

Series 3000: Operations, Finance, and Property

3200 Finance and Borrowing

3207 School Activities Fund

A. Fiduciary Funds

A fiduciary fund is a fund held by the District, in its discretion, in a trustee or agency capacity, for a purpose within the scope of the District's legal authority. A fiduciary fund cannot be used by the District to support its operations. All District fiduciary funds must comply with generally accepted accounting principles and be held in accordance with the standards adopted by MDE in the Michigan Public School Accounting Manual (Bulletin 1022). A fiduciary fund may be a Custodial Fund or a Private-Purpose Trust Fund. For purposes of this Policy, capitalized terms not defined in this Policy are defined by Bulletin 1022.

1. Activity Funds

The District may not use an activity fund as defined by GASB Statement No. 84 and adopted by Bulletin 1022.

2. Custodial Funds

A Custodial Fund may be used only to hold assets and issue payments for a non-District Custodial Fund beneficiary. A Custodial Fund may be maintained if the account:

- a. does not contain the District's sole source revenue, such as state and federal aid, tax collections, and non-exchange transactions;
- b. does not designate the District as a beneficiary; and
- c. is not subject to District control, including administrative or financial control.

3. Private-Purpose Trust Funds

A Private-Purpose Trust Fund (Private Trust) may be maintained as a fiduciary fund if:

- a. a written, lawful trust agreement exists and is submitted to the District;
- b. the trust assets are for a private purpose;
- c. the District is not a beneficiary, directly or indirectly; and
- d. the District does not have control, including administrative or financial control, or the ability to make decisions about trust assets.

Trust funds failing to meet the above requirements must be treated as a public purpose trust fund, subject to Policy 3201.

B. Scholarship Funds

1. Public funds may not be used to administer scholarships.
2. An individual, estate, support group, club, company, or other donor that desires to establish a trust fund to benefit persons through scholarships must meet the criteria for a Private Trust described above.

Legal authority: MCL 380.601a; MDE *Michigan Public School Accounting Manual* (Bulletin 1022); GASB Statement No. 84, *Fiduciary Activities*

Date adopted: 6/16/2026

Date revised: