

Extraclassroom Activity Funds

This policy pertains to extraclassroom clubs that maintain activity accounts. Extraclassroom activity funds are defined in the Regulations of the Commissioner of Education as “funds raised other than by taxation or through charges of a Board of Education for, by or in the name of a school, student body or any subdivision thereof.” Extraclassroom activity funds are those operated by and for the students. Monies are usually collected voluntarily by pupils and are spent by them as they see fit so long as they abide by established regulations. Only student funds shall be placed in extraclassroom activity funds.

Extraclassroom activity funds must not be confused with funds accounted for in accordance with the Uniform System of Accounts prescribed by the state comptroller. Procedures discussed in this policy and applicable regulations apply only to extraclassroom activity funds. In order to promote the organization and maintenance of extraclassroom activities and to provide for the proper handling and safeguarding of extraclassroom activity funds, the Board of Education hereby adopts rules and regulations for the guidance of students, teachers, and principals.

Purpose

Student extraclassroom activities may only be formed for educational purposes.

Definition

Extraclassroom activity funds are funds raised other than by taxation or through charges of a Board of Education, for, by or in the name of a school, student body or any subdivision thereof.

Organizational Procedures

Students desiring to form an extraclassroom activity may petition their principal in writing. The petition must state the purpose of and describe the activities of the proposed extraclassroom activity and must be signed by at least seven students before it is presented to the principal for action. If the purpose of the proposed extraclassroom activity falls within the scope of educational or school service purposes and if the necessary space and equipment are available, the principal, in conjunction with the petitioning students, must seek a suitable adviser. When these procedures have been accomplished, the building principal may recommend to the chief school officer that the extraclassroom activity be approved by the Board of Education.

Charter

All extraclassroom activities shall adopt a charter that shall define the purpose of the organization. Charters also list the current year’s officers and must be filed with the central treasurer.

Fund Personnel

The following positions play a role in extraclassroom activity funds:

- Central Treasurer – This position is appointed annually at the reorganization, or as needed, by the Board of Education. The central treasurer aids the student clubs with extraclassroom activity funds financial records, bank accounts, and reporting. The central treasurer adheres to the rules and regulations established by law and by the district and ensure that faculty advisors and student treasurers follow the proper procedures.

- Faculty Advisor – These positions are appointed annually by the Board of Education. The position is typically held by a teacher with the primary role of guiding and advising students in the operation of extraclassroom activities. Faculty advisors must adhere to the rules and regulations established by law and by the district and assist the student treasurer in this process as well.
- Student Treasurer – These positions are appointed after a vote by the students participating in each extraclassroom activity. The student treasurers are responsible for overseeing all financial transactions of the extraclassroom activity under the guidance of the faculty advisor.
- Extraclassroom Fund Internal Auditor – This position is appointed annually at the reorganization meeting, or as needed, by the Board of Education. The extraclassroom fund internal auditor is primarily responsible for reviewing the extraclassroom paperwork each month to make sure that appropriate documentation exists and policy is followed.
- Extraclassroom Officers – These positions are appointed annually at the reorganization meeting or as needed by the Board of Education. The primary purpose of these positions is to review the disbursement documentation and sign off on all checks drawn from the extraclassroom activity bank account.
- Principals (middle school and high school only) – These principals shall ensure that the duties assigned to each activity’s faculty advisor in their respective buildings are carried out accurately and in a timely fashion. These principals will work with students on creating new clubs (if appropriate) and will also review fundraisers for appropriateness before they can occur.

Meetings

All extraclassroom activities shall meet at least bi-monthly while school is in session. These meetings shall be held on school property. Extraclassroom activities shall not meet outside school property unless they have received the consent of their school principal.

Officers

Each extraclassroom activity shall have a president, secretary and student treasurer. These officers shall be elected annually from among the membership by secret ballot. If a student treasurer fails to perform his/her duties in a timely and acceptable manner, the principal may remove him from office and the other club members would elect a replacement.

Financial Procedures

All extraclassroom activity funds shall be handled in accordance with the regulation for the safeguarding, accounting and auditing of these funds.

Inactive Clubs and Leftover Funds

An inactive extraclassroom activity shall be defined as one having no financial activity for one full school year. If an inactive club is identified, the central treasurer is directed to expend leftover funds as voted by the organization controlling these funds or if no such designation exists, then liquidate the leftover funds of these club(s) in accordance with the following: Leftover funds of inactive or discontinued extraclassroom activities and of graduating classes shall automatically revert to the account of the general student organization or student council. Inactive clubs must follow the organizational procedures set forth in this policy to re-activate previously existing activities.

Travel and Transportation

All overnight trips and foreign travel must receive approval from the Board of Education. The faculty advisor shall provide a written itinerary to each student, along with a copy of the code of acceptable conduct and secure written permission from a student's parent/guardian for all overnight and foreign travel. Every effort should be made to provide the educational travel opportunity to all eligible students. The faculty advisor must assure that there is sufficient adult supervision at all times.

District transportation may be provided, upon timely and proper request. Each club may be invoiced for actual cost upon trip completion. Trip cost estimates may be obtained from the transportation department. Although use of private carrier is permitted, the faculty advisor is required to ascertain that the driver(s) are properly insured, properly licensed, and that the vehicle is appropriate, legal and safe. The safety of all students and adults must be a priority.

Risk Management

The faculty advisor shall work with the business official to assure that the district's exposure to any risk resulting from club activities or fundraisers is minimized. In all cases where a vendor will be using district facilities to conduct its event, the district requires a certificate of insurance with the district named as an additional insured. Periodically, the district may request that its primary liability insurance carrier conduct a review of the activities of its extraclassroom activities and may prohibit certain events based on the review results.

Tax Exempt Status

The extraclassroom activities of the district are not included in the exemption granted to the school district from New York State sales tax. Without exception, clubs and activities are prohibited from using the school's tax exemption. The taxable status of all fundraising events specified in the administrative regulations to this policy shall be enforced as listed by the central treasurer. Any event not specifically listed shall be deemed taxable unless a written determination that it is non-taxable has been issued from the business official to the central treasurer. The central treasurer shall be responsible for filing the periodic sales tax returns for the extraclassroom activity funds.

Contracts, Commitments and Guarantees

All commitments and contracts shall be the sole responsibility of the extraclassroom activity club giving rise to the transaction, regardless of change in advisers, membership or officers.

Sales Tax

A school district is not exempt from the provisions of the sales tax law whenever it becomes the vendor of services or property ordinarily sold by private persons. Each faculty advisor should know which of the activities his organization undertakes are subject to sales tax and take steps to see that all sales tax information is accurately recorded and sent to the central treasurer.

Donations

Gifts or donations are usually made in lump sums and should be recorded in the minutes of the activity. The student treasurer should issue a receipt and deposit the gift with the central treasurer. As a taxable entity donations to student organizations and the extraclassroom activity funds are not tax deductible.

Bonding of the Central Treasurer

The Board of Education shall require the central treasurer of the extraclassroom activity fund to be bonded for no less than \$250,000.

Investing Extraclassroom Activity Account Monies

The central treasurer may entrust a portion of the fund in a time deposit account, a certificate of deposit, a savings account or other investment. The investment of this money shall be credited to each activity account based on its prorate principal investment (or shall be credited to the building's student council account).

Closing Out of Inactive Accounts

Prior to the termination of a student organization all funds will remain in that club's account for six months and then disposed of in one of the following ways:

- (1) Expended by vote of the organization controlling these funds as provided for in the bylaws
- (2) Transferred to the general student organization or student council
- (3) An account that is inactive for one (1) year should be terminated with the monies transferred to the activity representing the general student organization or student council.

Graduating Class Accounts

Upon graduation or within six months all funds in the senior class accounts will be disposed of in one of the following ways:

- (1) Expended by vote of the student organization controlling these funds as provided for in the bylaws – voting as a whole and prior to their graduation.
- (2) Transferred to a student organization or student council.

Outstanding Student Fundraising Obligations

Any student having any outstanding fundraising money obligation to any extraclassroom activity organization shall not participate in any subsequent extraclassroom fundraising activity in any extraclassroom activity organization until the obligation is fulfilled. This limit on extraclassroom activity fundraising participation shall affect neither the student's participation in non-fundraising extraclassroom activities nor have any academic consequences.

Reports

The Board shall be provided with the reports and audits prescribed by law, commissioner regulation, Board policy, administrative regulation and, as necessary, to keep the Board advised of extraclassroom activities and the proper handling of extraclassroom activity funds.

Not Sufficient Funds

A check returned from the bank for "NOT SUFFICIENT FUNDS"

- 1) The amount of the check will be deducted from the activity organization's treasury and the activity treasurer and faculty advisor notified.
- 2) The extraclassroom activity fund central treasurer (central treasurer) will notify the maker of the check informing him/her that their check was returned to the district because of "Not Sufficient Funds." The

central treasurer will notify the maker that the district is assessing a \$20.00 service fee and they have ten (10) business days to make payment in cash or money order only to the central treasurer.

Additionally, if a check has been deposited and returned a second time, the central treasurer will send a certified letter informing the maker that all bank fees and the amount of the check is due in cash or money order only to the central treasurer in ten (10) business days. A copy of this district policy will accompany the letter.

- 3) After the ten (10) business days, the check may be turned over to the Sheriff's Department with appropriate jurisdiction for legal processing.
- 4) Check fees reimbursed from the maker of the returned check will be deposited in the student council account. The check amount, when paid by the maker, will go into the activity organization's treasury.

Account Closed

A check returned from the bank for "ACCOUNT CLOSED"

- 1) Upon notice from the bank, the central treasurer will immediately send a certified letter to the maker of the check informing him/her that their check was returned to district because of "Account Closed." The letter will explain to the maker that the district is assessing an additional \$20.00 service fee to the amount of the check. The maker will also be informed that they have ten (10) business days to make payment, in cash or money order only, to the central treasurer or legal action will be taken.
- 2) After the ten (10) business days with no response, the check will be turned over to the Sheriff's Department with appropriate jurisdiction for legal processing.
- 3) Check fees reimbursed from the maker of the returned check may be deposited in the student council account. The check amount, when paid by the maker, will go into the activity organization's treasury.