

ASB Finance, Laws, Regulations & Best Practices

CADA Pre-Conference
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Presenter:

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Objectives of Workshop

ASB

- The Basics
- Laws & Regulations
- Internal Controls & Audit Findings
- Roles & Responsibilities
- Boosters Clubs & Parent Groups

Money Handling Procedures

Fundraisers

Allowable Expenditures & Activities

Best Practices

Resources

Main Issues with ASB's

- Potential Fraud
 - Most ASB funds are received in CASH
- Lack of adequate communication, standardization, and guidance
- Missing Proper accounting procedures and good internal controls
- Remember!! The District is ultimately responsible for ASB funds

ASB Resources

FCMAT ASB Manual, 2015

Manual is available for download

www.fcmat.org

<https://www.fcmat.org/2015-asb-accounting-manual-fraud-prevention-guide-and-desk-reference>

***Chapter 25 – Frequently Asked Questions
on FCMAT website***

***[https://servicedesk.csis.k12.ca.us/
footprints/fcmat_kb.html](https://servicedesk.csis.k12.ca.us/footprints/fcmat_kb.html)***

FAQs

The screenshot shows a web browser window displaying a list of frequently asked questions (FAQs) on a service desk portal. The browser's address bar shows the URL: https://servicedesk.csis.k12.ca.us/MRCgi/MRhomepage.pl?USER=&PROJECTID=9&MRP=0&OPTION=none&WRITECACHE=1&FIRST_TIME_IN_FP=1&FIRST_TIME_IN_PROJ=1&. The page title is "FootPrints Service Core - FC...". The browser's menu bar includes "File", "Edit", "View", "Favorites", "Tools", and "Help". The page content features a search bar with "All Solutions" selected and a "GO" button. Below the search bar, there is a pagination indicator "1 - 20 of 2627" and a table of solutions. The table has four columns: "Solution #", "Title", "Popularity Count", and "Last Updated". The solutions listed are:

Solution #	Title	Popularity Count	Last Updated
1912	Can ASB funds be used to pay for the site ASB advisor to... FCMAT and CADA do have different views on this question. That's where district policy and practice needs to be taken into consideration. [more...]	37	4 yrs ago
1845	What and how long is the record retention for ASB? Like any business, the ASB organization must maintain accurate records. The records are the history of what occurred during the year. Although the [more...]	13	4 yrs ago
1579	Can an ASB donate funds to outside organizations, public... Donations to outside organizations, non-profit organizations and students or families in need generally are not allowable because they [more...]	13	4 yrs ago
1330	For unorganized student body, can we give gift cards to ... In FCMAT's opinion, giving gift cards purchased by the district to anyone, regardless of the amount or reason, constitutes a gift of [more...]	12	6 yrs ago
1712	Our high school ASB held a silent auction. Would this be... A silent auction is not the same as a 50/50 raffle. A game of chance is defined as "paying for a chance to win" and is illegal for [more...]	10	4 yrs ago
6573	Should ASBs use GoFundMe to raise money? What protocols ... It is our understanding that donations received through GoFundMe are not tax deductible. As a result, most school districts have chosen [more...]	8	2 yrs ago
1381	Can students be given more than the recommended \$250 for... Scholarships from student body funds normally are not allowable because they do not benefit a group of students, but can be accepted if [more...]	7	6 yrs ago
2451	How do ASBs handle carryover funds from a graduating gra... Education Code section 48930 (K-12) tells us that the purpose of ASB is to conduct activities on behalf of the students, clearly [more...]	7	4 yrs ago
3668	Can funds from an on-campus booster club fund-raiser be ... Education Code section 51520 states: 51520. (a) During school hours, and within one hour before the time of opening and within one hour [more...]	6	4 yrs ago

FAQs

FCMAT » Fiscal Crisis & Management Assistance Team - Windows Internet Explorer


http://www.fcmat.org/stories/storyReader\$8707


File Edit View Favorites Tools Help


FCMAT » Fiscal Crisis & Management Assistance Team


Quick Links:

FCMAT

 Request Our Services

 NEW On-Site Fiscal Support

 Budget Explorer Software Portal

 NEW - Special Education Resources

Home

- ▶ NEW - On-Site Fiscal Support
- ▶ County Office Advisories
- ▶ Teleconferences
- ▶ About FCMAT
- ▶ FCMAT/CSIS Job Opportunities
- ▶ Contact FCMAT

Help and Services

- ▶ Request Our Services
- ▶ Online Help

If field trips deal with the curriculum, can teachers and students fund-raise for the trips?

Question

: Can teachers and students fund-raise for field trips that deal with the curriculum? The dollars raised would be used to reduce the cost of the field trips and other student activities.

Response

: ASB organizations have a lot of flexibility and discretion about how they may use their funds, but there are overlying principles that guide what is allowable and what is not. Allowable expenditures are those that promote the general welfare, morale and educational experiences of students. Student body funds must also be used to promote and finance programs of worthwhile activity beyond those provided by the district. State law also requires that all student body expenses be pre-approved. In high schools and middle schools the student organizations are called organized student body associations because the students organize their activities around student clubs and a student council and are also involved in deciding how the ASB funds are spent. In elementary school districts, the pre-approval must still occur, but by the principal.

Prohibited purchases are the opposite: those that do not directly promote the general welfare, morale or educational experience of students. These can include salaries, supplies or other expenditures that have been and still are the responsibility of the district, repair and maintenance of district-owned equipment, articles for personal use of district employees, expenses for faculty meetings and expenses for parent-teacher organizations.

Since it is confusing as far as what is and is not allowable, it is critical that districts establish board policy

Internet 100%

ASB Resources

Club Advisor Handbook

Student Club Handbook

Pdf & Word versions

available for download – free

www.fcmat.org

Publications & Reports

ASB Accounting Manual

Pupil Fees, Deposits, and Other Charges

- CDE Fiscal Management Advisory 17-01
 - A Free Public School System
 - Fees Authorized by Law
 - Fees not Allowed
 - Fee Issues Specific to Charter Schools
- Education code references
- Title 5 & Court cases

What is an ASB?

ASBs are formed for the sole benefit of the students

Purpose of an ASB

Conduct activities to benefit students as long as these benefits do not conflict with the authority and responsibility of the school district

Two Types of ASBs

- Organized
 - Middle/Intermediate and High Schools
 - Student Council & Student Clubs
 - Students approve activities, make decisions, spend the \$\$
 - Assistance & Guidance from Advisors, Coaches, Teachers & Principal
- Unorganized
 - Elementary School level
 - Usually does not have a student council
 - Limited student involvement & decision-making
 - Principal & Teacher Advisor have authority & make decisions

ASB Laws & Regulations

(FCMAT ASB Manual Chapter 3)

- Most laws are in Education Code
- California Code of Regulations Title 5, Penal Code, Tax Laws, IRS, California Constitution
- Summary of Laws & Regulations relating to ASBs (FCMAT ASB Manual Pages 13 & 14)
- Full-text of legal references (FCMAT ASB Manual Page 295)

Rules = Internal Controls

- The foundation of sound financial management
 - Protect assets
 - Protect people
 - Reduces risk of accusations of impropriety
 - False accusations difficult to disprove if sound internal controls do not exist

Why Internal Controls?

- Ensure effective & efficient operations
- Safeguard student funds
- Reduce risk of fraud and abuse
- Protect staff and students
- Maintain solid financial records
- Prepare for annual audit
- Keep your name out of the paper

Who's Involved?

- School District Governing Board
 - Establish board policy
 - Allow formation of ASB
- District Superintendent
 - Implement board policy
- District Office Staff
 - Oversight & Monitoring
 - Provide procedures, training & forms
 - Site visits, review & audit

Role of the Principal

- Final School Site Approval
- Supervision of ASB Advisor & Bookkeeper
- Communicate & Enforce Policies
- Provide Supervision, Guidance and Direction
- Ensuring fund-raising events held are appropriate
- Work with Business Office regarding training and resolution of audit findings
- Make sure all procedures are followed
- Reporting of any suspected fraud or abuse

Role of the ASB Advisor

- **Assist Student Council** in doing the following:
 - Approve activities, fundraisers & expenses
 - Make decisions
 - Maintain records
- Remember students are directly responsible for all functions
- Remember all monies belong to the ASB (advisor is not in direct control)
- Consult with & keep Principal informed
- **Must be certificated**
- **Report any suspected fraud or abuse**

ASB Advisor

- Ensures only valid expenditures are made
- Fundraising activities
 - Ensures adequate planning and internal controls are established
 - All funds are properly accounted for and deposited with the bookkeeper with all necessary paperwork
- Assist with ASB budgets
- Report any suspected fraud or abuse

Responsibilities of the ASB Bookkeeper

- Maintaining the accounting records for the ASB funds
 - All funds are safeguarded until deposited in a timely manner
 - Financial records are maintained for all ASB financial transactions
- Make ASB deposits on time
- Make sure bank reconciliation is completed monthly
- Handle money, tickets, inventory records, etc.

ASB Bookkeeper

- Review paperwork before submission
- Expenditures are approved in advance and paid only with appropriate documentation
- Submits POs and bills for approval
- All laws, policies and procedures are followed
- Records Retention
- Report any suspected fraud or abuse

Role of the Students

- **Students make the decisions on all activities, fundraisers and spending**
 - Authorize fundraising activities
 - Approve expenditures
- ASB Student Council has final approval
- Review financial reports & reconciliations of all student clubs & ASB accounts
- Approve student club applications
- Report any suspected fraud or abuse
- **Remember, Principal has final authority**

**School Board/Superintendent
Business Office
Principal
ASB Advisor**

ASB Student Council

General ASB
Activities
Student Store

ASB Clubs
includes
Athletic Teams

Class Accounts
Memorials
Scholarships

Booster Clubs & Parent-Teacher Groups

- Outside organization providing support to students & district
- Not controlled by the district
- Can raise & donate funds
- Must have their own non-profit status – TAX ID #
- Separate from ASB & District
 - Cannot open bank accounts with District ID
- Cannot charge students – this is a parent organization
- Cannot dictate what ASB does or doesn't do
- May NOT deposit into ASB accounts

Boosters – How Are They Different?

- Parent run - kids don't do fundraising
- Coaches don't start or run the Booster Club
- Different rules govern Booster Clubs
- Separate from ASB
- Can raise and donate money to ASB
- Can purchase and donate items
- Boosters & Parent/Teacher Groups are there to help & support the kids & you – not the other way around
- ASB Leadership should not be involved in leadership of the Booster Club

Booster or ASB Fundraiser?

I always thought if students are raising funds for their booster club their item for sale had to be sold off campus and ASB items were sold on campus.

But I heard it really depends on who is selling –

students = ASB fundraiser

parents = booster fundraiser

Which is correct?

Answer – Who's Fundraiser Is It?

- Based on EC 51520(a) students can be involved in a fundraiser for a booster club or other outside parent organization, if:
 - it is not during the day
 - not on school grounds
 - it is clear they are raising funds for another organization
 - must be legal for student to be involved

ASB Manual

Chapter 21 – Booster Clubs, Foundations, Auxiliary Organizations and Other Parent- Teacher Associations

- Why and how of Boosters
- Regulations Governing Booster Clubs
- Tax Identification Number
- Financial Guidelines
- Solicitations on School Premises
- School District Employees and School Site Interaction
- Donations
- Stipends, Salaries and Consultants

Bank Accounts

- Name of ASB organization
- Schools use District Tax ID#
- Two signatures required on all checks
- Deposits made weekly – at a minimum
- Account reconciled by someone who doesn't keep the check register
- Checks not cashed – 6 month stale date
- No Credit or ATM cards
- Notify Business Office when opening or closing accounts

ASB & Club Budgets

- Outlines the plan for the year
 - Estimated Revenues
 - Estimated Expenses
 - Shows Beginning & Ending Balance
- Approved at meeting
- Should be monitored
- Changes are OK
- Submitted at the beginning of each year and when budget changes

ASB Balance at end of the year

- Recommend no more than 20% carryover
- Why? Funds should be used by the students who raised them
- Exceptions – approved by Student Council & Principal
 - Band competition two years from now

Student Clubs & Trust Accounts

- Students Clubs
 - Students must be enrolled at school
 - Submit application & constitution - annually
 - Must be approved by Student Council, ASB Advisor, Principal and District
 - Includes athletic teams & groups
- Types of Trust Accounts
 - Class groups
 - Scholarships and memorials

Student Clubs

- Must have a purpose
- Must have a certificated employee as sponsor
- Operate under all ASB regulations
- If club goes inactive - funds revert to general ASB if inactive for at least one year
 - Formal action needs to be taken by Student Council

To Be an ASB Club

- Club Application, submitted each year
- Club Constitution and Bylaws
- Have to hold at least one meeting
- Minutes must be taken to provide documentation on discussions & decisions
- Submit a budget
- Follow ASB guidelines
- Submit all required paperwork
- No fundraising or activities until club has been approved by Student Council & Principal

Question

What is an ASB Club?

Our secondary schools offer extra-curricular sports. There is money in ASB accounts for these sports. These clubs don't have officers or formal meetings, and financial decisions are made by the coaches.

Are these really clubs?

Answer

What is an ASB Club?

Not as described!

- The students **MUST** play a major decision-making role – students need to be involved
- In organized ASBs the students make the decisions with adult assistance. Clubs need an approved constitution, elected officers, formal meetings, budgets, and students the making decisions.

Athletic Clubs

Many athletic clubs are run incorrectly

- Need to run as ASB club

OR

- If adults are making the decisions, the appropriate format for this type of fund raising event is a parent group or booster club

What Does A Club Budget Look Like?

- What Money are you going to receive?
 - Fundraisers, donations, etc.
- How are you going to spend the money?
 - Costs of fundraisers, trips, events, etc.
- Approved at meeting
- Submitted to Student Council
- Ok to change throughout the year

What Do Meeting Minutes Include?

- Name of club (or ASB) holding meeting
- Date, time & place of meeting
- Names of those attending
 - Sign-in sheet acceptable
- What was discussed
- What action was taken

Minutes provide documentation for auditors

Clubs Accounts

- Should not spend money they don't have or haven't earned yet
- Should plan to spend money in the year it was earned, unless specific future plans are approved by student council
- No club account should have a negative balance at the end of the school year. This will cause an Audit Finding for the District.
- Funds revert to general ASB if inactive
 - Inactive = at least one full school year

ASBs, Boosters, Budgets, etc?

QUESTIONS?

Money Handling - Proper Procedures

- Internal Controls for cash collections
 - Cash control procedures
 - Proper inventory control of concession items
 - before & after counts and reconciliation to \$\$ received
 - Proper cash handling and physical chain of custody for all cash receipts
 - No commingling of receipts from separate events

Money Handling

- Most ASB fraud is directly related to bad handling of cash & checks & failure to follow internal control procedures
- Good procedures & internal controls discourage theft
- Principal must make sure cash handling procedures have been established for all fundraising events
- ASB Advisor & Club Advisors make sure procedures are followed

Cash & Check Handling

- At least two people must count all cash
- Use a cash register or Cash Log Sheets
- Use Cash Boxes
- 3-part receipts books
- Pre-numbered tickets
- Use cash boxes – not envelopes
- Don't leave \$\$ lying around – get it deposited immediately – always store in the safe until deposit
- Documentation available for Auditors

Money Collected

- All money collected by the ASB must be supported by appropriate documentation
 - Report of Ticket Sales
 - Pre-numbered receipts
 - Sales summary
 - Cash log sheet
- All monies need to be stored in a safe until being deposited
- All money collected should be deposited in a timely manner in order to safeguard the funds

Never!

Make a purchase from cash
collected

Always!

Turn in all cash collected &
get reimbursed for purchase

Timely Deposits

- At a minimum deposits should be made once a week
- Cash should be deposited in the bank daily during a large money generating event
- Cash should never be left over the weekend
- Cash & checks should always be stored in a locked safe

Why is this a big deal?

- Protects Students' Money
- Protects ASB Advisor
- Protects Principal
- Protects District

Following good procedures should provide evidence cash was handled properly

Without this evidence the Principal will not have the information necessary to prove fraud did not occur

Think 'Audit Trail'

- If you were an outsider or auditor, what 'road map' could you follow from the Point of Collection to the ASB Office to money being deposited?
 - Provide a documentation trail from the first collection of money until that money is deposited
 - Could an outsider follow what has occurred?

Other Cash Received at a School Site

- Lab fees, lost books, book fines, AP Tests, etc.
- These are not ASB funds!
 - AP Tests – can go either way
- Must also be deposited (sent to DO) timely

Handling Money Audit Findings

Cash collection sheet did not show who counted the money

- How do we fix this?
 - At least two people count and sign cash counting sheet
 - Print, sign & date

Handling Money Audit Findings

Deposits not made timely

12 to 56 days late

- How do we fix this?

- Follow district procedure

Once a week and/or each Friday

OR

When amount reaches \$100 at elementary schools

District procedure requires money is never left un-deposited over the weekend

Frequently Asked Questions

- I only have \$3.00 in the safe, can I wait until next Friday to deposit?
 - District policy requires all money be deposited each Friday regardless of amount
- I don't have time to count the fundraiser with the teacher – can he just make the deposit?
 - No – ASB procedures require at least two people count all money collected

Cash

Any questions on
How Best to Handle the Collection of
ASB Cash & Checks?

Fundraising Activities

- **FUNDRAISING IS VOLUNTARY**
 - You cannot require students to participate in fundraising activities
- All fundraising activities need to be approved by the Teacher Advisors and Principal
- Request for Fundraising Activities & Revenue Potential Forms required with each fundraising request
 - Needed each time you plan to deposit into bank account

Fundraising Activities

- Paperwork must be completed fully & accurately
- ADVANCE APPROVAL - Event should not happen unless approval has been received
- AUDIT REQUIREMENT
 - Follow-up to see how successful fundraiser was by completing Revenue Potential with actual revenue & expenditures

How Does A Fundraiser Get Approved?

- Discuss and decide at a student council meeting and record in the meeting minutes
- Complete and submit Request to Conduct Fund Raising/Revenue Potential Forms for approval
- Get approval from ASB Student Council, ASB Advisor and the Principal
- Send to Nutrition Services Department if fundraiser involves food sales during the day
- Plan Ahead – Principal needs to approve event prior to the event

Types of Fundraising Activities

ASB/Student Body cards

Athletic events

Spirit Packs

Concession Sales

Dances

Student Store

Auctions & Silent Auctions

Book Fairs

Catalog Sales

Letter Writing

Advertising

Yearbook Sales

Food Sales – LIMITED

Candy Sales

off campus or 30
minutes after school

Events Not Allowed

consider safety & liability

- **Raffles or Games of Chance**
- Anything not allowed by board policy
- Mechanical or animal rides
- Games with live targets / water tanks
- Anything involving darts & arrows
- Destruction of cars or similar objects with hammers
- Trampolines or mini-trampolines
- Rentals of district owned equipment or facilities

Question about Raffles

- The Sophomore Class would like to have a raffle. Tickets would be \$1.00 each or 6 tickets for \$5.00. Tickets say “Donation Not Required” and a lollipop is given with each purchase
- Winners receive prizes donated by local businesses
- Is this legal?

Answer: Prize Raffle

NO!

- School districts, including ASBs and student clubs hold the correct non-profit status to legally hold a raffle
- Raffle is defined as having the chance to win something of value
- Most “drawings” are really raffles

ASBs and Food Sales

- DURING THE DAY SALES ARE highly regulated
- **During the School Day = 12-midnight until 30 minutes after the school day ends**
- Coordinate with
 - Nutrition Services Department
 - District Wellness Policy
- Food Sales summary of laws:
 - Chapter 3 & 10 – FCMAT ASB Manual

Food Sales

- **One student group** (usually the General ASB) may sell **up to 3 categories** of approved food or beverage items each day
- In addition, a maximum of up to 4 days of food sales may be held each year for any & all students groups
- All food sales
 - Must be nutritious & approved by board
 - Not prepared on campus or in private homes
 - Food items are not sold in lunch program
- Require inventory controls – before & after counts and reconciliation to \$\$ received
- District Wellness Policy – Nutrition Services Department will be signing off on all food activities

Student Store

- Things to consider
 - Security – inventory & cash
 - What will you sell?
 - When will you sell?
 - Who will run it?
 - Can you provide adult supervision ALL the time?
- Inventory has to be taken weekly & available for auditors
- Inventory reconciled to sales
- A supply of PE Clothes for sale falls under this category
- Great business experience for kids
- Student stores are hot spots for stealing & giveaways to friends

Gifts & Donations

- Accepted by student council & recorded in minutes
- Send “Thank You” letter
- Notify Business Office
- Follow district procedures
- Accepted by School Board
- Donations from
 - Booster Clubs – Parent Groups
 - Individual parents, Others
- Okay to say “No Thank you”

Fundraiser Audit Findings

Revenue Potential Forms are not being completed

- How do we fix this?
 - Complete forms (with all information) before event
 - Obtain all signatures
 - Complete “actuals” after event is over

Revenue Potential Forms need to be
“touched” twice

Frequently Asked Questions

- Do I need to complete a Revenue Potential if a parent makes a donation?
 - No – Revenue Potential forms are required when you *intend* to deposit \$\$ into your bank account
- I know Revenue Potentials need to be completed after the event. Where can I find the information needed?
 - Revenue can be found from your bank deposits
 - Expenditures can be found from payments made for items used in fundraiser

Fundraisers

Questions about the do's and don'ts of fundraising activities?

What Can You Buy With ASB Funds?

- Fundraising Expenses
- Trips, Events, Activities
- ASB Supplies
- Field trips/excursions & outdoor education/science camps
- Extra-curricular athletic costs
- Items that promote citizenship, leadership, community service, “caught you doing something awesome!”, good behaviors, etc.
- **AVOID purchases linked to curriculum, grades, academics, discipline, or attendance**

What You Can't Buy?

- **CASH awards or gifts (including gift cards)**
- Instructional supplies - these are the school site responsibility
- Salaries and supplies that are the responsibility of the district (Including Rec-aid supplies)
- Parent Groups or Booster Club supplies
- Reimbursement for items not allowed by Board Policy

What You Can't Buy?

- Refreshment for faculty or parent meetings
- Employee lunches, personal items or gifts of any kind for district staff
- Incentives for Intensive Instruction or after school support programs
- Parent Survey or Career Day incentives
- Travel & conference expenses for non-ASB events

How do you spend the \$\$

- Students decide how to spend their money with advice & guidance from Advisor and Principal
- Approved by student council
- Noted in student council minutes
- Pre-approval required before items can be ordered
- Check to make sure funds are available
- Receipt of items before check is written

- Keep pre-approval documentation available for Auditors

- No pre-approval = no reimbursement = you might be required to pay the bill yourself

What do you need to pay a bill?

- **Pre-approval**
 - Purchase Request approved by student council
 - Checks are also approved by student council
- 1. Purchase Request
- 2. Receiving Document – Packing Slip
 - May be noted on Invoice
- 3. **Detailed Invoice**
 - Cannot pay from Statement
- 4. Any other required paperwork – W9, quotes, etc.
- 5. Payment should not occur without W9 on file

Contracts

- Contracts are legally binding
- ASB must follow district policies for issuing contracts
- Types of contracts
 - Vending machines – Yearbook - DJs
- School needs to obtain a liability insurance certificate
 - District needs to be shown as “additional insured”
- District authorized signer needs to sign all contracts
- Per board policy, Board approval is required for all contracts

Employees & Consultants

- Individuals hired by ASB to perform services that are not the responsibility of the district
- If district employee – must run through district payroll - ASB will be billed
- Consultants are not employees – need to obtain W-9 before you should pay them
- 1099s will be issued and filed with IRS
- Annual report due to Financial Services in January
- Consultants - contract required – need to be signed by Financial Services Office

Walk On Coaches

- Before anyone can work with students they must be cleared through Human Resources
 - Paperwork
 - Fingerprints
- This applies to both paid employees and volunteers

Officials/Ticket Takers

anyone ASB is paying

- If district employee – MUST run through district payroll – ASB will be billed
- Consultants are not employees – need to get W-9
- School must maintain proper paperwork, names, SS#, W-9, address, etc.
- 1099s need to be filed with IRS – NOT OPTIONAL

Donations to Others

- In general, donations are considered a gift of public funds
- A student group, however, may organize a fundraiser to support a charity as long as the event is clearly identified as raising funds to donate to that charity
- If possible, don't run funds through ASB
 - Checks directly to charity
 - Outside group (e.g., PTA)

Frequently Asked Questions

- My items will be delivered during school break. Can I have them shipped to my home?
 - No – if items will be delivered during down-time at the school site – have them sent to warehouse or district office
- The auditors said I need a packing slip, but my online order didn't come with one.
 - Document receipt of goods by printing out your order confirmation and note items received with checkmark, signature & date

Spending ASB dollars

Questions on how you can
spend ASB funds?

Audit Findings

- Negative balance
 - budget versus actuals not monitored
- Invoice date prior to approval date
- Inappropriate expenditures for ASB
- Required signatures not obtained
- Master ticket log not utilized
- Pre-numbered tickets not being used

Audit Findings

- Student decisions not documented in minutes - adequate records not maintained
- Incomplete Revenue Potential Forms
- Disbursements
 - receipt of goods not noted – no receiving document
 - payment made without invoice
 - payments made prior to approval by students

Audit Findings

- Receipts issued by same person making bank deposits
- Pre-numbered receipts not used
- Cash Log sheets not in use
- Documentation to support cash collected not provided
- Deposits not made timely & in accordance with District policy
- Fundraising events were not approved prior to event

Audit Findings

- Revenue Potential Forms are not being completed
- Ticket sales are not being reconciled
- Site Principals doing it all
- Inventory not being taken
- ASB funds used for attendance incentive awards
- Checks not cashed after 6 months not voided
- Pre-signed checks

Get Ready for the Auditors

- Balance Sheet as of June 30th
- Year-to-date detail report – July 1st through June 30th
- Final yearbook Revenue Potential
- End of year inventory
- Bank reconciliation for June
- Bank statements for June & July

Provide to District

- Monthly – before end of following month
 - Account Analysis (Summary)
 - Balance Sheet and Trial Balance
 - Check Journal and Bank Statement
 - School Bank Reconciliation

Year-End

- All accounts have a positive balance
- Large balances need to be explained & receive approval
- Inventory taken – compare to system balance
- Completed Revenue Potentials
- Receipts books collected and accounted for?
- Submit preliminary budget for next year – June – before you leave
- Next year's Fundraising requests (yearbook, PE clothes, etc.)
- 6 month old checks voided?

Best Practices

- Document all receipts to support bank deposits
- At least two people count all collections
- Report any suspected fraud or abuse
- Change processes based on district audit findings, even if they aren't for your school
- Make regular and timely deposits – following district procedures

Best Practices

- Have regular meetings & document all decisions in the minutes
- Two Signatures required on all checks
- Pre-approve of all expenditures
- Bank reconciliation – have a second person review & initial
- Prepare, monitor & revise budget
- Use pre-numbered, 3-part receipt books

Best Practices

- Obtain Approval for all fundraisers
 - Submit Fundraising Activities Form
 - Check for reasonableness
 - Can they really raise \$10,000?
- Follow good money handling procedures
- Maintain financial records – keep them current
- Prepare financial statement (send copy to district)

Best Practices

- Keep all documentation required by auditors
- Follow all the rules, not just the ones you like
- Keep the district office informed
- If you don't know – ask
- Protect yourself & the kids by following the rules even if you don't like them
- Don't do anything that doesn't feel right

Final Questions?

**Dusty Nevatt, Chief Business Officer
Alvord Unified School District**

Other Information you Should Know

District Wellness Policy

- Full Meals
- Entrees
- Beverages
- Snacks
- Foods of Minimal Nutritional Value (FMNV)
- Contact Nutrition Services

Equipment

- If ASB buys it - ASB stores, repairs & maintains
- What types of equipment
 - Cash registers
 - Golf carts
- Maintain Equipment Inventory
- Would be listed as asset on Balance Sheet

Scholarships

- Scholarships are only allowed per Board Policy
- Schools need to follow District guidelines on scholarship amounts
- Established selection criteria
- Checks should be made payable to institution of high learning or college bookstore –
SHOULDN'T MAKE CHECK TO STUDENT
 - SOMETIMES – reimburse student for actual expenses – receipts required – not recommended
- FCMAT ASB Manual – Chapters 8 & 12 provide guidelines

Scholarship Exceptions

- **Exceptions to the previous slide**
 - Funds are donated from an outside individual or organization. These funds should be accounted for separately.
 - **Donor may not donate for a specific student**
 - A student group works with a national non-profit organization whose express purposes is offering scholarships. In this case, the non-profit status of the organization expressly allows participating students groups to raise money toward scholarships.

Record Retention

- Permanent Records
 - ASB Constitution, Bylaws & Charters
 - Club Charters & Organization Records
 - Equipment Inventory
- Permanent = forever & forever

Record Retention

- **Other records must be kept 4 years from date of audit (December of each year)**
 - Club & Council minutes
 - Budgets
 - Invoices & Approval Documents
 - Bank statements, deposits slips, cancelled checks & other banking records
- **School Year 2019-20 must be kept until December 2024**
- **Records from 2015-16 can be destroyed January 1, 2021**