

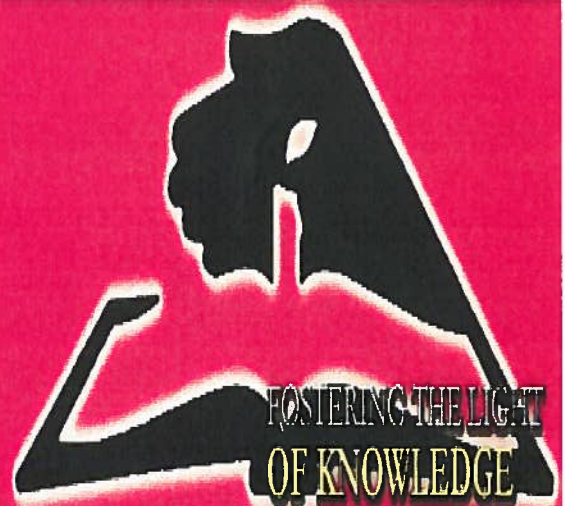
# Student Activity Procedure Handbook

6108 CR 77, PO BOX 182 • BERLIN, OH 44610

PHONE: (330) 893-2610 • FAX: (330) 893-2838

**EAST HOLMES  
LOCAL SCHOOLS**

*since 1958*



## **FORWARD**

A program of co-curricular activities established by the Board of Education should insure that young people have an opportunity to take part in co-curricular and extra-classroom experiences; should provide efficient procedures for their creation, operation and demise; and should outline a system for the safeguarding, accounting and internal control of extra-classroom activity funds.

The raising and expending of activity money by student bodies should have but one purpose; to promote the general welfare, education and morale of all the students to finance the normal legitimate co-curricular activities of the student body organization.

This handbook has been prepared for use by all student activity advisors. The procedures discussed in this handbook were created to protect both you and the District from questionable acts and potential prosecution. All employees are required to follow District policies and procedures or to be subject to various discipline proceedings.

Reference Materials used for the handbook are as follows:

Guidelines for Student Activity Programs – Auditor of State

Board Policy #2340, 2430, 5730, 5830, 6320, 6600, 6610, 7230, 9700

Administrative Guidelines 2340, 2430, 5830, 6320, 6610, 7230

## AUTHORITY

The Bureau of Inspection and Supervision of Public Offices, under the authority granted in Section 117.05(B), Revised Code, and in accordance with Sections 3315.062 and 3313.811, Revised Code, has prescribed the following accounting procedures for school district student activity funds.

Section 3315.062, Revised Code, permits a Board of Education to expend funds for student activity programs. This section states:

- A. The Board of Education of any school district may expend moneys from its general revenue fund for the operation of such student activity programs as may be approved by the State Board of Education and include in the program of each school district as authorized by its board of education. Such expenditures shall not exceed five-tenths of one percent of the board's annual operating budget.
- B. The State Board of Education shall develop, and review bi-annually, a list of approved student activity programs.
- C. If more than one hundred dollars a year is received through a student activity program, the moneys from such a program shall be paid into an activity fund established by the Board of Education of the school district. The board shall adopt regulations governing the establishment and maintenance of such funds, including a system of accounting to separate and verify such transactions and to show the source from which the fund revenue is received, the amount collected from each source, and the amount expended for each purpose. Expenditures from the fund shall be subject to the approval of the Board.

The State Board of Education is required by Section 3315.062, Revised code, to develop and review bi-annually a list of approved student activity programs. The following list of approved student activity programs was adopted by the State Board of Education:

- A. Academic co-curricular activities, such as
  - 1. Foreign language clubs
  - 2. Natural and physical science clubs
  - 3. Social studies clubs
- B. Literary, forensic, and performing arts co-curricular activities, such as
  - 1. Book clubs
  - 2. Dramatic and speech clubs
  - 3. Journalism clubs

- C. Pre-occupational and pre-vocational co-curricular activities, such as
  - 1. Business clubs
  - 2. Vocational clubs
  - 3. Trades and industrial education clubs
  
- D. Interscholastic athletic and sports co-curricular activities, such as
  - 1. Football
  - 2. Basketball
  - 3. Athletic associations
  
- E. Intrascholastic and intramural athletics and sports co-curricular activities, such as
  - 1. Aquatics
  - 2. Basketball
  - 3. Athletic associations
  
- F. Music co-curricular activities, such as
  - 1. Marching band
  - 2. Choir
  - 3. Musical productions
  
- G. Intrascholastic publications co-curricular activities, such as
  - 1. School newspaper
  - 2. Yearbook
  - 3. Literary magazine
  
- H. School and honor societies, such as
  - 1. Audio-visual assistant
  - 2. School safety patrol
  - 3. Student council
  
- I. Honors and honor societies, such as
  - 1. National Honor Society
  - 2. National Junior Honor Society
  - 3. Local honor societies
  
- J. Fiscal responsibilities related to co-curricular activities, such as
  - 1. Staff
  - 2. Bonding
  - 3. Auditing

The Auditor of State has adopted and required within each school district the use of a uniform system of cost accounting (USAS), prescribed in Chapter 117-2, Ohio Administrative Code, whereby the direct and indirect costs of all school district activities, including athletic and non-instructional activities, regardless of the sources of funding, can be analyzed.

## **PRINCIPLES**

A good student activities program is a necessary facet of the total educational program of each school in the State of Ohio. The Board of Education has an obligation to provide its students with an activities program that is attractive, meaningful and worthwhile. A well-planned program will ultimately enrich the curriculum, provide new learning experiences, promote interest in classroom work, and improve morals and discipline.

The successful operation of any co-curricular program is dependent upon the formulation of a sound policy and effective guidelines. These elements give the program a sound base that will enable it to expend and flourish while keeping it within those parameters that are part of a good educational system. All student activities programs must function within the framework of the educational and organizational policies of the board of education and the State of Ohio.

In view of the large amounts of money received from and expended for student activities, the demand has developed for efficient, thorough and safe management of these funds. Every Board of Education should have in effect rules, regulations and procedures for accountability of student activity funds.

## **ADMINISTRATION**

### **State Department of Education**

All student activity programs are adopted by the State Department of Education as authorized by Section 3315.062, Revised Code.

### **Board of Education**

The Board of Education shall adopt by resolution in its minute records, rules, regulations and guideline policies to govern the establishment and operations of the student activity funds (fund 200 and 300). (See Public Purpose – 1975 O.A.G. No. 75-008.) The Board should also approve the individual purpose clauses submitted by each student activity group. In adopting guideline policies, the Board must consider all applicable legal requirements including court cases, attorney general opinions, Ohio Administrative Code requirements as well as Ohio Revised Code requirements. ). Although it is the sole responsibility of the Board to establish such policies, they may appoint a designee to execute such policies.

### **Treasurer**

In every school district, the treasurer of the Board of Education shall be the treasurer of the school funds (Section 3315.51, Revised Code)

The enforcement of accounting procedures and internal control procedures shall be the sole responsibility of the treasurer. The treasurer may delegate an employee to receive custody of student activity funds.

Such moneys must be deposited with the treasurer or properly designated depository of the school district within twenty-four (24) hours (Section 9.38 Revised Code; 1980 O.A.G. No. 80-060). A deposit in the school's bank depository on weekends will constitute a deposit with the treasurer of the school district.

All Board of Education employees designated to collect moneys should have a surety bond in an amount commensurate with the responsibility of the position.

**Superintendent**

The superintendent is responsible for administering all board policies, except those required of the treasurer (Section 3319.01, Revised Code). The superintendent must also approve the individual purpose clauses and budgets submitted by each student activity group.

**Principal**

The principal or the authorized administrator shall be responsible for the approval of requisitions for the expenditures of funds, and any other duties as assigned by the superintendent of the school district.

**Administration (continued)**

**Advisors/Sponsors**

The duties and responsibilities of the advisor/sponsor shall be at the direction of the board of education and should consist of the following:

- A. Preparing annual budgets and purpose clauses of the activity group;
- B. Supervising the activities of the activity group, including preparation of fund raising potentials, proofs of cash, other appropriate documentation; and,
- C. Performing any other duties as assigned by the proper administrative authority.

## **MANAGEMENT OF STUDENT ACTIVITY PROGRAM FUNDS**

### **FUND 200 – STUDENT MANAGED STUDENT ACTIVITY PROGRAMS**

The fund 200 consists of the student activity programs in which students participate and manage. This includes those student activities, which consist of a student body, student president, student vice president, student treasurer and faculty advisor. The fund 200 is a fiduciary fund-type agency fund classification.

#### **FUND 200**

The Board of Education should formulate an overall policy statement, which governs the management and control of all the student activity funds. The purpose of student activity funds should be to promote the general welfare, education and morale of all the students and to finance the normal, legitimate co-curricular activities of the student body organizations. This policy statement should create the parameters within which all student activity groups can achieve this purpose and operate effectively. A sampling of guidelines to consider is listed below:

- A. The Board must authorize, by resolution, recorded in the official board minutes, those student activity programs it wishes to be operational.
- B. Projects for the raising of student activity money should in general contribute to the educational experience of pupils and should not conflict but add to the instructional program.
- C. Student participation is an important factor in the democratic management of money raised by the student body and expended for its benefit. Expenditures should be approved by the appropriate student activity group.
- D. Student activity money should, insofar as possible, be expended in such a way as to benefit those currently in school who have contributed to the accumulation of such money.
- E. Money derived from the student body as a whole should be expended so as to benefit the student body as a whole, and not benefit a special group.
- F. Student activity funds should not be used for any purpose, which represents an accommodation, loan, or credit to Board of Education employees or other persons. Post-dated checks should not be accepted, and checks should not be cashed for anyone. Board of education employees or others should not make purchases through a student body in order to take personal advantage of student body purchasing privileges.

- G. The amount of the various program fund balances should not exceed limits prescribed by the Board of Education. Placing of limits tends to assure that money is used for the benefits of the students who contribute to the program. Any undesignated balances left in the fund of a graduating class or other organization which disbands, shall be transferred to the General Fund of the school district.
- H. No student body organization should be obligated for purchases made by students, faculty and others, unless authorized by school officials.
- I. Prior to performance of any financial transaction by an authorized student activity, a budget should be submitted and approved for the current school year.
- J. All sources of revenue must be approved by the superintendent and should be included in the student activity group's current year budget. Receipts must be identified by USAS classification. Receipts and expenditure budgets can be amended during the year, but must have superintendent approval.
- K. All expenditures by the student activity program should be in accordance with the approved budget of the group. The authorization for the expenditure will be and approved purchase order. Installment and lease purchases are prohibited.
- L. Investments procedures and the allocation of interest earnings should be handled in accordance with Ohio law and board policy.
- M. Monthly and annual financial reports for student activity funds should be prepared by the treasurer and submitted to the Board of Education as part of the treasurer's report. Funds are accounted for on a fiscal year (July – June) basis. Financial reports will also be furnished to each sponsor on a regular basis.
- N. A system of internal controls should be implemented in order to safeguard the assets of the student activity funds to insure that the students will receive the benefits sought to be attained. (See "Internal Control.") Funds are accounted for by fund, function (receipt code), object and special cost center, in accordance with Chapter 117-2, Ohio Administrative Code.



## **FUND 300 – DISTRICT-MANAGED STUDENT ACTIVITY PROGRAMS**

The fund 300 consists of those programs in which students participate but which students do not manage. These activities would usually include athletic program, but could also include the band, cheerleaders, flag corps, and other similar types of activities. The primary criterion for determining how funds are classified is "who determines how the money is spent?" The fund 300 is a governmental fund-type special revenue classification.

### **FUND 300**

The Board of Education should formulate an overall policy statement which governs the management and control of the District Managed Student Activity Programs (fund 300). The purpose of the fund should be to promote participation in those activities which could be associated with the programs. This policy should create the parameters within which all of these activity programs can achieve this purpose and operate effectively. As a minimum, this policy statement should include the following guidelines:

- A. The Board should authorize, by resolution, those programs it wishes to be operational
- B. No organization should be obligated for the purchases made unless supported by a written purchase order certified by the treasurer.
- C. All sources of revenue should be approved by the superintendent and included in the Board's current year budget.
- D. All expenditures shall be in accordance with the budget (appropriations) as approved by the Board of Education.
- E. An adequate system of internal controls should be implemented in order to safeguard the assets of these programs. Funds must be budgeted and accounted for by fund, function (receipt code), object, special cost center and operational unit in accordance with Chapter 117-2, Ohio Administrative Code. (See "Internal Control.")

## INTERNAL CONTROL

Internal control is a system in which employees' duties, records and procedures are designed to make it possible to exercise effective control over assets, liabilities, revenues and expenditures. Adequate internal controls will:

- A. prevent fraud and waste;
- B. ensure accuracy of the accounting and other operating data;
- C. promote adherence to state policies;
- D. further efficiency of operations; and
- E. ensure conformity with applicable laws.

BASIC CONCEPT OF INTERNAL CONTROL (Source: Codification of Statements on Auditing Standards, American Institute of Certified Public Accountants)

- A. Management Responsibility – This concept indicates that it is management's responsibility to install, maintain and update the fiscal management system. It is management's duty, however, to periodically analyze the system, make recommendations for improvements to it in accordance with legal provisions and, if necessary, recommend to appropriate legislative bodies that action be taken to change antiquated legal obstacles to improve performance of the system.
- B. Reasonable Assurance – The costs of any system should not exceed the benefits which may reasonably be expected to be derived from the system. A governmental fiscal management system may consist, in part, of checks and balances prescribed by law and consequently may not be wholly cost-effective in this respect.
- C. Methods of Data Processing – Regardless of what method of data processing is utilized, the objective is to safeguard the sub-division's assets and to provide reliable data for management and external reporting purposes.
- D. Limitations – All systems have certain inherent limitations. For example, a system that depends, in part, upon segregation of duties can be rendered ineffective by employee collusion.
- E. Personnel – This concept recognizes that a system is only as good as the people who operate it. Employees must possess competence for the jobs to which they have been assigned, integrity, independence and an understanding of the prescribed procedures. A lack of any of these characteristics renders a system susceptible to errors and irregularities.

- F. Segregation of Functions – This concept may be the most important one to a manager of government activities. A person who is in a position both to perpetrate and conceal errors or irregularities in the normal course of his duties is incompatible with the concept of internal control. Procedures designed to detect errors and irregularities should be performed by persons other than those who are in a position to perpetrate them.
- G. Execution of Transactions – Transactions should be authorized by officials or employees acting within the scope of their authority. Evidence of such authorization may be direct, as in the case of a purchase officer's certification of a purchase order, or indirect, as authorized by statutory or charter authority.
- H. Recording of Transactions – An adequate system of internal accounting control should ensure that transactions are recorded in the accounting records in the proper amount and fiscal period, and are classified properly. Recording of receipts and disbursements in the proper fiscal period is especially critical to the governmental budgetary process; lack of proper "cut-off" procedures may lead to unauthorized expenditure of public moneys.
- I. Access to Assets – Access to assets, such as cash, securities and physical plant should be limited to authorized personnel only. Access can be direct physical access, or indirect through "the preparation and processing of documents that authorize the use or disposition of assets." Access can be limited by appropriate segregation of duties and protective devices, such as a safe.
- J. Comparison of Recorded Accountability with Assets – Periodically it is necessary to compare the amounts recorded in accounting records with the actual assets on hand. Designated independent personnel should perform inventory inspections. Any differences between the physical count and the records must be reconciled at the earliest practicable time and should be reviewed by management for appropriateness.

## TYPES OF INTERNAL CONTROL

Although there are various definitions of internal control, most of them would fit into the two general categories established by the AICPA:

- A. Accounting Controls (keeping track of resources)
  - 1. Segregation of duties
  - 2. Procedural control (documentation and internal auditors)

3. Physical inventories
  4. Accounting function
    - a. Collections
    - b. Disbursements
    - c. Custody
    - d. Detail accounting
    - e. Bank reconciliation
    - f. Approval of investment
  5. Imprest system for petty cash and change funds
- B. Administrative Controls (the means of using resources)
1. Budgeting process
  2. Organizational chart (lines of responsibility)
  3. Job description
  4. Staffing levels and competence
  5. Written procedure policy
  6. Minute record

Internal control for accountability is only as good as an administration desires. Strict controls, although cumbersome at times, do help protect the assets of the district. Loose controls leave the district without adequate protection of assets, which often leads to uncomfortable situation wherein assets (namely cash) cannot be properly accounted for.

## **COLLECTION AND DEPOSIT OF CASH**

All money collected from any source should be substantiated by student activity group receipts, cash registers supplying cumulative readings, pre-numbered tickets or other auditable, checkable records. In all cases where tickets are used, ticket reports and unsold tickets must be available for audit. A well-documented audit trail is crucial. Where it is not practicable to collect the cash in the central office, collections from various classes may be collected by cashiers and turned into the treasurer or properly designated depository within twenty-four hours (Section 9.38, Revised Code).

Each group should keep a listing of all members to use when tracking receipts from selling projects. When collecting receipts from individuals, the activity treasurer should not beside the member's name the amount of money received and the date received.

## **DISBURSEMENTS**

All disbursements shall be made by check (warrant) prepared by the treasurer, supported by proper, approved requisition and purchase order and verified by a receiving invoice. They also should be verified for accuracy of price extensions and totals.

### **Purchase Order Process**

- A. Requisition prepared by originator or group advisor and submitted to the school principal for approval.
- B. Reviewed by principal for approval; if approved entered into requisition program by building secretary.
- C. Approved requisition is forwarded to treasurer's office for purchase order certification and encumbrance of funds; posted to funds; copies to vendor and originator.
- D. Originator or person assigned by superintendent verifies receipt of material, compares with purchase order and submits packing list to treasurer's office as correct and proper for payment.
- E. Treasurer's office compares billing invoice and shipping invoice to purchase order for prices, column extensions and necessary adjustments, etc.
- F. Treasurer's office issues check (warrant) for payment.

## **DORMANT FUNDS**

The Board of Education has determined that at the end of each school year the graduating class should specify, on the appropriate form, how any remaining funds in their account should be distributed. The Board suggests that unused funds be donated to another student activity fund within the district. This applies also to any other student activity groups that are disbanding and do not anticipate the need for any remaining moneys in their funds for future activities.

Any undesignated balances left in the fund of a graduating class or other organization which disbands, shall be disposed of in accordance with the approved recommendation.

## **AUDITING**

The State Department of Education recommends an annual audit of student activity funds. The Auditor of State recommends that at the end of each school year, an internal audit be conducted in order to verify compliance with board policies, receipts, expenditures, cash on hand and petty cash and to balance all ledgers and journals with the depository. A copy of this audit should be on file in both the treasurer's and superintendent's offices. All organizational records and internal audit working papers should also be retained in the treasurer's office so that they may be audited by the Auditor of State.

Each activity fund established under Section 3315.062, Revised Code, will be audited at the same time the audit of the records and accounts of the school district is made, or at such other time as needed or as requested by the Board of Education. The audit will include an assessment of whether legal requirements, including those requirements imposed by the local Board of Education, are being followed.

## **GUIDELINES**

### ***Spring prior to upcoming School Year:***

Complete and submit one Purpose Statement and Budget form for each account to the treasurer.

### ***In Preparation for a Fund Raiser:***

Complete and submit Preliminary Sales Project Form for each fundraiser attaching requisitions for all expenditures required in the course of the fundraiser.

### ***During the Course of a Fund Raiser:***

Funds must be deposited within **24 hours** of receipt (per Ohio Revised Code guidelines). This can be accomplished two ways:

1. Funds can be deposited directly to the bank with a deposit recap sheet sent to the treasurer's office (building secretary may assist you with this).
2. Funds can be submitted to the treasurer's office for deposit, with a deposit recap report.

Accurate records of the following must be kept (if applicable):

1. Number of items on hand to be sold (i.e. cases of candy bars)
2. Number and type of tickets sold (i.e. adult or child)
3. Disbursement of items to be sold to students (i.e. John Jones received one case of candy bars on 8-29-01)
4. Receipt of money from students (i.e. John Jones returned \$40 for one case of candy bars on 9-1-01)
5. Explanation for shortage of items (i.e., lost, stolen) and attempts made to retrieve these items. Also, a description of how this can be avoided in future sales may help if the auditors look at your fund.

Forms that may assist you with this record keeping are located in the forms section of this book and are available in the high school office or from the Treasurer's office.

### ***Upon Completion of a Fundraising Project:***

Complete and submit Final Report – Sales Project Form and Ticket Accountability Recap, if applicable. After the fund raiser is completed, the Sales Project Form that you complete prior to the fund raiser will be returned to you by the treasurer's office for final completion.

Maintain all forms of record keeping used during the course of the sales project – these may be needed if the auditor chooses your fundraiser to be audited.

### ***Request for Revised Activity Budget:***

Complete and submit a revised Purpose Statement and Budget form if your group's activities differ from your original Purpose Statement and Budget or if the group's purpose, goals and objectives or budget estimates change.

### ***At Year End:***

Make sure all Sales Project Final Report information along with Ticket Accountability and Recap sheets have been completed (if unsure, please contact the treasurer's office).

All purchase orders must be submitted by May 15 for processing.

All outstanding receipts for expenses incurred must be submitted by June 1 for reimbursement.

It is suggested that you keep copies of all forms submitted to the treasurer's office.

## FORMS

### **PURPOSE STATEMENT AND BUDGETS**

The advisor or coach is to prepare and submit an annual purpose statement and budget form for his/her organization to the building principal or athletic director. The principal or athletic director is to present the completed form to the treasurer's office. The treasurer will present the purpose statements and budgets to the superintendent for approval and then to the board for their review and approval. The treasurer will incorporate the approved student activity budgets into the annual appropriation resolution. The purpose statement and budget form may be modified from time to time during the school year. Must include description of fundraiser as well as what activities the funds will be used for.

### **SALES PROJECT FORM**

The sales project form is designed to serve as an application for approval of an intended sales project, and, as well as, to account for the income and expenses from sales projects conducted by activity organizations. The purpose of the sales project form is to provide information to advisors and administrators about the various projects and whether they are functioning in accordance with the adopted board policies. Timely and accurate completion of sales project forms also provides a level of protection to participants in the event of a shortage of sales revenue or inventory. The application form is designed to be used where money will be raised as a result of a resale of a specific inventory of goods or a miscellaneous type of project such as a dance, bake sale, etc.

**All money received for admissions to a dance, play or musical must be recorded on a ticket report form and returned with the completed sales project form. ALL PROJECTS REQUIRING PAID ADMISSIONS MUST USE PRE-NUMBERED TICKETS.**

The sales project form is **not a substitute for a purchase order**. All items for resale must be obtained through the customary purchase order process.

#### **Sales projects are to proceed as follows:**

1. The organization decides to have the sales project.
2. The advisor is to verify that the sales project is properly within the organization's statement of purpose and budget. If it is not, the statement of purpose or budget must be modified and approved prior to beginning the sales project.
3. The advisor completes the top portion of the sales project form and submits it to the principal for approval.
4. The principal submits the signed form to the treasurer for approval. The treasurer forwards the application to the superintendent's office. Sufficient time must be allowed for these approvals - **AT LEAST TWO WEEKS PRIOR TO THE SCHEDULED BEGINNING OF THE SALES PROJECT.**
5. When the application is approved, the treasurer's office will return a copy of the application to the principal's office.
6. The advisor is to prepare a purchase requisition form and submit it to the principal's office to order the goods to be sold.



7. The principal will approve the requisition and have it entered on the computer.
8. After the items are ordered on a properly executed purchase order, the advisor will receive a copy of the purchase order and the goods can be sold.
9. The advisor is to verify that the order of goods is complete, or, noting shortages/overages return a copy of the purchase order, packing slips and any invoices that are sent with the order to the treasurer's office.
10. The advisor issues goods for resale to the students and it is recommended that a student accountability record sheet be maintained. The student accountability record is updated when money is received from the student and when goods are returned from or reissued to the student.
11. **All money is to be given to the building secretary on a daily basis** to ensure the timely deposit of money. The secretary will issue a receipt to the advisor for all money received and will prepare a recap sheet to indicate into which account the funds are to be credited.
12. When the project is completed and all money has been received, the advisor will complete the bottom portion of the sale project form sign and submit to the principal for approval and signature.
13. The principal's office will retain a copy of the completed sale project form and forward the signed copy to the treasurer's office.
14. If a shortage/overage exists on the bottom of the sale project form must be explained and documented.

### TICKET REPORTS

Circular 0019 issued by the Auditor of State recommend cash control and ticket sale accountability for each school event. Any time money is collected for an admission; some form of ticket must be sold. These events occur primarily at the high school and middle schools. Examples include athletic contests, concerts, dances, and drama presentations. The ticket report form has been established for use adhering to these recommendations. The ticket report is used to account specifically for the tickets sold and/or used at each event and to reconcile that quantity with the cash collected. The student activity advisor (including the athletic director) is responsible for the completion of the ticket report form. The completed form is to be attached to the completed sale project form forwarded to treasurer's office. If a shortage exists, it must be thoroughly documented on the bottom or back of the form.

### **GIFTS/DONATIONS**

All gifts to the East Holmes Local School District must be formally accepted by the Board of Education at a regular meeting. A gift may be cash donation or any item of value such as books or equipment of any kind. Upon receipt of information by an individual that a gift is to be made to the district, a Gift/Donation form should be completed by the sponsor, signed by the principal, and forwarded to the Treasurer's office so it may be included in the Board agenda materials for the next regular meeting. Such action by the Board must be recorded in the official minutes of the meeting at which it was accepted. Once the gift or donation has been approved by the Board, an acknowledgement letter will be sent to the donor. Please make sure a complete name and address for the donor is provided on the Gifts/ Donation form.