

**FILE: DIBA**

**MEDFORD AREA PUBLIC SCHOOL DISTRICT**

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**DATE REVISED: November 20, 2003      FUND MANAGEMENT**

**DEFINITION AND USE OF THE AGENCY FUND**

The agency fund is used to:

- 1) account for assets held by the district for authorized student organizations,
- 2) record returnable fees collected by a school, such as deposits on books or locks,
- 3) temporarily record non-returnable fees, such as school lunch collection, athletic fees, music fees or driver education fees until these revenues are turned over to the district for placement in regular funds, and
- 4) act as a clearing account for tournaments and other one-time school sponsored activities.

The advancement of monies for general district expenses or staff expenses which are part of the district budget shall not be handled through the activity fund, unless approved in advance by the district administrator. This fund is treated only as balance sheet accounts in the school district's accounting system. However, records of revenues and expenditures must be maintained in auxiliary accounts at locations administering the accounts.

**ADMINISTRATION OF AGENCY FUND**

The district administrator or his/her designee shall have the responsibility and authority to implement all policies and rules pertaining to the supervision and administration of the student activity funds in the Medford Area Public School District.

The building principal shall be directly responsible for the conduct of student financial activities in accordance with the policies and rules set forth and shall be responsible for maintaining the activity fund accounts and for periodic reporting of receipts, expenditures and balances for each account.

The director of business services shall periodically review the district's student activity funds and accounting procedures and shall report the findings to the district administrator and building principals. If procedural changes are required, the director of business services shall ensure that these changes are communicated and implemented.

A building secretary, designated by the principal, shall be responsible for accounting for all activity fund money received in the central office; preparing money for deposit; and receipting all money received. Large amounts of money (*maximums to be determined by the district administrator or his/her designee*), shall not be left in school buildings overnight or on weekends.

Before a new account is established under the agency fund, it must be presented to the building principal and the director of business services for review and proper classification.

### **AUTHORIZED USES OF THE AGENCY FUND**

Authorized student organizations may use the agency fund and are defined as school clubs, classes and other related activities which organize to raise money and/or promote a particular program, project or subject area. Parent groups, such as booster clubs, are excluded from this definition.

### **PURCHASING**

Student organizations may obligate themselves by contract in accordance with district procedures, provided payments are completed within the tenure of the students involvement and in no case longer than three (3) years. All contracting must be formally approved by the building administrator.

All purchases paid for by monies from the student activities and trust and agency funds shall be made with the recommendation of the group's advisor and upon the approval of the principal. The accounting for the income and expenditure of the funds shall be on standardized forms approved by the business office.

### **AUTHORIZED DEPOSITORIES**

All funds received by users of the fund must be deposited in the name of the school district in a depository designated by the board of education. Separate depositories may be designated by the board of education for student activity funds.

### **REQUIRED ACCOUNT BALANCE**

No student organizations shall be allowed to operate with a negative balance. Special exceptions may be made with the approval of the principal and the director of business services, based on a reasonable expectation that such negative balance is a temporary condition that will be corrected by incoming receipts.

## **INACTIVE ACCOUNTS**

Any fund accounts shall be carried over in whole to the next fiscal year, except where there has been no activity for a period of twelve (12) months, in which case the fund shall be closed at the end of the twelve (12) months. In the case of graduating class accounts, they shall be closed by December 1 of the year in which the class graduates. Funds that are closed out in this manner shall revert to the agency fund account or be transferred to other appropriate accounts as determined by the building principal.

## **INTEREST EARNED ON AGENCY ACCOUNTS**

Interest money derived from the investment of elementary, middle school and senior high school organization/activity funds will accrue to a segregated agency fund account in that school's name. These accounts will be administered by the respective building principals, in cooperation with the director of business services, to be spent on items or services having direct benefit relating to students and/or their extra-curricular activities. Listings of expenditures will be included in the monthly reports to the board of education.

**CROSS REFERENCE:**

**LEGAL REFERENCE:** §120.14 & 120.16(2),(5), Wis. Stats.