

## **BUSINESS AND NONINSTRUCTIONAL OPERATIONS**

### **School Activity Funds/Internal Accounts**

#### **A. Generally**

"School Activity Funds" are defined as, all funds derived from extracurricular school activities such as entertainment, athletic contests, cafeteria, club dues, etc., and from any and all activities of the school involving personnel, students, or property. The School Board is responsible for managing these funds in the School Division's schools. Funds defined by law as public funds are not subject to these regulations and are to be handled as provided by law.

#### **B. Guidelines**

The School Board directs the Superintendent to supervise the operation of these accounts and to ensure that they are managed according to these guidelines:

1. No School Board funds or accounts are to be commingled with School Activity Funds or accounts.
2. Each school shall keep an accurate record of all receipts and disbursements so that a clear and concise statement of the condition of each fund may be determined at all times. Monthly reports of such funds shall be prepared and filed in the office of the principal and Office of Business Services.
3. It shall be the duty of each principal to see that such records are maintained in accordance with School Board Policies and Regulations and State Board of Education Regulations.
4. The principal or person so designated by the principal shall perform the duties of school finance officer or central treasurer.
5. The school finance officer and principal shall be bonded.
6. School Activity Funds (internal accounts) must be audited at least once a year by a certified public accountant, duly qualified accountant, or accounting firm approved by the School Board. The cost of such audit is a proper charge against the School Operating Fund or School Activity Funds. This annual audit shall result in an Annual Audit Report referred to in 8, below.
7. A copy of a school's Annual Audit Report referred to Section B(6) of this Policy must be maintained in the office of the principal of that school and the Department of Internal Audit ~~in the office of the Superintendent~~. Following the completion of all schools' Annual

Audit Reports, a report containing a summary of all such reports will be presented to the Audit Committee.

8. No account is to be overdrawn for any reason, unless receipts are forthcoming or there is inventory to support it.
9. Specific activity accounts are not to accumulate excess balances, as determined by the Superintendent or designee, unless written justification is provided and the records made available for audit purposes.
10. School Activity Funds shall not be used for salary supplements or similar payments to compensate school employees for any activity related to school resources or students.
11. Financial records of School Activity Funds shall be retained and disposed of in accordance with regulations concerning financial records retention and disposition set forth in law and regulation; however, records pertaining to non-appropriated school activity funds need not be retained longer than five (5) years.

**Editor's Note**

*See also the School Division's Business Manual for Schools and Central Offices.*

*~~See also School Board Policy 3-42, School Board Regulation 3-42.1, School Board Policy 3-46 and School Board Policy 3-47.~~*

**Legal Reference**

Code of Virginia § 22.1-89.2, as amended. Financial records retention and disposition schedule.

Virginia Board of Education Regulations Governing School Activity Funds, 8-VAC-20-240 *et seq.*, as amended.

Library of Virginia, Records Management Division, General Schedule No. GS-02, Fiscal Records.

Code of Virginia § 42.1-76, *et seq.*, as amended. Virginia Public Records Act.

**Related Links**

School Board **Policy 3-42**

School Board **Regulation 3-42.1**

School Board **Policy 3-46**

~~School Board **Policy 3-47**~~

Adopted by School Board: February 16, 1993

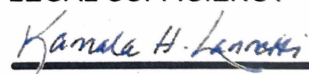
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APPROVED AS TO  
LEGAL SUFFICIENCY

  
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