

Student Activity Fund Frequently Asked Questions

1. I have a student account that will potentially be in the red at the end of the fiscal year.

What should I do?

- a. Communicate with the Principal and Advisor to review the expenditures and determine if there are expenditures that could be reimbursed by other funding sources (i.e. general fund, miscellaneous, etc.). If that is not possible, then additional spending should not occur until additional fundraising activities occur. Review your local district policy and procedures for guidance as to what happens with extra-curricular accounts that are in the negative.

2. Can student clubs or classes donate their funds to other organizations like the local food bank?

- a. Yes, but it must be documented in the minutes for the student club or class, the other organization must be a not-for-profit or 501(c)(3) and it must be student driven. In addition, it is important that clubs consider the purpose of all fundraisers and if funds were not raised to donate to another organization it may not be an acceptable expenditure.

3. The track team wants to fundraise for a new track, what is the best way for that to happen?

- a. This type of expenditure should not be fundraised or purchased through student extracurricular funds. It is the recommendation of MASBO to utilize the District's fund 15-miscellaneous programs account to deposit funds raised for the purchase of a new track. Once all funds have been raised then all bidding and purchasing procedures should occur in accordance with District policies. In general, capital assets should not be purchased with student extra-curricular funds.

4. Should athletics be operated through fund 84 or fund 15?

- a. Fund 15. However, it has been a long-time practice for many districts to operate their athletic programs through fund 84 and have found it to be an acceptable practice by many auditors. However, MASBO recommends that whenever possible athletic fundraising and operations should occur in fund 15. If a district is currently operating athletics in fund 84, it is not recommended that a district change unless it chooses to do so or it is recommended by their auditor. Why fix what isn't broken? Remember, fund 84 should be student-driven, student-organized, and for the benefit of students. Oftentimes, athletic expenses include coaching supplies, uniforms, etc. and generally students are not making decisions on how funds are expensed in athletic programs.

5. Our Booster Club wants to donate new volleyball uniforms, is that okay?

- a. Yes and no. There are many things to consider when accepting donations from school support organizations, such as any Title IX implications. It is important to remember that under Title IX outside funds or donations for athletics programs, whether contributed by booster clubs or other private donors, once accepted by the school become public funds and are subject to Title IX's legal obligations in their disbursement. So, if a school were to accept this donation, they must then ensure they allocate funds from other funding sources to the other gender. In essence, Booster Clubs and other support organizations are not subject to the rules and regulations of Title IX and schools can not use the source of the funding as a way to justify discrimination between genders. Schools should not accept a donation that would create a hardship for the district to provide equitably for the other gender.

6. The student council voted to recognize one teacher a month as the "Teacher of the Month" and give them a gift card for dinner, is that allowable?

- a. No. First, MASBO does not recommend the purchase of gift cards from student extra-curricular funds for any reason, and secondly student extra-curricular funds are restricted to benefit students exclusively. In addition to the aforementioned reasons, Districts should also consider the IRS implications when providing gift cards to employees. Cash or cash equivalent items provided by the employer are never excludable from income. Gift certificates that are redeemable for general merchandise or have a cash equivalent value are not de minimis benefits and are taxable.

7. Do I include vendors paid from student activities in my 1099's?

- a. Yes, any vendors, including referees/officials, who meet the requirements for receiving a 1099 should be issued a 1099. If you are issuing a 1099 to a referee/official, do not include their travel reimbursement in the 1099 calculation. Additionally, if you are using MHSA Arbiter to pay referees/officials, you do not need to manually distribute 1099's for those individuals.

8. Are PO's required for student activity purchases?

- a. Refer to your district purchasing policy. Extra-curricular funds are district funds, so they should follow the same policies and procedures of any other expenditures.

9. Is student activities required to be included in the TFS and if so, how do I go about that?

- a. a. Report student extracurricular accounts held by the county treasurer and those accounts outside the county treasurer (e.g., separate checking accounts) as Student Extracurricular Activities Fund (84) financial activity. If the combined elementary and high school district shares one Extracurricular Activities Fund (84), combine all activities and report it on either the elementary or high school district's TFS. Note: A district needs to be consistent in reporting from year to year when combining the Extracurricular Activities Fund (84) into one report.

10. Can I house Booster Club, PTA or other organizations funds in my student activities account?

- a. No, those funds should be held and managed by the organization. Student extra-curricular funds are restricted to benefit students exclusively and should be student driven, therefore, it would be inappropriate for other organizations to house their funds with the district in the student activity funds.

11. If large equipment is purchased by student activities does it go on my school's capital assets list?

- a. Yes, if the equipment meets the requirements of your district policy then it should be included on the capital asset list. It is the recommendation of MASBO to make all capital expenditures out of different funds (other than the student activity accounts), not fund 84, to assist with this reporting.

12. Can I transfer other school funds to the student activities fund?

- a. No, it is recommended that in this case expenditures be recoded. A fund can reimburse expenses, but transfers are not allowable. Please refer to OPI's [Transfer Matrix](#) in their accounting guidance and materials.

13. It says that the fund is only for student use, can I still pay for chaperone fees for a student activity trip?

- a. Yes, that would be an appropriate expense since the chaperones are required for student travel. However, it is recommended that when the student club or organization plans a trip it is noted in their minutes which expenses will be paid from fundraising efforts.

14. If the students raise a lot of money, are they restricted to per diem amounts outlined by law for meals?

- a. The limitation regarding meals provided to students/staff are based on federal IRS regulations to ensure the amount is not taxable as a fringe benefit. Generally, if a District pays a per diem allowance in lieu of reimbursing for the actual expense of the meal, the amount is limited to the per diem allowances defined in MCA 2-18-501.

15. Can we provide scholarships to students who can't afford school activity fees from the student activities fund?

- a. The funds that are raised within the student activity accounts are required to be spent within the discretion of the Board of Trustees. The Board should have a policy regarding student fees - 3520 - If the Policy allows the fees to be waived in case of financial hardship, an equitable procedure shall be conducted to establish financial hardship. If this is established for a particular student, it would be acceptable (at the discretion of the student organization)

that the fee be paid from the student activity funds as opposed to waiving (or scholarship) of the fee.

16. Should Gate Receipts be collected through fund 84 or fund 15?

- a. Fund 15. Typically gate receipts are used to offset the cost of operating athletic programs. These programs are a District expense as opposed to a student organized activity. Payroll expenses for gate ticket sales people should be coded to fund 15.

17. What happens to remaining funds for the senior class when they graduate?

- a. The funds that are raised within the student activity accounts are required to be spent within the discretion of the Board of Trustees.

18. How do payroll expenses get recorded in the student activity accounts?

- a. If a student led organization conducts a fundraiser that requires compensation to staff including referees (tournaments for fundraisers), camp counselors/administrators, custodians, cooks, Audio Visual Technicians/ Bus Drivers, how do these payroll expenses get reported within the student activity account that is benefiting or collecting the revenue related to the camp/tournament/trip.
 - i. Process payroll; Record the expense using fund X15 within the District chart of accounts. Process a purchase order from the Student Activity Fund made payable to the District and deposit to the account code used for payroll to negate this transaction within the District chart of accounts. The net effect should be a net-zero payroll transaction on the District trial balance and an expense reported in the student activity account as a result of the student activity account purchase order processed.