

BALTIMORE COUNTY PUBLIC SCHOOLS

DATE: July 11, 2006

TO: **BOARD OF EDUCATION**

FROM: Dr. Joe A. Hairston, Superintendent

SUBJECT: **SUPERINTENDENT’S RULE 3125 – NON-INSTRUCTIONAL SERVICES – FISCAL SERVICES – ACCOUNTING AND CASH MANAGEMENT: SCHOOL ACTIVITY FUNDS**

ORIGINATOR: J. Robert Haines, Deputy Superintendent, Business Services

RESOURCE PERSON(S): Barbara Burnopp, Chief Financial Officer
Phyllis Bailey, Executive Director, Special Programs PreK-12

INFORMATION

Superintendent’s Rule 3125 - NON-INSTRUCTIONAL SERVICES – Fiscal Services – Accounting and Cash Management: School Activity Funds was updated on 6/5/06 to assist schools in managing school activity funds. Policy 3125 was approved by the board on 4/26/05.

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- Attachment I – Superintendent’s Rule 3125

NON-INSTRUCTIONAL SERVICES: FISCAL SERVICES

ACCOUNTING AND CASH MANAGEMENT: SCHOOL ACTIVITY FUNDS

MANAGEMENT OF FUNDS

1. THE FINANCIAL MANAGEMENT OF ALL SCHOOL ACTIVITY FUNDS SHALL BE THE RESPONSIBILITY OF THE SCHOOL PRINCIPAL. FINANCIAL MANAGEMENT SHALL INCLUDE MAINTAINING SOUND ACCOUNTING PRACTICES, RECORDING THE RECEIPT AND EXPENDITURE OF FUNDS USING A UNIFORM CHART OF ACCOUNTS, AUTHORIZING EXPENDITURES, REPORTING TO SCHOOL ADMINISTRATION, PARENTS, AND STUDENTS ON THE USE OF STUDENT ACTIVITY FUNDS, AND COMPLIANCE WITH REGULATIONS ISSUED BY THE INTERNAL REVENUE SERVICE AND THE COMPTROLLER OF MARYLAND, SALES AND USE TAX DIVISION.
2. ALL FUNDS COLLECTED BY SCHOOL EMPLOYEES AND BY STUDENT TREASURERS SHALL BE RECEIPTED, ACCOUNTED FOR, AND DIRECTED, WITHOUT DELAY, TO THE PROPER LOCATION OF DEPOSIT ON A DAILY BASIS. ALL SCHOOLS SHALL PROVIDE FOR MAKING BANK DEPOSITS AFTER REGULAR BANKING HOURS IN ORDER TO AVOID LEAVING MONEY IN THE SCHOOL OVERNIGHT. IN NO CASE SHALL FUNDS BE LEFT OVERNIGHT IN SCHOOLS, EXCEPT IN SAFES PROVIDED FOR SAFEKEEPING OF VALUABLES. SCHOOL ACTIVITY FUNDS MAY NOT BE DISBURSED AS CASH PAYMENTS UNDER ANY CIRCUMSTANCES.
3. SCHOOLS ARE ENCOURAGED TO MAINTAIN SCHOOL ACTIVITY FUNDS IN A SINGLE CHECKING/SAVINGS ACCOUNT. FUNDS NOT NEEDED TO MEET CURRENT OBLIGATIONS MAY BE INVESTED BY THE DEPARTMENT OF FISCAL SERVICES.
4. FUNDS BELONGING TO EXTERNAL ORGANIZATIONS SUCH AS PARENT-TEACHER ASSOCIATIONS AND BOOSTER CLUBS ARE NOT CONSIDERED SCHOOL ACTIVITY FUNDS AND SHALL NOT BE COMMINGLED WITH SCHOOL FUNDS.
5. EXTERNAL ORGANIZATIONS MAY NOT CONDUCT FUNDRAISING ACTIVITIES OR ESTABLISH AN ADMISSION FEE SCHEDULE THAT SUPERSEDES OR DIMINISHES A SCHOOL'S CLAIM TO RECEIPTS GENERATED BY SCHOOL SPONSORED ACTIVITIES.

6. EXTERNAL ORGANIZATIONS MAY CONTRIBUTE FUNDS TO SCHOOLS, WHICH ARE THEN DEPOSITED INTO SCHOOL ACTIVITY FUNDS.
7. CAFETERIA FUNDS ARE NOT CONSIDERED SCHOOL ACTIVITY FUNDS AND SHALL BE MAINTAINED BY THE OFFICE OF FOOD AND NUTRITION SERVICES.

THE DEPARTMENT OF FISCAL SERVICES SHALL MAINTAIN THE ACCOUNTING MANUAL FOR SCHOOL ACTIVITY FUNDS TO GUIDE THE MANAGEMENT OF THESE FUNDS.

RELATED POLICIES: POLICY 2211, SCHOOL PERSONNEL, SCHOOL-BASED ADMINISTRATORS: PRINCIPAL

ALL CAPS indicate new material.
Brackets [] indicate deleted material.

RULE
APPROVED: 7/11/06

SUPERINTENDENT OF SCHOOLS