

# Student Activities Guidebook

---

Updated July 1, 2019

# Table of Contents

---

1. Student Activities Funds.....	3
2. Definitions.....	3
3. Administration.....	3
4. Stewardship and Custodial Responsibility.....	4
5. General Operating Procedures.....	4
6. Revenue, Receipts and Deposits.....	5
7. Purchasing and Disbursements.....	5
8. Procedures for Student Activities Accounts.....	6
9. General Ledger Account Numbers.....	9
10. Inactive Accounts.....	10
11. Training Sessions.....	10
12. FAQ's.....	10

## Student Activity Funds

---

In addition to a student's classroom experience the School Committee recognizes the benefit of pupils participating in co-curricular activities which provide important learning and social experiences. Whereas these activities are related to the overall educational experience the committee has an obligation not only to approve and sanction specific activities but also, to provide efficient procedures for their creation, operation and demise, as well as a system for the safeguarding, accounting and internal control of student extra- curricular activity funds. Recognizing that these monies do indeed belong to the students and not to the Amherst Pelham Regional Schools, it is the intent of the committee to insure that adequate controls are in place to safeguard these monies and that sound business guidelines are in place to govern the operation of these accounts.

For approved student activities the raising and expending of activity money by student bodies should have but one purpose: to promote the general welfare, education and morale of all students through the financing of the normal legitimate co-curricular activities of the student body operation.

### Definitions

---

**School Committee** - The School Committee shall adopt policies to govern the establishment and operation of the activity funds.

**Superintendent** - The superintendent is responsible for administering all School Committee policies.

**Business Manager** - The business manager shall be responsible for accounting procedures, internal controls, and auditing.

**Principal** - The principal or other authorized administrator shall be responsible at the building level for the overall administration of the accounts under his/her control, to include deposits, expenditures, bookkeeping, any other duties as may be necessary to insure the safeguarding of assets, and any other duties as required by School Committee policy.

**Treasurer** – The treasurer manages and tracks all monies of the school district.

**Bookkeeper** - The bookkeeper shall maintain all accounting records, keep physical control of the checkbook and/or passbook, maintain copies of all deposit slips, receipts, invoices, and other relevant documents and do the reconciling of monthly bank statements. The bookkeeper shall be designated by the Principal. If no designee is made, the head secretary at each building will hold this responsibility.

### Administration

---

- The accounts by statute are the responsibility of the school principal and thus it is the direct responsibility of the principal to ensure that the statute, School Committee policies, and administrative procedures are fully adhered to in all aspects of operating student activity accounts.
- A student activity account may be used for funds raised by student organizations which will be expended by those students for their benefit. Funds raised or donated that are governed by laws other than the student activity laws cannot be deposited to a student activity account. In addition, funds

belonging to staff through sunshine funds or vending machines or other activities not related to the students may not be deposited in the student activity account.

## Stewardship and Custodial Responsibility

---

- Maximum checking account fund levels are as follows:
  - Amherst Elementary Schools: \$2,500
  - Pelham Elementary School: \$1,500
  - Amherst Regional Middle School: \$8,000
  - Amherst Regional High School: \$25,000
- All deposits for fundraising and other student activities must be deposited in the agency account with the treasurer.
- The principal may request replenishment of the checking account to the maximum established balance by presentation of a **funds request** to the school business manager and treasurer, accompanied by invoices or other support for disbursements previously made from the checking account. A sample documentation form is attached **Appendix A**. Alternative forms of documentation are acceptable as long as they provide the same information as **Appendix A**. This information should be attached to the **funds request** and given to the Treasurer.
- All employees involved in handling any funds from student activity accounts shall be bonded in the same manner as other school employees who handle money (ex. lunch program employees). School department insurance policies which provide specific coverage shall satisfy this requirement.
- There shall be an annual review of the student activity funds. The review may be conducted by a responsible individual, independent of the student activities, with the approval of the School Committee. Such an individual could be the town accountant, who already has audit powers under MGL Chapter 41 the treasurer, or the school business manager if the school business manager is not involved in the administration or transactional processing of the student activities.

## General Operating Procedures

---

- Bank reconciliations must be done at least quarterly by the principal or his/her designee (preferably monthly). A copy of the bank reconciliation should be sent to the treasurer.
- Standardized forms should be used for deposits and disbursements whenever possible;

## Revenue, Receipts, and Deposits

---

- All student activity monies from any source should be turned over to the school principal or the principal's designee within twenty-four hours from receipt of such funds. (If received on the weekend, then on the first business day after receipt of the funds.)
- Any money not deposited on the same day **must be kept overnight in a locked vault, safe, or other secured locked area** - under no circumstance, should student activity monies be taken home overnight.
- All money turned over to the school from student activities shall be accompanied by a **school deposit slip** stating the source of the monies, the amount being deposited, and signed by the person turning over the money to the office. A sample documentation form is attached in **Appendix B**. Other documentation may be used but it must contain the same information as **Appendix B**.
- The school principal or the principal's designee should deposit into the agency account all monies received from student activities within 24-48 hours. The principal or designee must send deposit slip to the town treasurer and the regional treasurer.
- An ongoing philosophy of the importance of handling money with care, honesty, and accuracy should be conveyed to the students, advisors and teachers through roundtable meetings and educational trainings.
- Money collected for purposes other than student activities shall not be deposited into the student activity account and must be handled by the MGL that governs its administration.
- Any monies paid to the school or to a student activity as commissions or revenue sharing belong to the students and shall be deposited into the student activity agency account. Such funds shall be expended for the benefit of the students in accordance with School Committee policies and may not be spent to benefit the staff or to supplement the school budget.
- Gifts may be deposited into the student activity account but must be approved by School Committee according to the district's existing policy.

## Purchasing and Disbursements

---

- Equipment and supplies purchased with student activity funds are the property of the student activity groups and not any individual student or other organization. Equipment and supplies purchased with student activity funds should be used exclusively for co-curricular student activities and not for the general use of School operations.
- Student activity funds may not be used for any purpose unrelated to student activities or for the benefit of any staff person.

- All disbursements shall be made by check.
- Checks may not be written to cash.
- Checks shall be signed only after they are completely prepared.
- Individuals responsible for writing checks should be segregated from the record keeping and reconciliation process; or assurances should be made that other mitigating controls are in place such as a monthly review of all activity by an independent responsible individual.
- All disbursements are required to have adequate external supporting documentation such as a vendor invoice, bill contract or receipt. **This supporting documentation should be retained for a minimum of seven years.**
- **A record of all checks will be maintained, including void checks. Numerical order of checks should be retained.**
- Checkbook reconciliations should be quarterly (preferably monthly).
- A standardized form should accompany all requests for check issuance.
- The standardized form shall be accompanied by the supporting documentation and must state to whom the check shall be payable, the reason for the payment, the amount of the check, and the approval signature of the requester.
- All requests for replenishment to the school principal checking account must be adequately supported by documentation of how funds were spent (invoices, contracts, etc...).
- All disbursements must be approved by the Principal or Assistant Principal.

## Procedures for Student Activities Accounts

---

- Cash received by each school will be deposited within 24 to 48 hours by the principal or the principal's designee.
- The deposit slip will have the correct date of deposit entered.
- When a school needs to replenish its' principal's student activity checking account, the principal's office will need to file a completed **Funds Transfer Request** form with the school business office. This request must be signed off by the principal of the school and must also include supporting documentation which lists the expenses incurred since the last **Funds Transfer Request**. The **Funds Transfer Request** must then be approved by the school business manager and School Committee. Additionally, a copy of the

principal's current checking account register and other supporting documentation must also be included with all **Fund Transfer Requests**. Please note that a **Funds Transfer Request** and accompanying documentation can be faxed to the business office to expedite processing.

- The bookkeeper will provide written verification of account balances to each student activity advisor twice a year.
- All field trips must be approved by the Principal. Appendix C includes a form that can be used for the Final Financial Accountability of each field trip. This form or a comparable form must be used for all High School and Middle School field trips.
- All new student activity funds must be approved by School Committee prior to being established.

### **Amherst Elementary Only**

- As each deposit is made, a copy will be faxed (413-259-2401) to the town treasurer's office. In addition, a copy of the Bank Deposit Slip along with a copy of the Student Activity Account School Deposit Slip will be forwarded to the school business office.
- A copy of the principal's monthly bank account statement along with a copy of the principal's current checking account register will be sent to the school business office on a monthly basis.
- The town treasurer's office will perform a cash receipt for the deposit to the accounts for each school (as listed on the next page) and will record this receipt on the treasurer's Cash Book.
- The town treasurer's office will also post the interest earned on a monthly basis as a cash receipt and will reconcile these bank accounts monthly with the G/L. They will then send a copy of the bank statements to the school business office.
- The school business office will reconcile the school and town statements and will email up-to-date balance sheets on a monthly basis.
- When a school needs to replenish its' principal's student activity checking account, the principal's office will need to file a completed **Funds Transfer Request** form with the school business office. This request must be signed off by the principal of the school and must also include supporting documentation which lists the expenses incurred since the last **Funds Transfer Request**. The **Funds Transfer Request** must then be approved by the school business manager and School Committee. Additionally, a copy of the principal's current checking account register and other supporting documentation must also be included with all **Fund Transfer Requests**. Please note that a **Funds Transfer Request** and accompanying documentation can be faxed to the business office to expedite processing.
- The school business office will then electronically forward the **Fund Transfer Request** to the town treasurer's office where an electronic funds transfer will occur between the town's student activity agency bank account and the principal's checking account. The town treasurer's office will then forward a

confirmation that the bank transfer is complete. Once the elementary school office has received this confirmation, they can enter the deposit into their checking account and expend funds accordingly. We will do our best to have all funds transfers completed within 24 hours, but please keep in mind that staff absences and higher priority issues may sometimes hamper the process.

- The interest earned on these accounts is to be tracked separately in a separate account on the General Ledger. They do not need their own bank account. Per Student Activities Guidelines “School Committee policies shall specify the use and disposition of all interest earned, which shall be for the benefit of the students participating in activities...”
- A copy of the bank transfer confirmation will be attached to the **Funds Transfer Request** with supporting documentation and will be given to the AP Clerk in the school business office to be issued as a no check on the next town bill warrant. The accounts to charge for each school are listed on the following page. The **Funds Transfer Request** form will be sent to School Committee for signatures.
- An example of a **Funds Transfer Request** form is below. It is for Crocker Farm specifically, but the forms for the other two schools are the exact same:



Please note that the same G/L # is used for each school's cash receipts, invoices, etc...

## Inactive Accounts

---

An account that is dormant for three years will be considered inactive. The bookkeeper will attempt to communicate with the most recent advisor to obtain approval to close the account. If this is not possible, a listing of these accounts will be brought to School Committee to obtain approval to close. Any balances in closed accounts will be redistributed proportionally to active student activity accounts.

## Training Sessions

---

The services and/or guidance of the superintendent's office, the school business office, or the superintendent's designee shall be made available to the principal's office to review laws and the essentials of good bookkeeping procedures to ensure accurate and auditable books/accounts.

It is recommended that an annual meeting be conducted for advisors and student officers/treasurers in early September to review these principles of the Student Activity Accounts system. Training shall be made available on the necessary procedures, forms, authorizations needed, and the books and records to be kept to accurately systematize an audit trail and procure the proper reports.

## Frequently Asked Questions

---

### **Q1: Are student activity disbursements subject to Chapter 30B procurement laws?**

**No.** It is ESE's opinion that Chapter 30B of the General Laws of Massachusetts does not pertain to purchases made with student activity funds because private purpose funds are exempt from Chapter 30B. While this exemption exists, ESE strongly encourages a competitive procurement process whenever possible.

### **Q2: May a student activity organization accept gifts and donations?**

**Yes.** It is ESE's opinion that gifts to recognized student activities can be deposited into the student activity agency account and expended in accordance with the local school committee's policies for expenditures from such student activity account.

### **Q3: May grants and gifts be accepted by a student activity organization for educational purposes?**

**No.** Under the provisions of Section 53A of Chapter 44 and Section 37A of Chapter 71 of the General Laws of Massachusetts, all grants and gifts for educational purposes shall be deposited with the City/Town/District Treasurer and held as a separate account by the municipality or district and not included within student activity funds.

### **Q4: May the student activity organizations conduct fund raising activities?**

**Yes and No.** Fund-raising activities should be held in accordance with School Committee policies and for the benefit of students to supplement student activities. If fund raisers are held to supplement operations, such as supplies, books and other operating costs, then they are considered part of the curriculum and will fall under

Section 53A of Chapter 44 of the General Laws of Massachusetts and considered a gift to the municipality or district. An example of this is a box top promotion that many organizations run. This promotion is typically designed to raise money for classroom supplies for students and thus, if designed in that manner, cannot be deposited into a student activity fund. In order to be properly considered a student activity deposit, the objective of the program must clearly state that the funds raised will be used for student activities. The same applies for reward programs based on parents signing up at retail establishments and popular restaurants resulting in the school receiving a percentage of what is purchased by the parent or family member.

**Q5: Does the City/Town/District annual audit of its finances by an outside auditor satisfy the requirement that there shall be an annual audit conducted of the student activities?**

**No.** Chapter 71 Section 47 of the General Laws of Massachusetts requires that an annual audit shall be conducted in accordance with procedures as agreed upon between the School Committee and the auditor. It is ESE's opinion that since the City/Town/District annual audit is very broad in scope, and is only exposed to the agency activity, which is a fiduciary relationship only, that such an audit does not satisfy the degree of procedures required under Chapter 71 Section 47. However, it is ESE's opinion that such procedures defined under the law may be performed internally by a responsible and qualified individual appointed by the School Committee who is independent of the student activities, with the caveat that at least once every three years the procedures should be performed by an outside independent auditor if student activity balances exceed \$25,000.

**Q6: Are the fees generated from a PTO account subject to Chapter 71 Section 47?**

**No.** Since these are set up as PTO accounts, they are most likely set up as a legally established non-profit organization and thus do not fall within the jurisdiction of Chapter 71 Section 47. However, a close review of the relationship should be performed, since many schools set up PTO accounts, and do not establish a legal non-profit organization and further administer the activity through a City/Town/District bank account without the knowledge of the City/Town/District Treasurer. In these situations, these are not PTO accounts, but are in fact student activity accounts and do fall under Chapter 71 Section 47.

**Q7: Is each Student Activity required to be approved each year by the School Committee or only once at creation?**

**No.** Chapter 71 Section 47 does not provide guidance on the annual election of student activities by the School Committee once created; however, ESE believes that it is good practice to annually elect each activity account at the beginning of the school year since school committees have substantial turnover, and philosophies change from school committee to school committee, year to year.

**Q8: May the proceeds from the sale of merchandise in a school store be deposited into a student activity account?**

**Yes and No.** Since school stores are not governed by any specific MGL, it is ESE's opinion that if the activity is administered by the students and the School Committee authorizes the proceeds to be used for the benefits of the students, then the proceeds from this activity may be deposited into the student activity account. If not, then these must be accounted for as revolving funds.

**Q9: Are vending machine proceeds from machines situated in the school buildings included as part of student activities?**

**No.** It is the opinion of ESE that vending machines are purchases of items that are consumed and, therefore, should be governed under Chapter 548 of the Acts of 1948 – School Lunch Revolving Funds. Accordingly, these proceeds may not be deposited into student activity accounts.

**Q10: May student accounts be used to pay stipends or other payroll?**

**No and Yes.** Payroll must be paid from the general operating budget and may not be paid from student activities. Stipends, if approved by the School Committee and directly benefit the students, may be paid from student activities accounts, however the compensation received for such activities must be included as taxable wages on the employee's W-2.

**Q11: Is it proper to purchase supplies with student activity funds?**

**No and Yes.** Student activity funds are expressly set up to benefit the student and may not be used to supplement the operating budget or any other curriculum expenditure. However, if the supplies are purchased specifically for the use of a student activity club or organization in connection with their stated goals, then it is permissible.

**Q12: Should the student activities avoid making large reimbursements to sole individuals?**

**Yes.** The payment of large reimbursement checks to any one individual should be avoided. In addition to the control risks this presents, there is also the risk that an individual utilizes their credit card to make the purchase and then accrue credit card "rewards" which may create a conflict of interest. In the event that reimbursements are made in situations that are not avoidable, these must first be approved by the principal.

**Q13: My school often gives individuals blank checks when going to the supermarket for refreshments for club functions because the amount is not known. Is this proper?**

**No.** The issuance of blank checks should be prohibited in any situation. Efforts should be made to have the vendor set up an account and bill the student activity, or request that the individual purchase the goods and accept reimbursement upon the evidence of supporting documentation

**Q14: May a student activity disburse funds to a charitable organization?**

**Yes:** The "anti-aid" amendment to the Massachusetts Constitution (Article 46, as amended by Article 103 of the Articles of Amendment) prohibits the use of public money or property "for the purpose of founding, maintaining or aiding any infirmary, hospital, institution, primary or secondary school, or charitable or religious undertaking" that is not publicly owned and controlled. *However, since student activities are private money, they are exempt from the provisions of this requirement.* ESE does believe any contributions from student activity money should be approved by the School Committee.





FIELD TRIP INCOME AND EXPENSE FORM

Name: \_\_\_\_\_

Grade: \_\_\_\_\_

Date: \_\_\_\_\_

Place of Field Trip: \_\_\_\_\_

**Expenses**

• Total cost of buses: \_\_\_\_\_

• Total admission cost: \_\_\_\_\_

• Miscellaneous cost:  
(explain on reverse side) \_\_\_\_\_

• Total cost of trip: \_\_\_\_\_

Number of Students going on Field Trip: \_\_\_\_\_

• Cost per pupil: \_\_\_\_\_

• Total collected from Students: \_\_\_\_\_ \*

Number of Students subsidized by Principal's Account: \_\_\_\_\_

• Total amount due from Principal's Account: \_\_\_\_\_ \*

\* amounts from these two lines must equal total cost of trip

**Deposits**

Date: \_\_\_\_\_ Amount: \_\_\_\_\_ Made by: \_\_\_\_\_

Date: \_\_\_\_\_ Amount: \_\_\_\_\_ Made by: \_\_\_\_\_

Date: \_\_\_\_\_ Amount: \_\_\_\_\_ Made by: \_\_\_\_\_

Total Amount Deposited: \_\_\_\_\_ - \_\_\_\_\_

Total deposited plus amount from Principal's account must equal total cost of trip.