

BOARD POLICIES	<p style="text-align: center;">METRO TECHNOLOGY CENTERS SCHOOL ACTIVITY FUND MANAGEMENT (BP-4005)</p>	<p style="text-align: center;">The on-line version of the policy is official. Therefore, all printed versions are unofficial copies.</p>
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1.0 POLICY:

SECTION I - GENERAL RULES

- A. **Records of Funds:** Records shall 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, the associate superintendent/chief operating officer (COO) and/or the assistant superintendent for instruction, the chief financial officer (CFO), 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 of the account and facility (site) identification must be included in each of these Activity Fund Account descriptions.

- C. **Activity Fund Custodian:** The Activity Fund Custodian is always responsible for the funds. However, an Assistant Fund Custodian at the Central Office and administrative assistants at the sites may have charge of the mechanics relating to the receipt, disbursement, and posting of the fund accounts. A facility (site) financial administrative assistant, approved by the Activity Fund Custodian, 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) shall not purchase bonds.

- D. **Office Receipts:** Each facility (site) will have receipts supplied by the District. All monies received shall be recorded on pre-numbered receipts provided by the District.

The appropriate facility (site) financial administrative assistant shall receive all monies paid to the District which resulted from:

- Classroom activities (including resale and student organization activities).
- Student tuition, books, fee payments, facility rental, and PELL Grants.
- Patron support of student-related activities.

A receipt shall immediately be prepared and given to the payer each time a collection occurs. Each receipt will be properly dated and shall 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

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must be retained for inspection by the auditor and the word "VOID" written across the face of such receipt.

Postdated checks, cash advance slips, or IOUs shall not be accepted by the Activity Fund Custodian or any financial administrative assistant. All collections shall be covered by official receipts issued immediately thereon. All funds collected must be included in the next deposit to the District's 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 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 \$20.00 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. The District 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 District-related activities, except for live work projects. A teacher so authorized shall have a receipt book containing pre-numbered receipts. When a student or patron turns in money for District-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, 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 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 to 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 District employee and are not to be diverted for any purpose, temporary or otherwise.

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F. **Cash Change Fund:** The Activity Fund Custodian may establish a cash change fund at any facility operated by the District, not-to-exceed Four Hundred Dollars (\$400). This change fund must not be left on the site premises overnight unless secured 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 shall select a bank in the District to use as a depository. No monies are to be left overnight on the premises of any facility (site) operated by the District, 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 the District's School Activity Fund bank account must be made on the first work day following receipt of the monies.

Each facility (site) financial administrative assistant will prepare a daily deposit report each day when money, in excess of \$100, 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 District's depository bank as directed by the Activity Fund Custodian. The Activity Fund Custodian will arrange with the depository bank for statements to be issued as of the last banking day of each month.

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 Activity Fund Custodian. Verification of correctness of amount shall be on file before a check is drawn against any account. This verification shall 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) shall 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.

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

A financial report will be completed after the closing of each month's activities. The report must be to the chief financial officer (CFO).

- 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 the District shall 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 District sites.

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

The sources of receipts expressed in the Activity Fund Account Description shall 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 District business are exempt from sales tax payments at the time of purchase. In addition, on those occasions when the District is acting as a reseller, purchases are exempt from sales tax payments to the vendor. In either of these instances, the District 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 shall 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

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shall be made in strict compliance with board policy, except as follows:

1. Available Student Organization Activity Account balances may be expended without prior board 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 District 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 shall be included in the District-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 policy.
2. Those special charitable drives (not included in written board 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 shall 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:** The District's Activity Funds not needed to conduct normal activities may be invested in accordance with Oklahoma Statutes.

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1. Interest received shall be deposited in the General Activity Accounts unless earmarked for a special project.

P. **Audits:** A business office employee, under the direction of the District's chief financial officer (CFO), 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 shall be reported immediately to the chief financial officer (CFO), who will investigate, take appropriate action, and then report in a timely basis to the superintendent.

The external audit firm appointed by the Board shall conduct an annual audit of the School Activity Fund accounts and related records. Any discrepancy will be reported to the chief financial officer (CFO) and the Activity Fund Custodian each fiscal year. This report shall 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 auditors shall notify the Activity Fund Custodian and steps shall be taken immediately to correct any improper procedure. The auditor shall also notify the chief financial officer (CFO), 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 shall be kept and turned into the Custodian of the Activity Fund Custodian following said trip.

SECTION II CLASSIFICATION OF FUNDS

Classification of Activity Fund Accounts: All monies collected, handled or disbursed by the District for any activity, organization, or program shall be placed in various "Activity Accounts" of the Activity Fund. All monies shall be deposited with the Activity Fund Custodian. Disbursement shall be made by check. Each check must be supported by proper purchase orders, requisitions, invoices, statements, etc.

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The various Activity Accounts shall be divided into three (3) general categories:

A. Activity Fund Accounts

1. Student Organizations: Accounts in this category shall be used for all Student Organization activities, including club projects and general activities.
2. General Activity Accounts: Accounts in this category shall 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 shall be used for meeting expenses and recognition awards for employees, board members and students.
4. Employees' Cafeteria Compensation Plan: Accounts in this category shall be used to reimburse employees for expenses which qualify as covered benefits under Section 125 of the Internal Revenue Code.
5. Petty Cash: Accounts in this category shall be used for small cash expenditures, such as postage, freight, express mail or supplies.

B. Refund Sub-Accounts

1. Resale Accounts: Accounts in this category shall be used to collect income from the sale of books and supplies to students from student stores and live work projects (at each site).
2. Fee Collection Accounts: Accounts in this category shall be used for collection of fees in Career Assessment, Child Care, FAA Testing, Facility Rental, Health Certification, and Transcribing Fees for cooperative college credits.
3. Financial Aid Accounts: Accounts in this category shall be used for PELL Grants.

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

2.0 LEGAL REFERENCE: 70 O.S. §§ 5-129, 5-129.1, 5-129.2

3.0 CROSS REFERENCE: BP-4006, BP-4014

4.0 REVISION HISTORY:

<u>Date:</u>	<u>Revision</u>	<u>Description of Revision:</u>
October 8, 1984	A	Adopted
March 27, 1995	B	Revised
November 10, 1997	C	Revised

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September 22, 2003	D	Reformatted
December 15, 2003	E	Legal references reviewed and revised as necessary
November 22, 2004	F	Revised

5.0 PCF FRAMEWORK #: 8.2 Perform revenue accounting

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