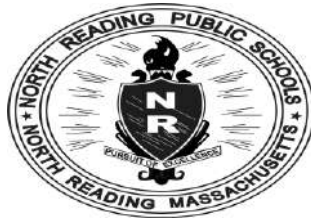


# **NORTH READING PUBLIC SCHOOLS**



## **Student Activity Account**

### **Operations Manual**

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## **NORTH READING PUBLIC SCHOOLS**

### **STUDENT ACTIVITY ACCOUNT GUIDELINES AND PROCEDURES**

#### **Pre-Face**

Funds may be raised to finance activities of authorized student organizations. Student activity funds are considered a part of the total fiscal operation of the district and subject to policies established by the School Committee [{Link to School Committee Policy}](#) and the office of the Superintendent. The funds shall be managed in accordance with sound business practices, which include accepted budgetary and accounting practices.

#### **In compliance with Massachusetts General Law Chapter 71, Section 47:**

The School Committee of a city, town, or district may authorize a school principal to receive money in connection with the conduct of certain student activities and to deposit such money, with the municipal or regional school district treasurer, into an interest bearing bank account, hereinafter referred to as the student activity agency account duly established by a vote of the school committee to be used for express purpose of conducting student activities. Interest earned by the Student Activity Agency Account shall be retained by the fund and the school committee shall determine for what purpose such earnings may be used. A student activity account may be used for monies raised by student organizations and which will be expended by those students for their benefit. Chapter 66 of the Acts of 1996 governs monies deposited to a student activity account. Monies governed by any other laws (see section on "Relevant Laws") which specify other ways in which the money must be handled cannot be deposited to a student activity account.

The staff member designated to operate and control the Student Activity Accounts shall give bond to the municipality or district in such amount as the treasurer shall determine to secure the principal's faithful performance of his duties in connection with such account.

#### **I. General Information and Organizational Management**

There are certain principles and procedures that should be followed in establishing an adequate accounting system for student activity funds. The following basic devices are essential to the proper management of such funds:

##### **Basic Principles**

- A. Two separate and independent sets of records of receipts and expenditures shall be maintained.

- B. The authority to spend monies shall be distinct and separate from the custody of these monies.
- C. At least two individuals shall take part in each act of disbursing money.
- D. The building principal and business administrator shall both report to the school committee at regular intervals. An internal review of each account will be done annually by the Business Administrator. These internal reviews should involve reviewing the monthly reports prepared by the individuals having daily oversight of the accounts.
- E. The accounting system shall be such that it will yield the largest possible educational return to students without sacrificing the safety of funds or exposing students to undue responsibility or unnecessary routine.

### **Organizational Procedure- Establishing a Student Activity**

- A. Students or faculty desiring to form an extracurricular activity shall petition the building principal in writing. The petition shall state the purpose of and describe the activities of the proposed extracurricular activity, and shall be signed by at least **five** students before it is presented to the building principal for action. If the purpose of the proposed activity falls within the scope of educational mission of the school and if the necessary space and equipment is available, the building principal, in conjunction with the petitioning students and/or faculty members, shall seek a suitable faculty advisor. When these procedures have been accomplished, the building principal shall recommend to the School Superintendent and School Committee approval of the extracurricular activity. Once approved by the School Committee the newly formed club or activity will operate as a pilot club or activity for three years before it is officially recognized as a permanent student activity.

### **Approved Student Activities**

- A. The school committee will approve all pilot student activity accounts for a specified time period of one to three years. At the end of the pilot time period the building Principal shall evaluate the success of the program and make a determination of whether or not this activity will continue.

### **Bonding**

- A. The staff member(s) designated to operate and control such Student Activity Accounts shall give bond to the municipality or district in such amount as the treasurer shall determine to secure the Principal's faithful performance of his duties in connection with such account. It is recommended that school systems review their insurance to be sure that all employees who handle student activity monies are covered - either by

an endorsement to a liability policy or through a separate bond issued by an insurance company.

### **Faculty Advisor**

- A. Each extracurricular activity shall have a faculty advisor recommended by the Principal and appointed by the School Superintendent.
- B. The faculty advisor shall attend all meetings of the extracurricular student activity.
- C. It shall be the duty of the advisors to guide and advise the pupil officers in planning activities and the planning of financial budgets.
- D. The advisors shall assist the student treasurer in the preparation of statements of income.
- E. The advisors shall audit these statements and sign them as acknowledgement of verification of the income statement to deposit slips.
- F. The advisor shall guide the student treasurer in posting his/her account ledger and from time to time shall check the balancing of the student treasurer's accounts and the completeness of their supporting evidence.
- G. The faculty advisor shall supervise expenditures by insuring that funds are available before approving each proposed purchase and by signing all withdrawal slips.
- H. The faculty advisor shall constantly work toward the goal of insuring the largest educational return from the activities participated in by the pupils.
- I. Each faculty advisor shall receive a copy of the school committee's policy and procedures regarding student activity accounts and, prior to appointment, shall sign a declaration that they have received, read, and understand said policy and declare that the activities of the student organization shall be conducted in accordance with said school committee policy.
- J. Failure to adhere to school committee policy may result in termination.

### **Meetings**

- A. All extracurricular student activities shall meet regularly or on an as needed basis. Every effort will be made to conduct student activity business while school is not in session. These meetings shall be held on school property. Extracurricular student activities shall not meet outside school property unless they have received the consent of the Principal.

### **Audits**

- A. The School Business Administrator shall arrange an audit at least once annually. The audit may be an internal audit done by the school business administrator if so approved by the School Committee. At least one time every three years, however, an independent audit firm should conduct the

- audit. The School Committee may elect to have all annual audits done by an independent audit firm if desired.
- B. The cost of the independent audit shall be paid from the interest earned on the Student Activity Account.
  - C. In addition to the annual audit, there should be on-going internal reviews by the Business Administrator or another designee of the Superintendent. These internal reviews should involve reviewing the monthly reports prepared by the individuals having daily oversight of the accounts.

### **Training Sessions**

- A. The services and/or guidance of the Business Administrator's Office shall be made available to the faculty advisors and staff to review laws and the essentials of good bookkeeping procedures to ensure accurate and auditable books/accounts.
- B. As needed, The Business Administrator will conduct a meeting for faculty advisors and treasurer's to review these principles of the Student Activity Accounts system. Training shall be made available on the necessary procedures, forms, authorizations needed, and the books and records to be kept to accurately systemize an audit trail and prepare proper records.

### **Tax Exempt Status**

- A. All Student Activity Accounts purchases will be under the School Districts tax-exempt number through the School Treasurer.
- B. Monies not under the control of the school system (i.e., PTO, Booster Clubs, staff monies, etc.) are not considered student activity monies and are not eligible to use the schools tax-exempt number.

### **Implications of Chapter 30B of the MA General Laws**

- A. North Reading Public Schools agrees with MASBO's (Massachusetts School Business Officials) opinion that Chapter 30B does not pertain to purchases made with student activity monies because Chapter 30B does not apply to trust and agency funds. However, in order to ensure the largest education gain will be achieved sound business practice shall be used in all financial decisions.

### **Staff Funds**

- A. Any monies belonging to staff (i.e. Sunshine funds, staff vending machines, vendor rebates etc.) cannot be maintained in the Student Activity Accounts. Should staff wish to maintain such an account, they

must establish a bank account in their own name, and cannot use the town tax-exempt number for such accounts.

### **Gifts**

- A. Gifts to recognized student activities must be first accepted by school committee and then deposited into the student activity agency account and expended in accordance with the school committee's policies for expenditures from such student activity account.
- B. Gifts to other than student organizations are governed by Section 53A of Chapter 44 of the General Laws of Massachusetts, and shall be processed in accordance with such, including deposit of monetary gifts with the Town Treasurer.
- C. If no specific purpose was indicated, the monetary gift shall be expended in accordance with the overall intent of the gift.

### **Scholarship Funds**

- A. Under provisions of Section 53A of Chapter 44 and Section 37A of Chapter 71 of the General Laws of Massachusetts, all grants and gifts for educational purposes shall be deposited with the Town Treasurer and held in a separate account. All scholarship monies will be under the jurisdiction of the school committee, in accordance with the guidelines under which the scholarship was established.

### **Class Accounts at Graduation**

- A. Student activity accounts established in accordance with Chapter 66 of the Acts of 1996 are for student activity monies. Because graduates are no longer students, monies for classes that have graduated cannot legally be kept in student activity accounts.
- B. When a senior class graduates, monies in the Senior Class Student Activity account shall remain available for ninety days after the close of the school year to allow time for outstanding bills to be received and paid. After this waiting period, if no request is received to transfer the funds from officers of that class the remaining funds shall be transferred and disbursed evenly to the remaining active classes including the incoming freshman class account.

## **II. Operational and Financial Procedures**

### **Revenue**

- A. Monies can be raised by conducting a program for which a fee is charged or donations solicited, by selling a product (i.e. a candy bar) or by simply seeking donations from the community in support of a particular student activity.

### **Receipts/Deposits**

- A. The area most susceptible to abuse is the receipt process, since many individuals (often students) collect cash.
- B. After a respective student activity, collected funds are to be counted and prepared for deposit in a timely manner (**not more than 1 week**). For purposes of making change, a maximum of **\$25** in cash is acceptable in a cash box at any one time.
- C. Teacher/Advisor and student activity officer, as applicable (Treasurer/President), should bring cash and/or checks for deposit through the Assistant Principal's/Principals office. The ["Receipt" form](#) (A-2) should be completed together and must be signed by the Assistant Principal and/or Principal.
- D. No student shall take money home at any time; money received over the weekend shall be deposited to a night depository, secured in a locked vault, or safeguarded by other means.
- E. No Teacher or Faculty Advisor should directly exchange cash collected from students for an event to pay a vendor in cash directly. There needs to be an accounting trail to reconcile receipts collected for each event recorded on the **"Receipt" form**. Payment of cash directly to a vendor reduces the paper trail needed to properly reconcile receipts and expenses for each event. All receipts collected must be turned over the business office for deposit and recorded by the Assistant Principal/Principal in the Student Activity accounting database under the club or activity.
- F. Copies of the "Receipt" form should be filed with the activity treasurer and/or teacher/advisor.
- G. The Assistant Principal/Principal make their best effort to deposit into the student activity agency account all monies received from student activity organizations no later than one week from receipt by the Principal's office.
- H. All money turned over to the business office by a student organization (student officer/treasurer or faculty advisor) shall be accompanied by the "Receipt" form A-2 in this document. The deposit slip shall state the source of the monies, the amount of money being deposited, and shall be signed by the person turning over the money to the business office.



- I. All monies collected from students to attend an event must detail the number of student who participated and the amount charged per student. This amount must coincide with the amount being collected and recorded on the deposit slip.
- J. The Assistant Principal/Principal will complete a schedule of departmental receipts form in duplicate. This schedule will show the source of funds by activity. This schedule, plus the deposit slip will be given to the Business Office on a weekly basis.
- K. Updated balance sheets shall be provided by the Assistant Principal/Principal I to the Advisor upon recording of the deposit at the bank.

### **Purchases**

- A. No purchases will be made without the prior written approval of the Principal or Assistant Principal.
- B. In all instances, the student officers and the faculty advisors are urged to follow sound business practices when purchasing goods and services. While it is following the requirements of Chapter 30B of the General Laws of Massachusetts is not required, the student organizations are urged to follow the spirit and intent of the laws. Obtain written quotes whenever possible. If the value of the goods or services is expected to exceed \$10,000, written quotes are required. If the value of the goods or services is expected to exceed \$25,000, the organization should advertise and obtain sealed bids. This should ensure that competition prevails and the student organization receives the best value for their dollar.
- C. The up-fronting of personal monies shall be avoided whenever possible. If it is anticipated that up-fronting of monies may be necessary, prior written approval shall be obtained from the Principal and/or Assistant Principal. If prior written approval is not received there can be no guarantee that the individual making the purchase on behalf of the club and activity will be reimbursed.
- D. Equipment and supplies purchased with student activity account monies are the property of the organization, not of any individual student, advisor, or other interested party.
- E. Faculty advisors, or others involved in purchasing through the student activity account, shall not in any way benefit personally from the purchase.
- F. Student activity monies shall not be used for any purpose unrelated to student activities or for the benefit of any staff person.

### **Expenditures/Disbursements/Checks**

- A. Teacher/Advisor shall provide the invoice/bill. Payment request may be left in mail slot outside the Principal and/or Assistant Principal's office.

If there are specific instructions to be noted in regard to payment (time restrictions, etc.), please meet with Principal and/or Assistant Principal **personally**.

- B. The Principal/Assistant Principal will complete the "Trust Account Payment" form and initial it. The completed "Trust Account Payment" form, with the original invoice will be forwarded to the Director of Finance and Operations (Business Manager), by interoffice mail. The Director of Finance and Operations will not process a payment without the authorization of the Principal or Assistant Principal.
- C. The business office staff will review it and forward it to Town Hall for payment.
- D. Town Hall will mail the actual payment to the vendor.
- E. No checks shall be issued without bills, invoices or receipts to document the disbursement by Town Hall.
- F. W9 forms are required to be completed from each new vendor before payment can be made.
- G. The munis accounting system will maintain a record of all checks issued.
- H. A standardized form should accompany all requests for check issuance. This form [\(A-3\)](#) shall accompany the invoice and/or receipt and/or all supporting documents and must state to whom the check shall be made payable, the reason for the payment, the amount of the check, the account to be charged, and the approval signature of the student officer and/or faculty advisor. Original invoices must accompany each form.

### **Other**

- 1. All student activity accounts must state a purpose for which the monies are to be expended. Student activity accounts should not make a profit.
- 2. All possible steps should be taken to plan a budget for the management of funds for the deposits and expenditures for the club, organization, or activity. Many student activities occur seasonally, and as such, the budgeting should be reflective of this.
- 3. The use of personal funds is discouraged. In the event that a payment is needed without a specific invoice due to restrictions imposed by the vendor, the Advisor should meet with the Principal or Assistant Principal to review the request and to arrange payment.
- 4. All steps shall be taken to establish accounts with new and customary vendors when possible.

### **Fund-Raisers**

- A. Fund-raising projects shall be held in accordance with school committee policy.

- B. Results of fund-raisers shall be reported to the Principal and/or Assistant Principal within one week of the close of the fund-raising activity on the [approved form](#). (A-1)
- C. All monies received through fund-raisers shall be deposited in accordance with the preceding section on "Receipts".
- D. Expenditures related to fund-raisers must be handled in accordance with the guidelines and policies for all other student activity account expenditures (see "Purchases" and Expenditures/Disbursements/Checks")

### **Commissions**

- A. Any monies paid to a student activity organization as commissions belong to the students (ex. yearbooks, class rings, bake sales) shall be deposited into the student activity account. Such monies shall be expended in accordance with specific School Committee policy for the benefit of students. At no time shall such commissions be used to benefit staff.

### **III. Recommended Forms (Forms attached)**

The sound administration and control of the student activity funds requires that appropriate forms with appropriate signature requirements and authorizations be used to document various transactions. The use of the forms has been detailed in the Procedures Section of this report. A listing of the forms appears below and is attached.

EVENT FINANCIAL REPORT .....	A1
DEPOSIT SLIP .....	A2
PAYMENT REQUEST .....	A3

**A.1**  
**STUDENT ACTIVITY ACCOUNT**  
**EVENT FINANCIAL REPORT**

To be completed for all fund raisers, activities, etc. at completion.

CLUB/CLASS \_\_\_\_\_ DATE \_\_\_\_\_

EVENT \_\_\_\_\_ DATES \_\_\_\_\_

DEPOSIT DATE \_\_\_\_\_ SOURCE \_\_\_\_\_

BILLS \_\_\_\_\_

COINS \_\_\_\_\_

CHECKS \_\_\_\_\_

**TOTAL INCOME**     \$ \_\_\_\_\_

SUBMITTED BY \_\_\_\_\_ DATE \_\_\_\_\_

REVIEWED BY \_\_\_\_\_ DATE \_\_\_\_\_

A-2  
*North Reading Public Schools*  
*Student Activities Account*  
**R E C E I P T**

Club/Organization \_\_\_\_\_

Faculty Advisor \_\_\_\_\_

Date of Deposit Received \_\_\_\_\_

*Funds From/Activity* \_\_\_\_\_

(If applicable)

# Students Participated \_\_\_\_\_

Fee Charged Per Student \_\_\_\_\_

(Please note if students are charged to participate in an activity you must include the number of students that participated and the amount charged per student for Town Hall to accept the deposit. The amounts when calculated should equal the Funds from the activity noted above. )

Amount of Deposit (checks) \_\_\_\_\_

Total amount of Deposit Received \_\_\_\_\_

Faculty Advisor's Signature \_\_\_\_\_

Assistant Principal's Signature \_\_\_\_\_

Principal's Signature \_\_\_\_\_

**A-3**

Club Advisor: \_\_\_\_\_ Student Activity: \_\_\_\_\_ Date: \_\_\_\_\_

**TOWN OF NORTH READING  
STUDENT ACTIVITY PAYMENT REQUEST  
NORTH READING HIGH SCHOOL  
(88015 – 570000)**

TO: Director of Finance & Operations

Please pay the following invoice(s) from the Student Activity Account in the amount of \$ \_\_\_\_\_

VENDOR #	REMIT	VENDOR NAME	INVOICE DATE	INVOICE NUMBER	AMOUNT

Approved By: \_\_\_\_\_

Director of Finance & Operations

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

No: \_\_\_\_\_

To: North Reading High School

The Sum of \_\_\_\_\_ has been paid from the  
Student Activity.

\_\_\_\_\_  
Town Finance Director

Club Advisor: \_\_\_\_\_ Student Activity: \_\_\_\_\_ Date: \_\_\_\_\_

**TOWN OF NORTH READING  
STUDENT ACTIVITY PAYMENT REQUEST  
NORTH READING MIDDLE SCHOOL  
(88025 – 570000)**

TO: Director of Finance & Operations

Please pay the following invoice(s) from the Student Activity Account in the amount of \$ \_\_\_\_\_

VENDOR #	REMIT	VENDOR NAME	INVOICE DATE	INVOICE NUMBER	AMOUNT

Approved By: \_\_\_\_\_

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

Director of Finance & Operations

No: \_\_\_\_\_

To: North Reading Middle School

The Sum of \_\_\_\_\_ has been paid from the  
Student Activity.

\_\_\_\_\_  
Town Finance Director

Club Advisor: \_\_\_\_\_ Student Activity: \_\_\_\_\_ Date: \_\_\_\_\_

**TOWN OF NORTH READING  
STUDENT ACTIVITY PAYMENT REQUEST  
NORTH READING BATCHELDER SCHOOL  
(88035 – 570000)**

TO: Director of Finance & Operations

Please pay the following invoice(s) from the Student Activity Account in the amount of \$ \_\_\_\_\_

VENDOR #	REMIT	VENDOR NAME	INVOICE DATE	INVOICE NUMBER	AMOUNT

Approved By: \_\_\_\_\_

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

Director of Finance & Operations

No: \_\_\_\_\_

To: North Reading Middle School

The Sum of \_\_\_\_\_ has been paid from the  
Student Activity.

\_\_\_\_\_  
Town Finance Director



Club Advisor: \_\_\_\_\_ Student Activity: \_\_\_\_\_ Date: \_\_\_\_\_

**TOWN OF NORTH READING  
STUDENT ACTIVITY PAYMENT REQUEST  
NORTH READING HOOD SCHOOL  
(88045 – 570000)**

TO: Director of Finance & Operations

Please pay the following invoice(s) from the Student Activity Account in the amount of \$ \_\_\_\_\_

VENDOR #	REMIT	VENDOR NAME	INVOICE DATE	INVOICE NUMBER	AMOUNT

Approved By: \_\_\_\_\_

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

Director of Finance & Operations

No: \_\_\_\_\_

To: North Reading Middle School

The Sum of \_\_\_\_\_ has been paid from the  
Student Activity.

\_\_\_\_\_  
Town Finance Director

Club Advisor: \_\_\_\_\_ Student Activity: \_\_\_\_\_ Date: \_\_\_\_\_

**TOWN OF NORTH READING  
STUDENT ACTIVITY PAYMENT REQUEST  
NORTH READING LITTLE SCHOOL  
(88055 – 570000)**

TO: Director of Finance & Operations

Please pay the following invoice(s) from the Student Activity Account in the amount of \$ \_\_\_\_\_

VENDOR #	REMIT	VENDOR NAME	INVOICE DATE	INVOICE NUMBER	AMOUNT

Approved By: \_\_\_\_\_

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

Director of Finance & Operations

No: \_\_\_\_\_

To: North Reading Middle School

The Sum of \_\_\_\_\_ has been paid from the  
Student Activity.

\_\_\_\_\_  
Town Finance Director