

## District Activity Funds

The July 1, 2013 Redbook requires all expenditures at the school activity fund level must be spent on student activity, not operating expenses or anything that does not benefit the student or student group.

The school can still keep their Staff Vending account in the school to be spent on staff activities.

*What is considered an operating expense?*

- Anything that is **required** for the basic instruction of educating the students or part of the curriculum
- Textbooks, library books, technology, instructional supplies, classroom supplies, office supplies, school forms, postage, copy paper, copiers (lease or purchase), furniture, cell phones, playground equipment, software, software agreements, hand held radios, etc
- Safety related equipment and supplies
- Repairs and maintenance to the building and grounds, or gym floor, and fields
- Structural additions or improvements to the building and grounds
- Professional development and staff related expenses

Funds that **are not raised by students** can be sent to the district finance department and recorded as District Activity Funds. This money can be spent on the items listed above.

*What funds **must be sent to the district** as District Activity Funds?*

- Locker/parking fees, class fees, textbook rental fee, or any other fee that is collected for general instruction
- Lost textbook and lost library book fees
- Bookfair profits, if the librarian is going to use the profits to pay for library books, technology, or supplies for the library
- Donations, if donated specifically for instructional supplies or an operating expense
- Profits from a fundraiser for operating expenses (this has to be an approved fundraiser that does not involve students selling or soliciting)

*What funds **can** be sent to the district as District Activity Funds?*

- School store or concession profits
- Gate receipts
- Picture profits
- Disability determination checks
- Advertising revenue in the gym or on fields (if not solicited by students)
- Any other funds that are not generated by students selling or soliciting

Any funds that are generated by students that are for student/group/club/team activity must stay in the school activity fund account and spent for the purpose it was raised for and benefit the group that raised the funds.

*What funds **must stay** in the School Activity Fund?*

- All student fundraisers, if the students are involved by selling or soliciting
- Field trip, class trip, athletic trip money
- Club dues or money designated for a student group/team/class to support their activity
- Hospitality funds – these funds may be raised by staff contributions, staff lounge vending, or donations received specifically for the staff

## District Activity Fund Procedures

All money will be still be collected at the school level and deposited into the school activity fund checking account. Follow all internal controls as normal as required in the Redbook.

All money will be receipted into the existing activity account that you normally receipt the money into.

1. Create five new Activity Fund Accounts in your EPES Software

<u>New EPES Acct #</u>	<u>Account Description</u>
2826	DAF Instruction
2828	DAF Athletics
2836	DAF Professional Development
2860	DAF Library
2888	DAF Building/Grounds M&R

2. By the end of each month the money that the principal designates as District Activity Fund money needs to be transferred out of the activity fund account you receipted the money into, to the appropriate DAF (District Activity Fund) account.
3. At the end of the month, the bookkeeper will write one check to the district office for the total of all the money that was transferred into a DAF activity fund account. This check will zero out any balance that was transferred into a DAF activity fund account. This is what the finance department is referring to as "sweeping" your funds to the district.
  - This process will result in the DAF accounts having a zero balance at the end of each month on your Financial Reports.
4. The district finance office will create a "Monthly District Activity Fund Designation Form" that you will fill out to designate how you will be spending the money you send to the district office in your school's District Activity Fund account. This form and check will be sent to the district office along with your monthly financial reports. The district finance department will provide reports similar to your Instructional (SBDM) reports you receive monthly so the principal can track and manage their District Activity Funds.
5. Once your school has District Activity Fund money at the district level, you will create a District Purchase Order to spend the DAF money just as you do when you spend your SBDM allocation.
6. Payment of District Activity Fund invoices will be the same as Instructional (SBDM) invoices.
7. Once you designate money as District Activity Fund money and send it to the district office, the money will not be sent back down to the school. Only send funds that you need to send to the district office as DAF money for expenditures that you cannot pay for out of you School Activity Fund Account.
8. Any money in your school's District Activity Fund account at the district office will be carried over to the new fiscal year at year end.