

Document Status: Draft Update

Operational Services

4:90 Student Activity and Fiduciary Funds

Title has been updated. Original Title: Activity Funds

The School Board, upon the Superintendent or designee's recommendation, establishes student activity funds to be managed by student organizations under the guidance and direction of a staff member for educational, recreational, or cultural purposes. PRESSPlus1 The Board, upon the Superintendent or designee's recommendation, also establishes fiduciary funds to be supervised by the Superintendent or designee. The District has custodial responsibilities for fiduciary funds but no direct involvement in the management of such funds. PRESSPlus2

Student Activity Funds PRESSPlus3

The Superintendent or designee shall be responsible for managing student activity funds and/or convenience accounts in accordance with State law and shall have all of the responsibilities listed in the rules adopted by the ~~Illinois~~ State Board of Education (ISBE) for the maintenance of student activity funds and/or convenience accounts. The Board of Education shall recognize the Business Manager as the activity funds treasurer who shall be bonded in accordance with the School Code. Each non-student group that has a convenience account shall designate a manager for it.

Fiduciary Funds PRESSPlus4

The Superintendent or designee shall be responsible for supervising fiduciary funds in accordance with Board policy 4:80, Accounting and Audits; State law; and ISBE rules for fiduciary funds. The Board will appoint a treasurer for each fund to serve as the fund's sole custodian and be bonded in accordance with the School Code. The treasurer shall have all of the responsibilities specific to the treasurer listed in the ISBE rules for fiduciary funds.

LEGAL REF.:

[105 ILCS 5/8-2](#) and [5/10-20.19](#).

23 Ill.Admin.Code §§100.20, ~~and 100.80~~, and 100.85.

CROSS REF.: 4:80 (Accounting and Audits), 7:325 (Student Fund-Raising Activities)

ADOPTED: October 3, 2006

REVISED:

REVIEWED: August 1, 2019

PRESSPlus Comments

PRESSPlus 1. Student activity funds are established to account for money used to support the activities of student organizations and clubs, e.g., homeroom, yearbook, class year, choral or band group, class projects, student clubs, student council, and student-sponsored bookstore. 23 Ill.Admin.Code §100.20. Student activity funds are under the school board's control, giving it a fiduciary responsibility to safeguard them along with district assets. In contrast to *fiduciary funds*, the board, superintendent, or other district employees have direct involvement in how *student activity funds* are spent or attained. And, unlike fiduciary funds, student activity funds must be reported as part of a district's Educational Fund for its annual financial reporting and budget, in accordance with *Governmental Accounting Standards Board Statement No. 84*. 23 Ill.Admin.Code §§100.80(e), 100.85. **Issue 106, November 2020**

PRESSPlus 2. Updated to incorporate 23 Ill.Admin.Code §§100.20, 100.80 and 100.85 (establishing *fiduciary funds* as a category of funds separate from *student activity funds*, for which a district has custodial responsibilities). **Issue 106, November 2020**

PRESSPlus 3. Student activity funds are under the school board's control, giving it a fiduciary responsibility to safeguard them along with district assets. In contrast to fiduciary funds (see PRESS Plus Comment 3), the board, superintendent, or other district employees have direct involvement in how student activity funds are spent or attained. And, unlike fiduciary funds, student activity

funds must be reported as part of a district's Educational Fund for its annual financial reporting and budget, in accordance with Governmental Accounting Standards Board Statement No. 84. 23 Ill.Admin.Code §§100.80(e), 100.85. Issue 106, November 2020

PRESSPlus 4. Fiduciary funds are funds "received from an independent, outside source in which the school board is acting in an administrative capacity." Unlike student activity funds, where "[t]he school board, superintendent, or district employees have direct involvement with the decisions of how the funds are spent or attained," a district has no control over how fiduciary funds are spent or raised. 23 Ill.Admin.Code §§100.20, 100.80, and 100.85.

See 23 Ill.Admin.Code §100.85 for the specific characteristics and permitted activities of a fiduciary fund. Boards must take a number of specific actions for fiduciary funds that are delegated to the superintendent or designee in this policy and align with IASB's *Foundational Principles of Effective Governance*, at www.iasb.com/principles_popup.cfm. 23 Ill.Admin.Code §100.85(b). Boards should consult their local auditors for guidance on whether a particular fund should be classified as a student activity fund or fiduciary fund.

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