WESTWOOD PUBLIC SCHOOLS

STUDENT ACTIVITY ACCOUNTS PROCEDURES MANUAL

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I. GENERAL INFORMATION

STUDENT ACTIVITY ACCOUNTS

A student activity account shall be used for monies raised by students or student organizations, and which will be expended by those students or student organizations for their benefit. MGL Chapter 66 of the Acts of 1996, as well as the policies of the Westwood School Committee governs monies deposited in a student activity account. Monies governed by any other laws, which specify other ways in which the money must be handled, cannot be deposited to a student activity account. For example, athletic gate receipts are governed by MGL Chapter 71, Section 47 and must be deposited with the Town Treasurer and, therefore, cannot be deposited to a student activity account.

Only organizations approved by the Superintendent may raise and disburse monies through a student activity account. Further information on the approval process for a group to be recognized as a student organization can be found later in these procedures.

AGENCY ACCOUNTS V. CHECKING ACCOUNTS

MGL Chapter 66 of the Acts of 1996 allows the Westwood School Committee to vote to authorize the Town Treasurer to establish an "interest- bearing bank account, hereinafter referred to as the Student Activity Agency Account" for the purpose of conducting student activities. All monies collected through student activities must be deposited in this account.

MGL Chapter 66 further allows the Westwood School Committee to authorize the Town Treasurer to establish a "Student Activity Checking Account" to be controlled and operated by the school Principal. Such an account is only for expenditures in accordance with School Committee policy and must have a maximum balance specified in the School Committee policy. The fund to establish such a checking account must come from the Agency Account specified above, as must all monies to periodically replenish the checking account (after submission of appropriate documentation) up to the maximum balance.

The Westwood School Committee has approved the establishment of the agency accounts and individual checkbooks for each school.

Each school Principal will be provided with a checking account for expenditure purposes. The maximum a school can have in its checking account at any time is as follows:

a. Elementary School - $25,000
b. Middle School - $50,000
c. High School - $100,000

At the start of each school year, unless outstanding checks dictate otherwise, the Town Treasurer will transfer excess funds to the agency account so that the starting balance in checking accounts does not exceed these balances.

a. Elementary School - $5,000
b. Middle School - $8,000
c. High School - $20,000

Transfers from the agency account into the checking account or deposits into the checking account are made exclusively by the Town Treasurer.

Information on how deposits and expenditures are to be made in each account can be found on the following pages.

II. ORGANIZATIONAL MANAGEMENT

ESTABLISHING A STUDENT ACTIVITY SUB-ACCOUNT

The elementary, middle and high schools may maintain a "general" school activity sub-account for monies raised by the entire student body through building fundraisers. This sub-account shall be expended at the direction of the Principal on student activities that benefit the entire student body or on financial aid to allow students with financial hardship to participate in student activities. Specific monies raised by specific groups shall be maintained as separate sub-accounts.

In order to maintain a sub-account within the overall school student activity account, the organization for which the account is maintained must be approved by the Superintendent. The following process shall be used for an organization to request approval:

To be approved, a new organization must submit a request with all the required information to the Superintendent. Please see Appendix C for the form. The required information shall include:

1. The requested name of the sub-account.
2. The reason for generating revenue (charging fees and/or fundraising).
3. The anticipated method(s) for generating revenue, including fundraiser type.
4. Expectations for student participation in fundraising and consequences for lack of participation.

5. How adult supervision will be achieved.

Once signed by the Superintendent, a copy shall be sent to the School Business Manager, and the original is permanently maintained in the records for the student activity accounts at the school.

The School Committee authorizes the Superintendent to approve the establishment of sub-accounts and to review and maintain a list of existing sub-accounts. This list shall be available to the School Committee upon request. These sub-accounts shall not require annual re-approval.

BONDING

MGL Chapter 66 of the Acts of 1996 requires that the Principal "shall give bond to the municipality or district in such amount as the Town Treasurer shall determine to secure the Principal's faithful performance of his/her duties in connection with such account."

Principals are bonded to a level that is determined by the Town Accountant, in consultation with the Town Treasurer and School Business Manager. If any additional cost is involved, it can be charged to each school's individual student activity account (and covered by interest earnings). The Superintendent shall make the determination as to whether the school budget can cover the cost or if each school must cover its share of the cost.

AUDITS

Student Activity accounts are to be audited as part of the Town's annual audit once every three years for any agency accounts with activities greater than $25,000. In the intervening years, the audit may be conducted by a responsible individual independent of the student activities. Such an individual could be the Town Accountant, who already has audit powers under MGL Chapter 41, or the School Business Manager if the School Business Manager is not involved in the administration or transactional processing of the student activities. The individual who conducts the audit may not be the Principal, Town Treasurer, Superintendent, or any authorized signatory on the accounts.

The cost of the audit may be paid from the interest earned on the Student Activity Accounts.

TRAINING SESSIONS

The guidance of the Business Office is available to the Principal's Office to review laws and the essentials of good bookkeeping procedures. Training shall be made available to the Principals and/or their staff on the ledger used to track the Student Activity Accounts.

It is recommended that an annual training be conducted for advisors and student officers in early September to review these principles of the Student Activity Accounts system. Training should be made available on the necessary procedures, forms authorizations needed, and the books and proper record keeping, including audit trail and reports.

TAX EXEMPT STATUS

All Student Activity Account purchases will be under the tax-exempt number of the town through the Town Treasurer's office. ***Student Activity Accounts should not pay nor reimburse sales tax.*** Schools may obtain a tax-exempt certificate from the School Business Manager.

Monies not under the control of the school system (i.e. PTO, Booster Clubs, staff monies, etc.) are not considered student activity monies and are not eligible to use the tax exempt number, nor may they be maintained in the student activity accounts.

STAFF FUNDS

The Student Activity Accounts authorized by MGL Chapter 66 of the Acts of 1996 are for student monies only.

Any monies belonging to staff (i.e. sunshine funds, etc.) cannot be maintained in such accounts. Should staff wish to maintain such an account(s), they must establish a bank account in their own name, and cannot use the town's tax-exempt number for such account(s).

GIFTS/DONATIONS

Gifts and donations to specific student organizations may be deposited into the applicable student activity account and expended for that specified purpose.

Gifts and donations made that are not specific to a student organization may not be deposited into student activity accounts because they are governed by a different law. (Examples may include a general gift/donation to a school or a gift/donation for educational purpose, i.e. Chromebooks.)

Gifts and donations that are not specifically related to student activities are governed by MGL Chapter 44, Section 53A and MGL, Chapter 71, Section 37A and shall be processed in accordance with such, including deposit of monetary gifts with the Town Treasurer via the Business Office. The School Committee must formally accept any non-student activity gift.

After acceptance, monetary gifts under Chapter 71, Section 47 shall be deposited to a gifts and donations account and expended through the town warrant process for the specific purpose for which it was received.

If no specific purpose for expenditure was indicated, the monetary gift shall be expended in accordance with the overall intent of the gift.

SCHOLARSHIP FUNDS

MGL Chapter 44, Section 53A and/or MGL Chapter 71, Section 37A shall govern all monies donated or collected for scholarship purposes. This includes the depositing of all such monies with the Town Treasurer.

All scholarship monies are under the jurisdiction of the School Committee, in accordance with the guidelines under which the scholarship was established.

III. OPERATING PROCEDURES

ACCOUNTING SYSTEMS, FORMS AND RECORD KEEPING

A critical point to keep in mind with all record keeping is that each person involved should protect themselves from charges of wrongdoing by keeping detailed records with appropriate backup documents. A clear audit trail shall be left at all times. This would include the following:

1. Standardized forms (for deposits, disbursements, cash receipt, event financial report, etc.) should be used whenever possible. See Appendix C.

2. All disbursements require an invoice or some type of receipt.

3. All deposits to the student activity account require a deposit slip stating the source of the monies, total amount being deposited, and signature of the person making the deposit. If any monies were received in cash, the deposit slip must be accompanied by a cash receipt.

4. All cash collected must be accompanied by a cash receipt that is dated and signed by both the student/teacher/advisor who is receiving cash and the individual who is paying with cash at the point of exchange.

5. Bank reconciliations and account reconciliations should be done monthly in a ledger that is shared with the Business Office. At the high school level copies of account reconciliation shall also be sent to the advisor or student officer of each organization upon request.

6. The maintenance of a current and detailed ledger that is shared with the Business Office shall satisfy the requirement to produce periodic financial reports, except in the instances when an Event Financial Report is appropriate.

7. Other reports shall be prepared as required by the School Business Manager, Superintendent and/or School Committee.

SUBSIDIARY ACCOUNTS

The Principal or the Principal's designee shall maintain subsidiary accounts within the student activity control account to match receipts and expenditures to the appropriate recognized student activity organization. Subsidiary accounts should be balanced each month to the control account.

Subsidiary accounts shall be maintained whenever the monies are raised by a particular group of students (a class or club) for their own activities. It is recognized that some monies, especially at the elementary level, will be raised for the entire school and a school-wide subsidiary account may be maintained.

RECEIPTS

The area most susceptible to abuse is the receipts process since cash is collected by many individuals (often students). Principals shall pay close attention to their building procedures for the handling of all receipts.

All cash being collected by a student/teacher/advisor (ex. at a fundraising table, or via fees charged with a field trip permission slip) must be documented at the time it is collected with a cash receipt (see Appendix C). The receipt shall specify the date, the amount of cash that is exchanged, and be signed by both parties.

Any student organizations receiving monies from any source (fundraisers, fees, etc.) must promptly deliver the funds to the Principal or designee for subsequent deposit to the student activity account. More specifically, cash must be turned over to the Principal or designee within 24 hours or one (1) business day. Checks must be stored in a secure location by the teacher/advisor and turned over to the Principal or designee ideally within five (5) business days and no later than ~~5~~ ten (10) business days after receipt by the teacher/advisor.

No student or advisor shall take money home at any time. Money received over the weekend shall be deposited to a night depository, secured in a locked vault, or safeguarded by other means.

The Principal or Principal's designee should deposit all monies received from student activity organizations to the bank ideally within five (5) business days and no later than ~~5~~ ten (10) business days after receipt by the Principal's office.

Any money not deposited to the bank on the same day it was received shall be kept overnight in a safe or other secure, locked area.

All money (cash or checks) turned over to the office by a student organization (advisor or student officer) shall be accompanied by a school deposit slip stating the date, the source of the monies, the amount of money being deposited, and signed by the person turning over the money to the office. The person receiving the monies must verify the amount and sign for/accept the monies.

Prenumbered tickets, logs, or rosters must be used for gate sales or performances, field trips, or any other activity where it is necessary to reconcile receipts with attendance. If using prenumbered tickets, a log must be kept stating the starting number and the ending number of the tickets. The receipts total must equal the number of tickets times the price. If using a roster, the receipts must reconcile to the number of people checked off times the price of the ticket.

In order to permit reconciliation of receipts, any students who receive financial aid to cover the cost of a ticket or field trip must be specified. Funds must be deposited or transferred from the general sub-account to the appropriate student activity sub-account for those students.

All monies turned into the office by students must be co-signed by the advisor or a teacher. The person receiving the monies must verify the amount and sign for/accept the monies.

The advisor or student officer should keep a copy of the school deposit slip that was submitted to the office with the money.

All receipts must be deposited by the Principal or the Principal's designee to the bank designated by the Town Treasurer for deposit to the agency account. The original bank receipt must be promptly forwarded to the Town Treasurer with the deposit slip. The Principal or designee shall maintain a copy of the bank receipt and all relevant backup material.

No receipts may be made into the checkbook except the initial transfer from the agency account to open the checkbook, a transfer from the agency account to increase the checkbook maximum (with School Committee approval), or for replenishment of funds based on the submission of receipts to the Town Treasurer.

INSUFFICIENT CHECK PROCEDURES

The following procedure will be followed for the handling of checks deposited into Student Activity Accounts that are returned for insufficient funds:

1. The bank will notify the Town Treasurer when a check has been returned.

2. The Town Treasurer will notify the specific School Office of the returned check by sending a copy of the bank's notification.

3. The School Office will attempt to collect the monies for the returned check, and money to cover the related bank charges and Treasurer's fees.

4. If the money is recouped, the Principal or designee will redeposit the money to the bank on a separate deposit slip indicating the amount of the original check and the amount of the bank charges and Treasurer's fees.

5. The school recordkeeper will label the bank's deposit slip as money for a "replacement check" and will forward a copy to the Town Treasurer.

6. The School Office will only reduce their ledger balance if the money is not recovered.

INTEREST EARNINGS

Interest earned on agency accounts and the checking accounts authorized by the School Committee with student activity monies must accrue to the student activity account. The interest earned and any audited undesignated fund balance in each school's student activity fund shall remain in the account and be recorded as a separate line item by the building Principal. These funds shall be used to cover the following expenditures without requiring further approval from the School Committee:

- To cover the cost of periodic outside audits of the accounts;
- To purchase forms and supplies related to maintaining the student activity agency account by the school;
- To pay for any banking fees associated with the accounts, or the acceptance of credit cards, or other online payment option that may become available; and
- To cover the cost of a student(s) attending a class or school function when students are charged for such but the district financial assistance policy determines the family is unable to cover such expenses.

COMMISSIONS

Any monies paid to the school or to a student activity organization as commissions belong to the students. At no time shall such commissions be used to benefit staff. When possible, commissions shall be used to reduce the cost of the item involved to each student (i.e. senior class yearbook) or designated for use by that student organization that generated the commissions. When the commission is generated from a schoolwide activity and not associated with a specific student organization, it shall be deposited in the general sub-account to benefit schoolwide student activities or used for financial aid to enable all students to participate in student activities.

PURCHASES

No purchases will be made without prior approval of the school Principal.

The practice of paying in advance with personal monies should be avoided whenever possible. If it is anticipated that payment in advance with personal funds may be necessary, prior approval shall be obtained. For purchases under $50, the School Office or Principal's designee may grant pre-approval after checking balances. For all other purchases of $50 or above, the Principal must grant pre-approval.

Purchases less than $500 may be made with personal monies by individuals, such as advisors, coaches, or parents in certain circumstances with pre-approval. Purchases under

$50 may be made by students with personal monies with pre-approval. These pre-approved purchases must be documented with original receipts for reimbursement.

For purchases above $500 to be reimbursed, advance permission must be sought from the School Business Manager. The Business Office may assist by processing a purchase order or using a district procurement card to avoid the practice of individuals paying large sums in advance.

Equipment and supplies purchased with student activity account monies are the property of the organization, not of any individual student, advisor or other interested party.

Student advisors or others involved in purchasing through the student activity account shall avoid a conflict of interest or the appearance of one. Consequently, advisors shall avoid benefiting personally from a purchase and shall declare a conflict of interest to the Principal or the School Business Manager to seek support with finding alternatives.

Student activity monies shall not be used for any purpose unrelated to student activities or for the benefit of any staff person.

Purchases made with monies in student activity accounts are exempt from the provisions of MGL Chapter 30B, the Procurement Law. It is recommended, however, that Principals follow the provisions of this law to the maximum extent possible to ensure the most efficient use of these monies. It is recognized, however, that many purchasing decisions will be made by students, (particularly at the secondary level), and selection of the low bidder may not be reasonable.

Purchases that are over ten thousand dollars need to have a contract or agreement between both parties.

EXPENDITURES/DISBURSEMENTS/CHECKS

1. All expenditures or disbursements from student activity accounts shall be made by check.

1. No check shall be made payable to cash.

2. Checks shall be signed only after they are completely prepared.

3. No checks shall be issued without bills or receipts to document the disbursement. Vendor statements alone (i.e., without any supporting documents) should not be used for the issuance of checks.

4. A record of all checks issued will be maintained.

5. Numerical order of checks should be retained. All checks shall be accounted for, including voided checks (which shall be voided to avoid re-use). Original voided checks should be sent to the Town Treasurer and a copy held at the school.

6. Checkbook reconciliations to bank statements and account reconciliations shall be done monthly. The checkbook reconciliation shall be conducted by someone other than the student activity account recordkeeper at the school. The Principal should approve the reconciliations.

7. A standardized form should accompany all check requests. The form shall accompany the invoice, receipt and/or all supporting documents, and must state to whom the check shall be payable. The form must also state the date, the reason for the payment, the amount of the check, the student activity sub-account to be charged and the approval signature of the student representative or advisor. Forms are shown in Appendix C.

1099-MISC PROCEDURES

Student Activity Accounts are subject to the IRS rules related to backup withholding taxes and Form 1099-MISC reporting. Please follow the following procedures to ensure that Form 1099-MISC is distributed to vendors when appropriate.

For the purposes of these procedures we will consider that there are four types of payments from Student Activity Accounts.

1. Reimbursements
2. Payments to Vendors (companies/corporations)
3. Payments to current employees of the Westwood Public Schools
4. Payments to individual contractors (non-company/corporation)

1. Reimbursements:

A 1099-MISC will not be issued for reimbursements, as reimbursements are not considered taxable.

2. Payments to Vendors (companies/corporations):

A 1099-MISC will not be issued to any vendor as they pay separate taxes based on their business.

3. Payments to current employees of the Westwood Public Schools:

1. Current employees who provide services that involve Student Activities will be paid through Payroll. The student activity recordkeeper will submit to payroll, the hours worked and amount of pay to be issued, as well as confirmation that the amount will be reimbursed through student activities. The School Business Manager must approve payment. Depending on when payroll receives the request for payment, payment will be included in the employee's next paycheck.

2. Student Activities will reimburse the District for any employee payments. Reimbursements will be deposited into the Miscellaneous Gift Account, which is the account the employee will be paid from.

3. For tax purposes the employee's earnings will be reflected on their W-2 form.

4. Payments to individual contractors (non-company/corporation):

Any individual who is not a vendor nor a district employee and performs work for Student Activities will be considered a contractor and will be paid through the District's Accounts Payable system. For example, this would include musicians hired for plays.

1. All Contractors will be set up in the Accounts Payable System by completing a W-9 form. W-9 forms are available from the District's Business Office or on the IRS website. The W-9 form should be completed including a phone # on the top of the form and returned to the Business Office.
2. After completion of their work, all Contractors must submit an invoice to Accounts Payable. Invoices should be sent to wpsinvoices@westwood.k12.ma.us. Please direct the individual contractor to reference the Student Activity that is associated with the invoice. A check will be mailed to the individual's home address within 2-3 weeks.
3. Student Activities will reimburse the District for any contractor payments. Reimbursements will be deposited into the Miscellaneous Gift Account, which is the account the contractors will be paid from.
4. For tax purposes, contractors will be issued a 1099-MISC form, if appropriate, per IRS guidelines.

SIGNATURE AUTHORITY

Principals may delegate to Assistant or Associate Principals or Deans, or other designee the authorization to sign withdrawal forms from various clubs and activities or other forms or permissions. However, the Principal may not delegate signature authority on the checking account. The Principal must sign all checks with an original signature. Signature stamps are not permitted. In the event that a Principal is not available, the Town Treasurer has signature authority.

PREPAYMENT POLICY

As a general policy, payments are not to be made from Student Activity Accounts (either agency accounts or checking accounts) until the goods or services have been provided. Partial payments may be made for partial receipt of the goods or services, and the amount paid shall be made in relation to the amount received.

An exception to the no prepayment policy will be permitted for performances or events (e.g. theater, musical performances or field trip deposits). A Principal may choose to make a prepayment if receipt of tickets is dependent upon such prepayment. If a Principal chooses to make a prepayment, the following steps must occur:

1. The staff or families involved (and students at the middle and high school levels) must be notified that once a prepayment is made, there is no guarantee of a refund if the performance or event does not occur for any reason.

2. If students are paying for the tickets (versus using general fundraising paying for the tickets), the parents must be notified in advance that there will be no refund of money if their child misses the performance or event (e.g. due to illness) unless the vendor or venue refunds their money.

REPLENISHMENT OF CHECKBOOK MONIES

Each building checkbook has a maximum balance specified in this manual. As checks are issued, the balance in the checkbook will decrease. Periodically the Principal should submit documentation to the Town Treasurer to account for the expenditures, along with a request to have monies equal to the total expended in the checkbook transferred from the student activity agency account to the student activity checkbook.

Such request shall include a billhead requesting replenishment of the account accompanied by a copy of each school withdrawal slip (originals shall be kept on file by the school.) Actual bills and receipts that backup each withdrawal slip will be maintained by the school in their files.

CASH BOXES

A cash box may be maintained at a building in accordance with the following guidelines:

1. A cash box may be needed during the year to make change during fundraising activities. ***At no time shall a cash box be used as a petty cash fund.***

2. Only the Town Treasurer may open a cash box. This will be done via a voucher "to open a cash box for X purpose and X year". This check shall be cashed by the Town Treasurer for change and placed in a locked cash box, which shall be kept in a safe or other secure, locked location.

3. The cash box shall be signed out to student organizations as needed for fund-raising. A logbook shall be kept which records which group is using the cash box, the date signed out, the amount in the cash box and the signatures of both the person signing it out of the safe and the person receiving it. Upon return of the cash box, the log shall also record the date returned, amount returned (which shall be equal to the amount signed out) and the signatures of both parties again.

4. The cash box shall be closed out at the end of the fiscal year by depositing the money back to the main account. The amount deposited back must equal the amount originally withdrawn to establish the cash box.

FIELD TRIPS AND TRAVEL

Field trips and travel should be held in accordance with School Committee policy. Student Activities that are organizing field trips must notify the Principal at least two weeks prior to the intended event, specifying the date and purpose of the trip, the estimated departure and return times, the number of persons traveling, and the estimate of expenses and how they will be covered.

All monies received for the purpose of field trips or travel shall be deposited in accordance with the preceding section on receipts. Expenditures related to field trips or travel must be handled in accordance with the guidelines and policies for all other student activity account expenditures.

For overnight or out-of-state travel that is partially or fully funded by funds in Student Activities, an Event Budget must be submitted to the School Business Manager <u>two weeks</u> prior to commencement of fundraising and before any receipts or expenditures are made. An Event Financial Report must be completed <u>one week</u> after the travel ends. See Appendix C for forms.

For overnight and out-of-state travel, if funds are raised specifically to cover per diem food and tips, the Faculty Advisor may pay for such expenses with pre-authorization through one of the following methods:

1. The Faculty Advisor may estimate the amount of the per diem expenses (up to $50 per student per day) and list this in the Event Budget, seeking pre-authorization to use a personal card for these expenses. Upon return, the Faculty Advisor must submit original receipts for all expenses to be reimbursed along with a Withdrawal Request Form.

2. The Faculty Advisor may request gift cards in the amount of the per diem expenses listed in the Event Budget (up to $50 per student per day) in the Event Budget. The Event Budget must be approved by the Superintendent for gift card purchases to be authorized. Upon return, the Faculty Advisor must submit original receipts to account for all expenses and must return any unused gift cards to the School Office. The School Office will retain the cards in a secure, locked box and use them for purchases related to schoolwide student activities. If the value of the unused gift cards that are returned exceeds $50, the school's general student activity sub-account will reimburse the sub-account of the group that traveled.

Overnight and out-of-state travel is not authorized until the School Committee provides the travel authorization and until the Principal and School Business Manager (at minimum) approve the Event Budget.

The Event Budget, Event Financial Report, and documentation for receipts and expenses must be retained in the records of the Student Activity Sub-account for audit purposes.

FUNDRAISERS

Fundraisers should be organized in accordance with School Committee policy.

All monies received through fundraisers shall be deposited in accordance with the preceding section on receipts.

Expenditures related to fundraisers must be handled in accordance with the guidelines and policies for all other student activity account expenditures.

For fundraisers that will be partially or fully conducted under the name of a Student Activity, an Event Budget must be submitted to the Principal two weeks prior to the commencement of fundraising and before any receipts or expenditures are made. An Event Financial Report must be completed one week after the fundraiser is complete. See Appendix C. for forms.

INACTIVE ACCOUNTS

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

1. Written notification by the advisor or student officers that the particular activity will cease to be a viable account. If an advisor or student officer is not available, such discontinuance shall be determined by the Superintendent.

2. All assets of the recognized student activity organization shall be determined and stated in writing.

3. Any disposition of assets of an inactive recognized student activity organization shall be determined by the Superintendent but in no case shall the disposition benefit specific individuals. The primary goal in disposition should be to benefit the student body. For example, assets or funds associated with an inactive student activity may be transferred to the general sub-account and used, under the guidance of the Principal, to fund schoolwide student activities or financial aid for students unable to otherwise participate in student activities.

CLASS ACCOUNTS AT GRADUATION

Class accounts are established to benefit students currently enrolled in the school system. Once a class of students graduates, the school district is no longer responsible for these monies.

Funds raised by and for a particular high school class as defined by graduation date, shall remain in a sub-account designated for that class through the last day of school of the class's graduation year.

Once a class has graduated from high school, their funds should be removed from the Student Activity agency account no sooner than September 30 of the following school year and no later than two years from the date of graduation. It is the responsibility of the class officers to arrange for these funds to be removed from the Student Activity agency 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 to the appropriate group (such as the incoming senior class, the general sub-account, or a charitable organization). Checks payable to individual members of the graduating class are not permitted.

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-account of the Student Activity Agency Account.

Such forfeiture and transfer of available balances from outdated graduated class accounts shall occur after documented efforts have been made to contact at least two class officers. Class officers should be provided with access to the Procedures Manual and this policy during their senior year to ensure their knowledge of their obligations to perform under this policy.

DEFICITS

Individual student activity accounts are ordinarily not permitted to be in a deficit position.

Year-end deficits that are due to timing of expenditures are explicitly authorized, so long as the deficit balance does not exceed the amount in an undesignated or "general" student activity funds at the school, such as the fund to which interest is credited or the fund to which the balances on inactive student activity funds are transferred. If an anticipated deficit that is driven by the timing of expenditures exceeds the balance in the undesignated fund, the Superintendent must approve the expenditure in advance.

If a deficit is not resolved by timing, the Principal may request a transfer from undesignated funds to the student activity account in deficit to resolve the deficit. If the balance in undesignated funds is insufficient, the Superintendent may approve the use of budgetary funds to cover the deficit. In this situation, the Superintendent shall advise the School Committee of the remedial action in a timely manner.

APPENDIX A: SCHOOL COMMITTEE POLICY

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 Office of the Superintendent. The funds shall be only for the benefit of students and managed in accordance with sound business practices, which include accepted budgetary, accounting, and internal control practices. The Superintendent shall ensure that, annually, all Principals and student organizations receive a copy of this policy as well as a copy of established Westwood Public Schools Student Activity Procedures Manual (hereafter, "Procedures Manual") for control of receipts and expenditures that meet or exceed DESE guidelines. The School Committee shall review and approve changes to the Procedures Manual.

In compliance with Massachusetts General Law, the School Committee:

1. Authorizes the Superintendent to approve the establishment of all club/student organizations based on the Procedures Manual. Further authorizes the Superintendent or designee to develop an internal periodic reporting process for student activity financial reports per the Procedures Manual.

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

3. Authorizes deposits of cash received from any source to be turned over to the Principal or designee in accordance with the Procedures Manual within 24 hours or 1 business day. Authorizes other deposits to the Checking Account (ex. checks) to be stored in a secure location and turned over to the Principal or designee in accordance with the Procedures Manual within five business days.

4. Authorizes the Town or District Treasurer to establish and maintain a Student Activity Agency Account(s) which is to be audited annually by a district or municipal employee or by an external auditor, but not by the Principal, Treasurer, Superintendent, or any authorized signatory on the accounts. The interest that is earned on such accounts shall be maintained in the Agency Account and distributed annually among the Student Activity Checking Accounts.

5. Authorizes Student Activity Checking Accounts for use by the Principals with specific maximum balances for each school established in the Procedures Manual by vote of the School Committee. The School Committee shall take a vote to change the maximum balance that may be on deposit in each Student Activity Checking Account.

6. Authorizes payment for expenditures to be made, whenever possible, by check, debit, or EFT directly from the Student Activity Checking Account. Signatory authorization for Student Activity Checking Accounts shall be restricted to the Principal and Treasurer. Principals may delegate to Assistant Principals, Dean, or other designee the authorization to sign withdrawal forms from various clubs and activities or other forms or permissions. However, the Principal may not delegate signature authority on the checking account. The Principal must sign all checks and their corresponding withdrawal authorizations with an original signature. Signature stamps are not permitted.

7. Permits reimbursements for purchases made with require prior authorization per the Procedures Manual.

8. Directs Principals to provide the Treasurer with a bond in an amount agreeable to the Treasurer.

9. Authorizes travel with funds in Student Activity Accounts so long as the travel conforms to School Committee policies with respect to student travel and to the guidelines specified in the Procedures Manual.

For accounts with maximum balance limits that exceed $25,000.00, the School Committee shall consider, in accordance with DESE guidelines, that an audit be conducted by an outside audit firm every three years.

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 shall be designated by the class' Year of Graduation.

Once a class has graduated from High School, their funds should be removed from the High School Student Activity Checking Account no sooner than September 30 of the following school year and no later than two years from the date of graduation. It is the responsibility of the 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 to the appropriate group (such as the incoming senior class, the “general” undesignated fund, or charitable organization). Checks payable to individual members of the graduating class are not permitted.

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 undesignated or “general” fund of the Student Activity Agency Account. The disposition of these funds shall be for the benefit of student activities per the guidelines in the Procedures Manual. The School Committee shall take a vote to change the guidelines for the disposition of these funds.

Class officers should be provided with access to the Procedures Manual and this policy during their senior year to ensure their knowledge of their obligations to perform under this policy.

Inactive Student Activities

When a student activity ceases to be active for a period of three years or more the Principal or other authorized administrator shall require the following actions:

1. Obtain written notice from the faculty advisor or student officer that the activity will cease to be a viable account. If unable to obtain such notification the Principal shall request action to close the account from the Superintendent per the Procedures Manual.

2. Identify in writing all assets of the student activity. The disposition of any assets shall be determined by the School Committee and may not benefit specific individuals. The disposition of these assets shall be for the benefit of student activities per the guidelines in the Procedures Manual. The School Committee shall take a vote to change the guidelines for the disposition of these funds.

3. Through the publication of the Procedures Manual, annually notify all students of the required actions if an activity ceases to exist.

Student Activity Deficits

Individual student activity accounts are ordinarily not permitted to be in a deficit position.

Year-end deficits that are due to timing of expenditures are explicitly authorized, so long as the deficit balance does not exceed the amount in an undesignated or “general” student activity funds at the school, such as the fund to which interest is credited or the fund to which the balances on inactive student activity funds are transferred. If an anticipated deficit that is driven by the timing of expenditures exceeds the balance in the undesignated fund, the Superintendent must approve the expenditure in advance.

If a deficit is not resolved by timing, the Principal may request a transfer from undesignated funds to the student activity account in deficit to resolve the deficit. If the balance in undesignated funds is insufficient, the Superintendent may approve the use of budgetary funds to cover the deficit. In this situation, the Superintendent shall advise the School Committee of the remedial action in a timely manner.

LEGAL REFS: MGL 71:47
CROSS REFS: JJA, Student Organizations
DIE, Audits

APPENDIX B: STUDENT ACTIVITY FAQ'S

Q1: Why do we have Student Activity Accounts?

The purpose of a Student Activity Account is to safeguard the monies raised by students; to ensure that they are expended solely for the purpose for which the money was raised; and to ensure expenditures directly benefit the students.

Note: Student Activity Funds belong to the students and are not part of the School District's budget. We merely facilitate the process of expenditure. Each expenditure must be for the benefit of the students and the students must authorize each expenditure.

Q2: May a student activity organization accept gifts and donations?

Yes. Gifts and donations to recognized student activities can be deposited into the student activity agency account and expended in accordance with school committee policy.

Q3: May grants and gifts be accepted by a student activity organization for educational purposes?

No. Under the provisions of Section 53A of Chapter 44 and Section 37A of Chapter 71 of the General Laws of Massachusetts, all grants and gifts for educational purposes shall be deposited with the Town Treasurer and held as a separate account by the municipality or district and not included within student activity funds.

Q4: May the student activity organizations conduct fund raising activities?

Yes and No. Fund-raising activities should be held in accordance with School Committee policies and for the benefit of students to supplement student activities.

If fundraisers are held to supplement operations, such as supplies, books and other operating costs, then they are considered part of the curriculum and will fall under Section 53A of Chapter 44 of the General Laws of Massachusetts and considered a gift to the municipality or district.

An example of this is a box top promotion that many organizations run. This promotion is typically designed to raise money for classroom supplies for students and thus, if designed in that manner, cannot be deposited into a student activity fund. In order to be properly considered a student activity deposit, the objective of the program must clearly state that the funds raised will be used for student activities. The same applies for reward programs based on parents signing up at retail establishments and popular restaurants resulting in the school receiving a percentage of what is purchased by the parent or family member.

An Event Budget must be submitted two weeks in advance of any fundraiser. Please review the appropriate instructions in the Procedures Manual.

Q5: What happens when an account becomes overdrawn and shows a deficit balance?

Individual student activity accounts are ordinarily not permitted to be in a deficit position.

Year-end deficits that are due to timing of expenditures are explicitly authorized, so long as the deficit balance does not exceed the amount in undesignated or "general" student activity funds at the school. If an anticipated deficit that is driven by the timing of expenditures exceeds the balance in the undesignated fund, the Superintendent must approve the expenditure in advance.

Q6: Can lost book fees be deposited into a student activity account?

No. Lost book fees are statutory revolving funds governed under MGL Chapter 44 Section 53 and like all statutory revolving funds, they may not be deposited into the student activity account.

Q7: May student accounts be used to pay stipends or other payroll?

No and Yes. Payroll must be paid from the general operating budget and may not be paid from student activities. Stipends, if approved by the student activity and Principal and directly benefit the students, may be paid from student activities accounts, however the compensation received for such activities must be included as taxable wages on the employee's W-2.

Q8: Is the student activity required to adhere to IRS reporting with respect to backup withholding taxes and Form 1099-MISC?

Yes. A student activity organization is subject to the rules related to backup withholding taxes and Form 1099-MISC reporting.

Please see page 13-14 for procedures related to Form 1099-MISC.

Q9: Is it proper to purchase supplies with student activity funds?

No and Yes. Student activity funds are expressly set up to benefit the student and may not be used to supplement the operating budget or any other curriculum expenditure. However, if the supplies are purchased specifically for the use of a student activity club or organization in connection with their stated goals, then it is permissible.

Q10: Should the student activities avoid making large reimbursements to sole individuals?

Yes. The payment of large reimbursement checks to any one individual should be avoided. This raises control risks, as purchases must be pre-authorized but individuals may neglect to seek pre-authorization and/or may misinterpret pre-authorization that is granted verbally. There is also the risk that an individual utilizes their credit card to make the purchase and then accrue credit card "rewards" which may create a conflict of interest. If reimbursements are made in situations that are not avoidable, these must first be approved by the Principal.

Q11: May a student activity disburse funds to a charitable organization?

Yes: The "anti-aid" amendment to the Massachusetts Constitution (Article 46, as amended by Article 103 of the Articles of Amendment) prohibits the use of public money or property "for the purpose of founding, maintaining or aiding any infirmary, hospital, institution, primary or secondary school, or charitable or religious undertaking" that is not publicly owned and controlled. *However, since student activities are private money, they are exempt from the provisions of this requirement.*

Q12: What are the bonding requirements?

Principals are bonded to a level that is determined by the Town Accountant, in consultation with the Town Treasurer and School Business Manager.

Q13: Are student activity disbursements subject to Chapter 30B procurement laws?

No. It is ESE's opinion that Chapter 30B of the General Laws of Massachusetts does not pertain to purchases made with student activity funds because private purpose funds are exempt from Chapter 30B. While this exemption exists, ESE strongly encourages a competitive procurement process whenever possible.

Q14: Can the PTO use our tax exempt ID to purchase goods and services?

No. The tax exempt ID may only be used by Westwood Public Schools. PTO's and PTA's do not fall under our tax exemption.

Q15: Can a Student Activity reimburse sales tax?

No. Since we are a tax-exempt organization we cannot reimburse sales tax.

Q16: Can WFE or other grants be deposited into a Student Activity account?

No and Yes Grants in general must be deposited into a revolving account. If a grant is for a specific student activity that has already been established then it may be deposited into that student activity sub-account.

Q17: How do I track field trip receipts?

Receipts for field trips can be tracked on a roster that would include the student's name, amount paid, and total deposit.

Q18: Can I pay for flowers or other gifts for staff appreciation from Student Activities?

No. All expenditures should benefit students only.

Q19: If I collect cash at an event, can I use some of the money to make a purchase and deposit the remainder?

No. All receipts must be deposited to the Student Activity savings account.

Q20: Who should be signing checks?

For all schools, only the Principal is an authorized signer. The Principal may not delegate signature authority.

Q21: Can students sign checks?

No. Students cannot sign checks. They are not authorized signers on any account.

Q22: Can you make a check out to yourself?

No. Nobody should sign a check payable to himself or herself.

APPENDIX C: REQUIRED FORMS

STUDENT ACTIVITY ACCOUNT
REQUEST FOR RECOGNITION OF A NEW SUB-ACCOUNT

This form requests the recognition of the following student activity account, including approval to generate revenue (ex. fundraise or charging fees) and maintain monies in this sub-account. Prior to completing this form, the undersigned has reviewed the training slides and read the procedures manual to understand how student activity accounts are managed.

School ________________________ Date of Request___________

Requested name of sub-account (ex. Math Team).

____

Purpose or mission of the organization that is managing the sub-account.

____

____

Please describe the reason for generating revenue. Please describe what funds will be used to purchase.

____

____

____

____

Please describe the anticipated method(s) for generating revenue, including details on any fundraiser.

____

____

____

____

Please describe the expectations for student participation in fundraising and consequences (if any) for lack of participation.

____

____

Please describe how adult supervision will be achieved for this sub-account.

____

____

If approved, I/we understand that the organization will be responsible for compliance with School Committee policy and procedures for generating and spending funds and handling of moneys. Where fundraising is involved, I/we will abide by all guidance provided by the School Committee, the School Business Office, and the Principal's Office.

________________________ Student Signature	________________________ Teacher/Advisor Signature
________________________ Student Name (Print Name)	________________________ Teacher Advisor (Print Name)
________________________ Principal Signature	
________________________ Principal Name (Print Name)	________________________ Superintendent Signature

************************** **SCHOOL OFFICE ONLY****************************

Make one (1) copy of this document, to be sent to the School Business Manager.

The original is permanently maintained in the records for the student activity accounts at the school.

STUDENT ACTIVITY ACCOUNT
DEPOSIT SLIP

School ______________________ Date____________

Student Activity____

Source of Money____

Faculty Advisor: Please attach rosters or logs (including information on students receiving financial aid), pre-numbered ticket information, cash receipts, or other deposit documentation.

Total Amount of Deposit: $______________
Checks: $_____________
Cash: $_______________ (Bills __________ Coins _________)

The following signatures must be obtained in the sequence listed below:

1. Faculty Advisor Signature (REQUIRED) ______________________ Date___________

   Faculty Advisor Name (Print) __________________________________

2. Student Officer Signature (If Applicable)______________________ Date___________

   Student Officer Name (Print) ___________________________________

3. School Office Signature (REQUIRED)________________________ Date___________

   School Office Name (Print)_____________________________________

Comments____

*************************** SCHOOL OFFICE ONLY**************************

Make two (2) copies of this document, to be distributed as follows:

1. Faculty Advisor
2.Town Treasurer's Office with copies of deposit documentation and copy of the bank deposit slip.
The original is to be retained in the School Office with original deposit documentation and bank deposit slip.

STUDENT ACTIVITY ACCOUNT
CASH COLLECTED FROM STUDENTS
To be completed in a ballpoint pen for all cash collected.

STUDENT ACTIVITY SUB-ACCOUNT: ____________________________________

CASH AMOUNT:_________________

CASH PAID OR PROVIDED BY PERSON
(ex. student or parent) LISTED BELOW:

____
Print Name

My signature below indicates that I have counted and verified the cash amount paid.

Signature:__________________________

Date:______________________________

CASH RECEIVED BY STUDENT ACTIVITY
ADVISOR LISTED BELOW:

____
Print Name

My signature below indicates that I have counted and verified the cash amount received.

Signature:____________________________

Date:________________________________

Copy to: Office Staff (White), Person Making Payment (Yellow), Advisor (Pink)
White copy is retained with the bank deposit slip and filed in Student Activity Account Records

STUDENT ACTIVITY ACCOUNT
WITHDRAWAL REQUEST

School ______________________ Date____________

Student Activity____

Faculty Advisor: Please attach appropriate backup documentation and note that tax cannot be paid or reimbursed. The School Office can provide a tax-exempt form if required.

Check Payable to____

Total Requested__________________

Expense Item / Description____

____

PLEASE ATTACH EITHER:

____Copy of the original bill / invoice (not yet paid) indicating product or service (and date)

____Copy of original receipts showing payment made by the individual who is requesting reimbursement above. Note: If there are items on the receipt that are not being expensed, please circle the items that are being expensed.

Faculty Advisor Signature (REQUIRED) ______________________ Date___________

Faculty Advisor Name (Print) _________________________________

Student Officer Signature (If Applicable)_____________________ Date___________

Student Officer Name (Print) __________________________________

**************************** SCHOOL OFFICE ONLY**************************

School Office confirmed that funds are available in the sub-account.

Signature (REQUIRED)________________________ Date__________________

Check Prepared by (Print Name)________________________ Check #________________

Make one (1) copy of this document, to be sent to the Town Treasurer's Office with backup documentation and copy of the check and corresponding transfer request.

The original is permanently maintained in the records for the student activity accounts at the school.

STUDENT ACTIVITY ACCOUNT
TRANSFER REQUEST

School ________________________ Date____________

Expenses summarized below have been accompanied by a Withdrawal Request form and backup documentation.

Check #	Check Date	Payee	Student Activity Sub-Account	Amount
			Total:	

School Office confirmed that funds are available in the agency sub-account.

Signature (REQUIRED)__________________________ Date____________________

Request Prepared by (Print Name)__________________________

***********************TREASURER'S OFFICE ONLY**************************

School Office confirmed that funds are available in the sub-account.

Transfer Processed by __________________________ Date____________________

STUDENT ACTIVITY ACCOUNT
EVENT BUDGET

This form is to be submitted two weeks prior to the start of any fundraising event or out-of-state travel. Prior to completing this form, the undersigned has reviewed the training slides and read the procedures manual to understand how student activity funds are managed.

School ________________________ Date of Request________________

Student Activity____

Event Name______________________________ Proposed Date(s)_______________________

Purpose of Event____

____

____

Proposed Participants (# of students, chaperones or advisors)____________________________

____

REVENUE: Please list all anticipated sources of revenue (ex. school budget, Gift Account, PTO, cash donations, check donations, sale of tickets, fees, etc).

	Source of Revenue	Estimated $ Amount
1		
2		
3		

EXPENSES: Please list all anticipated expenses or planned expenditures with the funds (ex. purchase of equipment, rental of a charter bus).

	Item or Description	Estimated $ Amount
1		
2		
3		

Faculty Advisor Signature (REQUIRED) ________________________ Date___________

Faculty Advisor Name (Print) _____________________________________

Student Officer Signature (If Applicable)_______________________ Date___________

Student Officer Name (Print) ______________________________________

AUTHORIZATIONS REQUIRED

Travel authorization for overnight or out-of-state travel is only granted by the School Committee.

The signature below indicates that the Event Budget is in compliance with school policy and with the Westwood Schools Procedures Manual for Student Activities. If the Event Budget involves out-of-state or overnight travel, it must be forwarded to the School Business Manager for approval. If the Event Budget involves gift cards for per diem food and tips, it must be forwarded to the Superintendent for approval.

Principal Signature (REQUIRED)_________________________________ Date___________

School Business Manager Signature ______________________________ Date___________

Superintendent Signature ____ Date___________

**************************** SCHOOL OFFICE ONLY**************************

Make one (1) copy of the completed document, to be sent to the School Business Manager.

The original is permanently maintained in the records for the student activity accounts at the school.

STUDENT ACTIVITY ACCOUNT
EVENT FINANCIAL REPORT

This form is to be submitted one week after any fundraising event or out-of-state travel.

School ________________________ Report Date ________________

Student Activity____

Event Name_______________________________ Event Date(s)________________________

REVENUE: Please list all sources of revenue (ex. school budget, Gift Account, PTO, cash donations, check donations, sale of tickets, fees, etc).

	Source of Revenue	Date	$ Amount
1			
2			
3			

EXPENSES: Please list all expenses associated with this event.

	Item or Description	Date	$ Amount
1			
2			
3			

NET BALANCE:______________________

Faculty Advisor Signature (REQUIRED) ________________________ Date___________

Faculty Advisor Name (Print) ____________________________________

Student Officer Signature (If Applicable)______________________ Date___________

Student Officer Name (Print) _____________________________________

EVENT ACCOUNTABILITY

The signature below indicates that the Event Financial Report is in compliance with school policy and with the Westwood Schools Procedures Manual for Student Activities. If the Event Financial Report involves out-of-state or overnight travel, it must be forwarded to the School Business Manager for review. If the Event Financial Report involves gift cards for per diem food and tips, it must be forwarded to the Superintendent for review.

Principal Signature (REQUIRED)________________________________ Date___________

School Business Manager Signature ______________________________ Date___________

Superintendent Signature _______________________________________ Date___________

**************************** SCHOOL OFFICE ONLY***************************

Make one (1) copy of the completed document, to be sent to the School Business Manager.

The original is permanently maintained in the records for the student activity accounts at the school.

STUDENT ACTIVITY ACCOUNT
CASH BOX LOG BOOK

School ______________________

A cash box may be signed out to student organizations as needed for fundraising. A logbook shall be kept which records which group is using the cash box, the date signed out, the amount in the cash box and the signatures of both the person signing it out of the safe and the person receiving it.

Upon return of the cash box, the log shall also record the date returned, amount returned (which shall be equal to the amount signed out) and the signatures of both parties again.

Student Activity____________________________________

SIGN OUT OF CASH BOX (upon removal from School Office):

Date	Cash $	Faculty Advisor Name (Print)	Faculty Advisor Signature	Office Signature

SIGN IN OF CASH BOX (upon return to School Office):

Date	Cash $	Faculty Advisor Name (Print)	Faculty Advisor Signature	Office Signature

**************************** SCHOOL OFFICE ONLY**************************

The original is permanently maintained in the records for the student activity accounts at the school.