

REGULATION

ANNE ARUNDEL COUNTY PUBLIC SCHOOLS

Related Entries: DF

Responsible Office: DIVISION OF FINANCIAL OPERATIONS

SCHOOL ACTIVITY FUNDS MANAGEMENT

A. PURPOSE

To establish procedures to provide a secure and sufficient system for handling all school activity funds. The established procedures shall direct school personnel in all aspects relative to handling such funds, as well as safeguard assets of the school system. The implementation of these procedures shall ensure proper collection, deposit, use, and accounting of school activity funds.

B. BACKGROUND

School activity funds are established to support student events and activities beyond that which could be achieved through normal classroom instruction. Schools shall follow uniform procedures for the financial management of school activity funds, keep an accurate record of all receipts and disbursements, and render a public accounting of such funds.

C. DEFINITIONS

1. ***School Activity Funds*** – monies collected and managed by school personnel on behalf of student groups and other school-based functions. The school activity funds are categorized as either general school funds or special funds.
 - a. ***General School Funds*** – monies obtained from activities supported by an entire school. These funds are expended to benefit the school and the student body as a whole.
 - b. ***Special Funds*** – monies obtained from activities supported by a particular class, group, or club and shall be expended for that class, group, or club, or as directed, with approval of the principal.
2. ***School Activity Funds Manual*** – the manual developed and maintained by the Division of Financial Operations, with advice from the Board of Education of Anne Arundel County's (Board) Director of Internal Audit. The manual provides further guidelines and restrictions on the proper collection, deposit, use, and accounting of school activity funds.

D. PROCEDURES

1. Responsibilities

- a. The Chief Financial Officer shall be responsible for prescribing appropriate accounting and purchasing procedures. In addition, the Chief Financial Officer or the Chief Financial Officer's designee shall provide assistance in establishing and maintaining financial records and preparing reports.
- b. The principal of each school shall be ultimately responsible for conducting school financial activities in accordance with the policies, rules, and procedures herein contained, set forth in the *School Activity Funds Manual*, and henceforth established by the Board.

2. Collection and Deposit of School Activity Funds

- a. Activity funds collected shall be used for the purpose for which they are collected.
- b. Activity funds shall be collected only as authorized by the principal and in compliance with established policies of the Board.
- c. Receipts from athletic activities shall be used in accordance with guidelines provided in the *School Activity Funds Manual* and henceforth established by the Board. The receipts may be allocated to the schools, for special projects, and/or a central fund as directed by the Superintendent.
- d. Individuals who do not follow established procedures or who are negligent in handling funds shall be required to reimburse the school for lost or stolen funds, and could be subject to disciplinary and/or legal action.

3. School Budgetary Review

School budgetary reviews shall be conducted in accordance with the procedures outlined in the *School Activity Funds Manual*.

4. Purchasing

- a. All schools shall utilize an internal school purchase order system for expenditures over \$1,000.00. All internal school purchase orders shall be approved by the principal or the principal's designee prior to the ordering of any goods or services.
- b. The principal may approve all school-based contracts for the procurement of goods and services.

5. Disbursements

- a. All disbursements of school activity funds, except for minor expenditures that are authorized to be paid from a petty cash fund, shall be conducted in accordance with the procedures outlined in the *School Activity Funds Manual*.
- b. No disbursement shall be made from school activity funds without appropriate authorization and sufficient supporting documentation. Unauthorized purchases shall be the responsibility of the respective group or individual making the purchase.

6. Accounting and Financial Reporting

- a. Accounting records for school activity funds shall be maintained on a cash basis. These funds and the related transactions shall be incorporated into the Board's financial statements as dictated by generally accepted accounting principles. The fiscal year shall end on June 30, in accordance with the Board's fiscal year.
- b. The financial secretary or other designee named by the principal who has been properly trained in the accounting and reporting of these funds shall prepare periodic financial reports as set forth in the *School Activity Funds Manual*.
- c. Student organizations in the secondary schools may, with the approval of the principal, set aside funds from their respective accounts for specific projects. If any such project is later determined to be infeasible, monies shall be returned to the fund from which they were withdrawn. Representatives shall keep records of their respective fund's activity and balance, and shall periodically compare this information with the fund maintained by the financial secretary to insure that records are complete and accurate.

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