

713 STUDENT ACTIVITY ACCOUNTING

I. PURPOSE

The Board of Education recognizes the need to provide alternative paths to learning, skill development for its students, and activities for student enjoyment. It also understands its commitment to and obligation for assuring maximum accountability for public funds and student activity funds. To those ends, the Board assumes control of all student activity accounting that relates to curricular and co-curricular activities as per Minnesota Statutes, 123B.49, Subd.2 Co-Curricular Activities Authorization. Further, the Board does not take control of all student activity accounting that relates to extracurricular activities as per Minnesota Statutes, 123B.49, Subd.4. board control of extracurricular activities.

The District recognizes the need to provide accountability in a form that is reality-tested and transparent to the public. It must provide information to the public that is understandable, information that conforms to actual revenue and expenditure data, and information that conforms to a public test and district powers statement.

II. DEFINITIONS

A. Public Test and District Powers

Expenditures serve the public purpose if it benefits the community as a whole, is directly related to the functions of the school district, and does not have as its primary objective the benefit of private interest. It is with the rights and obligations of a district that it provides co-curricular activities and pays all necessary costs associated with those activities.

B. Co-curricular Activity

A co-curricular activity is that activity sponsored by the District and under its control. The activity may lend itself to the granting of credit or is related to a credit granting mechanism as in the case of performing band in the evening (co-curricular activity) that is related to band instruction during the regular class day.

C. Extracurricular Activity

An extracurricular activity is a school-sponsored activity that is not under the control of the Board. The transactions of the activity are not under Board control, and the activity does not relate to a credit granting mechanism nor is the activity for credit as in the case of an after-school chess club. The activity is typically held after school, guided by the wishes of participating students, and is for their enjoyment.

D. Activity Funds

Student activity funds are those funds that are directed toward the skill development and enjoyment of students. They are of, by, and for students. These funds do not offset the regular school budget, nor do responsible adults unilaterally control those funds. These funds are generated by revenue sources other than those typically referred to as "public funds" from local taxes or state aids. They include, but are not limited to, fund raisers in the sale of items, bake sales and car washes.

1. All funds of a graduated class are removed from the student activity accounts following graduation by September of that year. Any residual money from a graduating class is to be deposited into other student activity funds as determined by the graduating class.
2. All non-student funds, including parent group funds and booster club funds, are removed from the activity accounts.

III. DEMONSTRATION OF ACCOUNTABILITY

A. Semi-Annual Activity Fund Reports

The Director of Business & Finance will receive an accounting of activity accounts as least semi-annually in the form of a committee report on transactions within each account of the extracurricular activity funds.

B. Annual Audit

The Board of Education assures the public that sound business practices and transparent accountability is achieved with the aid of an annual audit. As per statute, the activity accounts will be audited when all other District funds are audited.

C. Fund Raiser Report

The Board of Education will review a fundraising report semi-annually in May and November. The report will list the activity, type of fundraisers, timing, purpose, and results.

IV. EFFECTIVE BUSINESS PRACTICES

The Board will annually review the financial management practices and procedures of the student activity accounts through the Director of Business & Finance. The Director of Business & Finance will review accounting practices, frequency and results of fundraisers and the purpose statements of activities. The Director of Business & Finance will also review the internal controls of the district regarding student activity funds as well the results of its own internal audit. An annual audit of the student activity funds will be completed and presented to the school board for approval.

Legal References: Minn. Stat. § 123B.02, Subd. 6 (General Powers of Independent School Districts)
Minn. Stat. § 123B.09 (Boards of Independent School Districts)
Minn. Stat. § 123B.15, Subd. 7 (Officers of Independent School Districts)
Minn. Stat. § 123B.35 (General Policy)
Minn. Stat. § 123B.36 (Authorized Fees)
Minn. Stat. § 123B.37 (Prohibited Fees)
Minn. Stat. § 123B.38 (Hearing)
Minn. Stat. § 123B.49 (Extracurricular Activities; Insurance)
Minn. Stat. § 123B.52 (Contracts)
Minn. Stat. § 123B.76 (Expenditures; Reporting)
Minn. Stat. § 123B.77 (Accounting, Budgeting, and Reporting Requirement)
Minn. Rules Part 3500.1050 (Definitions for Pupil Fees)
Visina v. Freeman, 252 Minn. 177, 89 N.W.2d 635 (1958)
Minn. Op. Atty. Gen. 159a-16 (May 10, 1966)

Cross References: Uniform Financial Accounting and Reporting Standards (UFARS)
Manual for Activity Fund Accounting (MAFA)
MSBA/MASA Model Policy 511 (Student Fundraising)
MSBA/MASA Model Policy 701 (Establishment and Adoption of School District Budget)
MSBA/MASA Model Policy 701.1 (Modification of School District Budget)
MSBA/MASA Model Policy 702 (Accounting)
MSBA/MASA Model Policy 703 (Annual Audit)
MSBA/MASA Model Policy 704 (Development and Maintenance of an Inventory of Fixed Assets and a Fixed Asset Accounting System)
MSBA/MASA Model Policy 706 (Acceptance of Gifts)