

Associated Student Body (ASB) Funds

Principal's Professional Development
August 14, 2015

Amari Watkins
Accounting Services

- **Importance of ASB Accounting**
- **Authority, Purpose, and General Principles**
- **Principal's Responsibilities**
- **Management of ASB Funds**
- **Resources**

- **Total ASB Assets on 6/30/14: \$1,415,943**
- **Receipts in FY 2013-14: \$2.79 million**
 - **Over \$1.49 million at the six comprehensive high schools**
- **Majority of receipts are cash**
 - **Risk for fraud**
 - **Personal liability**
 - **Many individuals involved requires strong internal controls**

- **Audit findings every year**
 - **Failure to maintain adequate documentation and oversight**
 - *Receipts lack supporting documentation*
 - e.g., No receipts issued or tally sheets maintained
 - *No evidence of review of financial statements or bank reconciliations*
 - *Disbursements not preapproved or lack supporting documentation*
 - **Don't be an Audit Exception**
 - *Reported by school name in the annual financial audit report presented to the District Governing Board and available to the public*

- **Defined by Education Code sections 48930 et seq and Board Policy 3452**
 - **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**
 - **District Governing Board serves as the controlling authority for Student Body, similar to other district funds**

- **To promote the general welfare, morale, and educational experiences of the students**

- **Funds must be used to promote and finance a program of worthwhile co-curricular activities BEYOND those provided by the District**
- **Fundraising projects must contribute to sound educational principles and must not be in conflict with the ideals of the educational program**
- **Funds must be expended for the benefit of those students currently enrolled who have contributed to the raising of the funds**
 - Large reserves are discouraged
- **Prior approval by the Student Governing Body must be obtained for both the raising and expenditure of funds**

- **Funds must be managed in accordance with sound business practices**
- **Competition with local business firms must be kept to a minimum**
- **Food sales on campus are limited, must not compete with the Nutrition Services program, and must meet nutritional requirements (Board Policy/Administrative Regulation 3554)**
- **ASB accounts are not a pass through for other funds or other organizations, including parent teacher groups and boosters**

- **Principals are directly responsible for the proper conduct of student body activities and financial affairs in accordance with the policies and procedures established by the State, the District Governing Board, the Superintendent, and Business Services**

- **The principal has the following responsibilities:**
 - *To inform and explain policies and procedures impacting the student body organization to the faculty and students*
 - *To ensure that a student council is established and that each club has a certificated advisor (applicable to organized ASB, grades 7-12)*
 - *To provide supervision to the school controller/bookkeeper*
 - *To review and approve the monthly bank reconciliations and the financial statements*

- **The principal has the following responsibilities (cont.):**
 - *To respond to the audits of student body funds*
 - *To replace funds spent improperly in one of the following ways:*
 - If the expenditure is a legal expenditure of the District, the school may use some of its District funds to reimburse the student body organization
 - If the expenditure is not a legal expenditure of the District, the Principal must reimburse the student body organization from their own personal funds
 - *To inform Accounting Services if a former principal authorized inappropriate expenditures*
 - *To obtain proper approval for fundraising events and disbursements*

- **Signed disbursement requests
(Education Code section 48933 (b))**
 - *The funds shall be expended subject to such procedure 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 the funds may be expended: an employee or official of the school district designated by the governing board, the certificated employee who is the designated adviser of the particular student body organization, and a representative of the particular student body organization*

- **Receipts**

- **All money collected from any source must be substantiated by auditable records (receipts, ticket reconciliations, deposit forms, student lists, etc.)**
 - *In auditing the funds and the related controls, auditors will want to determine whether all of the money deposited was all of the money that should have been deposited*
 - *Without appropriate documentation, there is uncertainty and potential for audit findings and fraud*

- **Receipts**

- **Receipts should be issued or documentation created every time cash transfers custody**
- **Cash should always be counted in the presence of two people**
 - *Each individual should document and sign off on the count*
 - *This control is for everyone's protection more than a means to mitigate fraud*
- **Overages and shortages must be reported with as much detail as possible**

- **Receipts**

- **Cash receipts should be deposited timely**
 - *If daily deposits are not feasible, money should be secured in a safe or other locked place*
 - *A district-wide courier schedule is being developed to eliminate staff transportation of funds to the bank*
 - More information will be distributed in the coming weeks regarding this new process

- **Disbursements**

- **Disbursements must be supported by the appropriate documents and authorized by the required individuals**
- **Requests must be submitted for prior approval by the student body organization or principal**
- **Student Body is not obligated to pay for an expenditure ordered by a teacher, student, or other person who has not first received authorization in the form of an approved disbursement request/purchase order**

- **Disbursements**

- **Payments must be made only after evidence of receipt of goods/services, supported by invoices, using pre-numbered checks signed by two individuals**
- **Payments should never be made directly from receipts collected**
- **Gifts, gift certificates, donations, and cash awards are not allowable**

- **Reconciliations and Financial Reports**
 - **Ensure an adequate separation of duties so that any one individual does not have responsibility for preparing the documents and reconciling the accounts without appropriate review and oversight**
 - **ASB financial reports should be reviewed by the principals and the clubs or classes**

- **Cash controls are designed to help protect all innocent parties from allegations of fraud as well as help identify who has committed fraud**
- **In addition to the controls mentioned previously:**
 - *Never leave money unattended*
 - *Always retain duplicate cash count forms for the club's records*
 - *Whenever possible, have two people transport deposits*
 - *Double check bank reconciliations, cancelled/cleared checks, and check endorsements*
 - *Compare the advisor's copies of club transactions with the financial reports*
 - *Empower your ASB bookkeeper to question incorrect deposits and improper authorizations for disbursement*

- **PRIOR District Approval Required**
 - **District Governing Board Approval**
 - ***Equipment purchases***
 - Student body is responsible for repair, maintenance, upkeep, and insurance
 - *Responsibility for insurance is delegated to Business Services as a part of our overall insurance coverage, but paid for by ASB*
 - ***Solicitation on school premises (Education Code section 51520, Board Policy/Administrative Regulation 1321)***
 - ***Fundraising projects***
 - *Require prior approval by Governing Board or designee (Education Code section 51521)*
 - *All fundraisers must obtain authorization from the principal or designee. The Request for Fundraiser Approval form is used to request approval of fundraising events. The form is located on the Accounting Services website at <http://www.scusd.edu/iso-form/request-fundraiser-approval>*

- **PRIOR District Approval Required**
 - **Accounting Department Approval**
 - *Establishment of bank accounts*
 - *Carryover greater than 20% of available balances*
 - *Expect to receive an email in April*
 - **Facility Support Services (FSS) Approval**
 - *ASB funded facility improvements*
 - Must be coordinated and approved by FSS
 - **Contracts Office Approval**
 - *Contracts over \$5,000*

- **Student Body Employees and Independent Contractors**
 - **Since the Student Body Fund is controlled by the District Governing Board, the 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, et cetera, that apply to all District employees and independent contractors**

- **Illegal Fundraisers**
 - **California Penal Code prohibits lottery, games of chance, including BINGO, and other forms of gambling**

- **The above information only highlights the many requirements, procedures, and best practices related to ASB**
- **Our primary goal is to support you as a resource in this work**
- **Contact for ASB Policy:**
 - Amari Watkins, Director of Accounting Services
 - Email: Amari-Watkins@scusd.edu
 - Phone: 916-643-7837



**Accounting Services
General Accounting Staff Assignment
2015-2016**

Garee Hill, Accounting Specialist Phone: 643-7883	
A-G	
Central	
0001	District
0802	Accounting Services
Elementary	
0097	Abraham Lincoln
0025	Bowling Green - Chacon
0024	Bowling Green - McCoy
0029	Bret Harte
0032	Caleb Greenwood
0035	Camellia Basic
0037	Caroline Wenzel
0098	Cesar Chavez Intermediate
0300	Crocker/Riverside
0059	David Lubin
0095	Earl Warren
0100	Edward Kemble
0104	Elder Creek
0108	Ethel I. Baker
0110	Ethel Phillips
0130	Golden Empire
K-8 Schools	
0010	A. M. Winn K-8
0173	Alice Birney Waldorf K-8
0350	Genevieve Didion K-8
0117	Father Keith B. Kenny K-8
Middle School	
0410	Albert Einstein
0415	California
0431	Fern Bacon
High Schools	
0562	Accelerated Academy
0570	American Legion
0517	Arthur A. Benjamin Health Professions High School
0510	C. K. McClatchy
0571	Capital City School
0505	George Washington Carver School
Independent Charters	
0210	California Montessori Project Capital
0213	Capitol Collegiate Academy
0215	Capitol Heights Academy
Adult Schools	
0594	A. Warren McClaskey
0593	C. Jones Skills

Shannon Smith, Accounting Specialist Phone: 643-7876	
H-N	
Central	
0715	Children's Center
Elementary	
0139	H. W. Harkness
0142	Hollywood Park
0144	Hubert H. Bancroft
0146	Isador Cohen
0305	James W. Marshall
0153	John Bidwell
0163	John Cabrillo
0168	John D. Sloat
0148	Leataata Floyd
0235	Mark Twain
0242	Matsuyama
0185	New Joseph Bonnhelm
0262	Nicholas
K-8 Schools	
0445	John H. Still - K-8
0111	John Morse Therapeutic Center K-8
0151	Leonardo Da Vinci K-8
0138	Martin Luther King Jr. K-8
Middle School	
0450	Kit Carson
High Schools	
0520	Hiram Johnson
0525	John F. Kennedy
0530	Luther Burbank
0535	New Tech
Independent Charters	
0200	Language Academy
Children Centers	
0655	James Marshall Children Center
0656	Leonardo Children Center
122A	Martin L. King Jr. Preschool
0664	Martin Luther King Jr. Children Center
0665	Matsuyama Children Center

Elizabeth Arizanga, Accounting Specialist Phone: 643-7877	
O-Z	
Central	
0810	Nutrition Services
0750	Special Education
0844	Transportation
Elementary	
0267	O. W. Erlewine
0265	Oak Ridge
0269	Pacific
0272	Parkway
0277	Peter Burnett
0282	Phoebe Hearst
0285	Pony Express
0327	Sequoia
0178	Success Academy
0101	Susan B. Anthony
0354	Sutterville
0359	Tahoe
0363	Theodore Judah
0384	William Land
0390	Woodbine
K-8 Schools	
0420	Rosa Parks K-8
Middle School	
0480	Sam Brannan
0490	Sutter Middle
0495	Will C. Wood
High Schools	
0540	Rosemont
0557	School Of Engineering And Sciences
0521	West Campus
0560	The Met
Independent Charters	
0270	Oak Park Prep
0290	Public School 7 (PS7)
0190	Sol Aureus College Prep
0555	St. Hope Sacramento Charter
0295	Yav Pem Suab Academy

- **District Student Body Procedures Manual**
- **Student Body Accounting Manual, Fraud Prevention Guide and Desk Reference, FCMAT, 2012**
<http://fcmat.org/wp-content/uploads/sites/4/2014/02/ASBManual2012finalprint.pdf>

- **Questions?**
- **Thank you for your time and effort**