



SCHOOL ACTIVITY FUNDS (REDBOOK PROCEDURES)

QUICK REFERENCE GUIDE



Who must follow Redbook accounting procedures?

All school employees must follow the procedures as outlined in the manual (see www.education.ky.gov/kde for complete document, search Redbook Accounting

Purchasing – you must always have an approved purchase order before obligating school funds. Orders for goods and services cannot be placed without approval. Failure to follow proper purchasing guidelines may result in the invoice being returned to you for payment. All purchases must be made in accordance with the district purchasing guidelines. Bid vendors are the first stop for shopping. A list of approved bid vendors may be found at <http://www.cland.k12.ky.us/Employees/bidlist.htm>

Cash and checks from students?

Students must always sign a multiple receipt form verifying that the staff member has been given money. The multiple receipt form must be given to the school bookkeeper on a **daily** basis for deposit to the bank. Staff should **never** keep funds in their room, desk drawer, brief case, purse, car, etc. All money should be turned into the front office **daily**. If the school bookkeeper is not available find a school administrator. DO NOT leave cash/checks laying on the desk of the bookkeeper.

Fundraiser Procedures

A fundraiser form is available from your school bookkeeper. You will need to follow the procedures listed below in order to have a successful fundraiser:

- Approve by SBDM Council *prior to* fundraising date! (F-SA-2A) *(purpose of the fundraiser must be stated on this form)*
- Complete the Fundraiser Worksheet (F-SA-2B)
- When students or parents turn in money, complete the Multiple Receipt Form (F-SA-6), please take time to add up the amount, sign and date these forms.
 - *Students third grade and above must sign! (Must be true signatures of students, not the teacher/staff)*
 - *Turn in Daily!*
- If students are refunded, complete the Student Refund/Disbursement Form (F-SA-14)

Booster clubs information for school audit

Booster clubs must submit their officers, general budget, planned fundraisers and yearend report to the school principal annually.

REMINDERS

- ✓ *The front office is not a personal post office. The front office may not sell stamps or postage to individuals.*
- ✓ *The front office is not a bank. The front office may not keep petty cash, they may not cash checks for you from any monies being deposited, and they may not take your personal banking business on their way to make a deposit.*
- ✓ *The front office may not loan any money for any reason from any source of funds.*
- ✓ *Employees may not make purchases and expect reimbursement for good or service unless prior approval is given with a purchase order.*

School Activity Funds (Redbook): Frequently Asked Questions

1. Where can I find the accounting procedures for School Activity Funds on the KDE web site?

<http://www.education.ky.gov/KDE/Administrative+Resources/Finance+and+Funding/School+Finance/Financial+Information/Accounting+Procedures+for+School+Activity+Funds.htm>

2. Is it okay for boosters or parent teacher organizations (PTOs) to use the school district's tax exempt number?

A. No. A support/booster organization using external accounts shall not use the state tax exempt or federal identification number of the school or district but shall obtain a state tax exempt number specifically and only for the use of the support/booster organization (Page 6, #1 under "Responsibilities").

3. When is a Fund Raiser Worksheet required?

A. All fund-raising activities shall be monitored using Fund Raiser Worksheet (Form F-SA-2B). Concessions, bookstores and pencils sales shall be monitored using the Inventory Control Worksheet F-SA-5.

4. How should checks be handled if made to a vendor, for example scholastic book sales?

A. Checks cannot be run through the activity fund if they are made payable to an outside vendor. They would have to be sent to the vendor with the order. Any checks that are made payable to the school, or any cash received, should be run through the school activity account, with one check from the school activity fund being written to the vendor for the amount of these checks plus any cash receipts. This check plus the total of the checks made payable directly to Scholastic should equal the amount of the order.

5. Can gift cards be purchased from the Family Resource Center?

A. No. If school activity funds are being used, gift card purchases are prohibited.

6. Can the district funds be used to purchase gift cards?

A. No. *Gift card purchases are prohibited. A gift card can very easily be used for a different purpose and by a different person than what was intended.*

7. How can booster clubs be required to provide financial information since they are a separate entity? Should they be audited?

A. The requirement for booster information to be provided to the districts is provided in KRS 156.070. Under KRS 156.070, the Kentucky Board of Education shall have the management and control of the common schools and all programs operated in these schools. Under 702 KAR 3:130(3), recommendations and exceptions listed in the audit shall be reviewed by staff of the Department of Education, and a report shall be made to the district Board of Education. If a board accepts funding from a booster club the booster club is obligated to provide the information to the board. Booster clubs are not part of the district's audit.