

## STUDENT ACTIVITY AGENCY ACCOUNTS

According to The Commonwealth of Massachusetts Department of Revenue Laws Relating to Municipal Finance and Taxation Chapter 71 Section 47 the following are the guidelines for establishment and maintenance of school student activity funds:

"Notwithstanding the provisions of the preceding paragraph or section fifty-three of chapter forty-four, 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 (SAAA), duly established by vote of the School Committee to be used for the express purpose of conducting student activities. Interest earned by such SAAA shall be retained by the fund and the School Committee shall determine for what purpose such earnings may be used. In addition to such SAAA, the School Committee may authorize the municipal or regional school district treasurer to establish a checking account, hereinafter referred to as the Student Activity Checking Account (SACA), to be operated and controlled by a school principal and from which funds may be expended exclusively for student activity purposes for the student activities authorized by the School Committee. Such account shall be used for expenditures only and funds received for student activities may not be deposited directly into such account.

"The School Committee shall vote to set the maximum balance that may be on deposit in such SACA. The Principal designated to operate and control such SACA 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/her duties in connection with such account. To the extent that the funds are available in such SAAA, funds up to the maximum balance set by the School Committee shall be transferred from the SAAA through the warrant process to initially fund such SACA.

"Periodically, to the extent that funds are available in such SAAA, the municipal or regional school district treasurer shall reimburse such SACA, through the warrant process, to restore the limit set by the School Committee. The Principal shall adhere to such administrative procedures as the municipal or regional school district treasurer or accountant may prescribe. There shall be annual audit of the student activity funds which shall be conducted in accordance with procedures as agreed upon between the School Committee and the auditor based upon guidelines issued by the department of education".

### GENERAL GUIDELINES

The Early Learning Center, Elementary, Middle and High School Student Activity Accounts that have been approved by the Sutton School Committee are identified on a subsidiary accounts list maintained by the District Business Office. All funds received and/or disbursed must be for student related activities and must conform to all Massachusetts Department of Revenue Laws.

Each Principal may maintain a checking account. Each Principal maintaining a checking account must give bond to the Town to secure faithful performance of duties in connection with such account. The maximum balance held in said checking accounts shall be:

Early Learning Center \$15,000

Elementary School \$15,000

Middle School \$30,000

High School \$30,000

Any monies collected or earned belong to the students. Student activity monies shall not be used for any purpose unrelated to student activities. Said monies shall be deposited to the account established for that school by the Town Treasurer.

### **ACCOUNTING, FORMS AND RECORD KEEPING**

Each individual involved in student activity transactions should protect themselves from charges of wrongdoing by keeping detailed records with appropriate backup documentation. A clear audit trail should be established at all times. This will include the following:

- The use of standardized forms (for deposits, disbursements, etc.) These forms should be used at all times, and are included in the Student Activity Accounts Operating Guidelines established by the District Business Office.
- All disbursements will require an invoice or some type of receipt.
- All deposits will require a school deposit form. The person making the deposit along with the advisor in charge of the account must sign the form.
- Each school shall receive from the town treasurer a copy of each month's deposit statement to aid in the monthly reconciliation.
- Reconciliation of the bank statement (which includes all subsidiary accounts) should be conducted on a monthly basis with a copy of each to the school business administrator. Copies of the student account reconciliation shall also be sent to the advisor of each organization.
- Each school must file an annual report with the school business administrator no later than July 15. Periodic reviews may be performed and interim reporting shall be provided at the request of the school business administrator. The accounts will be audited each year in accordance with guidelines issued by the Department of Education.

## **SUBSIDIARY ACCOUNTS**

Each Principal shall maintain subsidiary accounts within the student activity control account, in order to match receipts and expenditures to the appropriate recognized student activity organization. Subsidiary account should be balanced each month to the control account.

The number and description of subsidiary accounts shall be determined by the Superintendent's Office. Each year the Superintendent shall provide the School Committee with a list of current subsidiary accounts.

## **RECEIPTS AND DEPOSITS**

Since cash is collected by many individuals (often students), the area most susceptible to abuse is in the receipt's process. Therefore, it is required that each school implement strict procedures for control of all receipts.

Any student organizations receiving monies from any source (fund-raisers, donations, etc.) should turn over such money to the Principal or the Principal's designee within twenty-four hours for subsequent deposit to the student activity account.

If money is received on a weekend, it shall be turned in on the first business day following, to the Principal's office. No student shall take money home at any time; money received over the weekend shall be stored in a secured and locked vault, or safeguarded by other means.

Any money not deposited on the same day it was received shall be kept in a safe or other secure, locked area.

All money turned over to the office by a student organization (student officer/treasurer or advisor) shall be accompanied by a school deposit slip stating the source of the monies, the amount of money being deposited, and signed by the person turning over the money to the office. All monies turned in to the office by students must be co-signed by the class or fund-raising advisor. A deposit form must be submitted in duplicate - one for the Principal's office and one copy for the student/advisor.

The Principal or Principal's designee will, in turn, deposit all monies received from student activity organizations into an account established for that school by the Town Treasurer.

## **WITHDRAWALS**

All withdrawals from SAAA should be made by use of a withdrawal form. Forms must be filled out with all applicable information and signed by the account advisor. All withdrawal forms should be accompanied by an original invoice to be paid or receipts, which total the amount to be reimbursed. No withdrawal shall be made without supporting documentation. All withdrawals of more than \$1,000 must be made one week prior to the date needed. All withdrawals for "cash" must be made 48 hours prior to the date needed.

Students, advisors, or others involved in a withdrawal shall not in any way benefit personally from the withdrawal.

The Principal or Principal's designee shall keep a record of all deposits and expenditures.

## **FUND-RAISING**

Fund-Raising projects should be held in accordance with School Committee policy. Before implementation the Principal must approve all fundraising activities.

All fund-raising results shall be reported to the Principal within one week of the close of the fund-raising activity.

All fund-raising receipts shall be deposited in accordance with the preceding section on deposits.

Expenditures related to fund-raisers must be handled in accordance with the guidelines and policies for all other student activity account expenditures.

## **INACTIVE ACCOUNTS**

Any student activity organization inactive for a period of two (2) years or more, and for which there have been no receipts or disbursements recorded on their behalf shall require the following actions to be closed:

- Written notification by the advisor or student officer/treasurer to the Principal or other authorized administrator that the particular activity will cease to be a viable account. If an advisor or student officer/treasurer is not available, such discontinuance shall be by vote of the School Committee.
- All assets of the recognized student activity organization shall be determined and stated in writing.
- The School Committee shall determine any disposition of assets of an inactive recognized student activity organization, but in no case shall the disposition benefit specific individuals. (The primary goal in disposition should be to benefit the student body).

## **CLASS ACCOUNTS AT GRADUATION**

A "class account" established for the sixth grade class each year follows the designated class through graduation. Upon graduation any revenue left is transferred to the "General Fund" and kept for the class in the event of any class reunions. Upon receipt of request for monies to be used for said class reunion a check will be disbursed for the balance that was left in the class account will be given to the two people designated as in charge of said reunion. They, in turn, will set up their own accounts for said reunions.

## DEFICIT ACCOUNTS

Individual activity accounts should not be permitted to be in a deficit position because such position becomes a liability to other individual activities or possibly to future classes. The following lists possibilities for remedial action whenever a deficit occurs:

- School Committee appropriation
- Accumulated Investment Earnings
- Surpluses of inactive accounts
- Gifts from another activity with a surplus balance with permission of the Advisor and Principal
- Any other legal means