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ORGANIZATION AND ADMINISTRATION

1. All school-sponsored student activities shall have a Constitution and By-laws. The Constitution shall identify the name of the organization, shall explain the purpose of the activity, qualifications for membership, a procedure for the election of officers, a listing of the sources of funds which the organization may use (see “Financial Management,” below), and a listing of the types of expenditures for which the funds of the organization may be used.

By-laws may contain such provisions for the governance of the organization as may be desirable, so long as they are consistent with the Constitution and do not conflict with Board policies and procedures, administration policy/regulations or law.

Constitutions and By-laws shall be reviewed and approved by the building principal.

2. Membership qualifications in the Constitution shall not exclude any person for arbitrary or capricious reasons and shall be consistent with the purpose of the organization.
3. School facilities and equipment shall not be used for fund-raising purposes that are to benefit only a select or special group, unless such use is available to all groups in a non-discriminatory manner.
4. Each building principal shall develop a Student Activity Building Procedure for approval by the Superintendent. It shall provide for the:
 - a. Establishment of a Constitution and By-laws for each student activity organization (as above).
 - b. Distribution in an equitable manner of money derived from the student body as a whole including revenues from general student activity (activities of or for the entire student body), interest from investments of student activity organization and the sale of activity tickets. Such revenues may be held in a District activity account, so long as the building policy demonstrates that these funds are available to all groups. Revenues may otherwise be distributed, upon receipt, to the student activity organizations.
 - c. Transfer of funds from one student activity organization to another or into or out of the building activity account.
 - d. Supervision and control of school-sponsored fund raising projects so that student safety

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is observed, revenues generated are suitable to the purpose of the organization, items or services sold are not objectionable to the community and competition with local merchants is minimized and otherwise in accordance with state law.

- e. Purchase of goods and services in accordance with Board policy and administrative procedures of the District's purchasing department. This shall include the provision by the vendor of an acceptable amount of liability insurance as applicable
5. Each student activity organization shall have a faculty sponsor who shall be appointed by the Building Principal.

FINANCIAL MANAGEMENT

Moneys collected through school activities are public funds that are the property of the District and under the financial control of the Board. The management of student activity funds shall be in accordance with sound business practices, including generally accepted accounting and budgetary procedures.

Accounting and budgetary procedures and procedures for the internal auditing of activity funds shall be promulgated by the Superintendent and shall be consistent with the Code of Iowa, State Department of Education regulations and Policy of the Board. The principal, as trustee for the building Activity Fund, is responsible for compliance with these laws, policies and the rules contained herein, in consultation with the Superintendent and Board treasurer and secretary as appropriate.

A. General Rules:

1. Deficit balances in any activity organization account or control account will not be permitted.
2. The Activity Fund is to support the extra and co-curricular program for the benefit of the students in the school.
3. Financial statements shall be prepared monthly and submitted to the Superintendent and/or the Board treasurer and secretary in a format and containing the information as prescribed.
4. Each Activity Fund account should be reconciled every month.

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5. Compensated services rendered for an Activity Fund event(s) must be by a party who is either in an independent contractor relationship with the District or an employee of the School District.
 6. All money collected for a student activity must be turned over daily to the building principal or his/her representative. Receipts shall be written for all revenues. Cash revenues must be deposited for the student activity fund daily in an approved bank or savings institution. (See Special Rules, #A5)
 7. Student activity funds shall not be used for any purpose which represents an accommodation, loan or credit. No person may make any purchases through a student activity organization for personal use in order to take advantage of that organization's purchasing privilege or credit capacity.
 8. Student Activity Funds shall be a part of the annual audit of the School District's financial operations.
- B. Permissible Sources of Student Activity Funds:
1. Athletic events sponsored by a student activity organization as a part of the extra-classroom program, or by the school, in accordance with league agreements and policies of the Board, including:
 - a. Sale of tickets.
 - b. Guarantees from schools visited (in accordance with mutual or league agreements).
 - c. Program sales.
 2. Concession sales at all student activities.
 3. Sale of tickets to entertainments sponsored by a student activity organization.
 4. Fund-raising projects, including those providing a service or selling merchandise.
 5. School store.
 6. Student body activities.
 7. Optional Fees.
 8. Interest from investments.
 9. Sale of publications and sale of advertising in public.

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10. Gifts may be accepted on behalf of a student activity organization or a student body by the Board. Upon the acceptance of the gift and approval of the Board of conditions of the gift, if any, gifts or the proceeds of trusts, may be used for a specific purpose, or may be distributed or made available to all student activity organizations (whichever is specified by the terms of the gift and/or building procedure on student activity funds).

C. Permissible Expenditures of Student Activity Funds:

1. Goods, materials and services to support the purpose and objectives of the student activity organization, including ordinary and necessary expenses of operating District-sponsored and District-supervised student co-curricular and extracurricular activities.

D. Prohibited Expenditures of Student Activity Funds:

1. Loans, credit or other accommodations, salaries, fees or any other form of remuneration to employees of the School District, except that the Activity Fund may be used to reimburse School District funds for salaries and/or benefits paid to employees for services rendered to or on behalf of a student activity organization(s), as approved in compliance with School District policies and procedures.
2. Gifts greater in value than \$3.00 to employees of the School District
3. Supplies or services for curricular, classroom, maintenance or business use of the District.
4. Other inappropriate uses of the student activity fund as prescribed by state law.

SPECIAL RULES

- A. To protect the integrity of students, school employees and all other persons associated with student activity, and to safeguard revenues, it is imperative that scrupulous record keeping and meticulous attention to these procedures be observed.

1. The handling of cash should be restricted to the fewest number of people possible. The building principal shall designate a person to receive money into the Activity Fund, and in the absence of this person, an alternate. No other person may perform these responsibilities.

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2. All money receipted into the Activity Fund must be substantiated by pre-numbered receipts. The person preparing the receipt must sign or initial each receipt in a legible manner.
 - a. Where individual receipts for each cash transaction are impossible or impractical, it should be permissible to initiate a receipt when the total amount of money is turned over to the Activity Fund trustee. Occasions like this should be kept to a minimum and the use of cash registers should be encouraged. Examples of permissible situations are: gate receipts, some fund-raising activities. It shall be within the authority of the Superintendent to direct that individual receipts be issued in specific cases.
 - b. Where money has been collected from more than one individual and individual receipts have been issued, such as by a teacher or sponsor, these individual receipts must be turned in with the money to the clerk. The individual receipts must be verified against the money. The clerk shall issue a "blanket" receipt to the teacher or sponsor.
 - c. Ticket sales must be accounted for by inventory of pre-printed tickets (ticket reports, cash and unsold tickets).
 - d. "Cash drawers," whenever used, must be verified against a starting and ending count of cash-on-hand. A permanent record of this tally must be kept.
 - e. In no case may any student or employee leave student activity money in the building after school hours; the money must be turned over to the activity fund trustee daily.
3. Individuals must receive evidence of cash tendered at the same time the transaction takes place. Tickets for "entertainment" events are sufficient evidence. A "ticket" showing locker assignment and combination is sufficient evidence. Where such items are distributed to students even though the student has not paid yet (such as assignment notebooks or handbooks), receipts must be used because the item is not sufficient evidence that the money has been paid.

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It is mandatory upon the trustee that adequate control be maintained over these items so that receipts can be accounted for. Records shall be kept showing the quantity of items assigned to teachers or sponsors. As a general rule, trustees must be able to account for monies and items as if pre-numbered receipts had been used. It is permissible to use class lists or rosters for control, however, not as a substitute for evidence that a transaction has taken place.

4. All money collected must be turned over daily to the building principal, or his/her representative, as trustee for the building student activity fund. Receipts shall be written for all revenues. Cash revenues must be deposited for the student activity fund daily in an approved bank or savings institution. Deposit slips must be made out in duplicate, and a receipt from the bank for the deposit must be retained by the District. A record of distribution of each deposit must be maintained and kept up-to-date by the District.
5. Where it is impossible to bank monies, such as after a Saturday night activity, the building Activity Fund trustee shall establish procedures to the satisfaction of the Superintendent for the adequate safeguarding of this money.
6. In no case shall any expenditures be made directly from cash receipts.

B. Purchases and Disbursements:

1. A requisition must be initiated by the faculty sponsor/coach and approved by the building Principal and Activities Director prior to the requisition being sent to the District Business Office to facilitate the issuance of a purchase order. The purchase order process for activity funds will follow District's Policy and Procedure for all purchases.
2. The disbursements of funds for the Activity account shall be made in accordance with the District Policies and Procedures twice each month
3. Checks shall be signed by the Superintendent/Board President/Board Secretary, and approval of the supporting documents shall be made prior to signing.

C. Investment of Funds:

It is the responsibility of the Treasurer of the Board to manage the funds entrusted to

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him/her wisely. This includes the investment of funds not immediately required for expenditures. In Iowa there are some legal restrictions on the way public funds can be invested. Investments should be made according to Board Policy 703 Investments. Interest earned will be distributed back into each activity fund account.

Cross References:

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