

**SCHOOL BOARD POLICY STATEMENT**  
**School District of Holmen**  
**Holmen, WI 54636**

**FILE: 662.1**  
**SECTION: 600**  
**FISCAL MANAGEMENT**

**STUDENT ACTIVITY FUNDS MANAGEMENT**

**Philosophic Foundation:**

Students may wish to become engaged in generating money to fund events and items of specific interest that might otherwise not be funded by the school district. In order to accommodate such wishes, the state statutes and Department of Public Instruction (DPI) allows for the establishment of student activity accounts. In addition to funding events and items, a student activity account provides students first hand experiences with financial planning and management.

Student activity fund accounts shall be established to handle receipts and expenditures for all student organizations identified with the school district. Student activity funds may be distinguished from other funds and accounts because the student organization or group associated with the account commands a greater level of determination regarding the generation of receipts and approval of disbursements from the account. Student activity account disbursements shall directly promote morale, general welfare and educational opportunities for students and/or the community. District employees should receive no significant personal advantage or financial gain from the use of student activity account funds. Employees may accept items that are of personal advantage only when the item's value is generally considered insignificant. Student activity accounts shall, to the extent feasible, have money raised in a specific academic year spent in the same year.

The management of student activity funds shall be in accordance with sound business practices, including sound budgetary and accounting procedures as well as audits in the same manner as regular school funds.

Student activity fund accounts shall be under the control of the building administrator and/or the District Administrator. In addition to policy guidelines, specific student activity fund management guidelines may be established by the administration.

**Policy Guidelines:**

**Administration**

The District Administrator shall have the responsibility and authority to implement all policy, guidelines and rules pertaining to the supervision and administration of the student activity funds in the School District of Holmen.

The building administrator shall be directly responsible for the management of student financial activities in accordance with the policies and rules set forth. Building administrators may appoint an employee under their supervision to serve as fund custodian. The fund custodian is responsible for performing the clerical duties as prescribed by the student activity account policy, policy guidelines and administrative rules.

The activity fund custodian shall be responsible for maintaining the activity fund balances for each account.

### **Accounting Guidelines**

- 1) **Purchase Orders:** All items purchased with student activity funds in excess of \$300 must be accomplished through the use of a purchase order. An activity account student representative, the activity advisor, and the building administrator in charge of student activities must approve such purchases orders. No student activity shall be obligated for such purchases made by staff or students unless supported by a written purchase order signed by the persons duly authorized.
- 2) **Receipts:** Whenever practical, student activity group advisors should turn in moneys to the fund custodian on the same day it is received. Sums of money in excess of \$10 shall be turned in to the fund custodian no later than the next working day. Prior to deposit, all receipts should be kept secure by either being in the physical possession of an authorized person or stored in a securely locked limited access location. When the activity group submits money to the fund custodian they must attach a note identifying the activity group, the person submitting the money and the exact amount of the money being submitted. All money collected by the fund custodian must be substantiated by their issuing a pre-numbered receipt to the advisor of the group submitting the collected money. The fund custodian shall properly complete for each deposit a bank deposit ticket that shall serve as record of the deposit. Activity fund money shall be deposited daily by the fund custodian.
- 3) **Disbursements:**
  - a. All disbursements shall be made by a check prepared by the activity fund custodian. Checks will be mailed directly to the payee, unless specifically authorized by the building administrator or District Administrator to do otherwise.
  - b. Checks will be prepared only when a "Request for Payment" form is properly completed and submitted along with documents validating the receipt of goods and/or services. The "Request for Payment" form must be signed by a student officer of the corresponding student group and, either the activity advisor or the building administrator.
  - c. Classes and student organizations shall not be permitted to overdraw funds in the activity accounts. Under certain conditions, funds may be advanced to an organization from another student activity account. Such an advance will require a written request prepared by the activity group's student representative and advisor. The request shall be submitted to the building administrator for consideration. Such request must state the reason for needing the advance, and present a detailed plan for repayment and the date or dates when the repayment will be made. The activity group advisor seeking an advance must secure written approval from one or more student activity groups with adequate account balance to cover the requested advance before seeking approval of the request from the building administrator. Under extenuating circumstances, the building administrator may forward to the District Administrator a request for advance of General Fund resources.
  - d. Neither personal checks nor third party checks may be cashed out using student activity account funds. Personal checks may be accepted; however, they must be for the exact amount due the school.
- 4) **Investment of Funds:** The activity fund balance in each building shall be deposited in a single interest bearing account or an account that will incur the least amount of transactional fees at a school board designated depository. The interest accrued on such account(s) shall first be used to offset the incidental costs (accounting software, services, printing, paper, etc.) of maintaining student activity accounts. Any interest in excess of these costs shall be used to benefit the students at the respective building. Fees or interest earned shall be divided among the groups proportionately.
- 5) **Planned Closure of Accounts:** Planned closure of accounts may develop when a high school class graduates, an organization disbands, or the reason for a special purpose account no longer exists. In the event of planned closure of an account, the graduating class, the disbanding organization, or the

sponsor of a special purpose account shall present a plan for dissemination of the account in writing. The organization, class or activity should be encouraged to close out the account through expending the funds in line with the purpose of the account and the organizational objectives.

- 6) **Inactive Accounts:** If an account has had no activity for twelve (12) consecutive months the account shall be considered inactive. The building administrator shall notify the activity advisor that the account has been determined to be inactive and that unless a planned closure is completed within thirty (30) days the fund custodian will close the account and transfer any positive balance to the district General Fund. All high school graduating class accounts will be declared inactive within two (2) years of the class graduation.

**Record-Keeping**

The activity fund accounts shall be audited by the certified public accountant employed to audit the school district accounts. Monthly, the fund custodian shall prepare a student activity financial statement from the student activity general ledger. The statement shall show the beginning balance, month and year-to-date receipts, month and year-to-date disbursements and the current balance for each account. Each student activity advisor should keep accurate financial records. The activity advisor will receive the monthly student activity financial statement from the fund custodian. Each activity advisor should reconcile their records with this statement.

A designee other than the Fund custodian will be responsible for reconciliation of the bank statement on a current basis. The reconciled statement should be reviewed and initialed by the building administrator no later than the 15<sup>th</sup> of each month.

Activity fund accounting records shall be preserved as follows:

- a. Canceled checks and/or bank statements..... 7 years
- b. Paid invoices..... 3 years
- c. Receipts, Journals, Account Ledgers ..... 3 years.

**Auditing**

The District’s Administrator of Business Services shall be responsible for conducting regular, no less than annual, internal auditing of student activity accounts at each building maintaining such accounts. The intention of these audits shall be to verify the adherence of the student activity account practices to related board policy and sound business practices. These internal audits shall each result in a written report submitted to the respective building administrator and copied to the building administrator’s immediate supervisor. The report shall at a minimum describe the scope of the audit, areas of non-compliance and recommendations.

**Policy Distribution**

Advisors, fund custodians and building administrators having responsibilities related to student activity funds shall be presented a copy of this student activity account policy at the time they are assigned student activity account responsibilities and any time the policy changes. A written verification of this presentation, as well as a statement of understanding of the policy, shall be placed in the person’s personnel file, appropriate student activity file in the respective building and a copy forwarded to the district office.

**Individual Account Purpose**

Each student activity account must have on file at the respective school and in the District Business Office a written description of the purpose of the group. The description includes, but is not limited to: Name of the group or organization, purpose of the organization, the organization’s objectives, why the

organization needs to use monetary resources to accomplish its objective(s), the name of the staff advisor and the name of the student representative. The building administrator will sign the individual account purpose document verifying the fund as an appropriate student activity account and authorizing its creation. Any student activity account that does not have a current student activity account purpose document on file will be designated “inactive”. A list of all active district activity accounts must be presented and approved by the board annually. All organizations seeking approval thereafter must complete an Individual Account Purpose Form and be approved by the board.

Legal Ref: Wisconsin State Statute Sections:  
120.14(1) Audit of school district accounts  
120.16(2) School district treasurer duties  
946.12 Misconduct in Public Office

Cross Ref: 341.4 Investments By Students  
652 Investments Policy  
672 Bidding Purchasing Authority Policy  
664 Cash in School Buildings Policy  
824 Records Retention Policy

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