

ASB Workshop



Irvine Unified Organized ASBs

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Presenter:

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Objectives of Workshop

- Laws & Regulations
- Roles & Responsibilities
- Fundraisers & Cash Handling
- Boosters Clubs & Parent Groups
- Allowable Expenditures & Activities
- Resources
- Best Practices
- Time for Questions & Answers

Main Issues with ASB's

- Most ASB funds are received in CASH
- Lack of adequate communication, standardization and guidance
- Proper accounting procedures and sound internal controls
- The District is ultimately responsible for ASB funds

ASB Manual

Associated Student Body Accounting
Manual & Desk Reference 2012,
Fiscal Crisis Management Assistance
Team (FCMAT)

This manual is available for download at
www.fcmat.org

What is an ASB?

- ASB = Associated Student Body
- ASBs are formed for the sole benefit of the students
- Purpose of an ASB is to conduct activities which benefit students as long as these benefits do not conflict with the authority and responsibility of the school district

Two Types of ASBs

- Organized

- Middle/Intermediate and High Schools
- Student Council & Student Clubs
- Students approve activities, make decisions, spend the \$\$
- Assistance from Advisor & Principal

- Unorganized

- Elementary School level
- Usually does not have a student council
- Limited student involvement & decision-making
- Principal or Teacher Advisor has authority

Laws & Regulations

(FCMAT ASB Manual Chapter 3)

- Most laws are in Education Code
- CCR Title 5, Penal Code, Tax Laws, IRS, California Constitution
- Summary of Laws & Regulations relating to ASBs
- Full-text code sections of legal references

Role of the Students

- Students make the decision on all events, fundraisers and spending money
- ASB student council has final approval
- However, there's NO BLANK CHECK
- ASB Advisor, Coaches, Teachers are to assist and guide
- Principal has final authority

Role of the ASB Advisor

- Assist Student Council in doing the following:
 - Approve activities & expenses
 - Make decisions
 - Maintain records
- Remember students are directly responsible for all functions
- Remember all monies belong to the ASB (advisor is not in direct control)
- Help kids spend money appropriately
- Consult with & keep Principal informed
- Must be certificated

Role of the ASB Bookkeeper

- Review Paperwork before submission
- Handle money, tickets, etc.
- Submits POs and bills for approval
- Financial Reports & Checking Account
- Records Retention
- Answer Questions
- “Communication Central”

Responsibility of the Principal?

- Final School Site Approval
- Supervision of ASB Advisor
- Communicate & Enforce Policies
- Providing Guidance and Direction
- Responsible to District & Superintendent

Booster Clubs & Parent-Teacher Groups

- Outside organization providing support to students & district
- Can raise & donate funds
- Separate from ASB & District
 - Cannot open bank accounts with District ID
- Not controlled by district
- Does not dictate what ASB does or doesn't do
- Cannot charge students – this is a parent organization
- May NOT deposit into ASB accounts
- Must have their own non-profit status – TAX ID #

Booster or ASB Fundraiser?

I always thought if students are raising funds for their booster club their item for sale had to be sold off campus and ASB items were sold on campus.

But I heard it really depends on who is selling –
students = ASB fundraiser
parents = booster fundraiser

Which is correct?

Answer – Who's Fundraiser Is It?

- Based on EC 51520(a) students can be involved in a fundraiser for a booster club or other outside parent organization, if:
 - it is not during the day
 - not on school grounds
 - it is clear they are raising funds for another organization
 - must be legal for student to be involved

FCMAT ASB Manual

Chapter 21 – Booster Clubs, Foundations, Auxiliary Organizations and Other Parent- Teacher Associations

- Why and how of Boosters
- Regulations Governing Booster Clubs
- Tax Identification Number
- Financial Guidelines
- Solicitations on School Premises
- School District Employees and School Site Interaction
- Donations
- Stipends, Salaries and Consultants

School Accounts vs. ASB Accounts

- Faculty accounts are not ASB funds
 - Teachers cannot conduct fundraisers!
- School dollars are not ASB funds
- Funds should never be deposited into each other's accounts

Audit Finding

- Donation collected from parents for school supplies were deposited into ASB bank account
- CORRECTION – dollars belonging to the school need to be sent to the District Office for deposit and crediting to your school account
- ASB funds cannot be spend on school supplies

Bank Accounts

- Name of ASB organization
- Schools use District Tax ID#
- Two signatures required on all checks
- Deposits made weekly – at a minimum
- Account reconciled by someone who doesn't keep the check register
- Checks not cashed – 6 month stale date

Audit Finding

- Bank statement was not reconciled when received
- **CORRECTION** – reconcile within one week of receipt – investigate any problems or unreconciled items – items not cleared the following month need have follow-up

ASB & Club Budgets

- Outlines the plan for the year
 - Estimated Revenues
 - Estimated Expenses
 - Shows Beginning & Ending Balance
- Approved at meeting
- Should be monitored
- Changes are OK
- Submitted at the beginning of each year and when budget changes

ASB Budget Carryover

- Recommend no more than 20% carryover
- Why? Funds should be used by the students who raised them
- Exceptions – approved by Student Council & Principal
 - Band competition two years from now

Student Clubs & Trust Accounts

- Students Clubs
 - Students must be enrolled at school
 - Submit application & constitution - annually
 - Must be approved by Student Council, ASB Advisor, Principal and District
- Types of Trust Accounts
 - Class groups
 - Scholarships and memorials

Student Clubs

- Must have a purpose
- Must have a sponsor
- Sponsor must be a certificated employee
- Operate under all ASB regulations
- Funds revert to general ASB if inactive for at least one year, according to guidelines outlined in the ASB bylaws & action taken by Student Council

To Be an ASB Club

- Club Application, submitted each year
- Club Constitution and Bylaws
- Hold at least one meeting
 - Meeting minutes must be taken
- Submit a budget
- Follow ASB guidelines
- Submit all required paperwork
- No fundraising or activities until they are an approved club

Question

What is an ASB Club?

Our secondary schools offer extra-curricular sports. There is money in ASB accounts for these sports. These clubs don't have officers or formal meetings, and financial decisions are made by the coaches. Are these really clubs?

Answer

What is an ASB Club?

Not as described!

- The students MUST play a major decision-making role – students need to be involved
- In organized ASBs the students make the decisions with adult assistance. Clubs need an approved constitution, elected officers, formal meetings, budgets, and students the making decisions.

Athletic Clubs

Many athletic clubs are run incorrectly

- Need to run as ASB club

OR

- If adults are making the decisions, the appropriate format for this type of fund raising event is a parent group or booster club

What Do Meeting Minutes Include?

- Name of club (or ASB) holding meeting
- Date, time & place of meeting
- Names of those attending
 - Sign-in sheet acceptable
- What was discussed
- What action was taken

Provides documentation for auditors

Audit Finding

- Minutes did not document decisions made for spending of ASB dollars
- **CORRECTION** – all ASB expenditures require approval and need to be documented in the minutes to show authorization

Clubs Accounts

- Should not spend money they don't have or haven't earned
- Should plan to spend money in the year it was earned, unless specific future plans are approved by student council
- Funds revert to general ASB if inactive
 - Inactive = at least one full school year

Fundraising Activities

- FUNDRAISING IS VOLUNTARY – cannot require participation in fundraising activities
- All fundraising activities need approval by Student Council and Principal
- Request to Conduct Fund Raising/Revenue Potential required with each fundraising request
- Must be completed fully & accurately
- ADVANCE APPROVAL - Event should not happen unless approval has been received
- Approval will not be given for activities with incomplete requests forms
- Follow-up to see how successful fundraiser was

How Does A Fundraiser Get Approved?

- Discuss and decide at a student council meeting and record in the meeting minutes
- Complete and submit Request to Conduct Fund Raising/Revenue Potential Forms for approval
- Get approval from ASB Student Council and the Principal
- Send to Food Services Department if fundraiser involves food sales during the day
- Plan Ahead – Principal needs to approve event prior to the event

Audit Finding

- Comparison of projected revenues & expenditures to actual revenue & expenditures was not completed on Revenue Potential form
- **CORRECTION** – after fundraising event is done add actual amounts and review success

Types of Fundraising Activities

ASB/Student Body cards
Athletic events
Spirit Packs
Concession Sales
Dances
Student Store
Catalog Sales

Book Fairs
Car washes
Letter Writing
Advertising
Yearbook Sales
Food Sales - LIMITED

Candy Sales
off campus ONLY

Events Not Allowed

consider safety & liability

- Anything not allowed by board policy
- Raffles or Games of Chance
- Mechanical or animal rides
- Games with live targets / water tanks
- Anything involving darts & arrows
- Destruction of cars or similar objects with hammers
- Trampolines or mini-trampolines
- Rentals of district owned equipment or facilities

Question about 50/50 Raffles

- The Sophomore Class would like to have a 50/50 fundraiser. Tickets would be \$1.00 each or 6 tickets for \$5.00. Tickets say “Donation Not Required” and a lollipop is given with each purchase
- Winners receive half the money
- Is this legal?

Answer: 50/50 Raffle

- School districts, including ASBs and student clubs, are not authorized to participate in raffles. We do not hold the correct non-profit status to legally hold a raffle
- Raffle is defined as having the chance to win something of value
- Most “drawings” are really raffles

ASBs and Food Sales

- During the day sales are highly regulated
- Coordinate with
 - Food Services Department
 - District Wellness Policy
- Food Sales summary of laws:
 - Sales by Organizations (During the school day) – ASB Manual - page 18
 - Food Items – page 20
 - Beverages – page 20

Food Sales

- One student group (usually the General ASB) may sell up to 3 types of food or beverage items each day
- In addition, a maximum of up to 4 days of food sales may be held each year for any & all students groups
- All food sales
 - Must be nutritious & approved by board
 - Not prepared on campus or in private homes
 - Food items are not sold in lunch program
- Require inventory controls – before & after counts and reconciliation to \$\$ received
- District Wellness Policy – Food Services Department will be signing off on all food activities

Student Store

- Things to consider
 - Security – inventory & cash
 - What will you sell
 - When will you sell
 - Who will run it
- Inventory has to be taken weekly & available for auditors
- Inventory reconciled to sales
- A supply of PE Clothes for sale falls under this category
- Great business experience for kids
- Student stores are hot spots for stealing & giveaways to friends

Sales Tax

- Student Store sales are taxable
- Paying sales tax is required for a Student Store
- Need to be filed quarterly or annually, as appropriate
- Sales tax not required on irregular or intermittent sales, such as football games or annual rummage sales
- Additional information: www.boe.ca.gov

Fundraisers

Questions relating to Fundraisers?

Cash Handling

- Most ASB fraud is directly related to bad handling of cash & checks
- Good procedures & internal controls discourage theft
- Principal must make sure cash handling procedures have been established for all fundraising events
- ASB Advisor & Club Advisors need to make sure procedures are followed

Handling Cash

- Recommend 2 people count all cash
- Use a cash register or Cash Log Sheets
- 3-part receipts books
- Pre-numbered tickets
- Copies of receipts with \$\$
- Don't leave \$\$ lying around
- Documentation available for Auditors

Never!

Make a purchase from cash
collected

Always!

Turn in all cash collected &
get reimbursed for
purchases

Think 'Audit Trail'

- If you were an outsider or auditor, what 'road map' could you follow from the Point of Collection to the ASB Office to money being deposited?
 - Provide a documentation trail from the first collection of money until that money is deposited
 - Could an outsider follow what has occurred?

Timely Deposits

- At a minimum deposits should be made once a week
- Cash should be deposited in the bank daily during a large money generating event
- Cash should never be left over the weekend
- Cash & checks should always be stored in a locked safe

Audit Findings

- Deposits not made timely
 - Ticket sales in September not deposited until November
- CORECTION – deposit weekly
- Reconciliation of daily receipts
 - Cash deposited did not match amount collected per receipts
 - CORRECTION – reconcile immediately and investigate any discrepancies

Audit Findings

- Receipts did not indicate source of funds
- **CORRECTION** - receipts need to be completely filled out and included with deposit

Other Cash Received at a School Site

- Lab fees, lost books, book fines, AP Tests, etc.
- These are not ASB funds!
 - AP Tests – can go either way
- Must also be deposited (sent to DO) timely

Cash

Any questions relating to
Handling of Cash?

What Can We Spend the Money On?

- Fundraising Expenses
- Trips, Events, Activities
- ASB Supplies
- Field trips/excursions & outdoor education/science camps
- Extra-curricular athletic costs

What You Can't Buy?

- Instructional supplies
- CASH awards or gifts
- Salaries and supplies that are the responsibility of the district
- Reimbursement for lost items – unless allowed by Board policy
- Refreshment for faculty meetings
- Personal stuff for district staff
- Employee lunches or gifts of any kind
- Repair of district equipment and facilities
- Parent Groups or Booster Club supplies
- Travel & Conference expenses for non-ASB events

Audit Finding

- ASB funds spent on school site items – disallowed expenses
- CORRECTION – ASB Advisor and Student council members need to be aware of appropriate ASB expenditures

How do you spend the \$\$

- Students decide how to spend their money with advice & guidance from Advisor and Principal
- Approved by student council
- Noted in student council minutes
- Pre-approval required before items can be ordered
- Check to make sure funds are available
- Receipt of items before check is written
- Documentation available for Auditors
- No pre-approval = no reimbursement = you might be required to pay the bill yourself

Donations to Others

- In general, donations are considered a gift of public funds
- A student group, however, may organize a fundraiser to support a charity as long as the event is clearly identified as raising funds to donate to that charity
- If possible, don't run funds through ASB
 - Checks directly to charity
 - Outside group (e.g., PTA)

Contracts

- Contracts are legally binding
- ASB must follow district policies for issuing contracts
- Types of contracts
 - Vending machines
 - Yearbook
 - DJs
- ALL contracts need to be signed by Fiscal Services

Employees & Consultants

- Individuals hired by ASB to perform services that are not the responsibility of the district
- If district employee – must run through district payroll - ASB will be billed
- Consultants are not employees – need to obtain W-9 before you should pay them
- 1099s will be issued and filed with IRS
- Annual report due to Financial Services in January
- Consultants - contract required – need to be signed by Financial Services Office

Walk On Coaches

- Before anyone can work with students they must be cleared through Human Resources
 - Paperwork
 - Fingerprints
- This applies to both paid employees and volunteers

Officials/Ticket Takers

anyone ASB is paying

- If district employee – MUST run through district payroll – ASB will be billed
- Consultants are not employees – need to get W-9
- School must maintain proper paperwork, names, SS#, W-9, address, etc.
- 1099s need to be filed with IRS – NOT OPTIONAL

Expenditures

Questions on how you can
spend ASB funds?

Internal Controls

(FCMAT ASB Manual Chapter 5)

- Why are they important?
 - Keep your name out of the paper
 - Reduce risk of fraud and abuse
 - Protect staff and students
 - Safeguard student funds
- Basic Components
 - Segregation of duties
 - Checks and balances

Audit Findings

- Negative fund balance
 - budget versus actuals not monitored
- Invoice date prior to approval date
- Inappropriate expenditures for ASB
- Required signatures not obtained
- Master ticket log not utilized
- Pre-numbered tickets not being used
- Physical inventory not taken
- Inventory not reconciled with sales

Audit Findings

- Student decisions not documented in minutes - adequate records not maintained
- Incomplete Revenue Potential Forms
 - Projections compared to actuals
- Disbursements
 - receipt of goods not noted – no receiving document
 - payment made without invoice
 - payments made prior to approval by students

Get Ready for the Auditors

- Balance Sheet as of June 30th
- Year-to-date detail report – July 1st through June 30th
- Final yearbook Revenue Potential
- 6/30 Inventory
- Bank reconciliation for June
- Bank statements, June & July

Provide to District

- Monthly – before end of following month
 - Account Analysis (Summary)
 - Balance Sheet and Trial Balance
 - Check Journal and Bank Statement
 - School Bank Reconciliation

Year-End

- All accounts have a positive balance
- Inventory taken – compare to system balance
- Completed Revenue Potentials
- Receipts books collected and accounted for?
- Submit preliminary budget for next year – June – before you leave
- Next year's Fundraising requests (yearbook, PE clothes, etc.)
- 6 month old checks stale-dated voided

Final Questions?

Other Information you Should Know

District Wellness Policy

- Full Meals
- Entrees
- Beverages
- Snacks
- Foods of Minimal Nutritional Value (FMNV)
- Contact Food Services

Equipment

- If ASB buys it - ASB stores, repairs & maintains
- What types of equipment
 - Cash registers
 - Golf carts
- Maintain Equipment Inventory
- Would be listed as asset on Balance Sheet

Scholarships

- District should set guidelines on \$\$ of scholarship
- No more than \$1,000 in total may be awarded each year in high schools
- No more than \$250 may be awarded to any individual student
- Established selection criteria
- Checks should be made payable to institution of high learning or college bookstore – **SHOULDN'T MAKE CHECK TO STUDENT**
 - SOMETIMES – reimburse student for actual expenses – receipts required – not recommended

Scholarship Exceptions

- Exceptions to the previous slide
 - Funds are donated from an outside individual or organization. These funds should be accounted for separately.
 - Donor may not donate for a specific student
 - A student group works with a national non-profit organization whose express purposes is offering scholarships. In this case, the non-profit status of the organization expressly allows participating students groups to raise money toward scholarships.

Record Retention

- Permanent Records
 - ASB Constitution, Bylaws & Charters
 - Club Charters & Organization Records
 - Equipment Inventory
- Permanent = forever & forever

Record Retention

- Other records must be kept 4 years from date of audit
 - Club & Council minutes
 - Budgets
 - Invoices & Approval Documents
 - Bank statements, deposits slips, cancelled checks & other banking records
- Example:
 - School Year 2013-14 must be kept until December 2018

Best Practices

- Have regular meetings & document all decisions in the minutes
- Two Signatures required on all checks
- Pre-approval all expenditures
- Reconcile bank account by someone other than check writer
- Prepared, monitor & revise budget
- Use pre-numbered, 3-part receipt books

Best Practices

- Follow good cash handling procedures
- Make regular and timely deposits
- Maintain financial records
- Prepare financial statement (send copy to district)
- Keep all documentation required by auditors

Best Practices

- Approve all fundraisers
 - Submit Fundraising Event Form
 - Check for reasonableness
 - Can they really raise \$10,000?
- Keep the district office informed
- If you don't know – ask
- Protect yourself & the kids by following the rules even if you don't like them
- Don't do anything that doesn't feel right