

Policy

BOARD OF EDUCATION
HORTONVILLE AREA SCHOOL DISTRICT

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DISTRICT-SUPPORTED/SPONSORED STUDENT ACTIVITY ACCOUNTS

It is the purpose of this policy to establish financial controls for the administration of the co-curricular and extra-curricular activities, clubs and student organizations. The Board authorizes the maintenance of approved student activity funds as allowed by DPI regulations and the auditor's recommendations, in accordance with the GASB 84.

All activities described in this policy are sponsored by the District, assigned an adult advisor, and are authorized to use the District name, logo, mascot, or any other name which would associate an activity with the District provided such use is consistent with other applicable District policy. The following organizations and activities are NOT covered by this policy: (1) any group or organization that is structured as its own formal legal entity, separate from the District; and (2) any District-Sponsored activity for which the District independently makes all of the relevant funding and expenditure decisions.

Each activity covered by this policy must be recognized by the District Administrator before monies can be collected or disbursed in the name of said activity.

Any fee or fundraising activity that is intended to create revenue for a student group or that is intended to cover the costs that a student group incurs in connection with its activities must be approved in advance by the District and comply with applicable Board Policy 5830 – Student Fund-Raising. As applicable to the particular fee or fundraising activity, approval shall be obtained from the Activities Director or their designee. Outside of a specific fundraising effort, any gift or donation that is offered to the District for the specific benefit of one or more student groups shall be processed according to the District's policies regarding gifts. If the gift is accepted, the gift or donation shall be allocated to the applicable student group(s) as specified in the approved conditions of the gift.

No student group, organization, or club that is subject to this policy may (1) accept loans from any non-District third party, (2) permit any third party (including a student member or the group's advisor) to manage the group's funds outside of District-authorized processes and procedures; or (3) operate at a negative cash balance. However, at its discretion, the Board may approve providing an advance of District funds to a student activity that exceeds the group's available cash balance in anticipation of incoming receipts which will be used to reimburse the advanced funds.

It shall be the responsibility of each organization or club advisor to oversee the financial records of the group they are advising. Each building administrator shall review the financial aspects of all student organization or clubs within his/her building for proper accounting procedures. Each building must also prepare an annual summary report, listing the beginning balance, revenue received, expenditures paid, and the year-end balance for all activity accounts at the end of each fiscal year to meet District Audit requirements.

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The District Administrator is to obtain a list and brief description of the objectives, activities, and limitations of each fund prior to the start of the new fiscal year.

In addition, the Director of Business Services will review on an annual basis, the procedures used by each school office to account for Student Activity funds and establish internal processes and procedures with reasonable business practices. These practices must be in compliance with the rules of the Governmental Accounting Standards Board (GASB), the Wisconsin Uniform Financial Accounting Requirements (WUFAR) and this policy.

The funds of non-school sanctioned organizations or groups will not be accounted for or deposited with school Student Activity Funds or another fund.

The following requirements apply to student activity funds that may be received, held, and disbursed by the District under this policy:

1. The District's Business Office shall use activity-specific subaccounts, or any substantially equivalent accounting mechanism(s) that would be consistent with WUFAR and GASB standards, that enable the District to appropriately associate specific funds with each organization, club, or student group.
2. The Director of Business Services shall ensure that the District establishes and implements reasonable cash handling procedures for student activity funds.
3. Student activity funds received and held by the District shall be deposited in an account at a District-approved financial institution that serves as a public depository. If any interest is earned on such funds, the interest shall be proportionally allocated to the appropriate student activity account(s).
4. Student activity funds shall be expended to finance the legitimate activities of the student group, organization, or club (which may include charitable activities or community events) or for a purpose beneficial to the school community, with the primary direction for such expenditures normally being initiated by the participating students or their designated student representative(s). Student activity funds shall not be used to cash personal checks, to make loans or extend credit to individuals, or to pay compensation directly to District employees.
5. All proposed expenditures of District-held student activity funds that may be requested by the student members or designated representatives of a student group, organization, or club shall be reviewed and approved in advance by the group's assigned advisor and the Activities Director. Such approvals shall be based on a determination that the purpose of the expenditure is appropriate and that the amount, or any estimated amount, of the expenditure appears to be reasonable. Any disagreement over the approval of a proposed expenditure may be appealed to the District Administrator and/or the Director of Business Services.
6. All disbursements of approved expenditures from a District-held student activity account shall adhere to District-established disbursement procedures.

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Implementation:

For overnight student trips and all fund-raising activities such as, but not limited to, trips sponsored by the music department, foreign language, debate or forensics department, a financial report upon completion of the trip or fund-raising activity shall be required. The report shall be attached and is intended to protect the interests of the sponsoring advisor, the students and parents involved, and the Board of Education. The completed financial report shall be distributed to the office of the building principal, the Director of Business Services, and District Administrator. A report of this nature can be requested for any activity at the discretion of the administrator or Board of Education.

Misappropriation or Misuse of Student Activity Funds:

If any person has knowledge of or reason to suspect that there may have been a misappropriation of student activity funds or any other impropriety in the management or use of such funds, including any form of theft or fraud, the person should report the concerns and any supporting information to the District. District employees are expected to promptly report all such situations. It is generally appropriate for any such report to be made directly to the District Administrator or Director of Business Services. If an investigation substantiates the occurrence of any misappropriation of funds or any other financial irregularity, the District will exercise its discretion to pursue such disciplinary consequences and other legal consequences or remedies as the District deems appropriate.

Discontinued Student Activities

After one (1) full school year of inactivity, the unexpended funds of a discontinued District-supported student activity shall be transferred to the District's General Fund - Fund 10.

Legal Reference:

120.16(2) Wis. Stats.

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