

**SVAHS STUDENT ACTIVITY/
FUNDRAISER POLICY**



OVERVIEW

Preface

A program of activities (student activity accounts) established by a Board of Trustees shall: (1) Ensure that students have an opportunity to take part in co-curricular and outside-classroom experiences, (2) Provide efficient procedures for their creation, operation and demise and (3) Outline a system for the safeguarding, accounting and internal control of co-curricular and outside classroom activity funds.

Chapter 66 of the Special Acts of 1996, which is codified in Section 47 of Chapter 71 of the General Laws of Massachusetts (MGL), has had a major impact on the method in which student activity accounts are administered. The law allows the use of certain administrative procedures that were previously prohibited. These provisions include procedures with respect to: (1) Establishment of an interest bearing bank account and a checking account through the involvement of the City Treasurer, (2) Certain disbursement procedures, and (3) Auditing and reporting requirements.

There is a value to students who perform functions and handle monies belonging to student groups. The exposure the students receive in controlling and administering the accounts is a valuable learning experience. In addition, expeditious access of student account funds is critical to meet the goal of providing co-curricular activities to students in a timely manner. Recognizing that student activity monies belong to the students and not to the district, the need for the development of sound business guidelines for governance of these accounts is essential.

In accordance with M.G.L. Chapter 71, section 47 (as amended by Chapter 66 of the Acts of 1996), a school principal may receive monies in connection with the conduct of particular student activities and must deposit said monies via the school business office to the City Treasurer. The City Treasurer shall maintain an account for the school entitled the "Student Activity Agency Account".

The Smith Vocational and Agricultural High School Board of Trustees authorize the high school principal to operate Student Activity Account.

The high school principal may maintain a checking account for expenditure purposes. Deposits into the checking account shall be made from each school's municipal student activity agency account to the extent monies are available in said account. The maximum a school can have in its checking account at any time is \$15,000.

The checking account must be established in a bank having a branch in Northampton. Said bank must be approved by the City Treasurer. Said bank need not be the same bank as the City Treasurer uses to maintain the municipal student activity agency accounts.

The interest earned on the Student Activity Agency Account shall remain in the account and be recorded as a separate line item by the principal. Said interest shall be used to cover the following expenditures without requiring further approval from the Board of Trustees:

- to cover the cost of periodic outside audits of the accounts;
- to purchase forms and supplies related to maintaining the student agency account by the school (checks or other related expenses);
- to cover the cost of a student(s) attending a class or school function when students are charged for such but the principal determines the family is unable to cover such expenses;
- refreshments for parent/student activities and for volunteers who have helped to support student programs;
- refreshments for students during testing periods.

Any other uses of interest earnings will require approval of the Board of Trustees.

An annual report on the amount of interest earned and what the interest was used for shall be filed with the School Business Administrator every August for the prior school year, and reported to the Board of Trustees.

Commissions:

Any monies paid to the school or to a student activity organization as commissions belong to the students. At no time shall such commissions be used to benefit staff. Commissions shall be used to reduce the cost of the item involved to each student (example: yearbooks, class rings) or be deposited to the specific student activity sub-account (example: yearbook, senior class) for use by that student organization.

Check Signature Authority:

- Checking accounts at the high school shall have two names on the account: the principal and the assistant principal.

Undesignated Earnings:

Should the school have any undesignated earnings or equivalent benefits (example: Stop & Shop/Big Y), the use of those funds will be at the discretion of the principal.

I. GENERAL INFORMATION

STUDENT ACTIVITY ACCOUNTS

A student activity account shall be used for monies raised by students or student organizations and which will be expended by those students or student organizations for their benefit. Monies deposited to a student activity account are governed by MGL Chapter 66 of the Acts of 1996, as well as the policies of the Smith Vocational and Agricultural High School. Monies governed by any other laws (see section on "Relevant Laws") which specify other ways in which the money must be handled can not be deposited to a student activity account. (For example, athletic gate receipts are governed by MGL Chapter 71, Section 47 and must be deposited with the City Treasurer and, therefore, can not be deposited to a student activity account.)

Only organizations approved by the Superintendent may raise and disburse monies through a student activity account. Further information on the approval process for a group to be recognized as a student organization can be found later in these procedures.

AGENCY ACCOUNTS V. CHECKING ACCOUNTS

MGL Chapter 66 of the Acts of 1996 allows the Board of Trustees to vote to authorize the Treasurer to establish an "interest bearing bank account, hereinafter referred to as the Student Activity Agency Account" for "the purpose of conducting student activities." All monies collected through student activities must be deposited to this account.

MGL Chapter 66 of the Acts of 1996 further allows the Board of Trustees to authorize the Treasurer to establish a "student activity checking account" to be controlled and operated by the school principal. Such an account is only for expenditures in accordance with school policy, and must have a maximum balance specified in the school policy. The funds to establish such a checking account must come from the Agency Account specified above, as must all monies to periodically replenish the checking account (after submittal of appropriate documentation) up to the maximum balance.

The Smith Vocational and Agricultural High School Board of Trustees has approved the establishment of both the agency account and individual checkbook for the high school.

Information on how deposits and expenditures are to be made in each account can be found on the following pages.

RELEVANT LAWS

The following Massachusetts laws pertain to student monies and should be reviewed by the building principals annually:

1. Massachusetts General Law Chapter 66 Acts of 1996 - Student Activity Accounts. (see Appendix B)
2. Massachusetts General Law Chapter 44, Section 53 - Lost Textbook and Electronics Revolving Accounts.
3. Massachusetts General Law Chapter 71, Section 47 - Athletic Revolving Account.
4. Massachusetts General Law Chapter 548, - School Lunch Revolving Account.
5. Massachusetts General Law Chapter 71, Section 71E - Adult Education, Continuing Education, and Summer School Revolving Accounts.
6. Massachusetts General Law Chapter 71, Section 71C - Community school programs revolving account.
7. Massachusetts General Law Chapter 74, Section 14B - Culinary Arts and other vocational technical revolving funds.
8. Massachusetts General Law Chapter 44, Section 53A - Grants and Gifts (covers all scholarships).
9. Massachusetts General Law Chapter 268A - Conflict of Interest.

Copies of these laws or questions on them can be addressed through the School Business Administrator.

II. ORGANIZATIONAL MANAGEMENT

ESTABLISHING A STUDENT ACTIVITY ORGANIZATION

The school may maintain a “general” school activity account for monies raised by the entire student body through building fund-raisers. Specific monies raised by specific groups shall be maintained as separate sub-accounts.

At the high school, all monies shall be credited to the appropriate sub-account for the student organization. In order to maintain a sub-account within the overall school student activity account, the organization for which the account is maintained must be approved by the principal. The following process shall be used for an organization to request approval:

Submit an email with all the required information to the principal or designee. The required information shall include:

1. the suggested name of the organization,
2. the reason for forming such a student organization,
3. criteria for membership in the organization,
4. school and/or grade span for the organization,
5. how adult supervision will be achieved.

BONDING

MGL Chapter 66 of the Acts of 1996 requires that the principal “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.”

The School Business Administrator will periodically review the options for providing this coverage and determine which is best suited to Northampton’s needs. This shall include working with city officials to determine is coverage is provided under any existing city policies. If any additional cost is involved, it can be charged to each school’s individual student activity account (interest earnings). The Superintendent shall make the determination as to whether the school budget can cover the cost or if each school must cover its share of the cost.

AUDITS

There shall be an annual audit of the student activity fund accounts which shall be conducted in accordance with procedures as agreed upon between the Board of Trustees and the auditor based upon guidelines issued by ESE. In addition, ESE recommends the audit be performed by an outside independent audit firm once every three years for those with activities greater than \$25,000. In the intervening years, the audit may be conducted by a responsible individual independent of the student activities, with the approval of the Board of Trustees. Such an individual could be the Business Administrator from Northampton Public Schools, the City Treasurer, or the School Business Administrator if the School Business Administrator is not involved in the administrator or transactional processing of the student activities account.

The audit shall be arranged by the School Business Administrator or the Superintendent, not the principal. The cost of the independent audit will be paid from the interest earned on the Student Activity Account if funds are available there. If not, the cost of the audit will be funded from the Smith Vocational and Agricultural budget.

In addition to the annual audit, there should be on-going internal review by the School Business Administrator or another designee of the Superintendent. This internal review should involve reviewing any monthly reports prepared by the individuals having daily oversight of the accounts, as well as regular review of replenishment requests for the checking account and bills paid directly through the warrant process from the agency account.

TAX EXEMPT STATUS

All Student Activity Account purchases will be under the tax exempt number of the City of Northampton through the City of Northampton Treasurer's office.

Monies not under the control of the school system (ex. PTO, Booster Clubs, staff monies, etc.) are not considered student activity monies and are not eligible to use the tax exempt number, nor may they be maintained in the student activity accounts.

STAFF FUNDS

The Student Activity Accounts authorized by MGL Chapter 66 of the Acts of 1996 are for student monies only.

Any monies belonging to staff (ex. sunshine funds, staff vending machines) can not be maintained in such accounts. Should staff wish to maintain such an account(s), they must establish a bank account in their own name, and can not use the City of Northampton's tax exempt number for such account(s).

GIFTS

Gifts to student organizations may be deposited to the applicable student activity account if the student organization has been recognized as an organization and is authorized to have a subsidiary account. Such gifts shall only be deposited after accepted in accordance with Board of Trustees policies on gifts.

Gifts to other than student organizations are governed by Massachusetts General Law, Chapter 44, Section 53A and Massachusetts General Laws, Chapter 71, Section 37A and shall be processed in accordance with such, including deposit of monetary gifts with the Treasurer of the City of Northampton via the School Business Administrator after acceptance in accordance with Board of Trustees policies.

After acceptance, monetary gifts under Chapter 71, Section 47B shall be deposited to the student activity account and expended for the specific purpose for which it was received.

If no specific purpose was indicated, the monetary gift shall be expended in accordance with the overall intent of the gift.

SCHOLARSHIP FUNDS

All monies donated or collected for scholarship purposes shall be governed by Massachusetts General Law, Chapter 44, Section 53A and/or Massachusetts General Law Chapter 71, Section 37A. This includes the depositing of all such monies with the City Treasurer.

All scholarship monies are under the jurisdiction of the Board of Trustees, in accordance with the guidelines under which the scholarship was established.

III. OPERATING PROCEDURES

ACCOUNTING SYSTEMS, FORMS AND RECORD KEEPING

A critical point to keep in mind with all recordkeeping is that each person involved should protect themselves from charges of wrong doing by keeping detailed records with appropriate backup documents. A clear audit trail shall be left at all times. This would include the following:

1. Pre-numbered tickets should be used with an inventory system for monitoring the use of such;
2. Standardized forms (for deposits, disbursements, etc.) should be used whenever possible;
3. All disbursements must require a bill or some type of receipt;

4. All deposits to the student activity bookkeeper must require a school deposit slip stating source of the monies, total amount being deposited, and signatures of a student representative of that club/class and the advisor;
5. Bank reconciliations and account reconciliations should be done monthly in the School Business Office, so that such is handled separately from the staff in the schools who manage these accounts;
6. On a Quarterly basis, the School Business Administrator shall provide Financial Reports to the Board of Trustees in accordance with the guidelines dictated by the Board of Trustees, School Business Office, City Treasurer and the individual student activity class/club advisors;
7. Sample forms are shown in Appendix A

SUBSIDIARY ACCOUNTS

The 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 accounts should be balanced each month to the control account.

Subsidiary accounts shall be maintained whenever the monies were raised by a particular group of students (a class or club) for their own activities. It is recognized that some monies, may be raised for the entire school and a subsidiary account may not be maintained.

RECEIPTS

The area most susceptible to abuse is the receipt process, since many individuals (often students) collect cash. The Principal shall pay close attention to their building procedures for the handling of all receipts.

1. 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.
2. If money is received on a weekend, it shall be turned in on the first business day to the principal's office. 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.
3. The principal or principal's designee should deposit all monies received from student activity organizations to the bank within a bi-weekly period after receipt by the principal's office or designee but will be secured in the business office safe.
4. Any money not deposited to the bank on the same day it was received shall be kept overnight in a safe or other secure, locked area.
5. 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 (cash and checks listed separately), and signed by a student representative of the club/class and the advisor. (Cash/Check Receipt Slip - Form#1) If the deposit includes checks, a listing of all checks should be prepared as part of the backup for the deposit.
6. The advisor or student officer/treasurer should keep a duplicate of the school deposit slip submitted to the office with the money.

7. All receipts must be deposited by the principal or the principal's designee to the bank designated by the City Treasurer for deposit to the agency account with the City Treasurer. The original bank receipt must be immediately forwarded to the City Treasurer. The principal shall maintain a copy of the bank receipt, and all relevant backup.

No receipts may be made into the checkbook except the initial transfer from the agency account to open the checkbook, a transfer from the agency account to increase the checkbook maximum (with school committee approval), or for replenishment of funds based on the submittal of receipts to the School Business Administrator.

EARNINGS

A. INTEREST EARNINGS

Interest earned on agency accounts and the checking accounts authorized by the Board of Trustees with student activity monies must accrue to the student activity account. A separate record shall be maintained on all interest earnings.

The Smith Vocational and Agricultural High School Board of Trustees policy specifies the use and disposition of all interest earned, which shall be for the benefit of the students participating in activities.

B. COMMISSIONS

Any monies paid to the school or to a student activity organization as commissions belong to the students (ex. school pictures, yearbooks, class rings, candy sales). 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.

C. OTHER EARNINGS

Board of Trustee policy requires that a school submit a plan for the collection and expenditure of any undesignated earnings (such as vending machine receipts) to them for approval.

PURCHASES

1. No purchases will be made without prior approval of the principal.
2. The upfronting of personal monies should be avoided whenever possible. If it is anticipated that upfronting of monies may be necessary, prior approval shall be obtained from the principal.
3. 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.
4. Student advisors, or others involved in purchasing through the student activity account, shall not in any way benefit personally from the purchase.
5. Student activity monies shall not be used for any purpose unrelated to student activities or for the benefit of any staff person.
6. Purchases made with monies in student activity account are exempt from the provisions of MGL Chapter 30B, the Procurement Law. It is recommended, however, that principals follow the provisions of this law to the maximum extent possible to insure the most efficient use of these monies. It is recognized, however, that students (particularly at the secondary level) will make many purchasing decisions, and

- selection of the low bidder may not be reasonable. Students should be taught how to compare costs as part of their experience.
7. Student activity monies shall not be used to pay any school department employee for services. Payments for reimbursements of expenses (with receipts) are allowed, but no payment for time or services shall be made.
 8. Disbursements exceeding \$600 in aggregate to any one individual or entity must be reviewed to determine if a Form 1099-MISC is required. The disbursement process should be coordinated with the School Business Administrator to ensure compliance.
 9. Giftcards cannot be purchased with Student Activity Funds per City of Northampton guidelines.
 10. The standardized form shall be accompanied by supporting documentation and must state to whom the check shall be payable, the reason for payment, the amount of the check, the student activity account to be charged, and the approval signature of the advisor or student officer and Principal or Principal designee.
 11. A standardized form shall accompany all request for check issuance.

EXPENDITURES/DISBURSEMENTS/CHECKS

1. All expenditures/disbursements from student activity accounts shall be made by check.
2. No check shall be made payable to cash.
3. Checks shall be signed only after they are completely prepared.
4. Check signature authority shall be in accordance with Board of Trustee policy.
5. No checks shall be issued without bills or receipts to document the disbursement. Vendor statements alone (i.e., without any supporting documents) should not be used for the issuance of checks. With the exception of circumstances approved by the principal.
6. A record of all checks issued will be maintained.
7. All checks shall be accounted for, including voided checks (which shall be mutilated to avoid re-use but not destroyed).
8. Checkbook reconciliations to bank statements and account reconciliations should be done monthly. To comply with auditing recommendations, this task will be completed by School Business Office staff. .
9. A request for check should accompany all requests for check issuance. (Request for check - Form#2) This form shall accompany the invoice and/or receipt and/or all supporting documents and must state to whom the check shall be payable, the reason for the payment, the amount of the check, the account to be charged, and the approval signature of the student officer/treasurer and/or advisor.
10. Forms are shown in Appendix A.
11. Reimbursement for a purchase must be preapproved. Request a purchase order prior to making purchase.
12. Submitting a receipt for reimbursement, the receipt must be detailed. A summary receipt is not acceptable.
13. Gratuity – follow City of Northampton allowable amount.

DEFICITS

Individual activity accounts should not be permitted to be in a deficit position because such a position becomes a liability to other individual activities or possibly to future classes.

Deficit balances shall be funded through the use of the following remedial actions:

- *solution to bring account positive within 30 days with approval of principal and business administrator.
- *transfer from accumulated investment earnings, through approval of principal
- *transfer from surpluses of inactive accounts, through approval of principal.
- *gift from an activity with a surplus balance through approval of the principal.

RAFFLES

Raffles cannot be held by student activity groups or clubs because it is considered a form of gambling and is prohibited around minors.

REPLENISHMENT OF CHECKBOOK MONIES

The checkbook has a maximum balance approved in the Board of Trustees policy. This maximum balance became the beginning balance in the checkbook. As checks are issued, the balance in the checkbook will decrease. Periodically the principal or designee should submit documentation to the School Business Administrator to account for the expenditures, along with a request to have monies equal to the total expended in the checkbook transferred (via the warrant process) from the student activity agency account to the student activity checkbook. It is recommended that such replenishment be done on a monthly basis.

Such request shall include a bill requesting replenishment of the account accompanied by a copy of backup documents (originals shall be kept on file by the school.) that support the request for funds.

FUND-RAISERS

1. Fund-raising projects should be held in accordance with Board of Trustees policy.
2. Fund-raising projects must publicly state what the intended use of the funds are being raised for at the time of the fundraising. (Ex. Support of student needs, scholarship, known purchases and/or charitable donations to other organizations.)
3. All monies received through fund-raisers shall be deposited in accordance with the preceding section on "Receipts".
4. Expenditures related to fund-raisers must be handled in accordance with the guidelines and policies for all other student activity account expenditures.
5. Upon completion of fundraiser, advisor(s) will submit the gross profit, expenses and net profit. The advisor will fill out the SVAHS Student Activity Account Event Financial Report to the Principal and Business Manager.

INACTIVE ACCOUNTS

Any student activity organization inactive for a period of three (3) years or more, and for which there has been no receipts or disbursements recorded on their behalf, shall require the following to be closed:

1. 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 recommendation of the principal.

2. All assets of the recognized student activity organization shall be determined and stated in writing.
3. Any disposition of assets of an inactive recognized student activity organization shall be determined by the Board of Trustees, but in no case shall the disposition benefit specific individuals. (The primary goal in disposition should be to benefit the student body.) The principal's request to dispose of any assets can include a recommendation on how to handle such, including recommendations on other clubs for the transfer of cash balances.

CLASS ACCOUNTS AT GRADUATION

As it is ESE's opinion, once a student graduates, they are no longer students, therefore any remaining monies cannot be legally maintained in student activity accounts. Class accounts are established to benefit students currently enrolled in the school system. Class accounts shall remain open for ninety days after graduation to ensure that all outstanding bills can be paid. Upon completion of the ninety days, the monies, if not withdrawn by the students, shall be transferred into the "Michelle M fund" of in accordance with Smith Vocational and Agricultural High School Board of Trustees policy.

Proposed policy changes and amendments – 1st read – May 21, 2019 – BoT Meeting

Approved: by the Smith Vocational and Agricultural High School Board of Trustees – June 9, 2019

Amended and Approved: by the Smith Vocational and Agricultural High School Board of Trustees – July 11, 2019

Adoption date: July 1, 2019