



Smart decisions. Lasting value.™

# Sacramento City Unified School District

Associated Student Body Workshop



April 30, 2025



# Associated Student Body

- Introduction
- How Much Do You Know?
- Why is Student Body Accounting important?
- ASB Principles
  - Overview
  - Cash Receipts
  - Cash Disbursements
  - Other Considerations
- Don't be an Audit Exception

**Here with you today**



**Jeff Jensen**  
Audit Partner



**Charles Raibley**  
Audit Senior Manager



**How much do you know?**

# POP QUIZ!



## Why ARE we here?

1. Protect the Students' Money!
2. Protect YOU who are handling the money and maintaining oversight!



# ASB in the News – And not in a good way!

San Diego Union-Tribune

## Audits take issue with ASB-fund spending - The San Diego Union-Tribune

Officials at Madison High School misused thousands of dollars of student activity funds on — among other things — staff luncheons,...

Sep 19, 2011

Los Angeles Times

## Former Esperanza High School employee under investigation for allegedly stealing from student programs, district ...

A former finance clerk is suspected of embezzling at least \$859,000 in funds that belonged to Esperanza High School's student council,...

Jun 27, 2019

Yahoo News

## Ex-clerk admits stealing more than \$700,000 from Orange County school

The 64-year-old Midway woman was sentenced to 14 years in prison after pleading guilty to stealing more than \$700,000 from an Orange County...

Mar 18, 2020

CBS News

<https://www.cbsnews.com> > ... > Local News

## Audit Finds Nearly \$50000 Missing From Inderkum High ...

May 4, 2018 — District officials say at least \$48,000 is missing with an additional \$167,000 improperly stored in a **school** safe, instead of deposited into a ...

San Gabriel Valley Tribune

## South Hills High School misused \$15,000 from ASB account on staff purchases

South Hills High School spent \$15000 from a student-run account to pay for staff appreciation lunches, employee T-shirts and three trips to...

May 24, 2015

# ASB Principles and Overview



# Associated Student Body

- **Legal Status of a Student Body Organization**
- The purpose and privileges of a Student Body Organization are defined in the California Education Code.
- A Student Body Organization is not a political subdivision of the State and therefore does not have the status nor governmental immunity of a School District.





## **Associated Student Body (continued)**

- **Legal Status of a Student Body Organization**
  - Education Code Section 48930 indicates that the Governing Board of a School District serves as the controlling authority for Student Body.
  - The Student Body Fund is one of many funds under the control of the Governing Board.



# Associated Student Body

## FY2024 SCUSD Fund Balances by Dollar Amount

• General	\$298,831,135
• Building	\$457,848,204
• Bond Interest & Redemption	\$65,299,262
• Developer Fees	\$30,853,823
• Cafeteria	\$16,811,123
• Charter Schools	\$15,685,391
• Child Development	\$3,561,647
• Community Facilities	\$2,710,750
• Associated Student Body	\$1,668,396
• Adult Education	\$167,168
• County School Facilities	\$3,237



# Associated Student Body

## FY2024 SCUSD Revenues by Dollar Amount

• General	\$854,165,243
• Building	\$14,440,184
• Bond Interest & Redemption	\$65,176,800
• Developer Fees	\$8,388,946
• Cafeteria	\$40,594,495
• Charter Schools	\$25,432,091
• Child Development	\$18,201,681
• Community Facilities	\$2,107,259
• Associated Student Body	\$1,649,407
• Adult Education	\$6,712,718
• County School Facilities	\$2,046,702



# Associated Student Body

- **Principles Governing Student Body Finance**
  - Basic Purpose
    - The basic purpose of raising and expending money by a Student Body Organization is to promote the general welfare, morale, and educational experiences of the Students.
  - General Principles
    - Student Body funds must be used to promote and finance a program of worthwhile co-curricular activities beyond those provided by the District.



# Associated Student Body

- **Principles Governing Student Body Finance**
  - General Principles
    - Money-raising projects must contribute to sound educational principles and must not be in conflict with the ideals of the educational program.



# Associated Student Body

- **Principles Governing Student Body Finance**
  - General Principles
    - Funds derived from the Student Body must be expended in a manner approved by the Student Governing Body.
    - Organized ASB – Middle and High Schools, Student clubs, Student Council, Advisor and Principal who assist, advise, and co-approve.
    - Unorganized ASB – Elementary or K-8, No student council or clubs, Principal oversees raising and spending of funds and CAN make all decisions.



# Associated Student Body

- **Principles Governing Student Body Finance**
  - General Principles
    - Large Student Body reserves must be discouraged.
    - Student Body funds must be expended for the benefit of those students currently enrolled in school who have contributed to the accumulation of the funds.





# Associated Student Body

- **Principles Governing Student Body Finance**
- Carryover of funds is possible
  - HOWEVER, it's important to make an effort to spend money raised on the students in the year the funds were raised.
  - Seed money for next year is ok but should be reasonable.
    - i.e. Yearbook and Prom
  - Multiyear projects with carryover is ok.
  - Clubs should get permission to carry over funds and/or set a percentage limit.
  - Best practice is to have a form to request carryover funds.



# Associated Student Body

- **Principles Governing Student Body Finance**
  - General Principles
    - Prior approval by the Student Governing Body must be obtained in the raising of revenue and the expenditure of Student Body funds.



# Associated Student Body

- **Principles Governing Student Body Finance**
  - General Principles
    - The School Principals, through authority delegated to them, are responsible for the proper conduct of the Student Body's financial activities.



## Associated Student Body

- **Principles Governing Student Body Finance**
  - Education Code Section 48933 (b)
    - The funds shall be expended subject to such procedures as may be established by the Student Body Organization subject to the approval of each of the following three persons which shall be obtained each time before any of such funds may be expended: an employee or official of the School District designated by the Governing Board, the certificated employee who is the designated advisor of the particular Student Body Organization, and a representative of the particular Student Body Organization.



# Associated Student Body

- **Principles Governing Student Body Finance**
  - Student Body Employees
    - Since the Student Body Fund is controlled by the School Board (EC 48930), the School District is the employer, not the Student Body Organization.
    - Individuals hired to perform work for the Student Body Organization function under regulations, salary schedules and benefits, and so forth that apply to all District employees.



# Associated Student Body

- **Principles Governing Student Body Finance**
  - Parent Groups
    - Parent organizations may be a PTA, PTSA, or Education Foundation
      - CANNOT commingle funds with ASB funds.
    - Nonstudent groups CANNOT deposit funds in ASB accounts unless they are being donated to the ASB (then the funds are under ASB control).



# Associated Student Body

- **Principles Governing Student Body Finance**
  - Bank Accounts
    - District guidelines must be followed at all times
    - Accounts are for the exclusive use of the ASB organization
    - Should always be in the name of the ASB
    - Only deposit ASB funds (no commingling)
    - There should be at least two signatures required on checks
      - Controller/Bookkeeper should never be a signer on the bank account
      - Typically, this is an advisor and an administrator



# Cash Receipts



# Cash Receipts Procedures

- **Collections and Verification**
- The auditor's determination will be based on the following question:

***“Is all of the money that was deposited all of the money that should have been deposited?”***



# Cash Receipts Procedures

- **Collections and Verification**
  - All money collected from any source must be substantiated by auditable records.
    - Examples: pre-numbered receipts, auxiliary receipts, class receipt records, ticket reconciliations, deposit forms, student lists, cash register tape reconciliations, etc.
  - Overages and Shortages must be reported in detail.



# Cash Receipts Procedures

- **Dual-Cash Counts**
  - Always protect the ASB bookkeeper by counting cash WITH them AND DOCUMENT with signatures and dates.
  - Always retain duplicate cash count forms for club's records.
  - Ensure that the ASB bookkeeper is never afraid to say no. The ASB bookkeeper should never be afraid to refuse an incorrect deposit or improper authorization for disbursement.

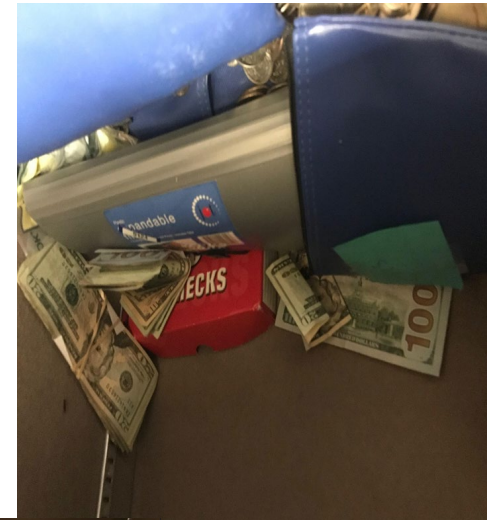


# Cash Receipts Procedures

- **Deposits**
  - Cash receipts should be deposited timely. For Sacramento City USD, weekly deposits are considered timely. If daily deposits are not feasible, money should be secured in a safe, or other locked place.
  - Cash receipts should never be left in the school office over weekends or holidays.
  - Never take cash home; don't lock it in your car, etc.

# Cash Receipts Procedures

- Your safe should NOT look like this:



# Cash Disbursements





# Cash Disbursement Procedures

- **Management of Student Body Disbursements**
  - Purchases
    - Purchase requisitions/orders must be submitted for prior approval by Student Body Organization.
    - A Student Body Organization is not obligated to pay for an expenditure ordered by a teacher, student or other person who has not first received a written purchase requisition/order.



# Cash Disbursement Procedures

- **Management of Student Body Disbursements**
  - Purchases - Matters to keep in mind:
    - Payment must be made only after evidence of receipt of goods/services.
    - Expenditures must be supported by invoices.
    - Disbursements must be made with pre-numbered checks.
    - Two signatures are required on checks.



# Cash Disbursement Procedures

- **Allowable Expense Examples**

- Field trips
- Extracurricular athletic costs
- Social events for students
- Substitutes if needed due to an approved ASB activity
- Student magazine and newspaper subscriptions
- Supplemental equip. for student use not provided by site
- Student awards if there is a district policy allowing them



# Cash Disbursement Procedures

- **Unallowable Expense Examples**
- Refer to the FCMAT ASB Manual
- Examples:
  - Permanent buildings
  - Articles for the personal use of district employees
  - Expenses for staff meetings or other adult functions
  - Gifts including employee appreciation gifts or meals
  - Employee clothing/attire
  - Donations to other organizations, families or students
  - Student fees not authorized per Ed Code (i.e. AP test fees)

# Other Considerations



# Associated Student Body

- **Other Considerations**
  - Equipment Purchases
    - Equipment purchases must be approved by School District Governing Board.
    - Student Body is responsible for repair, maintenance, upkeep and insurance.



# Associated Student Body

- **Other Considerations**

- Insurance

- Responsibility for insurance should be delegated to District Office, as part of the District's overall insurance coverage.





# Associated Student Body

- **Other Considerations**

- Student Stores/Inventory

- Inventory counts should be completed monthly to bi-annually depending on level of activity.
    - Profit and loss statements for the student store performed monthly.
    - Ensure purchases of inventory are following the proper PO process.

Issues to lookout for:

- Inventory shortages
    - Cash shortages



# Associated Student Body

- **Other Considerations**
  - Prohibited Solicitations – Ed. Code Section 51520
    - Solicitations on school premises requires prior Governing Board approval.



# Associated Student Body

- **Other Considerations**
  - Fundraising Projects – Ed Code 51521
    - Fundraising projects require prior Governing Board approval.



# Associated Student Body

- **Other Considerations**

- Fundraising - California Penal Code prohibits lottery, games of chance and other forms of gambling (including Bingo).
- Due to lack of insurance and safety concerns:
  - Mechanical or animal rides
  - Use of darts, arrows, or other weapons
  - Objects thrown at people
  - Dunk tanks
  - Destruction of objects
  - Trampolines/Bounce Houses
  - Fireworks



# Associated Student Body

- **Other Considerations**

- Financial Reporting

- Safeguard user identities, passwords, combinations and other access controls
    - ALL Bank account reconciliations should be submitted to (and reviewed by) the business services office on a regular basis, which is within 60 days after month-end.
    - Double-check bank reconciliations, cancelled/cleared checks, and check endorsements
    - The individual who receives the bank statement (either physical or electronic) and prepares the account reconciliation should be someone other than the person responsible for day-to-day transactions



## Associated Student Body

- **Other Considerations**
- Electronic Payments

Electronic payment systems: PayPal, Venmo, Zelle, etc.

- Do District policies allow for the acceptance of payment through these systems?
- Who maintains access to these systems?
- Who can / should be able to send payment to vendors through systems?
- What documentation is maintained and in what medium (paper vs. electronic support)?



## Associated Student Body

- **Other Considerations**

- Electronic Payments

- Electronic payment devices: Square, Clover, Lightspeed, etc.

### Access Controls

- Where are the devices physically stored to ensure security?
- Who sets and/or maintains passcodes/passwords to accept payment?



## Associated Student Body

- **Other Considerations**
- Electronic Payments
- Charging credit card fees for transactions
  - Card swipe fees may not be charged to consumers by the District/ASB per Civil Code 1748.1
  - The base price for services/products can be increased to address the cost of these charges paid by the District/ASB, with a discount offered for payments made by cash / check

**KEY TAKEAWAY:** The Associated Student Body must follow all district policies when taking electronic payments.



# ASB Audit Exceptions



# ASB Audit Exceptions

- **Cash Management & Accounting**

- Lack of receipts issued for sales or for cash turned in.
- Purchase Order requests are being created AFTER the order has been placed and paid for.
- Specific expenses are not approved and documented in meeting minutes.
- Monthly financial statements are not prepared for clubs/ASB.
- Student store is not issuing receipts or preparing register reconciliations.



# ASB Audit Exceptions

- **Cash Management & Accounting**

- Items stocked in the student store are not purchased through proper approved PO/vendor process.
- Deposit from fundraiser is being made net of reimbursing teacher/parent directly from cash sales for expenses made!!!
- Request for fundraiser forms are not used in advance of fundraiser (or not used at all).
- Cash held over summer/winter/spring breaks.



# ASB Audit Exceptions

- **Cash Management & Accounting**
  - Teachers/Coaches collecting funds for fundraiser and keeping in own safe instead of turning in and being dual-counted.
  - PE teacher held fundraiser without any interaction with ASB coordinator. The teacher contacted the vendor directly, collected money from students, and the teacher paid the vendor directly.
  - Bank accounts opened by School Site without knowledge or approval of Business Services.



# Thank You

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