

PROCEDURES FOR MANAGEMENT OF STUDENT ACTIVITY FUNDS

A. REVENUE

Student activity funds may be generated from a number of sources, including athletics, concessions, publications, club and class activities, gifts, and fund-raising drives. Because cash receipts are the most frequent source of fraudulent transactions, the establishment and maintenance of adequate cash control procedures is extremely important.

1. All funds should be accounted for by a prenumbered receipt form, written promptly upon receipt of funds. In some cases, this receipt record may be in the form of prenumbered tickets or cash register tapes.
2. The responsibility of receiving funds and writing receipts, preparing and making bank deposits, and posting financial records should be segregated as much as possible.
3. All funds should be turned in to the school office (cashier) as soon as possible.
4. All checks should be endorsed for deposit only immediately upon receipt.
5. Bank deposits should be made as promptly as possible - daily if feasible. Large accumulations of cash or checks from specific events will be deposited on the same day the money is received.
6. All funds on hand should be deposited intact with each bank deposit.
7. Appropriate security measures - locked cash boxes, safes, and vaults - should be used to protect all cash and cash items.

B. EXPENDITURES

Expenditures include four basic areas: purchasing, the issuance and processing of checks, check-supporting documents, and bank account reconciliations. There should be appropriate segregation of duties, wherever possible. If signature machines are used, they should be properly controlled and safeguarded.

Purchasing

A purchase authorization should be established and closely observed. The system should verify that all purchases are made on the basis of properly approved authorizations. The internal controls should ensure to the greatest extent possible that:

1. The purchasing, receiving, and accounting functions are segregated.
2. Proper verification of receipt of goods is made.

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Issuance and Processing of Checks

All expenditures should be made by a check written on the school's bank account.

1. All checks should be prenumbered.
2. The fund from which each payment is to be taken will be written on each check.
3. Checks should be made payable to a company and not an individual.
4. Checks should never be made payable to "cash."
5. Checks should be signed only after they are completely prepared.
6. Voided checks should be mutilated (not destroyed) to avoid re-use.
7. All checks are to be accounted for, including spoiled and voided checks.
8. Unused checks should be properly controlled and safeguarded.

Check-Supporting Documents

Student activity fund expenditures should always be supported by properly approved vendor invoices or payment vouchers.

1. Expenditures are not to be made on the basis of vendor statements.
2. Vendor invoices should be checked for mathematical accuracy and proper pricing.
3. Invoices should be paid on a timely basis, and all cash discounts should be taken.
4. Check-supporting documents should be properly stamped to avoid duplicate payments.
5. Expenditures are to be formally approved for charge to individual funds and proper distribution made to those accounts.
6. Expenditures are to be made only in compliance with the established purposes and conditions of the fund and programs.
7. Expenditures are to be within the budget limitations established and approved for the fund.
8. Significant expenditures should be properly identified, i.e., not classified as "miscellaneous," "sundry," or "other."

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9. Funds should be separately identified when redeposited.
10. Disbursements should not be made in cash.
11. Refunds should be adequately documented to ensure their propriety.

Bank Account Reconciliations

Depository accounts should be reconciled with book balances at least monthly.

C. CLASS FUNDS

The disposition of class funds will be determined by the class officers. All moneys accrued will be designated for expenses, projects, memorials, or other selected items. The balances, if any, may be released within a year following graduation, in the names of at least two class officers for class purposes. Other class funds may be appropriated for the General Fund a year after graduation.

Approved: February 10, 1998