

## **STUDENT ACTIVITY ACCOUNTS POLICY**

The North Middlesex Regional School Committee recognizes that extra-curricular student activities are an essential part of the educational experience. In order to promote the organization and maintenance of student activities and to provide for the proper handling and safeguarding of the student activity funds, the school committee hereby adopts this policy and the accompanying procedures for the guidance of students, teachers and principals.

Student activity organizations may only be formed for educational and school service purposes.

Student Activity Funds are defined as "funds raised other than by taxation or through charges of the school committee, for, by or in the name of a school, student body or any subdivision thereof." Student activity funds are managed by and operated for students. Monies are usually collected voluntarily by pupils and are spent by them as they see fit so long as they abide by established regulations.

Student funds may be raised to finance the activities of authorized student organizations. Student activity funds are considered a part of the total fiscal operation of the school system and are subject to policies established by the school committee and the office of the superintendent. The funds shall be managed in accordance with sound business practices, which include accepted budgetary and accounting practices.

### **Policy for the Establishment of Student Activity Accounts**

#### **In compliance with Massachusetts General Law Chapter 71, Section 47:**

1. The North Middlesex Regional School Committee authorizes the principal of each school building to accept money for recognized student activity organizations, which currently exist, or as from time-to-time may be revised. Each principal shall follow the process as prescribed in the procedures to begin a new student activity. The procedures will describe the activity's purpose, funding methods, budget, and participants, as well as its leadership. The principal must be clear about any payroll charges that may be requested through these activities and this request must be processed through the District's payroll system.
2. Stipends, paid to staff members from a student activity checking account, require authorization by the school committee.
3. The District Treasurer is authorized by the school committee to establish and maintain an interest bearing Student Activity Agency Account, which is to be audited as part of the District's annual audit.
4. Interest earnings may be expended for costs related to the operation of the student accounts. This includes (but is not limited to) bank charges, audits, and specialized bonds for employees handling student activity monies (if not covered under general liability policies), forms, tickets, and bookkeeping costs.
5. Interest earnings not used for operational costs of the account shall be turned over to the clubs, classes and organizations having monies in the student activity account. All organizations shall be treated equitably (according to an Average Daily Balance) for such distributions.

6. The school committee authorizes the establishment of Student Activity Checking Accounts for use by each principal and recommends the following specific maximum balances:

- North Middlesex Regional High School \$100,000
- Hawthorne Brook Middle School \$30,000
- Nissitissit Middle School \$30,000
- Ashby Elementary School \$10,000
- Spaulding Memorial Elementary School \$10,000
- Squannacook ECC \$10,000
- Varnum Brook Elementary School \$10,000
- Peter Fitzpatrick School \$ 2,000

7. The building principals are directed to provide the District Treasurer with a bond whose value will be according to the following schedule. The expense for the bond is to be paid for by the school committee.

- North Middlesex Regional High School \$100,000
- Hawthorne Brook Middle School \$30,000
- Nissitissit Middle School \$30,000
- Ashby Elementary School \$10,000
- Spaulding Memorial Elementary School \$10,000
- Squannacook ECC \$10,000
- Varnum Brook Elementary School \$10,000
- Peter Fitzpatrick School \$ 2,000

8. The building principal may establish a petty cash fund of \$500.

**Policies for Auditing and Reporting Student Activity Accounts.**

1. The School Business Administrator will review all of the Student Activity Checking Accounts at least once every two months. The review will look at the uses for these checks and proper documentation for each check written.
2. Each principal will provide a monthly financial statement to the School Business Administrator who will indicate the beginning and ending balances and a summary of the receipts and disbursements for each activity during that monthly period.
3. The School Committee requires that there be a two-signature requirement for all checks that are processed at the building level. The second signature shall be that of the District Treasurer. It is strongly recommended that the checks are processed through the District Business Office whenever possible. Any assets left in place from an inactive student activity organization (no transactions within a three-year time period) will become the property of the school building and its use will be defined and supervised by the building principal.
4. Traditionally, class activity funds (Class of 2014, 2015, 2016, 2017 et seq.) are not closed out until five (5) years after graduation to help fund the class five-year reunion. If any class account does not close to zero at the end of this period, the remaining balance shall become the property of the school building and its use will be defined and supervised by the building principal.
5. The School Committee supports an audit of the Student Activity Accounts as part of the annual audit. This audit will be conducted in accordance with procedures as agreed upon by the school committee and the auditor based upon guidelines issued by the Department of Elementary and Secondary Education.