

BOARD POLICIES	<b>SCHOOL ACTIVITY FUND MANAGEMENT (BP-4005)</b> METRO TECHNOLOGY CENTERS	<b>The on-line version of the policy is official. Therefore, all printed versions are unofficial copies.</b>
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**1.0 POLICY:**

**SECTION I - GENERAL RULES**

- A. **Records of Funds:** Records will be kept of all funds collected, handled or disbursed.
- B. **Activity Fund Account Description:** Before any account is established within the School Activity Fund, a detailed Activity Fund Account description, clearly identifying the intent, goals, and purposes of the Activity Account, must be approved by the appropriate site director, Dean of Instruction, and/or the Associate Superintendent for Instruction, the Director of Finance, and the Board of Education.

These Activity Fund Account descriptions must reveal probable sources of receipts and planned utilization of the funds. In addition, the program name and the name of the account must be included in each Activity Fund Account description.

- C. **Activity Fund Custodian:** The Activity Fund Custodian is always responsible for the funds. However, administrative assistants/specialists at the sites may have charge of the mechanics related to the receipt and requisitioning of the fund accounts. A facility (site) financial administrative assistant/specialist must be allotted the time necessary each day to record all transactions and to prepare necessary reports on a current basis.

All employees are under a "Fidelity" blanket bond. The bond premium is paid by the Board of Education. Facilities (sites/centers) will not purchase bonds.

- D. **Office Receipts:** Each facility (site) will have pre-numbered receipts supplied by Metro Technology Centers. All monies received will be recorded on these pre-numbered receipts.

The appropriate facility (site) financial administrative assistant/specialist will receive all monies paid to Metro Technology Centers which resulted from:

- Classroom activities (including live work and student organization activities).
- Patron support of student-related activities.

A receipt will immediately be prepared and given to the payer each time a collection occurs. Each receipt will be properly dated and will clearly express the purpose and amount of the collection.

If a receipt has been voided for any reason, the original and office copy of the receipt must be retained for inspection by the auditor, with the word "VOID" written across the face of such receipt.

Postdated checks, cash advance slips, or IOUs will not be accepted by the Activity Fund Custodian or any financial administrative assistant/specialist. All collections will be covered by official receipts issued immediately thereon. All funds collected must be

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included in the next deposit to the Metro Technology Centers depository bank.

No check may be accepted in exchange for cash. Checks may be accepted in payment of obligations.

- Should any check accepted not be honored by the bank or not be collectible, neither the Activity Fund Custodian nor the financial administrative assistant/specialist who receipted the collection is expected to assume personal liability. Dishonored or uncollectable checks will be handled as follows:
  - The Activity Fund Custodian may impose a \$25.00 handling fee to cover the cost of collection of any dishonored check.
  - Uncollectable checks will be charged back to the School Activity Fund that was credited with the receipt. Metro Technology Centers will make a good faith effort to collect any dishonored check, and then, if necessary, will solicit the assistance of the appropriate law enforcement agency in collection efforts connected with insufficient funds or dishonored checks.

**E. Classroom Receipt Books:** A teacher may be authorized to collect funds from students or patrons for Metro Technology Centers-related activities, except for live work projects. A teacher so authorized will have a receipt book containing pre-numbered receipts. When a student or patron turns in money for Metro Technology Centers-related activities, the teacher will immediately write a receipt and give the original of the receipt to the payer. Each receipt will be properly dated, stating the name of the payer and the purpose of the collection.

By the end of the day when money is collected, the teacher will add the amount of receipts written since the date last turned in and will take this money, the classroom receipt book, completed daily report, and any other related documents, to the facility (site) financial administrative assistant/specialist, who will, in the presence of the teacher, verify that the monies turned in agree with receipts issued and the complete daily report prepared by the teacher. The facility (site) financial administrative assistant/specialist will immediately issue a receipt to the teacher and then place the date, amount and receipt number at the bottom of the last receipt duplicate in the teacher's receipt book. Each receipt issued to a teacher must contain sufficient detail to identify the teacher, the date of the transaction and the purpose for the collection, and clearly identify those receipt numbers issued by the teacher from the classroom receipt book.

Funds collected by a teacher or any other employee are never the property of that teacher or employee and are not to be diverted for any purpose, temporary or otherwise.

**F. Cash Change Fund:** The Activity Fund Custodian may establish a cash change fund at any facility operated by Metro Technology Centers, not-to-exceed Four Hundred Dollars (\$400). This change fund must not be left on the site premises overnight unless secured

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in a vault or safe. The site director or another site staff member may be designated as the custodian of the change fund. A receipt for each change fund must be completed and delivered to the Activity Fund Custodian at the time any change fund is established.

G. **Deposits and Bank Statement:** The Activity Fund Custodian will select a bank located in the Metro Technology Centers Metro Technology Centers district to use as a depository. No monies are to be left overnight on the premises of any facility (site) operated by Metro Technology Centers unless the money (cash and checks) is secured in a vault or safe.

- When a vault or safe is temporarily used to secure money, the deposit to Metro Technology Centers' School Activity Fund bank account must be made on the first work day following receipt of the monies.

Each facility (site) financial administrative assistant/specialist will prepare a daily deposit report each day when money is collected. Daily deposit reports are to be made in duplicate, and the numbers of the receipts issued covering the funds deposited are to be entered on the deposit report. The total daily deposit report must agree with the total amount covered by receipts so enumerated.

Each bank deposit will be transported to the Metro Technology Centers depository bank as directed by the Activity Fund Custodian.

Any employee who, by negligence or other action(s), causes money to be lost or stolen may be held personally liable for the loss. The superintendent, or designee, will determine the action to be taken.

H. **Disbursements:** All disbursements from School Activity Funds must be made by check. Checks are to be signed by the Activity Fund Custodian, or his/her designee, and countersigned by one other person appointed by the Director of Finance. Verification of correctness of amount will be on file before a check is drawn against any account. This verification will include:

1. The purchase order - approved by the appropriate teacher (sponsor) and the appropriate site administrator.
2. Evidence of receipt of the ordered goods or services.
3. An invoice from the vendor.

No payment (disbursement) will be made unless the purchase was authorized, evidence of receipt of the merchandise is in hand, and the invoice from the vendor agrees favorably with the purchase order and the receiving report.

I. **Reports:** Each facility (site) financial administrative assistant/specialist will submit daily to the Activity Fund Custodian requisitions, deposits and any items due to be paid.

A financial report will be completed after the closing of each month's activities. The

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report must be to the Director of Finance.

- J. **Filing:** Each month's invoices, duplicate deposit slips, requests for reimbursement, bank statements, copies of reports and other documents relating to the Activity Fund Accounts for the month covered should be placed in a monthly file. In this manner, all reference data for each particular month will be readily available.
- K. **Revenue:** General revenue (such as money collected from vending machines, interest earned, sale of pictures, magazines, food products, etc.) may be deposited into the facility's (site's) General Activity Account unless specifically assigned to a particular organization or activity.

One-half of the proceeds from vending machines throughout Metro Technology Centers will be deposited in a General District Development Activity Account. The remaining one-half is to be allocated to the General Activity Fund Accounts at the Metro Technology Centers sites.

All other revenue and/or collections will be deposited in the Activity Account for which it was collected.

The sources of receipts expressed in the Activity Fund Account Description will determine the specific Activity Account that is to be credited/received.

Collection and Remittance of Sales Tax: Schools, student organizations, and school support organizations are no longer required to collect sales taxes on the gross proceeds resulting from the sale of personal property items or products. Therefore, collection and remittance of sales tax is no longer necessary.

- L. **Purchases and Expenditure:** Because Metro Technology Centers School District No. 22 is a political subdivision of the state of Oklahoma, purchases of items to be used in the conduct of Metro Technology Centers business are exempt from sales tax payments at the time of purchase. In addition, on those occasions when the Metro Technology Centers is acting as a reseller, purchases are exempt from sales tax payments to the vendor. In either of these instances, Metro Technology Centers must furnish the vendor with a copy of the sales tax exemption certificate/letter prior to the completion of the transaction.

Before budgeted expenditures are made from School Activity Funds, the teacher (sponsor) who is responsible for that specific fund account will send a written request to the site director (or his/her designee) for approval.

School Activity Fund purchase orders must be forwarded to the Activity Fund Custodian to be recorded in the official books of the School Activity Fund. Purchases will be made in strict compliance with Board of Education policy, except as follows:

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1. Available Student Organization Activity Account balances may be expended without prior Board of Education approval when the event or purchase has been included in the approved Activity Fund Account Description.
2. The site director and the Activity Fund Custodian must make sure that Student Activity Funds are for the direct use and benefit of students.
3. Persons may be paid from Activity Funds only for an assignment to provide services for the activity for which the funds were collected.
4. Additional pay cannot be provided from Activity Funds for Metro Technology Centers employees for duties that are part of their regular assignment.
5. Students who need to be transported from one center to another for purposes of participating in an activity may be provided transportation paid from Activity Funds.
6. Equipment and furniture to be utilized for the direct benefit of the students may be purchased from Activity Funds with specific approval of the superintendent.
7. Any equipment purchased with Activity Funds will be included in the Metro Technology Centers owned inventory.
8. No obligation may be incurred, or expenditure made, against any Activity Fund Account that does not have a fund balance sufficient to cover the obligation or expenditure.

M. **Donation:** Activity Fund money may not be given, donated or loaned to any group, organization or individual outside the school's own activity except:

1. Those regular charitable drives as outlined in written Board of Education policy.
2. Those special charitable drives (not included in written Board of Education policy) which have been approved, in writing, by the superintendent and/or the Board of Education.

At the end of any approved charitable drive, only those funds collected for that specific purpose may be paid out.

N. **End of Year Balances:** Activity Fund Accounts are created for the purpose of providing funds for designated functions or purposes of specific activities.

If money is left in a fund account after the purpose has been served, it may be transferred to some other approved School Activity Fund Account. Such transfers will be made only upon written approval of the Activity Sponsor (from which funds are to be transferred), the appropriate site director and the Board of Education.

O. **Investment of Activity Funds:** Metro Technology Centers Activity Funds not needed to conduct normal activities may be invested in accordance with Oklahoma Statutes.

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1. Interest received will be deposited in the General Activity Accounts unless earmarked for a special project.
- P. **Audits:** A business office employee, under the direction of the Director of Finance, may serve as the Internal Auditor of the School Activity Fund Accounts and will make irregular, unannounced audits of School Activity Accounts and related records.

Any discrepancy will be reported immediately to the Director of Finance, who will investigate, take appropriate action, and then report in a timely basis to the superintendent.

The external audit firm appointed by the Board of Education will conduct an annual audit of the School Activity Fund accounts and related records. Any discrepancy will be reported to the Director of Finance and the Activity Fund Custodian each fiscal year. This report will disclose beginning balances, receipts, disbursements and the financial condition of each account at the conclusion of each fiscal year.

Except during the formal audit, the audit firm is also responsible for giving assistance and advice during the school year (when requested by the Activity Fund Custodian) concerning adequate compliance with Activity Fund procedures. Should non-compliance be found as a result of this assistance, the auditor will notify the Activity Fund Custodian and steps will be taken immediately to correct any improper procedure. The auditor will also notify the Director of Finance, who will notify the superintendent.

- Q. **Cash Advances:** The Board of Education authorizes the custodian of the School Activity Funds to provide cash advances to the sponsors for travel expenses on behalf of school district students and sponsors of certain school activities. The cash advances may only come from the Activity Fund Custodian subaccount directly involved in the travel of such students or sponsor, and only if the travel is one of the stated functions or purposes for the establishment of the subaccount. Receipts for all expenditures and any cash in excess of receipts will be kept and turned in to the Activity Fund Custodian following said trip.
- R. **Fundraisers:** State regulations require all fundraisers to be approved by the Board of Education. All fundraising activities must be also be approved by the appropriate Site Director prior to any purchases or sales of fundraising materials. In extenuating circumstances, whereas the fundraiser is to take place before the next Board of Education meeting, the Board of Education may delegate authority to the Director of Finance to approve specific fundraising activities to be submitted to the Board of Education at the next regular Board of Education meeting.

## SECTION II CLASSIFICATION OF FUNDS

Classification of Activity Fund Accounts: All monies collected, handled or disbursed by Metro Technology Centers for any activity, organization, or program will be placed in various "Activity

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Accounts” of the Activity Fund. All monies will be deposited with the Activity Fund Custodian. Disbursement will be made by check, except in the case that tuition is paid by credit card. According to the school district’s Merchant Agreement, services that are paid for using a credit card must be returned to that same card. Each check must be supported by proper purchase orders, requisitions, invoices, statements, etc.

The various Activity Accounts will be divided into two (2) general categories:

**A. Activity Fund Accounts**

1. Student Organizations: Accounts in this category will be used for all student organization activities, including club projects and general activities.
2. General Activity Accounts: Accounts in this category will be used when monies are collected from vending machines, interest earned on investments or any other activity not specifically attributable to any other Activity Fund Account.
3. General District Development: Accounts in this category will be used for meeting expenses and recognition awards for employees, Board of Education members and students.
- will 4. Petty Cash: Accounts in this category will be used for small cash expenditures, such as postage, freight, express mail or supplies.

**B. Refund Sub-Accounts**

1. Live Work Accounts: Accounts in this category will be used to collect income from live work projects (at each site).
2. Student Tuition and Fees Refund: Accounts in this category will be used for refunding students’ tuition and fees.

Under no circumstances will any Activity Fund Account be spent for any purpose other than those expressed in the approved Activity Fund Account descriptions approved by the Board of Education and maintained in the office of the Treasurer.

**2.0 CROSS REFERENCE:** BP-4006, BP-4014

**3.0 REVISION HISTORY:**

<u>Date:</u>	<u>Revision</u>	<u>Description of Revision:</u>
08-Oct-84	A	Adopted
27-Mar-95	B	Revised
10-Nov-97	C	Revised
22-Sep-03	D	Reformatted
15-Dec-03	E	Legal references reviewed and revised as necessary
22-Nov-04	F	Revised
22-Sep-10	G	Revised format

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- 07-May-13                    H            Blanket approval granted by Board of Education to update all policies to approved format and to remove two sections: 2.0 Legal Reference and 5.0 PCF Framework
- 10-Dec-13                    I            Revised to conform to statutory requirements and auditor recommendations

**\*\*\* End of Policy \*\*\***