

## DIBA STUDENT ACTIVITY ACCOUNTS

### A. Overview

The School Committee recognizes that students should have an opportunity to participate in appropriate co-curricular activities as part of their educational experience. The raising and expending of activity money by student activities organizations shall be for the purpose of promoting the general welfare, education, and morale of all students through the financing of recognized co-curricular activities of the student body. The raising and expending of such money by students to support these authorized activities should be governed by controls that safeguard these monies and follow sound business guidelines. This policy is intended to establish guidelines and procedures for such student activity accounts in compliance with Chapter 71 Section 47 of the Massachusetts General Laws.

### B. Accounting – Student Activity Account

A separate account will be established on the School District general ledger for each Student Activity account. The general ledger account will record revenue collected, expenditures made, and interest earned by the student activity account. All bookkeeping functions will be the responsibility of the Business Office.

The School Committee shall authorize the Business Office to receive money in connection with the conduct of recognized student activities and to deposit said money with the District Treasurer. The funds shall be deposited into the School District Student Activity Fund Bank account. Any monies paid as commissions or revenue sharing to the school or to a student activity organization belong to the students and shall be deposited into the School District Student Activity Fund Bank account by the District Treasurer. Interest earned by the Student Activity funds may be allocated monthly based on the ending balance as a percent to the total fund balance each month. The Student Activity Fund Bank Account will be reconciled monthly and signed off by the Business Office and District Treasurer. As noted in BBA School Committee Bylaws, this will be included in the Treasurer's quarterly report.

Funds may be expended exclusively for student activity purposes for the student activities authorized by the School Committee and in compliance with MA General Laws. Funds shall be expended for

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the benefit of the students and may not be spent to benefit the staff or to supplement the school budget

All disbursements will be paid through the regularly scheduled accounts payable warrant of the school district duly authorized by the Finance Subcommittee with all expenditures charged to the appropriate Student Activity account. The School Committee may periodically be asked to authorize the disbursement of commissions to one or more of the specific activity accounts.

### C. Audit

An annual audit of the student activity funds shall be arranged by the Business Office. There shall be an audit of the Student Activity Funds, arranged by the Business Office on an annual basis, and then every three years there will be a review conducted by an independent audit firm. These audits will be based upon guidelines issued by the Massachusetts Department of Elementary and Secondary Education. The cost of the audit shall be paid by the School Committee from its budget.

### D. Reporting

The Business Office will prepare quarterly reports to share with Advisors and present to the School Committee.

The School Committee will approve each student activity annually. This should be done before the start of the school year unless activities are new and created during the year. The approval should include specific funding sources and objective/mission for each activity.

### E. Tax Exempt Status

All Student Activity Account purchases will be made under the district's tax-exempt number.

### F. Monetary Gifts

The acceptance of gifts for student activity accounts shall adhere to the district's policy (DDA-GIFTS, GRANTS, DONATIONS, SCHOLARSHIP POLICY) on Gifts.

Monetary gifts to recognized student activity organizations will be deposited into the Student Activity Account and expended in accordance with District procedures for student activity purposes.

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The monetary gift shall be expended for the purpose indicated or, if none, in accordance with the overall intent of the gift.

Gifts up to \$5,000 may be accepted by the Superintendent or his/her designee.

Gifts exceeding \$5,000 shall be authorized by separate resolutions approved by the School Committee.

#### **G. Class Accounts at Graduation**

Class accounts shall remain active after graduation for a period of ninety (90) days to allow for the payment of outstanding bills. After this period, any remaining funds shall be disbursed according to one (or more) of the following options selected by a vote of the class prior to graduation:

1. Make a specific gift to the district in the class's name using a portion or all of its funds.
2. Retain a portion or all of its funds by depositing them in a class account. In such event, prior to graduation, the class officers shall establish an account at a Massachusetts FDIC-insured bank in the name of the "Class of (Year)". A check for the designated portion of the remaining funds in the class account shall be drawn following the ninety (90) day period and shall be remitted to the Class Treasurer to be deposited in the established account. The funds thereafter shall be the responsibility of the class.
3. Distribute a portion or all of its remaining funds to other class accounts or another Student Activity account.
4. If a graduating class fails to select one or more of the foregoing options, any funds remaining after the ninety (90) day period shall be distributed evenly among the funds of active classes.

#### **H. Inactive Funds**

##### **Inactive Accounts**

For any student activity organization which is inactive for a period of three (3) years or more, and for which there have been no receipts or disbursements recorded on its behalf, the Business Office will endeavor to determine if said student activity organization remains active. Written notification to the principal by the most recent faculty advisor or the most recent student officer/treasurer for that activity, and concurrence by the principal, shall be considered reasonable evidence of discontinuance.

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If an advisor or student officer/treasurer is not available, such discontinuance shall be by vote of the School Committee.

### **Remaining Funds**

All assets (cash balances) of any recognized student activity organization that has been deemed inactive shall be determined by the Business Office and stated in writing. Disposition of said assets shall be for the benefit of the student body and shall be determined by the School Committee, but in no case shall the disposition benefit specific individuals.

#### **I. Deficit Funds**

Individual activity accounts should not be permitted to be in a deficit position because such a position becomes a liability to other individual activities or possibly to future classes. Whenever a deficit not resulting from timing exists, remedial action should be ordered by the School Committee. Possible remedial action could include funding from the following sources: School Committee appropriation, accumulated investment earnings, surpluses of inactive accounts, a gift from an activity with a surplus balance through approval of the advisor, or any other legal means.

#### **J. Policies and Procedures**

The receipt process (including standard receipts form, turnover and deposit requirements) and disbursement process (including standard disbursement form and procurement procedures) are included in Minuteman's Manual of Financial Procedures.

If credit card use is required, Minuteman's Business credit card must be used. Reimbursement of funds from personal credit cards that accrue "reward" benefits is prohibited. Disbursements that personally benefit advisors and school staff are prohibited as well.

**LEGAL REF:** M.G.L. 71:47

**CROSS REF:** School Committee Bylaws (BBA) and Gifts, Grants, Donations and Scholarship Policy (DDA)

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