

Policy 3452: Student Activity Funds

Status: ADOPTED

Original Adopted Date: 09/01/1988 | Last Revised Date: 03/01/2021 | Last Reviewed Date: 07/01/2007

CSBA NOTE: Pursuant to Education Code 48930, the Governing Board may approve the formation of associated student body organizations (ASBs), which are composed entirely of students and are subject to the Board's control and regulation. Generally, there are two types of ASBs. ASBs in high schools and middle schools are referred to as "organized ASBs" since the students, organizing their activities around student clubs and/or a student council, have primary responsibility for the ASB, with the assistance, oversight, and co-approval of a district-employed advisor. In elementary schools, ASBs are considered to be "unorganized" because there is no student council and the principal or designee usually oversees the fundraising and spending decisions, with more limited involvement from the students.

ASBs, which are subject to the Board's control and regulation pursuant to Education Code 48930, are legally considered part of the district. In contrast, booster clubs, education foundations, parent-teacher associations, and other parent-run organizations operate independently of the district. See BP /AR 1230 - School-Connected Organizations. Districts with questions regarding the distinction between an ASB and a school-connected organization should consult legal counsel.

The following optional policy may be modified to reflect district practice.

The Governing Board recognizes that student organizations can provide students with an opportunity to conduct worthwhile cocurricular activities while helping students learn about effective financial practices and develop leadership and management skills. To that end, the Board may approve the formation of associated student body organizations which are composed entirely of students, operate under the oversight of the principal or other district-employed advisor, and are subject to the control and regulation of the Board. Student organizations may raise and spend funds to support activities that promote the general welfare, morale, and educational experiences of the student body.

Fundraising

CSBA NOTE: Education Code 48932 requires the Board to approve a student organization's fundraising events and to determine whether fundraising activities that are held on school property during school hours will interfere with the normal conduct of the schools. The following paragraph provides for the Board to delegate the review and approval of ASB fundraising events to the Superintendent or designee and should be modified to reflect district practice.

For a list of activities that may be prohibited on school grounds because of safety concerns, see AR 5142 - Safety. For information regarding online fundraising, see BP 3290 - Gifts, Grants and Bequests.

At the beginning of each school year, each principal or designee shall submit to the Superintendent or designee a list of the fundraising events that each student organization proposes to hold that year. The Superintendent or designee shall review the proposed events and determine whether the events contribute to the educational experience and do not conflict with or detract from the school's educational program. When reviewing proposed events, the Superintendent or designee shall consider the effects of the activities on student health and safety, evaluate the risk of liability to the district, and ensure that the proposed activities are in compliance with law, Board policy, and administrative regulation.

CSBA NOTE: Education Code 49431, 49431.2, and 49431.5 prescribe the types of foods and beverages that may be sold on school grounds and restrict when fundraising events that involve the sale of noncompliant foods and beverages on school grounds may occur. See BP/AR 3554 - Other Food Sales.

Fundraising events that involve the sale of food and/or beverages shall comply with applicable state and/or federal nutrition standards and BP/AR 3554 - Other Food Sales. If the fundraising event involves the sale of noncompliant food and/or beverages, it shall not take place from midnight until at least one-half hour after the end of the school day, or not be conducted on school premises.

Management and Reporting of Funds

CSBA NOTE: Education Code 48937 requires the district to provide for the supervision of all funds raised by any student body organization or student organization using the name of the school. The acceptable investment and use of such funds are detailed in Education Code 48933, 48934, and 48936. The Fiscal Crisis and Management Assistance Team (FCMAT) has developed the Associated Student Body Accounting Manual, Fraud Prevention Guide

and Desk Reference, available on its web site, to outline the district's fiscal and managerial responsibilities relative to these funds.

Student body funds shall be managed in accordance with law, regulations, Board policies, and sound business procedures designed to encourage the largest possible educational return to students without sacrificing the security of funds.

The Superintendent or designee shall develop internal control procedures to safeguard the organization's assets, promote the success of fundraising ventures, provide reliable financial information, protect employees and volunteers from accusations of impropriety, and reduce the risk and promote the detection of fraud and abuse.

These procedures shall detail the oversight of activities and funds including, but not limited to, the appropriate role and provision of training for staff and students, parameters for events on campus, appropriate and prohibited uses of funds, and accounting and record-keeping processes, including procedures for handling questionable expenditures.

The principal or designee shall be responsible for the proper conduct of all student organization financial activities.

The budget adopted by the student body organization should serve as the financial plan for the school year and shall be submitted to the Superintendent or designee at the beginning of each school year. The Superintendent or designee shall monitor the budget and periodically review the organization's use of funds to ensure compliance with the district's internal control procedures.

Funds derived from the student body shall be expended according to procedures established by the student organization. All expenditures must be approved by a Board-designated employee or official, the certificated employee who is the designated student organization advisor, and a student organization representative. (Education Code 48933)

CSBA NOTE: The following paragraph is optional. 5 CCR 4922 and 34 CFR 106.41 require districts to ensure that the district's athletic program provides equivalent opportunities for both sexes. The factors that districts must consider when determining whether equivalent opportunities are being provided include, but are not limited to, the provision of necessary funds, equipment, supplies, and travel allowances. See AR 6145.2 - Athletic Competition.

When student body funds are expended for equipment, supplies, or activities that support the district's athletic program, the Superintendent or designee shall ensure that the expenditures are aligned with the district's commitment to provide equitable opportunities for males and females.

CSBA NOTE: Pursuant to Governmental Accounting Standards Board (GASB) Statement 84, if the district has administrative or direct financial involvement with the ASB's assets, as defined, the student activity fund may be considered a governmental fund subject to accounting and financial reporting within the district's funds. FCMAT's Fiscal Alert: GASB 84 and its Impact on Associated Student Body Accounts clarifies that, under state law, the district's considerable administrative involvement in both organized and unorganized ASBs means that ASBs will typically be considered governmental activities, rather than fiduciary responsibilities of the district. As such, ASB accounts should be reported in either a special reserve fund or the general fund. For further information see GASB 84, GASB's Implementation Guide No. 2019-2, Fiduciary Activities, and FCMAT's Fiscal Alert: GASB 84 and its Impact on Associated Student Body Accounts. Districts are encouraged to consult legal counsel in the determination of whether its ASB(s) are fiduciary or nonfiduciary in order to properly report the accounts.

Because of the district's administrative and/or direct financial involvement in the assets of the student organization, the student activity fund shall be reported within the district's fund in accordance with Governmental Accounting Standards Board Statement 84.

CSBA NOTE: Because an ASB is an entity of the district, ASB funds are reviewed as part of the annual audit of the district conducted pursuant to Education Code 41020, as specified below.

The Board shall provide an annual audit of student organization accounts by a certified public accountant or licensed public accountant. The cost of the audit shall be paid from district funds. (Education Code 41020)

Policy Reference Disclaimer: These references are not intended to be part of the policy itself, nor do they indicate the basis or authority for the board to enact this policy. Instead, they are provided as additional resources for those interested in the subject matter of the policy.

State References

5 CCR 15500

Description

[Food sales in elementary schools](#)

Mesa Union School District

Somis, Ca

Board Approved: May 18, 2021

5 CCR 15501	Food sales in high schools and junior high schools
Ed. Code 35182.5	Contracts for advertising
Ed. Code 35564	Funds, obligation of the student body
Ed. Code 41020	Requirement for annual audit
Ed. Code 48930-48938	Student organizations
Ed. Code 49431	Sale of food and beverages, elementary school
Ed. Code 49431.5	Sale of food and beverages, middle and high schools
Ed. Code 51520	Prohibited solicitations on school premises
Ed. Code 51521	Fund-raising project

Management Resources References

Court Decision	Prince v. Jacoby, (2002) 303 F.3d 1074
Fiscal Crisis & Management Assistance Team Pub.	Associated Student Body Accounting Manual & Desk Reference, 2005
Website	California Department of Education
Website	Fiscal Crisis and Management Assistance Team

Description

Cross References

1230	School-Connected Organizations
1230	School-Connected Organizations
1321	Solicitation Of Funds From And By Students
1321	Solicitation Of Funds From And By Students
3260	Fees And Charges
3260	Fees And Charges
3400	Management Of District Assets/Accounts
3400	Management Of District Assets/Accounts
3460	Financial Reports And Accountability
3460	Financial Reports And Accountability
3530	Risk Management/Insurance
3530	Risk Management/Insurance
3554	Other Food Sales
3554	Other Food Sales
3580	District Records
3580	District Records
5000	Concepts And Roles
5030	Student Wellness
5142	Safety
5142	Safety
5143	Insurance
5143	Insurance
6145	Extracurricular And Cocurricular Activities
6145	Extracurricular And Cocurricular Activities
6145.5	Student Organizations And Equal Access

