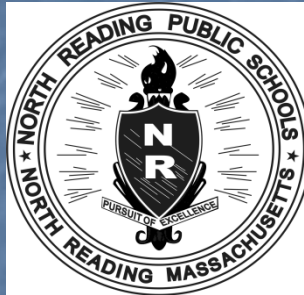


North Reading Public Schools



Student Activity Funds

Michael Connelly

Director of Finance and Operations

Agenda

- General Principles and State Laws
- Accounting Principles
- Operating Procedures
- Receipts and Expenses
- Common Mistakes to Avoid
- Questions

Chapter 71, Section 47

- “The School Committee of a city, town or district may authorize a school principal to receive money in connection with the conduct of certain student activities”
- “To deposit such money with the municipal or regional school district treasurer.”

General Principles

- Separate Student Activity Account for each School
- Income must be student generated
- Expenses must be student related
- Operated by the School Principal's Office
- Approved sub-accounts must be authorized
- Audit trail from collection to deposit

Accounting Principles

- Student Activity purchases are tax exempt
- Non-school related groups PTO's etc. cannot use our tax exempt status
- Expenses cannot benefit staff, such as professional development and food for meetings
- Gifts/Donations in support of student activity can be deposited into SAA accounts.
- Gifts/Donations for general educational purposes are governed separately (53 section 44A) and are not deposited into SAA accounts.

Operating Procedures

- Standardized forms for deposits and disbursements
- Receipts should show the source of funds and if fees were collected, rosters and fee charged shall be included
- Disbursements require an original invoice, voucher and proper supporting documentation
- Account reconciliations are conducted monthly
- All Activity shall be recorded to sub-accounts
- Periodic financial reports shall be made available to account treasurers to check for accuracy

Receipts



- Receipts shall be turned over to the Principals Office within 24 hours of the fundraising activity
- Money shall be kept by Principal's Office in a locked cabinet and prepared for deposit within 72 hours of receipt
- All receipts shall have a Receipt Form signed by the Advisor and the Principal's Office
- HS Deposits shall be recorded in the Excel SAA database and verified by the Business Office

Receipts Continued



- Cash should not be taken home at any time
- Cash should not be exchanged directly to pay a vendor
- Cash collected from students to attend an event must detail the number of students participated and amount charged.
- *# Students Participated* _____
Fee Charged Per Student _____

(The amounts when calculated should equal the Funds from the activity noted above)

Purchases



- Purchases require Principal's Office approval
- Purchases are made for the benefit of the student activity
- Paying in advance should be avoided (exceptions include theater or musical performances, prom and field trips)
- Purchases are exempt for Chapter 30B Bidding Laws though the Principal shall insure the effective use of the monies, sound business practice should be used in all purchasing decisions.

Purchases Continued



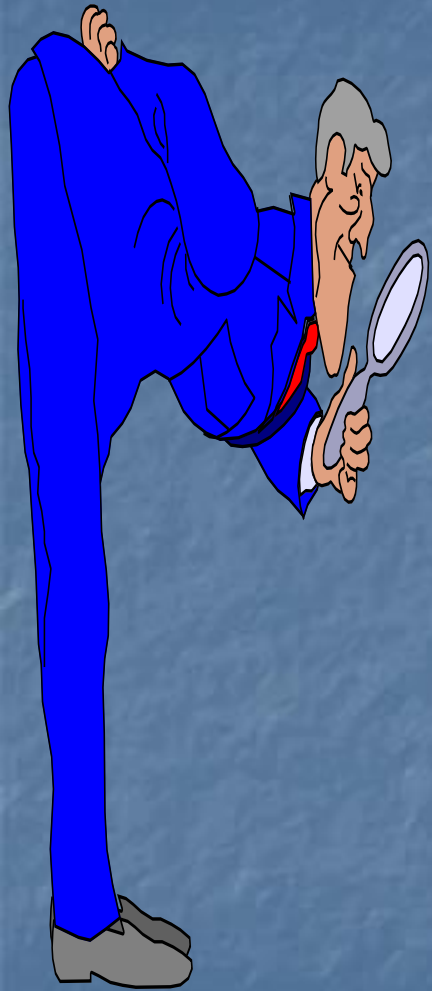
- Purchases over \$10,000 should be reviewed with the Business Office for contract implications
- All expenditures shall be paid by check, signed by Principal and Treasurer
- Request for payment shall be signed by Principal and Treasurer or Advisor
- No check will be issued without proper documentation (i.e. original invoice or proof of payment).

Policies and Procedures Manual

- ❑ All Field Trips should be held in accordance with School Committee Policy
- All Fundraisers should be held in accordance with School Committee Policy
- Student Activity Accounts are for currently enrolled students
- Graduating class accounts shall be closed within **90 days** of graduation based upon School Committee Policy



Mistakes to Avoid



- Activity is not student related
- Activity is not for sponsored activities approved by School Committee
- Use of SAA accounts for accounts governed by Ch. 44 section 53A must be deposited in general gift/revolving account
- Items purchased should have been made from the general fund for educational purposes
- Lack of documentation on the source of funds
- Expense is used for the benefit of staff
- Receipts are not deposited in a timely fashion
- Club/Activity accounts with negative balances

Questions