



3405 A

Student Activity Accounts

Regulation 3405 A

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Revision Dates:

I. PURPOSE

Minneapolis Public Schools recognizes the need to provide alternative paths to learning, skill development for its students, and activities for student enjoyment. The District also understands its commitment to and obligation for assuring maximum accountability for public funds and student activity funds. To those ends, the District assumes control of all student activity accounting that relates to curricular and co-curricular activities as per Minnesota Statutes. Further, the District takes control of all student activity accounting that relates to extracurricular activities.

The District recognizes the need to provide accountability in a form that is transparent to the public and common to all districts in Minnesota. It must provide information to the public that is understandable and that conforms to actual revenue and expenditure data. The purpose of this policy is to give general direction on the accounting and handling procedures for all student activity funds.

II. GENERAL STATEMENT OF REGULATION

- A. Accounts. Each school may maintain one (1) student activity checking account upon receipt of permission from the Assistant Deputy Treasurer of the District.
1. All checks will require at least two signatures. Neither signer may be the person charged with reconciling the bank statements against receipts and expenditures.
 2. Subaccounts must be established for each activity depositing funds in the account.
 3. No expenditures shall take place from the account without authority from the students in the activity for which the expenditure is made.
 4. Only those activities that are not school or district controlled may deposit funds in this account.
- B. Accounting Standards. All student activity accounts must follow the procedures required by the Minnesota Manual for Activity Fund Accounting for School Districts.
- C. Money handling.
1. All deposits of funds into the School's Student Activity Checking Account shall be transferred to the depository by a professional banking courier approved by the Assistant Deputy Treasurer. In exigent circumstances, the Assistant Deputy Treasurer may allow other means of transfer of deposits, but permission must be obtained in advance of the transfer.
 2. Teachers and activity advisors shall submit to the employee appointed by the principal to handle the accounting functions of the school all funds as soon as is practicable, preferably by the end of each school day.
 3. Cash and checks awaiting deposit shall be secured in the school safe.



4. A change drawer for the purposes of concessions, school stores, ticket offices or the like may be maintained at the school. The amount of money in the change drawer shall be limited to the least amount necessary to make adequate change, but in no event shall the amount exceed One Hundred Dollars (\$100.00). Between uses the change drawer shall be secured in the school safe. The person appointed by the principal or the principal may maintain a log for the change drawer indicating amounts upon check in and check out of the change drawer.
 5. Under no circumstances may checks be cashed from any cash held by the school pending deposit or from the change drawer.
- D. Petty Cash. Other than the provisions made for a change drawer above, no school or school activity may maintain a petty cash account.
- E. Prohibited Expenditures. Generally all expenditures must be approved by the student group as well as the school's representative (advisor or principal), however the following expenditures are specifically prohibited:
1. No costs of labor may be paid out of the student activity account, whether the labor is for students or adults, temporary, permanent or intermittent.
 2. Purchases of office supplies, furnishings or equipment for the school.
 3. Purchases of textbooks or library books, however a gift of a book to the school's library may be made by the student activity if the choice of the book is wholly and completely the students'.
 4. Activities, programs or assemblies for the entire school community.
 5. Gifts or awards made to individual employees of the district.
 6. Costs of faculty events or facility meetings.
- F. Transfers between sub-accounts. Transfers between sub-accounts are permitted only upon the approval of the joint report of the adult advisor and the student leadership of the sub-account activity that a transfer has been approved by the students participating in the activity; or as permitted for unexpended funds in Paragraph G.
- G. Unexpended funds.
1. Class sub-accounts. When a sub-account is established for the benefit of a particular graduating class, the class may expend the entirety of the funds collected. If the plans of the class do not expend the entirety of the funds collected by the date of graduation, the class may, in advance of the date of graduation indicate an approved transfer to another student activity sub-account. Failing a designation by the class of an approved transfer, any funds remaining in the graduating classes sub-account shall be added to the sub-account of the next graduating class.
 2. All other sub-accounts. Sub-accounts established for an activity that will continue in the next school year may maintain a balance in the account between school years. If no activity occurs in a sub-account for a twelve-month period, the unexpended funds in the sub-account shall be transferred to a general subaccount in the Student Activities Fund and may be used to offset the costs of maintaining the account. If the residual funds are



in excess of what is required to maintain the account, the excess residual funds shall be divided equally among the remaining student activity sub-accounts.

H. Required Reporting.

1. The person appointed by the principal to the accounting functions for the student activity account shall reconcile the account, including all sub-accounts on a monthly basis and report such reconciliation to the principal, advisor and student leadership, and the district Finance Department.
2. The Assistant Deputy Treasurer shall make quarterly reports to the Superintendent and the Board of Directors on the student activity accounts held in the district.

I. Audit.

1. External. The Student Activity Account shall be audited by the district's external auditor at the same time as all other district accounts are audited.
2. Internal. The Chief Financial Officer may order an internal audit of all or individual student activity accounts at any time.

Legal References:

Minn. Stat. §123B.02 (School District Powers)
Minn. Stat. §123B.09 (School Board Powers)
Minn. Stat. §123B.10 (Publication of Financial Information)
Minn. Stat. §123B.14 (Duties of Officers)
Minn. Stat. §123B.75 (Revenue)
Minn. Stat. §123B.76 (Expenditures)
Minn. Stat. §123B.77 (Accounting, Budgeting and Reporting Requirements)

Manual for Activity Fund Accounting, publication

Cross References:

MPS Policy 3405 (Accounting)
MPS Policy 5400 (Activities Costs)
MPS Policy 5530 (Management of Student Funds)
MPS Policy 5540 (Fundraising)
MPS Policy 5550 (Gifts to Schools from Students or Classes)
MPS Policy 5570 (Gifts to School Personnel)
MPS Policy 5580 (Financial Profit)