

# **STUDENT ACTIVITY FUND ACCOUNTING**

**Montana Association  
of  
School Business Officials**



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# **GUIDELINE TO STUDENT ACTIVITY FUND ACCOUNTING**

## **INTRODUCTION**

Extracurricular fund activities are those organized student activities that do not fall within the scope of the regular district curriculum. The money collected for student activities are to be maintained separate and distinct from school district funds. The authority to establish an extracurricular fund is found in Section 20-9-504, MCA. This section directs that "An accounting system for the extracurricular fund recommended by the Superintendent of Public Instruction must be implemented by the trustees." Some form of written bookkeeping guidelines for the extracurricular fund have been in effect since July, 1953.

A review of our extracurricular fund audits indicated a need to update and standardize the bookkeeping systems presently in use. Private and municipal auditors, in the past, have been consistent in their recommendations for accounting and internal control procedures. This handbook sets forth recommended guidelines for the record keeping for extracurricular finances. Section 20-9-504, MCA, places the responsibility for the implementation of the enclosed recommended bookkeeping system upon the trustees of the school district.

Except for a reconciled monthly financial report, no prescribed forms have been included in the extracurricular fund guidelines. However, some forms are included in the handbook. All existing forms will be acceptable as long as they contain the required information as specified in the guide. If your present accounting system does not provide the required information, then adequate forms should be utilized.

## **ADMINISTRATIVE POLICY**

The board of trustees should develop written policies for the administration of extracurricular activity funds. The policies developed must conform to the recommendations contained within this guide. Once established, the written policies should be subject to constant review and expanded where necessary. (See examples of Board Policy, pages 39 and 40)

In some instances, alternative methods for recording a particular transaction have been provided in these guidelines. In order to establish consistency in the recording of these transactions, the board of trustees will include in the written administration policy the method to be used by the fund custodian.

Statutes, Attorney General Opinions and court decisions have been instrumental in formulating policy for extracurricular funds. These policies must be included in any written administration policies adopted by the board.

In order to assist the board in the formulation of these policy guidelines, we have included a discussion of several accounting activities that are common to most extracurricular funds and the criteria that must be considered in the development of such policy.

## **PURPOSE OF AN EXTRACURRICULAR FUND**

The Board of Trustees is responsible for the establishment and management of student extracurricular funds. The purpose of student extra-curricular funds shall be to account for revenues and disbursements of those funds raised by students through recognized student body organizations and activities. The funds shall be deposited and expended by check in a bank account maintained by the school district for student extra-curricular funds. The use of the student extra-curricular funds is limited to the benefit of the students. Students shall be involved in the decision-making process related to the use of the funds.

The establishment of a student extra-curricular fund and all its subsidiary student organization and activity accounts and any subsequent changes or transfers are subject to the approval of the Board of Trustees. All transactions made in the student extra-curricular funds are subject to the approval of the Board of Trustees.

The Board of Trustees authorizes the District Superintendent to designate the fund custodians and to establish the accounting procedures for all student extra-curricular funds. The accounting procedures must be in compliance with the guidelines established by the State of Montana, Office of Public Instruction, and Division of Local Government Services. (Legal reference: 20-9-504, MCA, 1991; 2-7-503(d), MCA, 1991.)

Administrative Rule 10.10.304 Student Extracurricular Activity Funds states: 1) School districts maintaining student extracurricular activity funds may use a separate checking account or the county treasurer as a depository for student funds. 2) To allow the Superintendent of Public Instruction to comply with reporting requirements by the national center for education statistics of the U.S. Department of Education, school districts shall report all the financial activity relating to student extracurricular activity funds on the annual financial report forms provided by the superintendent of public instruction (TFS). (History: Secs. 20-9-102, 20-9-201, MCA; IMP, Secs. 20-9-102, 20-9-201, MCA; NEW, 1990 MAR p. 717, Eff. 4/13/90.)

The audit of the extracurricular fund is conducted in conjunction with the audit of the other funds of the district. The extracurricular fund is considered to be an expendable trust fund. The financial activity of the expendable trust fund is included, for reporting purposes, within the general purpose

financial statements issued in the audit report.

The following is a guideline for handling of all extra-curricular monies:

It is the responsibility of the building principal and sponsor of a group or activity to see that all monies of said group are collected and deposited with the fund custodian at the business office. Interest earned on investments of funds from the extra-curricular groups or activities shall be distributed on a proration basis to the account of each group or activity. Furthermore, the building principal and sponsor will be knowledgeable of all debts incurred through the operation of said organization or activity and will be responsible to ensure that incurred debts are by purchase order and signed by the sponsor and building principal or other form of authorization.

The finance custodian will be responsible for depositing all extra-curricular monies in a bank account, for writing checks for requested payments of said monies, for keeping accurate records of all deposits and withdrawals, for disbursing earned interest to accounts and for publishing monthly statements as to the status of all extra-curricular accounts. The monthly statement should be included in the board agenda for review.

The fund custodian shall be responsible to see that accurate records are kept of all approved expenditures, that the expenditures are also approved by the sponsor and forwarded to the building principal in the form of a purchase order or requisition for final approval. No building principal or sponsor may obligate monies without student approval and no student may obligate monies without the building principal or sponsor's approval.

### **ADMINISTRATIVE RESPONSIBILITIES-BOARD OF TRUSTEES**

1. The admission of new clubs or activities to the extracurricular fund must be submitted to and approved by the board or its designated representative.
2. The cancellation of extracurricular fund checks will require prior approval from the board or its designate. Outstanding checks can be canceled after one year of date of issue.
3. Non-sufficient fund checks cannot be written off without first obtaining approval of the board or its designate.
4. Inactive fund accounts should be reviewed by the board or its designate each June, and those determined to be discontinued should have any remaining balance transferred to a related account.

5. Fund accounts should not be permitted to become overdrawn, in that the overdraft becomes a liability to other funds and to future classes. Whenever a fund account becomes nearly depleted, remedial action should be ordered immediately by the board or its designate.
6. The board or its designate should direct the individual clubs to maintain separate financial records and see that each club's fund balance is in agreement with the general control records maintained by the fund custodian. This would provide better internal control of the fund accounting operation.
7. The board should review the adequacy of insurance policies regarding burglary coverage, messenger and forcible seizure coverage and verify that the coverage includes extracurricular fund moneys.
8. The board should review existing official bond coverage to verify that the extracurricular fund is included. The original applications for official bonds must include the handling of these activity funds. Otherwise, coverage may not be extended by the bonding company.
9. Each May the board or its designate should direct the senior class to dispose of any money remaining in the senior class fund account. Such disposition should be accomplished by one of two methods:
  - A. The senior class could designate the balance remaining in the fund for a specific purpose and authorize the expenditure immediately.
  - B. The senior class could authorize the balance remaining in the fund to be transferred to a designated fund account.

DESIGNATING PRIOR YEAR SENIOR CLASS FUND BALANCE: According to my Auditor there is no actual law or rule stating how this money can be used or expended. However, because of Section 20-9-504, MCA, which allows school districts the right to establish an extra-curricular fund, it is reasonable to assume Trustees would have some control on how the money is designated. Each school board should address this issue and set the parameters for expending or using this money.

10. The practice of making direct or lump sum payments to the extracurricular fund from the school district funds should be restricted. Such transfers weaken internal control. A direct payment will be permitted to reimburse the student activity fund if the claim against the general fund is properly authorized, completely documented and easily traced into the extracurricular fund records. The preferred method for

the district to subsidize the extracurricular fund is to pay extracurricular expenses directly from the general fund.

11. The board should develop a policy in regard to the handling of cash overages and shortages that may occur through ticket sales and concessions at athletic events, dances, or from the sale of subscriptions and other fund raising activities. Corrective action should be taken whenever large discrepancies occur.
12. **Extracurricular Payroll:** It is our recommendation that all payroll costs be handled through the general funds. Most schools incur some costs for the extracurricular programs in the general funds, and payroll costs would be a logical expense because districts are set up for worker's compensation, OFLT, and retirement costs. It makes no sense to be transferring monies from the student activity accounts to the general funds and the retirement funds to cover these costs.

As an option, Districts may establish a Student Extracurricular Fund (84) in the district's computer system. Instead of issuing district warrants, student activity fund checks are issued by the business office or at each school building for later input to the district's computer system. During the month, the student activity fund payroll is charged against Fund 84 like any other fund. At the end of the month, a check is drawn on the student activity fund and deposited to the Payroll Fund to cover the student activity fund payroll for the month. This method allows the district to prepare 1099's and W2's easily, including payments from both district and student activity funds.

Note: Referees who do not belong to a Pool should be paid through payroll.

### **FUNDS NOT DEPOSITED IN EXTRA-CURRICULAR ACCOUNTS**

1. Since an extracurricular fund is established for student functions, all receipts should be related to organized student activities or student assessments. The following should not be deposited into the student extracurricular accounts.
  - A. Faculty flower funds. Keep such moneys in a separate bank account.
  - B. Faculty coffee funds. Keep such moneys in separate bank account.
  - C. Faculty lounge receipts that are for faculty use only. Keep in a separate bank account.

- D. Booster club and Parent-Teacher Org. funds. Keep such moneys in a separate bank account.
- E. Rentals of school district facilities and equipment. These receipts should be deposited directly to the district in compliance with Section 20-9-509, MCA, 1991 and 20-6-606.
- F. Book fines and lost school equipment.
- G. Driver Education Class Fees.
- H. Petty Cash
- I. Sale of district supplies or equipment
- J. Lunch monies
- K. Reimbursements from insurance companies (vehicle glass repairs, district owned housing, etc.)

## **FEES AND CHARGES**

A number of school district extracurricular funds continue to have fees or charges for various courses or activities. Each individual fee or charge must be analyzed to determine:

1. The legality of the fee or charge when applied to the Montana Supreme Court case of Granger, Et al vs. Cascade County School District Number 1. Attorney General's Opinion Number 52, Volume 34, was issued to further clarify the Montana Supreme Court decision. This opinion states that:

"A school district may not levy fees or charges for a course or activity for which credit may be applied towards graduation."

However, if such collections are for fees or project supplies not required for graduation, then reasonable charges may be imposed. Therefore, the nature of these fees or charges must be determined and collected in accordance with the provision of the Attorney General's Opinion.

1. If such fees or charges originated from district sources, then these collections must

be deposited to the proper district fund.

## **INVESTMENTS**

As stated previously, extracurricular funds are accumulated by students' assessments and activities and should be used for the specific purpose or purposes for which the charge was made. Except in rare instances, therefore, surplus moneys should not be allowed to accumulate. Attorney General's Opinion Number 44, Volume 28, holds that:

"It is not a proper purpose of public school extracurricular activities to accumulate funds for investment."

It would appear that the building up of a surplus for investment purposes is a variance from the authorized purpose or purposes for which it may be expended. Therefore, students should not be charged fees in excess of the amount necessary to conduct the extracurricular activities of any one school year.

However, we see no reason why a fund account, being accumulated for a specific purpose, could not be invested until the money is needed. Interest earned on such an investment must be deposited to the fund from which the investment is made. We also have no objection to the short term investment of that portion of the combined cash balance of all fund accounts determined to be excess by current cash flow projections. Such investments should be easily converted into cash. The interest on this type of investment must be distributed in accordance with Attorney General's Opinion Number 44, Volume 28, which holds:

"That the interest realized from investments heretofore made should be distributed to each contributing fund on a pro rated basis."

Such pro rated distribution may be accomplished in several ways, so long as reasonable equity is achieved. For simplification, such distribution may be based on the cash balance in each contributing fund at the time the interest is received.

Investments of the extracurricular fund must not be removed from the fund account balances, but continued to be a part of the fund account or account.

## **INVENTORY/FIXED ASSETS**

Items purchased by a particular program or group must be maintained in separate categories, specific to the program or group who purchased the item, within the building inventory and fixed

asset records. If the item meets the capitalization amount, set by the District for Fixed Assets, the item is **not** included on the District's Fixed Asset Inventory. Example: popcorn machine for concessions--item was purchased through proceeds from concessions. Should be listed under the Building Inventory, Sub-section "Concessions". All other pertinent information for tracking that particular item should be noted on the inventory.

If the Booster Club, or other organization outside the school system, purchases a piece of equipment for the students and donates it to the school, then this item becomes school district property and falls under the district's Inventory/Fixed Asset Policy. If the item meets the capitalization amount, the item should be listed on the district's Fixed Asset Inventory.

*It is very important that the Inventory of Extra-Curricular Activity Accounts be maintained.*

### **Stock-In-Trade**

Stores for resale may include supplies such as pop, candy, gum, food supplies, books, pencils, pens, special tools, etc. To strengthen inventory controls of these supplies, the board should place the responsibility for maintaining accurate supply records to specific individuals. A sample of fixing inventory responsibilities follows:

- A. Each fund account sponsor and president and/or treasurer handling the sale of candy, pop and school supplies should maintain a running account of supplies at all times.
- B. Each fund account sponsor is responsible for conducting the inventory and forwarding copies of the inventory records to the fund custodian.
- C. The fund custodian should retain the copies of inventory records.

### **ACCOUNTABILITY FOR ADMISSION CHARGES**

The board must initiate and enforce a policy that will provide accountability for student activities in which admission is charged. The following criteria should be included to effect accountability of these admission collections:

- 1. Pre-numbered colored strip tickets should be purchased and included in the stationery control.
- 2. Ticket numbers should be charged out to the sellers responsible for admission collections.

3. Each seller will be required to turn in a report containing the following information:
  - A. Number of tickets sold for each price class. Each series of colored tickets should represent a price class and be sold only for that price.
  - B. Amount of money collected for each class of ticket sold.
  - C. The number of tickets sold must reconcile with the money collected. Unused tickets are to be turned back in and accounted for.
  - D. Signature of official approving report.
4. Tickets should not be torn off at the end of the event!!

### **STUDENT ACTIVITY TICKETS**

Many schools sell activity tickets to students. This allows the students to attend many of the functions at school at a reduced cost to the student. The board must develop a policy for the handling of activity ticket sales. Approval should be made by the board by formal minute entry, and any adjustments to the original approval must be presented and approved by the board.

1. **Ticket Accountability and Allocation of Collection**
  - A. Pre-numbered activity tickets must be acquired.
  - B. The pre-numbered activity tickets must be accounted for through the financial stationery control.
  - C. The selling and issuing of activity tickets should be a responsibility of the fund custodian.

### **STUDENT TRAVEL AND ADVANCE PAYMENTS**

Criteria used in determining the financial accountability desired will be based on the following:

1. Travel authorization
2. Funding procedures in use
3. Final accountability

## **TRAVEL AUTHORIZATION**

1. A request for travel authorization and funding must be prepared well in advance of the time the funds are needed.
  - A. This request should be submitted by the teacher, coach, faculty advisor or other person responsible for the activity trip.
  - B. This request must be approved by the school principal and/or school superintendent in accordance with policy established by the board.
  - C. The approved travel authorizations are to be submitted to the fund custodian to ascertain that sufficient funds are available and to prepare necessary financial arrangements.
  - D. Approved travel authorization forms are to remain in a "pending" file until final accountability has been completed.
  - E. Travel authorization forms are to contain at least the following information:
    - \* Date of request.
    - \* Date funds needed.
    - \* Destination and purpose of trip.
    - \* Estimated departure and return times.
    - \* Number of persons making trip.
    - \* Estimate of cash required.
    - \* Estimate of other expenses.
    - \* Signature of person requesting authorization.
    - \* Signature approval of principal, superintendent or designee.
    - \* Check number and date of payment.
    - \* Credit card or checkbooks issued.
    - \* Signature of fund custodian.

# SAMPLE REQUISITION/PURCHASE ORDER

\_\_\_\_\_ EXTRACURRICULAR FUND

INVOICE NUMBER \_\_\_\_\_

REQUISITION/PURCHASE ORDER NUMBER \_\_\_\_\_

O.K. FOR \$ \_\_\_\_\_

BY \_\_\_\_\_

Fund Custodian

CHECK NUMBER \_\_\_\_\_

DATE \_\_\_\_\_

FUND/ACCOUNT \_\_\_\_\_

QUANTITY	ARTICLE	ESTIMATED	SELLERS	
	COST	UNIT PRICE		TOTAL AMOUNT

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

\*\*\*\*\*

Receipt of Goods \_\_\_\_\_

Date \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_

Fund Account Sponsor

By \_\_\_\_\_

Fund Account President or Treasurer

**PURCHASE AUTHORIZATION**

**BRADY ACTIVITY FUNDS**

**P.O. BOX 166 - BRADY, MONTANA 59416 - PHONE 753-2522**

**DATE \_\_\_\_\_ To Receive Payment  
Return this form with  
Statement**

**No 2151**

**TO:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Charge to account of \_\_\_\_\_**

**The central treasurer is authorized to make payments for the following items at approximately the cost indicated.**

<b>Item</b>	<b>Amount</b>
_____	_____
_____	_____
_____	_____
_____	_____

\_\_\_\_\_  
**Administrator**

\_\_\_\_\_  
**Student Officer**

**Check No.** \_\_\_\_\_

\_\_\_\_\_  
**Sponsor**

*WHITE, CUSTOMER - PINK, OFFICE - YELLOW, STUDENT*

## **PAYMENT OPTIONS FOR STUDENT TRAVEL**

1. **CREDIT CARDS** - In order to avoid carrying large amounts of cash, some school districts have obtained credit cards to cover the costs of student travel. Food, lodging and transportation expenses can usually be purchased by use of these cards. Although they are not always accepted, advance arrangements would insure their use. In schools using or planning the use of credit cards, the following minimum internal control requirements must be maintained.
  - A. A list of the individuals authorized to sign. Their signature must be supplied to the credit card company with a copy maintained by the district.
  - B. All credit cards must be held in safekeeping by the school principal, superintendent or other designee of the board.
  - C. Credit cards will be assigned to authorized individuals for specific trips only and must be immediately returned to safekeeping.
  - D. Memoranda records of credit card numbers and assignments should be maintained.
  - E. Persons assigned credit cards must retain and submit copies of all invoices substantiating purchases made.
  - F. Credit card billings may be paid from the general fund by warrant or by check from the appropriate account of the extracurricular fund.
  
2. **OPEN ACCOUNT** - When possible, some schools prefer to call ahead and make arrangements for the food and lodging costs to be billed directly to the school on an open account basis. An authorized purchase order should be given to the vendor.

When travel costs are incurred on an open account basis, duplicate copies of all charges incurred must be attached to a copy of the purchase order, retained and verified by the person responsible for the activity trip.
  
3. **PER DIEM** - Some schools prefer to pay each student and/or adult a specified cash amount to cover costs of food on trips. This procedure has both merits and shortcomings. However, if the procedure is used, the following type of accountability would be required:
  - A. A listing of all students and adults making the trip should be prepared in advance.

- B. A check for the funds required should be drawn and cashed from the appropriate account of the extracurricular fund.
  - C. Each person when receiving a per diem payment is required to make a signature acknowledgment next to his name on the advance listing.
  - D. If persons listed are unable to attend the trip, the unexpended cash should be immediately refunded to the fund custodian and receipted back into the proper fund account.
4. **CASH ADVANCES** - Some schools, after estimating travel costs for a trip, issue a check in the amount needed to the person responsible for the trip. This check is then cashed and the proceeds used to pay for costs when traveling. Cost involving many students for extended periods of time necessitate carrying large amounts of cash, which may not be desirable. Schools using this procedure should use the following guidelines:
- A. Checks issued for cash advances, should not be cashed from un-deposited funds at the school.
  - B. Large amounts of cash should be adequately safeguarded. (Travelers checks, money orders, bank cashier checks, etc.)
  - C. Receipts must be obtained for all expenditures made.
  - D. Travel advance moneys, less the expenditures verified by receipts and documentary evidence, must be immediately returned and deposited with the fund custodian who will issue a receipt for these unexpended funds

**Note: This is the least desirable method for handling travel costs.**

## **FINAL ACCOUNTABILITY**

Schools may elect to use one or a combination of several of the preceding methods to pay for student travel costs. Regardless of the methods in use, a statement of final accountability must be submitted by the authorized trip sponsor promptly after the completion of the trip.

This statement of final accountability will be the basis for removing travel authorization requests from the pending file of the fund custodian. Final accountability statements must include the following.

- A. Date of final accountability.
- B. Notation of advance funds received (amount, date and check number).
- C. Complete listing of itemized expenditures paid, together with documentary evidence of payment.
- D. Totals of cash or checks expended.
- E. Notation and totals of credit card or open account expenses.
- F. If advances received exceed documented expenditures, the amount returned to the fund custodian must be shown and verified by fund custodian receipt number.
- G. If expenses incurred exceed travel advances received, a request for additional reimbursement should be shown and verified by fund custodian check number.
- H. Signature acknowledgment of fund custodian indicating that acceptable final accountability has been attained.

### **CONTROL OVER FINANCIAL STATIONERY**

Stationery control of pre-numbered forms must be maintained by someone designated by the board of trustees. The individual so designated must not be involved in any other accounting function of the extracurricular fund. The following pre-numbered forms must be entered in the stationery control when received from the printer:

- 1. Fund custodian receipts.
- 2. Subsidiary receipts issued by other than fund custodian.
- 3. Activity tickets.
- 4. Gate admission tickets.
- 5. Checks.
- 6. Any other pre-numbered form.

Pre-numbered forms will be issued to the fund custodian, instructors or sponsors by the person designated to control stationery. The stationery control will contain the numerical sequence of receipts issued to the individual. All prior stationery issued must be numerically accounted for before additional stationery can be issued.

The individual receiving stationery supplies must be required to sign or initial a withdrawal slip in order to verify the issuance of the supplies.

## **CHANGE FUND**

A change fund may be necessary for making change at athletic events, concessions and other student activities. The amount of change needed should be determined by the board of trustees or its designate at the start of the school year. The change fund may be established by:

1. The preferred method of establishing a change fund would be to issue a check against the bank control account, thereby reducing the cash in the bank account and increasing the cash on hand account.
  - A. This cash will be retained throughout the year and would then be redeposited separately at the end of the school year.
  - B. This change fund will not be needed for reconciliation to the bank statement, but must be considered in reconciling the total cash (Total cash = checking, investment and cash on hand) to the total of all individual fund account balances.
2. The practice of issuing receipts for the redeposit of change funds should be avoided. This overstates "revenue". Change funds do not affect revenues or expenditures. Change funds only affect whether the money is in the bank or cash on hand.

## **BOOKKEEPING SYSTEMS AND PROCEDURES**

Refer to 20-9-504, MCA.

## **RECEIPTING PROCEDURES AND REQUIREMENTS**

Fund custodian receipts and subsidiary receipts must be issued immediately upon each collection.

Checks should be endorsed with the "for deposit only" stamp immediately upon receipt.

1. **Receipting by fund custodian.**

- A. The pre-numbered receipts must consist of the original and one copy. (Sample on following page.)

**SAMPLE RECEIPT OF FUND CUSTODIAN**

**RECEIPT**

\_\_\_\_\_ Extracurricular Fund No. \_\_\_\_\_  
\_\_\_\_\_ Montana \_\_\_\_\_ 2 \_\_\_\_\_

Received of \_\_\_\_\_  
Source \_\_\_\_\_

Credit \_\_\_\_\_ Fund Account

Cash \_\_\_\_\_

Check \_\_\_\_\_ Fund Custodian \_\_\_\_\_

Note: Receipt should be in Duplicate

B. Fund custodian receipts must contain the following information:

- \* Date of receipt issued.
- \* Payer (sponsor or student paying money to fund custodian.)
- \* Amount received by fund custodian.
- \* Purpose or source of collection.
- \* Designated fund or funds to which the cash is to be deposited.

C. The most active fund accounts may be preprinted on the receipts so that the fund custodian could merely check that fund or the funds to which the collection will be deposited. (Sample on next page)

- \* Fund custodian's signature.
- \* Duplicate copy of receipts retained by fund custodian in numerical order and used as source document for posting to the register.

**SAMPLE RECEIPT OF FUND CUSTODIAN**

**OFFICIAL RECEIPT  
HIGH SCHOOL EXTRACURRICULAR FUND**

Date \_\_\_\_\_ Amount \$ \_\_\_\_\_

Received From \_\_\_\_\_

Source \_\_\_\_\_

Deposit to \_\_\_\_\_ Fund Account, or

Athletics \$ \_\_\_\_\_ St. Council \$ \_\_\_\_\_

Shop \$ \_\_\_\_\_ Chorus \$ \_\_\_\_\_

Signature \_\_\_\_\_

Fund Custodian

Note: Receipts must be pre-numbered, in duplicate and may be modified to meet individual needs of each school.

**2. Receipting subsidiary/money received by someone other than fund custodian**

- A. Each collector must be issued pre-numbered subsidiary receipts and be held responsible for these receipts through the stationery control procedures as established.
- B. Subsidiary receipts should contain the same basic information as receipts above. (Sample below)

**SAMPLE OF SUBSIDIARY RECEIPTS**

**RECEIPT**

No \_\_\_\_\_

Date \_\_\_\_\_, 2\_\_\_\_

Received From \_\_\_\_\_

Source \_\_\_\_\_

Fund Account \_\_\_\_\_

Amount \$ \_\_\_\_\_

- C. These collections must be deposited promptly (set a policy, such as weekly deposits) with the fund custodian.
- D. With each deposit of subsidiary collections to the fund custodian, a report form (design your own or ask another clerk) must accompany such deposit containing the following information:
  - \* Inclusive subsidiary receipt number included in the deposit.
  - \* Total money collected.
  - \* Signature of person depositing cash.
- E. The fund custodian, upon receipt of these subsidiary collections, will issue a pre-numbered receipt showing the following information:
  - \* Subsidiary receipts numbers involved.
  - \* Amount collected.
  - \* Person who turned in the collection.

The fund custodian's fund amount must balance with the total money collected shown on the form accompanying the deposit.

## **DEPOSITING OF RECEIPTS**

Fund custodian collections must be deposited regularly (set a policy) to the extracurricular fund bank account. The frequency of such deposits will be dependent upon the following conditions:

1. The enforcement of security provisions and the adequacy of safe keeping at the school.
2. The amount held between deposits must not exceed the maximum coverage of burglary insurance.
3. However, on the closing day of each month, with the exception of the change fund, all cash remaining on hand should be deposited. (Change fund cash will usually remain on hand until the end of the school year.)
4. Deposit slips must show the receipt numbers that, when totaled, correlate with the

deposited amount. This will assure that receipts are deposited intact.

## CASHING OF PERSONAL, EXTRACURRICULAR CHECKS & SCHOOL WARRANTS

The cashing of personal, extracurricular fund checks or school district warrants from un-deposited cash on hand is **absolutely prohibited**. Such a practice greatly reduces and weakens internal control.

## ENTERING RECEIPT DOCUMENTS TO REGISTER

1. The entering of receipt documents to the register may be performed by one of two methods:
  - A. Each receipt number is entered individually to the register in numerical sequence. The amount of each receipt document is entered to the receipt column of the individual fund account and to the receipt column of the cash control account.
  - B. In schools where the fund custodian issues a large volume of receipts, the receipt documents may be "batched" for entry to the register. However, each "batch" must coincide with a receipt entry to the cash control column and be deposited intact. The amounts of each "batch" will also be entered to the appropriate columns of the individual fund accounts.

A summary must be prepared and attached to the receipt documents showing the receipt numbers included, a breakdown of individual fund accounts and the amount for each fund.
2. Voided receipt documents should be listed, marked as "voided" in the register and all copies retained for audit.
3. Receipt documents must be entered to the register on a timely basis, at least monthly.
4. Canceled or voided checks, which have been previously recorded in the register, should be reflected by an adjusting entry of the fund custodian. The check number and reason for cancellation or voiding should be noted. The adjustment should be entered to the individual account or accounts that the check was originally drawn against and to the bank control account. The canceled or voided checks will then be deleted from the listing of outstanding checks.
5. Non-sufficient funds checks will be held as cash items for reconciling purposes until accepted by the bank, replaced or written off.

6. All receipt columns of the register must be totaled monthly. Totals of individual fund account receipts are to be entered to the appropriate receipt column of the monthly report to the board of trustees.

### **SAMPLE OF RECEIPTS FOR MONTH ENDING**

\_\_\_\_\_ EXTRACURRICULAR FUND

RECEIPTS FOR MONTH OF \_\_\_\_\_, 2 \_\_\_\_\_

<u>RECEIPT</u>	<u>RECEIVED OF</u>	<u>PURPOSE</u>	<u>AMOUNT</u>	<u>ACCOUNT</u>	<u>DATE</u>
132	Sam Hunt	Annual Ads	25.00	Annual	03-01-93
133	Joe Cool	Ski Trip	50.00	St. Council	03-15-93
134	Jane Doe	Gate-Play	20.00	Sp& Drama	03-31-93
TOTAL			\$95.00		

7. When entering receipts, expenditures, or transfer documents to the registers, it must be remembered that the total of the individual fund account balances must equal the combined balances of the cash control and bank control at all times during the month.

### **ENTERING OF DEPOSITS TO REGISTER**

Receipts deposited to the extracurricular fund bank account should be entered to the register by recording:

1. The date of the deposit.
2. The inclusive numbers of receipts being deposited.
3. The amount of money deposited should be recorded as an entry increasing the bank control account and decreasing the cash control account.

### **INTRA-FUND TRANSFERS**

Transfers of money from one student fund account to another is allowed only when such transfer is justifiable and supported by proper authorization.

All transfers made must be recorded on a transfer request form. Transfer request forms may be printed and available in the schools if desired. A suggested type of transfer request form is shown below.

Transfer forms should contain provisions for the following:

1. Name of school, date and space for transfer number.
2. Reason for transfer.
3. Amount of funds to be transferred.
4. Name of fund accounts affected.
5. Approval of fund account sponsor, president or treasurer.
6. Approval by the designee of the board. (Normally, the school principal or superintendent.)
7. Posting verification and reference by the fund custodian.

Transfer request forms may consist of only an original. However, larger schools may require duplicate copies to be retained by the fund account sponsors involved.

Approved transfer requests should be submitted to the fund custodian who will then assign a number to the transfer request.

Upon entering the transfer document to the register, the fund custodian should retain and file the original transfer requests in numerical order.

**SAMPLE OF TRANSFER AUTHORIZATION**

**HIGH SCHOOL EXTRACURRICULAR FUND  
TRANSFER REQUEST AND AUTHORIZATION**

DATE \_\_\_\_\_, 2\_\_\_\_ TRANSFER NO. \_\_\_\_\_

TO THE FUND CUSTODIAN:

Please transfer \$ \_\_\_\_\_ from \_\_\_\_\_ Fund Account

To \_\_\_\_\_ Fund Account

Reason: \_\_\_\_\_  
\_\_\_\_\_

Transfer Approved By: \_\_\_\_\_  
President or secretary of club disbursing funds.

Fund Administrator \_\_\_\_\_

Transfer Entered To Register

By: \_\_\_\_\_ Date \_\_\_\_\_  
Fund Custodian

**ENTERING OF TRANSFER DOCUMENTS TO REGISTER**

Approved transfers between individual fund accounts will be reflected in the register by the fund custodian as follows:

1. Enter date of transfer.
2. Enter brief description of reason for transfer.
3. Enter transfer number.
4. Make appropriate entries to increase and decrease the amounts of the individual fund accounts involved. (Sample on next page)

## SAMPLE OF INTRAFUND TRANSFERS

EXTRACURRICULAR FUND  
**STATEMENT OF INTRA-FUND TRANSFERS**  
Month Ending \_\_\_\_\_, 2\_\_\_\_

Transfer	Source	Destination	Acct #	Acct Purpose	Amount	Date
1	Concessions	Class 1993			742.85	03-31-93
2	Concessions	Class 1994			594.28	03-31-93
3	Concessions	Class 1995			445.71	03-31-93
4	Concessions	Class 1996			297.14	03-31-93
5	Concessions	Class 1997			148.57	03-31-93
6	Concessions	Class 1998			148.57	03-31-93
TOTALS					2,377.12	

### NON-SUFFICIENT FUNDS CHECKS (BAD CHECKS)

1. Checks which have been deposited by the fund custodian and are later returned by the bank as being N.S.F. are to be carried as cash items on hand.
2. N.S.F. checks which have been returned should be immediately re-deposited on a separate deposit slip.
3. If an N.S.F. check is returned more than once, the fund custodian should notify the author of the check and attempt to make collection.
4. If cash or other replacements are made for the N.S.F. check, the proceeds should again be redeposited on a separate deposit slip.
5. If N.S.F. checks are being held as cash items at the end of the month, consideration must be given to include this amount when reconciling the cash on hand.
6. If N.S.F. checks are determined to be uncollectible by the fund custodian, the fund custodian should seek collection assistance from the county attorney. If all collection attempts fail, the fund custodian should then submit a memo to the board of trustees requesting authorization for cancellation. Such a memo should include:

- \* Date of check.
  - \* Author of check.
  - \* Amount of check.
  - \* Purpose of check.
  - \* Fund account check was receipted into.
  - \* Cancellation authorization by the board.
7. If the board authorizes cancellation of an N.S.F. check, entries should be made in the bookkeeping register to reduce the cash control receipt balance and the receipt balance of the individual fund accounts involved.
  8. Records of cancellation authorization must be maintained by the fund custodian.

## **DISBURSING PROCEDURES AND REQUIREMENTS**

All extracurricular fund disbursements must initiate with and be authorized by representatives of the fund account to which the disbursement will be charged. Since the volume of activity fund accounts varies greatly between school districts, alternate methods for documenting purchase authorizations have been developed. Method "A" has been tailored for the smaller districts, while Method "B" may be required in the larger districts where stricter internal control will be necessary and feasible. The board of trustees must include in the extracurricular policy guidelines the method which the district intends to adopt.

### Method "A":

Smaller districts may initiate each purchase with a single copy (disbursement authorization) containing the following information:

1. Name of vendor and payee.
2. Date of order.
3. Fund account or accounts to be charged.
4. Detailed description of items or services purchased.
5. Signatures required.
  - A. Fund account sponsor approval.

B. Fund account president or treasurer approval.

C. Fund custodian verification that funds are available.

\* Required in order to lessen the possibility that the purchase will result in a cash overdraft condition.

6. Verification of receipt of goods or services (receiving reports or packing slips.)

Following payment, the fund custodian should indicate the check number and date of payment on the disbursement authorization and file it with the invoice attached.

Method "B":

Larger districts may utilize a combination of requisition/purchase order consisting of an original and two copies. These requisition/purchase orders contain the following information:

1. Name of vendor and payee.

2. Date ordered.

3. Fund account or accounts to be charged.

4. Detailed description of items or services purchased.

5. Signatures required.

A. Fund account sponsor approval.

B. Fund account president or treasurer approval.

C. Fund custodian verification that funds are available.

\* Required in order to lessen the possibility that the purchase will result in a cash overdraft condition.

6. Upon receipt of the merchandise or services purchased, the lower portion of the requisition/purchase order should be completed as follows:

A. Date received.

- B. Verification of receipts of goods and service.
7. The distribution of the three-part requisition/purchase order is as follows:
- A. Original copy to vendor.
  - B. Duplicate copy to fund custodian.
  - C. Triplicate copy to fund account treasurer.

Following payment, the fund custodian should indicate the check number and date of payments on the requisition/purchase order and file it with the invoice attached.

### **DISBURSING**

1. Preparing invoice for payment.
  - A. All invoices must be matched up and attached to the disbursement authorization or the requisition/purchase order.
  - B. Verification of receipt of goods must be obtained.
  - C. All invoices must be checked for arithmetic accuracy by the fund custodian before payment is made.
2. Preparation and issuance of checks.
  - A. All checks should contain the following information:
    - \* Name of account.
    - \* School district name and student extracurricular account number.
    - \* Checks must be pre-numbered.
    - \* Date of issue.
    - \* Payee-Checks made payable to the vendor whose name appears on the invoice and disbursement authorization or requisition/purchase order.
    - \* Amount of check.
    - \* The check or check stub should indicate the fund account or accounts to which disbursement is to be charged.
    - \* Dual signature required: Fund custodian, superintendent, principal, board chair, or secretary/clerk.
  - B. Check number and date of check should be entered on the lower portion of the

disbursement authorization or requisition/purchase order copy retained by the fund custodian.

C. No checks should be made payable to cash or to those people who are in charge of the fund accounts.

D. No checks should be issued from one fund account to another fund account. Such transactions should be handled as intra-fund transfers.

### **ENTERING OF DISBURSING DOCUMENTS**

1. All disbursements should be made by check. No disbursements should be made from available cash on hand.
2. All checks issued must be entered to the register individually and in numerical sequence. The amount of each check should be entered to the disbursement column of the individual fund account and the disbursement column of the bank control account.
3. All voided checks must be accounted for and available for audit.
4. Checks must be entered to the register on a timely basis.
5. All disbursement columns of the register must be totaled monthly. Totals of individual fund account disbursements should be entered to the appropriate disbursement columns of the monthly report to the board of trustees.
6. When entering disbursements, receipts, or transfers to the registers, it must be remembered that the total of all individual fund account balances must equal the combined balance of the cash control and bank control balances at **all** times during the month. (Sample below)

### **SAMPLE OF DISBURSEMENTS FOR MONTH ENDING**

#### **EXTRACURRICULAR FUND**

DISBURSEMENTS FOR MONTH OF \_\_\_\_\_, 2\_\_\_\_

<u>CK#</u>	<u>P.O.#</u>	<u>TO WHOM</u>	<u>PURPOSE</u>	<u>ACCOUNT</u>	<u>AMNT</u>	<u>DATE</u>	<u>STATUS</u>
101	1001	Pennington's	Supplies	Concessions	100.00	3-10-93	Returned
102	1002	Foto Finish	Pictures-Devel	Annual	10.00	3-15-93	Outstanding
103	1003	Showdown	Ski Trip	St. Council	50.00	3-17-93	Returned

TOTAL

\$160.00

7. Bank service charges, check printing costs and bank overdraft charges must be entered as disbursements in the register by means of adjusting entries. The fund account charged for the costs should be pre-determined and designated by the fund administrator. Appropriate adjusting entries must be made to reduce the bank control account and the designated individual fund account.

### **FILING OF BOOKKEEPING RECORDS**

1. Invoices and disbursement authorizations or requisition/purchase orders should be attached together and filed by one of the following methods:
  - A. An individual file folder may be made for each fund account with the folder containing all disbursement documentation for that fund for the fiscal year in chronological order.
  - B. All disbursement documentation should bear reference to the check number and may be filed in the numerical order of the checks issued.
2. Canceled checks may be filed by one of the following methods:
  - A. Filed numerically by fiscal year after reconciliation.
  - B. Filed numerically by month and intact with monthly bank statements.
3. The filing of month-end bank statements will be dependent upon the method used for filing canceled checks. (See 2-B above.)
  - A. If 1-B method is used, then month-end bank statements should be filed together by the fiscal year.
  - B. 2-B will cause month-end bank statements to be filed with monthly canceled checks.
4. Intra-fund transfers should be filed in numerical order by fiscal year.
5. Receipts should be filed in numerical order by fiscal year.
6. Monthly reports to the board should be filed by month, by fiscal year.

7. All other documentation should be filed together by fiscal year.

## **MONTHLY RECONCILIATIONS OF EXTRACURRICULAR FUND ACCOUNTS**

1. Each month all receipt and disbursement columns of the register must be totaled.
2. Each control account balance and individual fund account balance must be verified in the following manner:
  - A. Beginning balance.
  - B. Add: Receipts for month.
  - C. Less: Disbursements for month.
  - D. Transfers.
  - E. Ending balance.
3. The total of all individual fund accounts must be in balance with the combined total of the cash control and bank control accounts.
4. Any remaining balance shown in the cash control account at the end of each month must be reconciled and identified as to the source. (i.e., change fund, un-deposited receipts, N.S.F. checks, etc.)
5. The balance shown in the bank control account must be reconciled to the bank statements received from the depository bank each month. Evidence of this reconciliation must be available for inspection.
6. The reconciliation of bank accounts is to be made as follows:
  - A. Balance per bank statement.
  - B. Add: Deposits in transit (deposited by fund custodian but not yet received by the bank.)
  - C. Less: Outstanding checks (checks entered to the register but not yet cashed by

bank.)

- D. Less: Monthly bank charges or costs, if any, not yet entered to register.
- E. Resulting reconciled bank statement must equal register bank control account.

**SAMPLE OF TOTAL FUND RECONCILIATION**

\_\_\_\_\_ EXTRACURRICULAR FUND  
STATEMENT OF CASH ON HAND, BANK BALANCES AND TOTAL FUND  
RECONCILIATION

MONTH ENDING \_\_\_\_\_, 2\_\_\_\_

Cash on Hand:..... 426.25  
Checking Statement Balance:..... 10,056.87  
  
Outstanding Deposits (In Transit)..... 859.64

OUTSTANDING CHECKS THROUGH FEBRUARY

160 Coca-Cola West	02-23-93	149.40
164 Pennington's	02-25-93	613.00

Outstanding Checks:.....-762.40  
  
Bank Balance:..... 10,154.11  
Investment Balance:..... 0.00  
Savings Balance:..... 12,088.58  
  
Adjusted Balance:..... 22,242.69  
Balance From Ledger:..... 22,242.69  
  
Balance From Ledger + Cash on Hand:..... 22,668.94

Cash on Hand:\*.....426.25

Adjusted Balance + Cash on Hand:.....22,668.94

\*Includes cash, NSF checks and change fund.

### **MONTHLY REPORT TO THE BOARD OF TRUSTEES**

Each month-end the fund custodian will have the responsibility of reconciling all individual fund account balances to the total of the control account balances. Reports of this reconciliation and fund activity must be presented to the board of trustees for their review with the following information:

1. Statement of receipts, disbursements and fund balance.
  - A. Fund account.
  - B. Beginning monthly balance of each fund account.
  - C. Receipts of each fund account.
  - D. Disbursements of each fund account.
  - E. Transfers of each fund account.
  - F. Ending monthly balance of each fund account.
  - G. Initials of fund account sponsor and president and/or treasurer acknowledging that fund account receipts, disbursement, transfers and balances are correct.
  - H. Signed by the fund custodian and approved by the board chairman.
2. Monthly bank and fund reconciliation
  - A. Name of bank and amount shown on the bank statement.
  - B. Investments, if applicable. (Type of investment, certificate of deposit numbers, passbook savings numbers, etc.)

- C. Deposits in transit.
  - D. Outstanding checks.
  - E. Bank service charges not entered in register.
  - F. Reconciled bank balance
  - G. Cash on hand.
  - H. Total fund reconciliation.
3. Transfers
- A. Transfer number.
  - B. Account transferred from.
  - C. Account transferred to.
  - D. Amount of transfer.
  - E. Authorization of transfer.

**SAMPLE OF TOTALS REPORT GIVEN TO  
BOARD OF TRUSTEES, ADVISORS, AND STUDENT  
REPRESENTATIVES**

\_\_\_\_\_ EXTRACURRICULAR FUND  
STATEMENT OF RECEIPTS, DISBURSEMENTS, TRANSFERS AND FUND BALANCES

Month Ending \_\_\_\_\_, 20\_\_\_\_

FUND	BEGINNING BALANCE	RECEIPTS	DISBURSE- MENTS	TRANS- FERS	ENDING BALANCE
Athletics	\$6,000.00	\$15,000.00	\$10,000.00	\$50.00	\$11,050.00
St. Council	483.12	2,000.00	814.18	10.00	1,678.94
Class 1993	2,000.00	3,000.00	2,000.00	10.00	3,020.00
Concessions	2,000.00	10,000.00	5,000.00	-70.00	6,940.00
<b>TOTALS</b>	<b>\$10,483.12</b>	<b>\$30,000.00</b>	<b>\$17,814.18</b>	<b>\$ 0.00</b>	<b>\$22,668.94</b>

Signed \_\_\_\_\_  
Fund Custodian

\_\_\_\_\_  
Board Chairperson

## **DESTRUCTION OF RECORDS**

1. State guidelines.

20-1-212, MCA. **Destruction of records by school officer.** (1) Upon the order of the board of trustees, a school officer may destroy records that have met the retention period, as contained in the local government records retention and disposition schedules, and, with written approval of the local government records destruction subcommittee provided for in 2-6-403, any records not referenced in the retention and disposition schedule that are no longer needed by the office. (2) Student records must be permanently kept, and employment records must be kept for 10 years after termination.

Note: The Montana Historical Society, State Archives, is interested in preserving those school records which are of archival value and will assist in the preparation of a records schedule. See attached SDR XII-1, Page 41.

## **REPORTING OF ACTIVITY FUND ON DISTRICT'S TRUSTEE REPORT**

The 1989 legislature passed House Bill 16, which required that school districts maintain accounting systems based on generally accepted accounting principles (GAAP) and that the Superintendent of Public Instruction adopt rules necessary to implement this requirement. The Superintendent of Public Instruction is authorized to supervise public school financial administration and is required to adopt rules establishing requirements for budgeting and financial administration of public school districts, including accounting and reporting requirements.

The new legislation also provides that the Board of Public Education may order state and/or county equalization aid withheld from a school district which fails to submit reports or budgets as required by law or rules adopted by the Board of Public Education.

Extracurricular fund activity should be reported as a trust fund on the Trustee Financial Summary under fund number 84. - TFS

## **DEFINITION OF TERMS**

### **BOOKKEEPING SYSTEM**

The procedure of analyzing, classifying and recording transactions in accordance with a preconceived plan for the purpose of:

- A: Providing a means by which an enterprise may be conducted in an orderly fashion.
- B: Establishing a basis for reporting the financial condition of the enterprise and the results of its operations.

### **DISBURSEMENT AUTHORIZATION**

A document initiated by a club, advising the fund custodian that a purchase has been made and that an invoice from the vendor will be forthcoming.

### **FISCAL YEAR**

The extracurricular fund accounting period from July 1, 2\_\_\_ to June 30, 2\_\_\_.

### **FUND ACCOUNTS**

Clubs or activities of the extracurricular fund that collectively make up the financial operation and position of the extracurricular fund.

### **FUND ADMINISTRATOR**

The individual designated by the board of trustees to administer the extracurricular fund.

### **FUND CUSTODIAN**

The individual appointed by the board of trustees to receipt, disburse and maintain the records of the extracurricular fund.

### **FUND OVERDRAFT**

The amount by which demands for payment exceed the amount of the credit against which they are drawn for a particular fund account.

## **INTERNAL CONTROL**

A plan of organization under which employee duties are so arranged and records and procedures so designed as to make it possible to exercise effective accounting control and safeguarding over assets, liabilities, revenues, and expenditures.

## **OPERATING STATEMENT**

A statement summarizing the financial operation of the extracurricular fund for an account period.

## **REQUISITION/PURCHASE ORDER**

A document which authorizes the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

## **REGISTER**

A record for the consecutive entry of a certain class of documents or transactions, with a proper notation of all the required particulars. Common registers would be a receipt register, a disbursement register and a combined receipt, disbursement and fund balance register.

## STUDENT ACTIVITY JARGON LIST

<b>A.D.</b>	Athletic Director
<b>B.P.A.</b>	Business Professionals of America
<b>“ _ “ Club</b>	School Athletic Club
<b>BBB</b>	Boys Basketball
<b>CLOSE-UP</b>	Government Class group that travels to Washington, D.C.
<b>FB</b>	Football
<b>FFA</b>	Future Farmers of America
<b>FCCLA</b>	Family, Career and Community Leaders of America
<b>Frosh</b>	Freshman
<b>GBB</b>	Girl’s Basketball
<b>J.H.</b>	Junior High
<b>J.V.</b>	Junior Varsity
<b>Jr.</b>	Juniors
<b>NHS</b>	National Honor Society
<b>MOA</b>	Montana Officials Association
<b>MTI</b>	Montana Teen Institute
<b>P.O.</b>	Purchase Orders
<b>S.A.</b>	Student Activity
<b>S.C.</b>	Student Council
<b>Soph.</b>	Sophomores
<b>Sr.</b>	Seniors
<b>V.I.C.A.</b>	Vocational Industrial Clubs of America
<b>VB</b>	Volleyball

## SAMPLE POLICY Example 1

\_\_\_\_\_ School District

### FINANCIAL MANAGEMENT

#### Extra- and Co-Curricular Funds

The Board is responsible for the establishment and management of student extra- and co-curricular funds. The purpose of student extra- and co-curricular funds shall be to account for revenues and disbursements of those funds raised by students through recognized student body organizations and activities. The funds shall be deposited and expended by check in a bank account maintained by the District for student extra- and co-curricular funds. The use of the student extra- and co-curricular funds is limited to the benefit of the students. Students shall be involved in the decision-making process related to the use of the funds.

The Board shall follow the Guideline to Student Activity Funding Accounting in establishing accounting procedures for administration of the student extra- and co-curricular funds and appoint a fund administrator.

Specific procedures are available in the office of the business manager.

Legal Reference	§ 2-7-503(d), MCA	Financial reports and audits of local government entities
	§ 20-9-504, MCA	Extracurricular fund for pupil functions

#### Policy History

Adopted on:

Revised on:

From MSBA Policy Manual

**SAMPLE POLICY Example 2**

\_\_\_\_\_ School District

**Financial Management**

Extracurricular Fund Policy

The Board, on behalf of the students, established an extracurricular fund for the purposes of receipts and expenditures pertaining to extracurricular functions. The ultimate responsibility of administering extracurricular funds rests with the Board. Any admission of new funds to the extracurricular fund must be first approved by the Board.

Moneys of any student organizations are deposited by receipt and expended by check from a bank account maintained for the extracurricular fund. This bank account is reconciled with each student fund on a monthly basis. Interest earned on this account is distributed to each fund on a prorated basis.

An automated activity accounting system provides internal control of cash receipts and expenditures. Receipts, expenditures, and transfers are maintained through authorization of the fund treasurer, advisor, district secretary, activities director, and district clerk.

Activity tickets are sold to adults and students through the central office receipting procedure. Accountability for admission charged activities follows a pre-numbered ticket reconciliation with the money collected.

Change funds are established by issue of a check from each particular fund and redeposited at the end of the season. Deposits are made to a banking institution on a biweekly basis. Non-sufficient fund checks are handled by the district clerk on a one to one basis with the individual.

A fund custodian submits an end-of-month report, an annual report, and a year-to-date report for accountability in all funds. The following forms should be attached to the report:

Receipts, checks, transfers, purchase orders, vouchers, claims, requests for transportation, monthly reconciliation, year-to-date statement, annual report.

Policy History:

Adopted On:

Revised On:

MONTANA LOCAL GOVERNMENT RETENTION AND DISPOSITION SCHEDULE \*

SCHEDULE TITLE: **SCHOOL DISTRICTS**

**XII. EXTRACURRICULAR FUNDS RECORDS**

<b>EXTRACURRICULAR FUNDS</b>		
Extracurricular Funds (Activity Accounts, Student Association)		
Record Series Title and Description	Retention and Disposition	Citation / Comments
1. Audit Reports	3 years if filed with state, if not filed with state than permanent	
2. Bank Statements (paid checks, deposit tickets, other items)	8 years; destroy	
3. Claims and/or Vouchers	8 years; destroy	
4. Contracts and/or Agreements	8 years after expiration; destroy (retention period begins at the time the records are created)	
5. Fund Transfer Authorizations	8 years; destroy	
6. Inventory		
a. Equipment	a. Permanent	
b. Stock-in-Trade	b. 8 years; destroy	
7. Investments		
a. Certificates of Deposits (CD)	a. 8 years; destroy	
b. Savings accounts	b. 8 years; destroy	
c. Money market accounts	c. 8 years; destroy	
d. Other investment accounts	d. 8 years; destroy	

8. Ledgers (activity records and/or accounts	8 years; destroy	
9. Minute Books (student and school district)	Permanent	
10. Purchase Orders	8 years; destroy	
11. Records on Nonsufficient Fund Checks	8 years; destroy	

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SDR XII-1

\* copied from Record Retention Schedule Issued by Secretary of State.