



Huntington Beach Union High School District Board Policies and Administrative Regulations

AR 3452
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Business and Non-Instructional Operations

Student Body Organizations

Associated Student Body (ASB)

GENERAL

1. The Associated Student Body operates for the benefit of all the students currently in the school. To ensure that the current students benefit from their contributions, fund balances are to be kept at a level not exceeding 25% of prior year's expenditures.
2. Only funds and transactions of the ASB are to be reflected in the ASB records. No funds or transactions on behalf of booster clubs, faculty clubs, equal access groups, or for site administrative purposes are to be included in the ASB records nor are monies belonging to any of these sources to be deposited in ASB accounts.

Any monies given to the ASB (except for commingled other district funds) are subject to all laws, rules, and regulations that govern the ASB. If a donor is not willing to give up control over donated funds, these funds cannot be accepted.

3. At times, payments commingling other district monies and ASB monies may be received. These payments are to be coded such that the other district share is shown in a liability account "Due District" and only the ASB portion appears in the ASB balances. Amounts due the district are to be deposited to the district clearing account at the earliest time possible. Supporting detail is to be sent to the Report Section of the Accounting Department.

Commingling of funds is to be avoided as much as possible. Under no circumstances are separate other district monies which are collected by the ASB Bookkeeper to be deposited in an ASB account. They must be deposited directly to the district clearing account.

The Associated Student Body (ASB) is established to raise and expend funds with the aim to promote the general welfare and morale of the student body as a whole.

Profits made by conducting activities which are supported by the general student body (football gate receipts, yearbook sales, etc.) must be considered general student activity revenue and may not be diverted to the accounts of special groups.

Balances remaining in any defunct club shall be transferred to the ASB. Monies remaining in the account of a graduated class shall be transferred to the ASB one-year after graduation.

The ASB shall adopt before the end of each school year a preliminary budget for the ensuing year. At the beginning of each school year, a final budget showing the anticipated income and the planned expenditures for the current year shall be adopted and a copy shall be sent to the Director of Fiscal Services.

To be an organization within the ASB, any group (Club, School Business, or Team/Sports) must be established by a group of students for a specific purpose. Before they begin to operate, they must submit an application to the Assistant Superintendent, Educational Services. This application will be reviewed by the Instructional Council to determine if the purpose and goals justify approval to operate as part of the ASB. In accordance with the Education Code and established Board Policy, the group must be composed entirely of current students. It must have a constitution approved by the student council and the principal of the school, officers and advisors.

Neither the ASB General nor a Club, School Business, or Team/Sports group can have a negative net worth at the end of a fiscal year. Periodic review of income and expenditures will help to prevent problems of this type. If the ASB General or any other entity within the ASB finds itself with a negative fund balance at any time, prompt steps must be taken to reduce expenditures and increase income, to bring the ASB or other group back to a positive net worth. Temporary deficits can only be allowed if a reliable and known revenue source will be available within less than a year to restore the balance.

A Trust Fund is established to segregate funds given to the ASB for a specific purpose, e.g. to fund a scholarship. Trust funds should never be considered as part of the available cash of the general student body. They are, however, subject to ASB control and possibly subject to some specific stipulations to carry out the intent of the donor.

Scholarships awarded shall be awarded only to students attending at the time of the award. Any awards not claimed (eligibility proved) by the end of the succeeding fiscal year shall revert back to the trust fund. The recipients shall be clearly informed of this restriction.

A trust fund cannot have a negative net worth at the end of a fiscal year. When the funds are used up, the trust fund ceases to exist and the accounts are closed into ASB General.

An Activity is an event or function put on by the general student body, by a club, a school business or team/sports group. It can be an athletic function, a sale to raise funds, a car wash, a dance, etc. Through use of separation by activity, it is possible to look at the financial results of the various activities. However, all activities are closed at the end of each fiscal year and become part of the fund balance of the general student body or the sponsoring group.

RELATION WITH BOOSTER CLUBS

1. Booster Clubs are entities, separate and distinct from the ASB or any group within the ASB.
2. A properly established Booster Club must have its own Tax Identification Number and an exemption letter from the Franchise Tax Board and the Internal Revenue Service, before it can accept tax-deductible donations.
3. Booster Clubs are not allowed to pay staff. They may, if they so desire, make a donation to the district General Fund or the ASB Fund for that purpose.
4. District administrators or faculty are not to be Booster Club officers, nor can they be authorized check signers. They may be members of a Booster Club, as long as they have no official function within the club.

CONTROL OF ASB FINANCIAL MATTERS

Cash Receipts

1. Daily cash receipts are to be deposited intact (collections = deposit).
2. Refunds are to be handled by check. Only in exceptional circumstances may Petty Cash be used.
3. Cash receipts are to be delivered to the ASB Bookkeeper by a responsible person and must show the amount being delivered and the source of the funds.
4. Cash must be deposited promptly to minimize the potential for loss and to maximize the return on ASB monies.
5. NSF checks that were not paid by the bank must be made good in cash for the amount of the check and bank charges.
6. Checks are to be accepted only for the amount owed. No cash refunds are to be given for a check amount in excess of the amount due.

Cash Disbursements

1. Except for Petty Cash, (which may be used for small, incidental expenditures and refunds) all disbursements shall be made by check.
2. Petty Cash shall be operated on an imprest basis.
3. All checks written must be completely filled out, including the name of the payee and the amount.
4. Checks cannot be made out to "Cash", not even to reimburse petty cash.
5. No signed blank checks are to be kept on hand.
6. Void checks must be accounted for and retained. They should be defaced to prevent re-use.
7. Game receipts or other cash shall not be used to make cash payments of any kind.
8. When making payments for services, care must be exercised to ensure compliance with Internal Revenue Service (IRS) requirements and regulations. The ASB can make direct payments only when it is clearly established that the service provider is and performs as an independent contractor (refer to District memoranda for more details). This is an IRS regulation and cannot be waived by District personnel. The determination must be made before payment is issued, not at the time when a transaction is recorded. In the rare instances when the ASB may make direct payment for services, the ASB Bookkeeper must obtain the information required for the issuance of a form 1099 (full legal name, address, correct SS# or TIN). IRS regulations require that the vendor provide this information and, unless the vendor provides it, payment is to be withheld.

Banking

All ASB Bank Accounts must show as the first part of the account identification "Huntington Beach Union High School District", followed by the school's name and address. ASB monies shall only be deposited in a federally insured bank or savings and loan. They may also be deposited in a state or federally insured credit union. Care must be taken to assure that total deposits in a single institution do not exceed the \$100,000 limit on deposit insurance, unless the institution provides collateralization above that amount. The Superintendent or the Assistant Superintendent, Business Services, must authorize all ASB bank accounts. Their signature shall show this authorization on the signature authorization card of each account (not as an authorized check signer).

1. ASB funds are to be deposited to ASB bank accounts frequently. Only small amounts of cash should be on hand at any time. This includes proceeds from vending machines. No cash/bank account may be kept outside of the ASB or District control.

2. Authorized signatures are to be updated whenever personnel changes in the staff authorized to sign checks take place.
3. Two signatures must be required on all ASB checks. One of these signatures must be the Administrator in charge of the ASB or the Principal, except when neither of them is available, then another Administrator's signature is acceptable.
4. Bank accounts must be reconciled every month, as soon as the bank statements are received. The bank reconciliation
 - A. provides independent verification of cash balances
 - B. provides accurate cash balances to write checks against
 - C. avoids the cost and embarrassment of NSF checks.
5. Excess balances should be invested in interest-bearing accounts or Certificates of Deposit to maximize the income to the ASB.

Expenditure Authorization

1. All expenditures approved, including Petty Cash reimbursements and refunds, must be shown in the minutes of ASB meetings with sufficient detail to identify the date of approval, the amount approved, and the payee/purpose of the expenditure. It is especially important that payments/reimbursements of costs for employees or others be separately and specifically approved by the ASB and the approval be shown in the minutes.
2. The Administrator in charge of ASB must sign the minutes of the ASB meetings and a student representative and a complete copy of these minutes must be kept in the ASB office.
3. All expenditures of ASB funds require three approvals:
 - A. An employee or official of the district designated by the Board (Principal, Assistant Principal, Vice Principal)
 - B. The employee who is the designated advisor of the particular student body organization (Administrator in Charge of ASB, Club Advisor)

- C. A representative of the particular student body organization (ASB Treasurer, ASB President).

When any one of these approvals is lacking, the expenditure is not legal. This fact must be kept in mind when expenditures are to be incurred while school is in recess. It is important to plan ahead and to obtain student approval before the summer recess for expenditures during the summer, to avoid illegal expenditure of students' funds.

4. Approval for expenditure of funds must be obtained BEFORE expenditures are incurred. Approval after the fact must remain the exception for emergencies only.
5. Any employee who incurs expenditures against ASB funds without obtaining IN ADVANCE the required approvals may be personally liable for payment.
6. ASB monies belong to the students and are held in trust for them. It is for this reason that Board Policy 3452 generally prohibits the use of ASB monies for employees. Exceptions and limitations are clearly enumerated in the Board Policy. ASB monies cannot be used to purchase articles of clothing, gift certificates, jewelry, etc. for employees or to pay for food/refreshments for short in-house meetings attended by staff members only.
7. The ASB, any group within the ASB, or staff members involved in student activities cannot:
 - A. Enter into financial or other commitments for more than one fiscal year. Longer-term commitments must be authorized by the Superintendent or the Assistant Superintendent, Business Services, and will require Board approval.
 - B. Enter into "exclusive" agreements without prior written approval by the Assistant Superintendent, Business Services.
 - C. Have vending machines installed without prior written approval by the Assistant Superintendent, Business Services.
 - D. Put anyone to work, except game officials, who has not been processed first by the District's Personnel Department. Even volunteers must be processed. Anyone who does not comply with this requirement may be personally liable to pay the worker.
 - E. Enter into an agreement, issue a purchase order or otherwise authorize services which expose the District to greater than usual risk (e.g. when the use of ladders or scaffolding is required). Before any commitment is made the District's Risk Manager must be contacted.

8. The ASB, any group within the ASB, or staff members involved in student activities shall not issue a purchase order, sign any agreement or otherwise authorize the purchase, installation, construction, modification or improvement of any temporary or permanent structure, attachments/extensions to any structure, or field (e.g. risers, bleachers, marquees, backstops, electrical work, etc.). All planned expenditures of this type must have advance approval by the Assistant Superintendent, Business Services, and authorization by the Board.
9. Equipment purchased by the ASB is district equipment and covered under the district's insurance policies. However, there are some restrictions (particularly safety considerations) which require advance approval by the Assistant Superintendent, Business Services and authorization by the Board.
10. The ASB may not pay for teacher substitutes when the district is collecting ADA for the students who are away on a co-curricular function.
11. The ASB may not pay any costs for field trips (e.g. transportation, admission) which are part of the curriculum or instruction, e.g. a science class visiting the Museum of Science and Industry.

The summary below will assist you in determining when the ASB can pay for certain expenditures:

A. Field Trips (Curricular, District collects ADA)

<u>Type of Expense</u>	<u>May ASB Pay?</u>
Teacher Sub., Salaries	No
Transportation	No
Admission/Student Participation Fee, Admission for Adult Supv.	No
Accommodations (food & lodging) for Empl/Oth	No
Accommodations (food & lodging) for students	Yes

B. Club or ASB Co-curricular Activity
(Adult supervision of students, district collects ADA)

<u>Type of expense</u>	<u>May ASB pay?</u>
Teacher Sub., Salaries	No
Transportation (plane fare, bus, mileage, etc.)	Yes
Admission/Student Participation Fee, Admission for Adult Supv.	Yes
Registration	Yes

Accommodations (food & lodging) for Empl/Oth	Yes
Accommodations (food & lodging) for students	Yes

C. Conference/Workshop/Club or ASB Business
(no student attendance, direct benefit to students, no out-of-state travel)

<u>Type of Expense</u>	<u>May ASB pay?</u>
Teacher Sub., Salaries	No
Registration	Yes
Accommodations (food & lodging)	No*
Transportation (plane fare, cab, mileage)	Yes

*except employees responsible for the direct overall supervision and/or financial record keeping of ASB.

Note: Direct benefit to students would be an appearance to accept a grant/award, not staff training.

Donations from Booster Clubs, businesses or individuals to the General Fund can be used to fund expenditures that the ASB cannot pay.

Income

The most important sources of income to the ASB and clubs or trust funds within the ASB are listed below:

1. Sales of ASB cards.
2. Yearbook sales
3. Gifts and donations received
4. Athletic and other events where admission is charged
5. Fund raising activities e.g. car washes, walk-a-thons, etc.
6. Sales

Board Policy 3554 must be complied with for all sales of food.

7. Student Store

Income Controls

Certain controls must be established to ensure that income received is properly accounted for and that actual receipts and potential receipts for each activity are within an acceptable range.

. Revenue potentials should be prepared in advance before an activity or project is undertaken. This would include yearbook sales, vending machines, and practically all fund raising activities. The purpose of this is to:

- A. establish in advance whether or not the project or activity has the potential to make revenues in excess of costs incurred and
- B. establish after the fact if the monies received come close to what should have been collected, to require a follow-up/explanation of any significant shortages.

A copy of the revenue potential, approved by the Administrator in charge of ASB, should be kept on file in the ASB office for review at the end of the project or activity.

Copies of sample forms that can be used for this purpose are attached.

2. Ticket control is a must for all activities and events where admission is charged. The basic requirements are:
 - A. An up-to-date ticket control log must be maintained.
 - B. Gate/game receipts must be reconciled with tickets sold after every event.
 - C. Strict physical control of tickets (lock up).
3. All authorized groups should maintain at least a very basic set of records of their own, independent from the records maintained by the ASB, to give them some degree of control. This control also includes the requirement that all monies delivered to the ASB office shall be:
 - A. pre-counted, with the control total clearly shown on the transfer slip and
 - B. clearly identified as to the source of the monies to ensure they can be properly recorded.
4. Yearbooks, one of the largest items of income and expenditure, must be controlled by use of a revenue potential, to ensure that full revenues are received as anticipated.
5. To ensure that the best possible price for printing of yearbooks is obtained, the ASB should at least go through an informal bid procedure.

6. The Assistant Superintendent, Business Services, on behalf of the Board of Trustees, must officially accept all gifts or donations received before they can be used/spent by the ASB.

Student Stores

They must comply with certain basic requirements:

1. Inventories must be taken quarterly. Inventory figures in the financial statements must be updated to reflect actual inventories, at least at the end of each fiscal year.
2. Inventories must be controlled to prevent losses from obsolescence and also "shrinkage". Obsolete, useless inventories must be written down to no more than the value that is expected to be realized.
3. Student stores are not to stock textbooks, workbooks, etc., for sale. On occasion, orders for books prepaid by students may be handled through the ASB Clearing Account as a convenience. Any small profit resulting from this transaction becomes the property of the ASB General.
4. All transactions of the Student Store, purchases, inventory transfers or write downs, require ASB approval and recording in the minutes just like any other ASB expenditure.

Function of the ASB Bookkeeper

The ASB Bookkeeper performs a number of services under the general supervision of the Administrator in charge of ASB and the Principal. Some of the most important services are:

1. Maintains the official books and records of the student body organization for her/his school
2. Collects, counts, deposits ASB funds; issues receipts
3. Collects, counts, deposits district funds (e.g. textbook fines, transcript fees, shop fees, fees for administering the AP and PSAT tests, etc.) to the district clearing account; issues receipts.
4. Prepares checks for disbursements

Note: The ASB Bookkeeper cannot be one of the individuals authorized to sign checks.

5. Monitors procedures and maintains records in connection with paid admission events, ASB cards, student insurance, ASB minutes, etc.

6. Maintains and updates files for reporting compensation paid by the ASB to the IRS on form 1099
7. Computes and accrues liability for sales taxes
8. Enters transactions on a computer terminal and requests periodic financial statements
9. Reconciles bank statements, posts interest income and bank charges
10. Follows up on NSF checks
11. Accrues accounts payable and accounts receivable at the end of each fiscal year
12. Interprets financial reports to the Administrator in charge of the ASB/Principal, highlights/points out potential problems
13. Compiles, at least quarterly, a special report, comparing budgeted revenues to actual revenues received and also budgeted expenditures to actual expenditures up to that point in time. Adjustments to planned expenditures may have to be made and can be made if these special reports indicate problems, and if they are timely prepared and acted upon.
14. The Principal or designee may be involved in processing walk-on staff or others who provide services for payroll purposes and also in requesting payments to these people.

The ASB Bookkeeper must be provided sufficient time, without window service, to perform the record keeping functions on an ongoing basis and to maintain the records current.

Accounting Records

The ASB accounting records are set up on an on-line system on the district's computers. The accounting system is based on a hierarchy of several levels. If the system is misused (e.g. by using the wrong level), the accounting information may become misleading. The levels are:

Club/School Business/Team/Sports group/Trust Fund ("club" level)
 Activity
 Object

The highest level is the "club" level.

Activities operate under the umbrella of a "club" level group. They have no standing of their own, except as a sub-part of a "club" level group. Theoretically, every single group could have the same activity at some point during a school year.

Within each activity, expenditures and income can be shown by object.

The process to establish a "club" level entity is delineated on page 2 of this Regulation. Contact the Director of Fiscal Services or a Senior Accountant to make changes at the activity or object level.

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