

INDEPENDENT SCHOOL DISTRICT 196
Rosemount-Apple Valley-Eagan Public Schools
Educating our students to reach their full potential

Series Number 701.8AR Adopted June 1993 Revised January 2023

Title Student Activity Funds

1. **Description** – Student activity funds are under the charge and control of the board, which delegates the general responsibility for financial accounting for such funds to school administrators. Student activity funds are used for non-curricular activities which are not normally school sponsored, but which are school-related and offered to students for their enjoyment and motivation, that are managed and generally operated under the guidance of a staff member. (Private organizations, such as PTAs and parent booster clubs, are separate entities and are not included in the guidelines written for student activities.) Any or all costs of these non-curricular student activities may be provided from school revenues and all revenues and expenditures for these activities shall be recorded in the same manner as other revenues and expenditures of the district. Except by consent and direction of the school district, the teachers or students in the district must not participate in such activities nor shall any version of the school name be used in connection with such activities. A school district must reserve revenue raised for student activity funds and spend the revenue only for such activities. Student activities are characterized as follows:
 - 1.1 Are not for credit or required for graduation;
 - 1.2 Are conducted for the most part during non-school hours or if partly during school hours, at times agreed upon by the participants, and approved by school authorities; and
 - 1.3 The content of the activities is determined primarily by the interests of the student participants with only the guidance of the staff member.
2. **Staff Supervision** -- Student activities are managed and operated under the supervision of a staff member who shall serve as the faculty advisor. The advisor is charged with the oversight of the student activity account. The advisor's role is to advise and guide the student activity yet not influence or direct the decisions of the students.
3. **Source of Funds** -- Student activities generally are funded with donations, dues, admissions and fund-raising activities conducted by the activity or supporters of the activity.
4. **Management of Student Activity Funds** -- Separate reports must be kept for each student activity. The funds for each activity should be managed as described in the Manual on Activity Fund Accounting (MAFA) Student Accounts (UFARS Manual Chapter 14) and Procedure 701.8.1P, Student Activity Accounts Manual. In the event of conflicts or ambiguities, the provisions of MAFA shall take precedence and shall govern the management and use of funds.
 - 4.1 Fund Balances -- Generally, activity accounts shall not be allowed to accumulate deficits and must not have negative fund balances at fiscal year-end. If a student activity account has a negative balance, the advisor of the activity must be able to explain the negative balance and describe the plan for eliminating the negative balance. A positive fund balance in one activity account may not be used to subsidize a negative fund balance in another activity account.

- 4.2 Use of Funds -- Student activity money may be used only as described in MAFA (UFARS Manual Chapter 14), under Section "Student Activity Accounting Guidance" and Procedure 701.8.1P, Section 4.1.2. Student activity money may not be used for district expenditures. For a comprehensive list for use of funds, refer to MAFA (UFARS Manual Chapter 14), under Section "Student Activity Accounting Guidance" at: <http://education.state.mn.us/MDE/dse/schfin/fin/UFARS/index.htm>
- 4.3 Student activity funds may not be used as depositories for parking fees, parking fines, library fines, drivers education fees, revenues from the resale of items purchased with district funds, and other funds which do not relate to non-curricular activities. (These fees, fines and revenues are to be deposited in the district account.)
- 4.4 Fund receipts must be approved by the appropriate student, faculty advisor AND secretary or bookkeeper. Fund disbursements must be approved by the student treasurer, faculty advisor and the building principal (or his/her designee) and sent to the Finance Department for processing. Employees responsible for overseeing student activity accounts may be personally liable if they fail to perform their fiduciary duties in regard to the account.
- 4.5 Any new activity, change in an activity or termination of an activity should be documented. A current list of active accounts should be maintained, including the activity name, brief description of purpose and the faculty advisor's name.
5. **Termination or Dissolution of Student Activity Funds** -- A student activity fund may be dissolved by the members whenever all the members of the activity graduate (for class funds) or when the activity cannot be advised or maintained by a staff member or when the activity no longer exists. As a general guideline, an activity fund balance should be disposed of when the original purpose of the fund no longer exists or when a fund has been inactive for a year. Appropriate expenditures to liquidate the balance are listed below in priority order:
 - 5.1 Payment of all liabilities and obligations;
 - 5.2 Transfer of any remaining funds to the organization identified in the "Student Activity Account Activity Purpose Form" (see Procedure 701.8.1P, Exhibit 1).
6. **Audit** -- Student activity funds will be audited by the district's independent auditing firm during the annual fiscal year audit, results of which will be included in the district's annual financial report. Additionally, the finance department will conduct annual internal audit procedures to substantiate account activities in compliance with MAFA.

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- References:**
- Manual on Activity Fund Accounting (MAFA) Student Accounts (Chapter 14 UFARS Manual)
 - Minnesota Rule 3500.1050, Definitions for Pupil Fees
 - Minnesota Statute 123B.49, Extracurricular Activities; Insurance
 - Minnesota Rule 3545.0800, Modified Accrual Accounting and Other Accounting