

## STUDENT ACTIVITY ACCOUNTS

Student funds may be raised to finance the activities of authorized student organizations. Student activity funds are considered a part of the total fiscal operation of the District and are subject to policies established by the School Committee and the Superintendent. The funds will be only for the benefit of students and managed in accordance with sound business practices, including accepted budgetary, accounting, and internal control practices. The Superintendent will ensure all Principals and student organization advisors receive annually a copy of this policy as well as a copy of established procedures for control of receipts and expenditures that meet or exceed DESE guidelines.

In compliance with Massachusetts General Law Chapter 71, Section 47, the School Committee:

1. Authorizes the Principals to accept money for recognized student activity organizations, which currently exist, or as from time to time may be revised. All funds received, including donations, for student activities must be deposited into the Student Activity Agency Account and no funds will be directly deposited to a Student Activity Checking Account except from the Student Activity Agency Account.

The building principal has the direct responsibility to insure that the statute, School Committee Policies, and administrative procedures are fully adhered to in all aspects of operating the student activity checking account.

2. Authorizes the Town of Mansfield Treasurer to establish and maintain a Student Activity Agency Account(s).

3. Authorizes Student Activity Checking Accounts for use by the Principals with specific maximum balances established annually for each school by vote of the School Committee. Payments for expenditures will be made, whenever possible, by check, debit, or EFT directly from the Student Activity Checking Account. Reimbursements to personal credit card holders will require the prior authorization of the Superintendent. Signatory authorization for Student Activity Checking Accounts will be restricted to the Principal and Assistant Principal.

4. Directs Principals to provide the Treasurer with a bond in an amount agreeable to the Treasurer, or in lieu of a bond, the school district will have adequate coverage provided under the "crime & fidelity coverage" of the Town of Mansfield's general liability insurance plan.

### **Student Activity Account Maximum Balances**

The School Committee will annually, prior to the start of each school year, vote to establish or change the maximum balance that may be on deposit in each Student Activity Checking Account.

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### **Interest**

Interest earned by such Student Activity Agency Account will be retained by the fund, and the School Committee shall determine for what purpose such earnings may be used. All interest earnings from all agency savings accounts will be recorded separately from all other student activities. Interest earnings may be expended for costs related to the operation of the student activity account. This includes (but is not limited to) bank charges, audits, specialized bonds for employees handling student activity monies (if not covered under general liability policies), forms and tickets, and bookkeeping costs.

### **Audits**

There will be an annual audit of the student activity funds that will be conducted in accordance procedures as agreed upon between the School Committee and the auditor; the audit will be conducted by a district or municipal employee but not by the Principal, Town Treasurer, Superintendent, or any authorized signatory on the accounts. Such audit will be conducted in accordance with Massachusetts Department of Elementary and Secondary Education (DESE) guidelines.

For accounts with maximum balance limits that exceed \$25,000, an outside audit firm will conduct an audit every three years, in accordance with DESE guidelines.

### **Training and Education**

The School Business Administrator will arrange for training and educating of school officials and staff on internal controls and management of student activity funds on a periodic basis, including establishing a formal process to onboard new school officials or to handoff knowledge / documentation from outgoing school officials in case of turnover.

Annual training will be conducted at all schools for student activity advisors and student officers/treasurers in early September to review essential principles of the student activity accounts system. Training should be focused on the necessary procedures, forms, and authorizations needed, and the books and records to be kept to accurately systematize an audit trail and prepare the proper reports.

### **Establishment of a Student Activity**

Approval for all student organizations that raise their own funds must be granted prior to establishment. Principals will have discretion to approve student organizations that are not raising/receiving funds or spending funds and which does not include the use of the student activity account (e.g. clubs.) Approval for student activities is initiated at the school level through the principal with final approval being granted by the School

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Committee. No organization is allowed to establish a student activity, which includes the use of the student activity account, without approval from the School Committee.

### **Donations to Charitable Organizations**

Fundraising that involve student activity account proceeds being donated to charity must be approved in advance by the Superintendent. Payments to charitable organizations must include documentation explaining the nature of the donation, the relationship to Mansfield Public Schools, and a copy of the organization's 501(c)3 certificate or other written verification of such status. All such payment requests must be approved by the Superintendent.

### **Tax-Exempt Status**

All student activity account purchases will be under the tax-exempt number of the Town of Mansfield tax exempt number through the Treasurer's office. Monies not under the control of the school system (ex. PTO, Booster Clubs, staff monies, etc.) are not considered student activity monies and are not eligible to use the tax-exempt number.

### **End of Year Reconciliation of Accounts**

The Principal's office shall be responsible for the review of all student activity accounts at the end of each fiscal year (June 30) to determine those that are inactive (no transactions in the past 36 months).

At year end, undesignated balances in grade level student activity accounts shall roll up to the next grade level for the benefit of the students who generated the surplus balance. Deficit balances in student activity accounts at year-end will be covered by the same grade level surpluses prior to rolling up undesignated balances to the next grade level. These retained balances may be allocated in the next year toward reducing the cost of field trips and other student activities. No accounts should end the year in deficit.

Undesignated balances in non-grade level accounts for specific authorized activities, such as clubs and fine and performing arts programs, will remain in the account for the following year.

### **Remediation of Deficit Balances**

If there should be a deficit balance in any student accounts at year-end not aligned with a grade level, the Principal will make a recommendation and justification to the School Committee for ways to cover the balance, which may include:

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1. School Committee appropriation
2. Accumulated investment earnings
3. Surpluses of inactive accounts
4. Gift from an activity with a surplus balance through approval of the advisor; or
5. Any other legal means

### **Closing out Abandoned Accounts**

Any student activity inactive for a period of three (3) years or more, and for which there has been no receipts or disbursements recorded on its behalf, will require the following actions in order to be closed:

1. Written notification by the advisor or student officer to the School Principal or other authorized administrator that the activity will cease to be a viable account. If an advisor or student officer is not available, such discontinuance will be by vote of the School Committee.
2. All assets of the recognized student activity will be identified and stated in writing.
3. The School Committee will determine any disposition of assets of an inactive recognized student activity. In no case shall the disposition benefit specific individuals.

Such policy will be communicated to the students who contribute to the accounts, when possible.

### **Graduating Class Funds**

Funds held on behalf of graduating classes are to be held within the Student Activity Checking Account for the High School. Such funds will be designated by the class' year of graduation (e.g. Class of 1998, etc.)

Once a class has graduated from Mansfield High School, its funds should be removed from the High School Student Activity Checking Account no later than two years from the date of graduation. It is the responsibility of class officers to arrange for these funds to be removed from the High School Activity Checking Account. When requested, and once all outstanding financial obligations of the graduating class have been met, the remaining balance should be removed from the fund by check transfer payable to the Class of XXXX. Checks payable to individual members of the graduating class are not permitted.

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Should the class officers not request to have their funds removed from the Student Activity Checking Account within two years of their graduating, the funds will be forfeited by the class and transferred into the General Sub-fund portion of the Student Activity Agency Account. These funds will then be allocated by a vote of the School Committee.

Class officers should be given a copy of this policy at the start of each school year to ensure their knowledge of their obligations to perform under this policy.

### **Staff Funds**

Under the law, student activity accounts are “to be used for the express purpose of conducting student activities.”

Monies that belong to staff (sunshine funds, staff vending machines, etc.) may not be maintained in student activity accounts. Staff who wish to collect and expend funds for their own benefit must establish a bank account in their own name, and cannot use the municipal/tax exempt number for such accounts and cannot establish any accounts under the name of Mansfield Public Schools.

No checking or savings accounts associated with any school activity, curricular or extra-curricular, other than School Committee-authorized student activity accounts are allowed.

### **Gifts**

Gifts to authorized student activities can be deposited into the Student Activity Agency Account and expended in accordance with the guidelines for expenditures from such student activity account.

After acceptance by the Superintendent and/or School Committee based on the School Committee Policy KCD, a monetary gift for a student activity shall be deposited to the Student Activity Agency Account and fully expended for the activity for which it was received.

The Superintendent or designee will develop procedures aligned with the Massachusetts Department of Elementary and Secondary Education (DESE) Student Activity Account audit guidelines and The Massachusetts Association of School Business Officials (MASBO) Student Activity Accounts Guidelines For Massachusetts School Districts.

Revised:      November 17, 2020  
                    October 30, 2018  
                    September 12, 2016

## STUDENT ACTIVITY ACCOUNTS

SOURCE: MASC

LEGAL REF.: M.G.L. 71:47 Athletics programs; School Organizations; Student Activity Accounts

OTHER REF.: MA DESE *Agreed Upon Procedures and Audit Guidelines: Student Activity Funds*

Massachusetts Association of School Business Officials (MASBO) *Student Activity Accounts Guidelines For Massachusetts School Districts.*

**NOTE: DESE audit guidelines for Student Activity Checking Accounts require an annual audit. In regional districts these accounts may be a part of the annual audit by a third party auditor. In municipal districts the audits may be conducted by a district or municipal employee but not by the Principal, Treasurer, Superintendent, or any authorized signatory on the accounts. Districts with large numbers of schools may rotate the schools through the audit process.**