

### **School Activity Funds**

School activity funds may be expended for purposes which contribute generally to the benefit of the students, provided expenditures are consistent with requirements set out in the Accounting Procedures for Kentucky School Activity Funds. Based on a schedule developed by the Superintendent, the Board shall review the status of school activity funds annually.

#### **UNIFORM ACCOUNTING**

All personnel shall comply with the uniform financial accounting system<sup>1</sup> and activity fund accounting procedures set out in Kentucky Administrative Regulation.<sup>2</sup>

#### **TWO SIGNATURES REQUIRED**

The Principal, or school councils in SBDM schools, shall be responsible for the manner in which accounts are kept and preserved. Two (2) signatures shall be required on each check drawn against school activity funds, neither of which may be a signature stamp. The two (2) signatures shall be the manual signatures of the Principal/designee and the school treasurer.

#### **RECEIPTS AND ADMISSION CHARGES**

Gate receipts and admission charges for school-sponsored events shall be deposited in school activity accounts. Such funds shall be used to defray related expenses or other approved school expenditures.

#### **PURCHASE ORDERS**

Activity funds may only be expended as authorized in the Accounting Procedures for Kentucky School Activity Funds. Activity fund purchases must be supported by a properly executed purchase request and authorization for payment by the Principal.

Because no school activity fund is permitted to end the fiscal year with a deficit balance, the school shall not expend or commit to expend any activity fund in excess of revenue received for the fiscal year. Should this occur, the employee(s) responsible shall be subject to appropriate disciplinary action, and the Superintendent may require the school/council to present for Board approval a plan for reimbursement of any deficit amount.

#### **FINANCIAL REPORTS**

Each month the Principal shall provide the Chief Financial Officer with a financial report for activity fund accounts. On or before July 25, following the end of the fiscal year, the Principal shall submit to the Chief Financial Officer an annual financial report for those accounts.

#### **DEFINITION OF SCHOOL ACTIVITY FUNDS**

School activity funds refer to all school funds including funds derived from fund-raising activities sponsored under the auspices of the school. Funds raised or received by organizations that do not come under the direct supervision of school authorities shall not be considered activity funds.

**School Activity Funds****AUDIT OF FUNDS**

All school activity funds shall be audited annually by a certified public accountant. All audit reports shall be reviewed and appropriate action taken as required by Kentucky Administrative Regulation.<sup>1</sup>

**SUPPORT/BOOSTER ~~ORGANIZATIONS CLUBS ORGANIZATIONS USING EXTERNAL ACCOUNTS~~**

External support/booster organizations shall obtain prior Board approval to establish and lend support, seek assistance, and/or raise funds in the name of the District or school or students or a District or school program.

Although they may be general members, Board members and District employees shall not serve as the treasurer or any other officer with check-signing authority on a bank account for an external support/booster organization.

Proof of general liability insurance for external support/booster organizations must be submitted to the Principal prior to commencing any fund-raising activities.

Parent-teacher associations and support/booster organization-club funds are not subject to deposit and accounting procedures as school activity funds.<sup>3</sup> ~~The superintendent shall develop procedures for Support/Booster Club Organizations in compliance with the Accounting Procedures for Kentucky School Activity Funds~~ As required by State activity fund accounting procedures, each year, all support/booster organizations ~~clubs~~ shall provide the Principal with the following:-

1. Within the first thirty (30) days of the school year or within thirty (30) days of the first transaction for the group:
  - a. Names of club officers;
  - b. Federal ~~tax exempt~~ Employer Identification number (FEIN); and
  - c. A copy of the annual budget.
2. An annual financial report by July 15 for the year ending June 30 reporting receipts, expenditures, and beginning and ending balances<sup>1</sup>; and
3. All other information required by the Accounting Procedures for Kentucky School Activity Funds.

All support/booster organizations ~~clubs~~ recognized by and/or affiliated with the District shall comply with the following:

1. Adhere to applicable state and federal laws, including taxable income reporting requirements, when conducting fund-raising activities to benefit the school or District; and
2. Conduct fund-raising activities to benefit the entire group and not permit credit to be earned through fund-raising for an individual student in lieu of participation fees or related activity costs.

Each year, the Superintendent shall report to the Board when all support/booster organizations have been informed of the requirements from the Accounting Procedures for Kentucky School Activity Funds.

All fund-raising activities conducted by school-sponsored groups shall be for the benefit of the entire school or group.

**REFERENCES:**

<sup>1</sup>[702 KAR 003:130](#); [Accounting Procedures for Kentucky School Activity Funds](#)

<sup>2</sup>[702 KAR 003:120](#)

<sup>3</sup>[OAG 79-556](#)

<sup>4</sup>[KRS 158.290](#)

[KRS 139.497](#); [KRS 156.070](#); [KRS 160.290](#); [KRS 160.340](#)

**RELATED POLICY:**

09.33

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