

District: Tupelo Public School District  
Section: D - Fiscal Management  
Policy Code: DFAB - Revenues from Non-Tax Sources

#### RECOMMEND DELETION - THIS DUPLICATES DK SCHOOL ACTIVITY FUNDS MANAGEMENT.

#### REVENUE FROM NONTAX SOURCES

Activity funds are those funds received by the district from a school activity that may be partially financed or supplemented by public funds. The term "activity funds" shall not include any funds raised and/or expended by any organization unless commingled in the designated bank account with existing activity funds, regardless of whether the funds were raised using school facilities.

Activity funds may only be expended for necessary expenses or travel costs incurred by students and chaperones attending any school related programs, conventions or seminars or purchase of commodities, equipment, contractual services or supplies which the Board shall deem beneficial to the extracurricular programs of the district.

The finance office will designate an account for each school for the purpose of handling activity funds. This account shall handle all monies collected by the different organizations within the school. This account must utilize the regular district accounting procedure. No employee of the district may open or maintain a separate checking account for a school organization or program. Expenditures must be authorized by the principal and sponsor of the organization.

School activity funds shall be expended in such a way as to benefit those students currently in school who had the opportunity to contribute to the accumulation of such funds. Monies raised by students must be expended for new projects for which the monies were raised within the school and/or community which have been approved by the membership of the sponsoring organization. Monies raised for a given project and not expended within the school year will be maintained and carried over in the project account for which they were raised. Only if a project becomes extinct can the remaining funds be transferred to another project account within the school account.

All activity funds received by a school must be deposited into its account through the principal. The principal must maintain a permanent receipt journal containing such information as prescribed by the State Auditor's office to record all receipts. A person transferring this money to the principal for deposit shall be given the original receipt, the second copy shall be sent to the finance office, and the second copy of the journal shall be kept in the book and on permanent file in the principal's office. All of those prenumbered receipts must be accounted for. A copy of the deposit slip indicating the amount of money deposited to the bank must also be sent to the finance office. The deposit slip should indicate the sequence of receipt numbers that particular deposit covers.

Any disbursement of activity funds be made from the account on prenumbered checks and adequately supported as to the reason for disbursement. All purchases made with activity funds must comply with the state purchasing laws.

Within three working days of the close of the month, a principal shall deliver to the finance office all activity funds receipts during the preceding month. Information from the receipt copies will be used to reconcile the monthly bank statements. A copy of each month's bank reconciliation will be returned to the school for review and management purposes.

Any activity fund, which becomes dormant and inactive, may have its surplus, if any, transferred to another activity fund upon approval by the Board. Any event at a school where a fee is charged for admission shall use prenumbered tickets and be accounted for in a manner prescribed by the State Auditor's office if the event is estimated to generate more than \$100 in revenue.

Any arrangement between a school and a company supplying merchandise such as school pictures, class rings and caps and gowns, shall be by written contract signed by the principal and the company's representative, approved by the Board, and on file available for public review in the principal's office. The contract shall include all provisions of the arrangement including any rebate or commission to the school. Any rebate or commission provision in a contract shall be fully disclosed in the Board minutes and to any prospective purchasers of the merchandise. Persons who purchase merchandise shall pay either the company or the activity fund directly.

In cases where the merchandise is purchased from the vendor, any such rebate or commission to the school shall be paid by check from the company directly to the school's activity fund. In the event merchandise is sold through a school, the cost of such merchandise shall be paid from the student activity fund directly to the vendor. Under no circumstances shall a company or a purchaser make payment directly to a principal.

All funds raised by a specific organization such as a PTA on behalf of a school may be deposited in the activity fund and used exclusively for such school's benefit. If the money is deposited with activity funds, it shall become subject to those policies. Funds raised utilizing school employees in their official capacities are considered activity funds and are covered by these policies. Funds raised utilizing volunteers and off the school grounds are not considered activity funds unless they are deposited with existing activity funds.

Improper administration of this policy and procedure will be cause for disciplinary action including dismissal and the prosecution of any criminal charges that are applicable.

Legal Ref. MGA § 37-2-301(4)

Adopted Date: 3/19/1987

Approved/Revised Date: