

# MONTCLAIR PUBLIC SCHOOLS



## STUDENT ACTIVITY ACCOUNTS MANUAL

Superintendent of Schools

**Jonathan C. Ponds, Ed.D.**

Business Administrator/Board Secretary

**Nicholas Cipriano**

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# MONTCLAIR PUBLIC SCHOOLS STUDENT ACTIVITY ACCOUNTS MANUAL

## Table of Contents

<u>Topic</u>	<u>Page No.</u>
Guidelines	1
Co-Curricular Activities	1
Extracurricular Activities	1
Non-Allowed Activities	2
Banking	2
Book Fines and Copy Charges	2
Fund Raising	2
Donations	2
Collection of Funds	3
Receipt of Funds	3
Deposit of Money – 24 Hours – 48 Hours	3
Cash Receipts Journal	4
Request for Check/Payment	4
Supporting Documentation	4
Authorized Expenditures	4
Inappropriate Expenditures	5-6
Classification of Expenditures	6
Check Issuance and Processing	6-7
Cash Disbursement Ledger	7
Taxes	7
Purchasing	7
Monetary Prizes to Students	8
Reconciliation of Accounts	8
Records to be Submitted to the Business Office (Upon Request)	8
Segregation of Duties	8
Internal Procedures	9
Record Keeping & Disposal of Records	9
Public Information: Right to Inspect	9
1099 Forms Over \$600.00	9
Exhibit A – Student Activity Deposit Form	10-11
Exhibit B – Student Activity Request for Check/Payment Form	12

# STUDENT ACTIVITY ACCOUNTS

## “FOR THE STUDENTS, BY THE STUDENTS”

Student activity accounts are for co-curricular and extracurricular activities where funds are raised BY students and FOR students that are currently enrolled. *Only expenditures relating to student activities may be made from student activity accounts.* Student activity funds may not be used for general district operations. With this in mind the Montclair Board of Education has issued the following guidelines to properly manage all student activity accounts.

### Guidelines

The Board of Education by resolution has authorized those student activity programs it wishes to be operational and who shall be the authorized signers of the checking accounts. The Superintendent of Schools may suspend any student activity account that he/she deems to be non-compliant with this policy or when there is a reasonable expectation of an audit recommendation or finding. The Board reserves the right to terminate any or all accounts with just cause and take appropriate action against the principal of the school, if necessary. ***The principal of each school has the ultimate responsibility for the collection, record keeping, and disbursement of all student activity funds.*** The Superintendent may issue sanctions against principals.

### Co-Curricular Activities

Co-Curricular activities means school sponsored and directed activities designed to provide opportunities for students to participate, on an individual or group basis, in school and public events for the improvement of skills. Co-curricular activities are not offered for school credit, cannot be counted toward graduation and have one or more the following characteristics:

1. They are conducted at regular and uniform times during school hours, or at times established by school administration;
2. Although not offered for credit, they are directed or supervised by instructional staff in a learning environment similar to that found in courses offered for credit;
3. They are partially funded by public funds for general instructional purposed under direction and control of the Board.

### Extracurricular Activities

Extracurricular activities means all direct and personal services provided for students for the students' enjoyment that are managed and operated under the guidance of an adult or staff member. Extracurricular activities have all of the following characteristics:

1. They are not offered for school credit nor required for graduation;
2. They are generally conducted outside of school hours, or if partly during school hours, at times agreed by the participants, and approved by school authorities;
3. The content of the activities is determined primarily by the pupil participants under the guidance of a staff member or other adult.
4. The activities must be self-sustaining with all expenses met by dues, admissions, fess or other student fundraising events.

## Non-Allowed Activities

Certain groups are never to be included in the student activity accounts. These groups **CANNOT** use the district's tax identification number and tax exempt status.

Examples of such groups include, but are not limited to, the following:

- Booster clubs
- Parent Teacher Organizations (PTOs) or Parent Teacher Associations (PTAs)
- Staff Related Accounts (Sunshine Clubs/Accounts)
- School Foundations
- Scholarship Funds

The Business Office may provide guidance to these groups regarding the processing of transactions between the district and these groups.

## Banking

All checking accounts must be maintained at a Board approved depository with a branch location within the Township of Montclair.

The Business Administrator shall prepare a resolution for Board of Education approval at the annual reorganization meeting or as staffing changes.

Once the resolution has been approved by the Board, the Business Administrator will then contact the depository to open the checking account or change the signatories.

All checking accounts must have a minimum of two (2) signatories on all checks with one (1) of those signatories being the school principal or assistant principal and one (1) being a school secretary or assistant principal.

## Book Fines and Copy Charges

All money collected by schools for book fines or lost books and copy charges shall be tabulated and sent to the Business Office for deposit in the Board of Education General Fund. **Book fines and copy charges are not to be deposited in student activity accounts.**

## Fund Raising

Projects for the raising of student activity money shall in general contribute to the educational experience of students and shall add to, not conflict with, the instructional program. Fundraising is not allowed for the direct benefit of an individual(s) or a family(ies).

Fundraising projects encompass a wide range of activity from the sale of food items, to the sponsorship of dances and entertainment, to out-of-school sales of advertisement, gift items, candy, fruit, raffles, magazines, programs, and car washes.

## Donations

Student activity accounts may accept donations but must notify the Business Office of the acceptance of the donations so that the Board can formally approve the acceptance of the donation.

### **Collection of Funds**

All principals should ensure that all money collected from any source should be substantiated by pre-numbered tickets or other auditable checkable records. Receipts should be given whenever practical and monies must be turned in to the principal or designated person at least once every twenty-four (24) hours, but in no instance later than forty-eight (48) hours.

All teachers, advisors, or staff members collecting money on behalf of the student activity program must turn in the money to the principal or designated person at least once every twenty-four (24) hours, but in no instance later than forty-eight (48) hours.

Money collected by teachers, advisors, or staff members shall be kept in locked and secure places until it is turned in to the principal or designated person.

### **Receipt of Funds**

The principal and/or the designated person in charge of the student activity account shall receive money from teachers, advisors, or staff members and a record of the transfer of funds must be recorded on the *Student Activity Deposit Form* (Exhibit A).

All money is to be kept in a locked cash box or safe in a secure room. Money received is to be properly secured at all times.

The principal and/or the designated person shall provide a written pre-numbered receipt to the teacher, advisor, or staff member who turns in the money. The receipt should be signed by both parties in original signatures when the transaction has been completed and verified. No rubber stamp signatures permitted. A receipt journal shall be prepared and maintained.

### **Deposit of Money -- 24 Hours – 48 Hours**

Bank deposits are to be made in a timely fashion. It is recommended that deposits be made within twenty-four (24) hours of receipt of monies. It is required that deposits be made no later than forty-eight (48) hours of receipt of monies.

All money is to be kept in a locked cash box or safe in a locked secure room.

All checks should be made payable to \_\_\_\_\_ (school) \_\_\_\_\_ Student Activity Account or the name on the Bank Statement. Copies of checks should be made before the deposit is made and attached to the *Student Activity Deposit Form*.

All checks or money orders received shall be endorsed "For Deposit Only" immediately upon receipt. A record of deposits shall be prepared and maintained.

## **Cash Receipts Journal**

A cash receipts journal shall be maintained and be current with all entries. At a minimum the journal shall include:

- Date of Receipt
- Date of Deposit
- Advisor/Teacher
- Activity/Club
- Description of Fundraising Activity
- Amount
- Running Balance

## **Request for Check/Payment**

All requests for disbursements shall be made through a *Request for Check/Payment Form* (Exhibit B) highlighting the following:

- Person Making the Request;
- Payee -- Name and Address;
- Purpose/Reason for Expenditure -- Full explanation required;
- Name of Club/Activity
- Date of Request;
- Amount of Request; and
- Written verification that goods were received if that be the case.

The *Request for Check/Payment Form* shall be signed by the person requesting the payment and the staff member in charge of the school activity account. All signatures are to be original signatures. No rubber stamp signatures are permitted.

## **Supporting Documentation**

All *Request for Check/Payment Forms* must have a written form of supporting documentation that explains the need for payment attached. The documentation may be but not limited to a receipt, bill or invoice.

Principals are not to sign any checks without adequate supporting documentation attached to the *Request for Check/Payment Form*. All receipts, bills, invoices must be verified for mathematical and proper pricing accuracy.

## **Authorized Expenditures**

Only expenditures directly relating to student activities may be made from student activity funds. Appropriate expenditures for student activity accounts include, but are not limited to the following:

- Admission Fees
- Donations (see exceptions in inappropriate expenditures section below)
- Entertainment
- Food
- Lodging
- Supplies and materials
- Clothing for students participating in the student activity
- Transportation
- Travel Expenditures

## Inappropriate Expenditures

### 1. Paying Employees

Paying any employee for services rendered using Student Activity Checks is prohibited. All employees should be paid through the payroll process. Services include but are not limited to the following:

- Gatekeepers
- Ticket Takers
- DJs
- Accompanists
- Referees
- Chaperones

### 2. Parents

A. Paying parents for services rendered or buying any goods or services for parents or parent functions using student activity checks is *prohibited*. All purchases for goods or services that are parent related should be made through the purchase order process or a separate PTO/PTA account.

B. Buying personal goods or services for parents or parent functions using student activity checks is prohibited. All purchases for goods or services that are parent related should be made through an appropriate PTO/PTA account that is separate from the Board of Education.

### 3. Staff Activities

Buying personal goods or services for staff members using student activity checks is *prohibited*. All purchases for goods or services for staff members should be made through an appropriate Staff Social Welfare Fund (Sunshine Fund) totally separate from the Board of Education. All activities for staff social/welfare funds (sunshine funds) require an independent bank account not related to the Montclair Board of Education. Examples of inappropriate staff activities include but are not limited to the following:

- Staff Breakfasts, Luncheons, Snacks or Parties
- Staff Gifts (T-Shirts, Flash Drives, Mugs, Water Bottles, etc.)
- Retirement Celebrations and/or Gifts
- Bereavement Gifts

### 4. Donations

Although noble in gesture all donations of money from student activity account to charities should be discouraged. The major purpose of having a student activity account is “to make expenditures directly related to the student body.” Donations include but are not limited to those such as an individual, religious organization, booster clubs, PTOs/PTAs, staff related accounts (Sunshine Clubs), and school foundations.

## **Inappropriate Expenditures (Continued)**

### 5. **Furniture, Equipment, Supplies**

Purchases of furniture, equipment, and supplies unless strictly and directly related to student activities are *prohibited*. Purchases of furniture, equipment, and supplies for the school should be made through the purchase order process. Examples include but are not limited to the following:

- Technology Items (Laptops, Desktops, Televisions, etc.)
- Contract Payments
- Labor or Service Payments for Equipment Repairs
- Library Books
- Office Supplies
- Office or School Furniture
- Textbooks
- Gift Cards
- Gift Certificates
- Field Trips Which are Curricular in Nature
- Personal Items for Coaches, Advisors or Other Staff Members

### **Classification of Expenditures**

All expenditures must be properly identified i.e., Yearbook Club, School Newspaper, Student Council. There shall not be any miscellaneous, sundry, or “other” headings. This classification must be indicated on all *Request for Check/Payment Forms*.

### **Check Issuance and Processing**

All expenditures shall be made by check written on the student activity bank account and should be paid in no later than thirty (30) days.

All checks are to be pre-numbered and issued in proper sequence.

Two (2) authorized original signatures are required on all checks. No rubber stamp signatures are permitted. One (1) of those signatories must be the school principal or assistant principal and one (1) must be the school secretary or assistant principal. The Business Office shall assist all schools with bank signature documents.

Checks are to be signed only after the check has been completed, prepared, and supporting documentation is attached and verified.

Prohibitions:

- There shall be no pre-signing of blank checks.
- There shall be no checks written payable to “Cash.”
- There shall be no pre-dating or post-dating checks.
- There shall be no loan or credit to anyone from the account.



## Check Issuance and Processing (Continued)

### Miscellaneous:

- All checks written from the student activity account which are not cashed within ninety (90) days of issuance are to be considered “stale” checks. They are to be cancelled and funds are to be restored to the account. In certain cases of scholarship checks the time period may be extended to one hundred eighty (180) days.
- Voided checks should be clearly marked “VOID” on the check to avoid being reissued. And the voided check stapled to the check stub in the check book.
- All checks are to be accounted for, including spoiled and voided checks.
- All checkbooks are to be kept in a locked secure area at all times.

## Cash Disbursement Ledger

A cash disbursement ledger shall be maintained and be current with all entries. At a minimum the journal shall include:

- |                        |                           |
|------------------------|---------------------------|
| • Check Number         | • Description of Purchase |
| • Payee/Vendor         | • Amount                  |
| • Date of Disbursement | • Running Balance         |

## Taxes

The Montclair Board of Education is exempt by State Law from sales and use taxes. Any payment to vendors using a student activity check for the purchase of goods or services made from the Student Activity Account *shall not* include New Jersey Sales and or Use Taxes. All vendors should receive a copy of a letter from the Business Office advising officials of this policy.

All checks for reimbursement to staff members shall only include the cost of the item purchased. *Sales tax costs are not to be reimbursed to employees.*

## Purchasing

### Reimbursement to Staff -- Limit Amount (\$250.00):

The Board of Education permits reimbursements to staff members who make authorized purchases on behalf of the student activity fund. There must however be a limit to the dollar amount for reimbursement. Except in extreme cases staff reimbursements should not exceed more than \$250.00 per purchase. *Purchases and reimbursements shall not be divided as to circumvent this ruling.*

Every attempt should be made to purchase goods or services from vendors directly instead of reimbursing staff members.

## **Monetary Prizes to Students**

The Board of Education recognizes that monetary prizes to students may act as an incentive to achieve in certain fields of endeavor. If a school decides to award monetary prizes it must have a clear defined written policy outlining the condition to earn a monetary prize and the amount or amounts given.

When a check is issued to the student there shall be attached a statement in writing that it is the responsibility of the student and/or his/her parent to follow all laws, rules, and regulations pertaining to the federal and state income tax code.

## **Reconciliation of Accounts**

### **Monthly Reconciliation**

All student activity bank accounts are to be reconciled on a monthly basis and within at least seven (7) days of receipt of the monthly bank statement.

The reconciliation shall be in writing on an appropriate form. The reconciliation must balance each month. The form shall be signed with original signatures by the principal and staff person managing the account. No rubber stamp signatures are permitted.

### **Final Reconciliation**

Provisions must be made for a final bank reconciliation and a final report of all funds held as of June 30 each year. Such records, reconciliations and reports must be made available to the Business Administrator *no later than August 15 of each year* so that records can be audited and reconciled in time for the following school year.

## **Records to be Submitted to the Business Office (Upon Request)**

Each principal is to ensure the following records are submitted to the Business Office upon request for auditor review:

- Cash Disbursement Ledger
- Cash Receipt Journal
- *Student Activity Deposit Forms* and backup
- *Request for Check/Payment Forms* and backup
- Monthly Reconciliation Reports and Bank Statements
- Final Reconciliation

## **Segregation of Duties**

It is a common business practice when working with financial accounts to segregate duties as much as possible.

It is therefore recommended that responsibilities be assigned to different staff members for the following tasks whenever possible:

- Receipt of Money
- Deposit of Money
- Preparing and Writing of Checks
- Reconciliations

### **Internal Procedures**

Each principal is to ensure that written internal procedures on school activity accounts are provided to each staff member and document that the internal procedures were discussed at a staff meeting.

### **Record Keeping & Disposal of Records**

All student activity records are to be kept on file in a secure location for seven (7) years.

Records are to be disposed of in a manner provided by law. All requests to dispose of student activity records are to be made through the Business Office.

### **Public Information: Right to Inspect**

All activities related to student activity accounts are considered public information and are open to public inspection. All public requests for information about student accounts are to be made in writing through the Business Administrator's Office in full accordance with the Open Public Records Act (OPRA).

### **1099 Forms Over \$600.00**

Any person receiving \$600.00 or more for services provided (not reimbursements for purchases) shall be sent a 1099 IRS Form. The Business Office shall be contacted for further information.

It is advised that all individuals/vendors provide a W-9 form for all expenditures from the student activities accounts.

The W-9 form can be found on the Internal Revenue Service's website at [www.irs.gov](http://www.irs.gov).

**MONTCLAIR PUBLIC SCHOOLS  
STUDENT ACTIVITY DEPOSIT FORM**

School \_\_\_\_\_

Name of Club/Activity \_\_\_\_\_

Account No. \_\_\_\_\_ Advisor: \_\_\_\_\_

Description of Deposit \_\_\_\_\_  
(Explanation of where the funds are coming from)

If the Deposit is for a fundraising activity, date of Board approval: \_\_\_\_\_

If the Deposit is for a fundraising activity, date event was held: \_\_\_\_\_

If the Deposit is from a donation, date of Board approval: \_\_\_\_\_

Is this a Funded Class Trip? \_\_\_\_\_ Date of Trip \_\_\_\_\_

Trip Destination \_\_\_\_\_

Signature of Advisor \_\_\_\_\_

Signature of Club Officer: \_\_\_\_\_

Total of Deposit \_\_\_\_\_ Date Deposited \_\_\_\_\_

Please list and attach a copy of all checks to this form. If more space is needed continue on back.

Quantity	Denomination	Total
	\$ 0.01	\$
	\$ 0.05	\$
	\$ 0.10	\$
	\$ 0.25	\$
	\$ 1.00	\$
	\$ 5.00	\$
	\$ 10.00	\$
	\$ 20.00	\$
	\$ 50.00	\$
	\$ 100.00	\$
	Total Cash	\$
	Total Checks	\$
	<b>TOTAL</b>	<b>\$</b>

**MONTCLAIR PUBLIC SCHOOLS  
STUDENT ACTIVITY DEPOSIT FORM**

	<b>Name on Check</b>	<b>Amount of Check</b>
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		
16.		
17.		
18.		
19.		
20.		
21.		
22.		
23.		
24.		
25.		
26.		
27.		
28.		
29.		
30.		
<b>Total Checks</b>		<b>\$</b>

MONTCLAIR PUBLIC SCHOOLS
STUDENT ACTIVITY REQUEST FOR CHECK/PAYMENT FORM

Documentation Attached \_\_\_\_\_ Date of Request \_\_\_\_\_

Name of Club/Activity \_\_\_\_\_

Person Making Request \_\_\_\_\_

Payee \_\_\_\_\_

Payee Address \_\_\_\_\_

Payee City, State, Zip \_\_\_\_\_

W-9 Form Received \_\_\_\_\_ (Required except for reimbursements)

Explanation: \_\_\_\_\_

Date of Purchase/Reimbursement \_\_\_\_\_

Purpose of Request: [ ] Purchase [ ] Reimbursement

Amount of Request (Excluding sales tax which is not reimbursable) \$ \_\_\_\_\_

I certify that all goods were received and/or services were rendered and the invoice/receipt has been checked for accuracy.

Signature of Person Making Request for Payment/Check \_\_\_\_\_

To Be Completed by Authorized Check Signer

Check Number \_\_\_\_\_ Date of Check \_\_\_\_\_

Amount of Check \$ \_\_\_\_\_ Activity/Account \_\_\_\_\_

Signature of Person Authorizing Issuance of Check \_\_\_\_\_

ONLY EXPENDITURES RELATING TO STUDENT ACTIVITIES MAY BE MADE FROM STUDENT ACTIVITY ACCOUNTS.

SEE STUDENT ACTIVITY ACCOUNTS MANUAL FOR LISTING OF APPROPRIATE AND INAPPROPRIATE STUDENT ACTIVITY EXPENDITURES.