

LINE MOUNTAIN SCHOOL DISTRICT

SECTION: FINANCES

TITLE: SPECIAL PURPOSE FUNDS

ADOPTED: October 27, 1981

REVISED: October 30, 1989
October 22, 2013

<p>1. Purpose</p> <p>2. Authority</p> <p>3. Guidelines</p>	<p style="text-align: center;">618. SPECIAL PURPOSE FUNDS</p> <p>It is the purpose of this policy to establish financial supervision and controls for the administration of the various activities that involve Special Purpose Funds. Section A of this policy shall apply to Student Activity Funds. Section B of this policy shall apply to Food Service Funds.</p> <p style="text-align: center;">SECTION A: STUDENT ACTIVITY FUNDS</p> <p>The authority for the establishment and operation of the Student Activity Fund is contained within Section 511 of the Public School Code. The provisions of this section authorize student activities for those purposes which are consistent with the general principle of law that the only business of a public school district is education. Those purposes shall include financing the activities of Board-approved student organizations which promote the general welfare, education, and morale of all students. Accounting for the Student Activity Fund shall be an Agency Fund in accordance with the <u>Manual of Accounting and Related Financial Procedures for Pennsylvania School Systems</u>.</p> <p>a) The Student Activity Fund shall be placed in a centralized bank account which shall be administered by the Business Office of the school district. The Superintendent or his/her designee shall be responsible for maintaining an accounting system which shall comply with the Public School Code and incorporate good business practices including but not limited to the use of a double entry accounting system, purchase requisitions, purchase orders, payment vouchers and invoices. Further, the Superintendent or his/her designee shall develop and maintain administrative procedures which shall set forth in detail the accounting system of the Student Activity Fund.</p> <p>b) The Purchasing Assistant shall serve as the Fund Custodian for the Student Activity Fund. The Fund Custodian shall provide a faithful performance bond in the amount set forth in Policy No. 811, Bonding. The cost of said bond shall be paid by the General Fund of the district.</p> <p>c) Funds shall only be deposited in the Board-approved depository bank for the Student Activity Fund. All checks shall be signed by the Board President, Treasurer and Business Administrator. Those signatures may be engraved on a signature plate which shall be secured by the Business Administrator.</p>
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	<ul style="list-style-type: none">d) A financial report of the Student Activity Fund shall be prepared each month by the Business Office and submitted to the Board. A copy of the report shall be prepared for the Principal's Office and each Advisor.e) Only student organizations which have been established and approved under Policy No. 122, Co-Curricular Activities, shall be authorized to hold funds in its own name by opening an account in the Student Activities Fund. Accounts in the Student Activity Fund will be maintained solely for these Board-authorized student organizations. No separate bank accounts shall be maintained by any student organization.f) The Building Principal shall be responsible for the supervision and proper use of Student Activity Funds. He/she shall be responsible to ensure that all financial transactions of the Fund are within stated purpose of the student organization and meet the requirements of this Policy. He/She shall further be responsible to ensure that all disbursements are pre-approved or ratified by the Faculty Advisor and by the membership of the student organization for Middle School and High School organizations. Disbursements for Elementary student organizations shall be pre-approved or ratified by the Building Faculty.g) The Building Principal shall be responsible to ensure that student organizations at his/her building level prepare and submit to the Superintendent a budget showing anticipated revenue and expenditures by October 15 each year for the fiscal year November 1 through October 30. Budget revisions may be submitted during the course of the year and shall be subject to the approval of the Building Principal and the Superintendent. To encourage the utilization of funds by the students who earned the funds, year-end balances shall be restricted to 10% of the total budget. This limit may be exceeded only for specific projects identified and approved by the Building Principal and the Superintendent.h) Any purchase of materials or supplies made by any student organization costing in excess of \$2,500 may be made only upon solicitation of quotations or bids from three or more responsible suppliers. All such purchases shall be made from the lowest responsible bidder on the basis of price, quality and service.i) Upon dissolution of any student organization holding funds in the Student Activity Fund, the Building Principal shall ensure that any liabilities of the organization are liquidated and the remaining assets of the organization transferred to the Student Council account at that building level. All graduating classes, prior to graduation, shall make a commitment for the distribution of funds remaining in their class account after payment of all outstanding financial obligations. Any funds unused or uncommitted one year after graduation of the class shall be transferred to the High School Student Council account for any proper school-related purpose.j) Organizations selling items subject to Pennsylvania sales tax, on a regular basis, shall be required to collect the tax and maintain adequate records to satisfy the Pennsylvania Department of Revenue. The advisor of the organization shall be responsible for the timely remission of the taxes collected and reports required
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<p>4. Authority</p>	<p>by the Pennsylvania Department of Revenue.</p> <p>k) An imprest petty cash fund shall be maintained for Student Activity Funds in accordance with Policy No. 617, Petty Cash. Purchases reimbursed shall be limited to amounts less than \$25.00. A petty cash voucher shall be prepared for every disbursement and shall require the written approval of the organization treasurer, advisor, and Building Principal. No cash receipts shall be placed directly into the petty cash fund. Petty cash vouchers may be submitted to the Business Office for reimbursement when the remaining cash funds are less than 25% of the authorized amount.</p> <p style="text-align: center;">SECTION B: FOOD SERVICE FUND</p> <p>The authority for the establishment and operation of the Food Service Fund is contained within Section 1337 of the Public School Code. Accounting for the Food Service Fund shall be as an Enterprise Fund in accordance with the <u>Manual of Accounting and Related Financial Procedures for Pennsylvania School Systems</u>.</p>
<p>5. Guidelines</p>	<p>a) The Food Service Fund shall be placed in a centralized bank account which shall be administered by the Business Office of the school district. The Superintendent or his/her designee shall be responsible for maintaining an accounting system which shall comply with the Public School Code and incorporate good business practices including but not limited to the use of a double entry accounting system, purchase requisitions, purchase orders, payment vouchers and invoices. Further, the Superintendent or his/her designee shall develop and maintain administrative procedures which shall set forth in detail the accounting system of the Food Service Fund. To initiate such an organization for a particular activity, the following process must be followed:</p> <p>b) Funds shall only be deposited in the Board-approved depository bank for the Food Service Fund. All checks shall be signed by the Board President, Treasurer and Business Administrator. Those signatures may be engraved on a signature plate which shall be secured by the Business Administrator.</p> <p>c) A financial report of the Food Service Fund shall be prepared each month by the Business Office and submitted to the Board.</p> <p>d) The Food Service Fund shall be controlled and budgeted in accordance with Policy No. 808, Food Services.</p> <p>e) An imprest petty cash fund shall be maintained for Food Service Fund in accordance with Policy No 617, Petty Cash. Purchases reimbursed shall be limited to amounts less than \$25.00. A petty cash voucher shall be prepared for every disbursement and shall require the written approval of the Food Service Director. No cash receipts shall be placed directly into the petty cash fund. Petty cash vouchers may be submitted to the Business Office for reimbursement when the remaining cash funds are less than 25% of the authorized amount.</p>