

TEMECULA VALLEY UNIFIED SCHOOL DISTRICT

ASB PROCEDURES

2015/16

Principals are the administrators responsible for all of the ASB functions. They may designate an advisor to handle these responsibilities if they wish; however, the Principals are ultimately the person responsible for the operations and activities of the ASB. Keep in mind, that although the Principals are responsible, it is the students' money and the students should decide how it is to be spent. Principals and Advisors are there to guide the students and make sure good accounting practices are followed.

The Associated Student Body Handbook by FCMAT has been provided via email and can also be found on the FCMAT website. Below you will find some of the important guidelines.

Table of Contents	Page
ASB CLUBS/CHARTERS.....	2
BUDGETS	3
ASB MEETING MINUTES	3
FUNDRAISERS & INCOME GENERATING ACTIVITIES	4
Door-to-Door Sales.....	4
Prohibited Fundraising Activities	4
Student Store.....	4
Food Sales.....	5
Vending Machines	5
RECEIPTS & CASH HANDLING	5
Ticket Sales Procedures	6
Online Student Store Sales & Merchant Card Payments (Credit/Debit Cards).....	6
DISBURSEMENTS.....	7
EXPENDITURES.....	7
Purchase Orders	7
Allowable Purchases (non-obvious):	8
Prohibited Purchases.....	8
Equipment Purchases & Equipment Inventory.....	9
CONSULTANTS & SERVICES.....	9
SCHOLARSHIPS.....	10
GIFTS & DONATIONS	10
PTAs, BOOSTER CLUBS, & OTHER PARENT SUPPORT ORGANIZATIONS	10
COMMON AUDIT FINDINGS.....	11

ASB CLUBS/CHARTERS

The basic objective of an ASB is:

**TO PROMOTE THE GENERAL WELFARE, MORALE AND
EDUCATIONAL EXPERIENCE OF THE STUDENTS AND TO
CONDUCT ACTIVITIES ON BEHALF OF THE STUDENTS**

1. ASB Constitution – ASB must have a copy of the Constitution and By-Laws at the site.
2. Club Charters – **ALL** clubs must have Board approved charters on file at the site.
3. A formal application is required from any students who want to establish a new club at the school and must be done on an annual basis.
4. All student clubs must have:
 - a. A purpose
 - b. Regular meetings that include approved meeting minutes
 - c. A constitution
 - d. A certificated club advisor
 - e. Club members composed entirely of currently enrolled students
 - f. An approved annual budget
5. General ASB must submit the following to the District Office by September 15th
 - a. Approved effective budget for the new school year (approved in meeting minutes)
 - b. Chart of Accounts
 - c. List of all Clubs, Club Officers and Club Advisors
 - d. TVUSD ASB Membership Agreement
6. Clubs can **NEVER** operate with a negative balance, nor can a club end the year with a negative balance. This is an audit finding.
 - a. If a club should need to borrow money from the General ASB, a loan must be approved in the meeting minutes; only then, can purchase orders and disbursements for that club take place. All loans must be repaid before year end.
7. Large reserves of funds are discouraged. Funds should be spent for the benefit of the students currently enrolled. Exceptions to this would be a long-range project that must be documented.
8. If a student club becomes inactive, the funds should be transferred to the general ASB unless the club's constitution, or a decision made by students before the club became inactive, provides specific instructions to do otherwise.
 - a. An inactive club is defined as having no financial activity for more than 12 months and/or the absence of a current year club charter/members
9. The following financial reports must be submitted on a monthly basis to the District
 - a. Monthly ASB Reports (High Schools)
 - i. Bank reconciliation
 - ii. Income and Expense Report (by club) – as of statement end date
 - iii. Balance Sheet – as of statement end date
 - b. Monthly ASB Works Reports (Middle Schools)
 - i. Bank Reconciliation
 - ii. Balance Sheet – as of statement end date
 - iii. Trial Balance – as of statement end date
 - iv. Transaction Summary – July 1 through statement end date

BUDGETS

At the end of each school year and once the new officers are elected, clubs are to prepare a preliminary budget for the upcoming year. This provides an opportunity for the incoming officers to consult with the outgoing officers and to review the current budget.

At the start of the new school year, any revisions to the club's preliminary budget should be made. The student council or club (depending on whose budget it is) will vote on the adjusted preliminary budget and include that vote in their meeting minutes; therefore adopting the effective budget for the school year. All effective club budgets must be submitted to the general student council leadership for approval in the General ASB minutes.

Budgets are prepared for a one-year period. The general student council and each individual club must develop a budget document with their annual goals and a plan for achieving those goals by deciding the following:

- Estimated revenues: What fundraisers will we have?
- Estimated expenses: What will the fundraisers cost us to hold?
- Estimated ending reserves and club carryover: Is there enough left over to accomplish the goals we've outlined?

The budget allows students to determine if they will raise enough funds during the year to cover their anticipated expenses. Budgets should be monitored throughout the year and revised periodically. These revisions to the budget must be voted on and recorded in the club's meeting minutes.

ASB MEETING MINUTES

The General ASB and each student club are required to keep minutes of each meeting held. Minutes should include the following:

1. Introductory Data - "Call to Order" - Location, date, time, and a list of those present at the meeting.
2. Report of Business:
 - a. Minutes of previous meeting
 - b. Activities
 - c. Financials (detail see below)
 - d. New Business
 - e. Old Business

*Motions must be made for approvals. Each motion must be stated, the person who made the motion and the person seconding the motion must be named, and the result of voting must be given.
3. Financial Report
 - a. Cash Receipts or dollar total (by club) and Grand Total
 - b. Cash Disbursement (tie back to PO/Activity) by club and Grand Total
 - c. General ASB and individual club balances
 - d. Budget Revisions or Transfers

FUNDRAISERS & INCOME GENERATING ACTIVITIES

1. All activities for ASB and/or clubs must be submitted on an activity request form and approved by the ASB in their meeting minutes. The form should be signed by the club advisor and responsible site administrator.
2. School sites (teachers, classrooms, departments, etc.) CANNOT hold a fundraiser. The General ASB or an ASB Club are the only entities allowed to raise funds on campus, during school hours. All outside fundraising must be done through a School Board-approved Booster Club/Parent Support Organization. (*see the Booster Club/Parent Support Organization section below*)
3. Revenue Potentials must be completed for the following activities:
 - All Fundraisers
 - Dances
 - Yearbook Sales
 - Theater Productions
 - ASB Cards
 - Other similar activities
4. Upon completion of the activity, a sales analysis must be completed and kept on file with the ASB bookkeeper. This can be on the same form as the revenue potential.
5. Any activity that involves some degree of risk must have a waiver signed by the parent. *Contact the Risk Management Department to obtain these waivers.*

Door-to-Door Sales

The California Code of Regulations, Title 1, 11706, allows minors under the age 16 to engage in door-to-door sales only under the following conditions:

1. Minors must work in pairs, as a team, on the same or opposite side of the street
2. Minors must be supervised by an adult (one adult for every crew of ten or fewer minors)
3. Minors must be within the sight or sound of their adult supervisor at least once every 15 minutes.
4. Minors must be returned to their respective homes/meeting places after each day's work.

Prohibited Fundraising Activities

1. Raffles or games of chance
 - a. As government entities exempt from state tax, it is a violation of the Penal Code for any school entity (including ASBs) to participate in raffles or games of chance
2. Activities that pose liability, safety or risk concerns
 - Mechanical or animal rides
 - Use of darts or arrows
 - Objects thrown at people
 - Tug-of-war
 - Car washes
 - Rummage sales
 - Trampolines or mini-trampolines
 - Human Hamster Balls (a person runs inside of a large transparent plastic sphere)
 - Use of water tanks into which a person is dunked
 - Destruction of cars or similar objects with hammers
3. Rental of district-owned equipment or facilities to outside groups by the ASB. All Facility Use Requests must go through Business Services.

Student Store

1. Transactions of the student store must be recorded in the ASB ledgers.
2. Prior approval must be required for purchases. (To stock inventory)
3. Receipts of money must be recorded on a carbonless cash register receipt or on a pre-numbered triplicate hand receipt.
4. The total cash register tapes should equal the total cash/checks collected.

5. Any overages/shortages are recorded and **explanations** provided. If excessive, District Business Office must be notified and the situation investigated.
6. All register tapes/receipts must be retained for audits.
7. Cash drawers should maintain a designated amount for change and be reconciled daily.
8. Inventory must be kept and taken **at least quarterly**. Inventory must be taken prior to placing any order for restock.
9. The inventory list must contain a description of each item, the unit of issue, the quantity, the unit price, and the inventory value. The total value of the inventory must be shown.
10. Retain year-end inventory listing for fall audit.
11. Student Stores must have a “seller’s permit”.
12. Sales/Use Tax must be paid and filed with the State by July 31st of each year.

****If your site is operating a student store and currently do not follow the above procedures, contact the Fiscal Director immediately for assistance.***

Food Sales

1. Food items may be sold within 30 minutes before or after the regular school day if the following conditions are met:
 - a. Must meet nutritional standards as approved by the governing board
 - b. **Must** be cleared through Food Services Department (**prior approval**)
 - c. Only one club per day may sell up to 3 items
 - d. There should be no more than 4 food sales per club per year.
 - e. Food items sold during the regular day are not sold by Food Services.
2. **BBQs or other events involving food must obtain authorization from Food Services at least 2 weeks prior to the event**

Vending Machines

1. Must have a contract between the ASB and the vendor.
2. Contract must be approved by the District Administration.
3. Contract must specify details regarding installation, maintenance, quality, quantity, commission rates and types of food and drink.
4. Auditable records must be kept by the vendor and be supplied to the ASB

RECEIPTS & CASH HANDLING

General ASB must approve all ASB and/or club activities that generate money. It is the responsibility of the activity supervisor/club advisor to ensure that proper fund collection procedures are followed and that funds collected are turned in to the ASB Bookkeeper promptly.

1. **All cash/checks collected must be receipted and deposited**
2. All funds must be counted, tallied, and balanced with the receipts before being turned in to the ASB Bookkeeper.
3. All receipts issued and/or tally sheets completed, must accompany their associated funds when turned in to the ASB Bookkeeper.
4. Receipts must be in numerical order and all voided receipts must be included. **There should be NO missing receipt numbers.**
5. If students and/or parents collect funds, the supervisor/club advisor is responsible for providing proper documentation to prove the deposit is in balance with the receipts.
6. Personal checks from teachers or other staff members should never be accepted in lieu of the actual cash collections

7. When cash is being collected or being counted, two people must be involved. Both people must sign the tallied documentation and cash count sheet verifying the totals.
8. **Cash and checks must be turned in to the ASB bookkeeper daily and can NEVER be left in an unsecured location or taken home.**
9. Cash should **NEVER** be given as change for a check payment received. If a check was written for an amount greater than the amount due (i.e. purchase amount was \$20.00, check payment written for \$25.00, overpayment of \$5.00), a new check must be written by the customer for the correct purchase amount.
10. Purchases/reimbursements should **NEVER** be made with cash received (i.e. additional car wash supplies and/or food).
11. **DO NOT void a receipt and refund cash. Refunds are issued by CHECK only.**
12. A master receipt book log/inventory must be kept of all persons that have a receipt book checked out to them and the number sequence of those receipts.
13. Types of back up for deposit:
 - a. Receipt Book (3-part, pre-numbered; white to purchaser, yellow to ASB bookkeeper, pink stays with receipt book).
 - b. Carbonless duplicate computer printed receipts.
 - c. Activity Collection Report – summary of all activity sales to be deposited.
 - d. Report of ticket sales (see Ticket Sales Section).

Ticket Sales Procedures

1. Pre-numbered tickets must always be used. **NO EXCEPTIONS!**
2. Tickets must be kept in a secured location with access limited to the ASB Bookkeeper and Activity Director.
3. A ticket log should be kept for rolls of pre-numbered tickets. Each roll of tickets should be recorded on a separate log. The roll should be checked out, the beginning number noted on the ticket log, the dollar value of the ticket and the color of the ticket along with the purpose for the tickets and the person responsible for selling the tickets. A ticket sales summary must be completed after selling the tickets.
4. After the ticket sales summary has been prepared and the money has been counted, the supervisor must turn in the ticket sales summary, money, and remaining tickets to the ASB Bookkeeper. Two people must count the funds, tally tickets, and sign the summary.
5. When tickets and completed ticket sales summary are returned, the ending number should be indicated on the ticket log. **Any discrepancies should be noted and explained.**
6. A ticket sales analysis/revenue potential should be completed for any fundraising activity involving ticket sales.

Online Student Store Sales & Merchant Card Payments (Credit/Debit Cards)

1. The General ASB must approve the acceptance of merchant card payments and the related fees imposed by merchant companies in their ASB meeting minutes.
2. Web store and credit card sales must be recorded and reconciled to the receipts.
3. All processing/transaction fees associated with the acceptance of credit card payments for a sale must be charged to the club that incurred the cost.
4. If a convenience fee is added to online sales transactions, all fees collected should be recorded in the account that will later be charged the monthly merchant processing fees.
5. Upon receipt of the monthly statement from the merchant processing company, an entry should be made to record all processing/transaction fees incurred.

Please contact the ASB Accountant for further assistance with all Merchant Processing Account procedures.

DISBURSEMENTS

1. Personal checks cannot be cashed for anyone.
2. **Never write a check payable to “cash” or to your site.**
3. Blank checks are never to be pre-signed.
4. Voided checks must be kept for audit purposes and the signature space cut out.
5. **Two authorized signatures are required on all ASB checks.**
6. All expenditures must have prior approval (in minutes) **BEFORE** the expense is made. A Disbursement form (check request) should be used with the request for disbursement portion completed and signed (ASB, Activity Director, Assistant Principal or Principal).
7. Expenses for an event cannot be taken directly from the proceeds of the event. Properly documented expenses must be paid by a student body check.
8. Items needed for check disbursement:
 - a. Request for disbursement (check request).
 - b. Copy of PO; include date of approval in ASB minutes.
 - c. Original invoice or receipt (no copies).
 - d. Proof (signature of supervisor) of delivery or services rendered. Do not pre-pay for items unless the vendor does not take a PO or unless a deposit is required.
 - e. Invoice must include the vendor’s name address, date and total amount.
 - f. Once the checks are processed, the ASB must approve the check register in the meeting minutes.

EXPENDITURES

1. In order to protect ASBs and their assets, all contracts that involve construction at the site, equipment, or an activity that could possibly cause a liability for the District, must be reviewed and approved by the District Business Office prior to signing or acceptance of the terms. No contract may be entered into verbally.
2. Any purchases for equipment over \$5,000 must go through the Purchasing Department to ensure the item is properly tagged and added to the District’s Asset Inventory. Equipment ranging from \$500 - \$4,999 must also be tagged but will not be added to the District’s Asset Inventory. *Contact the Purchasing Department if you need to have an item tagged.*
3. If the ASB makes a purchase of goods and are not charged tax, a copy of the paid invoice must be sent to the ASB Accountant. The Accountant will keep track of the taxes due and the District Office will pay the taxes and bill back the ASB at the end of the year.
4. PE Clothes orders for the new school year should be placed in the Spring of the current school year, delivered after July 1, and then invoiced after July 1. The expense will then be paid in the new school year after funds have been collected from the PE Clothes sales

Purchase Orders

1. **ALL EXPENDITURES MUST HAVE A PRE-APPROVED PURCHASE ORDER**
2. All purchase orders must be approved in the ASB minutes, be written for a specified dollar amount, and the club/organization must have the funds to obligate.
3. The purchase must contain the date of approval from the ASB minutes.
4. An ASB Purchase Order must be done for reimbursements (i.e. if a coach or advisor goes out and purchases items for an activity)
 - a. The PO must be entered with his/her name as the vendor, include a “not to exceed” amount, and list the items to be purchased. This PO will be approved in the ASB minutes after which the advisor can purchase the items, not before.

5. POs entered under “Various Vendors”
 - a. According to our auditors, this should not be the norm but the exception.
 - b. In some instances the ASB may have an activity where several items may need to be purchased (i.e. dance) and at the time of approval may not know which vendors they want to use. In this instance, a general PO should be entered under the Club’s name.
 - c. Upon the check disbursements being approved at the ASB meeting, the check must be related back to the “Various Vendors”/General Club PO for the activity. This allows the students to know how much was spent at each vendor and for which items listed on the PO request.
6. **When a purchase exceeds the original PO amount, a 10% variance is allowed as an acceptable increase to the PO. If the variance is greater than 10% over the original PO amount, a new Purchase Order must be done for the increase and re-approved in the ASB minutes.**
7. Sites must send a 1099 report to the ASB Accountant on a monthly basis.
8. **Three Required Signatures on All POs** – purchase orders must be signed by an ASB club officer/student representative, club supervisor/ASB Advisor and the Assistant Principal or Principal.

Allowable Purchases (non-obvious):

1. Playground equipment (not used in the instructional setting)
2. Non-curricular library books
3. Supplemental equipment for student use that is not normally provided by the school district
4. Field trips and science camps
5. Extra-curricular athletic events (includes costs for ticket sales, game officiating, and security)
6. Costs for student social events
7. Scholarships
8. Awards
9. Indirect charges

Prohibited Purchases

1. Salaries, supplies, or equipment that is the responsibility of the District
 - a. *This includes negotiated District-paid stipends.*
 - b. *This includes PE equipment that is used during the instructional day.*
2. Repair and maintenance of district owned facilities and equipment.
 - a. *This includes maintenance of sewing machines or any item used for instruction during the instructional day.*
3. Articles or supplies for the personal use of district employees
4. Expenses for faculty meetings (refreshments for staff meetings)
5. Expenses for PTAs
6. Large gifts and awards (or gift of any kind)
7. Employee appreciation meals
8. Employee clothing/attire
9. Cash awards to anyone

Equipment Purchases & Equipment Inventory

1. Equipment is defined as moveable property with a useful life of more than one year and costs over \$500.
2. All equipment to be purchased must go through the District Purchasing Department. This allows equipment to be tagged.
3. ASBs may purchase equipment, but they remain the sole property of the ASB. This means that any repair or upkeep is the responsibility of the future ASBs.
4. ASBs may choose to donate equipment to the district. The students should stipulate that the ASB club making the donation retains the right to exclusive use of the equipment. The governing board should formally accept the donation of the equipment. Once the District accepts the equipment, the District is responsible for any maintenance or upkeep.
5. All ASB equipment must be inventoried each year. The inventory should include a description, date purchased, price, location and the club that purchased the equipment. This is **MANDATORY** as this is another common audit exception.

CONSULTANTS & SERVICES

1. Any payment to an employee of the District for any service must be made through the district payroll system. The ASB will then be invoiced by the District for reimbursement.
2. **FOR THE SAFETY OF OUR STUDENTS, NO INDIVIDUAL, EITHER PAID OR VOLUNTEER, CAN BEGIN COACHING UNTIL HRD RECEIVES AND PROCESSES A COMPLETED COACHING/ACTIVITY PACKET, INCLUDING BUT NOT LIMITED TO, CPR/FIRST AID CERTIFICATION, NEGATIVE TB TEST, AND FINGERPRINT CLEARANCE.**
3. All walk-on coaches, choreographers, band assistants, etc. are considered employees of the District (even though they may not be an actual employee of the District). They must sign up in personnel, be fingerprinted, have a TB test prior to working and will be paid through the district payroll. A TVUSD coaching packet and Coaching/Activity Agreement form must be completed PRIOR to services being rendered. HRD can provide this packet in its entirety.
4. When payment is made to a non-District individual, (persons who do not work directly with students – i.e. CIF official, D.J. or other independent consultant/contractor), the individual **MUST** provide a completed W-9 form to the ASB. **NO PAYMENT** should be released without a W-9 on file for the contractor.
5. When making payments through the District, remember to include the additional amount for statutory benefits/employer fixed costs when calculating the total cost. Please contact the ASB accountant for these rates as they may vary from year to year.
 - a. Employee payroll taxes will be taken out of a stipend/check dependent upon the employee's tax withholdings.
6. A check register must be sent monthly to the ASB Accountant showing all payments to independent contractors (excluding CIF officials) and a copy of their W-9(s) attached.
7. Annually the District prepares 1099s for all combined payments for services over \$600 paid for by the District and/or ASBs. The District must combine all payments made to vendors by all ASBs and the District.
8. ASBs **DO NOT** have the authority to give permission for Boosters or other organizations to use District Facilities. All Use of Facilities must go through and be approved by the Business Services Department. Please have them contact Business Services for a Use of Facilities Form.

SCHOLARSHIPS

1. No more than \$1,250 total may be awarded each year and no more than \$250 per individual (high schools only).
 - a. Some sites are given specific donations for scholarships so this amount may be higher in those specific instances (i.e. Pechanga donations)
 - b. \$1,250 should be all that is given out of ASB Funds.
2. Checks must be made payable to the institution or institution bookstore.

GIFTS & DONATIONS

1. ASBs can receive donations of cash, equipment, or supplies. A form should be attached to clearly define the purpose and the receiver (to be kept separate from district funds).
 - a. Equipment, supplies, or other personal property may be subject to approval by the Board of Education. *Contact the Business Services Department should you receive any non-cash donation.*
2. ASBs cannot give donations to nonprofit organizations or students/families in need. However, ASBs can organize a fundraiser to support a charity as long as the event is clearly identified as raising funds to donate to that charity.
 - a. When possible, all donation funds collected should be in the form of check made payable to that charity.
 - b. If that is not possible, a separate account must be set up to collect funds for the designated charity and the ASB will issue the charity a check upon completion of the fundraiser.
 - c. The same procedures apply for a family in need.

NOTE: A fundraiser for a designated charity cannot be combined with any other fundraiser. ALL funds raised must go to the charity.

PTAs, BOOSTER CLUBS, & OTHER PARENT SUPPORT ORGANIZATIONS

1. Must complete the Booster Club/Parent Organization Membership Agreement Packet on an annual basis.
2. Must follow BP 1230 & AR 1230:
 - a. Requires authorization from the Board on an annual basis
 - b. Cannot hire District Employees
 - c. Cannot hire individuals to work with students
 - d. Cannot use District property for fundraising without approval of a District Use of Facilities Form

COMMON AUDIT FINDINGS

- ASB club budgets are not prepared
- Deposits not made in a timely manner (at least weekly; high volume = daily)
- Deposits do not reconcile to receipts
- Cash counts are not recounted
- Pre-numbered receipts are not used
- Receipt books are not logged in and out with signatures
- The actual purchase date is prior to the purchase order date
- Disbursements do not have adequate backup
- The three signatures required for ASB expenditures are not obtained prior to purchase
- Lack of confirmation that the product purchased was received prior to payment being made
- Disbursements do not have prior approval (PO needs to be in meeting minutes). Purchase Orders must be used.
- Revenue Potentials done incorrectly and contain huge discrepancies
- Ticket controls and recap sheet missing explanation for shortages/overages
- Game parking revenue.... Did not use tickets for sales so the money collected could not be reconciled to number of tickets sold.
- Trust accounts in a negative balance
- Accruals not set up for liabilities to appear in the correct year.
- Bank statements are not prepared in a timely manner (monthly)
- Financial reports not submitted monthly