STUDENT ACTIVITY FUND HANDBOOK

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Instructions for Operation of Student Activities Accounts

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Introduction

This handbook is designed to provide a set of standardized accounting guidelines and procedures for the administration of student activity funds in school districts.

Appropriate accounting of activity funds and accuracy of financial information depends on proper recording of individual transactions. The accounting function for the student activity funds is delegated to each school within the school district. Principals are ultimately responsible for activity fund monies and transactions. It is imperative that the activity funds be consistent with the policies of the school board and the educational goals of the district. The accounting for the funds that support these programs should be stringent and governed by meaningful and financially sound principles.

This handbook is provided to ensure that generally accepted accounting principles are followed and that sound internal controls are in place to provide protection of student activity funds. The procedures and guidelines provide both administrative and accounting controls to safeguard assets and ensure reliability of the financial records. Adhering to these guidelines and procedures will help to prevent the misappropriation or abuse of funds as well as protect individuals who work with activity funds.

Introduction Continued:

Purpose of Student Activity Funds

School student activity funds are designed to account for funds held by a school in a trustee capacity or as an agent for students, and club organizations of the school. The basic purpose for the collecting or raising and expending of activity funds must be for the direct benefit of the students. Within this scope, funds are to be used to finance activities which supplement the educational curriculum of the school. Fundraising activities shall in general contribute to the educational experience of students, and shall not conflict with the instructional programs of the school. Each school has been delegated the accounting responsibility for the student activity funds and it must comply with the guidelines and procedures required by the school district.

In view of the large amounts of monies received and expended for student activities, it is imperative that efficient, thorough, and safe management practices are developed for these funds. Every school board should have in effect rules and procedures for accountability of the student activity funds.

General Information

Student activity funds are used to account for money earned and received ***by*** the students to be used for the ***benefit,*** of the students. These typically include class, yearbook, student council, clubs, and sports accounts.

These funds must not be confused with convenience funds which are set up for the convenience and use of the faculty and staff of the school. These can include an employee fund, coffee fund, or sunshine fund. Any staff funds must be derived entirely from staff contributions and activities and must not be supplemented by student-owned funds.

It is important that student activity funds contain only student money. Employee funds are not to be comingled with student activity funds under any circumstances. However, if they are they should be maintained in separate accounts labeled as such. Additionally, it is important that a student activity fund not take on the appearance of a “slush” fund.

It is imperative that the various class, club, and activity accounts be maintained with the highest degree of accuracy and reliability. The accounting for funds that support these activities should be beyond reproach and should be governed by a set of financially sound principles.

The procedures outlined in this handbook are designed to provide a simple yet accurate accounting of these funds and to protect the integrity of the school board, principal, administrative assistant, and activity advisor.

Responsibility for Student Activity Funds

All school personnel including the school board, principals, administrative assistants and activity advisors will be held responsible for any student activity funds entrusted to them. Money which is lost due to carelessness, theft, or fraud should be reimbursed by the responsible party. The duties that must be performed by the principal and others, in order to achieve proper financial management and internal controls are specified below.

School Board

The school board is responsible for adopting policies over the establishment and operation of all student activity funds. These policies should include appropriate accounting and reporting practices.

Principal

By accepting appointment as the school administrator, the principal assumes full responsibility accountable to the superintendent for management and oversight of all school funds. This includes, but is not limited to, ensuring that qualified staff is hired, staff is properly trained, all procedures are followed and monthly reports and an annual final financial report are submitted to the school district's business office for review.

Responsibilities Continued:

As the school administrator, the principal is held accountable for all matters under his/her direct control including:

a. Proper accounting and administration of fund transactions.

b. Providing for the safe keeping of funds.

c. Complying with board policy and administrative guidelines for the expenditure of funds.

d. Obtaining accurate and timely reports from the student activity funds bookkeeper concerning the results of operations and the status of student activity funds.

e. Providing adequate training and supervision of all personnel designated by the principal to administrator student activity funds. The delegation of duties to other personnel does not relieve the principal of responsibility for compliance with school board policies and procedures.

f. Reviewing and analyzing, on a monthly basis the status and operations of the student activity accounts.

Assistant Principal or Designee

The assistant principal fulfills the principal's duties when he/she is absent and can also serve as one of the dual signers of all checks. If a school does not have an assistant principal, the principal will appoint an instructional staff member as an authorized check signer.

Administrative Assistant

A person at each school shall be designated to act as the student activity funds bookkeeper. In this capacity, he/she will receive, account for, disburse (upon prior approval of the principal), and manage all student activity funds. The bookkeeper is responsible for the following duties:

a. Maintaining the accounting records as prescribed by the school board.

b. Reviewing monthly bank statements, completing monthly bank reconciliations and activity reports.

c. Issuing checks when properly authorized by the principal.

d. Receiving money, issuing receipts, and making deposits regularly to the bank.

e. Maintaining all required records on a current and accurate basis, using the school district's method of doing so whether it be in Excel, QuickBooks, or some other approved accounting software.

f. Preparing and submitting all required reports promptly and accurately.

g. Submitting a monthly Report of Student Activity Funds to the business office by the fifteenth day of the following month and a final report (June 30) no later than July 31 of each year. The report should show the beginning balance, receipts and disbursements, and ending balance of each account and reconciliation to the latest bank statement. The report will be approved by the principal.

Responsibilities Continued:

Activity Advisors

The principal of each school shall appoint a teacher (advisor) to supervise each activity fund in accordance with school board policy. Each person responsible for an activity fund account will review the financial operations and position of the account at least quarterly, but monthly would be preferred.

Every teacher or activity advisor maintaining an account within a school's student activity fund has a responsibility for monitoring the account to ensure that the funds raised on behalf of the students participating in the activity are being used for the purposes stated for such activity. The advisor's responsibilities include:

a. Safeguarding and accounting for all student activity funds entrusted to him/her.

b. Completing fundraiser report recaps to account for all fundraisers.

c. Maintaining a positive balance in his/her account.

d. Depositing such funds daily with the bookkeeper. No monies should remain in the classroom overnight. A activity advisor should be held personally responsible for funds left in the classroom overnight.

Advisors may not commit school activity account monies for the purchase of any item without prior approval of the principal. Personnel who make purchases without the approval of the principal or designee may be held personally responsible for payment.

Business Administrator/District Accountant

The business administrator and/or district accountant are responsible for establishing procedures and guidelines for the overall management and operations of school student activity funds which include the following:

a. Assist the principals in training personnel concerned with school activity funds through periodic in-service training assistance.

b. Ensure that an annual audit of the school student activity funds is conducted.

c. Perform periodic on-site reviews of the schools' student activity records.

d. Assist with software and monthly/yearly reconciliation problems.

e. Advise on policies and procedures between student activity funds and general fund transactions.

f. Provide expertise opinion on any proposed school activity fund transactions upon request.

g. Provide specific approval or disapproval concerning an overall deficit in any student activity fund account.

Internal Control and Safekeeping of Funds

The greatest protection of funds comes from effective internal control. Effective internal control comes from the presence of effective supervision, which will provide necessary reasonable assurance that the conditions of control are adequate.

The principal is responsible for setting internal control and assuring compliance. This is often referred to as “setting the tone at the top” or “creating a control environment.”

Internal control comprises the plan of organization and all the methods and measures adopted to:

1. Safeguard assets;
2. Ensure the accuracy and reliability of accounting data;
3. Promote operational efficiency and;
4. Encourage adherence to prescribed school district policies.

Internal Control and Safekeeping Continued:

Some general principles to promote a good internal control environment include:

Adequate segregation of duties:

a. No one person is to be in complete control of a transaction.

For example, the administrative assistant/bookkeeper is not permitted to:

1. Sign checks. This would enable the individual to both authorize a payment in addition to the function of recording it.

2. Serve as an activity advisor. This would enable the administrative assistant/bookkeeper to collect funds in addition to the function of depositing and recording funds.

3. Execute payments to vendors. While the activity advisor initiates the payment process, the principal provides final authorization for every payment. This ensures that all payments for student funds are supported by required backup documentation.

4. Make payments directly out of cash receipts. This would enable the activity advisor to circumvent the control of recording all cash receipts.

b. Operational and accounting functions should always be separated.

For example, the administrative assistant/bookkeeper is not permitted to:

1. Collect receipts directly from students.

2. Generate payments to vendors without approval of the activity advisor and principal.

The activity advisor is not permitted to:

1. Perform banking duties.

2. Record payments to vendors in the accounting books maintained by the administrative assistant/bookkeeper. Allowing one person control over assets and records provides that person the ability to cover up any irregularities that may be perpetrated.

3. Job responsibilities should be clearly defined. This would prevent someone from assuming an incompatible duty that was their responsibility to perform.

Internal Control and Safekeeping Continued:

An effective system of internal review should be adhered to:

a. Independent checks and proofs should be utilized.

The principal should:

1. Closely review the monthly bank reconciliation prepared by the administrative assistant/bookkeeper to satisfy him/herself that the report makes sense and is mathematically correct. He/she should be on the look-out for unusual or unknown transactions (i.e. unknown electronic debits or payments to "cash").

   Special attention should be paid to outstanding check lists and deposits in transit to determine if reconciling items have solid basis and are resolved from one month to the next.

2. Authorize payments by signing checks only after reviewing all required supporting documentation. Questions to be asked include:
   - Is the invoice an original?
   - Is the vendor a known supplier for this kind of student activity?
   - Is the date on the invoice recent?
   - Are the purchased items going to benefit the club, activity, or student body in general?

3. Review the monthly Report of Student Activity Funds to ensure that it makes sense.
   - Does the beginning balance for this month match the ending balance for last month?
   - Why does "X" activity have a deficit balance?
   - Does the total ending balance for all activities match the total of all bank accounts and investments, if applicable, for the student activity fund?

Activity advisors should:

1. Review ledger activity on at least a monthly basis to ensure that all transactions entered by the administrative Assistant/bookkeeper are actual and true receipts and disbursements.

   - Are there any unauthorized activity transfers appearing in the ledger for this activity?

Administrative assistant/bookkeeper should:

1. Carefully count all cash received and agree it to the activity fund deposit/receipt form before signing the form and recording the deposit amount.

2. Carefully review all reconciling items to be sure that no unusual or unauthorized transactions are appearing on the bank statement.

3. Ensure that the authorized signature(s) appear on each check and payment voucher before processing/mailing.

Internal Control and Safekeeping Continued:

Safekeeping of Funds

Funds placed in the school safe cannot be considered secure against theft. Money should be deposited in the bank ideally on a daily basis.

Money is not to be kept overnight anywhere in the school buildings. This includes:

1. In teachers', administrator's, or principals' desks (locked or not)
2. In cabinets or closets (locked or not)

Keys and access to the school safe should be limited to necessary personnel.

General Requirements for Accounting for Activities Funds

The following general principles are required in accounting for activities funds:

1. The school board shall be responsible for adopting and setting policies over the operation of the student activity funds in the school district. The board should receive an accounting of those funds at least quarterly.

2. All activities funds shall be audited.

3. Any activities funds classified as “district” funds shall be budgeted and controlled in the same manner as other governmental funds.

4. School employees are not authorized to borrow or loan money from the student activity account under any circumstances.

5. Student activity funds cannot be used for the purchase of personal items for staff even if a reimbursement agreement exists.

Internal Control Assessment

The key element in an effective control environment is administration's attitude, as demonstrated through its actions. Administration must lead by example, creating a "tone at the top" that sets the standard for the entire school district. The importance of internal controls must be communicated to staff at all levels.

On an ongoing basis, administration must attempt to identify and assess potential risk that could prevent the administration from fully meeting its responsibilities. Risks generally arise either as a result of changes in the school district's operating environment or as a result of inherent risk (defined as the probability of loss based on the nature of the school district's business, without any changes to the existing environment).

It is essential that the district's administration continuously monitor control-related policies and procedures to ensure that they are continuing to function properly. In addition, it is important that the administration carefully monitor the resolution of audit findings to ensure that any weaknesses, once identified, are promptly and effectively corrected.

The cost of internal control should never out way the related benefits. Thus, a key limitation on internal control is that cost considerations will prevent the district's administration from ever installing a "perfect" system. Instead, the administration will deliberately and properly choose to run certain risks because the cost of preventing such risks cannot be justified.

An internal control self-assessment is designed to assist the administration in identifying opportunities in mitigating significant areas of operational risk or areas where the student activity funds are most vulnerable to risk.

A sample internal control self-assessment for student activity funds is included in the appendices (Appendix A-1) at the end of this handbook. The intent of the self-assessment is to provide schools and administrators an opportunity to "self-audit" their student activity funds.

Internal Control Assessment Continued:

By completing this internal control self-assessment each school can identify risks that could prevent or impede the achievement of the school's goals and objectives for the student activity funds. The principal, with assistance of the business administrator, can then determine an approach for ongoing risk assessment management and the internal controls necessary to mitigate risk in order that achievement of the internal control objectives of efficient and effective operations, reliable financial reporting, and compliance with school district policies and State laws can take place.

Creation of a New Student Activity Account

All student activity fund accounts should be approved by the school principal or designee. A “Student Activity Purpose” form, see Appendix A-2 should be completed for all activity accounts. The name of the student organization should indicate its purpose. Information regarding the activity’s purpose, revenue source, and how expenditures are to be made, should be, documented on the “Student Activity Purpose” form and retained on file with the student activity fund bookkeeper. Each activity fund account’s information should be reviewed annually and updated as necessary.

Handling Cash

Cash Collection Procedures

For internal control purposes there should be at least two people involved in the collecting and depositing of cash. Therefore, all activity fund accounts will have an activity advisor separate from the student activity fund bookkeeper.

All monies collected will be deposited promptly into the activity funds account.

Cash is **never** to be held and spent on expenses; all disbursements must be made with a check as a result of a Request for Payment form.

All money collected must be submitted in the same form as collected. A staff member is not to substitute his/her personal check for cash collected. No personal checks are to be cashed from the funds collected.

Activity advisors are not to take money home or keep it unsecured in classrooms after hours. Funds should be counted by the activity advisor, secured in a locked box or bag, and given to the bookkeeper for storage in a locked secure cabinet or safe until deposited at the bank. **Deposits should be made on a daily basis.**

Cash Receipts and Deposits

The receipts process is most susceptible to theft and abuse since cash collections for student activities are normally decentralized and individuals collecting cash are often young students inexperienced with the handling of cash.

Handling Cash Continued:

Strict procedures for control of all receipts should include, at a minimum, the following controls:

1. All money collected must have some type of back up. The activity advisor must provide a listing when receiving collections from multiple individuals and it is necessary to maintain record of who has paid. Computer generated lists or hand-written ledger sheets are acceptable, provided all pertinent information is furnished (dates, names, purpose, amounts received, and method of payment). A sample "Transmittal List – Money Collected From Students" form can be found at Appendix A-3.

2. Receipts generated from the sale of a high-volume product such as the yearbook or admission to a highly attended event like the prom or other dance should be controlled through the use of pre-numbered receipts. Pre-numbered triplicate receipt books can be used and can be purchased at an office supply store or the "Cash Receipt" form at Appendix A-4 can be used.
   a. **Original receipt** – given to the individual making payment.
   b. **Copy** – shall be submitted with the "Deposit/Receipt Summary" form (Appendix A-5) to be given to the student activity fund bookkeeper and kept in the activity fund file.
   c. **Copy** – permanent copy to be retained in the receipt book by the authorized individual issuing the receipt until the receipt book is completed or the fiscal year has ended. At that time, the receipt book shall be returned to the student activity fund bookkeeper.

3. If it is not feasible to record each individual payee but only the number of each item sold (such as sales at a table, tickets, etc.), a cash receipt form may be used detailing the beginning inventory, ending inventory, amounts sold and funds received. This form will be given to the student activity fund bookkeeper along with the funds collected.

4. The cash collection and deposit function should be segregated from the accounting and recording function.

5. Copies of individual receipts used when the purchaser requires a receipt for future reference such as yearbook sales, etc. may be used as back-up with deposits. Receipts should be pre-numbered and accounted for in a numeric sequence. Copies of the receipts including any voids should backup the deposit given to the student activity fund bookkeeper. Merely providing the receipt numbers with no other support does not constitute appropriate supporting documentation for collections.

6. The activity advisor should count cash collected to ensure the total agrees to the total collections per the "Deposit Receipt Summary" form. It is helpful for the activity advisor to provide the breakdown of cash by denomination. Amounts should be turned in daily to the student activity fund bookkeeper.

7. All student organizations receiving money from any source should turn over such money to the principal or the principal's designee within twenty-four hours from receipt of such funds. If received on the weekend, then the money needs to be turned in on the first business day after receipt of the funds, but until it is turned in it should be kept in a safe and secure location with limited access.

Handling Cash Continued:

8. 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 money be taken home overnight.**

9. All money turned over to the school by a student organization shall be accompanied by a school "Deposit/Receipt Summary" form stating the source of the money, the amount being deposited, and signed by the person turning over the money to the office. If turned in by a student, this should be cosigned by the activity advisor or a teacher. A copy of the "Deposit/Receipt Summary" form should be given to the activity advisor for future reference if needed, and another copy attached to the bank copy of the deposit receipt which is filed either in a file by date or in an activity account folder once the deposit has been posted to the computer system.

10. The principal or the principal's designee should deposit into the bank account all money received from student activity organizations at a minimum of a weekly basis.

11. An ongoing philosophy of the importance of handling money with care, honesty, and accuracy should be conveyed to the students, advisors, and teachers through meetings, and educational trainings.

12. A reconciliation process should be in place whereby pre-numbered receipts, tickets, attendance logs or other revenue source documents are reconciled to cash collected for particular activities prior to making a deposit in the bank. In the situation where it is impractical to use source documents, two people should count the cash and sign off on the process.

Purchasing and Disbursements

The enforcement of school board policies by the school principal is critical in the case of purchasing and disbursements. It is important that disbursement policies are sound, controlled, and designed to benefit only the students.

In order to accomplish this goal, we recommend that at a minimum the following are in place:

1. Advance of funds should be avoided whenever possible. If it is anticipated that an advance is necessary, prior written approval must be obtained from the principal.

2. 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.

3. Activity advisors, or others involved in purchasing, may not benefit personally from any purchasing – either directly or indirectly.

4. Student activity funds may not be used for any purpose unrelated to student activities or for the benefit of any staff person.

5. All disbursements shall be made by check. No payments can be made with cash withheld and not deposited into the activity account.

6. Booster Clubs, PTOs and other associated groups may not use the school district's tax identification number (TIN). These groups must obtain their own tax exempt status and no activity advisor should ever give these groups the school district's Tax ID number.

Purchasing and Disbursements Continued:

7. The policy adopted by the school board should specify the method or methods to be used to pay for expenses, including how to handle the reimbursement of funds when personal credit cards are used. This is important because of the potential "reward" benefits the credit card holder may accrue.

8. Payments to students or faculty members for reimbursement of personal funds expended for activity purposes are discouraged. Business should be conducted with providers that deliver materials and issue a bill. Plan far enough in advance so that personal funds need not be used.

9. People or companies who are not school district employees and are paid for services provided to an activity fund account must be identified as independent contractors. Payments to any one individual or entity exceeding $600 in the aggregate must be reviewed to determine if a Form 1099-MISC is required. An IRS Form W-9 (Appendix B-1) indicating the taxpayer ID must be obtained and forwarded to the business office so that the Form 1099s can be issued at year-end. This process should be coordinated with the school district accountant to ensure compliance.

10. Payments to referees, umpires, and officials for sporting events should ideally be paid through the district's regular payroll process. However, in some cases these individuals prefer payment when service has been performed. In this instance, an "Officials Invoice," (see Appendix A-6) should be completed and the individual receiving the check should sign the form as proof of receipt of the check. The bookkeeper should keep track of all payments made to individuals and any payments over $600 in a calendar year will require the issuance of a Form 1099. The district will also need to file a Form 1096 which summarizes all the Form 1099s. All officials should also complete a Form W-9 which provides the bookkeeper with information needed to complete a Form 1099, if required. A sample of a Form W-9 and a guide as to how to complete a Form W-9 can be found in Appendix B-1 and B-2.

11. Checks are made void by printing VOID across the face of the check and tearing off the signature portion. If the check has been entered into the account ledgers, the entry is marked VOID. Amounts are recorded as negative expenditures, not as receipts.

12. Blank checks are kept in a locked location when not in use and are properly controlled and safeguarded at all times.

13. Checks should **not** be made payable to "cash" or "bearer."

14. Pre-signing of blank checks is prohibited.

15. Signature stamps are not an acceptable means of signing checks as stamps could be used by others, other than the intended user.

Purchasing and Disbursements Continued:

16. Payments to school district employees must be made through the payroll system of the school district.

17. Checks shall be signed by the principal, only after they are completely prepared.

18. The activity advisor should provide the appropriate documentation to the bookkeeper when submitting invoices for payment. The original vendor invoice must be submitted. Invoice copies and vendor statements of the balance due are not acceptable forms of documentation. If the vendor does not have an invoice to provide, such as a disc jockey for a school dance, then a "Vendor Invoice" form can be completed for the transaction. This form can be found at Appendix A-7. All disbursements are required to have adequate external supporting documentation, such as a vendor invoice, bill, contract, or receipt.

19. All requests for payments must be submitted in a timely manner. Late payments to vendors reflect on the entire school district and could result in late payment fees or interest charged to the account. A good practice would be to pay vendors within 30 days of the later of the date the goods are received, the date of performance of the services or the date the invoice is received by the school.

20. A record of all checks will be maintained, including void checks. Numerical order of checks should be retained. Account for all check numbers, putting a note of explanation where a check number is missing. If you are only receiving copies of your checks from the bank, ensure that the bank is sending you copies front and back. Keep voided checks and have them available for audit.

21. Checkbook reconciliations should be performed monthly.

22. A standardized form should accompany all requests for check issuance. A sample "Request for Payment" form is located at Appendix A-8.

Disbursement Function

A "Request for Payment" form is used to document requests for payments from the student activity account. One copy is returned to the activity advisor to witness the payment made, and a second copy is used for posting the transaction to the computer system and then is subsequently filed in individual activity files in chronological expenditure order. To achieve maximum documentation, all original invoices should be obtained and attached to the "Request for Payment" form in the activity folder. If a vendor does not present an invoice for payment, then an invoice should be filled out and attached to the "Request for Payment" form. All expenses should be approved by an activity advisor in addition to obtaining any other necessary approvals.

Purchasing and Disbursements Continued:

All checks and mailing envelopes are prepared by the bookkeeper. However, checks must be signed by the principal or designee or both. While any further separation of duties may not be practical in a small office, all bookkeeping and cash custodial functions must be separated whenever possible.

Payments are to be made as follows:

1. Make out a "Request for Payment" form (see Appendix A-8) and make the appropriate entry in the activities account's computer system. A minimum of three different individuals are to be involved in every disbursement. This will be evidenced on the transaction documentation as follows:

    a. The "Request for Payment" form must contain approval signatures of each activity fund advisor whose funds are being expended, and the principal or his/her designee. In addition, the bookkeeper who prepared the check will sign on the form as well, verifying that the proper supporting documentation has been obtained and that there are funds in the activity account available for the disbursement. No one person may sign as an approver in more than one spot (i.e. the principal may not sign as an advisor and as the principal).

        i. Each check must contain two legal signatures; neither of whom have signed as an activity advisor on the "Request for Payment" form.

        ii. A person to whom a check is made payable may not be an approver/signer on the "Request for Payment" form or said check.

        iii. To provide proper segregation of duties, the individual responsible for performing the monthly bank reconciliation is discouraged from having signatory authority on student activity funds checks.

        iv. In rare instances when an approver is not physically able for signature an email authorization is acceptable. The email must be attached to the "Request for Payment" form as evidence of the approval.

    b. Each activity account will number request forms consecutively (i.e. HC-R1, HC-R2 etc.).

    c. Give complete name and address of firm or person to be paid.

    d. Unless indicated, payment will automatically be mailed from the office. Checks will be given only to the activity advisor in all other cases.

    e. Payment is not to be authorized unless an invoice accompanies the request.

    f. Signatures of the activity advisor and activity advisor attest to the validity of all information on the form.

2. The original invoices are to be submitted for payment. After a check has been issued, one copy will be returned to the activity advisor with date of payment and check number inserted. When this has been received, it is to be filed in the loose-leaf binder or folder.

Inappropriate Expenditures
(not an all-inclusive list)

Inappropriate expenditures for student activity accounts include but are not limited to the following:

1. Any purchases not approved by the student group/activity advisor.
2. Payroll for activity advisor stipends, grants, etc.
3. Library books
4. Office supplies
5. Office or school furniture
6. Textbooks
7. Contract payments
8. Assemblies for the entire school
9. Scholarships to individual students
10. Donations to staff related accounts, PTOs, booster clubs
11. Personal items for coaches, advisors or other staff members
12. Alcoholic beverages and tobacco is strictly prohibited
13. Staff socials, i.e. bridal and baby showers, etc.
14. Cashing of personal, payroll, third party, or any other type of check
15. Loans to employees or students for any reason

Bookkeeping Procedures

The bookkeeping function for these accounts is critical, and should be in compliance school district policies and procedures and with auditor's recommendations. Furthermore, the process should be consistent throughout ALL SCHOOLS. The following will detail the required procedures:

1. A separate journal sheet/account must be kept for each club/activity/organization using the checking account. In addition to the name of the account, a reference code needs to be determined (e.g., two or three letters that abbreviate the account title). The reference code, along with a number, is used to identify transactions related to that particular account. (EXAMPLE: History Club might use HC as a reference code. The first transaction in this account would use the reference number "HC-1", the second, "HC-2", etc. The ledger or computer system provides a column to record the reference number.)

2. A separate journal/account must be kept for Cash. Each transaction will require two (2) entries: one entry will appear on the club/activity/organization journal/account, and the other entry in the cash journal/account. The following information should guide the entries:

Cash Account

Debit - An increase in cash

Credit - A decrease in cash

Club/Activity/Organization Accounts

Debit - Money spent from the Account

Credit - Money received in the Account

Bookkeeping Procedures Continued:

THE SUM OF DEBITS SHOULD ALWAYS EQUAL THE SUM OF CREDITS!

EXAMPLE: If the History Club were to raise $100 by sponsoring a school dance, the following entries would be made:

"HC" **JOURNAL - HISTORY CLUB**

Reference Code Club/Activity/Organization

Date	REF #	Description	Chk #	Debit	Credit	Balance
4/10/1X	HC1	Dance Receipts			100.00	100.00

Not Applicable To Cash **CASH JOURNAL**

Reference Code Club/Activity/Organization

Date	REF #	Description	Chk #	Debit	Credit	Balance
4/10/1X	HC1	Dance Receipts		100.00		100.00

Bookkeeping Procedures Continued:

Note the Debits and Credits as well as the corresponding reference number.

Now, let's suppose two more transactions take place. The History Club purchases $30 worth of books from the PEA Bookstore, and the Science Club receives a $50 donation. Entries would be made as follows:

"HC" **JOURNAL - HISTORY CLUB**

Reference Code Club/Activity/Organization

Date	REF #	Description	Chk #	Debit	Credit	Balance
4/10/1X	HC1	Dance Receipts			100.00	100.00
4/15/1X	HC2	PEA Bookstore	205	30.00		70.00

"SC" **JOURNAL - SCIENCE CLUB**

Reference Code Club/Activity/Organization

Date	REF #	Description	Chk #	Debit	Credit	Balance
4/15/1X	SC1	Donation			50.00	50.00

NOT APPLICABLE TO CASH **CASH JOURNAL**

Reference Code Club/Activity/Organization

Date	REF #	Description	Chk #	Debit	Credit	Balance
4/10/1X	HC1	Dance Receipts		100.00		100.00
4/15/1X	HC2	PEA Bookstore	205		30.00	70.00
4/15/1X	SC1	Donation		50.00		120.00

Note the reference to a check number for ***all disbursements***.

Bookkeeping Procedures Continued:

3. A separate journal/account should be kept for interest earned on the checking account. The interest amount will appear on your bank statement.

   The interest money is recorded by crediting the interest account and debiting cash. Be sure to include all of the required information when making the entry.

   Transferring interest earned to another account is done by debiting the interest account and crediting the account receiving the money. The cash journal/account is not affected in the transfer because money is not being added to, or subtracted from the checking account.

4. Each journal/account should be totaled at the end of each month. One line on each journal should be used to indicate the monthly totals (debits, credits, and balances). It would be helpful to outline the monthly summary in red.

"HC" — Reference Code

JOURNAL - HISTORY CLUB — Club/Activity/Organization

Date	REF #	Description	Chk #	Debit	Credit	Balance
4/10/1X	HC1	Dance Receipts			100.00	100.00
4/15/1X	HC2	PEA Bookstore	205	30.00		70.00
4/30/1X	**Close**	**April Totals**		100.00	30.00	70.00
		May Opening Balance				70.00

The end-of-the-month totals are then transcribed onto the "Report of Student Activity Funds" form (see Appendix A-9) and sent to the business office for review (retain one copy for your own records). In addition, a monthly "Student Activity Account Reconciliation" form (see Appendix A-10) can be completed for the individual activity accounts. This can be a useful tool to the activity advisors so they know where their accounts stand. It can also be used if the monthly "Report of Student Activity Funds" form is not reconciling to the monthly bank reconciliation.

The cash balance should equal the sum of the individual journal/account balances, added together. This total can be reconciled to your bank statement by adjusting for the monthly interest added to your checking account. In other words…

CASH JOURNAL TOTAL=SUM OF ALL INDIVIDUAL JOURNAL TOTALS=RECONCILED CASH PER BANK STATEMENT

Bookkeeping Procedures Continued:

Again, the interest reported on the bank statement is recorded by debiting the cash journal/account and crediting the interest journal/account.

5. Void checks (if entries have been made) are handled by debiting Cash, and crediting the proper club/activity/organization account.

6. A listing of each student activity and a brief description of the purpose and major source of revenue should be established and maintained by the bookkeeper. This listing should also be kept up to date. See Appendix A-2 for an example.

7. For each account, you should maintain a folder which contains the following:
   - All Cash Disbursement request forms
   - All Cash Deposit forms
   - All invoices

When your account is audited, the folders, canceled and voided checks, and the monthly reports must accompany the journals/accounts. All materials will be returned after the audit. See Appendix A-11 for the Documents Required for Independent Audit.

Record Keeping for Student Activities

The bookkeeping function begins with a transaction as illustrated above. Amounts are recorded first in the receipts or disbursements journal/account and then are distributed to the appropriate activity account columns. On a monthly basis, these records are footed and cross footed for accuracy and are reconciled to bank balances. Both month-to-date and year-to-date balances must be maintained in order to provide a basis for preparing financial reports.

Financial reports like the one on page 31, “Report of Student Activities,” must be prepared each month for the principal and business administrator. A similar report encompassing the entire year’s activity must be prepared at year-end. They are prepared by the bookkeeper and should be submitted by the fifteenth day following the close of a given month.

As illustrated in the annual “Report of Student Activities,” student accounts and budgetary accounts (district money) are separated for reporting purposes. Budgetary accounts include revenues and expenditures. For example, money collected for lost or damaged books or instrument rental are revenues. These are recorded in the district’s general fund when they are remitted to the business office. This is done on at least a quarterly basis, or whenever amounts over $500 are collected.

Bookkeeping Procedures Continued:

End of Month Processing

The following procedures should be completed as part of each month-end close:

1. Prepare a bank deposit slip and deposit all funds in the bank before the close of the bank's business day on the last day of the month.

2. Ensure all checks issued/written during the month are entered into the computer system.

3. Review the outstanding check list from the prior month's bank reconciliation for checks more than six months old, check the current month bank statement to verify they have not cleared. Consider following up with the payees to remind them to cash the outstanding checks.

4. Ensure that all manual/void checks processed during the month are entered into the computer system and ensure that the void checks have been properly voided.

5. Record all monthly adjustments from all bank statements such as interest earnings, NSF checks, NSF fees, and miscellaneous bank charges.

6. Review the Report of Student Activity Funds for any deficit balances and follow up with the activity advisor as to how this deficit will be made up.

7. Process the bank reconciliation for each account using the last day of the calendar month as the ending bank statement date and print the bank reconciliation.

8. All accounting transactions must be recorded timely in the accounting system being used to track the student activity funds. Account records shall not be in arrears more than two weeks as beyond this time period that is when errors could start to happen.

9. Within 30 days following each month-end, and prior to submission to the business office, a monthly Report of Student Activity Funds, bank reconciliation and copy of the bank statement are to be provided to the principal for review.

10. By the end of each month, for the immediately preceding month, every school must submit to the business administrator and/or district accountant the following information:

    a. Copy of the bank reconciliation for all bank accounts including a copy of the bank statement which have been reviewed and approved by the principal.

    b. Copy of the Report of Student Activity Funds that has been reconciled to the bank account.

Bookkeeping Procedures Continued:

The following is an example of a monthly activity report:

NEW HAMPSHIRE SCHOOL DISTRICT
HIGH SCHOOL STUDENT ACTIVITIES FUND
REPORT OF STUDENT ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 201X

Activity	Activity Balance July 1, 201X	Receipts	Disbursements	Activity Balance June 30, 201X
District Accounts				
Athletics	$ 0.00	$ 16,752.00	$ 16,752.00	$ 0.00
Student Accounts				
Band	3,099.64	2,669.00	3,858.91	1,909.73
Baseball	2,969.05	17,016.96	17,018.27	2,967.74
Class of 20X2	0.00	1,272.96	923.07	349.89
Class of 20X3	1,136.27	833.16	1,305.34	664.09
FBLA	275.79	1,786.52	1,909.44	152.87
Field Hockey	160.94	298.46	459.40	0.00
Field Trips	0.00	2,939.25	2,939.25	0.00
Industrial Arts	172.50	439.00	295.90	315.60
Student Council	646.42	8,308.59	7,847.83	1,107.18
Yearbook	5,510.19	21,650.90	24,335.85	2,825.24
Interest	0.00	150.33	150.33	0.00
Totals	$ 13,970.80	$ 74,117.13	$ 77,795.59	$ 10,292.34

Bookkeeping Procedures Continued:

End of Year Processing

The information in the end of year reports should be accurate and complete as it is subject to both an internal and external audit and will be reported as part of the school district's financial statements, once GASB Statement No. 84, Fiduciary Activities, is implemented.

Procedures:

1. Complete the End of Month Procedures
2. Prepare the annual Report of Student Activity Funds for the period 7/1/XX to 6/30/XX.
3. Compile the following reports and submit to the business administrator and school district accountant by July 31st:
   a. Report of Student Activity Funds for the period 7/1/XX to 6/30/XX
   b. Bank reconciliations for all accounts for the month ended June 30
   c. Bank statement for June for each account

Proration of Interest

To prorate the interest earned during the year to the various accounts, perform the following functions:

1. Determine what percentage each activity account is of the total balance of activity accounts.

Athletics:	Balance of $-0- divided into $10,292.34 equals $-0-
Band:	Balance of $1,909.73 divided into $10,292.34 equals 19%
Baseball:	Balance of $2,967.74 divided into $10,292.34 equals 29%
Class of 20X2:	Balance of $349.89 divided into $10,292.34 equals 3%
Class of 20X3:	Balance of $664.09 divided into $10,292.34 equals 6%
FBLA:	Balance of $152.87 divided into $10,292.34 equals 1%
Field Hockey:	0%
Field Trips:	0%
Industrial Arts:	Balance of $315.60 divided into $10,292.34 equals 3%
Student Council:	Balance of $1,107.18 divided into $10,292.34 equals 11%
Yearbook:	Balance of $2,825.24 divided into $10,292.34 equals 28%

When added, the total percentage must equal 100% as illustrated above.

Bookkeeping Procedures Continued:

2. Next, multiply the total interest amount by each percentage to arrive at each account's portion of interest income for the year:

Athletics:	$-0-
Band:	$150.33 multiplied by 19% equals $28.56
Baseball:	$150.33 multiplied by 29% equals $43.60
Class of 20X2:	$150.33 multiplied by 3% equals $4.51
Class of 20X3:	$150.33 multiplied by 6% equals $9.02
FBLA:	$150.33 multiplied by 1% equals $1.50
Field Hockey:	$-0-
Field Trips:	$-0-
Industrial Arts:	$150.33 multiplied by 3% equals $4.51
Student Council:	$150.33 multiplied by 11% equals $16.54
Yearbook:	$150.33 multiplied by 28% equals $42.09

When added, the total allocation of interest must equal $150.33.

3. Finally, the allocation of interest can be made to the various accounts and the interest income account should then be reduced to zero.

4. This allocation can be performed on a monthly basis or at year-end.

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Proration of Interest

Account Name: Interest Income

	Debit	Credit	Balance
Beginning Balance	$ 0.00	$ 0.00	$ 0.00
July	12.11	0.00	12.11
August	14.15	0.00	26.26
September	9.98	0.00	36.24
October	11.56	0.00	47.80
November	12.56	0.00	60.36
December	12.62	0.00	72.98
January	12.98	0.00	85.96
February	13.41	0.00	99.37
March	13.66	0.00	113.03
April	13.32	0.00	126.35
May	14.52	0.00	140.87
June	9.46	0.00	150.33
	$150.33	$ 0.00	$150.33

Accounts	Balance as of June 30, 201X	Percentage
Athletics	$ 0.00	0%
Band	1,909.73	19%
Baseball	2,967.74	29%
Class of 20X2	349.89	3%
Class of 20X3	664.09	6%
FBLA	152.87	1%
Field Hockey	0.00	0%
Field Trips	0.00	0%
Industrial Arts	315.60	3%
Student Council	1,107.18	11%
Yearbook	2,825.24	28%
	$ 10,292.34	100%

Bookkeeping Procedures Continued:

Filing of Bookkeeping Records

Invoices and Check Request Forms should be attached together and filed by one of the following methods:

1. An individual file folder may be made for each activity fund account with the folder containing all disbursement documentation for that fund for the fiscal year in chronological order.

2. All disbursement documentation should bear reference to the check number and may be filed in the numerical order of the checks issued.

3. A file folder may be made for each vendor with the folder containing all disbursement documentation for that fund for the fiscal year in chronological order.

Fund transfers should be filed in numerical order by fiscal year.

Receipts should be filed in numerical order by fiscal year.

Monthly reports submitted to the business office should be filed by month, by fiscal year.

All other documentation should be filed together by fiscal year.

Bank Reconciliations

All bank accounts should be reconciled monthly. The purpose of a bank reconciliation is to compare the bank balance with the student activities fund's book balance and to resolve/explain any differences. Errors are often identified during this process, so timely reconciliations should be performed, or the purpose of bank reconciliations is defeated.

After all cash transactions (i.e., deposits and disbursements) for the period have been posted to the activities ledger, a bank reconciliation can be performed. Because of the need for an adequate segregation of duties for internal control purposes, employees directly responsible for cash collections or disbursements should not perform the bank reconciliation. The use of computers has greatly simplified the reconciliation process. Also, there are many simple computer programs available, even for use on personal computers that can be used for reconciliations. If the reconciliation is being performed manually, the following basic steps should be followed:

1. Obtain the monthly bank statement for each account.

2. Identify all checks that have been written to date. This can easily be done assuming that all checks are disbursed in numerical order. Also, identify outstanding checks from the previous month's reconciliation.

3. Using the bank statement as a guide, identify the checks that have "cleared" the bank and eliminate them from the master list of checks written to date (identified in Item 2 above). After this has been done, those checks that have not cleared are considered to be the "outstanding checks." Then total these outstanding checks.

A manual "Student Activity Bank Reconciliation" form has been provided and is located at Appendix A-12.

Bank Reconciliations Continued:

4. Total all deposits made by the activities and recorded in the activities ledger during the current period. Compare the deposits made to those reported on the bank statement. Most often, if there is a discrepancy, it is due to deposits that have not yet been recognized by the bank. These are known as "deposits in transit." Identify the total "deposits in transit" for each account.

5. Review all journal entries that have either increased or decreased cash and determine whether the transaction is, or should be, reflected on the bank statement. If not, the journal entry or entries may be a reconciling item.

6. Review the bank statement to ascertain whether any charges have been made to the bank account (e.g., service charges) that require journal entries in the activities ledger.

Overall, a typical bank reconciliation would be prepared in a format similar to the following:

NEW HAMPSHIRE SCHOOL DISTRICT
HIGH SCHOOL STUDENT ACTIVITIES FUND
SUMMARY OF ACCOUNT AND PROOF OF BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 201X

Cash Balance - July 1, 201X	$ 13,970.80	
Add: Receipts During Year	73,966.80	
Total Amount Available	$ 87,937.60	
Less: Disbursements During Year	77,645.26	
Cash Balance - June 30, 201X		$ 10,292.34
Proof		
Balance in the Anytown Bank,		
Passbook Account # 0678256		
Per the passbook dated 6/30/1X	$ 3,246.11	
Add: Deposit in Transit	345.00	
Balance in the Anytown Bank,		$ 3,591.11
Checking Account # 004862340		
Per the bank statement dated 6/30/1X	$ 8,112.34	
Add: Deposits in Transit	225.00	
Less: Outstanding Checks	(1,636.11)	
		6,701.23
Cash Balance - June 30, 201X		$ 10,292.34

Bank Reconciliations Continued:

NEW HAMPSHIRE SCHOOL DISTRICT
HIGH SCHOOL STUDENT ACTIVITIES FUND
SUMMARY OF ACCOUNT AND PROOF OF BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 201X

Listing of Deposits In Transit

Date of Deposit	Date Cleared Bank	Description	Amount
6/29/1X	7/1/1X	Industrial Arts/Sale of Coat Racks	$ 150.00
6/30/1X	7/1/1X	Band/Candy Sales	195.00
6/30/1X	7/2/1X	Yearbook/Sale of Yearbooks	225.00
		Total Deposits in Transit	$ 570.00

Listing of Outstanding Checks

Date of Check	Check No.	Vendor/Payee	Check Amount
6/12/1X	617	Jack Danko	$ 45.00
6/26/1X	634	Anytown Trophy Shop	125.00
6/30/1X	641	East Coast Lumber	325.50
6/30/1X	642	New Hampshire School District	1,000.00
6/30/1X	644	Daddy's Junky Music Store	140.61
		Total Outstanding Checks	$1,636.11

Any material differences that are identified during the monthly bank reconciliation should be researched and resolved.

Petty Cash

Petty cash is maintained to cover small, immaterial transactions that require the immediate use of cash. Petty cash should be centrally controlled and stored in a secure area. No more than two employees should be responsible for the petty cash funds, which should be reconciled on a regular basis (e.g., monthly). Receipts are collected from those that use petty cash funds. In a manner similar to the approval of invoices, the receipts should include the activity account to which the expense/expenditure should be charged. The fund is replenished by a check made payable to the petty cash custodian. The receipts are used to charge the appropriate activity accounts for the use of petty cash. Obviously, petty cash amounts vary from school to school. Some entities have only one petty cash fund, while others may have several (e.g., individual funds in various departments or locations). As a general rule, petty cash that can handle approximately two to three months of such petty transactions should be a sufficient balance. The petty cash should be kept separate and not commingled with the student activities funds since these funds are not student related.

Change Funds and Fidelity Bond

Change Funds

Change funds may be established to provide money for change making in connection with sales activity. Funds should be limited to those activities where there is a proven need, and the amounts should be limited to the minimum that will serve the change making need. Change funds should be established in the name of the individual responsible for proper safeguard and timely return of the funds and will be recorded in an account titled "Change Fund" and not to the account of the activity that uses the change fund. The responsible individual will be held financially liable for loss or failure to return money issued for change operations. Change funds will be returned intact and redeposited to the checking account soon as the need for the fund has passed. Change funds will not be used for making disbursements. In some cases, there may be a need that continues throughout most or all of the school year. However, there should be no change fund in existence at the end of the school year.

Fidelity Bond

The school board fidelity bond should cover all employees, including employees who maintain the student activity fund. Funds are protected against loss due to deliberate negligent action on the part of school district employees. It does not, however, protect the employee against a subsequent claim by the bonding company for any loss sustained through settlement of a claim due to the intentional negligence on the part of an employee. The bond protects the assets of the fund covered, and not the individual charged with the responsibility for such funds. The responsibility of safeguarding student activity funds lies directly with the principal and the student activity bookkeeper, and their actions and authority should be governed and respected accordingly.

Banking

Bank Guidelines

All student activity funds shall be deposited in a financial institution that carries deposit insurance coverage with the Federal Deposit Insurance Corporation or equivalent agency. To obtain the employer tax identification number to be used by schools when opening bank accounts, contact the business administrator. All bank accounts, whether checking or savings, should be monitored carefully to avoid having funds on deposit not covered by insurance for any significant length of time.

Bank/Credit Union Selection

Student activity funds should be deposited in a financial institution that provides the best banking service for the minimum service charge or no service charge. In keeping with prudent business practices, banks or credit unions that offer interest-bearing accounts with no service charges should be sought. All bank or credit union accounts, whether checking or savings, should be monitored to ensure that funds are not depleted by excessive bank service charges. If a school is presently being charged a bank service fee, the school's principal should request the bank to waive the fees and fines for the school's student activity funds account.

In addition, all bank accounts (checking, savings or certificate of deposit, etc.) shall be monitored carefully to avoid having funds on deposit not covered by insurance for any length of time. The current Federal Deposit Insurance Corporation (FDIC) limit is $250,000. If the school's balance approaches the FDIC limit, the principal should either 1) deposit excess funds at a different bank to ensure proper depository insurance coverage is maintained or 2) inquire of the bank about collateralization for the funds in excess of the FDIC insurance limit.

Conflict of Interest

The appearance of a conflict of interest should be avoided. Student activity funds may not be deposited in any bank, credit union, or other financial institution in which the principal or any other official of the school holds a position of trust or authority.

Banking Continued:

Checking Accounts

It is recommended that only one checking account be established for the student activity funds for each school. The account will be titled, ___ School District, the name of the school, and the school's address. The primary endorser will be the principal. School principals should designate an alternate endorser. Two signatures are encouraged, but not required for check disbursement. The administrator/bookkeeper charged with maintaining the student activity fund records will not be designated as an alternate endorser, or as co-signer for dual signatures.

Savings Accounts

Savings accounts may vary with respect to both numbers and financial institutions. The most favorable interest earning return should be sought, in keeping with prudent management. Savings deposits may take the form of certificates of deposit, or money market accounts. Accounts will be titled, ___ School District and the school's name. Withdrawals from the account require the signature of the principal and an alternate endorser who is not charged with maintaining the school activity account records.

Personal Check Cashing

Under no circumstances will student activity funds be retained on hand for cashing personal checks.

Investments

Student bodies may make investments only with the written approval of the superintendent. Savings accounts and certificates in banks and in savings and loan associations are not subject to this restriction.

Checks

Stale Dated Checks

Checks that have not cleared the bank are called outstanding checks. All outstanding checks will remain on the outstanding check listing until they have either cleared the bank or have remained outstanding for a year. Once an outstanding check has been carried in the outstanding check list for at least twelve months it is considered stale dated. Stale dated checks should be reviewed with the school principal and voided thereby adding the amount of the now voided check back to cash and to the activity account it was originally deducted from.

Voiding a Check

If an error is made in writing a check or it is a stale dated check that has been voided, mark the check and stub "VOID" in ink. The check should be retained by the student activity fund bookkeeper. Appropriate entries noting the void should be made in all accounting records.

Banking Continued:

Bad or Dishonored Checks

When a check is returned by the bank, a reasonable effort should be made to contact the person who wrote the check to have him or her make the check good. The payer must also pay the associated bank service charge.

Accept only cash, certified check, or money order for the redeposit.

Redeposit the returned check only if repayment cannot be collected or unless the bank indicated otherwise.

If repayment is made by cash, certified check, or money order, the bad check should be returned to the person who wrote the check.

Prepare a separate deposit slip and mark it "Redeposit." Several re-deposits may be combined on a single deposit slip marked "Redeposit."

If payment cannot be collected, the principal may consider sending a certified letter stating that unless payment is received within ten days from receipt of the letter, further action will be taken.

The matter may then be referred to the business administrator for further action.

Keep ALL UNCOLLECTED checks for audit.

The dishonoring of a check is sufficient grounds for refusal to accept future check payments from the makers of such checks. The principal should decide on this matter.

Stop Payment Action on a Check

If a student activity fund check has been issued and is then reported lost or stolen, stop payment action may be taken. The circumstances surrounding this situation should be carefully evaluated. If the check is for a small sum and made payable to a vendor who has consistently dealt with the school, it would not appear feasible to incur the stop payment charge of the bank. If the check is for a large sum of money, worthy of an expenditure of $25 or more, then stop payment action may be appropriate.

Cash Advances

Reasonable cash advances to sponsors from student activity funds may be authorized if warranted to support student groups traveling out of town. All cash advances must be processed in accordance with school board policy.

Banking Continued:

Internal Controls for Cash

In even the smallest school districts, there are usually several employees involved with cash collections. Adequate segregation of duties between employees is imperative in an environment that routinely handles large amounts of cash. In many schools (even small ones), cash registers are used that not only control access to cash drawers, but generate various reports that recreate transactions and thus facilitate cash drawer reconciliations.

Ideally, one person should be responsible for preparing the bank deposit. At a minimum, deposits should be prepared and sent to the bank daily or weekly. Depending on the volume of transactions, it may be necessary to prepare more than one deposit daily. If so, a specific schedule should be established and followed.

Preparing the deposit is actually a complex procedure with several important steps. Because of the nature of the asset involved, the deposit should be prepared in a secure area (preferably a separate locked room). Access to the room should be limited to authorized personnel. While the deposit is actually being prepared, the room should remain locked and entry by other employees should be restricted. At no time should the deposit be left unattended.

The contents of the cash drawers and cash received from other sources (e.g., off-site collections forwarded to the school principla's office for processing) should be transported to the secure "deposit room" or stored in a safe or vault until the deposit is prepared.

The following basic steps are then followed by the individual(s) responsible for preparing the deposit:

1. The cash, checks, money orders, and credit card slips should be separated.

2. Currency and coin should be separated by denomination and counted.

3. The results of the count of currency and coin should be tallied on a deposit worksheet.

4. The checks are briefly reviewed for accuracy (e.g., Is the check appropriately dated and signed? Is it made out to the proper payee? Are the dollar amounts consistent?). Any checks that have obvious inaccuracies should be put aside and not included in the deposit, but should be correct and resolved as soon as possible.

5. Upon receipt all checks should be endorsed "For Deposit Only…" with the account's bank account number.

6. An adding machine tape should be prepared for all the checks and money orders.

7. The deposit slip should be prepared.

Banking Continued:

8. The results of the deposit count should then be compared to the cash transaction reports generated by the registers or copies of deposit slips. Any discrepancies should be explored and explained. Resolution of such discrepancies can be noted on the cash reports themselves, or a separate "exception" report could be prepared.

Once the deposit is prepared, it should immediately be taken to the bank. The district may want to use some type of protection service for the employee(s) responsible for physically making the bank deposit. It is very easy for potential criminals to monitor the depository practices of any entity. For that reason, the funds and the individual(s) transporting the funds should be protected and secured at all times. Some larger governments utilize security services, such as armored vehicles. This can be costly and actually cost-prohibitive for many smaller school districts. In those cases, it is recommended that the police or resource officer of the school be used to escort the employee(s) to and from the depository. Since the deposits are generally made at the same time or times each day, a regular schedule could be established.

There are often short time lags between collections and the preparation of deposits and/or the preparation of deposits and transportation to the bank. For example, it may be the established procedure for the district to collect throughout the business day, close the registers (if applicable), and prepare the deposit immediately at the start of the next business day. There is still a daily deposit, but there is an overnight delay. In these cases, the funds should be kept secure in a locked and fireproof vault or safe. Obviously, only authorized personnel should ever have access to such vaults or safes, and then the activity must be closely monitored.

Fund Transfers

Obligations that arise between accounts within a school can generally be settled by paper transactions called transfers. The source document is the "Funds Transfer" form, see Appendix A-14. These forms are to be filed in a "Fund Transfer" form file and retained for audit review. Transfers among funds may not be made without proper approval from the activity advisor and the principal as evidenced on the "Fund Transfer" form.

Cash Loss

The student activity fund's activity advisor will be responsible for any student activity fund entrusted to them. The activity advisor will reimburse the student activity for any money which is lost due to carelessness, theft, fraud, or failure to follow established procedures.

In the event of a cash loss/theft notification should be given to:

School Principal

Business Administrator/ District Accountant

Banking Continued:

Deficit Spending

Deficit spending is not an approved accounting procedure at any time. Activity funds advisors must request a transfer of funds from a discretionary account (i.e the principal's fund) prior to expending any funds that would result in a deficit balance. Funds may not be transferred to another school account without the approval of the principal or his/her designee.

Gifts and 1099 Requirements

Gifts

Monetary gifts received by the school should be handled in the same manner as other receipts. No school employees should sign income tax receipts for people making gifts unless they are given specific instructions to do so. Only designated school administration can sign such a receipt.

There should be a school board policy in place for the acceptance of gifts in compliance with State statutes. RSA 198:20-b, *Appropriation for Unanticipated Funds Made Available During Year*, states that unanticipated funds received need to be accepted by the school board before they can be expended. It is strongly recommended that all gifts be handled through the school district's general fund. That does not mean that small gifts cannot be accepted by the activity fund, but this practice should be included in the school board policy. A copy of RSA 198:20-b can be found in Appendix B-3.

1099 Requirements

In order to ensure that the school district properly reports all payments to the IRS, a copy of all supporting documentation (invoice, check copy) must be submitted the school district's business office for all contracted services performed by a private individual or company. In addition, a copy of a Form W-9 from the individual should have been previously obtained and turned in to the business office with the other information. If in doubt contact the business office or follow the Instructions for the Requester of Form W-9 in the appendix (see Appendix B-2). A copy of the Form W-9 can also be found in the appendix (see Appendix B-1).

A Form 1099-MISC is required to be issued to any individual or unincorporated business who renders services (DJ, speaker, costume design, band) to the school district and receives at least $600.00 in a calendar year (January 1st to December 31st).

Accountability for Admission Charges

The school board should initiate and enforce a policy that will provide accountability for student activities in which admission is charged. The following criteria should be included to effect accountability of these admission collections:

1. Pre-numbered colored strip tickets should be used and stored in a secure location.
2. Only approved employees or volunteers should run the ticket/admission booth.
3. Ticket numbers should be charged out to the sellers responsible for admission collections.
4. Tickets should be destroyed/defaced when patrons enter the event.
5. Each seller will be required to turn in a report containing the following information:
    a. Number tickets sold for each price class. Each series of colored tickets should represent a price class and be sold only for that price.
    b. Color tickets should be alternated frequently.
    c. Amount of money collected for each class of tickets sold should be tracked.
    d. The number of tickets sold must reconcile with the money collected. Unused tickets are to be turned back in and accounted for.
    e. All money collected should be stored in a secure location after sales have ended.
    f. Signature of proper official on reconciliation report.

Disposition of Inactive Accounts

Any student activity account, which has been inactive for a maximum of one fiscal year, must be disposed of, unless the advisor submits a plan to the principal (or designee) indicating why the activity has been inactive and why it should not be terminated. The principal must approve the plan.

For student activity accounts related to a graduated class, any funds remaining in the account after graduation must be disposed of in the manner indicated on the "Activity Purpose" form, Appendix A-2 no later than June 30th after graduation. For transactions occurring after graduation, it is acceptable for the activity advisor and principal (or designee) to approve transactions.

If a particular class votes to retain its treasury for future expenses such as reunions, custody of the funds should be transferred to the class treasurer or representative.

Reimbursement for Expenditure of Personal Funds

Reimbursements for expenditure of personal funds must be supported by receipt invoices, cash register tapes, etc. Cancelled checks are not an acceptable form of documentation in support of reimbursements. Reimbursements for expenses not supported by documentation will be made only with the written approval of the principal.

Deficit Balances

A policy should be in place to prohibit deficit balances in student activity accounts. If a transfer is needed to cover the disbursement it should be properly documented and approved by the advisors, and the principal.

No individual group should be allowed to have a negative balance in their account. Disbursements should not be made for a group that does not have enough money in the account to cover the disbursement.

Fundraising

A fundraiser is defined as a social function or activity held for the purpose of raising funds or receiving goods and/or services.

General Policy Guidelines

1. The principal and business administrator is required to approve of the fundraising activity prior to beginning any fundraiser.
2. The principal has the discretion to limit the number of fundraisers held by student organizations.
3. All cash collection policies and procedures must be followed relevant to any fundraiser.
4. All cash disbursement policies and procedures relevant to any fundraiser must be followed.

Fundraiser Procedures

1. Prior to obligating the school or student organization to a fundraiser, the principal and business administrator should pre-approve all fundraisers. The activity advisor should complete a “Fundraiser Proposal Form” (Appendix A-15) for submission to the principal and business administrator for approval. Upon approval, the principal, activity advisor, and bookkeeper will retain a copy and return the original to the business office.

Fundraising Continued:

2. Before committing to a fundraiser, the activity advisor and principal should consider the following:

   a. Is the reason for the fundraiser valid and appropriate?

   b. Has the activity advisor and/or club conducted fundraisers appropriately in the past?

   c. Is the fundraiser expected to generate a reasonable profit?

   d. Has the student organization conducted too many fundraisers this year?

3. Once the business administrator and principal have approved the fundraiser, the student organization may proceed. The activity advisor is responsible for maintaining accurate records of all sales activities and accounting for all items purchased from vendors for resale.

4. All fundraising activities involving vendor or requiring public solicitation must first be approved by the principal. Under no circumstances should a student organization enter into agreements or advertise an event until approvals from the principal has been received.

5. Activity advisors should take care to select a reputable company for the purchase of fundraising materials. In addition, the activity advisor should maintain a good relationship with the vendors by submitting bills to the student activity bookkeeper for payment in a timely manner.

6. Activity advisors must keep control of the merchandise and money. Both should be secured at all times.

7. Activity advisors should keep accurate records of buyers of purchased items and funds received, collect all money due to the activity account, and keep a detailed list of any amounts due from students. Sales details should be turned in to the student activity bookkeeper with all funds collected. The principal should be notified if student obligations are not paid.

8. The activity advisor should submit a “Fundraiser Accountability” form (see Appendix A-16) to the principal and business administrator within two weeks of the conclusion of the project. A copy should be sent to the student activity fund bookkeeper.

9. The principal and activity advisor are responsible for following school district policies and procedures related to cash receipts and disbursement for the fundraiser. All cash receipts must be documented on an individual receipt or tabulation form. Purchases related to the fundraiser may not be made at any time from the fundraiser collections. All invoices should be submitted for all disbursements and approved by the activity advisor and principal prior the payment to the vendor is made.

10. Upon completion of the fundraiser, it is a best practice for the principal and activity advisor to review the profitability of the fundraiser. **Activity advisors who do not properly manage their activities and have large monetary amounts outstanding should not be allowed to conduct subsequent fundraising activities.**

Student Store

The student store is a function at a high school or middle school that is established by the school for continuing operation, in a fixed location. The store is operated for a profit and is generally open before and after school. The store sells items to students and/or staff such as snacks, pencils, notebooks, and clothing.

The minimum procedures for a student store are as follows:

1. A staff member must be present when the student store is open.

2. Access to student store keys should be limited to authorized school personnel only. The student store advisor is responsible for issuing and retrieving the keys using a key control log that shows the date the key is issued, the name and signature of the person to whom the key is issued, and the date the key is returned. The key control log should be retained throughout the school year to document the location of all keys, and to document that all keys have been retrieved at the end o the school year.

3. Revenues and expenditures of the student store will be recorded in an activity account that records store transactions only.

4. A change fund to be used in the student store will be established, accounted for and safeguarded.as indicated in the change fund section of this handbook.

5. Purchases or payments from cash proceeds of sales are prohibited.

6. All food items sold to students in the school during the school day must meet the Federal child nutrition guidelines.

Student Store Continued:

7. At the end of each business day, two individuals will count store funds as follows:

    a. From the daily proceeds, set aside the funds for the change fund balance; these funds will be returned to the safe/vault for safeguarding overnight.

    b. Count all remaining proceeds and record the amounts on a Cash Count/Deposit Slip (see Appendix A-17). Both individuals sign the slip as depositors.

    c. If applicable, total out any cash registers and compare the daily totals on the register tape or point of sale system closeout report to the proceeds recorded on the Cash Count/Deposit Slip. Reconcile any discrepancies.

    d. Attach cash register tapes or closeout reports to the Cash Count/Deposit Slip and deliver the cash and the Cash Count/Deposit Slip to the student activity fund bookkeeper.

8. Inventory

    a. Periodic inventory of items on hand is necessary to determine profitability of the student store and assess accountability and safeguarding measures.

    b. An inventory of all items on hand in the student store and any storage area should be conducted at least once per week for high schools and at least once per month for middle schools.

    c. The inventory should be performed by two individuals; both will sign the inventory form.

    d. The student activity advisor will complete a profit analysis and examine for reasonableness and any necessary changes in operating procedures should be implemented.

    e. All inventory forms should be turned into the student activity bookkeeper and maintained with the student activity fund records.

    f. The principal and student activity fund bookkeeper will review and sign off on the “School Store Inventory Sheet” (see Appendix A-18).

Field Trips and School-Sponsored Trips

First hand experiences provided by field trips and school-sponsored trips are an effective and worthwhile means of learning. Field trips and school-sponsored trips can add significant educational value and are related to the total school program and curriculum.

Therefore, the school district should establish guidelines for field trips and school-sponsored trips which address the process of screening, evaluating and approving field trips and school-sponsored trips in order to ensure that all reasonable steps are taken for the health, safety and welfare of the participants and to ensure no substantial disruption to the educational process and the inherent educational value of the field trip and/or school-sponsored trip.

The following are some guidelines that should be considered when establishing such a policy:

The guidelines should require the prior approval of all field trips and/or school-sponsored trips by the principal and the prior approval by the superintendent of schools and/or his/her designee of all overnight and out-of-state and out-of-country trips. Furthermore, the guidelines shall establish procedures to assure that: 1) all students have parental/guardian permission for trips; 2)all trips are properly supervised; 3) all safety precautions are observed; 4) all student files have been reviewed in order for a student to participate in and have equal access to any field trip or school-sponsored trip; 5) all trips contribute substantially to the educational program; 6) the school district is monitoring whether students are excluded from participation in and/or having equal access to field trips and/or having equal access to field trips and/or school-sponsored trips and, if so, for what reasons; and 7) there are procedures in place for parents/guardians to appeal a decision to exclude a student from participation and access to a field trip and/or school-sponsored trip.

Field Trips Continued:

Approval of all field trips and school-sponsored trips shall be conditional. Approval for any field trip or school-sponsored trip may be revoked if a change in circumstances, whether man-made, or natural, would warrant cancellation of this field trip or school-sponsored trip in the interest of the safety of the students and staff of the school district.

The school district will not be responsible for any financial obligations incurred as a result of the planning of the field trip or school-sponsored trip, or for any monies that are non-refundable or are otherwise lost due to the subsequent cancellation of the field trip or school-sponsored trip or due to a student's exclusion from participation and access to a field trip or school-sponsored trip as a result of the student's suspension or expulsion from school on the date or dates of the field trip or school-sponsored trip.

No student shall be denied participation in a field trip or school-sponsored trip that takes place during the school day (and is not an overnight trip) because of financial inability to pay the fee. Each club, team or group is responsible for raising all of the money necessary to fund a field trip or school-sponsored trip that is being proposed by a group of students. No fundraising or other preparations for a field trip or school-sponsored trip should occur until the field trip or school-sponsored trip has been approved. No financial support will be available from the school district for any overnight, out-of-state or out-of-country travel unless an athletic team or academic team or competition has qualified for an overnight, out-of-state or out-of-country competition and in these narrow circumstances final approval of funding for such travel by an athletic team or academic team is subject to final approval by the superintendent and/or school board. The school district will not be responsible for any expenditures incurred as a result of a chaperone's decision to send a student participant home earlier than the scheduled return date due to the student's unacceptable behavior. Students and their parents/guardians will be held responsible for any damage done to hotels, rental properties, real or personal property. Parents/guardians must agree to pay for any damages that may be done by their son/daughter and/or aid school officials in collecting money necessary to do so. For all field trips requiring transportation, transportation must be provided by a common carrier that is licensed to do business in the State of New Hampshire and is licensed for passenger transport by the Federal Motor Carrier Safety Administration, or in an approved school district licensed vehicle or by other forms of public transportation. All charter services for field trips or school-sponsored trips must be provided by a common carrier that is licensed by the State of New Hampshire to provide charter services and is licensed for passenger transport by the Federal Motor Carrier Safety Administration. All vendors that provide transportation for field trips or school-sponsored trips must provide evidence that their driver(s) are licensed in the State of New Hampshire to drive the vehicles being used to provide the transportation for the field trips and/or the charter services for the field trips. All transportation vendors also must maintain liability insurance with a minimum of $XXXXXX (to be determined by the school district) per occurrence for bodily injury. No transportation vendor shall be used to provide transportation and/or charter services for field trips or school-sponsored trips if it has a rating of "conditional" or "unsatisfactory" issued by the Federal Motor Carrier Safety Administration. Nothing in the field trip policy should be construed to prohibit field trips where students travel by means of walking.

Field Trips Continued:

Need to consider whether the use of privately owned vehicles or leased vans to transport students to and from field trips, athletic events or school-sponsored trips are strictly prohibited, except in the case of a bona fide emergency. Determination of the existence of a bona fide emergency will be made by the principal and/or trip leader if the principal is not present. Staff and parents/guardians who use their own vehicles risk being legally liable for any injury a student sustains while in the vehicle.

Overnight accommodations should be made in advance with safety and security in mind and, whenever possible, travel between the hours of midnight and 6:00 a.m. should be avoided, trip itineraries should leave enough room for drivers to rest in conformity with federal hour-of service requirements and common sense and take into account the likelihood of delays due to weather, traffic and unanticipated factors.

Administrative Guidelines and Procedures

The following guidelines and procedures are suggested and address the process for screening, evaluating, and approving field trips and school-sponsored trips, in order to ensure that all reasonable steps are taken for the safety of the participants.

I. General Guidelines

1. Whenever possible, the integrity of the school day should not be compromised. Field trips and school-sponsored trips should pose a minimum disruption to other classes, and the scheduling of any such trip should take into consideration examination schedules.

2. The trip must be educationally-based and connected to the curriculum, and there must be an opportunity for reflection and assessment upon completion.

3. Individuals planning overnight or out-of-country trips are discouraged from using school time and encouraged to plan such trips during weekends or school vacation weeks, unless special justification is provided evidencing sound educational and curriculum relevance for using school time.

4. School staff should work with students who choose to participate in a field trip or school sponsored trip to identify any schoolwork that may be missed and may need to be made up as a result of participation in the trip.

5. Student safety and supervision are of the utmost concern on any field trip or school-sponsored trip:

    a. Special attention should be paid to any activities that include swimming, boating, fishing, or any other experience that will require students to be in or near a body of water. A thorough review of the principles of water safety should be completed prior to the start of the trip.

Field Trips Continued:

b. Special attention should be paid to any activities that will require students to be near or engage in new and/or physical situations that may present a danger to the students. A thorough review of safety principles applicable to any such new and/or physical activities should be completed prior to the start of the trip.

c. Students are prohibited from operating or being a passenger on any motor vehicle, motorcycle, motorbike, scooter, all-terrain vehicle, or other similar motorized form of transportation during the trip unless explicitly authorized to do so.

d. Students must carry identification with them at all times during the trip. During out-of country travel, students must carry their passports at all times for identification.

e. Students are subject to the authority of the teacher-chaperone(s) at all times and must comply with all rules and codes of conduct in the Student Handbook, all school-based rules, and any rules of conduct promulgated by the organizers and chaperones of the trip. All rules and codes of conduct established for student eligibility to participate in a field trip must be provided in writing to the students and their parents/guardians at the time that the field trip is initially announced.

f. Students are expected to take part in all planned group activities unless excused by the teacher-chaperone(s). All students must depart and return with the group on the trip, unless the student will be departing or returning with his/her parent/guardian.

g. If a student is involved in any criminal activity while on the trip, whether as a victim or as an alleged perpetrator, the student's parents/guardians will be notified immediately by the principal or designee. If a student requires medical attention while on the trip, the student's parents/guardians will be notified immediately by the principal or designee.

h. If a teacher or administrator decides that a student shall be sent home from the trip prior to the scheduled return date or time due to the student's unacceptable conduct, the student's parents/guardians must be notified before the student may be sent home. The school district is not responsible for any expense incurred as a result of the student's early return. A student who is being sent home prior to the scheduled date or time of return must be accompanied on the return trip by either his/her parents/guardian or by a teacher or administrator. If a teacher or administrator is to accompany the student on the return trip home, this cannot result in a reduction of the required number of school district staff chaperones per students as set forth in Section V below for the students who are continuing on the field trip.

6. The law requires that students with disabilities be provided with an equal opportunity to participate in nonacademic and extracurricular activities, such as field trips. Principals are responsible for ensuring that appropriate accommodations and support staff or supplementary supports and aids are available so that children with disabilities are not excluded from participation in any field trip or school-sponsored trip.

Field Trips Continued:

7. Any field trip or school-sponsored trip should be reviewed periodically by the principal to assess whether the trip is educationally effective and continues to offer a substantive benefit to participants.

8. All field trips and school-sponsored trips must be approved prior to the distribution of any informational materials on the proposed trip to students and their parents/guardians and prior to any fundraising or other preparations. The process for obtaining approval for a trip is set forth in Section III.

II. Planning Process

1. Any field trip and/or school-sponsored trip will be coordinated by the trip leader, a duly appointed and experienced teacher.

2. All activities on the trip must be planned and scheduled for specific dates and times. A complete itinerary for the proposed trip and a breakdown of all associated costs and expenses must be submitted as a package to the principal of the school when requesting approval for the trip.

3. There must be, at a minimum, (XX) students who will participate in the trip in order for the trip to occur. If a class consists of (XX) students or fewer than (XX) students, the majority of students in the class must participate in the trip in order for the trip to occur.

4. If not all members of a class are participating in the trip, appropriate substitute activities must be provided for those students who are not participating.

5. Prior to any field trip or school-sponsored trip, the trip leader must prepare a list that includes:

   - the names of students participating in the trip;
   - the names and telephone numbers of the students' parents/guardians; and
   - the names, addresses, telephone numbers, and designations (i.e. whether they are school district employees or parents/guardians) of the trip's chaperones.

   Copies of this list must be distributed to all participating chaperones and to the main office of the school.

Field Trips Continued:

III. Approval Process

All field trips or school-sponsored trips must be approved in advance by the principal and/or superintendent, if applicable, according to the following process:

1. An employee must submit a proposal for the field trip or school-sponsored trip to the principal of the school and/or superintendent. The proposal must include the following:
    - *the date(s) of proposed trip;*
    - *the destination(s) of the proposed trip;*
    - *detailed itinerary for the proposed trip;*
    - *the educational rationale for the proposed trip;*
    - *the estimated number of students who would be participating in the proposed trip;*
    - *All rules and codes of conduct established for student eligibility to participate in the proposed trip*
    - *the estimated number of chaperones for the proposed trip;*
    - *the projected costs and expenses for the proposed trip; and*
    - *additional supporting documentation related to the proposed trip, including a complete copy of the Field Trip Approval Form.*

2. For any overnight domestic field trip or school-sponsored trip, the request must be submitted and approved at least one (1) month prior to the proposed start of the trip. For any out-of country trip, the request must be submitted and approved at least two (2) months prior to the proposed start of the trip. The principal and/or superintendent reviews the proposal:

    a. If the destination of the trip is within the State of New Hampshire and requires no overnight travel, the principal may authorize the trip himself/herself. However, the principal must forward a copy of the proposal along with his/her written approval to the superintendent of schools or designee.

    b. If the destination of the trip is out-of-state and/or requires overnight travel and the principal approves the proposal, a copy of the proposal along with the principal's school's written recommendation, must be submitted to the superintendent of schools or designee for approval.

3. The superintendent or designee will notify the principal as to whether final approval for the trip has been granted. The principal, in turn, will notify the employee who proposed the trip as to whether approval has been granted. Approval of all field trips and school-sponsored trips shall be conditional. Approval for any such trip may be revoked if a change in circumstances, whether man-made or natural, would warrant cancellation of the trip in the interest of the safety of the school district's students and/or employees. The school district is not responsible for any financial obligations incurred as a result of planning the trip or for any monies that are non-refundable or otherwise lost due to its subsequent cancellation.

Field Trips Continued:

4. Upon approval of a proposed overnight and/or out-of-country field trip or school-sponsored trip, there must be a meeting of all participating students, their parents/guardians, and chaperones, at which the parties are informed of the rules of the trip, including all rules and codes of conduct established for student eligibility to participate in the proposed trip and other pertinent information, including without limitation that the approval of all field trips or school sponsored trips is conditional and may be revoked, and that the school district is not responsible for any financial obligations incurred as a result of planning any such trip or for any monies that are non-refundable or otherwise lost due to its subsequent cancellation.

IV. Student Participation

All rules and codes of conduct established for student eligibility to participate in the proposed trip must be distributed to parents/guardians and students at the time that a field trip is initially announced.

Either at the time that the field trip is initially announced and not later than at least six weeks prior to any planned field trip, appropriate school staff should review all student files to determine if any accommodations or modifications are required in order for the student to participate in the planned field trip. If necessary, a team meeting should be convened either at or near the time that the field trip is initially announced and not later than at least six weeks prior to the planned field trip to review and discuss any accommodations or modifications that are required in order for the student to participate in and access the planned field trip.

No student shall be denied participation in a field trip or school-sponsored trip as a consequence or form of punishment for previous behavior for which he or she already has been disciplined. A student may only be excluded from a field trip or school-sponsored trip if the date or dates of his/her suspension or expulsion from school for a violation of school-based rules or the codes of conduct set forth in the Student Handbook coincides with the scheduled date or dates of the field trip or school-sponsored trip, or if, in the judgment of the principal, a student's previous or current behavior poses a substantial risk to the health, safety and welfare of the student, other students and/or staff participating in the field trip and/or school-sponsored trip. Factors that a principal may consider in making such a judgment include, but are not limited to, whether the student has breached a written agreement, student compact, or contract between the student and the school regarding his/her behavior that has been developed to ensure the health, safety and welfare of the student and his/her classmates and/or school staff while participating in the field trip and/or school-sponsored trip, and whether the appropriate due process procedures have been followed with respect to the determination of this violation and the decision to deny participation in the field trip.

If a student is denied permission to participate in a field trip or school-sponsored trip, this denial must automatically be reviewed by the school principal. After completion of such review, if the student is still denied permission to participate in the field trip or school-sponsored trip, the parent/guardian may immediately appeal such decision by filing a written complaint with the superintendent or his/her designee. Any such appeal shall be heard promptly.

Field Trips Continued:

Principals will provide an annual report to the superintendent or designee of the number of students excluded from field trips and/or school-sponsored trips during the course of a school year and the reasons for each such exclusion.

These provisions should not be construed as prohibiting the principal from imposing behavioral expectations or restrictions in connection with the student's participation on the trip, such as requiring the student's parent/guardian to serve as a chaperone or requiring the student to stay with a specific chaperone or group of students during the trip.

While on a field trip or school-sponsored trip all school-based rules and all rules set forth in the Student Handbook apply.

No student should be permitted to participate in a field trip or school-sponsored trip unless the following signed documentation has been received:

- Parent/Guardian Permission Slip;
- Parent/Guardian Medical Information Form; and
- an Informed Consent and Release to Participate in Water Activities, if applicable.

All of these forms must be maintained for either seven (7) years after the date on which the field trip is completed or seven (7) years after the student transfers, graduates or withdraws from the school district, whichever is later. Additionally, copies of these forms must be forwarded to the business office prior to the start of the field trip.

If a student appears on the day of an in-state, non-overnight trip without the required signed documentation, the principal may contact the student's parent/guardian to request the following, in order of descending priority:

1. that the signed documentation be faxed to the school prior to the departure of the field trip or school-sponsored trip;

2. that written permission be e-mailed to the school prior to the departure of the field trip or school-sponsored trip; or

3. that the parent/guardian grant verbal permission for the student to participate in the field trip or school-sponsored trip.

   If verbal permission is sought, the principal must secure such permission during a conference call where one other school employee is present to witness the conversation. If verbal permission is secured, the principal must document the date and time of the conference call and the identity of the parent/guardian who granted permission for the student to participate in the trip. The notation must be acknowledged by both the principal and the witness as to its accuracy.

Field Trips Continued:

If a student appears on the day of an out-of-country, out-of-state and/or overnight trip without the required signed documentation, the principal or head of upper school may contact the student's parent/guardian to request the following, in order of descending priority:

1. that the signed documentation be faxed to the school prior to the departure of the field trip or school-sponsored trip;

2. that written permission be e-mailed to the school prior to the departure of the field trip or school-sponsored trip.

Verbal permission is not acceptable for out-of-country, out-of-state and/or overnight field trips and school-sponsored trips.

Students and their parents/guardians will be held responsible for any damage done to hotels, rental properties, or real or personal property during a field trip or school-sponsored trip. Parents/Guardians must agree to pay for any damage done by their children and/or aid school officials in collecting the money necessary to do so.

If a student needs to be administered prescription medication and/or epinephrine during a field trip or school-sponsored trip, the principal, in accordance with the School District Policy, shall ensure the following:

- either that the student's parent/guardian serves as a chaperone on the field trip, or that school personnel trained in the administration of prescription medication and/or epinephrine, as applicable, serve as chaperones on the field trip;

- that a school nurse is on duty or available by telephone for consultation when such medications are being administered; and

- that the Medical Information Form in connection with the trip has been signed by the student's parent/guardian.

V. Chaperones

The trip leader may select, as needed, additional qualified adult chaperones to accompany him/her on the field trip or school-sponsored trip.

All chaperones must have successfully completed a Criminal Background Check before being permitted to serve as a chaperone on any field trip or school-sponsored trip if there is any potential that the chaperone would have direct and unmonitored contact with any students.

All schools should distribute background check application forms to parents/guardians at the start of the school year, so that the forms can be submitted and background checks completed as necessary for field trips and school-sponsored trips.

All forms requesting chaperones should include the following statement: Approval of all field trips and school-sponsored trips is conditional.

Approval for any such trip may be revoked if a change in circumstances, whether man-made or natural, would warrant cancellation of the trip in the interest of the safety of the students and/or employees of the school district. The school district will not be responsible for any financial obligations incurred as a result of the planning of the trip or for any monies that are non-refundable or otherwise lost due to its subsequent cancellation or due to a student's exclusion from participation and access to a field trip or school-sponsored trip as a result of the student's suspension or expulsion from school on the date or dates of the field trip or school-sponsored trip.

Field Trips Continued:

There must be, at a minimum, one (1) chaperone for every (XX) students participating in the field trip or school-sponsored trip. In the case of out-of-country and/or overnight trips, chaperones should be gender-representative of the group and must include at least one (1) chaperone of each sex of the students participating in the trip. These are minimal requirements; the superintendent of schools or designee, principal, or designee, business administrator, and/or trip leader may determine that more chaperones are needed.

Chaperones will not be allowed to bring minor family members on a field trip or school-sponsored trip. Each chaperone will be expected to maintain a "trip log" detailing all significant activities, incidents, and other events that occur during the trip, to be provided if the principal or head of upper school so requests. All chaperones will be provided a list of trip participants as prepared by the trip leader in accordance with Section II(6) of these guidelines and procedures.

VI. Transportation and Accommodations

For all field trips and school-sponsored trips requiring transportation, such transportation must be provided by a common carrier that is licensed to do so in the State of New Hampshire and is an approved, school district-licensed vehicle for public transportation, such as a bus or train or other such form of public transportation. All charter services for field trips and school-sponsored trips must be provided by a common carrier that is licensed by the State of New Hampshire to provide charter services and is licensed for passenger transport by the Federal Motor Carrier Safety Administration. All vendors that provide transportation for field trips and/or school-sponsored trips must provide evidence that their drivers are licensed in the State of New Hampshire to operate the vehicles and/or provide the charter services being used as transportation for such trips.

All transportation vendors also must maintain liability insurance with a minimum coverage of $XXXXXX per occurrence for bodily injury. No transportation vendor shall be used to provide transportation and/or charter services for any field trip or school-sponsored trip if it has a rating of "conditional" or "unsatisfactory" as issued by the Federal Motor Carrier Safety Administration. Nothing in these guidelines and procedures should be construed to prohibit field trips or school-sponsored trips where students travel on foot.

Use of privately owned vehicles and/or leased vans or other vehicles to transport students and chaperones for field trips and school-sponsored trips is strictly prohibited, except in the case of a bona fide emergency. The principal will determine whether a bona fide emergency exists; if the principal is not present, the trip leader will make that determination. Any employees or parent/guardian who uses his/her own vehicle for student and/or chaperone transportation risks being legally liable for any injury a student or chaperone sustains while in the vehicle.

Whenever possible, travel between the hours of midnight (12:00 a.m.) and 6:00 a.m. should be avoided. Trip itineraries should set aside sufficient time for drivers to rest in conformity with federal hour-ofservice requirements and common sense and should take into account the likelihood of delays due to weather, traffic, and unanticipated factors.

Overnight accommodations should be made in advance with safety and security in mind. Chaperones will be assigned to accommodations on every floor that is occupied by students. Chaperones, however, will not be allowed to stay in the same room or private accommodation as a student. If the form of accommodation is a group dormitory, this prohibition shall not apply.

Field Trips Continued:

VII. Financial Obligations

Any club, team, or group of students is responsible for raising all of the money necessary to fund a field trip or school-sponsored trip proposed by that club, team, or group. No fundraising or other preparation for such a trip should occur until the trip has been approved. No financial support will be available from school district for any overnight and/or out-of-state travel unless an athletic team or academic team or competition has qualified for an overnight, out-of-state or out-of-country competition and in these narrow circumstances final approval of funding for such travel by an athletic team or academic team is subject to final approval by the superintendent.

Neither school district or school board will be responsible for any financial obligations incurred as a result of the planning of any field trip or school-sponsored trip, or for any monies that are non-refundable or otherwise lost due to the subsequent cancellation of the trip. Neither school district nor the school board will be responsible for any expenses incurred as a result of the decision of a school district teacher/administrator to send a participating student home prior to the scheduled return date or time due to the student's unacceptable conduct. Students and their parents/guardians will be held responsible for any damage done to hotels, rental properties, or any other real or personal property during a field trip or school-sponsored trip. Parents/Guardians must agree to pay for any damage done by their children and/or aid school officials in collecting the money necessary to do so.

No student shall be denied the privilege of participating in a field trip or school-sponsored trip that takes place during the school day (and is not an overnight trip) because of financial inability to pay an associated fee.

VIII. Follow-up Report

Upon completion of any field trip or school-sponsored trip, a written report must be prepared by the trip leader and submitted to the principal and to the business office. The report must assess the educational benefits of the trip and detail any injuries, discipline problems, or other incidents that occurred during the trip.

IX. Documenting and Sharing Field Trip or School-Sponsored Trip Activities

Only students who have current signed media releases on file can be photographed, audiotaped, videotaped or recorded by school district staff. Content regarding a student's participation in a field trip or school-sponsored trip activity shall not be posted on any school district's social media site unless there is a signed school district's media release on file at the student's school for the current school year that has been signed by the parent/guardian of the student and/or by the eligible student authorizing the display, publishing, distribution or exhibition the student and/or his/her name, image, likeness, spoken words, student work, performance and movement, in any form of the school district's social media site.

Appendix A has additional forms that could be used by the school district planning a trip. These can be found at Appendix A-20 through A-22.

Crowdfunding

While crowd funding websites such as gofundme.com and donorschoose.org present schools with a new way to raise additional money for educating students and/or student activities, any fundraising through these websites should follow written district policies and procedures. The ease with which anyone can create a crowdfunding request, for just about anything, is exactly why school districts need policies. Furthermore, without policies in place, administrators have no control over inappropriate requests, and are not able to guarantee donor expectations are met. Policies ensure accountability, transparency and coordination. You may determine that your district needs a stand-alone policy for online fundraising or you may add language to your existing fundraising policy to cover online fundraising. You should want to develop specific internal procedures to avoid some of the common problems and to ensure for the appropriate control of the funds raised to assure they are being used properly. The loss, misuse, or theft of funds raised could undermine school district credibility with parents and donors. Generally, all fundraising should be approved by the school principal and/or the superintendent. Fundraising via the internet would be no different.

Some additional considerations for your internet fundraising include:

- Fundraising campaigns should be approved prior to soliciting donations, or making any commitments on behalf of the school district.
- The money should go directly to the district or school principal (depending on the purpose), not to an individual or teacher. Any items purchased with the funds received should be district property and subject to inventory procedures. You should look at current procedures for allocation of money or products received via fundraising efforts.

Crowdfunding Continued:

- Evaluate how much of the money is kept by the site. Some sites take a fixed fee up front, then a percentage of everything else. You want to look carefully and determine if the ease of the fundraiser justifies not getting 100% of the money.
- What happens if the entire goal amount is raised? Some sites require you to set a goal amount and if the goal is not reached, you don't receive any money. Again, do your research so that you know what to expect.
- If teachers are receiving money or items directly, there could be ethical and tax issues. Public employees are prohibited from using their position to obtain financial gain or avoidance of financial detriment and there are limits on the acceptance of gifts.
- You want to be very careful using student names or pictures in all materials to avoid Family Educational Rights and Privacy Act (FERPA) violations.
- Is fundraising equitable between classrooms and schools. What happens if one classroom or school receives money, but another does not? How will parents react when money that they thought was going to their child's classroom but is instead given to another classroom or school? Do resources go with the teacher if they are transferred within the school or school district.
- Any technology purchased needs to fit into the current technology plan for the district. Consult with your information technology department to determine if devices and software are compatible with existing school district equipment. Also ensure that new technology does not create a future maintenance or servicing burden on your information technology department. A sample crowdfunding policy can be found in Appendix A-23.

Paypal

PayPal provides another option for a school district to receive payments and donations as well as to make payments. Prior to establishing a PayPal account there are a few items to consider.

How much are the fees?

If you have set up your website to accept PayPal payments directly into your PayPal account, then you should understand that PayPal charges fees for each transaction. The fees are:

For-profit organization	$0.30 per transaction + 2.9% of the amount
Non-profit organization	$0.30 per transaction + 2.2% of the amount

A few notes about this:

- PayPal fees are subject to change.
- In order to receive the lower fees for non-profits, you must choose the correct values when setting up your PayPal account, and submit some documentation to confirm your non-profit status.
- The fees charged by PayPal are done in order to process the transaction. The school district does not charge receive a portion of the fees for handling online payments.

Paypal Continued:

How to handle the fees

PayPal deducts the fees automatically before depositing the funds into your account. So, if a visitor on your site purchased $20 worth of goods, and chose to pay using PayPal, then only $19.26 would get deposited into your PayPal account.

Because of the fees, organizations who choose to offer PayPal as a payment option will make less profit than those choosing to only accept checks. Still, it can be worthwhile to offer PayPal because parents appreciate the convenience of being able to pay by credit card online rather than having to write a check and send it in to the school. Also, some parents may be willing to spend a little bit more money on your site when they know that they can pay with a credit card.

You may decide you want to increase the price of your items slightly in order to help you cover the fees. That's fine, but you cannot charge extra only for those parents who are paying by PayPal. In other words, the price of your items must be the same for all visitors, regardless of payment type.

How to view the fees

Paypal provides reports that show exactly how much was paid in fees, either per order, or per item. To see this, sign in as the Admin, and visit your **Orders** report or your **Order items** report. You may need to add the Fees column to display in the report.

For bookkeeping purposes, it is useful to keep the PayPal fees under the program in which they were actually incurred. So, in your books, for the PayPal fees you incurred through science fair sales, keep them in a line item called "PayPal Fees" under the "Science Fair" category. This way, at the end of the year, you still have an accurate picture of how much profit/loss you incurred for each program, with the fees taken into account. Instead, some organizations choose to create a top-level line item in their books called "PayPal fees" which includes the fees for the entire year for all programs. This is acceptable if this makes more sense for you. However, this is less useful since it doesn't properly differentiate between programs that chose to offer PayPal and those that didn't.

Vending Machines

Vending machines from which profits or commissions received are intended for the benefit of staff must be clearly marked on the front of the machine indicating such intended use.

Vending machines may be operated on a commission or operating basis.

1. Commission basis

    a. Vendor is responsible for the selection and maintenance of vending machine products and collection of machine proceeds.

    b. School receives a commission, or percentage of sales.

    c. Commissions may be recorded directly into the activity account benefitting from the profits of the vending machine.

    d. Commissions must be specifically identified in the activity account as vending machine commission.

2. Operating basis

    a. Activity members are responsible for the selection, purchase, and stocking of products; disposal of outdated products; and collection of machine proceeds.

    b. Receipts and disbursements for a vending machine must be accounted for in a separate activity account established specifically for that particular machine to provide information needed for profit analysis.

    c. Two individuals will be involved in the replenishment of machine product, removal and counting of machine revenues, and inventory of product as evidenced by both signatures on an Inventory Control Worksheet (see Appendix A-19).

    d. Machine proceeds should be removed at the time the machine is replenished.

Vending Machines Continued:

e) An inventory of vending machine product should be performed once per week and recorded on the Inventory Control Worksheet. The inventory count should include all product in the machine as well as any storage area.

f) Machine proceeds should always be removed and counted on any inventory day.

g) The results of any profits should be examined for reasonableness and any necessary changes in procedures should be implemented.

h) The Inventory Control Worksheet should be turned into the student activity fund bookkeeper and maintained with the student activity fund financial records.

i) Access to vending machine keys are limited to authorized personnel.

Scholarship Funds

RSA 31:31 states that “Except where otherwise specifically provided in the charter of a city or by special act of the legislature whenever a gift, legacy or devise shall be made in a trust to a school district, village district or any subdivision of a town and accepted by it, the same shall be held in the custody and administered by the trustees of trust funds of such town or in case of districts embracing two or more towns by the trustees of trust funds of that town which the voters of said district may elect. The governing body of any such district or subdivision shall expend such district or subdivision trust funds, or the income thereof to be expended, consistently with the terms of the trust.”

A copy of RSA 31:31 can be found in Appendix B-4.

Internal Audit and Preparation for External Audits

Internal Audit

Internal audits should be performed periodically on student activity funds by school district personnel. An internal audit can be as simple as testing of receipts, disbursements and bookkeeping procedures. School business personnel should make periodic checks of account balances along with the monthly bank reconciliations, to determine that district policies and procedures are being followed.

An internal audit should be completed on the student activity funds using a checklist similar to that contained in Appendix A-24, Internal Audit Checklist-Student Activity Fund.

Preparation for External Audits

A listing of the records that will be required for audit can be found at Appendix A-11. These records will be returned to the school after the yearly audit has been completed.

Record Retention

All records will be kept current and in good order and be available to review at any time. All student activity funds financial records must be retained for a period of at least five (5) years (recommended as a minimum requirement) after the end of the fiscal year during with the transactions occurred. Presently the State of New Hampshire's record retention and disposition policy is as follows:

RSA 189:29-a Records Retention and Disposition - Members of the school board shall establish a records retention and disposition schedule for all official records of the school district. If records are microfilmed, 2 films shall be made, properly labeled and stored in 2 different locations. At least one copy shall be stored in a fireproof container. Records which have been microfilmed may be retained or destroyed in accordance with the schedule determined by the members of the board. A complete record of all records destroyed or discarded shall be maintained along with notations of the methods and dates of disposal. A copy of this State statute can be found at Appendix B-5.

GASB Statement No. 84, Fiduciary Activities

In January 2017, the Governmental Accounting Standards Board issued GASB Statement No. 84, Fiduciary Activities. The principal objective of the statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. This statement also is intended to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries.

The requirements of this statement are effective for reporting periods beginning after December 15, 2018, but earlier application is encouraged. What this means for school districts is that it becomes effective July 1, 2019 for the fiscal year 2019-2020.

Student activity funds in school districts that have always been reported as fiduciary funds but they will no longer be reported as fiduciary funds and will now be reported as a special revenue fund in the governmental funds of the school district.

The main reason for the change is that the school district maintains administrative control/involvement over the assets. The principal has custody of the assets and has the ability to direct the use of the funds in a manner that provides benefit to the students.

These funds will now be reported in the governmental funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance as well as the school district's government-wide financial statement's Statement of Net Position and Statement of Activities. In most instances the activity funds will be reported as nonmajor funds but the activity funds will need to meet the requirements of either major or nonmajor in order to be properly classified.

Frequently Asked Questions

Can student activity funds accept gifts and donations?

Yes and no. If the gifts are small than yes, they could be accepted and spent from the student activity funds if they are for the purpose and benefit of the students. However, if the gifts are large (greater than $500) then they should be deposited into the school district's general fund and tracked and expended from there. If the money has not been fully expended by year end then the unexpended balance should be recorded as restricted fund balance. The school board should have a policy that addresses how gifts should be handled. Finally, the acceptance of all gifts should be accepted by the school board in accordance with RSA 198:20-b.

Can grants be accepted by a student activity funds?

No. All grants should be deposited with the school district's treasurer and deposited into either the general or a grants fund where they can be properly tracked and expended.

Can the student activity funds conduct fundraising activities?

Yes and No. Fundraising activities should be held in accordance with school board policies and for the benefit of students to supplement student activities. If fundraisers are held to supplement operations of the school, such as for supplies, books, and other operating costs, then they are considered part of the operations of the school and should be considered a gift to the school district, which would be tracked and recorded in the general fund.

Frequently Asked Questions Continued:

What happens when an account becomes overdrawn and shows a deficit balance?

Student activity accounts should not be permitted to become overdrawn because the overdraft becomes a liability to the other activity funds and to future classes. Whenever an activity account becomes nearly depleted, remedial action should be taken immediately by the activity advisor and principal in order to correct the situation.

Can lost book fees be deposited into a student activity account?

No. Lost book fees should be turned over to the business office for deposit into the general fund. The books were originally purchased from the operating budget of the school and this money is going back to replenish the spent budgeted funds.

Can student activity accounts be used to pay stipends or other payroll?

Yes and no. Payroll must be paid from the operating budget of the school district where the appropriate payroll taxes and benefits can be deducted from the pay and may not be paid from the student activity funds. However, payments to sporting officials may be paid from the activity funds, though is discouraged. If such payments are made from the activity funds then a listing of those payments should be given to the business office so that those payments can be added to employees' W-2 forms or 1099-MISC forms for non-employees who earned over $600 in a calendar year.

Should the student activity funds avoid making large reimbursements to 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.

The 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.

Is the purchase of gift cards from the student activity funds acceptable?

Gift cards can very easily be used for a purpose, and by a different individual, other than what was intended. The purchase of gift cards with student activity funds is strongly discouraged.

Frequently Asked Questions Continued:

Is the student activity required to adhere to IRS reporting with respect to backup withholding taxes and Form 1099-MISC reporting?

Yes. A student activity fund is subject to the rules related to backup withholding taxes and Form 1099-MISC reporting.

When is an activity fund account considered "Dormant"?

A Dormant account is defined as one having a balance but, no activity for a period of one year or more.

A student activity fund account dissolved last year. There is a small balance remaining in the account. Can we move that money to any other activity fund account?

No. Upon dissolution of any student activity fund account, the school principal shall ensure that any liabilities of that fund are liquidated. The remaining fund balance, if any, shall be transferred to either the designated account noted when the account was originally established or to an account deemed appropriate by the principal.

Can the student body hold a fundraiser for a scholarship fund?

Yes, all fundraisers should be clearly communicated on where the money is going and what it is being fundraised for. All money fundraised must go to the purpose stated. Once collected this money should be turned over to the Town's Trustees of Trust Funds in accordance with RSA 31:31, *Trust Funds for Districts*, see page 73 of this handbook.

Are booster club or PTA funds activity funds?

No. Booster clubs and parent-teacher organizations are separate legal entities from the school district. These organizations must maintain separate federal tax identification numbers and bank accounts.

Is a booster club required to be a 501(c)(3) organization? What changes if the booster club does not obtain or maintain its tax exempt status?

A booster club is not required to obtain a Federal ID Number (FIN) or 501(c)(3) status as an independent organization. However, if it is an independent organization, it cannot use the district's tax exempt status, IRS government status, discounts, FIN, or any other benefit of the district. If the booster club obtains a FIN, it will not be required to use the social security number (SSN) of one of its members for any banking transactions. If the booster club obtains its own 501(c)(3) status under the IRS, then donations to the booster club may be tax deductible.

Frequently Asked Questions Continued:

A district has an Athletic Booster Club and a Music Booster Club, which are both separate from the school district. The booster clubs take on projects and make equipment purchases the district can't afford to do within its normal activity accounts. When making these booster purchases, should the district have the booster clubs make the actual purchase directly or should the district require the money from the booster clubs before making the purchases?

The booster clubs could give the money to the school district to help with specific items, but the district would have to agree to that purpose prior to accepting the donation. If the equipment was required for curricular delivery, the district must buy the equipment. If students will be charged a fee for use of the equipment as a school supply, the district must purchase the equipment from the General Fund. Booster clubs could also purchase the equipment directly and then donate the equipment to the school district.

Can concession workers be paid out of the student activity fund?

If concession workers are paid, the payment for the work could be paid by school check from the activity account holding the fundraiser but only if the work is determined to be an independent contractor, which is unlikely. Workers determined to be employees must be paid through payroll at the district level and the activity account could reimburse the district for those expenditures.

Workers shall not be paid with cash from the concession revenues. Likewise, ticket takers shall not be paid with cash from gate receipts.

What implications are there if the school district stores concession items that belong to an independent booster club?

The district could not discriminate by storing items for one outside organization but not another. Also, the district would incur liability for the items while under its custody and therefore, public funds used for district insurance to cover such items would be providing private benefit to the outside organization which owned the items.

The Athletic Booster Club is a separate nonprofit organization not established by the district but independently established to benefit the district's athletic program. Does it have to be included in the district's audit?

In accordance with criteria established by Governmental Accounting Standards Board (GASB), in GASB Statement 14, as amended by Statements 39 and 61, school business officials and auditors must review the organization and financial information of these potential component units (PCU) to determine if they are part of the school district's financial reporting entity. The financial reporting entity consists of the district and organizations for which the district is financially accountable. If the PCU is deemed to be part of the district's financial reporting entity, the school business officials and auditors will include the activity in the district's audit report. In addition, the school district may determine, through exercise of management's professional judgment, the inclusion of an organization that doesn't meet the financial accountability criteria if necessary in order to prevent the district's financial statements from being misleading. This determination should be based on the nature and significance of the organization's relationship with the district.

Frequently Asked Questions Continued:

Can a student club fundraise for a private organization if that is the stated purpose of the fundraiser, for example, a community service project?

A student club can fundraise for a specific project that benefits the community as long as the fundraising activity meets the purpose for which the student activity exists. For example, if a fundraiser is designed to contribute to the civic growth of the students participating in the district-sponsored student activity, it may be appropriate, with board approval, to conduct that community service project.

How should costs for chaperones be handled for district-sponsored trips? Can the charges to students going on the trip be high enough to cover the costs of the trip for the chaperones?

If the chaperone is receiving a trip as a reward or in lieu of compensation in exchange for being a chaperone, that would be taxable compensation. If the trip is district-sponsored, and the chaperones are being compensated by having their costs paid, that is an expense to the district, even if paid from the Student Activity Fund, and not to the students going on the trip. If the chaperones are volunteers, they should be paying their own expenses.

Conclusion

After completion of the external audit, there will be final conclusions drawn from the audit procedures performed on the student activity accounts. There may be several findings noted by the auditors, some of which will be more material then others. For example, if proper reconciling of the funds was not completed during the year or if certain convenience accounts were discovered, the auditor may report these items in the audit report. If any issues discovered have already been corrected, such as having proper reconciliations or eliminating convenience accounts, no corrective action plan would be necessary.

However, if the conditions found still exist after the close of the year, they may require a corrective action plan by the district. Additionally, there may be findings which would be considered reportable conditions which relate to any deficiencies in internal controls. It is important for every person in charge of student activity funds to understand their duties and know what is expected of him/her. They must be aware of the policies noted in this handbook as well as the explicit and implicit policies of the school district.

The intent of this handbook was to provide non-authoritative guidance for those responsible for the bookkeeping of student activity funds. It contains suggested methods for record keeping and appropriate ways in which to record specific activity. This handbook does not override any district policies and should be used in connection with district policies. Annual updates will be made as accounting standards and laws are always changing.

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Appendices

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Appendices

Continued

Appendix B – Federal Forms and State Statues

Appendix B-1 – *Form W-9 – Request for Taxpayer Identification Number and Certification*

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Appendix C – Best Practices

Appendix C-1 – *Best Practices*

Appendix A-1

APPENDIX A-1

Internal Control Self-Assessment

General Bookkeeping

Control Area	Yes	No	N/A	If no, explain how controlled
Do job descriptions or list of defined duties pertaining to bookkeeping requirements exist for:				
School Principal?				
School Bookkeeper?				
Administrator and Advisors?				
Central Office Staff?				
Are NSF returned checks researched timely to attempt collection?				
Are unused checks stored in a secure location and all voided checks mutilated to prevent reuse?				
Are current signature cards on file with the bank?				
Are the school records reconciled to the bank statements monthly and reviewed by the school principal?				
Are all differences with the bank identified and reconciled?				
Are clear lines of authority established for approval of expenditures?				
Are sources of receipts and purposes for expenditures identified?				
Does the accounting system accumulate information in a manner that allows for financial reports to provide enough detail to allow clubs, classes, and advisors to make informed decisions?				
Are financial reports available as needed and accurate and complete?				
Are financial reports made available to each club and class on a regular basis or as needed? Are differences identified and corrected on a timely basis?				
Are annual audits conducted and corrective action taken as required?				

APPENDIX A-1

Internal Control Self-Assessment

Disbursements and Purchases

Control Area	Yes	No	N/A	If no, explain how controlled
Do job descriptions or list of defined duties pertaining to disbursements and purchases exist for:				
School Principal?				
School Bookkeeper?				
Administrator and Advisors?				
Central Office Staff?				
Are funds spent to benefit students and in accordance with school policy?				
Are all request for disbursements prepared in advance of the actual disbursement and approved by the activity advisor and school principal?				
Is a payment request or some other system in place to document what is being purchased, including the amount, vendor, and purpose?				
Are invoices verified for accuracy and the items received verified as being received priot to making payments?				
Are all payments for disbursements made only on original receipts and invoices? Are original copies marked to prevent duplicate payments?				
Are payments approved prior to distribution?				
Are direct payments by students and staff that are reimbursed properly approved and limited to amounts approved in advance?				
If procurement cards or debit cards are used, is there a process in place:				
to secure the cards?				
to check out cards?				
to require receipts for all purchases?				
to preauthorize the purchases?				
to match the purchases to the bank statement?				
to apply purchase to the correct activity fund?				

APPENDIX A-1

Internal Control Self-Assessment

Cash and Cash Handling

Control Area	Yes	No	N/A	If no, explain how controlled
Do job descriptions or lists of defined duties pertaining to cash and cash handling requirements exist for:				
School Principal?				
School Bookkeeper?				
Administrator and Advisors?				
Central Office Staff?				
Are all receipts counted by one individual and verified by another at the time of deposit?				
Is the function of reconciling the bank statement separate from depositing funds and writing checks?				
Are all receipts deposited and recorded in a timely manner?				
Are all refunds and voids documented and approved?				
Do all receipts, deposit slips, and checks indicate the name of the school and account number, if applicable?				
Are all checks endorsed upon receipt, accepted for the amount of purchase and made payable to the school account?				
Are controls in place over transferring money to a courier to be taken to either the central office or bank, if applicable?				
Are security measures adequate if hand delivering deposits to the bank or credit union?				
Are employees bonded?				

APPENDIX A-1

Internal Control Self-Assessment

Sales, Fund Raising, School Stores

Control Area	Yes	No	N/A	If no, explain how controlled
Fundraisers				
Are all fund raising activities approved in advance by the school principal and business administrator?				
Are the results from fundraisers reconciled and then presented to the school principal?				
Raffles/Gate Receipts				
Are raffles approved by the school principal?				
Are terms of the raffle clearly displayed (must be present to win, price of tickets, etc)?				
Are raffle tickets pre-numbered and sales matched to numbers issued?				
Are financial results of the raffle presented to the school principal?				
Are gate receipt reports and ticket logs kept to account for all tickets?				
Are unused tickets safeguarded?				
Are change funds for events authorized and returned at the conclusion of the event?				
Are total tickets sold reconciled to total sales to make sure all funds are deposited?				
Are ticket selling and reconciliation of sales done by two different individuals?				
School Stores				
Are student stores authorized by the school board and are hours of operation compatible with school and cafeteria operations?				
Is access to the student store and inventory controlled?				
Are change funds for stores authorized and secured?				
Are periodic or perpetual inventories taken and reconciliations performed for stores?				
Are cash registers or some other cash accountability system in place for store sales?				

APPENDIX A-1

Internal Control Self-Assessment

Sales, Fund Raising, School Stores (Continued)

Control Area	Yes	No	N/A	If no, explain how controlled
School Stores (continued)				
Is cash transmitted from store to bookkeeper on a frequent basis?				
Is merchandise held in a secure location?				
Are all monies turned in by students verified, receipts issued, and transmitted on a frequent basis to the bookkeeper?				
Does the school bookkeeper issue a receipt for funds submitted for deposit?				

APPENDIX A-1

Internal Control Self-Assessment

Other Items

Control Area	Yes	No	N/A	If no, explain how controlled
Are procedures in place to protect assets from loss or theft?				
Are safe combinations changed or locks re-keyed on a regular basis?				
Is a system in place to accept and account for donated assets?				
Are donations acknowledged and used as intended? Is a report sent to the donor detailing the use of the donation?				
Is a record retention schedule available and followed pertaining to student activity records?				

APPENDIX A-2

{School Name}
Student Activity Fund
Activity Purpose Form
School Year _____

Date:_____ Name of Activity:_____

Purpose of Activity:_____

Revenue Sources:_____

Age and Grade of Students Served:_____

I, _____ (advisor) received a copy of *(District) Student Activity Fund Manual/Policy*, and acknowledge my responsibilities for assuring proper procedures are followed. I also acknowledge that I will be held personally accountable for any deficit balance that may occur in the above named activity account.

_____	_____	_____
Advisor's Name (Printed)	Advisor's Signature	Date of Submission
_____	_____	_____
Principal's Name (Printed)	Principal's Signature	Date of Approval

Upon termination of the above named activity, any unobligated funds that remain in the account will be disposed of in the following manner: _____

_____

_____	_____	_____
Advisor's Name (Printed)	Advisor's Signature	Date of Signature
_____	_____	_____
Activity Student Representative's Name (Printed)	Activity Student Representative's Signature	Date of Signature

APPENDIX A-3

TRANSMITTAL LIST
MONEY COLLECTED FROM STUDENTS

Receipt No.: Date:

Activity Account: Activity Advisor:

Purpose:

	Student Name	Amount	Cash	Check
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
	Total Collected	$ -	$ -	$ -

Activity Advisor Signature Date

Bookkeeper Signature Date

Appendix A-4

Cash Receipt from _____School Receipt #____

Questions? Contact the Student Activity Fund Bookkeeper at 603- - .

Received From	
Purpose of Receipt	
Activity Account	
Quantity Sold	
Beginign Ticket No.	
Ending Ticket No.	
Total amount received	$_____ Cash ☐ Check ☐
Activity Advisor Signature	

APPENDIX A-5

{School Name}
Student Activity Fund

Deposit/Receipt Summary Form

Date:_____ Deposit No:_____

Advisor:_____

Date Check Needed:_____

Coin Total _____

Currency Total_____

Check(s) Total_____

Total Deposit_____

Student Activity Fund:_____

Signature of Depositor:_____

Counted By:_____ and _____

Date of Deposit:_____

Bookkeeper Signature:_____

Note: All currency is to be facing the same direction in bundles as follows:

20's in groups of $100

10's in groups of $100

5's in groups of $100

1's in groups of $ 50

(If bills do not add up to $100's or $50's, please keep like bills together)

APPENDIX A-6

{School Name}
Student Activity Fund

OFFICIAL'S INVOICE

NAME OF OFFICIAL: _____

Street Address _____ **DATE:** _____
Town, State, ZIP Code _____ **SPORT:** _____
Phone Number _____

GAME OFFICIATED	DATE OFFICIATED	AMOUNT PAID
	TOTAL	$ -

Check Date: _____

Check Number: _____

Official's Signature: _____

Principal's Signature: _____

APPENDIX A-7

{School Name}
Student Activity Fund

Vendor Name_____ INVOICE

Street Address_____ **DATE:** _____
Town, State, ZIP Code_____
Phone Number_____

Bill To:
School Name_____
School District Name_____
Street Address_____
Town, State, ZIP Code_____
Phone Number_____

DESCRIPTION	AMOUNT
TOTAL	$ -

Approvals:

Activity Advisor:_____

Principal:_____

APPENDIX A-8

{School Name}
Student Activity Fund

Request For Payment Form

Date:_____ Name of Activity:_____

Amount $_____ Requested by:_____

Date Check Needed:_____

Check Payable to: _____

_____

_____

Description of Disbursement:_____

_____

_____

_____

Approval Signatures:

_____	_____	_____
Advisor's Name (Printed)	Advisor's Signature	Date
_____	_____	_____
Principal's Name (Printed)	Principal's Signature	Date

*****Appropriate Supporting Documentation Must Be Attached*****

Processed by:_____

Check Number:_____

Date:_____

APPENDIX A-9

{School Name}
Report of Student Activity Funds
July 1, 20XX through June 30, 20XX

Activity Account	Beginning Balance	Receipts	Disbursements	Transfers	Ending Balance	Comments:
Student Council	$ -	$ -	$ -	$ -	$ -	
Yearbook	-	-	-	-	-	
Club	-	-	-	-	-	
Club	-	-	-	-	-	
Club	-	-	-	-	-	
Club	-	-	-	-	-	
Club	-	-	-	-	-	
Club	-	-	-	-	-	
Club	-	-	-	-	-	
Club	-	-	-	-	-	
Club	-	-	-	-	-	
Club	-	-	-	-	-	
Club	-	-	-	-	-	
Club	-	-	-	-	-	
Total Columns	$ -	$ -	$ -	$ -	$ -	

APPENDIX A-10

{School Name}
Student Activity Fund Reconciliation

Name of Activity:_____

Month Ending:_____

Beginning Balance	$ -	(a)

Deposits made:

Receipt Number/Date:	Amount
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
Total Deposits	$ - (b)

Checks Issued:

Payable to/Date:	Amount
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
Total Checks	$ - (c)

Other: Transfer In/Out

Description/Date:	Amount
	$ -
	$ -
	$ -
Total Other Items	$ - (d)

Ending Balance	$ -	= (a)+(b)+(c)+(d)

Prepared by:_____

Title:_____

Date:_____

APPENDIX A-11

DOCUMENTS REQUIRED FOR INDEPENDENT AUDIT

STUDENT ACTIVITIES FUND RECORDS

1. Listing of each student activity and a brief description of the purpose and major source of revenue. (see Appendix A-2 for example)

2. Cash journals or ledgers of recorded transactions of the Student Activities Funds for the period July 1 to June 30 totaled and reconciled to cash in bank.

3. Reconciled bank statements and canceled checks for the fiscal year, and July and August of next year.

4. Paid bills or invoices, cash receipt documentation and approved payment vouchers for the fiscal year, and the subsequent year to date of audit.

5. Listing of accounts receivable and accounts payable at year-end.

6. Fund transfer forms for the year.

7. Year-end financial report summarizing the revenues and expenditures of each activity for the fiscal year.

APPENDIX A-12

{District Name}

{School Name}
Student Activity Bank Reconciliation

Name of Activity:_____

Month Ending:_____ Checks Used this Month: From #_____ To #_____

Ending Balance per Bank	$ -	(a)

Outstanding Checks:

Payable to/Check No:	Amount
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
Total Outstanding Checks	$ - (b)

Outstanding Deposits:

Receipt Number/Date:	Amount
	$ -
	$ -
	$ -
	$ -
	$ -
	$ -
Total Outstanding Deposits	$ - (c)

Other Reconciling Items:

Description/Date:	Amount
	$ -
	$ -
	$ -
Total Other Items	$ - (d)

Adjusted Bank Balance	$ -	= (a)+(b)+(c)+(d)
Balance per Checkbook	$ -	
Difference	$ -	

Prepared by:_____

Title:_____

Date:_____

APPENDIX A-13

PETTY CASH REQUEST FORM

Date: _____ **No.:** _____

Paid To: _____

For: _____

Charge to Activity Account: _____

_____ _____

Authorized Activity Advisor Signature **Approved by Principal**

_____ _____ _____

Bookkeeper's Signature **Check No.** **Date**

Refund of Petty Cash Paid on Receipt No.:_____

Bookkeeper's Signature:_____

Date:_____

APPENDIX A-14

{School Name}
Student Activity Fund
Funds Transfer Form
School Year _____

Date:_____ Name of Activity:_____

Transfer Amount: $_____

Activity Name and Account Number:

From:_____ To:_____

_____ _____

Reason for transfer of funds:_____

_____

Activity Advisor (From) Signature:_____ Date:_____

Student Signature:_____ Date:_____

Activity Advisor (From) Signature:_____ Date:_____

Student Signature:_____ Date:_____

Principal's Signature:_____ Date:_____

APPENDIX A-15

_____ SCHOOL

STUDENT ACTIVITY FUND

FUNDRAISING PROPOSAL FORM

Activity/Organization _____ Type of Fundraiser _____

Advisor Name(s) _____ Dates of Fundraiser _____

Location of Fundraiser _____

Items to be sold: _____

How much do you expect to raise: _____

How will the proceeds be used? _____

How many students will be involved? _____

Vendor: _____

Please list the type and estimated amount of expenditures: _____

Advisor's Signature _____ Date _____

Approved _____ Denied _____ Signature of Principal _____

Signature of Business Administrator _____

Copies to Student Activity Bookkeeper, Business Office, Activity Advisor

APPENDIX A-16

{School Name}
Student Activity Fund

Fundraiser Accountability Form

Activity:_____ Dates of Fundraiser (From – To):_____

Advisor:_____ Student Representative:_____

Fundraiser:

Disbursements					Receipts		
Date of Check	Check No.	Amount	Vendor	Invoice No.	Date of Receipt	Receipt No.	Am
		$ -					$
		$ -					$
		$ -					$
		$ -					$
		$ -					$
		$ -					$
		$ -					$
		$ -					$
		$ -					$
Total (a)		$ -			Total (b)		$

Calculation of Net Profit:

Total Receipts (b)	$ -
Total Disbursements (a)	$ -
Net Profit = (a)-(b)	$ -

Reconciliation of Merchandise Purchased to Merchandise Sold:

Total units Purchased	$ -	(a) must agree to total disbursements above
Total Units Sold at $____	$ -	(b) must agree to total receipts above
Total units returned for credit	$ -	(c)
Total units over/short	$ -	= (a)-(b)-(c)

Note: Attach copies of whatever is needed to support the information on this form, including merchandise given to students, sold by students, monies collected by students, and merchandise returned, unsold, or damages.

_____ _____

Activity Advisor Date

_____ _____

School Procipal Date

APPENDIX A-17

SCHOOL STORE CASH COUNT/DEPOSIT SLIP

Date _____

Student Banker Names/Signatures

_____

_____

_____

Other Deposits Made this Week:

Date	Amount
	$ -
	$ -
Total	$ -

Advisor Approval

_____

Office Verification

_____

Current Cash for Deposit:
List checks singly

Amount	$ -
Amount	$ -
Amount	$ -

Currency:

$20 bills	$ -
$10 bills	$ -
$5 bills	$ -
$1 bills	$ -

Coins:

Half dollars	$ -
Quarters	$ -
Dimes	$ -
Nickels	$ -
Pennies	$ -

Total for Deposit	$ -

Directions for Deposit Slip:

1. Write in date
2. Write in names of student bankers
3. List other deposits made this week
4. List each check received
5. Total each type of bill separately and list total amount on the line
6. Total each type of coin separately and list total amount on the line
7. Total checks, bills, and coins. Place total on "Total for Deposit" line
8. Get Advisor's approval
9. Take money and deposit slip to office financial secretary

APPENDIX A-18

_____ SCHOOL

SCHOOL STORE - INVENTORY SHEET

Items	Beginning Inventory	Add Purchases	Less Sales	Ending Inventory	Selling Price	Total Sales

Total Sales $ -

Note: Total sales must equal to the amount of funds deposited.

_____ _____

Prepared by Date Counted by Date

_____

Activity Advisor Date

APPENDIX A-19

SCHOOL ACTIVITY FUND
INVENTORY CONTROL WORKSHEET

School	
Activity Account	
Type of Inventory	
Vendors	
Reporting Period	

1 Beginning inventory (what you start with)

Item	Count x	Sales Price	= Total
Cash in the machine or on hand			

Total Value Beginning Inventory

2 Deliveries (what you purchased and receive to sell)

Date	Item	Count x	Sales Price	= Total
Cash in the machine or on hand				

Total Value Deliveries

Subtotal A

3 Collections (collected to turn in to Bookkeeper/Treasurer)

Date	Initials	Amount

Date	Initials	Amount

Total Value Collections

4 Ending inventory (what you end with)

Item	Count x	Sales Price	= Total
Cash in the machine or on hand			

Total Value Ending Inventory

Subtotal B

If Subtotal A > Subtotal B, there is a shortage; explain if significant. List retail value of items lost, damaged, or given away.

If Subtotal B > Subtotal A, there is an overage; explain if significant.

Signature and Date of Persons Completing Inventory

_____

_____

Must be completed weekly

APPENDIX A-20

FIELD TRIP APPROVAL FORM

LOCAL FIELD TRIP(S)

OUT OF STATE/OUT OF COUNTRY

School:	
Teacher(s)	
Grade Level:	
# of Students Attending:	
Chaperone(s)	
Brief Description of Trip:	
Educational Rationale:	
Date(s) of Trip:	
Location:	
Mode of Transportation:	
Accommodations:	
Estimated Cost Per Person:	
Date of Informational Meeting for Parents/Guardians/Caregivers:	

N.B.: This trip meets all the requirements of the School Board's Guidelines for Field Trips. It has been explained that all extraordinary costs, passports, and medical clearance is the responsibility of the student and his/her parent/guardian/caregiver.

SIGNATURES:
Principal:
Assistant Principal:
Superintendent: Approved: ☐
This form must be submitted and approved two (2) months prior to Out of Country trips and one (1) month prior to Out of State trips.
Please attach copies of all appropriate documentation.
Conditional Approval for Field Trips(s) This trip has been approved. Please note that approval for this field trip is conditional. Approval for the field trip may be revoked if a change in circumstances would warrant cancellation of this field trip in the interest of the safety of the students and staff of the School District. The School District, School Board, and their respective officers, directors, members, agents, and employees will not be responsible for any financial obligations incurred as a result of the planning of the field trip, or for any monies that are non-refundable or are otherwise lost due to the subsequent cancellation of the field trip.

APPENDIX A-21
Field Trip Fee Collection Form

TEACHER/STAFF NAME:(PERSON COLLECTING FUNDS) _____
NAME OF FIELD TRIP OR ACTIVITY: _____
DATE OF FIELD TRIP OR ACTIVITY: _____

Student Name	Amount Paid	Cash or Check?	Date	NOTES

APPENDIX A-22

FIELD TRIP/SCHOOL-SPONSORED CHECKLIST

	Date Completed
Planning of Field Trip (including financial planning of trip and identification of appropriately licensed transportation providers)	_____
Proposal submitted to Principal	_____
Response by Principal	_____
Proposal submitted to Superintendent or Designee	_____
Initial letter to Parents/Guardians	_____
Solicitation of participants and Chaperones	_____
Background check of Chaperones	_____
Parent/Guardian Orientation Meeting (for overnight/ out-of-state/out-of-county field trips)	_____
Information Packet to Parents/Guardians (including itinerary, expenses, list of chaperones, rules and regulations, and required forms)	_____
Orientation Meeting for Chaperones	_____
Information Packet to Chaperones (including itinerary, expenses, list of chaperones, rules and regulations, and required forms)	_____
Signed forms back from parents/guardians and from chaperones	_____
Information Packet to Principal (includes all information in the information packet to parents/guardians	_____
Must be turned in prior to departure of field trip	
Written Report on Outcome of Field Trip Given to Principal and Superintendent or Designee	_____

APPENDIX A-23

New Hanover County Schools-Crowd funding Procedures

1. NHCS considers crowd funding as a fundraiser.
    a. NHCS crowd funding policy, procedures and forms are under the Employee tab on the NHCS home page: http://www.nhcs.net/fundraising/fundraising.htm

2. The principal/director should pre-approve a crowd funding project/request PRIOR to it being posted on a crowdfunding platform.

3. Platforms terms:
    a. When using platforms there can be different terms. Principals or directors should understand the terms prior to the start of a project:
        i. AON-All or nothing. This means that if the amount requested is not reached, the project does not get funded. The donor then has the option to pick another project to fund or give the current teacher a credit toward their next project.
        ii. KIA-Keep it all. This means that if any amount is reached, the school will get a check even if the goal is not reached.

    Make sure to monitor and take down sites when the event or request is completed.

4. Equipment-If the request involves equipment-either technology or non-technology-pre-approval needs to be obtained from:
    a. Technology: Refer to the policy on the technology website: http://www.nhcs.net/policies/series9000/9600.pdf
    b. Maintenance: Contact the Director of Maintenance, Chris Peterson at chris.peterson@nhcs.net as electric and plumbing considerations may need to be reviewed before any equipment is ordered.

5. All non monetary items (supplies, equipment…) obtained are the property of NHCS and all inventory procedures apply. Inventory procedures are located at the Internal Auditor's webpage and the employee's network login is required for access: http://www.nhcs.net/auditor/local/InventoryProcedures/Inventory%20Procedures_091517.pdf

6. All monetary donations should be recorded by the school treasurer in the School Funds accounting system at each school. A line item may need to be set up for a new account if this is a new project. Please note, no school banking information should ever be given out. A check should be requested to be mailed to the school in the name of the school, not to an individual person.

7. When developing a project, be mindful as to what is being requested. The intent of the request always needs to be followed.

8. When posting pictures/videos/images of any students or staff, all NHCS policies and procedures must be followed. Some platforms require their own student permission forms. The link to NHCS image release forms for students is at : http://www.nhcs.net/forms/NHCSImageRelease.pdf

9. A file is to be maintained at the school for any crowd funding request. This file should include: the principal's/director's fundraising approval form, the written detail of the projects as well as what is posted on the platform website, any photos or images posted with the project and a copy of all agreements and permission forms.

APPENDIX A-24

Internal Audit Checklist-Student Activity Fund (SAF)

This list contains standards for evaluating components of the student activity fund and the fund itself. It is used to periodically audit the fund. The results of this audit should be given to the external auditor as a data source for his or her use during the external audit.

STANDARD	DISPOSITION
Nature of the Fund	
1. Board policies and procedures governing the student activity fund are consistently applied.	☐ Yes ☐ No
2. Each activity group has appropriate organizational documentation on file.	☐ Yes ☐ No
3. Each activity account in the fund is for student-only groups.	☐ Yes ☐ No
4. The School Board has received a periodic revenue and expenditure report on the student activity fund.	☐ Yes ☐ No
5. The cash account has been reconciled to the monthly bank statement(s) and the balance agrees with the summary report prepared by the principal's office.	☐ Yes ☐ No
6. No account has a span of inactivity greater than one year.	☐ Yes ☐ No
7. Graduated class accounts are removed from the student activities fund.	☐ Yes ☐ No

(Any negative response requires an explanation)

_____

Reviewed by Business Administrator
or designated official

Appendix B-1

Form **W-9**
(Rev. November 2017)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

▶ **Go to *www.irs.gov/FormW9* for instructions and the latest information.**

Give Form to the requester. Do not send to the IRS.

Print or type. See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor or single-member LLC ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is **not** disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

☐ Other (see instructions) ▶

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) _____

Exemption from FATCA reporting code (if any) _____

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.

Requester's name and address (optional)

6 City, state, and ZIP code

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN,* later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

			–			–				

or

Employer identification number

		–							

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here | **Signature of U.S. person ▶** | **Date ▶**

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/FormW9.*

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, *later.*

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and

4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting,* later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.

2. The treaty article addressing the income.

3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

4. The type and amount of income that qualifies for the exemption from tax.

5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,

2. You do not certify your TIN when required (see the instructions for Part II for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code,* later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships,* earlier.

What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code,* later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note: ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual • Sole proprietorship, or • Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	Individual/sole proprietor or single-member LLC
• LLC treated as a partnership for U.S. federal tax purposes, • LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or • LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• Partnership	Partnership
• Trust/estate	Trust/estate

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)

2—The United States or any of its agencies or instrumentalities

3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

4—A foreign government or any of its political subdivisions, agencies, or instrumentalities

5—A corporation

6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession

7—A futures commission merchant registered with the Commodity Futures Trading Commission

8—A real estate investment trust

9—An entity registered at all times during the tax year under the Investment Company Act of 1940

10—A common trust fund operated by a bank under section 584(a)

11—A financial institution

12—A middleman known in the investment community as a nominee or custodian

13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over $600 required to be reported and direct sales over $5,000[1]	Generally, exempt payees 1 through 5[2]
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

[1] See Form 1099-MISC, Miscellaneous Income, and its instructions.

[2] However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester,* later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at *www.SSA.gov*. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at *www.irs.gov/Businesses* and clicking on Employer Identification Number (EIN) under Starting a Business. Go to *www.irs.gov/Forms* to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to *www.irs.gov/OrderForms* to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code,* earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account[1]
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor[2]
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee[1]
b. So-called trust account that is not a legal or valid trust under state law	The actual owner[1]
6. Sole proprietorship or disregarded entity owned by an individual	The owner[3]
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	**Give name and EIN of:**
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity[4]
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

[1] List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

[2] Circle the minor's name and furnish the minor's SSN.

[3] You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

[4] List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

***Note:** The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to *phishing@irs.gov*. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at *spam@uce.gov* or report them at *www.ftc.gov/complaint*. You can contact the FTC at *www.ftc.gov/idtheft* or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see *www.IdentityTheft.gov* and Pub. 5027.

Visit *www.irs.gov/IdentityTheft* to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

Appendix B-2

Instructions for the Requester of Form W-9

(Rev. November 2017)

Request for Taxpayer Identification Number and Certification

Department of the Treasury
Internal Revenue Service

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to *IRS.gov/FormW9*.

Reminders

FATCA and backup withholding exemptions. FATCA requires a participating foreign financial institution to report all U.S. account holders that are specified U.S. persons. Form W-9 has an *Exemptions* box on the front of the form that includes entry for the *Exempt payee code (if any)* and *Exemption from FATCA Reporting Code (if any)*. The references for the appropriate codes are in the *Exemptions* section of Form W-9, and in the *Payees Exempt From Backup Withholding* and *Payees and Account Holders Exempt From FATCA Reporting* sections of these instructions.

The *Certification* section in Part II of Form W-9 includes certification relating to FATCA reporting.

Backup withholding rate. The backup withholding rate is 28% for reportable payments.

Backup withholding liability. If you do not collect backup withholding from affected payees as required, you may become liable for any uncollected amount.

TIN matching e-services. The IRS website offers TIN Matching e-services for certain payers to validate name and TIN combinations. See *Taxpayer Identification Number (TIN) Matching* on page 4.

How Do I Know When To Use Form W-9?

Use Form W-9 to request the taxpayer identification number (TIN) of a U.S. person (including a resident alien) and to request certain certifications and claims for exemption. (See *Purpose of Form* on Form W-9.) Withholding agents may require signed Forms W-9 from U.S. exempt recipients to overcome a presumption of foreign status. For federal tax purposes, a U.S. person includes but is not limited to:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- Any estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

A partnership may require a signed Form W-9 from its U.S. partners to overcome a presumption of foreign status and to avoid withholding on the partner's allocable share of the partnership's effectively connected income. For more information, see Regulations section 1.1446-1.

A participating foreign financial institution (PFFI) should request Form W-9 from an account holder that is a U.S. person. If an account is jointly held, the PFFI should request a Form W-9 from each holder that is a U.S. person.

Advise foreign persons to use the appropriate Form W-8 or Form 8233, Exemption From Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual. See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, for more information and a list of the W-8 forms.

Electronic Submission of Forms W-9

Requesters may establish a system for payees and payees' agents to submit Forms W-9 electronically, including by fax. A requester is anyone required to file an information return. A payee is anyone required to provide a taxpayer identification number (TIN) to the requester.

Payee's agent. A payee's agent can be an investment advisor (corporation, partnership, or individual) or an introducing broker. An investment advisor must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisers Act of 1940. The introducing broker is a broker-dealer that is regulated by the SEC and the National Association of Securities Dealers, Inc., and that is not a payer. Except for a broker who acts as a payee's agent for "readily tradable instruments," the advisor or broker must show in writing to the payer that the payee authorized the advisor or broker to transmit the Form W-9 to the payer.

Electronic system. Generally, the electronic system must:

- Ensure the information received is the information sent, and document all occasions of user access that result in the submission;
- Make reasonably certain that the person accessing the system and submitting the form is the person identified on Form W-9, the investment advisor, or the introducing broker;
- Provide the same information as the paper Form W-9;
- Be able to supply a hard copy of the electronic Form W-9 if the Internal Revenue Service requests it; and
- Require as the final entry in the submission an electronic signature by the payee whose name is on Form W-9 that authenticates and verifies the submission. The electronic signature must be under penalties of perjury and the perjury statement must contain the language of the paper Form W-9.

TIP *For Forms W-9 that are not required to be signed, the electronic system need not provide for an electronic signature or a perjury statement.*

For more details, see the following.

- Announcement 98-27, which is on page 30 of Internal Revenue Bulletin 1998-15 at *www.irs.gov/pub/irs-irbs/irb98-15.pdf*.
- Announcement 2001-91, which is on page 221 of Internal Revenue Bulletin 2001-36 at *www.irs.gov/pub/irs-irbs/irb01-36.pdf*.

Individual Taxpayer Identification Number (ITIN)

Form W-9 (or an acceptable substitute) is used by persons required to file information returns with the IRS to get the payee's (or other person's) correct name and TIN. For individuals, the TIN is generally a social security number (SSN).

However, in some cases, individuals who become U.S. resident aliens for federal tax purposes are not eligible to obtain an SSN. This includes certain resident aliens who must receive information returns but who cannot obtain an SSN.

These individuals must apply for an ITIN on Form W-7, Application for IRS Individual Taxpayer Identification Number, unless they have an application pending for an SSN. Individuals who have an ITIN must provide it on Form W-9.

Note. ITINs that haven't been included on a U.S. federal tax return at least once in the last three consecutive tax years will expire. Expired ITINs must be renewed in order to avoid delays in processing the ITIN holder's tax return. If the IRS deactivates the ITIN because it has expired, the ITIN may still be used on Form W-9. However, the ITIN holder will have to apply to renew the deactivated ITIN if there is a need to file a tax return. For more information, see the Instructions for Form W-7.

Substitute Form W-9

You may develop and use your own Form W-9 (a substitute Form W-9) if its content is substantially similar to the official IRS Form W-9 and it satisfies certain certification requirements.

You may incorporate a substitute Form W-9 into other business forms you customarily use, such as account signature cards. However, the certifications on the substitute Form W-9 must clearly state (as shown on the official Form W-9) that under penalties of perjury:

1. The payee's TIN is correct,
2. The payee is not subject to backup withholding due to failure to report interest and dividend income,
3. The payee is a U.S. person, and
4. The FATCA code entered on this form (if any) indicating that the payee is exempt from FATCA reporting is correct.

You may provide certification instructions on a substitute Form W-9 in a manner similar to the official form. If you are not collecting a FATCA exemption code by omitting that field from the substitute Form W-9 (see *Payees and Account Holders Exempt From FATCA Reporting*, later), you may notify the payee that item 4 does not apply.

You may not:

1. Use a substitute Form W-9 that requires the payee, by signing, to agree to provisions unrelated to the required certifications, or
2. Imply that a payee may be subject to backup withholding unless the payee agrees to provisions on the substitute form that are unrelated to the required certifications.

A substitute Form W-9 that contains a separate signature line just for the certifications satisfies the requirement that the certifications be clearly stated.

If a single signature line is used for the required certifications and other provisions, the certifications must be highlighted, boxed, printed in bold-face type, or presented in some other manner that causes the language to stand out from all other information contained on the substitute form. Additionally, the following statement must be presented to stand out in the same manner as described above and must appear immediately above the single signature line:

"The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding."

If you use a substitute form, you are required to provide the Form W-9 instructions to the payee only if he or she requests them. However, if the IRS has notified the payee that backup withholding applies, then you must instruct the payee to strike out the language in the certification that relates to underreporting. This instruction can be given orally or in writing. See item 2 of the *Certification* on Form W-9. You can replace "defined below" with "defined in the instructions" in item 3 of the *Certification* on Form W-9 when the instructions will not be provided to the payee except upon request. For more information, see Rev. Proc. 83-89,1983-2 C.B. 613; amplified by Rev. Proc. 96-26, which is on page 22 of Internal Revenue Bulletin 1996-8 at www.irs.gov/pub/irs-irbs/irb96-08.pdf.

TIN Applied For

For interest and dividend payments and certain payments with respect to readily tradable instruments, the payee may return a properly completed, signed Form W-9 to you with "Applied For" written in Part I. This is an "awaiting-TIN" certificate. The payee has 60 calendar days, from the date you receive this certificate, to provide a TIN. If you do not receive the payee's TIN at that time, you must begin backup withholding on payments.

Reserve rule. You must backup withhold on any reportable payments made during the 60-day period if a payee withdraws more than $500 at one time, unless the payee reserves an amount equal to the current year's backup withholding rate on all reportable payments made to the account.

Alternative rule. You also may elect to backup withhold during this 60-day period, after a 7-day grace period, under one of the two alternative rules discussed below.

Option 1. Backup withhold on any reportable payments if the payee makes a withdrawal from the account after the close of 7 business days after you receive the awaiting-TIN certificate. Treat as reportable payments all cash withdrawals in an amount up to the reportable payments made from the day after you receive the awaiting-TIN certificate to the day of withdrawal.

Option 2. Backup withhold on any reportable payments made to the payee's account, regardless of whether the payee makes any withdrawals, beginning no later than 7 business days after you receive the awaiting-TIN certificate.



The 60-day exemption from backup withholding does not apply to any payment other than interest, dividends, and certain payments relating to readily tradable instruments. Any other reportable payment, such as nonemployee compensation, is subject to backup withholding immediately, even if the payee has applied for and is awaiting a TIN.

Even if the payee gives you an awaiting-TIN certificate, you must backup withhold on reportable interest and dividend payments if the payee does not certify, under penalties of perjury, that the payee is not subject to backup withholding.

If you do not collect backup withholding from affected payees as required, you may become liable for any uncollected amount.

Payees Exempt From Backup Withholding

The following payees are exempt from backup withholding with respect to the payments below, and should enter the corresponding exempt payee code on Form W-9. You may rely on the payee's claim of exemption unless you have actual knowledge that the exempt payee code and/or classification selected are not valid, or if they are inconsistent with each other.

In that case, you may rely on the Form W-9 for purposes of obtaining the payee's TIN, but you must treat the payee as non-exempt. If the payee failed to enter an exempt payee code, but the classification selected indicates that the payee is exempt, you may accept the classification and treat the payee as exempt unless you have actual knowledge that the classification is not valid.

If the payee is not exempt, you are required to backup withhold on reportable payments if the payee does not provide a TIN in the manner required or does not sign the certification, if required.

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2);

2. The United States or any of its agencies or instrumentalities;

3. A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions, agencies, or instrumentalities;

4. A foreign government or any of its political subdivisions, agencies, or instrumentalities; or

5. A corporation;

6. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession;

7. A futures commission merchant registered with the Commodity Futures Trading Commission;

8. A real estate investment trust;

9. An entity registered at all times during the tax year under the Investment Company Act of 1940;

10. A common trust fund operated by a bank under section 584(a);

11. A financial institution;

12. A middleman known in the investment community as a nominee or custodian; or

13. A trust exempt from tax under section 664 or described in section 4947.

The following types of payments are exempt from backup withholding as indicated for payees listed in 1 through 13, above.

Interest and dividend payments. All listed payees are exempt except the payee in item 7.

Broker transactions. All payees listed in items 1 through 4 and 6 through 11 are exempt. Also, C corporations are exempt. A person registered under the Investment Advisers Act of 1940 who regularly acts as a broker also is exempt.

Barter exchange transactions and patronage dividends. Only payees listed in items 1 through 4 are exempt.

Payments reportable under sections 6041 and 6041A. Payees listed in items 1 through 5 generally are exempt.

However, the following payments made to a corporation and reportable on Form 1099-MISC, Miscellaneous Income, are not exempt from backup withholding.

- Medical and health care payments.
- Attorneys' fees (also gross proceeds paid to an attorney, reportable under section 6045(f)).
- Payments for services paid by a federal executive agency. (See Rev. Rul. 2003-66, which is on page 1115 of Internal Revenue Bulletin 2003-26 at www.irs.gov/pub/irs-irbs/irb03-26.pdf.)

Payments made in settlement of payment card or third party network transactions. Only payees listed in items 1 through 4 are exempt.

Payments Exempt From Backup Withholding

Payments that are not subject to information reporting also are not subject to backup withholding. For details, see sections 6041, 6041A, 6042, 6044, 6045, 6049, 6050A, 6050N, and 6050W and their regulations. The following payments generally are exempt from backup withholding.

Dividends and patronage dividends.

- Payments to nonresident aliens subject to withholding under section 1441.
- Payments to partnerships not engaged in a trade or business in the United States and that have at least one nonresident alien partner.
- Payments of patronage dividends not paid in money.
- Payments made by certain foreign organizations.
- Section 404(k) distributions made by an ESOP.

Interest payments.

- Payments of interest on obligations issued by individuals. However, if you pay $600 or more of interest in the course of your trade or business to a payee, you must report the payment. Backup withholding applies to the reportable payment if the payee has not provided a TIN or has provided an incorrect TIN.
- Payments described in section 6049(b)(5) to nonresident aliens.
- Payments on tax-free covenant bonds under section 1451.
- Payments made by certain foreign organizations.
- Mortgage or student loan interest paid to you.

Other types of payment.

- Wages.
- Distributions from a pension, annuity, profit-sharing or stock bonus plan, any IRA, an owner-employee plan, or other deferred compensation plan.
- Distributions from a medical or health savings account and long-term care benefits.
- Certain surrenders of life insurance contracts.
- Distribution from qualified tuition programs or Coverdell ESAs.
- Gambling winnings if regular gambling winnings withholding is required under section 3402(q). However, if regular gambling winnings withholding is not required under section 3402(q), backup withholding applies if the payee fails to furnish a TIN.
- Real estate transactions reportable under section 6045(e).
- Cancelled debts reportable under section 6050P.
- Fish purchases for cash reportable under section 6050R.

Payees and Account Holders Exempt From FATCA Reporting

Reporting under chapter 4 (FATCA) with respect to U.S. persons generally applies only to foreign financial institutions (FFI) (including a branch of a U.S. financial institution that is treated as an FFI under an applicable intergovernmental agreement (IGA)). Thus, for example, a U.S. financial institution maintaining an account in the United States does not need to collect an exemption code for FATCA reporting. If you are providing a Form W-9, you may pre-populate the FATCA exemption code with "Not Applicable," "N/A," or a similar indication that an exemption from FATCA reporting does not apply. Any payee that provides such a form, however, cannot be treated as exempt from FATCA reporting. For details on the FATCA reporting

requirements, including specific information regarding which financial institutions are required to report, see sections 1471 to 1474 and related regulations. See Regulations section 1.1471-3(d)(2) for when an FFI may rely on documentary evidence to treat a U.S. person as other than a specified U.S. person and see Regulations section 1.1471-3(f)(3) for when an FFI may presume a U.S. person as other than a specified U.S. person.

If you receive a Form W-9 with a FATCA exemption code and you know or have reason to know the person is a specified U.S. person, you may not rely on the Form W-9 to treat the person as exempt from FATCA reporting. However, you may still rely on an otherwise completed Form W-9 to treat a person as a specified U.S. person. An exemption from FATCA reporting (or lack thereof) does not affect backup withholding as described earlier in these instructions. The following are not specified U.S. persons and are thus exempt from FATCA reporting.

A. An organization exempt from tax under section 501(a), or any individual retirement plan as defined in section 7701(a)(37);

B. The United States or any of its agencies or instrumentalities;

C. A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions, agencies, or instrumentalities;

D. A corporation the stock of which is regularly traded on one or more established securities markets, as described in Reg. section 1.1472-1(c)(1)(i);

E. A corporation that is a member of the same expanded affiliated group as a corporation described in Reg. section 1.1472-1(c)(1)(i);

F. A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State;

G. A real estate investment trust;

H. A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940;

I. A common trust fund as defined in section 584(a);

J. A bank as defined in section 581;

K. A broker;

L. A trust exempt from tax under section 664 or described in section 4947; or

M. A tax-exempt trust under a section 403(b) plan or section 457(g) plan.

Joint Foreign Payees

If the first payee listed on an account gives you a Form W-8 or a similar statement signed under penalties of perjury, backup withholding applies unless:

1. Every joint payee provides the statement regarding foreign status, or

2. Any one of the joint payees who has not established foreign status gives you a TIN.

If any one of the joint payees who has not established foreign status gives you a TIN, use that number for purposes of backup withholding and information reporting.

For more information on foreign payees, see the Instructions for the Requester of Forms W-8BEN, W-8ECI, W-8EXP, and W-8IMY.

Names and TINs To Use for Information Reporting

Show the full name and address as provided on Form W-9 on the information return filed with the IRS and on the copy furnished to the payee. If the payee has marked their address "NEW", you should update your records. If you made payments to more than one payee or the account is in more than one name, enter on the first name line of the information return only the name of the payee whose TIN is shown on Form W-9. You may show the names of any other individual payees in the area below the first name line on the information return. Forms W-9 showing an ITIN must have the name exactly as shown on line 1a of the Form W-7 application. If you are a PFFI reporting a U.S. account on Form 8966, FATCA Report, and the account is jointly held by U.S. persons, file a separate Form 8966 for each holder.



For more information on the names and TINs to use for information reporting, see section J of the General Instructions for Certain Information Returns.

Notices From the IRS

The IRS will send you a notice if the payee's name and TIN on the information return you filed do not match the IRS's records. (See *Taxpayer Identification Number (TIN) Matching.*) If you receive a backup withholding notice, you may have to send a "B" notice to the payee to solicit another TIN. Pub. 1281, Backup Withholding for Missing and Incorrect Name/TIN(s), contains copies of the two types of "B" notices. If you receive a penalty notice, you also may have to send a solicitation to the payee. See Pub. 1586, Reasonable Cause Regulations and Requirements for Missing and Incorrect Name/TINs.

Taxpayer Identification Number (TIN) Matching

TIN Matching allows a payer or authorized agent who is required to file Forms 1099-B, DIV, INT, K, MISC, OID, and/or PATR to match TIN and name combinations with IRS records before submitting the forms to the IRS. TIN Matching is one of the e-services products that is offered and is accessible through the IRS website. Go to IRS.gov and enter "e-services" in the search box. It is anticipated that payers who validate the TIN and name combinations before filing information returns will receive fewer backup withholding (CP2100) notices and penalty notices.

Additional Information

For more information on backup withholding, see Pub. 1281.

Appendix B-3

TITLE XV
EDUCATION

CHAPTER 198
SCHOOL MONEY

Miscellaneous Provisions

Section 198:20-b

198:20-b Appropriation for Unanticipated Funds Made Available During Year. –
I. Notwithstanding any other provision of law to the contrary, any school district at an annual meeting may adopt an article authorizing indefinitely, until specific rescission of such authority, the school board to apply for, accept and expend, without further action by the school district, unanticipated money from a state, federal or other governmental unit or a private source which becomes available during the fiscal year. The following shall apply:
(a) Such warrant article to be voted on shall read: "Shall the school district accept the provisions of RSA 198:20-b providing that any school district at an annual meeting may adopt an article authorizing indefinitely, until specific rescission of such authority, the school board to apply for, accept and expend, without further action by the school district, unanticipated money from a state, federal or other governmental unit or a private source which becomes available during the fiscal year?"
(b) If a majority of voters voting on the question vote in the affirmative, the proposed warrant article shall be in effect in accordance with the terms of the article until such time as the school district votes to rescind its vote.
II. Such money shall be used only for legal purposes for which a school district may appropriate money. No funds disbursed from the education trust fund pursuant to RSA 198:42 shall, under any circumstances, emergency or otherwise, be deemed to be unanticipated money under the provisions of this section.
III. (a) For unanticipated funds in the amount of $5,000 or more, the school board shall hold a prior public hearing on the action to be taken. Notice of the time, place, and subject of such hearing shall be published in a newspaper of general circulation in the relevant municipality at least 7 days before the meeting is held.
(b) A school board may establish the amount of unanticipated funds required for notice under this subparagraph, provided such amount is less than $5,000. For unanticipated funds in an amount less than $5,000, the school board shall post notice of the funds in the agenda and shall include notice in the minutes of the school board meeting in which such funds are discussed. The acceptance of unanticipated funds under this subparagraph shall be made in public session of any regular school board meeting.
IV. Action to be taken under this section shall:
(a) Not require the expenditure of other school district funds except those funds lawfully appropriated for the same purpose; and
(b) Be exempt from all provisions of RSA 32 relative to limitation and expenditure of school district moneys.

Source. 1981, 167:1. 1991, 329:1. 1993, 176:12, 13. 2000, 201:1. 2005, 188:1, eff. Aug. 29, 2005.

Appendix B-4

TITLE III
TOWNS, CITIES, VILLAGE DISTRICTS, AND UNINCORPORATED PLACES

CHAPTER 31
POWERS AND DUTIES OF TOWNS

Trust Funds

Section 31:31

31:31 Trust Funds for Districts. – Except where otherwise specifically provided in the charter of a city or by special act of the legislature whenever a gift, legacy or devise shall be made in trust to a school district, village district or any subdivision of a town and accepted by it, the same shall be held in custody and administered by the trustees of trust funds of such town or in case of districts embracing 2 or more towns by the trustees of trust funds of that town which the voters of said district may elect. The governing body of any such district or subdivision shall expend such district or subdivision trust funds, or the income thereof to be expended, consistently with the terms of the trust. The provisions of RSA 31:32 shall not apply to expenditures of district or subdivision trust funds.

Source. 1941, 43:2. RL 51:24.

Appendix B-5

TITLE XV
EDUCATION

CHAPTER 189
SCHOOL BOARDS, SUPERINTENDENTS, TEACHERS, AND TRUANT OFFICERS; SCHOOL CENSUS

Reports

Section 189:29-a

189:29-a Records Retention and Disposition. – Members of the school board shall establish a records retention and disposition schedule for all official records of the school district. If records are microfilmed, 2 films shall be made, properly labeled and stored in 2 different locations. At least one copy shall be stored in a fireproof container. Records which have been microfilmed may be retained or destroyed in accordance with the schedule determined by the members of the board. A complete record of all records destroyed or discarded shall be maintained along with notations of the methods and dates of disposal.

Source. 1983, 94:1, eff. July 23, 1983.

APPENDIX C-1

BEST PRACTICES

The following are recommended best practices, though they are not required to be implemented; school districts are encouraged to use these best practices. School districts may choose to implement these at their discretion.

Best Practice Guidelines:

a) School districts may develop a student activity handbook incorporating many or all requirements of this manual. The school district handbook may include other local policies and procedures.

b) All employees responsible for handling and recording student activity fund monies should be bonded by the district.

c) Internal audit of student activity accounts is completed at least once per year by the business office.

d) For student activity accounts maintaining inventories, consider use of a perpetual inventory system. A physical inventory should be made periodically.

e) Annual training is recommended for all individuals involved with student activity accounts (may include advisors, principals, business office staff, and students). Possible topics for the training could include review of the School District's handbook, including appendices, and district policies and procedures as applicable.

Best Practice Guidelines:

a) A fundraiser accountability form is included for use but is not required (see Appendix A-16)

b) Pre-numbered receipts, pre-numbered tickets, ticket control log, or a point of sale device such as a cash register, should be utilized for all funds collected.

c) At the completion of each event, a reconciliation of the financial activity should be completed to assure funds are accounted in a timely manner. Assure unused numbered tickets are secured and safeguarded in the school's safe, locked fireproof cabinet, or equivalent.

d) Assure there are at a minimum two individuals to count deposits. Both persons should be present when the deposit is counted. The school secretary or bookkeeper should not be the only person counting the money and completing the deposit summary form. Consider investing in a coin and currency counter to assist in making accurate deposits.

e) Bank deposits should be made daily.

f) Blank checks are secured and safeguarded in the school's safe, locked fireproof cabinet, or equivalent.

g) A formal policy should be adopted for handling deposit overages/shortages.

h) Upon receipt of a returned check from the banking institution, at least one written attempt is made to recover the amount of the check. External collection agencies may be used for returned checks.

i) Checks are mailed the same day as they are signed.

j) A purchase order system may be used.