

ASB WORKSHOP

ANAHEIM UNION HIGH SCHOOL DISTRICT

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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 Manuals

- ▣ [Associated Student Body Accounting Manual Fraud Prevention Guide & Desk Reference 2015,](#)
Fiscal Crisis Management Assistance Team (FCMAT)
- ▣ [AUHSD ASB Procedures Manual](#)

These manuals, along with various district ASB forms, are available for download from the AUHSD Controller's Office webpage at:

<http://new.auhsd.us/district/index.php/departments/business-services/accounting-payroll>

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/Junior HS and High Schools
- Student Council & Student Clubs
- Students develop budgets, plan fundraisers, approve activities, make decisions, spend the \$\$
- Assistance and oversight from Advisor & Principal

▣ **Unorganized**

- Elementary (could be K-5, K-6 or K-8), Adult, ROC/P, Special Ed & Continuation Schools
- Limited student involvement & decision-making
- Usually does not have a student council or clubs
- Principal has authority with assistance from advisor

ASB Laws & Regulations

(ASB Manual Chapter 3)

- ▣ Most laws are in Education Code
- ▣ California Code of Regulations Title 5, Penal Code, Tax Laws, IRS, California Constitution
- ▣ Summary of Laws & Regulations relating to ASBs (FCMAT ASB Manual Page 13)
- ▣ Full-text of legal references (FCMAT ASB Manual Page 295)

Who's Involved?

- ▣ School District Governing Board
 - **Establish Board Policy**
 - Allow formation of ASB
- ▣ District Superintendent
 - **Implement Board Policy**
- ▣ District Office Staff
 - Oversight & Monitoring
 - **Provide procedures, forms & training**
 - Site visits, review & audit

Role of the Principal

- ▣ **Final School Site Approval**
- ▣ Supervision of ASB Advisor & Bookkeeper
- ▣ Communicate & Enforce Policies
- ▣ Providing Guidance and Direction
- ▣ Ensuring fund-raising events held are appropriate
- ▣ **Work with Business Office regarding training and resolution of audit findings**
- ▣ Reporting of any suspected fraud or abuse

Role of the ASB Advisor

- ▣ **Assist Student Council** in doing the following:
 - Approve activities, fundraisers & 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
- ▣ Assist with ASB budgets
- ▣ Consult with & keep Principal informed
- ▣ **Must be certificated**

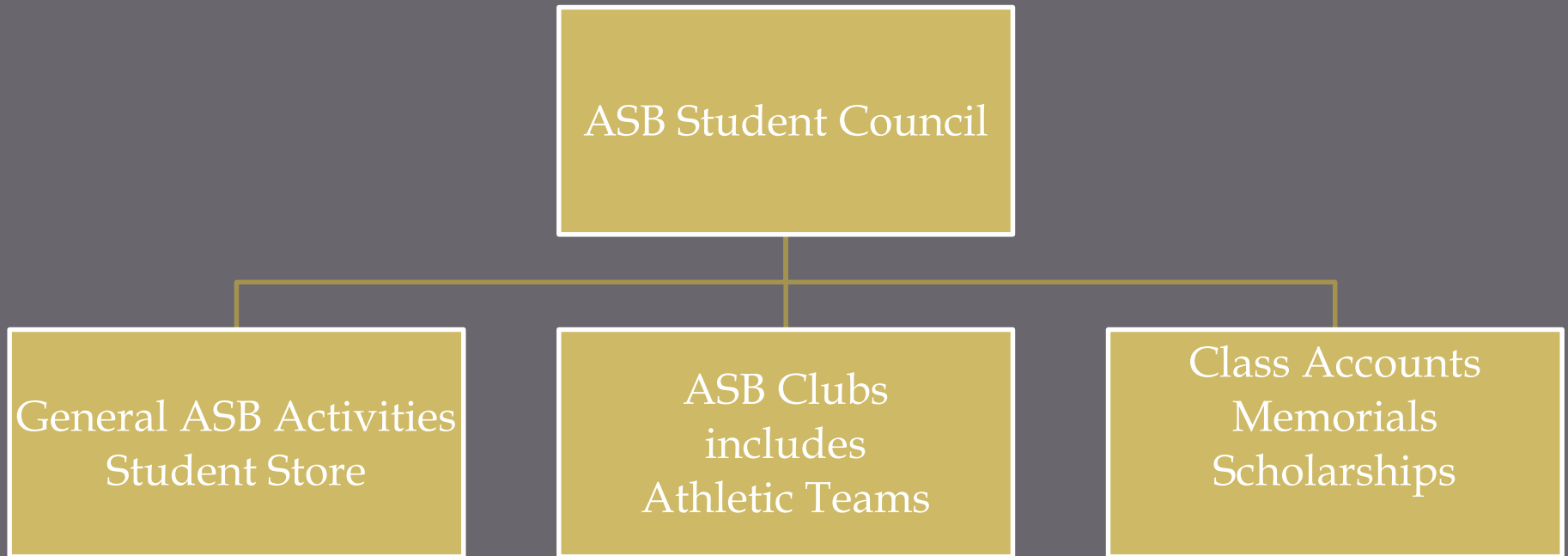
Role of the ASB Bookkeeper

- ▣ Review paperwork before submission
- ▣ Handle money, tickets, inventory records, etc.
- ▣ Make timely ASB deposits
- ▣ Submits POs and bills for approval
- ▣ Financial Reports & Checking Account
- ▣ Records Retention
- ▣ Answer Questions
- ▣ **“Communication Central”**
- ▣ Report all suspected fraud or abuse to the Principal & ASB Advisor

Role of the Students

- ▣ **Students make the decisions on all activities, fundraisers and spending**
- ▣ ASB Student Council has final approval
- ▣ Review financial reports & reconciliations of all student clubs & ASB accounts
- ▣ Approve student club applications
- ▣ **Remember, Principal has final authority**

School Board/Superintendent
Business Office
Principal
ASB Advisor



Booster Clubs & Parent-Teacher Groups

- ▣ **Outside organization run by parents providing support to students**
- ▣ Can raise & donate funds to ASB
- ▣ **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 – Whose 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

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 – should NOT collect booster funds while performing district duties
- ▣ Donations
- ▣ Stipends, Salaries and Consultants

Teacher Accounts vs. ASB Accounts

- ▣ **Teachers cannot conduct fundraisers!**
- ▣ Site staff accounts are not ASB funds
- ▣ Funds should never be deposited into ASB account

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.

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 then the Principal (or designee) and fall within the scope of Board approved fundraising activities
- ▣ 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 Nutrition Services if fundraiser involves food sales during the day
- ▣ **Plan Ahead** – Principal (or designee) needs to approve event prior to the event state date & district office needs to receive the revenue potential form at least two weeks before the day of the event

Types of Fundraising Activities

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

Book Fairs

Letter Writing

Advertising

Yearbook Sales

Food Sales - **LIMITED**

Candy Sales
**off campus or 30 minutes
after school**

GoFundMe or similar sites
No district policy authorizing this

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 Senior 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

NO!

- ▣ 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

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 **ALWAYS** followed

Handling Cash

- ▣ **Recommend 2 people count all cash**
- ▣ Use a cash register or Cash Log Sheets
- ▣ 3-part receipts books
- ▣ Pre-numbered tickets
- ▣ Ticket inventory
- ▣ Copies of receipts with \$\$
- ▣ Use cash boxes
- ▣ **Don't leave \$\$ lying around – deposit it DAILY or by Friday at the latest**
- ▣ Documentation available for Auditors

Never!

Make a purchase from cash
collected

Always!

Turn in all cash collected &
get reimbursed for
purchases made

Timely Deposits

- ▣ **Deposits should be made DAILY or by Friday at the latest**
- ▣ 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

Why is this a big deal?

- ▣ Protects Students' Money
- ▣ Protects ASB Advisor
- ▣ Protects Principal
- ▣ Protects District

Following good procedures should provide evidence cash was handled properly

Without this evidence the Principal will not have the information necessary to prove fraud did not occur

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?

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 Can't you 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
- ▣ Anything that would be considered a gift of public funds

It's time for the nuts and
bolts of ASB

Principals are free to
leave if they would like



Bank Accounts

- ▣ District Name & ASB organization
- ▣ Schools use District Tax ID#
- ▣ **Two signatures required on all checks**
- ▣ Deposits made weekly – at a minimum
- ▣ **Account reconciled – HS reviewed by Business Office; JRHS performed by Business Office**
- ▣ Checks not cashed – 6 month stale date
- ▣ No Credit or ATM cards
- ▣ Notify Business Office when opening or closing savings accounts. **Sites cannot open checking accounts**
- ▣ All bank & reconciliation adjustments must be recorded to the general ledger monthly

ASB & Club Budgets

- ▣ **Outlines the plan for the year**
 - Estimated Revenues
 - Estimated Expenses
 - Shows Beginning & Ending Balance
- ▣ Approved at meeting
- ▣ Needs to be monitored
- ▣ Changes are OK
- ▣ Submitted to district office 3 times every year
 - Preliminary Budget
 - Adopted Budget
 - Final Revised Budget

ASB Budget Carryover

- ▣ FCMAT recommends no more than **20%** carryover for ASB or any club
- ▣ **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 certificated employee as sponsor
- ▣ **Operate under all ASB regulations**
- ▣ Funds revert to general ASB if inactive for at least one year, according to 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
 - Provides documentation of decisions made
- ▣ Submit a budget
- ▣ Submit all required paperwork
- ▣ **No fundraising or activities until they are an approved club**
- ▣ Follow ASB guidelines

What Does A Club Budget Look Like?

- ▣ What money are you going to receive?
 - Fundraisers, donations, etc.
- ▣ How are you going to spend the money?
 - Costs of fundraisers, trips, events, etc.
- ▣ Approved at meeting
- ▣ Submitted to Student Council
- ▣ **Ok to change throughout the year**

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

Gifts & Donations

- ▣ Accepted by student council & recorded in minutes
- ▣ Send “Thank You” letter
- ▣ Follow district procedures
- ▣ Accepted by School Board
- ▣ Donations from
 - Booster Clubs – Parent Groups
 - Individual parents, Others
- ▣ Okay to say “No Thank you”

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 must be 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 Student Store sales
- ▣ 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

ASBs and Food Sales

- ▣ **CCR Section 15501**
- ▣ **During the day sales are highly regulated**
- ▣ School day defined as:
 - 12 midnight until 30 minutes after school day end
- ▣ Coordinate with
 - Nutrition Services
 - District Wellness Policy
- ▣ Food Sales summary of laws:
Refer to Chapters 3 & 10 of the FCMAT ASB Manual

Food Sales

- ▣ **One student group** (usually the General ASB) may sell **up to 3 categories** of approved 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 – Nutrition Services will be signing off on all food activities**

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

What do you need to pay a bill?

- ▣ **Pre-approval**
 - Purchase Request approved by student council
 - Checks are also approved by student council
- 1. Purchase Request
- 2. Receiving Document – Packing Slip
 - May be noted on Invoice
- 3. **Detailed Invoice**
 - Cannot pay from Statement
- 4. Any other required paperwork – W9, quotes, etc.
- 5. Payment should not occur without W9 on file

Contracts

- ▣ **Contracts are legally binding**
- ▣ ASB must follow district policies for issuing contracts
- ▣ Types of contracts
 - Yearbook
 - DJs
- ▣ Follow the district's Board approved policies and regulations for who shall sign ASB contracts (see chapter 6, 5.0 Contracts)
- ▣ Board approval needed for all contracts

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 Business Services in January
- ▣ Consultants - contract required – need to be signed by Business Services Office

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

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)

Equipment

- ▣ If ASB buys it - ASB stores, repairs & maintains
- ▣ What types of equipment
 - Cash registers
 - Golf carts
- ▣ Maintain Equipment Inventory

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.

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

Audit Findings

- ▣ Student decisions not documented in minutes - adequate records not maintained
- ▣ **Missing or incomplete Revenue Potential Forms**
- ▣ Disbursements
 - receipt of goods not noted – no receiving document
 - payment made without invoice
 - payments made prior to approval by students
 - Invoice date prior to approval date
 - Inappropriate expenditures for ASB

Audit Findings

- ▣ Required signatures not obtained
- ▣ Pre-signed checks
- ▣ Invoices paid with cash
- ▣ Master ticket log not utilized
- ▣ Pre-numbered tickets not being used
- ▣ Physical inventory not taken
- ▣ Inventory not reconciled with sales
- ▣ **Negative fund balance**
 - Spending money not received yet/earned
 - budget versus actuals not monitored

Provide to District

▣ Daily

- ASB Request to Conduct Fund Raising/Revenue Potential Form (one for each anticipated fund raiser)
 - If food is involved – The On Campus Sales form, the Nutrition Calculator, the Nutrition Facts label and Ingredients list and a copy of the actual packaging must be sent directly to Food Services
 - Send at least two weeks before event

▣ Monthly

- Account Analysis (Summary)
- Balance Sheet and Trial Balance
- Check Journal and Bank Statement
- School Bank Reconciliation
- Completed/Cancelled Fundraiser Revenue Potential

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 are stale-dated & need to be voided

Record Retention

- ▣ Permanent Records
 - ASB Constitution & Bylaws
 - Club Constitution & Bylaws
 - ASB Equipment Inventory

- ▣ **Permanent = forever & forever**

Record Retention

- ▣ **Other records must be kept 4 years from date of audit (December of each year)**
 - Club & Council minutes
 - Budgets
 - Invoices & Approval Documents
 - Bank statements, deposits slips, cancelled checks & other banking records
- ▣ **School Year 2016-17 must be kept until December 2021**

Best Practices

- ▣ **Have regular meetings & document all decisions in the minutes**
- ▣ Two Signatures required on all checks
- ▣ **Pre-approval of all expenditures**
- ▣ Reconcile the bank account
- ▣ Prepare, 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**

Frequently Asked Questions

▣ **FCMAT FAQs**

- In FCMAT ASB Manual Chapter 25 starting on page 415
- Online FCMAT Help Desk Archives
https://servicedesk.csis.k12.ca.us/footprints/fcmat_kb.html/

Final Questions?