

**Greater Albany SD 8J**  
**Administrative Regulation**

Code: **DF-AR(2)**  
Adopted: 5/5/86  
Revised: 3/12/01, 8/13/07  
Orig. Code(s): AR 7300

**Student Activity Fund Accounting Procedures**

**1. Explanation**

For many years school districts have been uncertain as to the proper budgeting and accounting procedures to follow in regards to student activity funds. Although it was understood that the ultimate responsibility for these funds rested with the Board, it was uncertain whether they should be governed by the local budget law.

During the 1979-80 fiscal year the Oregon State Department of Revenue clarified the classification of student activity funds by publishing guidelines which provide that these funds are either “governmental funds” (subject to the local budget law), or “fiduciary funds” (not subject to the local budget law), depending upon the degree of control that the district maintains over these funds. If, in fact, the district does not exercise controls in either the expenditure of or the accounting for such funds, then these should be considered “governmental” in nature and subject to the local budget law. These guidelines have been incorporated in the Oregon Department of Education’s Revised Program Budget Manual issued in the summer of 1980.

**2. Classification**

The district has a “student activity funds” accounting system. Under this system each school collects monies from many sources and deposits these monies into a student activity fund bank account. The district accounting office is then responsible for the accounting of this fund; this includes disbursements, bank reconciliation and all financial reporting. Although there may be some justification in classifying monies collected by the student organizations as “fiduciary funds” it would seem that under our current accounting system the guidelines regarding control weigh in factor of the “governmental fund” classification. We believe that our current accounting system provides the most efficient and economical method of accounting for these funds, therefore, we declare that the “student activity fund” is a governmental fund and subject the local budget law.

**3. Auditing and Budgeting**

The student activity fund of the district has always been audited annually by an independent audit firm. In past years this audit has been issued under separate cover. It is understood that by declaring these funds to be governmental funds they shall be included in the annual budget and thus will be incorporated in the district audit.

**4. Student Participation**

In declaring the student activity funds a governmental fund, it is not our intent to exercise any greater controls than are prudent in this area. It is recognized that the monies collected by the student organizations will be expended by those organizations subject to the guidelines imposed by the

building administrators. We do, in fact, encourage student involvement in the expenditure decisions and we will strive to provide guidance and advice in the total accounting process.

## 5. Accounting Procedures

It is understood that the student activity fund receipts and expenditures must be accounted for in the same manner as the receipts and expenditures of all other district funds. These procedures include:

- a. The issuing of receipts for all monies collected;
- b. The proper and timely deposit of all monies collected;
- c. A proper procedure for the expenditure of the funds which includes consultation with appropriate students, teachers or parents or guardians<sup>1</sup>;
- d. The maintenance of proper accounting records, to include:
  - (1) A general ledger providing double entry bookkeeping;
  - (2) A cash receipts journal;
  - (3) A check register and proper expenditure vouchers;
  - (4) Other financial records as deemed necessary to properly account for the monies of this fund.

Because of the uniqueness of the student activity fund, the district accounting office will continue to present end-of-the-month financial reports in a format that provides a fiscal year beginning balance, receipts, expenditures and an ending balance for each account. Fiscal year-end financial statements will be provided in the manner prescribed by generally accepted accounting principles.

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<sup>1</sup>As used in this document, the term parent includes legal guardian or person in a parental relationship. The status and duties of a legal guardian are defined in ORS 125.005 (4) and 125.300 - 125.325. The determination of whether an individual is acting in a parental relationship, for purposes of determining residency, depends on the evaluation of the factors listed in ORS 419B.373. The determination for other purposes depends on evaluation of those factors and a power of attorney executed pursuant to ORS 109.056. For special education students, parent also includes a surrogate parent, an adult student whom rights have transferred and foster parent as defined in OAR 581-015-0005(18).