



**STUDENT ACTIVITY / SCHOLARSHIP FUND  
ACCOUNTING MANUAL**

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## **GENERAL PURPOSE**

The purpose of the Student Activity / Scholarship Fund Accounting Manual is to document the system's flow of transactions and to formalize the rules and regulations of the Palisades School District Board of Directors as required by Section 511 of the Commonwealth of Pennsylvania Public School Code (see page 18). The Pennsylvania School Code clearly indicates that each school should have a policy for Student Activity Funds which provides for reasonable rules and regulations regarding student activities and procedures in place for organization, management, supervision, control and financing of student activities.

It is also essential to document the system in order to facilitate a transition in the event of employee illness or turnover.

## **OBJECTIVES OF THE ACCOUNTING MANUAL**

This Student Activity / Scholarship Fund Accounting Manual represents the rules and regulations adopted by the Board of School Directors to provide policies and procedures to the Principal and Fund Custodian. This manual is designed to provide an accounting record system to verify consistency, completeness and continuity in the recording and reporting of student activity transactions. This accounting system has been designed to:

1. Establish uniformity of practices and procedures.
1. Reduce or eliminate the misunderstanding of established procedures.
1. Verify financial operations are properly conducted.
1. Verify monthly reports are properly presented.
1. Provide a reference source on required and recommended accounting procedures.
1. Serve as a training tool for new employees.
1. Record all financial transactions.
1. Maintain maximum financial control.

This accounting system has been developed in accordance with the following assumptions:

1. The District will hold Student Activity Fund assets in an Agency Fund, where the assets of the fund legally belong to the students. The Scholarship Fund assets will be held in a Trust Fund for the benefit of students.
1. Agency Funds are purely custodial and no fund equity is reported. Agency Funds are not required to report operations on financial statements and therefore, do not have a measurement focus. Scholarship Funds are Private Purpose Trust Funds whose principal and income benefit students. However, assets and liabilities should be accounted for in the modified accrual basis of accounting for year end financial reporting purposes.
2. Budgetary accounting is not necessary.

The Commonwealth of Pennsylvania Public School Code, Association of School Business Officials "Internal Audit Guide for Student Activity Funds" and Research Bulletin No. 17 entitled "Guidelines to Student Activity Fund Accounting," and Pennsylvania Association of School Business Officials Research Publication entitled "Student Activity Fund: An Administrator's Guide to the Development of Effective Student Activity Fund Policies and Procedures" were used to develop this Accounting Manual.

## **INTRODUCTION TO THE ACCOUNTING MANUAL**

Proper accounting and control procedures are vital to all organizations. The American Institute of Certified Public Accountants has defined proper accounting control as the plan of organization and methods and procedures adopted by management to ensure that:

1. Resource use is consistent with laws, regulations, and policies.
2. Resources are safeguarded against waste, loss and misuse.
3. Reliable data are obtained, maintained and fairly disclosed in reports.

Consequently, this accounting manual has been designed to provide reasonable assurance that:

1. Transactions are executed in accordance with management's general or specific authorization.
2. Transactions are recorded as necessary to permit preparation of monthly reports and to maintain accountability of assets.
3. Access to assets is permitted only in accordance with management's authorization and is restricted to those individuals authorized by management.

The accounting policies and procedures set forth are effective as of July 1, 2009.

## **DISTRIBUTION AND REVISION OF THIS ACCOUNTING MANUAL**

This accounting manual is an essential tool, which should be used by the Principal, Fund Custodian, Club Advisors, Student Presidents/Treasurers, and Business Office Staff. This accounting manual outlines the rules and regulations governing the handling of Student Activity Funds and Scholarship Funds as required by Section 511 of the Public School Code.

It should be recognized that established procedures are subject to changes due to organizational changes or new directives from the State or Administration. This manual should be updated periodically to reflect current procedures as prescribed by management.

The Superintendent, Business Administrator, Director of Fiscal Affairs, and all Principals shall be involved in identifying areas where policies should be clearly defined and developed.

Each school with an Activity Fund and/or Scholarship Fund will receive a copy of this Accounting Manual. The Business Office will ensure this is kept up to date and post it on the District's website.

## **USE OF STUDENT ACTIVITY FUNDS** **GENERAL PRINCIPLES**

Management of Student Activity Funds must be done within the framework of state laws and regulations, board policy and administrative rules and regulations. It is fundamental that management of student activities be organized to best serve the interest of pupils. The School Board has set forth in Board Policy 618 the purpose, definition and authority for "Student Activity Funds", defined as those activities which are sponsored or approved by the Board but which are conducted outside the regular classroom program. The Board on the recommendation of the Superintendent must approve individual student activities.

Student activities and their corresponding revenues and expenditures, are separated into four categories:

1. General Student Activities – impact all students, i.e., Yearbooks, Student Store;
2. Classes – Class of 2010, Junior, etc;
3. Clubs – Chess club, Key club, etc; and
4. Sports Clubs – Ski club, etc.

Students who choose to participate in various activities should be involved in the fiscal management of those activities; consequently, each activity group will consist of a Student President, Student Treasurer, and Faculty Advisor. The Faculty Advisor and Student Treasurer must maintain a record of their activity balance. At the end of the month, the Faculty Advisor and Student Treasurer must review the General Ledger report received from the Fund Custodian. Any discrepancies must be brought to the immediate attention of the Fund Custodian and any differences reconciled.

The monthly report will account for the raising and expending of activity funds by various student activities. These funds should include only student funds, are custodial in nature and should be used for one purpose - to promote the general welfare, education, and morale of all the students and to finance the normal, legitimate co-curricular activities of the various individual student groups. All funds derived from an individual student activity, as a whole must be expended only to benefit that student activity as a whole.

## **CREATION & TERMINATION OF CLUBS**

As new clubs or organizations are formed, the Principal may submit a request in writing to the Superintendent and Business Administrator to establish new accounts if their need has been determined. By law, all student activity clubs or organizations must be approved by the Board of School Directors. A student club must have officers, bylaws, solely benefit the students and have periodic meetings where documented minutes are taken.

The Principal may request termination of any inactive account at any time in writing to the Superintendent and Business Administrator. The written request should also state the planned disposition of any funds in the account. The Board must approve such requests.

At the beginning of every fiscal year, the Fund Custodian will send a list of all clubs, approved by the Principal, to the Business Manager and/or Director of Fiscal Affairs for final approval. This list should include the club name, club advisor, all club officers, the purpose of the club, estimated revenues and their source, and the planned expenditures and the estimated amounts to be spent.

## **RECEIPTS AND EXPENDITURES**

### **Receipts**

Funds not derived from the students must be recorded elsewhere and will **not** be commingled with student activity funds. For example, faculty or other outside organization funds will not be recorded in these accounts.

Student activity accounts will **not** be used to account for school district charges. For example, library book fines and charges for student examinations should be deposited directly into the General Fund.

Donations from students or parent groups and commissions for administering sales, such as school pictures, will **not** be deposited in the Student Activity account but rather into the General Fund.

Any funds contributed for student scholarships shall be deposited into the appropriate scholarship account to be disbursed in accordance with the terms of the donor.

### **Expenditures**

Student Activities Funds should be used to finance a program of activities not part of the regular curriculum. They should not be used to circumvent management or purchasing decisions, which were made for the School District by the Board and Administration.

Specifically prohibited are expenditures from student activity accounts for refreshments served at parent events, receptions for community members or staff, or other expenditures not made to benefit the student body as a whole.

All payments for Activities Fund purchases should be made by check. No expense should be paid in cash directly from dues collection, sales or other cash receipts.

The Building Principal, as trustee, will be ultimately responsible for the proper disposition of these funds.

All scholarships are awarded based on the judgment of the independent committee assembled by the Principal/Athletic Director. All awards should be given to the student by check.

## **CLEARING HOUSE ACCOUNT**

Clearinghouse accounts (in and out accounts) are **not** permitted. When a check is written pertaining to multiple accounts, the check should be split to charge each account with its proportionate share.

### **PETTY CASH**

The Student Activity Fund **WILL NOT** maintain petty cash funds.

## **PURCHASING REQUIREMENTS**

All material and supplies purchased that will cost in excess of \$4,000.00 must follow the procedures in Section 511(e) of the Commonwealth of Pennsylvania Public School Code as outlined below:

“All purchases of materials or supplies made by any organization, club, society, or group, or by any school or class, in excess of four thousand dollars (\$4,000.00) shall be made upon solicitation of quotations or bids from three (3) or more responsible manufacturers of or dealers in such materials or supplies. All such purchases shall be made from the lowest responsible bidder on the basis of price, quality, and service.”

For further clarification, this means **one item** with a cost in excess of four thousand dollars (\$4,000.00), i.e. a monument, or a group of items with a total cost in excess of four thousand dollars (\$4,000.00), i.e. favors for the prom.

Purchases over ten thousand dollars (\$10,000.00) must use the current District bidding policy.

**ACCOUNTING PROCEDURES AND FORMS**  
**SUMMARY OF RESPONSIBILITY**

**Board of School Directors**

Adopts policies and regulations for student activity funds as required by Section 511 of the Commonwealth of Pennsylvania Public School Code.

**Superintendent**

Recommends to the Board of School Directors all policy changes and issues appropriate rules and regulations. Also recommends approval and termination of Student Activity Clubs and Organizations for the school year in accord with the provisions of Section 511 of the School Code.

**Business Administrator/Director of Fiscal Affairs**

Identifies areas where policies and procedures should be clearly defined and makes appropriate recommendations to the Superintendent. Responsible for implementing appropriate accounting procedures and assisting the Fund Custodians with resolving their bookkeeping problems, and shall review all monthly reports.

**Principal**

Is responsible for the conduct of student financial activities in accordance with this accounting manual. In addition, the Principal also identifies areas where policies should be clearly defined and makes appropriate recommendations to the Superintendent or Business Administrator. The Principal also reviews and approves disbursements, signs checks and reviews monthly reports and bank reconciliations.

**Fund Custodian**

Is designated by the school principal and responsible for maintaining appropriate fiscal records and reports as required by this manual.

**Faculty Advisor**

Is responsible for working with students in specific activities and for carrying out administrative regulations. The Advisor collects funds, reviews and approves disbursements and reviews the monthly reports.

**Student Officers**

Work in conjunction with the Faculty Advisor in carrying out financial procedures that have been established by the Board of School Directors for the operation of Student Activity Funds. Student officers should include a treasurer that monitors and approves all fiscal activity.

## **CASH RECEIPTS PROCEDURES**

The following procedures must be followed for receiving, depositing and recording of cash receipts:

### **Receiving and Recording Cash Receipts**

1. Funds will be collected and counted by the faculty advisor, student treasurer or other authorized individuals and an activity account deposit slip completed for each deposit.
1. The above individual will immediately forward the funds and cash settlement sheet to the Fund Custodian.
1. The Fund Custodian and/or other building secretary will, as soon as practicable, count the funds and return a copy of the account deposit slip to the club and deposit the funds. The faculty advisor and/or the student officers shall compare the account deposit slip with their respective records for accuracy.
1. A copy of the deposit slip and the associated account deposit slip shall be retained by both the fund custodian and by the faculty advisor.

### **Depositing Receipts**

1. The Fund Custodian and/or other building secretary will endorse all checks with a special deposit stamp as follows: FOR DEPOSIT ONLY, ACCOUNT NAME, BANK ACCOUNT NUMBER.
1. A deposit slip must be completed by the Fund Custodian and/or other building secretary. The deposit slip will include the date, check amount and cash amount.
1. All deposits will be made daily or within two (2) days after receipt. If the daily total cash received exceeds \$500.00, it must be deposited immediately. Locked bags will be used for all funds.
2. Deposits will be taken to the District Office in a locked bag and sent to the bank from there by District Courier.
1. All receipts not deposited immediately will be kept in a safe.
2. All validated deposit slips returned from the bank will be filed by date with Bank Statements.

## CASH DISBURSEMENTS PROCEDURES

The following procedures must be followed for the disbursement of cash:

### Receipt Of Invoices

1. All invoices will be received by the faculty advisor or student treasurer/president and signed by the faculty advisor.
2. At the time of payment, the faculty advisor or student treasurer/president must attach the original invoice to the order for payment form (if applicable). In addition, the reason for the expenditure must be documented on the order for payment to support its propriety.

The following types of disbursements will not have invoices:

- a) Advances for a trip (or other approved advances). The following documentation will be required on a completed request for "Extracurricular Expense Form" (see pages 22-23):
  - Sport/Activity
  - School
  - Event
  - Location
  - Days and Dates
  - Times
  - Coaches/Advisors
  - Number of students
  - Mode of Transportation
  - Registration Amount and to whom it is payable
  - Lodging (if any) amount and to whom it is payable
  - Meal allowance including students and number of meals at breakfast, lunch, and dinner
  - Advisor signature, Approvals by Principal/Athletic Director, and Business Administrator
  - Expense Reconciliation must be filled out with all receipts returned and any unused cash. **Note:** If the Coach/Advisor can not return an original invoice for an expense, the Coach/Advisor will be billed for any missing invoices/receipts.
- b) Reimbursement of Expenses. The following documentation will be required:
  - Completed blue "Travel/Expense Sheet" (see pages 24-25)
  - Applicable receipts attached to the completed Travel/Expense Sheet.

### Preparation of Check

1. The Fund Custodian will perform the following procedures:
  - a. Verify that original invoice is attached and/or appropriate documentation provided.
  - b. Verify that faculty advisor and student officer signed the order for payment.
  - c. Check math accuracy of invoice.
2. A check will be prepared only by the Fund Custodian when the actual invoice is received. The information will be recorded in both the cash disbursement journal and individual activity subsidiary ledger account.
3. The check and original invoice shall be forwarded to the Principal and/or Assistant Principal for their review.
4. Upon review by the Principal and/or Assistant Principal, the check will be signed with **two** signatures from the approved signers on the account.
5. The check and original invoice will be returned to the Fund Custodian. The Fund Custodian will mail the check to the payee along with a copy of invoice, if required.
6. The order for payment and original invoice shall be filed under the control of the Fund Custodian.

## **SPECIAL ACCOUNTING ISSUES**

### **Void Checks**

Checks that are returned to the Fund Custodian because they were issued in error should be recorded as void. Checks that are reported lost or stolen should have a stop payment placed on the Bank's records and voided in the records. These checks may be reissued immediately upon verification by the bank that the check was not presented for payment. The reissued check must be recorded as a new check issue. Checks that are not cashed within 90 days of issuance should be recorded as void before the end of the fiscal year.

The following procedures are required to void a check:

1. Determine which individual account requires the adjustment.
2. Post the voided check
3. The fund custodian shall notify the respective Faculty Advisor of the voided check.
4. Document on the original withdrawal request the reason for the voiding of the check.
5. If the check was returned, write "VOID" across the face of it.

### **Non-Sufficient Fund Checks (NSF)**

The following procedures will be required to record non-sufficient fund (NSF) checks:

1. Determine which individual fund requires an adjustment.
2. Post the adjustment according to procedures associated with the software package and enter NSF as description.
3. Notify the appropriate faculty advisor.
4. Notify the writer of the check that it was returned NSF and have them replace it including any bank charges.
5. When the replacement funds are received, treat them as a new revenue receipt.

### **Bank Service Charges**

The following procedures will be required to record service charges:

1. Post bank charges to the individual fund which incurred the charge.
2. The fund custodian will notify the advisor of the charge and post the charge against the proper account.

## **BANK RECONCILIATIONS**

The following procedures will be followed for the reconciliation of bank statements.

1. Bank statements will be received directly by the Fund Custodian who will immediately prepare all the bank reconciliations.
1. Paid checks will be examined for date, name, cancellation and endorsements and compared to the cash disbursement journal.
1. Cash receipts will be compared to the cash receipts journal.
1. Enter the cleared checks in the Bank Reconciliation file in.
2. Print the List of Cleared Checks.
3. Print the Bank Reconciliation.
4. The Bank Reconciliation will be agreed to the bank statement balance, the general ledger report, and the checkbook balance.
1. A copy of the bank reconciliation shall be submitted to the Building Principal at the end of the month along with the monthly report. The Building Principal shall examine balances and the bank reconciliation.

## **REVIEW OF BOOKS AND RECORDS**

1. Each month, the Faculty Advisor, Business Administrator, and/or Director of Fiscal Affairs, and student treasurer/president must review the Monthly Report and the fund accounts subsidiary ledger. The monthly report must list the amount of receipts, transfers, disbursements, and balance of each club or account within the Activity Fund.
1. The Business Administrator, and/or Director of Fiscal Affairs may perform quarterly internal audits of the student activity accounts.
2. The District's independent auditors will examine all student activity records at year-end

## **MONTH END PROCEDURES AND REPORTS**

The following steps are used to prepare the monthly reports:

1. Print the detail for Cash Receipts, Cash Disbursements, Adjustments and a preliminary Account Reconciliation to verify all activity is posted.
2. **Backup Files** on the Server.
3. At the end of each month, the following reports shall be filed:
  - a. Bank Reconciliation/Proof of Cash and related reports
  - b. Account Reconciliation/Monthly Report
  - c. Transfers Journal/Adjustments Journal (as necessary)
  - d. Cash Receipts Register
  - e. Cash Disbursement/Check Register
4. A copy of the Monthly Report shall be forwarded to each individual fund for verification.
5. A copy of the Monthly Report shall be forwarded to the Business Administrator and/or Director of Fiscal Affairs for review and inclusion with the monthly reports submitted to the Board of School Directors.

## **YEAR END CLOSING**

After month-end procedures and reports have been completed for June 30<sup>th</sup>, the following procedures will also be required:

1. **Backup Files** on the server
2. After closing June and before closing the fiscal year, run all necessary reports.
3. Forward all student activity fiscal records to the Business Administrator and/or Director of Fiscal Affairs in preparation for the annual independent audit.

## **INTEREST INCOME DISTRIBUTION**

It is strongly preferred that the interest be distributed to each subsidiary account monthly as described below, but an alternative method can be approved prior to the start of the school year by the Business Office.

### **Proration Procedure**

After the interest earned for the month is posted and before the books are closed for the month, the interest income will be prorated to the various subsidiary accounts using the percentage of the club balance. Funds with a deficit balance will not receive interest income.

### **Step 1 – Calculate the Percentage of the Monthly Balance**

Take the balance of the club and calculate the percentage of it to the total balance of all the clubs.

### **Step 2 – Distribute the Interest**

Multiply the balance of the interest income earned by each percentage determined above to calculate the amount of interest earned by each subsidiary account. The total of this computation should equal the total interest earned for the month.

### **Step 3 – Post the Interest Income**

Record the amount in each club account as a receipt of interest income.

## **TAX REQUIREMENTS**

### **FEDERAL TAX REQUIREMENTS**

The Tax Equity and Fiscal Responsibility Act of 1982 requires a Federal Form 1099 be issued for any individual or unincorporated business who renders services to the District and receives at least \$600.00 in a calendar year (January 1<sup>st</sup> to December 31<sup>st</sup>).

To comply with this requirement, the following procedures will be necessary:

1. Throughout the year, when payments meet or exceed \$600.00 (guidelines set by the IRS and subject to change) the Fund Custodian should mail a W-9 to the vendor to obtain individual or corporate status. These forms should be returned to the Business Office, Attention: Accounts Payable.
2. After December has been closed, print detail showing all vendors that received payment above \$600.00 and forward this detail to the Business Office for annual preparation of Federal Form 1099.
3. Federal Form 1099 shall then be prepared by the Business Office.

### **PA SALES TAX REQUIREMENTS**

When a student activity club purchases taxable property, such as candles, magazines, etc. for resale to raise funds, the club must pay the applicable sales tax at the time of purchase. The law excludes from tax the sale of food or beverages on school property by a school organization.

If the student organization operates a student store, sells pictures, class rings and/or yearbooks or sells property or services to the public; then the sale would require the collection and remission of the tax to the Department of Revenue. The Fund Custodian must report the amount of sales and sales tax collected to the Business Office. The Business Manager and/or Director of Fiscal Affairs will file with the State Department of Revenue and let the Fund Custodian know how much to reimburse the General Fund.

The sales tax exemption number does not exempt schools from hotel occupancy taxes.

Sales by school-related organizations are totally independent from that of the District. PTO's, PTA's, band boosters and similar organizations **can not** use the school tax exemption number in connection with purchases that they make. The District has no responsibility for remitting sales tax that may be collected or due from this type of transaction. If such an organization has questions on their own tax exemption, they may contact the Pennsylvania Department of Revenue or go to their website.

## **OTHER POLICIES**

### **DEFICIT ACCOUNTS**

No organization should have a deficit balance at month end and may **not** have a deficit balance at year end.

### **EMPLOYEE SALARIES**

All payroll must be run through the General Fund. In no case should the Student Activities pay any salaried employees.

### **GRADUATED CLASS FUNDS**

Money left over in senior class funds following the graduation of each senior high school class must be used to further a school-related purpose pursuant to the Public School Code of 1949, 24P.S. Section 5-511. The class officers must remove the funds prior to fiscal year end. Maintaining or distributing funds for class reunions after graduation is not a legitimate use of the funds.

Upon graduation, senior class funds/assets should be handled in one of the following methods:

1. Expend remaining funds in a way that will benefit the whole student body;
2. Transfer remaining funds to the Student Body/Council to benefit the rest of the students.

Senior Class Officers should make the decision and clearly document, with records of minutes, etc., how the class funds were distributed. If Senior Class Officers do not make this decision within a timely manner, the remaining graduating class funds will be distributed to the Student Body/Council to be used to benefit all students.

### **INACTIVE ACCOUNTS**

Balances in other accounts that were inactive for at least one year should be transferred to a related activity, to the Student Body/Council.

### **VENDING MACHINE FUNDS**

Revenues earned at the High School from the food and beverage machines accessible to the students will be allocated 100% to the General Fund.

Revenues earned from the food and beverage machines accessible to the faculty will only be deposited in the faculty's account. This account must not be commingled with Student Activity Funds.

### **JOINT FUND RAISING PROJECT**

Student activity clubs/organizations may jointly conduct major fund raising drives. Such fund raising activities may be conducted provided that:

1. The fund raising activity has been approved by the participating clubs/organizations.
2. One of the participating clubs/organizations has been designated as the sponsor and shall account for the receipt and disbursement of funds in accord with the procedures contained herein.
3. A method of distribution of the profits has been agreed to by the participating clubs/organizations in advance of the fund raising activity.
4. At the conclusion of the fund raising drive, profits shall be dispersed to the participating clubs/organizations as agreed.
5. The sponsor of the fund drive shall obtain the approval of the building principal of the fund raising activity.

## **SCHOLARSHIPS**

### **GENERAL PRINCIPALS**

Scholarship funds are designed to accept donations for scholarships to students at Palisades High School. New funds must be School Board approved at a regular School Board Meeting. Awarding of Scholarships must be done based upon the written criteria/guidelines from the original donor that set up the fund (typically family members of a loved one). These guidelines must be kept in the Attendance Office of the Palisades High School with a copy in the Business Office.

### **GENERAL ACCOUNTING PROCEDURES**

Unless otherwise specified below, all Fund Custodians should follow those procedures specified above with the Student Activities accounts. The Scholarships are held in the same bank account as the Student Activities and approval must come from the Building Principal and Business Manager and/or Director of Fiscal Affairs.

### **AWARDS**

Scholarship teams will determine the recipients of the awards based upon the criteria set forth in each Scholarship Fund. These teams coordinate with the Attendance Office and Business Office to finalize all awards. In order to distribute awards, the Fund Custodian must receive a pay to order slip from the Attendance Office approved by the Principal and/or Assistant Principal.

### **RECEIPTS**

All receipts of cash or check will be deposited into the Student Activity bank account and internally coded to the proper Scholarship Fund. Permanently established Scholarship Funds should be internally coded to that fund. All other receipts should be coded to the Palisades Memorial Trust account. These receipts must be for the exact amount of the scholarship award. All receipts must be received by the Fund Custodian with a completed deposit ticket.

### **REMAINING BALANCES**

If there are remaining balances in a Scholarship Fund with no contact from the originators, the Business Office and Attendance Office will send a letter to the originator to determine what should be done with the balance. Every attempt should be made to contact the originator and follow through with their wishes. This should be documented and kept with the Scholarship Fund file. If they can not be contacted, the balance should be transferred into the General Fund after formal approval from the Board of Directors at a regular Board Meeting.

CODE OF 1949

24 PS 5-511 School athletics, publications, and organizations

(a) The board of school directors in every school district shall prescribe, adopt, and enforce such reasonable rules and regulations as it may deem proper, regarding (1) the management, supervision, control, or prohibition of exercises, athletics, or games of any kind, school publications, debating, forensic, dramatic, musical, and other activities related to the school program, including raising and disbursing funds for any or all of such purposes and for scholarships, and (2) the organization, management, supervision, control, financing, or prohibition of organizations, clubs, societies and groups of the members of any class or school, and may provide for the suspension, dismissal, or other reasonable penalty in the case of any appointee, professional or other employee, or pupil who violates any of such rules or regulations.

(b) Any school or any class activity or organization thereof, with the approval of the board, may affiliate with any local, district, regional, State, or national organization whose purposes and activities are appropriate to and related to the school program.

(b.1) Private schools shall be permitted, if otherwise qualified, to be members of the Pennsylvania Interscholastic Athletic Association except that private schools located in cities of the second class which are members of the Pennsylvania Interscholastic Athletic Association shall, if they so elect, be assigned to a district or section outside of the geographical boundary of the second class city but contiguous thereto, and shall participate in Pennsylvania Interscholastic Athletic Association sponsored athletic contests in that section. The association shall not prohibit a private school from being a member solely on the grounds that the coach or a member of the coaching staff of any athletic team is not a teacher, or professional employee, either full-time or part-time, at such private school, except that this provision shall not apply to coaches or members of the coaching staff initially employed after January 1, 1965.

(c) The board of school directors may (1) permit the use of school property, real or personal, for the purpose of conducting any activity related to the school program, or by any school or class organization, club, society, or group, (2) authorize any school employee or employees to manage, supervise and control the development and conduct of any of such activities, (3) employ or assign any school employee to serve in any capacity in connection with any of such activities.

(d) Notwithstanding the use of school property or personnel, it shall be lawful for any school or any class

or any organization, club, society, or group thereof, to raise, expend, or hold funds, including balances carried over from year to year, in its own name and under its own management, under the supervision of the principal or other professional employee of the school district designated by the board. Such funds shall not be the funds of the school district but shall remain the property of the respective school, class, organization, club, society, or group. The treasurer or custodian of such funds shall furnish to the school district a proper bond, in such amount and with such surety or sureties as the board shall approve, conditioned upon the faithful performance of his duties as treasurer or custodian. The premium of such bond, if any, shall be paid from the fund or funds secured thereby or from the funds of the school district, at the discretion of the board. The treasurer or custodian shall be required to maintain an accounting system approved by the board, shall deposit the funds in a depository approved by the board, shall submit a financial statement to the board quarterly or oftener, at the direction of the board, and shall submit the accounts to be audited in like manner as the accounts of the school district.

(e) All purchases of materials or supplies made by any organization, club, society, or group, or by any school or class, in excess of one thousand dollars, shall be made upon solicitation of quotations or bids from three or more responsible manufacturers of or dealers in such materials or supplies. All such purchases shall be made from the lowest responsible bidder on the basis of price, quality and service.

(f) The board of school directors of any district is hereby authorized to appropriate any monies of the district for the payment of medical and hospital expenses incurred as a result of participate in such athletic events or games, practice or preparation therefore, or in transportation to or from such athletic events or games, or the practice or participation therefore, and for the purchases of accident insurance in connection with such participation and transportation.

HISTORY: 6-29-84, Art 93 § 1 (PL 438), eff. 6-29-84, 6-26-74, Art 125, § 1 (PL 370); 10-16-72, Art 219, § 1 (PL 916); 4-22-49, Art 178, § 1 (PL 726); 4-14-49, Art 85, § 1 (PL 460); 3-10-49, Art 14, Art V, § 511 (PL 30), 5-18-11, Art. IV § 405 (PF 309)

NOTES ON DECISIONS AND OPINIONS

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