

**Policy Statement # 5430 (Business) of the Board of Education
Regarding School Activity Funds**

- I. Purpose
 - A. To ensure appropriate handling of all money in school activity funds
- II. Definitions
 - A. Financial management system – a system which complies with all legal, ethical, and procedural guidelines and mandates to ensure proper processing, recording, accounting, and auditing of school funds
 - B. School activity funds – a fiduciary fund consisting of assets held on behalf of school student group activities and class accounts
- III. Policy Statement
 - A. Given its belief in fiscal responsibility, the Board of Education recognizes the need for a safe, simple, and convenient financial management system which complies with all legal, ethical, and procedural guidelines and mandates to ensure proper processing, recording, accounting, and auditing of school funds. Therefore, the Board of Education authorizes the establishment of school activity fund checking, savings and/or approved investment accounts in each school provided that accounts comply with all legal, ethical, and procedural guidelines and mandates.
- IV. Delegation of Authority
 - A. The Superintendent of Schools is directed to develop a school activity fund accounting manual which contains administrative procedures to implement this policy in accordance with all local policies and local, state and federal laws, regulations, and guidelines.
- V. Exceptions
 - A. There are no exceptions to this policy. However, the Board, by majority vote, may temporarily suspend all or part of this policy. Suspension of all or part of this policy, however, in no way relieves the Board of its obligation to comply with pertinent local, state and federal laws and regulations, or the rules and regulations of the Maryland State Board of Education and the Maryland State Department of Education
- VI. Review
 - A. This policy will be reviewed at the end of four years, or sooner, if approved by majority vote of the Board of Education in public session.
- VII. Effective Date
 - A. This policy is effective May 9, 2024.

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Originally Adopted: 6/13/1974

Revised: 3/23/2006; 2/12/2009; 2/8/2012; 3/10/16; 4/9/20; 5/9/24

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Citations

State Law:

State Reg.:

Federal Law:

Adm. Reg.:

Neg. Agr.:

Other Citation: Governmental Accounting Standards Board; Local Government Investment Pool

Related Policy:

5650 Financial Investments

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