

## Document Status: In Progress by IASB

### 4:90 Student Activity and Fiduciary Funds

*Title has been updated. Original Title: Activity Funds*

The Board of Education, 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. 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. [PRESSPlus1](#)

#### Student Activity Funds [PRESSPlus2](#)

The Superintendent or designee shall be responsible for supervising student activity funds in accordance with Board policy, 4:80, *Accounting and Audits*; State law; and the ~~Ill. State Board of Education (ISBE)~~ ~~Ill. State Board of Education~~ ~~ISBE~~ rules for student activity 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 authority and responsibilities specific to the treasurer listed in ~~the Illinois State Board of Education~~ ~~ISBE~~ rules for school activity funds, except that the treasurer is not authorized to make loans between activity funds.

Unless otherwise instructed by the Board, a student activity fund's balance will carry over to the next fiscal year. An account containing student activity funds that is inactive for 12 consecutive months shall be closed and its funds transferred to another student activity fund with a similar purpose.

#### Fiduciary Funds [PRESSPlus3](#)

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*)

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### PRESSPlus Comments

PRESSPlus 1. 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 2. 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 3. 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](http://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.

**Issue 106, November 2020**