

### **Student Activity Fund**

All monies held by the Jaffrey-Rindge Cooperative School District (the “district”) on behalf of students are maintained in the Student Activity Fund (the “SAF”). For financial reporting purposes, the SAF is classified as an Agency Fund. The district acts only as custodian and is responsible for holding the assets and receiving and disbursing them at the request of the authorized representatives. The importance of sound accounting procedures for the SAF is to document that the district acted within its authority as agent with regard to any transactions that take place in the SAF. All accounting functions are designed to achieve maximum control over the safeguarding of assets and the accurate reporting of these funds.

### **Student Activity Accounts**

The SAF consists of monies earned and received by various student groups. The assets of each student group are segregated into individual student activity accounts. These student activity accounts typically include class accounts, yearbook, student council, various clubs and sports. It is important that student activity accounts contain only student monies. Employee and convenience (such as coffee and sunshine) funds are not to be comingled with student activity accounts under any circumstances.

### **Student Activity Bank Accounts**

The assets of each school’s student activities are deposited in a school student activities bank account with a local financial institution.

### **Responsibilities of Advisors, Bookkeepers and Principals**

All student activity accounts must be managed by the principal or an activity advisor. The advisor or principal will deal directly with the activity account bookkeeper (the principal’s secretary or other designated individual). It is the responsibility of the bookkeeper to maintain the books and records of the student activity accounts and the school principal’s responsibility to insure that these regulations are followed.

In the case when dues or fees are paid by each member of, or participant in, an activity (such as class dues or field trip payments), the activity advisor must keep a record of all students eligible to pay dues or fees, with a cumulative record of such payments. Receipts for any dues or fees collected must be issued to the payee and a copy of all receipts shall be kept on file by year.

Each student group, class or club which engages in any financial transaction must have its monies maintained by the bookkeeper. No “private” accounts will be authorized or permitted. Likewise, all funds that do not belong to student groups (such as sunshine or coffee funds) and are for faculty purposes shall not be handled through the student activity accounts.

### **General Accounting Requirements for the Student Activity Fund**

The following general principals are required in accounting for student activity monies:

- The Jaffrey-Rindge school board shall be responsible for the Student Activity Fund and all student activity accounts in the district.
- The Student Activity Fund, student activity accounts and student activity bank accounts shall be audited annually.

- School employees are not authorized to borrow or loan money from the student activity accounts under any circumstances.
- Student activity monies cannot be used for the purchase of personal items for staff even if a reimbursement agreement exists.

### **Bookkeeping Procedures**

In order to ensure consistency throughout all schools within the district, all student activity bookkeeping functions will take place within the district's financial accounting system.

### **Cash Receipts**

Adequate segregation of duties between employees is imperative in an environment that routinely handles large amounts of cash.

A student activity deposit form must be completed by the activity advisor for all cash received from other sources (e.g. off-site collections such as bake sales). All currency and coins should be tallied and recorded on the deposit form and an adding machine tape should be attached for all checks and money orders. After the activity advisor has ensured that all monies have been accurately counted, all money and the completed deposit form should be given to the bookkeeper. The bookkeeper should verify that all information is complete and then sign the student activity deposit form as proof of receipt of the deposit and return a copy to the activity advisor. All funds become the responsibility of the district at the time a copy of the signed student activity deposit form is returned to the activity advisor.

There are often short time lags between collections and the preparation of deposits and/or the preparation of deposits and transportation to the bank. In these cases, the funds should be kept secure in a locked and fireproof vault or safe. Only authorized personnel should have access to such vaults or safes.

Ideally, one person, the bookkeeper, should be responsible for preparing the bank deposits. Deposits must be made at least weekly, so that no cash remains in the school office over a weekend. The bank deposit should be prepared in a secure area (preferably a separate locked room). At no time should the deposit be left unattended.

After depositing the funds into the bank account, a copy of the bank deposit receipt should be attached to the student activity deposit form and maintained in the appropriate student activity file.

Advisors from two approved student activities (Destination Imagination and high school athletic fundraising) are authorized to make deposits directly to student activity bank accounts. The activity advisors will prepare the student activity deposit form and bank deposit. Once the activity advisor has deposited the funds into the bank account, a copy of the student activity deposit form and original bank receipt will be turned over to the bookkeeper. The bookkeeper will then make the necessary accounting entries.

### **Disbursements**

A student activity request for payment form should be completed by the activity advisor to document all requests for disbursements. Requests for payments must include the complete name and address of the firm or person to be paid and the original invoice. All disbursements are subject to the district's approved purchasing/expenditure guidelines. Checks should not be made payable to "cash" or "bearer."

In order to comply with IRS regulations for issuance of 1099's, effective July 1, 2012 payment may only be issued to district approved vendors.

Payments to students or faculty members for reimbursement of personal funds expended for activity purposes are discouraged. Business should be conducted with providers that deliver materials and issue an invoice. Activity advisors should plan far enough in advance so that personal funds need not be used. The district does however acknowledge that this may not always be possible and will process reimbursement requests with appropriate documentation, including but not limited to, completed request for payment form, original receipts and proof of payment.

All checks are prepared by the bookkeeper and must be signed by two (2) authorized bank account signers. Unless indicated on the request for payment form, checks will automatically be mailed from the office. Checks will be given only to the activity advisor in other cases.

Checks are made void by printing VOID across the face of the check and tearing off the signature portion. Blank checks are to be kept in a locked location when not in use and are to be properly controlled and safeguarded at all times.

### **Bank Reconciliations**

All bank accounts should be reconciled monthly. All bank accounts will be reconciled using the bank reconciliation feature of the district's financial accounting system. The purpose of the bank reconciliation is to compare the bank balance with the student activity fund's book balance and to resolve/explain any differences. As errors are often identified during this process, reconciliations should be performed in a timely manner not to exceed 45 days after receipt of the monthly bank statement.

Because of the need for an adequate segregation of duties for internal control purposes, whenever possible employees directly responsible for cash collections or disbursements should not prepare the bank reconciliation. However, recognizing that segregation may not be possible, all reconciliations must be formally approved by the principal.

### **Internal Audit**

Effective March 2012, all principals will be responsible for performing an internal audit of their student accounts on a periodic basis, no less than quarterly. The internal audit will be a simple test of receipts, disbursements, reconcilements and bookkeeping procedures to insure that district policies and procedures are being followed. Principals will complete the Student Activity Principal Certification form and forward it to the superintendent on a quarterly basis.

### **Deficit Balances**

No individual group will be allowed to have a negative balance in their account. Disbursements will not be made for a group that does not have enough money in the account to cover the disbursement. If a transfer is needed to cover the disbursement it must be properly documented and approved by the advisors, activity treasurer and the principal prior to the disbursement being made.

### **Disposition of Inactive Accounts**

If an activity is deemed to be no longer active, the activity advisor should provide the bookkeeper with written disbursement instructions for the balance in the account. If nothing is to be done, the principal

will provide the bookkeeper with a written decision as to what to do with the balance, such as disbursing it among the remaining activity accounts.

Graduating class accounts cease to exist at graduation since the graduated students are no longer part of the student body and, therefore, cannot have an account in the student activity fund. If a particular class votes to retain its treasury for future expenses such as reunions, custody of the funds will be transferred to the class treasurer or other class officer. All class accounts will be transferred within 180 days of graduation.

### **Bank Interest and Service Charges**

The allocation of bank interest and service charges will be determined by the principal at the beginning of each fiscal year. Both interest and service charges may be allocated monthly to individual accounts on an equitable basis, or may both be recorded in one designated account under the principal's control.

### **"In/Out" Clearing Accounts**

Clearing or "in/out" accounts may be used for bank errors only.

### **Scholarship Funds**

In accordance with RSA 31:31 all scholarship funds will be administered by the Trustees of the Town of Jaffrey and not allowed in the student activity fund.

"Except where otherwise specifically provided in the charter of a city or by special act of the legislature whenever a gift, legacy or devise shall be made in a trust to a school district, village district or any subdivision of a town and accepted by it, the same shall be held in the custody and administered by the trustees of trust funds of such town or in case of districts embracing 2 or more towns by the trustees of trust funds of that town which the voters of said district may elect. The governing body of any such district or subdivision shall expend such district or subdivision trust funds, or the income thereof to be expended, consistently with the terms of the trust."

Some student groups for example, student council and National Honor Society, may raise funds throughout the year to benefit fellow classmates. These monies may be maintained in the student activity accounts and disbursed as student awards, not scholarships, if so authorized by the appropriate advisor and/or club officers.