

Whiteford Agricultural Schools
Finance Manual
Procedure: Student Activities
Issued: August 2005
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Student Activity Accounts (which includes sport-related internal accounts) generally consist of funds earned by the students and used for student activities. The funds are designated for student purposes and restricted as to use by state or local rules and regulations, and by the rules and regulations established by its governing body. New student accounts must receive approval from the Superintendent (see Form SA-1) prior to beginning any activities.

Advisor's (Coach's) Role: The role of the advisor (or coach) is to assist the student group with day-to-day operations and provide a framework for decision making. Advisors/coaches help with fund raising and planning activities. Their role is not to make decisions for the student group, but rather to inform them of information, provide choices, counsel on outcomes, and implement decisions. **Failure to comply with the following procedures may result in disciplinary action to the district employee.**

Building Principal / Athletic Director's Role: The appropriate Building Principal/Athletic Director has the authority to approve student activities (including fundraisers). The Principal/Athletic Director should be concerned about scheduling conflicts (i.e., multiple fundraisers held at the same time, two dances on one night, etc.), making sure the activity fits the purpose of the student group, determining if the activity has a reasonable chance of success, clarifying the requirements and accountability of the activity, and notifying appropriate district personnel (i.e., custodial/maintenance).

I. General Recordkeeping

The Accounting Assistant serves as the main contact with student activity/sport accounts in the Business Office. The advisor/coach (or student treasurer, if applicable) is delegated the responsibility to work with the Accounting Assistant to ensure appropriate tracking of revenues and expenditures.

- A. Board Policies 5830, 6610 and 9700 govern student fundraising activities (these can be found on the district website).
- B. The official records for the student account activity lie within the Business Office. The advisor/coach will receive a copy of the Student Activity/Sport Account Procedures annually (generally at the beginning of each school year) and sign an Acknowledgement Statement indicating they have received and will abide by the written procedures.
- C. The Accounting Assistant will pull detailed activity reports semi-monthly during the school year and email to the appropriate Building Administrators/Administrative Assistants for distribution to advisors/coaches.
- D. Activity account balances should be checked regularly to ensure that the account does not have a negative balance. Discrepancies between what the advisor/coach believes should be in the account and what the records of the Business Office show should be reported immediately to the Business Office.
- E. **Under no circumstances should expenses for any activity be paid for in cash out of receipts. All expenditures must be paid for with a district check.**
- F. At the end of the school year, advisors/coaches will receive a detailed listing of all transactions in their respective account(s) for the entire school year. Advisors/coaches must

verify this report and sign-off at the bottom of the report. The signed detailed report is to be returned to the Business Office by the designated deadline.

- G. The most up-to-date copy of these guidelines, list of advisors and all forms can be found in the Employee Portal on the district's website.

II. Fundraising Activities

- A. All fundraising activities shall be in accordance with Board Policies 5830 and 9700. Fundraising activities are often the focus of attention and energy for student groups. Whether fundraisers are school-wide or group oriented, they generate a lot of paperwork and money. The money is usually small denomination currency or coin and several checks, is handled numerous times, and comes from several sources at the same time. Accordingly, it is important for the sponsor of each fundraising activity to be accountable for that fundraiser.

Permission to hold a fundraiser must be requested using the "REQUEST FOR FUNDRAISER" FORM. (This form can be found in the Employee Portal or under the ATHLETICS tab on the district's website). The completed form is to be submitted to the appropriate building office for review/approval by the Building Principal, Athletic Director and Superintendent. Once approved by all parties, the form will be signed and a copy returned to the advisor and appropriate building personnel.

At the conclusion of the fundraiser, the student group advisor/coach must complete a "FUNDRAISER REPORT FORM" (see Form SA-4) and submit the completed form to their respective Building Principal/Athletic Director and Business Office. (This form can be found in the Employee Portal or under the ATHLETICS tab on the district's website). **The Fundraiser Report Form is to be completed once all deposits have been verified and bills paid, and should include all relevant data (receipt number, check number, amounts). This information is available from the reports printed by the Business Office twice monthly.**

- B. Fundraising activities can create much needed revenue for student groups, but can also create undue burdens on the financial stability of the group if not properly handled. Adult supervision is critical.
 1. Sales of Services: Fundraisers like car washes for schools and other groups are very common because they allow schools to raise money with very little out-of-pocket cost.
 2. Sales of Manufactured Items: Items that students make can often be sold at a high profit (i.e., art class project sales).
 3. Sales of Purchased Items: The resale of merchandise (i.e., candy, entertainment coupon books, etc.) is a major source of revenue for student groups.
 4. Raffles: Raffles can generate significant revenue. Raffles must follow all applicable state laws. Individuals interested in conducting a raffle should consult their respective Building Principal for regulations. (Refer to the Michigan Lottery Charitable Gaming Division Raffle Guide for specifics.)
 5. Admission: Money earned from charging admission to certain activities (i.e., dances).
- C. Sales tax may need to be collected on certain fundraising activities. Schools are exempt from sales tax when buying items for use in operating the schools; HOWEVER, when an exempt institution sells items to students or the public, sales tax is due. The current state sales tax rate is 6%. When the student group advisor/coach deposits money, they will indicate

their total sales on the internal deposit receipt and indicate what portion of the deposit is taxable (i.e., concession sales, pizza sales, etc.). The Business Office will calculate the appropriate amount of sales tax based on that deposit.

The following clarifies what items are taxable:

1. If your sales are items which would normally be purchased as groceries, specifically, prepackaged or unprepared items (i.e., candy, chips, bottle/can soft drinks, frozen items, etc.), no sales tax is required.
2. If your sales are items normally purchased in a restaurant or a similar type of business, specifically prepared items (i.e., hot dogs, sloppy Joe's, coffee, soft drinks served in cups, ice cream products, popcorn, pizza or other concession items), sales tax must be paid.
3. If your sales are items such as t-shirts, sweatshirts/sweatpants, jackets, hats, jewelry, magazines, yearbooks or books, sales tax must be paid.

III. Expenditures / Purchase Orders

Student body funds are spent to benefit the students. They are spent either to purchase admission for field trips (i.e., zoo), to purchase items for fundraising activities or to provide goods and services to the student body.

- A. **VENDOR ORDERS:** Purchase orders **MUST** be prepared for all vendor purchases **PRIOR** to initiating an order with a vendor. (*Receiving a copy of a printed purchase order signifies approval to place the order with the vendor.*) Advisors/coaches need to complete a "REQUISITION FORM" (found in the Employee Portal or under the ATHLETICS tab on the district's website) or something similar (i.e., quote, website cart, etc.) and give to their appropriate Building Principal/Athletic Director for approval. Once approved, a requisition will be entered into eFinance by appropriate building office personnel. The requisition will be processed and, if approved by the Director of Finance & Business Services, a purchase order will be generated. ***It is at this time that an order can be placed with the vendor, not before.***

Examples of vendor purchases include, but are not limited to, admission fees for field trips, apparel, equipment, magazine subscriptions, membership dues, products to resell (i.e., suckers), etc.

The advisor should notify the appropriate building office personnel of the date goods were received so the purchase order can be signed (indicating date of receipt of goods), initialed and forwarded to the Business Office for processing of payment to the vendor. Packing slips should be turned into the building office for inclusion with the signed purchase order.

- B. **HIRING OF OUTSIDE LABOR:** Outside labor (i.e., disc jockey for dance) should be handled through a contract and purchase order (see item "A" above). The Superintendent must sign the contract. A copy of the contract must accompany the "REQUISITION FORM" and an IRS W-9 form must be completed prior to the performance of work if it is a new vendor. This form is available via the district website (click on *DEPARTMENTS, BUSINESS OFFICE, IRS W-9 FORM, then scroll to the appropriate form*).
- C. **EMPLOYEE, PARENT AND STUDENT REIMBURSEMENTS:** A "REIMBURSEMENT REQUEST FORM" is to be completed for all employee, parent and student reimbursements. These would generally be small dollar purchases. **These are NOT to be reimbursed through cash receipts.** Appropriate original itemized receipts (i.e., contract, store receipts/invoice) must accompany all reimbursement requests.

Reimbursements to employees will be handled like all other employee-related expense reimbursements through semi-monthly payroll and must be submitted in accordance with the payroll due dates (see district website for pay date schedule). Reimbursements to parents and students will be processed through accounts payable and do not require a requisition/purchase order.

No sales tax will be reimbursed to students, parents or staff; this should be checked for and removed from the form before submission to the Business Office.

- D. **FIELD TRIP EXPENSES:** An invoice will be generated by the Business Office detailing actual bus driver wages/benefits, mileage, substitute teacher costs and miscellaneous expenses (i.e., meals, tolls, parking, etc.) after the field trip concludes. A journal entry will be keyed by the Accounting Assistant to expense the actual costs from the appropriate student activity account.

Note: There will be no “special favors” for late requests for checks...plan accordingly!!

IV. Deposits

- A. All funds shall be properly receipted, accounted for, and directed without delay to the proper location (Elementary or Middle/High School Office) for deposit. No money shall be taken off the premises or left overnight in desks, lockers or other such equipment. In the event money needs to be left overnight (i.e., Friday night or weekend activity), it shall be placed in a locked container in an area not easily accessible. Only minor amounts of a few dollars should be left overnight. Money should not change forms in which it was received (i.e., if coins are collected then coins should be deposited; the deposit should not be changed over to bills).
- B. The appropriate deposit receipt must be completed in its entirety [date, amount, account name and number, activity description (i.e., t-shirt sales, sucker sales, car wash, etc.), taxable/non-taxable box, treasurer/advisor/coach signature] and delivered to the appropriate building office within two days of receiving cash/checks.
- C. Deposits must be hand-delivered and signed-in by the individual making the deposit to the appropriate building office. No deposits should be dropped off in the building office without acknowledgement by someone from the building office.
- D. **Collection of Returned (Dishonored) Checks:** Whiteford Schools has contracted for the electronic collection of checks returned for insufficient funds (NSF). In order to insure 100% collection of returned (dishonored) checks, the following language must appear on all forms soliciting funds for the district:

*“Whiteford Schools has contracted with eCashFlow Services for the electronic collection of checks returned for insufficient funds (NSF). Should your check be returned, you expressly authorize your account to be electronically debited or bank drafted for the amount of the check plus any applicable fees. The use of a check is your acknowledgement and acceptance of this policy and you will be responsible for any and all penalties, costs and incidental damages, collection costs allowed under law, including attorney's fees, court costs, and taxes on any check that is returned. **Please include the following on your check: Full Name, Street Address, Phone Number.**”*

If there are any questions, please contact the Whiteford Agricultural School District Business Office.”

This information must appear on the **front of all forms** (not the back) and can be in small print (i.e., Ariel font, size 7). For ease in duplication, it can be found in the FORMS folder (Dishonored Check Language) on the shared drive so individuals can copy/paste into their documents.

Therefore, **all checks submitted for deposit must include full name, street address and phone number.** Those checks not containing this information will be returned to the advisor/coach for completion and may delay the processing of payments associated with the fundraiser.

V. Donated Funds

Board Policy 7230 governs gifts/grants/bequests to the district (this policy can be found on the district website). These become the property of the district and for use by the district per administrative guidelines. It should be noted that equipment donations require Board of Education approval PRIOR to the purchase by the donor as the Board reserves the right to deny or reject specific equipment donations due to liability by its use.

At times, funds are donated to a student group. These donations may be for general student activities or for a specific purchase. The donor should be asked to submit a letter with the donation indicating how funds are to be issued and for what purpose. If the donation is for use in a fundraiser, such as a raffle, acknowledgement should be referenced with fundraising information. The advisor/coach shall acknowledge the donation by completing the "DONATION/GIFT" form found in the Employee Portal or under the ATHLETICS tab on the district's website). A copy of this form is to be given to the vendor/individual making the gift/donation, a copy included with the deposit (if financial) and a copy submitted to the Superintendent's Office for recognition by the Board of Education.

Donations should be accepted only for those items that are in the best interest of the student club/class and are donated for legal and equitable purposes.