



# Huntington Beach Union High School District Board Policies and Administrative Regulations

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## Student Body Organizations

### Associated Student Body (ASB)

#### GENERAL

1. The Associated Student Body operates for the benefit of all the students currently in the school. To ensure that the current students benefit from their contributions, fund balances are to be kept at a level not exceeding 15% of prior year's expenditures.
2. Only funds and transactions of the ASB are to be reflected in the ASB records. No funds or transactions on behalf of booster clubs, faculty clubs, or for site administrative purposes are to be included in the ASB records nor are monies belonging to any of these sources to be deposited in ASB accounts.

Any monies given to the ASB (except for commingled district funds) are subject to all laws, rules, and regulations which govern the ASB. If a donor is not willing to give up control over his funds, these funds cannot be accepted.

3. At times, payments commingling district monies and ASB monies may be received. These payments are to be coded such that the district's share is shown in a liability account "Due District" and only the ASB portion appears in the ASB balances. Amounts due the district are to be deposited to the district clearing account at the earliest time possible. Supporting detail is to be sent to the Report Section of the Accounting Department.

Commingling of funds is to be avoided as much as possible. Under no circumstances are separate district monies which are collected by the ASB Bookkeeper to be deposited in an ASB account. They must be deposited directly to the district clearing account.

The Associated Student Body (ASB) is established to raise and expend funds with the aim to promote the general welfare and morale of the student body as a whole.

Profits made by conducting activities which are supported by the general student body (football gate receipts, yearbook sales, etc.) must be considered general student activity revenue and may not be diverted to the accounts of special groups.

Balances remaining in any defunct club shall be transferred to the ASB. Monies remaining in the account of a graduated class shall be transferred to the ASB one year after graduation.

The ASB shall adopt before the end of each school year a preliminary budget for the ensuing year. At the beginning of each school year, a final budget showing the anticipated income and the planned expenditures for the current year shall be adopted.

A Club is an organization established within the ASB by a group of students for a specific purpose. In accordance with the Education Code and established Board Policy, it must be composed entirely of current students. It must have a constitution approved by the student council and the principal of the school, club officers and advisors.

Neither the ASB General nor a club can have a negative net worth at the end of a fiscal year. Periodic review of income and expenditures will help to prevent problems of this type. If the ASB or a club finds itself with a negative fund balance at the end of a fiscal year, prompt steps must be taken to reduce expenditures and increase income, to bring the ASB or club back to a positive net worth.

A Trust Fund is established to segregate funds given to the ASB for a specific purpose, e.g. to fund a scholarship. Trust funds should never be considered as part of the available cash of the general student body. They are, however, subject to ASB control and possibly subject to some specific stipulations to carry out the intent of the donor.

Scholarships awarded shall be awarded only to students attending at the time of the award. Any awards not claimed (eligibility proved) by the end of the succeeding fiscal year shall revert back to the trust fund. The recipients shall be clearly informed of this restriction.

A trust fund cannot have a negative net worth at the end of a fiscal year. When the funds are used up, the trust fund ceases to exist and the accounts are closed into ASB General.

An Activity is an event or function put on by the general student body or a club. It can be an athletic function, a sale to raise funds, a car wash, a dance, etc. Through use of separation by activity, it is possible to look at the financial results of the various activities. However, all activities are closed at the end of each fiscal year and become part of the fund balance of the general student body or the sponsoring club.

#### RELATION WITH BOOSTER CLUBS

1. Booster Clubs are entities, separate and distinct from the ASB or any club within the ASB.
2. A properly established Booster Club must have its own Tax Identification Number and an exemption letter from the Franchise Tax Board and the Internal Revenue Service, before it can accept tax-deductible donations.
3. Booster Clubs are not allowed to pay staff working with district students directly. They may, if they so desire, make a donation to the district or the ASB for that purpose.
4. District administrators or faculty are not to be Booster Club officers, nor can they be authorized check signers. They may be members of a Booster Club, as long as they have no official function within the club.

#### CONTROL OF ASB FINANCIAL MATTERS

##### Cash Receipts

1. Daily cash receipts are to be deposited intact (collections = deposit).
2. Refunds are to be handled through Petty Cash.
3. Cash receipts are to be delivered to the ASB Bookkeeper by a responsible person and must show the amount being delivered and the source of the funds.
4. Cash must be deposited promptly to minimize the potential for loss and to maximize the return on ASB monies.
5. NSF checks which were not paid by the bank must be made good in cash for the amount of the check and bank charges.

6. Checks are to be accepted only for the amount owed. No cash refunds are to be given for a check amount in excess of the amount due.

#### Cash Disbursements

1. Except for Petty Cash, (which may be used for small, incidental expenditures and refunds) all disbursements shall be made by check.
2. Petty Cash shall be operated on an imprest basis.
3. All checks written must be completely filled out, including the name of the payee and the amount.
4. Checks cannot be made out to "Cash", not even to reimburse petty cash.
5. No signed blank checks are to be kept on hand.
6. Void checks must be accounted for and retained. They should be defaced to prevent re-use.
7. Game receipts or other cash shall not be used to make cash payments of any kind.
8. All individuals receiving compensation of any kind must provide their correct Social Security Number and current address. Unless they provide this information, no payment for compensation shall be made. IRS regulations require that this information be provided to enable us to report this compensation at the end of each calendar year.
9. The ASB may pay directly only CIF assigned officials who are not district employees and/or persons who are independent contractors (as defined by the Internal Revenue Service (e.g. lecturers). These people will have to be issued forms 1099 at the end of the year and all information required to do that
10. (full legal name, address, correct SS#) must be obtained before payment is made. All other persons rendering services to the ASB, including people who may only work intermittently, must be paid through the district's payroll system. The ASB shall reimburse the district for the compensation and benefits paid through the district's payroll system within 10 calendar days from receipt of the payroll listing detailing the payments made on behalf of the ASB. Payment through the district's payroll system is required in order to comply with legal requirements and no exceptions are allowed. People paid through the district's payroll will be issued form W-2 at the end of the year.

## Banking

All ASB Bank Accounts must show as the first part of the account identification "Huntington Beach Union High School District", followed by the school's name and address. All ASB bank accounts must be authorized by the Superintendent or the Assistant Superintendent Business. This authorization shall be shown by their signature on the signature authorization card of each account (not as an authorized check signer).

1. ASB funds are to be deposited to ASB bank accounts frequently. Only small amounts of cash should be on hand at any time.
2. Authorized signatures are to be updated whenever personnel changes in the staff authorized to sign checks take place.
3. Two signatures must be required on all ASB checks.
4. Bank accounts must be reconciled every month, as soon as the bank statements are received. The bank reconciliation
  - A. provides independent verification of cash balances
  - B. provides accurate cash balances to write checks against
  - C. avoids the cost and embarrassment of NSF checks.
5. Excess balances should be invested in interest-bearing accounts or Certificates of Deposit to maximize the income to the ASB.

## Expenditure Authorization

1. All expenditures approved, including Petty Cash reimbursements and refunds, must be shown in the minutes of ASB meetings with sufficient detail to identify the date of approval, the amount approved, and the payee/purpose of the expenditure. It is especially important that payments/reimbursements of costs for employees or others be separately and specifically approved by the ASB and the approval be shown in the minutes.
2. The minutes of the ASB meetings must be signed by the Activities Director and a student representative and a complete copy of these minutes must be kept in the ASB office.

3. All expenditures of ASB funds require three approvals:
  - A. An employee or official of the district designated by the Board (Principal, Assistant Principal)
  - B. The certificated employee who is the designated advisor of the particular student body organization (Activities Director, Club Advisor)
  - C. A representative of the particular student body organization (ASB Treasurer, ASB President).

When any one of these approvals is lacking, the expenditure is not legal. This fact must be kept in mind when expenditures are to be incurred while school is in recess. It is important to plan ahead and to obtain student approval before the summer recess for expenditures during the summer, to avoid illegal expenditure of students funds.

4. Approval for expenditure of funds must be obtained BEFORE expenditures are incurred. Approval after the fact must remain the exception for emergencies only.
5. Any employee who incurs expenditures against ASB funds without obtaining, IN ADVANCE, the required approvals may be personally liable for payment (EC 48933).
6. Board Policy 5136 provides information regarding prohibited expenditures from ASB funds.
7. The ASB cannot enter into financial commitments for more than one fiscal year. Long term financial commitments require Board approval and must be signed by an employee authorized by the Board to act on their behalf, i.e., the Superintendent, the Assistant Superintendent Business, or the Purchasing Manager.
8. The ASB shall not issue a purchase order or sign any agreement for the purchase, installation, or construction of any temporary or permanent structure or attachments/extensions to any structure (e.g. risers, bleachers, marquees, etc.). All planned expenditures of this type must have advance approval by the Assistant Superintendent Business and may have to be authorized by the Board.

9. Equipment purchased by the ASB is covered under the district's insurance policies. However, there are some restrictions (particularly safety considerations) which require advance approval by the Assistant Superintendent Business and authorization by the Board.
10. The ASB may not pay for teacher substitutes when the district is collecting ADA for the students who are away on an extracurricular function.
11. The ASB may not pay any costs for field trips (e.g. transportation, admission) which are part of the curriculum or instruction, e.g. a science class visiting the Museum of Science and Industry.

The summary below will assist you in determining when the ASB can pay for certain expenditures:

A. Field Trips (Curricular, District collects ADA)

<u>Type of Expense</u> .....	<u>May ASB Pay?</u>
Teacher Sub., Salaries .....	No
Transportation .....	No
Adm./Student Participation Fee, Adm. for Adult Supv. ....	No
Accommodations (food & lodging) for Empl/Oth.....	No
Accommodations (food & lodging) for students .....	Yes

B. Club or ASB Co-curricular Activity  
(Adult supervision of students, district collects ADA)

<u>Type of expense</u> .....	<u>May ASB pay?</u>
Teacher Sub., Salaries .....	No
Transportation (plane fare, bus, mileage, etc.).....	Yes
Adm./Student Participation Fee, Adm. for Adult Supv. ....	Yes
Registration .....	Yes
Accommodations (food & lodging) for Empl/Oth.....	Yes
Accommodations (food & lodging) for students .....	Yes

C. Conference/Workshop/Club or ASB Business

(no student attendance, direct benefit to students, no out-of-state travel)

<u>Type of Expense</u>	<u>May ASB pay?</u>
Teacher Sub., Salaries .....	No
Registration .....	Yes
Accommodations (food & lodging) .....	No *
Transportation (plane fare, cab, mileage) .....	Yes

\* except employees responsible for the direct overall supervision and/or financial recordkeeping of ASB.

Note: Direct benefit to students would be an appearance to accept a grant/award, not staff training.

Donations from Booster Clubs, businesses or individuals to the General Fund can be used to fund expenditures which the ASB cannot pay.

Income

The most important sources of income to the ASB and clubs or trust funds within the ASB are listed below:

1. Student Fees for membership in ASB
2. Yearbook sales
3. Gifts and donations received
4. Athletic and other events where admission is charged
5. Fund raising activities e.g. car washes, walk-a-thons, etc. Board Policy 5136 enumerates certain prohibited fund raising activities.
6. Sales

Board Policy 3554 must be complied with for all sales of food.

7. Student Store

Income Controls

Certain controls have to be established to ensure that income received is properly accounted for and that actual receipts and potential receipts for each activity are within an acceptable range.



1. Revenue potentials should be prepared in advance before an activity or project is undertaken. This would include yearbook sales, vending machines, and practically all fund raising activities. The purpose of this is to:
  - A. establish in advance whether or not the project or activity has the potential to make revenues in excess of costs incurred and
  - B. establish after the fact if the monies received come close to what should have been collected, to require a follow-up/explanation of any significant shortages.

A copy of the revenue potential, approved by the Activities Director, should be kept on file in the ASB office for review at the end of the project or activity.

Copies of sample forms which can be used for this purpose are attached.

2. Ticket control is a must for all activities and events where admission is charged. The basic requirements are:
  - A. An up-to-date ticket control log must be maintained.
  - B. Gate/game receipts must be reconciled with tickets sold after every event.
  - C. Strict physical control of tickets (lock up).
3. Clubs should maintain at least a very basic set of records of their own, independent from the records maintained by the ASB, to give them some degree of control. This control also includes the requirement that monies from clubs delivered to the ASB office shall be:
  - A. pre-counted, with the control total clearly shown on the transfer slip and
  - B. clearly identified as to the source of the monies to ensure they can be properly recorded.
4. Yearbooks, one of the largest items of income and expenditure, have to be controlled by use of a revenue potential, to ensure that full revenues are received as anticipated.

To ensure that the best possible price for printing of yearbooks is obtained, the ASB should at least go through an informal bid procedure.

5. All gifts or donations received must be officially accepted by the Board of Trustees before they can be used/spent by the ASB.

### Student Stores

They must comply with certain basic requirements:

1. Inventories must be taken quarterly. Inventory figures in the financial statements must be updated to reflect actual inventories, at least at the end of each fiscal year.
2. Inventories must be controlled to prevent losses from obsolescence and also "shrinkage". Obsolete, useless inventories must be written down to no more than the value that is expected to be realized.
3. Student stores are not to stock textbooks, workbooks, etc., for sale. On occasion, orders for books prepaid by students may be handled through the ASB Clearing Account as a convenience. Any small profit resulting from this transaction becomes the property of the ASB General.
4. All transactions of the Student Store, purchases, inventory transfers or writedowns, require ASB approval and recording in the minutes just like any other ASB expenditure.

### Function of the ASB Bookkeeper

The ASB Bookkeeper performs a number of services under the general supervision of the Activities Director and the Principal. Some of the most important services are:

1. Maintains the official books and records of the student body organization for her/his school
2. Collects, counts, deposits ASB funds; issues receipts
3. Collects, counts, deposits district funds (e.g. textbook fines, transcript fees, shop fees, fees for administering the AP and PSAT tests, etc.) to the district clearing account; issues receipts.
4. Prepares warrants for disbursements

Note: The ASB Bookkeeper cannot be one of the individuals authorized to sign checks.

5. Establishes procedures and maintains records in connection with paid admission events, ASB cards, student insurance, ASB minutes, etc.
6. Maintains and updates files for reporting compensation paid by the ASB to the IRS on form 1099
7. Computes and accrues liability for sales taxes
8. Enters transactions on a computer terminal and requests periodic financial statements
9. Reconciles bank statements, posts interest income and bank charges
10. Follows up on NSF checks
11. Accrues accounts payable and accounts receivable at the end of each fiscal year
12. Interprets financial reports to Activities Director/Principal, highlights/points out potential problems
13. Compiles, at least quarterly, a special report, comparing budgeted revenues to actual revenues received and also budgeted expenditures to actual expenditures up to that point in time. Adjustments to planned expenditures may have to be made and can be made if these special reports indicate problems, and if they are timely prepared and acted upon.

The ASB Bookkeeper must be provided sufficient time, without window service, to perform the record keeping functions on an ongoing basis and to maintain current records.

#### Accounting Records

The ASB accounting records are set up on an on-line system on the district's computers. The accounting system is based on a hierarchy of several levels. If the system is mis-used (e.g. by using the wrong level), the accounting information may become misleading. The levels are:

Club/Trust Fund  
Activity  
Object

The highest level is the Club/Trust Fund.

Activities operate under the umbrella of a Club/Trust Fund. They have no standing of their own, except as a sub-part of a club. Theoretically, every single club could have the same activity at some point during a school year.

Within each activity, expenditures and income can be shown by object.

The Chart of Accounts for the ASB can be updated by submitting a request to the Director of Fiscal Services or a Senior Accountant.

School Business Administration Publication No. 3 "Accounting Procedures for Student Organizations" (1988) Edition, issued by the State Department of Education, contains the official guidelines for ASB organizations and should be considered and used as an integral part of these Administrative Regulations.

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