

STUDENT ACTIVITY FUNDS MANAGEMENT
PROCEDURES

Non-Trust and Non-Custodial Student Activity Funds

The following requirements apply to student activity funds that are classified as non-trust, non-custodial funds and that may be received, held, and disbursed by the District under this policy:

1. The District's Business Office shall use activity-specific subaccounts, or any substantially equivalent accounting mechanism(s) that would be consistent with Wisconsin Uniform Financial Accounting Requirements (WUFAR) and Governmental Accounting Standards Boards (GASB) standards, that enable the District to appropriately associate specific funds with each relevant organization, club, or other student group.
2. The Director of Finance and Operations shall ensure that the District establishes and implements reasonable cash handling procedures for student activity funds.
3. Student activity funds received and held by the District shall be deposited in an account at a District-approved financial institution that serves as a public depository.
4. Student activity funds shall be expended to finance the legitimate activities of the student group, organization, or club (which may include charitable activities or community events) or for a purpose beneficial to the school community, with the primary direction for such expenditures normally being initiated by the participating students or their designated student representative(s). Student activity funds shall not be used to cash personal checks, to make loans or extend credit to individuals, or to pay compensation directly to District employees.
5. All proposed expenditures of District-held student activity funds that may be requested by the student members or designated representatives of a student group, organization, or club shall be reviewed and approved in advance by at least two District staff members, which shall normally be the group's assigned advisor and the applicable school principal. However, in all cases at least one of the approvals shall be by an administrative-level employee. Such approvals shall be based on a determination that the purpose of the expenditure appears to be appropriate and that the amount, or any estimated amount, of the expenditure appears to be reasonable. Any disagreement over the approval of a proposed expenditure may be appealed to the District Administrator.
6. All disbursements of approved expenditures from a District-held student activity account shall adhere to District-established disbursement procedures.
7. At the end of each school year, student activity account balances will be carried over to the next school year, except with respect to any account that is being closed.
8. If an existing student activity account has had no transactional activity for at least 12 consecutive months, the Director of Finance and Operations shall review the current status of the applicable student group and determine whether the account should be deemed inactive and closed.
9. At the time a student activity account is being closed, if there are any remaining funds in the account that are not subject to any other superseding obligation (e.g., an unpaid bill or an obligation under a

grant or donation), then the following shall apply:

- a. As a first priority, such remaining funds shall be disbursed or allocated according to any lawful formal direction that is known to the District and that was established by the student organization, club, or other student group prior to disbanding, graduating (in the case of a class fund), or otherwise ceasing operations. For example, the group may have directed (e.g., via an organizing bylaw or other formal decision) that any such remaining funds should be donated to a charitable organization, allocated to the activity account of a successor or closely-related student group, or transferred to the District's unassigned General Fund.
- b. If not disbursed or re-allocated according to the previous paragraph, any such remaining funds shall be handled as follows:
 - If the funds were the funds of a high school graduation class that has graduated high school, then the funds will be divided by four (4) and allocated to the activity accounts of each of the current four high school graduating classes at the same high school.
 - If the funds are related to a student group other than a graduation class, the remaining funds shall revert to the District's unassigned General Fund.

Custodial Funds (Non-Trust)

In the event the District receives and manages any student activity funds that are determined to be custodial funds, such funds shall be appropriately segregated and restricted for their intended purpose. For example, funds and other assets that are fiduciarily derived and that are held by the District for the benefit of specific individuals or for the benefit of a legally-separate (non-District) entity, but that are not administered through a trust or held in a designated trust account, must, under certain conditions, be managed and reported as custodial funds.

Student activity funds held by the District as custodial funds shall be deposited in an account at a District-approved financial institution that serves as a public depository. To the extent any such funds are invested in an interest-bearing account or instrument (e.g., a time deposit), the interest earned on such funds shall be added to the applicable balance.

No disbursement of student activity funds held as custodial funds shall be further processed under the District's disbursement procedures unless the proposed transaction has been authorized in writing by either the District Administrator, Director of Finance and Operations, or an administrative-level designee of either such administrator. The authorizing administrator is validating that the proposed transaction is consistent with the District's fiduciary role in the management of the custodial funds.

If the District determines at any point that it is holding custodial funds for which it has become impossible for the District to reasonably disburse the funds for the benefit of the intended beneficiaries, then, with Board of Education approval and in consultation with District legal counsel as needed, the District shall determine a lawful and appropriate alternate disposition of the funds.

Misappropriation or Misuse of Student Activity Funds

If any person has knowledge of or reason to suspect that there may have been a misappropriation of student activity funds or any other impropriety in the management or use of such funds, including any form of theft or fraud, the person should report the concerns and any supporting information to the District as further outlined in the District's separate fraud prevention and reporting policy.

District employees are expected to promptly report all such situations. It is generally appropriate for any such report to be made directly to the District Administrator or Director of Finance and Operations. If an investigation substantiates the occurrence of any misappropriation of funds or any other financial irregularity, the District will exercise its discretion to pursue such disciplinary consequences and other legal consequences or remedies as the District deems appropriate.

Adopted: 12/18/78

Revised: 01/08/07

06/30/09

02/13/23

Reviewed: 08/24/15