

# ADMINISTRATIVE PROCEDURE

SAN DIEGO UNIFIED SCHOOL DISTRICT

NO: 2225

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CATEGORY: **Fiscal Management, Associated Student Body**

EFFECTIVE: **1-29-62**

REVISED: **12-16-02**

SUBJECT: **Administration of Student Body Funds**

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## A. PURPOSE AND SCOPE

1. To outline administrative procedures governing administration of student body funds in elementary and secondary schools.
2. **Related Procedures:**

Illness and minor injuries .....	6371
Internal audits .....	2370
Investment of surplus funds .....	2255
Student body budget .....	2227
Student body fund raising .....	2265
Student body tickets .....	2260

## B. LEGAL AND POLICY BASIS

1. **Reference:** Board policy: D-4000, D-4010, D-5000, F-3600; Education Code Sections 48933-48938; State Accounting Procedures for Student Organizations.

## C. GENERAL

1. **Originating Office.** Suggestions or questions concerning this procedure should be directed to the Accounting Department, Finance Division, Business Operations Branch.
2. **Constitution and bylaws** of a student body organization shall contain rules and regulations for management of student body funds, including provisions for an annual budget.
3. **Definition. Student body funds** consist of monies collected, contributed, and earned by students through activities such as contests, plays, and sales, including monies given to a particular school for use of students.
4. **Responsibilities for Supervision of Funds**
  - a. **Deputy Chancellor, Institute for Learning.** As designated by the superintendent, shall have responsibility and authority to implement all policies and regulations pertaining to the supervision and administration of student activity funds in accordance with established policies and regulations of the Board of Education.

- b. **Principal.** As trustee, shall be directly responsible for the conduct of student financial activities in accordance with this procedure.
- c. **Associated Student Body (ASB) advisor.** Under the principal's direction, shall be responsible for all student body activities.
- d. **Elementary schools.** When an elementary school has developed a student body organization, its complexities and responsibilities should be consistent with the maturity level of elementary school children. The principal may require approval of a principal's advisory committee as a condition for authorizing any expenditure from student body funds.
- e. **Secondary schools**
  - (1) **Financial clerk.** Shall be responsible, under the principal's direction, for all student activity funds; shall maintain control records; and shall follow prescribed accounting procedures
  - (2) **Student/faculty budget committee.** Composed of faculty members and elected students, shall recommend budgets, expenditures, and fund-raising activities in conformance with established policies (Procedure 2227).
  - (3) **Student body governing board.** Shall have control of all student body activities and funds, and shall have the power to approve or disapprove budgets, unbudgeted expenditures, and activities.
    - (a) Principal shall have the power to veto any action taken by the student governing board.
    - (b) Expenditures of student body funds shall have approval of all of the following: a representative of the student body organization, the ASB adviser or sponsor, and the principal.
- f. **Operation auditors,** Internal Audit Department, Office of the Superintendent, are responsible for auditing student body funds and accounts.
- g. When a new principal, financial clerk, or elementary school secretary is assigned to a school:
  - (1) An audit of ASB financial records shall be made; the principal shall request such an audit.

- (2) The safe combination shall be changed; the principal or financial clerk notifies locksmith, Maintenance and Operations Department, Facilities Management Branch, to change the safe combination.

## 5. **Principles Governing Student Body Funds**

- a. **Basic assumption.** Projects and activities of student bodies have only two purposes: (1) to promote the general welfare, education, and morale of students; and (2) to finance approved extracurricular activities.

- b. **General principles**

- (1) Student body funds are to be used to finance *noncurricular activities beyond those provided by the district*.

**Note:** In elementary schools, funds may be used to finance activities for noninstructional periods or to enrich programs provided by the district.

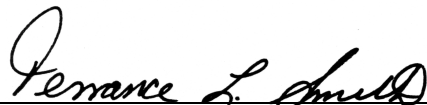
- (2) In general, projects for raising student body funds shall contribute to the educational experience of students without undue hindrance of the instructional program.
- (3) Fund-raising projects should be conducted for specific activities consistent with the educational goals of the district; large student body reserves are discouraged.
- (4) In general, student body funds shall be expended for the benefit of students currently in the school, since they contributed to the accumulation of funds.
- (5) Student body representation shall be required in the management of funds raised by, and expended for, the student body.

## 6. **Limitations (Elementary and Secondary Schools)**

- a. **Expending funds.** Student body general funds shall be expended *only* for purposes that benefit the *entire* student body.

- b. **Management.** Student body funds shall be managed in accordance with the best business practices, including sound budgetary and accounting procedures.
- c. **Competition with outside business.** Student body business shall be conducted in a manner that will offer minimum competition to commercial concerns.
- d. **Participation by principals.** Principals or their representatives shall participate in preparation, modification, and interpretation of policies, regulations, and procedures affecting student body financial affairs. Principals shall review the monthly financial reports before they are submitted to the operations auditors, Internal Audit Department, and sign the reports to indicate such review.
- e. **Expenditures for faculty.** Faculty funds may be accepted as earmarked funds, such as faculty social fund, but expenditures must be limited to amount deposited by the faculty. *Under no conditions shall student body money be expended for the benefit of faculty.*
- f. **Capital improvements and equipment.** Student body funds may not be used to make capital improvements or purchase equipment without approval of instructional leader. Such approval is required in order to guard against purchase of substandard equipment which the school district could not maintain at equitable cost and to ascertain that the primary purpose of a purchase is to benefit the student activity program. *Purchase of equipment intended primarily for instructional use shall not be approved.*
- g. **Instructional supplies and equipment.** In secondary schools, student body funds may not be used to purchase instructional supplies and equipment for instructional use.
- h. **Items sold by employees.** Student body funds may not be used to purchase items sold by district employees.
- i. **Medicines.** Purchase of medicines with student body funds is prohibited, except for first aid supplies listed in the district standard stock/nonstock catalog (Procedure 6371).

- j. **Ticket sales.** Sale of tickets shall be conducted only by the school and by recognized school-site community-affiliated organizations and *only* when such sales do not interfere with the educational program. (Procedure 2260) Students are not authorized to sell tickets door-to-door. Donations for tickets may not be solicited for participation in raffles or lotteries.
- k. **Debt.** Schools may not assume a debt that will run beyond the current fiscal school year.
- l. **Investments.** Investment of funds shall comply strictly with state law and shall be accomplished only after site approval by the ASB and the principal (Procedure 2255).
- m. **Class wills.** Accounts in student body organizations are intended *only for students currently enrolled in the school*. Therefore, before close of each school year, the graduating class shall prepare a class will that provides for disposal of all funds remaining in the class account after all obligations of that class have been met; the will shall be signed by all officers of the graduating class. Funds may be designated for specific purposes or transferred to the Student Body General Fund. If a graduating class fails to draw up a will, or makes provisions for only a portion of the remaining balance, the undesignated amount automatically will be transferred to the Student Body General Fund.
- n. **Trust account balances.** All balances remaining in the trust account of any club or organization one year after the club or organization has been disbanded or has been inactive for one year shall be reviewed by the principal or designee and the student council, and subject to extenuating circumstances, shall be transferred to the Student Body General Fund. Such action shall be recorded in the minutes of a student council meeting.

**D. IMPLEMENTATION** (Section C.)**E. FORMS AND AUXILIARY REFERENCES****F. REPORTS AND RECORDS****G. APPROVED BY**

Chief of Staff, Terrance L. Smith  
For the Superintendent of Public Education