

## SCHOOL ACTIVITIES FUND MANAGEMENT

### Section I: DEFINITION OF ACTIVITY FUNDS

“Activity funds” shall mean all funds received by school officials paid or collected to participate in any school activity, such activity being part of the school program and partially financed with public funds or supplemented by public funds. The term “activity funds” shall not include any funds raised or expended by any organization unless commingled in a bank account with existing activity funds, regardless of whether the funds were raised by school employees or received by school employees during school hours or using school facilities, and regardless of whether a school employee exercises influence over the expenditure or disposition of such funds.

### Section II: EXPENDITURES

In accordance with Miss. Code Ann. §37-7-301, activity funds may only be expended for necessary expenses or travel costs incurred by students and their chaperones in attending any in-state or out-of-state school-related programs, conventions or seminars and/or any commodities, equipment, travel expenses, purchased or contractual services or school supplies which the board of trustees, in its discretion, shall deem beneficial to the official or extracurricular programs of the district, including items which may subsequently become the personal property of the individuals such as yearbooks, athletic apparel, book covers, trophies, and championship rings.

### Section III: FUND MANAGEMENT

The Finance Office will designate an account for every school for the purpose of handling activity funds. This school account shall handle all monies collected by the different organizations within the school. This account must be handled as all other school accounts and must go through regular district accounting procedures. No separate checking accounts for organizations or the school may be established. The sponsor of the organization must authorize expenditures.

All funds shall be accounted for and reported by the principal in sub accounts as prescribed by the Finance Office and listed in the Activity Fund Manual. The board of trustees requires that school activity funds be audited as part of the annual audit required by Miss. Code Ann. §37-9-18.

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 service 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.

#### Section IV: RECEIPTS

All activity funds received by a local school must be deposited into its account, through the principal. The principal must maintain a three-part receipt book, containing such information as prescribed by the State Auditor's office to record all receipts. A person transferring money to the principal for deposit will be given the original receipt, the second copy will be attached to a deposit voucher, and the third copy of the receipt will be kept in the book and on permanent file in the principal's office. All of these pre-numbered receipts must be accounted for. A copy of the deposit slip indicating the amounts of money deposited to the bank must also be attached to the deposit voucher. The deposit slip should indicate the sequence of receipt numbers that particular deposit covers.

#### Section V: DISBURSEMENT

Check request vouchers, with original invoices attached, shall be used to disburse activity funds. All purchases made with activity funds must comply with the state purchasing laws.

#### Section VI: BANK RECONCILIATIONS

The Finance Office shall prepare activity fund bank reconciliation. A copy of each month's bank statement will be returned to the local school for review and management purposes.

#### Section VII: BOARD REVIEW

Activity funds are included in the budget process and the financial records of the school district and thus are subject to the same level of management oversight and audit review as all other school district funds. The school district activity fund report shall be reviewed and approved monthly by the board of trustees and shall be acknowledged in the board's official minutes.

#### Section VIII: MISCELLANEOUS

Any activity fund which becomes dormant and inactive may have its surplus, if any, transferred to another activity fund if approval is recommended by the Executive Director of Finance and granted by the Board of

Trustees. Any event at a local school where a fee is charged for admission shall use pre-numbered tickets and be accounted for in a manner prescribed by the State Auditor's office.

Any arrangement between a local 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 local school 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 school 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 the PTA, on behalf of a local school may be deposited in the activity fund and used exclusively for such school's benefit. If this money is deposited with activity funds, it shall become subject to these policies. Funds raised utilizing school employees in their official capacity 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.

SOURCE: Jackson Public School District, Jackson, Mississippi  
LEGAL REF: Section 37-7-301; Mississippi Code Ann.; Accounting  
Manual for Mississippi Schools  
DATE: November 27, 1978  
REVISED: August 16, 1982  
August 19, 1985  
AMENDED: October 27, 1986  
October 16, 1989  
August 20, 1990  
January 22, 2008  
August 4, 2016  
REVIEWED: April 4, 2017