

SOUTHERN LOCAL SCHOOL DISTRICT



ATHLETIC AND STUDENTS ACTIVITY FUNDRAISING HANDBOOK

Adopted 2008

POLICIES AND PROCEDURES FOR STUDENT ACTIVITY FUNDS

GENERAL

References made to “Student Activity” also include the Athletic Department and all Funds 300, unless specified otherwise.

This handbook has been adopted as Board of Education policy and is intended to be a guide to follow for implementing Student Activity and Athletic Department events. The contents are not considered to be the complete, detailed procedures, but rather a source for seeking direction when a project or activity is being planned. The treasurer should be consulted when new activities are forthcoming. The treasurer has the authority to add or to delete procedures at any time.

The raising and expending of activity money by student groups should have but one purpose: to promote the general welfare, education, and morale of all the students and to finance the normal, legitimate co-curricular activities of the student organizations.

The successful operation of any co-curricular program is dependent upon the formulation of a sound policy and effective guidelines. These elements give the program a sound base that will enable it to expand and flourish while keeping it within those parameters that are part of a good educational system. All student activity programs must function within the framework of the educational and organizational policies of the Board of Education and the State of Ohio.

In view of the large amounts of money received from and expended for student activities, the demand has developed for efficient, thorough, and safe management of these funds. The Auditor of State has provided Board of Education Guidelines for establishing required procedures for management and requires school districts to be fiscally accountable and to enforce the policies.

ADMINISTRATION

State Department of Education

All student activity programs are adopted by the State Department of Education as authorized by Section 3315.062, Ohio Revised Code.

Board of Education

The local Board of Education is required to adopt the policies and procedures to govern the operation and management of the funds.

Treasurer

In every school district, the Treasurer shall be the Treasurer of the school funds (Ohio Revised Code, Section 3315.51).

The Treasurer may delegate an employee to receive custody of student activity funds. Initially, such money must be deposited with the Treasurer or properly designated depository of the school district within twenty-four (24) hours (Ohio Revised Code, Section 9.38: OAG No. 80-060).

All Board of Education employees designated to collect moneys should have a surety bond in an amount commensurate with the responsibility of the position.

Superintendent

The Superintendent is responsible for administering all board policies, except those required of the Treasurer (Ohio Revised Code, Section 3319.01).

Principal

The principal or the authorized administrator shall be responsible for the approval of requisitions for the expenditure of funds, and any other duties as assigned by the Superintendent of the school district.

Advisors/Sponsors

The duties and responsibilities of the advisor/sponsor shall consist of, but not limited to, the following:

1. Preparing annual budget and purpose statement forms for the organization
2. Supervising the activities of the organization, including preparation of sales project potential/summary of sale forms, proofs of cash, and other appropriate documentation.
3. Performing any other duties as assigned by the proper administrative authority

CREATION OF PHILOSOPHY & BUDGET AND PURPOSE STATEMENT

By state law, the treasurer has the authority over all financial transactions of the school district. This means that any transactions involving money in any amount, small or large, must be under the direction of that school district administrator.

If any organization has at any time any exchange of money for any purpose, an official student activity organization fund must be established. The organization must write a philosophy and budget, submit it to the Board of Education for approval or revision, and have a fund established through the school district's general accounting system. The CREATION OF PHILOSOPHY FORM and the BUDGET AND PURPOSE STATEMENT FORM is included in this policy manual.

The philosophy should encompass that reason for the organization's existence, aspirations, future goals, and the means through which the goals and aspirations may be achieved.

CHANGING THE PHILOSOPHY

Any time the organization wishes to revise the philosophy to allow for other activities, different or additional expenditures, or any other change, a revised philosophy may be submitted for the Board of Education's consideration. Organizations are reminded that the Board of Education has the final authority for approving or disapproving the change.

Philosophy revisions, as well as creation philosophies, must be personally signed by the appropriate officers, advisor/sponsor, and principal. The REVISION OF PHILOSOPHY FORM is included in this policy manual.

BUDGET AND PURPOSE STATEMENTS

By May 15, of each year, the organization is required to submit an anticipated budget of receipts and expenditures for the coming year's activities. All of the organization's projects are to be anticipated and make a part of their budget.

The organization must establish how the revenue of the group is going to be raised and how the group is going to expend these funds to accomplish their goals and aspirations while the organization is in existence. The budget, as submitted by the organization, will be approved or revised by the Board of Education as part of the BUDGET AND PURPOSE STATEMENT FORM. Before approving these budgets, however, the Board will determine whether the proposed expenditures will serve a public purpose.

The organization's carry-over balance is limited to \$5,000.00. In other words, the organization may not have more than \$5,000.00 in their funds as of June 30 of each year.

The BUDGET AND PURPOSE STATEMENT FORM is included in this policy manual.

FUND RAISING PROCEDURES AND PROJECT APPROVALS

The most common source of revenue for student activity programs is a fund raising activity, but whatever the source of revenue, it must have been made a part of the budget for the current year.

Fund raising is limited as follow:

- a. Each sport may have up to 5 fundraisers
 - 1) At the Jr. High level-consisting of 1 service project and 1 sales project
 - 2) At the High School level-consisting of 2 service projects and 1 sales project

- b. Each student activity may have up to 3 fundraisers
 - 1) Sales project
 - 2) Service projects

Sales projects are to last no longer than six days. Sales projects conducted for more than six days are subject to sales tax.

When the organization decides to sponsor any activity, which involves receipt of money, a SALES PROJECT POTENTIAL FORM describing the activity of project must be submitted to the principal and superintendent for approval. If approved, the form is forwarded to the Treasurer's office for acknowledgment. This must be done well in advance of the activity. The Treasurer's office must have knowledge of the activity to plan and to expect from the organization the applicable deposits and proofs of cash. Sample forms are enclosed in this policy booklet.

If the fund raising activity is selling merchandise, the dollar amount of merchandise which can be ordered will be limited to \$2,000.00. If the total is more than \$2,000.00, it must be pre-approved by the Board at a board meeting.

The group's budget may need to be revised due to the sales event. This situation can occur when the group decides to have a sales event not previously included in the budget or when actual revenues are not meeting or are exceeding expected levels. Organizations are not permitted to initiate projects, which have not been included in their budget for the current year.

DOCUMENTING A FUND RAISER OR PROJECT

Inventories are to be kept of property owned by the organization and of merchandise and other materials owned. At all times the items purchased, items sold, and the inventory on hand must be in balance and subject to audit.

INVENTORIES

Inventories are to be kept of property owned by the organization and of merchandise and other materials owned. At all times the items purchased, items sold, and the inventory on hand must be in balance and subject to audit.

By May 15 of each year, the organization will submit to the Treasurer's office a complete inventory of property and materials on hand. Any deviation, which would cause an imbalance, is to be noted. For example, if left-over sales items are donated to another organization, this must be noted on the inventory. Any other changes in inventory are to be documented, so they can pass an audit inspection. An INVENTORY FORM is included in this policy manual.

PURCHASING PROCEDURES

Standard purchase order procedures will be followed for all activities related to Fund 200 and Fund 300. These procedures include that use of requisitions, purchase orders, certification by the Treasurer as to the availability of funds, proper authorization procedures, and utilization of the encumbrance system of accounting. Installment and lease purchases are prohibited.

Although no statutory guidelines have been written, it must be remembered that the student activity funds in question here are public funds, having been received by public officials under color of law. See Ohio Revised Code 117.10. Thus, the limitation that public funds may only be spent for a public purpose must be observed. It has been consistent policy of the auditor of State that finds for recovery shall be issued for any expenditure, which fail to serve a public purpose.

Money derived from the student body as a whole should be expended so as to benefit the student body as a whole, and not benefit a special group.

Student activity funds should not be used for any purpose which represents an accommodation, loan, or credit to board of education, employees, or other persons. Post dated checks should not be accepted and checks should not be cashed for anyone. Board of Education employees or others should not make purchases through a student body in order to take personal advantage of student body purchasing privileges.

No student organization will be obligated for purchases made by students, faculty, and others unless authorized by school officials.

PAYMENTS

All payments for materials and services and any other monetary obligation of the organizations must be by check from the Treasurer's office. NOTHING is ever to be paid in cash.

NO payments will be made before the merchandise is received or the service is rendered. An official invoice, signed by the advisor/sponsor, is to be submitted to the Treasurer's office for payment when the bill is due and payable. Documentation must be attached or be a part of the invoice which itemizes the articles and assures receipt by an authorized individual.

Payment for meeting registrations, affiliation dues, subscriptions, and similar services can be paid in advance, for the Auditor of State recognizes these types of services as being traditionally paid in advance.

INTERNAL CONTROL

Establishing and maintaining an internal control structure is an important management responsibility. Internal control structure policies and procedures are for the purpose of recording, processing, summarizing, and reporting financial data that is consistent with the Auditor of State's audit requirements and to safeguard the public funds. The following procedures will, therefore, apply to all Fund 200 and Fund 300 operations.

RECEIPTS

All receipts collected must be turned over to the appropriate school official for deposit. Cash payment SHALL NOT be made from these proceeds.

All monies received by a student activity organization will be deposited daily. Each day's collection will require a proof of cash and a bank deposit receipt. Examples of "proof of cash" are:

1. A sheet which individuals sign as money is presented for collection, indicating the amount and the date. Each bank deposit receipt would be attached to the sheet, which verifies the exact amount of that deposit.
2. Pre-numbered tickets, which are sold and recorded on a ticket-seller's report, indicating the number sold, starting and stopping ticket numbers, etc. The bank deposit receipt would be attached to the report to verify the exact amount of that deposit.

All money collected from any source must be substantiated by pre-numbered student activity groups, cash registers supplying cumulative readings, pre-numbered tickets, and other auditable, checkable records. In all cases where tickets are used, ticket reports and unsold tickets must be available for audit. A well-documented audit trail is crucial.

Examples of fundraisers for which tickets are needed would be dances, concerts, and car washes. Some projects which are more difficult to document are bazaars, bake sales, tag day donations, and/or other services for which a specific price is not established. Suggested guidelines for controlling these activities are enclosed in this policy manual.

PURCHASES

Documentation for purchases, sales, and left-over inventories has already been outlined on pages 6 and 7. These records are a part of the internal controls and are to be retained for audit.

GENERAL

Internal controls requirements can be part of the total learning experience for students. Throughout the whole process, from planning through the reporting phase, are good teaching and learning experiences from which students can real life-long rewards. The secondary purpose of internal controls, therefore, becomes the safeguarding and controlling of public funds.

RECORD RETENTION

All records are to be kept by the organization until released for disposal by the school district treasurer. Records should be maintained in a manner that is presentable and auditable. Information about unusual circumstances occurring during sales, such as a loss of merchandise or disposition of unsold merchandise, should be well documented and must be kept up to date.

FORMS

Sample forms to be used in common with Student Activity Funds are a part of this policy manual. These forms may be revised, deleted, or supplemental from time to time as approved by the Treasurer's office.

AUDITING

The Auditor of State's regulations prescribe that each activity fund established under Ohio revised Code Section 3315.062 will be audited at the same time the audit of the records and accounts of the school district is made, or at such other time as needed or requested by the Board of Education. The audit will include an assessment of whether legal requirements, including those requirements imposed by the local Board of Education, are being followed. (Source, AUD-0019)

In addition to this state audit, the Auditor of State expects the local district staff to perform internal audits. Internal audits may be conducted in order to verify compliance with board policies, receipts, expenditure, cash on hand, and petty cash, and to balance all

ledgers and journals with the depository. Organizations should expect internal audits to be performed at any time.

CONTINUING THE ORGANIZATION

PLEASE READ THIS PARAGRAPH CAREFULLY. IF YOU DO NOT FOLLOW INSTRUCTIONS, YOUR ORGANIZATION'S FUNDS COULD BE LOST.

If an organization submits a budget by May 15, the Treasurer assumes that the organization will function for the following year. If a budget is not submitted by May 15, the Treasurer will assume that the organization's activity ceases at the end of the school year and that the remaining cash balance in the related fund can be transferred to the credit of the beneficiary named in the organization's philosophy.

FUNDS 018

The Auditor of State requires the same purchasing procedures and documentation for audit for 018 Funds as it does for the 200 and 300n Funds. Sales project potential forms, inventory, proof of cash, and other similar accountability paperwork must be maintained and kept up to date for the 018 Funds.

BAZAAR AND BAKE SALE PROCEDURES

The following guidelines are suggested procedures for internal controls of the money collected from bake sales or similar events. Although these guidelines do not have to be followed in this specific manner, either these or other similar guidelines, which have been approved by the Treasurer, are to be followed to protect and safeguard the assets:

1. Complete the top half of the SALES PROJECT POTENTIAL FORM.
2. After approval is received, make a list of the items which are available to be sold. Prepare the list just before the sale begins or as items are received at the tables.
3. At least three people should be at the selling tables where the cash is being handled.
4. If the sale lasts only a couple of hours, at the end of the sale, the cash is to be counted immediately (not held over to be counted later) in the presence of at least two other people. The amount of the collection is to be recorded on a sheet which will be signed by the counter and two other people
5. If the sale lasts for a whole day, collections are to be taken to a working area at least once every two hours and counted immediately in the presence of at least two other people. The amount of the collection is to be recorded on a cumulative collection sheet, which has space for the collector and two observers to sign approval of the entry. At least two cashiers must be assigned to hold the collections in safety until the end of the day's project.

6. The cashiers will prepare the money for deposit prior to completion of their duties for the day and will place the money in bank deposit, with the sponsor or in whatever place the sponsor designates.
7. The money is to be deposited in the bank on the same day as collected if the bank is open. If the bank is not open, the money must be deposited through the night drop at the bank.
8. A deposit slip and a copy of the collection sheet are to be sent to the Treasurer's office.
9. Complete the bottom half of the SALES PROJECT POTENTIAL FORM.

PROCEDURES FOR ADMISSION TO DANCES, CONCERTS, ETC.

1. Complete the top half of the SALES PROJECT POTENTIAL FORM.
2. When the proper request for the event's approval is completed by the sponsor, approved by the Principal, and acknowledged by the Treasurer, pre-numbered tickets will be made available to the organization.
3. Pre-numbered tickets will be sold in numerical order after the starting ticket number is recorded on the TICKET TALLY FORM. At the end of the sale, the TICKET TALLY FORM should be in balance with the deposit while applies to that event. If the ticket tally form does not agree with the deposit, an explanation should be documented on the form.
4. Deposits are to be made daily.
5. Complete the bottom half of the SALES PROJECT POTENTIAL FORM.

PROCEDURES FOR A TAG DAY OR A SIMILAR PROJECT

The following guidelines are suggested procedures for internal controls of the money collected on a tag day or for another type of donation collection. Although these guidelines do not have to be followed in this specific manner, either these or other similar guidelines, which have been approved by the Treasurer are to be followed.

1. Complete the top half of the SALES PROJECT POTENTIAL FORM.
2. At least two people must tag together, preferably at least three.
3. Collections are to be taken to a collection desk at the school at least once every two hours, and counted immediately in the presence of at least two other people.
4. The amount of the collection is to be recorded on a cumulative collection sheet, which has space for the collector and two observers to sign approval of the entry.
5. Two cashiers must be assigned to hold the collections in safety until the end of the day's project. The cashiers will prepare the money for deposit prior to completion of their duties for the day and will place the money in bank deposit, with the advisor/sponsor, or in whatever place the advisor/sponsor designates.

6. The money is to be deposited in the bank on the same day as collected, if the bank is open. If the bank is not open, the money must be deposited through the night-drop at the bank.
7. Deposit slip and copy of the cumulative collection sheet are to be sent to the treasurer's office.
8. Complete the bottom half of the SALES PROJECT POTENTIAL FORM.

PROCEDURES FOR SELLING ITEMS OF MERCHANDISE

1. Complete the top half of the SALES PROJECT POTENTIAL FORM.
2. Items to be sold are listed on the sales project potential form and the project is approved and forwarded to the Treasurer.
3. Purchase order is prepared and sent to the company.
4. Items are received and checked by the person designated by the advisor/sponsor, and the items become a part of the organization's inventory.
5. Items are distributed for sale to individuals and records are maintained to show where the merchandise is at all times.
6. As students turn in money from sales, a RECEIPT RECORD FORM is prepared for each day's collection. Student signs and enters amount of money turned in, giving the purpose of the collection, such as "4 candles and 6 calendars."
7. At the end of each day, money is taken to the office for deposit. A receipt on a pre-numbered form is written by the cashier and that receipt is attached to that day's RECEIPT RECORD FORM. This becomes the proof of cash for audit.
8. When the sale is complete, the advisor/sponsor prepares or designates a person to prepare the SUMMARY OF SALE FORM which provides the information about the success or failure of the project.
9. Inventory records are updated to show the number of each item sold and the remaining inventory. Inventory at all times will be in balance with items purchased and items sold. If any variance is evident, the reason must be noted on the inventory.
10. Complete the bottom half of the SALES PROJECT POTENTIAL FORM.

