

School Activity Funds

School activity funds may be expended only for purposes which contribute generally to the benefit of the students and all activity funds shall be administered in accordance with state regulations. Based on a schedule developed by the Superintendent, the Board shall review the status of school activity funds at least twice each fiscal year.

UNIFORM ACCOUNTING

All personnel shall comply with the uniform financial accounting system¹ and activity fund accounting procedures set out in Kentucky Administrative Regulation.²

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.

ELECTRONIC PAYMENTS AND RECEIPTS

The Board has authorized the District to accept electronic payments and receipts in accordance with Accounting Procedures for Kentucky School Activity Funds and applicable laws and regulations.

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 or the Principal's designee.

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 of any deficit amount.

FINANCIAL REPORTS

Each month the Principal shall provide the District Finance 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 District Finance 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.

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.¹

School Activity Funds**SUPPORT/BOOSTER CLUBS**

Parent-teacher associations and booster club funds are not subject to deposit and accounting procedures as school activity funds,³ but any action taken by a PTA or booster group shall be approved in advance by the Principal. Each year the Principal shall be provided the following from all support/booster club organizations as required by the state activity fund accounting procedures:

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 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;¹ and
3. All other information required by Accounting Procedures for Kentucky School Activity Funds.

All booster groups wishing to be recognized by and/or affiliated with the District shall comply with the following:

- Adhere to applicable state and federal laws, including taxable income reporting requirements, when conducting fund-raising activities to benefit the school or District; and
- 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 booster organizations have been informed of requirements from the Accounting Procedures for Kentucky School Activity Funds that apply to them.

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 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. Employees may serve as a member of the executive board of an organization.

FUND-RAISING PROJECTS

All school-wide fund-raising projects conducted by the schools must have prior Board approval.⁴ All fund-raising projects conducted by school-related groups that use school facilities and/or employ students shall have prior approval of the Principal or a designee.

No school group shall conduct more than two (2) fund-raising projects per year. No duplication of projects for sale shall be allowed.

School Activity Funds**FUND-RAISING PROJECTS (CONTINUED)**

No sale shall be authorized or may originate from the school unless sales are properly recorded in the accounting system and the school group receives a fair percentage of sales for its work.

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

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

REFERENCES:

¹702 KAR 3:130; Accounting Procedures for Kentucky School Activity Funds

²702 KAR 3:120

³OAG 79-556

⁴KRS 158.290

KRS 139.497; KRS 156.070; KRS 160.290; KRS 160.340

RELATED POLICY:

09.33