

## EXTRACLASSROOM ACTIVITIES FUND MANAGEMENT

An organization within the District whose activities are conducted by students and whose financial support is raised other than by taxation or through charges of the Board of Education is defined as an extraclassroom activity and the moneys received by it as extraclassroom activities funds.

The Board of Education shall have the responsibility for the protection and supervision of extraclassroom activities funds. At the annual Reorganizational Meeting, the Board shall appoint an Extraclassroom Activities Fund Treasurer, whose responsibilities shall include the management of such funds. The Building Principal shall appoint a faculty advisor for each extraclassroom activity, whose responsibilities will include the oversight of the management of that club or organization's financial matters in conjunction with the treasurer of the extraclassroom club or activity and the Extraclassroom Activities Fund Treasurer. The annual District external audit shall include an audit of all extraclassroom activities funds.

Extraclassroom activity funds are those operated by and for the 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. All funds raised by an extraclassroom activity with the involvement of the faculty advisor or other staff members shall be considered extraclassroom activities funds and as such shall be subject to this policy. Each student club or extraclassroom activity shall select a treasurer, who shall be responsible for the financial affairs of the extraclassroom activity.

Extraclassroom activities must not be confused with funds accounted for in accordance with the Uniform System of Accounts prescribed by the State Comptroller. Procedures discussed in this policy and applicable regulations apply only to extraclassroom activity funds.

### Financial Procedures

All extraclassroom activity funds shall be handled in accordance with the financial procedures illustrated by Finance Pamphlet No. 2, The Safeguarding, Accounting and Auditing of Extraclassroom Funds, (revised 2019), published by the New York State Education Department. All commitments and contracts shall be the sole responsibility of the extraclassroom activity giving rise to the transaction, regardless of a change in advisors, membership or officers.

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The District, as well as the club, shall maintain appropriate books and records for extraclassroom activities funds to ensure accuracy. All moneys received by an extraclassroom activity shall be deposited in an account maintained by the District. All transactions involving extraclassroom activities funds shall be on a cash basis, and no accounts shall remain unpaid at the end of the school year (June 30). Funds maintained in the extraclassroom activities funds shall be invested in accordance with Board policy.

The extraclassroom activities of the District are not included in the District's grant of exemption from the payment of sales taxes. Without exception, extraclassroom activities are prohibited from using the District's sales tax exemption with regard to any purchase made by the extraclassroom activity.

Further, extraclassroom activities shall be responsible for the collection of sales taxes on products they sell and services they provide as fundraising activities, in accordance with applicable law. If an extraclassroom activity desires to conduct a fundraising event that is believed not to require the collection of sales taxes, the faculty advisor shall ask the District's chief business official for a determination as to whether such activity is exempt from the collection of sales taxes. The District's chief business official shall be responsible for confirming, in writing in advance of an event, that a fundraising event is not required to collect sales taxes. The Extraclassroom Activities Funds Treasurer shall be responsible for filing the periodic sales tax returns for the extraclassroom activities funds.

Payments from the extraclassroom activity fund shall be made only for expenditures that are made in accordance with the activity's by-laws or constitution. Such payments shall be by check, signed by authorized signatories in accordance with Board policy. Such payments must be documented with an original receipt or invoice. Copies of receipts, faxes or vendor statements will not be accepted.

The Extraclassroom Activities Fund Treasurer shall establish procedures for the receipt and deposit of revenues obtained by extraclassroom activities, including procedures for the deposit of cash revenues, and for the disbursement of funds of extraclassroom activities. The Extraclassroom Activities Fund Treasurer shall also establish procedures for the maintenance of records for each club or activity, the collection and storage of such records at the conclusion of a school year, and the distribution of such records to the treasurer of the club or activity at the beginning of the next school year.

### **Inactive Clubs and Leftover Funds**

An inactive extraclassroom activity shall be defined as one having no financial activity for two school years. The Building Principal shall determine whether the extraclassroom activity is inactive, and shall inform the District Treasurer and the Extraclassroom Activities Fund Treasurer of this determination. If an existing club or extraclassroom activity is renamed or the bylaws of a club are amended, the funds of the preexisting club or extraclassroom activity will be transferred to the new club or extraclassroom activity, upon the Building Principal's determination that the new club or activity is a successor to the preexisting club or activity. If an inactive extraclassroom activity is identified, the District Treasurer is directed to liquidate the leftover funds of this club in accordance with the following: Leftover funds of inactive or discontinued extraclassroom activities at the high school shall be transferred to the Student Faculty Congress. Graduating classes at the high school are expected to zero out their accounts, by donation, as determined by the class officers and designated in writing, no later than June 30<sup>th</sup> of the year of that class's graduation. Any leftover moneys of a graduating class at the high school shall be transferred to the Student Faculty Congress or, if the Student Faculty Congress is not active, to its successor or to a similar student government organization as determined by the

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**Building Principal.** Any leftover funds of inactive or discontinued extraclassroom activities in the other schools of the district shall be transferred to the student council or student government organization of the respective school.

### **Sales, Campaigns and Fundraising Activities**

The faculty advisor shall provide information to the Superintendent or designee on sales, campaigns and fundraising activities of all extraclassroom activities, including the nature of the event, dates of operations, duration of sale or campaign, and means of solicitation (e.g. door-to-door, direct mailing, etc.). The faculty advisor, together with the student treasurer, shall prepare a profit and loss statement at the end of each fundraising event.

### **Risk Management**

The faculty advisor shall work with the Chief Business Official to assure that the District's exposure to any risks resulting from club activities or fundraiser is minimized. In all cases where a vendor will be using District facilities to conduct its event, the District requires a certificate of insurance with the District named as an additional insured. Periodically, the District may request that a primary liability insurance carrier conduct a review of the activities and may prohibit certain events based on the review results.

### **Contracts, Commitments and Guarantees**

All contracts, commitments and guarantees require approval of the District's purchasing agent. All commitments and contracts shall be the sole responsibility of the extraclassroom activity club giving rise to the transaction, regardless of change in advisors, membership or officers.

#### Cross-Ref:

2210, Board Reorganizational Meeting

5210, Student Organizations

6240, Investments

6410, Authorized Signatures

6660, Independent Auditor

6740, Purchasing Procedures

#### Ref:

8 NYCRR Part 172

Finance Pamphlet No. 2, The Safeguarding, Accounting and Auditing of Extraclassroom Funds (revised 2019), (New York State Education Department)

Deleted: 2008

Adoption date: November 14, 1994 (titled Student Activities Funds Management)

Revised: May 8, 2014

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***FOR FIRST READING (REVISION) 10-10-24  
[ADDITIONS AND DELETIONS SHOWN IN TRACK CHANGES]***