

ASB TRAINING WORKSHOP

TEMECULA VALLEY SCHOOL DISTRICT
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HOUSEKEEPING

What to expect

Participation

Questions

Cell Phones

Introductions



WHAT IS ASSOCIATED STUDENT BODY?

Group of school students who:

- Raise money for STUDENT activities
- Form decisions on the use of the money
- Learn business practices

Authorized under California Code of Regulations Education Code and local School Board

Oversight conducted by School Employees and District Office to ensure conformance with policy and regulations



WHY DO WE FOCUS ON ASBS?

Numerous audit findings occur each year regarding the lack of internal controls

Need to avoid loss of funds and property

Turnover with personnel working with ASBs each year

Continual training needs



WHO IS INVOLVED WITH ASBS?

State of California

- Legislature composes the law
- State agencies enact regulations on the law
- California Department of Education develops policies based on regulation
 - Codified in Title 5
- Local governing boards enforce regulations
 - Annual audit conducted at the direction of the governing board with financial overview and provided to the State for insight



WHO IS INVOLVED WITH ASBS, CONT.?


Governing Board

- Approves the formation of the ASBs

Superintendent

- Communicates policies
- Follows up on findings
- Follows up on allegations of inappropriate conduct

Business Office Staff

- Develops and updates ASB procedures
 - Provides Training
 - Site visits
 - Reviews reporting
- 

WHO IS INVOLVED WITH ASBS, CONT.?

Business Office Staff, cont.

- Reviews reconciled bank statements
- Works with site staff to resolve any identified findings or lapses in internal controls

Principal


- Unorganized ASB
 - Makes decisions over operations
- Organized ASB
 - Supervises and validates – is not the deciding party
- Ensures laws and board policies are followed

WHO IS INVOLVED WITH ASBS, CONT.?

Principal, cont.

- Works with Business Office
- Reports any suspected fraud or abuse immediately

ASB Advisor

- Supervises day to day management of the club or ASB
 - Works with students, bookkeeper and principal
 - Ensures adequate internal controls
 - Helps students prepare annual budget
 - Authorizes expenses (with students)
 - Reports any suspected problems immediately
- 


WHO IS INVOLVED WITH ASBS, CONT.?

ASB Bookkeeper

- ASB Funds
 - Ensures they are safeguarded at school site
 - Timely deposit of funds with the bank
- Maintains financial records
- Ensures laws and policies are followed
- Reports any suspected fraud or abuse to Principal and Business Office immediately


WHO IS INVOLVED WITH ASBS, CONT.?

Student Council

- Organized ASB
 - Oversees Student Clubs
 - Authorizes fund-raising events
 - Adopts annual budget
 - Approves expenses from student funds
 - Primary authority
 - Represents the students
- 

WHO ISN'T INVOLVED WITH ASBS?

Booster Clubs

- Not legally a part of the school or district
 - Not included with the annual audit
 - Must have a separate tax-payer ID
 - Funds are NOT controlled by the students or principal
 - May NOT use ASB accounts
 - Local Board must approve their fundraising on campus
- 

WHO ISN'T INVOLVED WITH ASBS, CONT.?

PTA/PTO/Parent Guild

- Activities cannot be commingled with student funds
- Non-student groups cannot deposit funds into the ASB accounts
 - Unless.....they are donated funds to the ASB
 - Once donated – they become the rights of the ASB

Staff Activities

- Sunshine Funds
- Hospitality Funds
- Principal Account

QUESTION #1

Is the determining factor of who is responsible for a fundraising event, ASB or PTA, based on location of activity?



ANSWER

Education Code §51520(a) states that “during school hours, and within one hour before and after school, pupils shall not be solicited by teachers or others to subscribe or contribute to the funds of, to become members of, or to work for any organization not directly under the control of the school authorities, unless the organization is a charitable organization organized for charitable purposes and approved by the governing body of the school district.



ANSWER, CONT.

Students can be involved in booster or PTA activity if..

- not during school day
- not on school grounds
- School Board has approved the booster use of the name
- fundraising is clearly for the use of the organization




LEGAL INFORMATION

YES, THERE ARE REASONS YOUR AUDITORS ASK FOR ALL OF THE ITEMS ...



LEGAL GUIDELINES

What legal guidelines and policies govern ASBs?

- CCR Education Code
 - CCR Title 5
 - Code of Federal Regulations
 - Penal Code
 - Internal Revenue Code
 - California Constitution
 - Board Policies
 - Internal system controls
- 

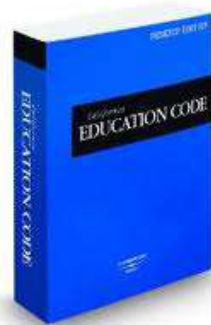
LEGAL GUIDELINES – EDUCATION CODE

Education Code §48930

- Allows the governing board to authorize students to organize as an associated student body

Education Code §48933

- Defines how student funds may be deposited or invested
- Requires three individuals to pre-approve all ASB expenditures; student, ASB advisor and.....???



LEGAL GUIDELINES – EDUCATION CODE, CONT.

Education Code §48934

- Funds may be used to finance activities for non-instructional periods or to augment the district's programs for kindergarten through grade six

Education Code §48936

- Guidance on additional uses of funds; loans to other clubs, etc.

Education Code §48937

- Board must provide supervision and audit of all student funds



LEGAL GUIDELINES – EDUCATION CODE, CONT.

Education Code §48938

- Board may appoint an employee as a trustee for unorganized student body funds in elementary, continuation, special education, ROP or adult classes

Education Code §48931

- Board may authorize the sale of food by a student organization

Education Code §48932

- Board may authorize student organizations to conduct activities, including fundraising during and after school hours



LEGAL GUIDELINES – EDUCATION CODE, CONT.

Education Code §49024

- Effective July 1, 2010 – all classified individuals, paid and volunteer, working with students in school sponsored pupil activity programs must either obtain an Activity Supervisor Clearance Certificate or fingerprint clearance from both DOJ and FBI

CALIFORNIA LAW

LEGAL GUIDELINES – EDUCATION CODE, CONT.

Education Code §49024

49024. (a) Prior to assuming a paid or volunteer position to work with pupils in a pupil activity program sponsored by a school district, all noncertificated candidates shall obtain an Activity Supervisor Clearance Certificate from the Commission on Teacher Credentialing pursuant to subdivision (f) of Section 44258.7.

(b) A pupil activity program sponsored by a school district includes, but is not limited to, scholastic programs, interscholastic programs, and extracurricular activities sponsored by a school district or school booster club, including, but not limited to, cheer team, drill team, dance team, and marching band.

LEGAL GUIDELINES – EDUCATION CODE, CONT.

Education Code §49024

c) Volunteer supervisors for breakfast, lunch, or other nutritional periods pursuant to Sections 44814 and 44815, and nonteaching volunteer aides, as defined in Section 35021, under the immediate supervision and direction of certificated personnel of the district, shall not be required to obtain an Activity Supervisor Clearance Certificate. For purposes of this section, a nonteaching volunteer aide includes a parent volunteering in a classroom or on a field trip or a community member providing noninstructional services.

LEGAL GUIDELINES – EDUCATION CODE, CONT.

Education Code §49024

d) Candidates may be issued a temporary certificate in accordance with Sections 44332 and 44332.5 while the application is being processed.

(e) This section does not apply to a candidate who is required by the school district to clear a Department of Justice and Federal Bureau of Investigation criminal background check prior to beginning the paid or volunteer activities described in subdivision (a).

(f) This section shall become operative on July 1, 2010.



LEGAL GUIDELINES – GOVERNMENT CODE

Government code 1125-1129

- No office or employee shall engage in any employment activity or compensation which is in conflict with his or her duties.....
- What does this mean????
 - You cannot personally profit with business conducted with the school district or ASB without proper disclosure and specific board approval.....
 - TVUSD has adopted a conflict of interest code that is monitored by the State of California (BP 2300)



LEGAL GUIDELINES – CCR TITLE 5

CCR, Title 5 §5531

- All social activities (ASB) must be supervised by a certificated individual



LEGAL GUIDELINES – PENAL CODE

Penal Code 319

- Provides guidance on lotteries and other games of chance

Penal Code 320

- Any individual involved in 'contriving, preparing or setting up any lottery is guilty of a misdemeanor

Penal Code 320.5

- Specifically states that CA schools are not eligible to participate in lotteries or other games of chance

Penal Code 326.5

- Addresses bingo games run by charitable organizations.....



LEGAL GUIDELINES – GAMES OF CHANCE

To be eligible:

- Must be a Private non-profit group –with own non-profit tax ID number
- Must register annually with the State Attorney General
- Must distribute at minimum 90% of gross receipts to charitable purposes

See www.caag.state.ca.us for more information



QUESTION #2

The Math Club must raise money for a competition. They are selling tickets for \$5.00.

The ticket does say donation requested and the purchaser is receiving a pencil.

The lucky winner of the ticket drawn will receive $\frac{1}{2}$ the proceeds collected.

Is this fundraising event legal?



ANSWER

No.....because school districts are not allowed by penal code to participate in games of chance

What is the best approach?

- Have a registered public charity that is eligible run the event and donate the funds to the ASB.....



QUESTION #3

Teachers have seen their classroom budgets reduced in the past few years. As such, supplies may be limited to funding issues. Can a teacher create their own fundraiser to provide funding for necessary classroom supplies and services?



ANSWER

No.....remember it is not legal to solicit funds during school hours.

Most importantly, an individual teacher is not a non-profit entity....as such, the increase in fundraising would be considered taxable income to the individual teacher



FOOD SALES

One of the most profitable and popular methods of fundraising

- Now most regulated.....
- Recent legal changes
 - State laws
 - Federal Laws
- From midnight until ½ hour after school
- 4 annual sales for any and all groups
- No competition with food services on campus
- K-8 must follow junior high/school standards
- Required District Wellness policy



TYPES OF ASBS

Organized –

- Middle and High Schools
 - Student Council
 - Student Clubs
 - Students make decisions
 - Expenditures
 - Budgets
 - Fundraising
 - Advisors and school principals approve activities on behalf of the District and provide needed support and guidance

TYPES OF ASBS, CONT.

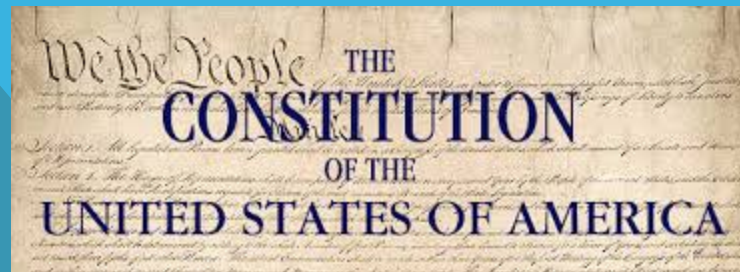
Unorganized –

- Elementary and K-8
- Adult Ed, ROP & Continuation
 - Student decision making is limited
 - School principal typically acts as the appointed trustee
 - Clubs and student councils not required

STARTING A CLUB OR TRUST

Clubs/Trusts

- Consists of currently enrolled students
- Constitution or charter to outline policies and rules
- Must be approved by the current student council and Principal
- Funds are held in trust by the student council and must follow all established processes and procedures
 - ASB may provide 'starter funds' for newly approved clubs
- DOES NOT include teacher class accounts; i.e. English, Math, etc. These are considered expenditures required by the District
- DOES not include any principal site discretionary fund



STARTING A CLUB OR TRUST, CONT.

Formal application submitted listing the following:

- Name of organization
- Title, powers and duties of officers and how they are elected
- Range of proposed activities for club or trust
- MUST be endorsed by a club advisor (certificated employee)

Check with local board policy on any updated application requirements within your District

CLUBS AND TRUSTS DETAILS.....

Typically 3 categories of trust accounts:


- Class Groups
- Scholarships/Memorials
- Clubs (including athletics)

All funds for the clubs and trusts are held by the ASB and designated for the purpose in which they were donated (donor intent)

Any funds of inactive clubs transfer to the general ASB.....inactive is usually for a period of 1 fiscal year

ASB DETAILS - CONSTITUTION

All ASB must have a current constitution on file which includes the following:

- Name and purpose of the organization
 - Scope or reason for existence
 - States all of the policies and rules for governance; i.e. elections, vacancies, fundraising, expenditure approvals, etc.
 - Method and means in which the constitution may be amended
 - Titles and duties of officers
 - Time, frequency and place for meetings
- 

ASB DETAILS -BYLAWS

Intended to define the operational boundaries of the ASB

- Student councils are required to have bylaws
- Not required for clubs – may be folded in to the club or trust constitution.....



ASB DETAILS - MINUTES

Minutes must be prepared for each student council or club/trust meeting in order to maintain a legal record as to what occurred.....

Prior meetings minutes should be reviewed and approved, noting any changes, during the meeting

We recommend the minutes for the year be maintained in a single location (binder ideal) and submitted to the District office at the conclusion of each school year.....electronic copies are great also – as long as they are not located on a single user's computer!



ASB DETAILS – MINUTES, CONT.

Minutes should include the following:

- Name of club or trust
- Date, time and place of meeting
- Attendees
- Presiding officer
- Approval of prior minutes
- Topics discussed
- Standing committee reports (if applicable)
- Action taken
 - Budget, expense, fundraising, etc.....



ASB DETAILS – MINUTES, CONT.

Minutes should include the following:

- Results of votes – including who made the motion, who seconded the motion, discussion, etc....
- Reports on communication to the clubs or student council
- Any unfinished business
- Date and time of next meeting – including location
- Time meeting began and time adjourned
- Who prepared minutes – with signature





BUSINESS PRACTICES

YES, ASBS AND CLUBS MUST FOLLOW STRINGENT BUSINESS PRACTICES ALSO ...



Best Practices

Best Practices

BANK ACCOUNTS

Any bank account opened by an ASB should be done with the knowledge of the District business office – the District is responsible to report on all bank activity!
DO NOT open an account without approval by or notification to the District Office.

The bank account should be under the District's federal tax ID#

Must be in the name of the student organization

Intended for exclusive use of the student organization

Must have a minimum of 2 signatories on account –

- With district access
- Students may not be signors
- Signatories should be updated as needed

It is strongly recommended that debit cards not be issued with bank account!



INTERNAL CONTROLS

ASB must follow policies and procedures adopted by the District

Policies must be communicated to those charged with carrying them out

Training should be provided to ensure the practices are understood

Monitoring must be conducted to ensure internal controls are functioning as intended



INTERNAL CONTROLS, CONT.

Basic components include:

- Segregation of duties
- System of checks and balances
- Cross training by staff
- Pre-numbered, numerically controlled documents
- Inventory/Asset security
- Reconciliations – and timely approval
- Annual budgets
- Regular financial reporting

Internal controls are designed to protect the assets of the students.....and YOU as an individual working with and exposed to the assets! Don't look at them as a hindrance – rather as a layer of protection!



SEGREGATION OF DUTIES

Typical segregation includes the following activities:

- Authorization
- Execution of transactions
- Recording transactions
- Custody of item as a result of the transaction



BUDGETS

- Budgets are a financial tool and plan to address the following:
 - Development of organization
 - Monitoring of performance
 - Decision making
 - Carryover plans



BUDGETS, CONT.

- Budgets should be considered a “living document”
- Reports should include the following
 - Current budget
 - Actual revenues/expenses
 - Revised estimates for remainder of the year
 - Should be provided to ASB, clubs, district office and governing board



BUDGETS, CONT.

- Funds are intended to be used for students during that academic year.....
- What is the acceptable carryover?????
 - Board policy should define or limit carryover.....
 - 20% is considered to be a common practice
 - Carryover is commonly used for multi-year projects and “seed money” for newly established clubs and trusts....also defined by policy



TRUSTS ENDING

- What do we do with the funds when a class graduates?
- Can the funds be retained within the general ASB?
 - No....the ASB is for current students only
- Can the funds be removed and given to the trust for a planned reunion?
 - No.....the funds may be designated for another club or group or the will revert back to the general ASB.....



ACCOUNTING SYSTEMS

- Required.....used to record activity
- Must maintain and provide adequate internal control
 - Manual
 - Typical in unorganized ASBs....greater opportunity for error
 - Computerized
 - More expensive, allows for more accurate and a greater variety of reporting functions
 - Recommended for organized ASBs...particularly those with significant activity



ACCOUNTING SYSTEMS, CONT.

- Chart of Accounts
 - Assets
 - Liabilities
 - Trust Accounts
 - Fund Balance
 - Revenues
 - Expenses



The screenshot shows a software window titled "Accounts List" with a tabbed interface. The "Asset" tab is selected. The window displays a list of accounts organized into a hierarchy. The columns are "Account Name", "Type", "Linked", and "Balance".

Account Name	Type	Linked	Balance
1-0000 Assets	Header		\$230,854.57
1-1000 Current Assets	Header		\$191,864.57
1-1100 General Cheque Account	Detail Cheque	+	\$42,357.17
1-1200 Petty Cash	Detail Cheque		\$100.00
1-1300 Trade Debtors	Detail	+	\$138,992.74
1-1400 Inventory	Detail		\$45,068.19
1-1999 Electronic Payments Clearing	Detail Cheque	+	\$36,653.53
1-2000 Non-Current Assets	Header		\$38,990.00
1-2100 Furniture & Fixings	Header		\$16,000.00
1-2110 F & F - at cost	Detail		\$24,000.00
1-2120 F & F - Acc. Deprn	Detail		\$8,000.00
1-2200 Plant & Equipment	Header		\$22,990.00
1-2210 P.L.E. - at cost	Detail		\$12,500.00

At the bottom of the window, there are several icons for "Print", "History", "Print", and "New", along with "Edit" and "Close" buttons.

FINANCIAL REPORTING

Regular reports should be prepared and provided to Principal, Advisors and student groups monthly.....

Reports should include the following:

- Income statement (profit and loss statement)
- Budget to actual activity
- Balance sheet

Allows for transparency and accountability for school staff and administration



ACCOUNTING CYCLE FOR ASBS....

Beginning of the year –

- New clubs/trusts
- Majority of fundraising
 - Spirit packs
 - Yearbooks
 - PE clothes....
 - ASB IDs

Ongoing throughout the year

- Continual fundraisers
- Expenses processing




ACCOUNTING CYCLE FOR ASBS....., CONT.

End of calendar year

- Work with Business office to issue 1099s *for all contractors* with payments over \$600 during the *calendar* year

End of fiscal year

- Ensure all receipts are recorded and deposited
 - Pay all bills prior to June 30, or ensure they are accrued as AP...especially the Yearbook payment...
 - Count and reconcile inventory (student store)
 - Reconcile bank statements
 - Prepare all financial reports
 - Prepare for district's independent annual audit
- 

BANK STATEMENTS

Should be reconciled timely – within 2-3 weeks after receipt

Principal should review and sign off as indicating administrative review....outstanding items should be cleared or monitored for timely clearing.....

- Deposits in transit should never be on a bank statement over 1 month

Reconciled statements with reports should be presented to groups monthly

Reconciled statements should be provided to District office



FRAUD

WE DON'T THINK IT WILL EVER HAPPEN ... AND THAT'S ONE OF THE REASONS IT DOES...

WE DON'T THINK IT WILL EVER HAPPEN ... AND THAT'S ONE

FRAUD PREVENTION



FRAUD RED FLAGS

Multiple sets of books

Overly complicated

Unusual and undocumented journal entries – entries and reversals

Unreconciled bank accounts

Uncleared transactions....particularly deposits

Refuses assistance

- Never takes vacation or calls in sick
- Doesn't want anyone to assist in counting cash.....

FRAUD...

It happens.....

- Hesperia – over \$130,000 from student funds missing
- Santa Clara Grand Jury found over \$485,000 missing from a Middle School ASB over a seven-year period
- La-Jolla - \$20,000 redistributed from general ASB to Principal's account

THE FRAUD TRIANGLE



FUNDRAISING

Should be approved by the governing board – which may delegate immediate authority to another administrator

The following should be considered in determining appropriateness of fundraiser:

- Educational experience, voluntary, frequency/schedule, safety, legality/insurance and profit (or loss)



FUNDRAISING, CONT.

The following are allowable fundraising activities:

- Athletics, concession sales, entertainment
- Advertising
- Publications
- Student store
- Silent Auctions
- Car washes
- Cultural fairs
- Food Sales
- Gifts/Donations



FUNDRAISING, CONT.

The following are NOT allowable fundraising activities:

- Raffles
- Games of chance
- Rental of District property
- Mandatory fees –
 - Library Fees
 - Course Fees

B I N G O				
3	16	37	52	74
1	23	45	54	63
10	18	FREE 4754 SPACE	48	75
15	24	34	53	67
7	30	33	50	70

B I N G O				
6	20	43	48	68
10	22	35	50	63
4	29	FREE 6904 SPACE	49	75
11	16	38	57	62
2	25	32	54	73



FUNDRAISING, CONT.

The following are potentially unallowable fundraising activities:

- Mechanical or animal rides
- Use of darts, arrows or other weapons
- Objects thrown at people (pie toss)
- Dunk tanks
- Destruction of objects (destroying a car, etc.)
- Trampolines



Check with your District office and or legal counsel about the specifics

If the site does not confirm the fundraising event is legal or covered under District insurance, the school site administrator may assume full responsibility for any adverse outcome! YIKES!



FUNDRAISING, CONT.

Door to door sales

- Magazines
- Cookie Dough
- Wrapping paper

CCR regulates door to door sales for ages 16 & under

- Must work in teams
- Must have adult supervision 1:10
- Must be within sight at least every 15 minutes
- Must be returned home or meeting point by end of day

QUESTION #4

Our 8th grade class organizes a trip every year to Washington D.C. to coincide with US History.....can we track each student's fundraising efforts in our class trust or ASB account?



ANSWER

No.....fundraising efforts cannot be tracked to individual students

Current law does not allow for students to be denied participation based on fundraising efforts.....either all may participate in the activity or none can.....



FUNDRAISING – VENDING MACHINES

Must follow board guidelines

Contracts

Competitive bidding

Inventory controls

- ASB managed
- Vendor managed
- Food services managed



STUDENT STORE

Considered a fundraiser

Limited food sales

Sales tax issues



STUDENT STORE, CONT.

Typically operated by students

- Higher risk

Money usually is for the general ASB

Decisions associated with the student store must be documented within the ASB minutes

Internal controls

- Cash register – close out
- Sales tax – collected vs. use tax
- Pricing strategies – profit margin

GIFTS AND DONATIONS

May be made to the District, specific school or specific student group

May be general (unrestricted) or for a specific purpose (temporarily restricted)

Donated funds must be accounted for correctly upon receipt in order to assure the donor funds are used appropriately



GIFTS AND DONATIONS, CONT.

Upon receipt the following should be clarified:

- Specifically who (club or group – not individual) the donation is intended to benefit
- Intent of donation

Gifts must be accepted by student body, approved by the school board

- Some gifts must be recorded as capital assets
- Some gifts require additional insurance coverage, etc.


Must have a legitimate use in the school program

Potential costs should be considered prior to acceptance



CASH RECEIPTS

Most common ASB finding.....

- Lack of timeliness in deposits
 - Lack of supporting documentation to substantiate the completeness of the deposit
 - Lack of segregation of duties in cash counting
 - Safe storage compromised
 - Lack of control over tickets and receipt forms
 - Lack of endorsement
 - Lack of accounting for cash over/short
- 

CASH RECEIPTS, CONT.

Proper control

- Pre-numbered tickets used for
 - Dances
 - Entertainment events
 - Car washes
 - Athletic events
 - Festivals
- Cash registers used for
 - Student store
 - Concession stands



CASH RECEIPTS, CONT.

Pre-numbered receipt books used for

- Yearbook sales
- Sale of advertising space

Tally sheets used for

- Dances
- Car washes
- Festivals
- Garage sales

A pre-numbered receipt form with a blue vertical header labeled "RECEIPT". The form includes fields for "date" (month, day, year), "No. 123456", "received from" (with a dollar sign and "dollars" label), "for purpose of" (with radio buttons for "cash", "money order", "check", and "money"), and a table for "amount due", "amount paid", and "balance". There is also a "signature" line and a small logo in the bottom right corner.



www.shutterstock.com · 43261630

FRAUD CONCERNS RELATING TO CASH

Common area of theft

Incomplete documentation

Cash counted by only one person

Cash isn't maintained in a secure environment


Cash and checks must agree to initial count.....if there isn't ever any cash turned in -

RED FLAG



ALLOWABLE EXPENSES

Must be:

- In compliance with board policy
 - Must be legal
 - Cannot be a gift
 - Must promote the general welfare, morale and educational experience
 - Must be outside of what the school district should provide from their own general funding sources
 - Must be pre-approved
- 

ALLOWABLE EXPENSES, CONT.

Examples include:

- Field trips
- Extra curricular athletics costs
 - Security, officials, ticket takers, etc. – **BUT BEWARE**
- Student store products
- Social activities
- Library books
- Student magazines
- Entertainment
- Playground purchases

UNALLOWABLE EXPENSES

Does not promote the general welfare, morale or educational experience of the students

Ask the question – what would the public think if this were in the news?????



UNALLOWABLE EXPENSES, CONT.

Common question – are gifts allowable?

General rule of thumb is no.....student funds are considered to be public funds – as such they fall under the ‘gift of public funds’ rule.

Options for fundraising for charity include:

- Collecting the funds via check made directly to the charity
- Involving PTA or Booster club
- Work with local foundation

UNALLOWABLE EXPENSES, CONT.

Employee appreciation meals...

- Not actual and necessary per Education Code
- No direct benefit to students

Employee attire/clothing:

- Possibly if relating to coaching/advising, etc....gray area



UNALLOWABLE EXPENSES, CONT.

Gifts

- Generally not acceptable – as ASB funds are considered Fiduciary Funds of the District
- Gift Cards - Not allowable expenditures for ASBs....
 - As of December 2010, California law changed to reflect that gift cards are redeemable in cash for its cash value – therefore, gift cards are treated the same as cash....and you CAN'T give away cash, right?
 - There aren't any acceptable waivers to this area of compliance.
 - California Civil Code §1749.45-1749.6

UNALLOWABLE EXPENSES, CONT.

Awards–

- California Constitution bans the “gifts” of public resources
- All resources of the agency must be used or incurred in accordance with the adopted policies
- Awards – Education code §44015 allows school districts to make awards to employees for exceptional contributions and to students for excellence service and students for excellence.
 - Must be in accordance with adopted board policy
 - Any award must be approved by the board.
 - Birthdays, weddings, funerals or holidays are not considered superior accomplishments
 - Any awards for staff, must be paid through the District – not the ASB
- FCMAT discourages payment of awards from ASB funds.....it is difficult to validate the award benefits the entire student population

UNALLOWABLE EXPENSES, CONT.

Gift of Public Funds –

- California Constitution bans the “gifts” of public resources
- All resources of the agency must be used or incurred in accordance with the adopted policies
- Donations to charities are also banned with the following exceptions:
 - If the charity provides a service that complements or enhances a SERVICE that the public agency also provides
 - If there is an identifiable secondary benefit to the public agency
 - If the charity provides a service the public agency could provide but chooses not to
 - Generally prohibited.....that includes donating to the Red Cross, Make a Wish, Penny Collections, etc.

EMPLOYEES VS. CONSULTANTS

Can ASBs have employees?

- No...they are District employees.
- The ASB may be responsible to reimburse the District for a portion of salaries and benefits – NEVER paid directly from ASB funds to employee

Can ASBs use consultants?

- Yes – they are paid directly by the ASB
- They are independent: disk jockey, photographer, etc.
- Completes a W-9
- Payments reported annually on a 1099 form based on a \$600 threshold



BOOSTER CLUBS
IF USED CORRECTLY - A GREAT 'BOOST' TO YOUR PROGRAMS!



BOOSTER CLUBS/PTO/PTAS

Independent adult groups who have formed a legal 501(c)(3) non-profit organization to financially support specific schools or programs

No relation to ASB – monies should never be comingled

No relation to District...however, may raise funds on behalf of the District....

- Funds should be donated from the organization to District or ASB

BOOSTER CLUBS/PTO/PTAS, CONT.

Must use their own tax ID number

Must have their own bank accounts – accounting may not be done by school or any other district official

May not imply or state they are a part of the school or district.....must use own address, phone number, email, etc.

Authority to enforce the use of the school name and information provided by Ed code §51521

BOOSTER CLUBS/PTO/PTAS, CONT.

Major area of concern.....

We recommend the district or school inform parents which groups are authorized to fundraise in the school's or district's name.....

Open communication....

The text "Booster Club" is rendered in a 3D, blocky font. The letters are primarily red with green highlights and shadows, giving them a three-dimensional appearance. The text is positioned on a white rectangular background that is slightly offset from the bottom of the slide. The bottom of the slide features a decorative background with a blue triangle on the left and a larger blue area on the right, separated by a diagonal line.

CONCLUSION

Multitude of resources available to you if you have questions....

Follow policy

If you are not sure, ASK!

Remember.....ASB funds are public funds.....

Thank you for participation and attention.



QUESTIONS???

