

**ADMINISTRATIVE REGULATIONS**  
**Extraclassroom Activity Funds Regulation**

**Basic Principles**

Extraclassroom Activity Funds are operated by students in accordance with Board policy and established regulations. They provide students with learning experiences common in the business practice of collecting, depositing, and disbursing money. The following are the accounting procedures for the control and safeguarding of Extraclassroom Activity Funds.

**A. Function and Duties**

**1. Board of Education**

- a. Establishes rules for safeguarding, accounting and auditing Extraclassroom Activity Funds.
- b. Appoints Chief Faculty Counselors, Faculty Advisors, and Central Treasurer.
- c. Designates a bank for the establishment of the Extraclassroom Activity Fund.

**2. Central Treasurer**

- a. Maintains custody of funds and records transactions into the appropriate ledger.
- b. Issues payments and makes deposits for each activity account.
- c. Reconciles bank statements.
- d. Reports to the Board of Education at least quarterly.

**3. Building Principal (Chief Faculty Counselor) and/or Designee**

- a. Recommends to the Superintendent persons to fill Faculty Advisor positions.
- b. Consults monthly with the Faculty Advisors for all financial planning.
- c. Implements any corrective action plan developed from audits.

**4. Faculty Advisor**

- a. Guides and advises the students in planning activities and developing budgets.
- b. Supervises disbursements and approves all payment orders.
- c. Reviews the Student Treasurer's ledger for accuracy and completeness.
- d. Assists the Student Treasurer in preparing profit and loss statements.

**5. Student Treasurer**

- a. Elected by the students of each activity.
- b. Receives all monies raised by the activity.
- c. Issues payment orders for all purchases.
- d. Sends payment to vendor once the check is issued by the Central Treasurer.
- e. Keeps a ledger of all transaction and establishes files.

**B. Procedures in Handling Money**

Confusion and loss of funds is a result of not properly recording transactions. Every possible precaution should be taken to protect the individual concerned and the money handled.

**1. Collecting Money & Making Deposits**

- a. Anyone collecting money must issue pre-numbered receipts and turn the money and the duplicate receipt in to the Student Treasurer.

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- b. The Student Treasurer reconciles money received against the P&L statement.
- c. The Faculty Advisor places the money in a sealed envelope and places the envelope in a safe in the high school main office. Activity money will never be taken home by anyone or left unsecured.
- d. The Faculty Advisor and/or Student Treasurer retrieve the money from the safe.
- e. The Student Treasurer gives the deposit to the Central Treasurer who verifies its accuracy and arranges for the Courier to deposit them into the bank.
- f. The Central Treasurer and Student Treasurer record deposits into their ledgers.
- g. The Central Treasurer and Student Treasurer create files for documentation.

### **2. Purchases & Payments**

- a. The Faculty Advisor ensures that all purchases are appropriate.
- b. The Student Treasurer matches items purchased to the invoice and completes a disbursing order for each purchase.
- c. The Student Treasurer and Faculty Advisor sign the disbursing order.
- d. Disbursing orders and the invoice are sent to the Central Treasurer along with a claim form signed by the Building Principal.
- e. The Central Treasurer issues payment from the claim form and the Student Treasurer sends the check to the vendor.
- f. The Central Treasurer and Student Treasurer record purchases into their ledgers.

### **3. Inactive Accounts**

- a. After one year of inactivity, any remaining funds will be transferred to the MOST Student Government account.

### **4. Transfer of Funds**

- a. Transfers between activities are issued using the transfer form signed by the Student Treasurer, Faculty Advisor, and Central Treasurer.
- b. The Central Treasurer records the transfer in the ledger.

### **5. Record Keeping and Ledger Entries**

- a. The Central Treasurer and Student Treasurer keep two separate and independent ledgers.
- b. Transactions should be promptly recorded into the ledger and ledger balance updated.
- c. The Faculty Advisor reviews the Student Treasurer's ledger monthly for accuracy.

## **C. Sources of Revenue**

Extraclassroom Activity Funds and revenues come from a variety of sources.

### **1. Admissions**

- a. Prenumbered tickets must be used and steps taken to prevent fraudulent reuse of older tickets.
- b. A different color ticket will be used for each occasion.
- c. Ticket collectors must tear each ticket in two giving one part to the customer and retaining one.

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- d. Each ticket seller will be given a definite number of tickets and set amount of money to be used as change.
- e. Each ticket seller must return all unused tickets, full amount of change, and a record of all money collected.

### **2. Sales and Campaigns**

- a. Prenumbered receipts in duplicate will be used, one for the purchaser and the other for the Student Treasurer.
- b. Participants who sell goods will return all unsold goods and the full amount of money collected.
- c. The Student Treasurer completes a P&L statement and inventory control form.

### **3. Inventory Control**

- a. Safeguard all items on-hand against loss, theft or damage.
- b. Secure inventory in an appropriate location with limited access.
- c. Control inventory through the use of an inventory control form.

### **4. Donations**

- a. Gifts or donations are recorded in the minutes of the activity.
- b. The Student Treasurer deposits the gift with the Central Treasurer.

### **5. Advances**

- a. In rare occasions, advances are issued for activities outside usual procedures.
- b. Advances are issued using the disbursement order process.
- c. After the activity, the Student Treasurer submits a profit and loss statement to the Central Treasurer, reimburses the advance, and turns over any proceeds.
- d. The statement must be audited and approved by the Faculty Advisor.

### **6. Operation of School Store**

- a. The school store is treated as an extra-curricular activity of the school.
- b. The inventory control form must be utilized to record sales activity.
- c. Report monthly P&L statements and balance sheets to the Central Treasurer.
- d. A list of duties for students assigned to the store must be established.

### **7. Sales Tax**

- a. Extraclassroom activities are not exempt from the sales tax law when selling services or property sold by private persons.
- b. Each activity collects sales tax on receipts for all sales of taxable merchandise.
- c. Faculty Advisor determines which activities are subject to sales tax and ensures that all sales tax information is accurately reported to the Central Treasurer.
- d. The Extraclassroom Activities Fund is registered with the NYS Dept. of Taxation and Finance.
- e. The Central Treasurer or designee files sales tax returns and pays any tax due.

### **D. Audit**

Extraclassroom Activity Funds shall be audited by the District's Independent Auditor and an audit report made to the Board of Education at least annually.

Reviewed March 15, 2016