQUENCE OF EVENTS” (Details of each item follow the list.)

- A. Complete a Sales Project Potential Form.
- B. Complete a requisition.
- C. Receive a copy of a purchase order with a number on it.
- D. Order the materials to be sold.
- E. Deposit all proceeds.
- F. Complete the back of the Sales Project Potential Form and submit to treasurer's office.
- G. Account for any variances between the number of items purchased times the selling price (total expected sales) and the actual amount deposited with the treasurer.

A: SALES/SERVICE PROJECT FORMS

All Sales/Service Projects must be approved **prior** to the beginning of the sale/service. A **sales project** involves purchasing an item and re-selling it (fruit or carnation sales, etc.) or it involves expending money for an event (cheerleading clinics, dances, etc.) for which cash will be collected. A **service project** involves the collection of money for a service—no expenditures take place. Examples of service projects are car washes, bake sales, sale of donated apples, etc.

Both sales and service project forms must first be signed by the building principal and then by the superintendent. As soon as the sales/service project has been approved, the treasurer's office will assign the project a number and the original will be returned to the advisor. At that time, the orders for items to be sold may be placed using the assigned purchase order number.

Absolutely no project can be conducted on a cash basis! All money received must be deposited in the student activity account and all expenditures must be done through a purchase order and paid by check. Please note that any fundraising activity that is advertised as a "Conneaut Area City Schools-sponsored venture" must have receipts and expenditures "pass through" the district's books—**not** through a booster group.

B, C, AND D: PURCHASING PROCEDURES

When you wish to purchase items for a sales project, a requisition must be filled out completely and should be attached to the sales project form. The building principal must sign the requisition also and send it to the board office. After the requisition has been approved, it is then converted to a purchase order. There are five parts to the purchase order. Each part is very important and has a specific use.

White Copy: sent to the company that the order is placed with

Pink, Yellow, and Green Copies: remain in treasurer's office
Blue Copy: sent to originator/advisor

The completed purchase order will be forwarded to the proper company by the treasurer's office. If it is for an item to be picked up by an individual or to be ordered via sales rep, internet, etc., please indicate this on the requisition form and the purchase order will be returned to the advisor.

**NEVER PLACE AN ORDER BEFORE YOU HAVE A
PURCHASE ORDER!!!!**

E: DEPOSITING MONEY – PAY IN FORMS

Money must be deposited within 24 hours after you receive it. Please do not keep money in the building overnight. Count all money, fill out the applicable pay-in form, and submit it with the deposit. Each advisor also needs to check with the secretary as to how she wants the money turned in to her. Please do not send money to the office with students or leave money on the secretary's desk.

1. Money must be neat and orderly (like denominations together right side up and front forward, not folded, etc.).
2. Coins should be rolled when appropriate.

Once the treasurer deposits the money, a numbered receipt will be issued to the advisor to act as verification for the advisor's sales project records.

F AND G: COMPLETION

Within two weeks of the completion of the sales/service project, the advisor is required to complete the back page of the project form and return it to the treasurer's office. All receipts should be listed by receipt number and all bills paid should be listed by purchase order number.

If the actual income from a project is less than what was expected, please explain why (examples: candy loss, spoilage, admission sales not as high as anticipated, etc.).

Finally, the student activity advisor is responsible for providing accurate records for audit purposes. For example, during a candy sale, a log of who received candy, the number of boxes taken, and the amount of money turned in, etc. should be recorded. The auditors select which groups will be audited each year and will contact the advisor for all paperwork relevant to the project.

Board Approved – May, 2008