

# **ASSOCIATED/UNITED STUDENT BODY TRAINING FOR ADMINISTRATION & ACTIVITY DIRECTORS**



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Presented by Peter VanBuskirk and Lesley Murray

# Purpose For Workshop

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- Answer questions in areas of the Associated Student Body (ASB)/United Student Body (USB) roles and responsibilities related to management level positions.
- Discussion on good practices and top down approach.
- Discussion on the dos and don'ts of ASB/USB.
- Discussion of District responsibility versus Site responsibility.

# Biggest Issue Affecting ASB/USB

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What is the biggest issue affecting ASB/USB?

- Management of ASB/USB funds and operations.

Most ASB/USB funds are received in cash. What are the problems that are associated with this?

- Fraud
- Abuse / Waste
- Human Error

What is put into place to fight fraud, abuse, waste and human error?

# Roles and Responsibilities

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- ▶ **The governing board of the district is ultimately responsible for everything that happens in the district, including the activities of student organizations.**

# Organized ASB/USB

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The site administrator is responsible for the following major duties:

- Communicating the student organization policies and procedures to the staff and students, and enforcing the policies and procedures.
- Ensuring that a student council is established and that each club has a certificated advisor.
- Providing supervision to the ASB/USB advisors.
- Reviewing and approving constitutions for each club on campus and making certain that minutes meet the FCMAT ASB manual guidelines and are kept of all ASB/USB and club meetings.

# Organized ASB/USB

(continued)

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- ▶ Providing supervision to the ASB/USB bookkeeper or similar position. This position will perform site financial tasks related to ASB/USB, maintain adequate records of ASB/USB activities, deposit funds into the bank, pay invoices, reconcile monthly bank statements, and prepare monthly financial statements.
- ▶ Ensuring that all ASB/USB funds are raised and spent in accordance with applicable laws and the school's policies and procedures.
- ▶ Deciding how many fund-raising events will be held each year and ensuring that they are appropriate for the students and the community.

# Organized ASB/USB

(continued)

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- ▶ Scheduling and receiving proper approval for fund-raising events.
- ▶ Working with the business office regarding training, implementation of good business practices, internal controls and resolution of audit findings.
- ▶ Reporting any suspected fraud or abuse to the business office.
- ▶ See pages 6 – 12 of the FCMAT ASB Manual for roles and responsibilities.
  - ▶ <http://fcmat.org/2015-asb-accounting-manual-fraud-prevention-guide-and-desk-reference/>

# Unorganized ASB

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The site administrator is responsible for the activities at the school as the students do not govern themselves, so the site administrator is responsible for all ASB activities including the following major duties:

- ▶ Assigning and supervising a school staff member to perform school financial tasks related to ASB.
- ▶ Receiving and reviewing the monthly bank reconciliation.
- ▶ Deciding how many fundraising events will be held each year.



# Unorganized ASB

(continued)

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- Making decisions about how the funds raised will be spent.
- Ensuring that all ASB funds are raised and spent in accordance with applicable laws and the district's policies and procedures.
- Working with district's business office to provide training, implement good business practices, ensure internal controls and resolve audit findings.

# General Business Practices and Internal Controls

## Chapter 5

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### The basic components of internal controls:

- Segregation of duties
- System of checks and balances
- Staff cross training
- Use of pre-numbered documents
- Asset security
- Timely reconciliations
- Inventory records
- Comprehensive annual budget

# Budgets and Budget Management

## Chapter 6

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**Budgets are usually prepared for a one-year period. The general student council and each individual club should develop a budget document with their annual goals and a plan for achieving those goals by deciding the following:**

- **Estimated revenues: What fund-raisers will we have?**
- **Estimated expenses: What will the fund-raisers cost us to hold?**
- **Estimated ending reserves and club carryover: Is there enough left over to accomplish the goals we've outlined?**

# Budgets and Budget Management

Chapter 6, (continued)

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## Carryover of Unexpended Balances

The site administrator, advisor and students should ensure that the funds raised by students during a given school year are spent on behalf of those students while they are at the same school site.

# Accounting and Financial Management

## Chapter 7

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### Types of Financial Reports

**Site Administrator:** The site administrator must review and sign for approval all financial reports throughout the year and ensure that all required reports and submissions are made to the District's business office as requested.

**Student:** The student council must approve and enter into the minutes the monthly and annual financial reports.

# Accounting and Financial Management

Chapter 7, (continued)

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## Bank Accounts

- Accounts are approved by the PSUSD Board of Education
- Require two signatures on all checks
- Have account reconciled by someone who doesn't keep the check register
- Deposits made on a regular basis
- Name of ASB/USB organization

Do **NOT** commingle funds.

- No PTA/Booster/Foundation money
- No personal funds

Do **NOT** deposit ASB/USB funds in personal account.

# Allowable and Questionable Expenses

## Chapter 14

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### Examples of Prohibited Purchases

- Salaries or supplies that are the responsibility of the district.
- Repair and maintenance of district-owned facilities and equipment.
- Articles for the personal use of district employees.
- Expenses for faculty meetings.
- Expenses for parent-teacher organizations such as the PTA or boosters.
- Large awards, unless board policy states otherwise.
- Gifts of any kind including gift cards/certificates.

# Allowable and Questionable Expenses

Chapter 14, (continued)

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## Examples of Prohibited Purchases (Continued)

- ▶ Employee appreciation meals (unless approved by student council and noted in meeting minutes).
- ▶ Employee clothing/attire.
- ▶ Donations to other organizations, except in special circumstances.
- ▶ Donations to families or students in need.
- ▶ Cash awards to anyone including gift cards/certificates, because internal controls cannot be established and documented.



# Allowable and Questionable Expenses

Chapter 14, (continued)

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## Gift of Public Funds

Discussions regarding gifts often conclude that trivial or insignificant gifts are acceptable. However, given modern governmental accounting practices and regulations, conflict of interest law and criminal law, FCMAT's recommendation is that such expenditures of public funds or use of public funds in any amount can never be considered trivial or insignificant. The law clearly regards the misappropriation of public funds as a criminal act, with no minimum monetary limit specified, so it is best to avoid gifts of any amount.

# Allowable and Questionable Expenses

Chapter 14, (continued)

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## Donations

- ▶ Donations to schools and students or families in need usually are not allowable, because they are considered a gift of public funds, no matter how worthy the cause.
- ▶ The issue of a gift of public funds arises when a check is written from ASB/USB and organization.

## Donations from Others

- ▶ Have ASB/USB executive council acknowledge/accept gifts and donations and record in minutes.
- ▶ Notify Kris Murphy in Business Services at (760) 883-2710 ext. 4806052 or [kmurphy4@psusd.us](mailto:kmurphy4@psusd.us) on all donations.
- ▶ Types of donations:
  - ▶ Cash, Equipment, Supplies
  - ▶ Make sure you want it and it is acceptable to Risk Management

# Allowable and Questionable Expenses

Chapter 14, (continued)

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## Scholarships

The ASB/USB executive council may accept scholarships and trusts from outside donors (individuals or organizations) with the approval of the governing board or authorized designee.

These funds should be accounted for separately in a trust account within ASB/USB and used specifically for scholarships.

# Allowable and Questionable Expenses

Chapter 14, (continued)

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## Scholarships

Cash awards issued by the ASB/USB are not allowed to be issued directly to the recipient; rather, scholarship checks shall be made payable to an institution of higher learning or a college bookstore, to be used toward tuition or books and supplies.

The PSUSD Residual Scholarship Committee (PSUSD RSC) will disburse scholarship funds to students that were for any reason not used or secured by the original scholarship awardees.

# Contracts

## Chapter 15

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**ASB/USB must follow the policies and procedures for issuing contracts.**

➤ **Types of contracts:**

- **Dance DJ/Entertainment**
- **Magazine Sale or other fundraiser**
- **Identify who on your campus is an authorized contract signer**

**Vending machine contracts are required to be reviewed and approved by Business Services.**

# Contracts

## Chapter 15, (continued)

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### Potential Problem Situations

Some ASB/USB organizations have found that the contracts they executed did not adequately protect their interests and the organization lost money.

ASB/USB organization also often find that the employee signing the contract did not have the authority to do so.

Please contact Purchasing Services at 760-883-2710 for contract assistance.

# Cash Disbursement Management and Procedures

## Chapter 18

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An IRS form W-9 is required from all vendors before conducting business with the district.

- Individuals and entities use form W-9 to provide their taxpayer identification number to entities that will pay them income during the tax year.
- Vendors providing services totaling \$600 or more to the ASB/USB will receive form 1099 (issued by the district) in January of the subsequent calendar year.

# Cash Disbursement Management and Procedures

Chapter 18, (continued)

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- ▶ **PSUSD High School ASB/USB need to keep track of all payments made to vendors providing services. This information is submitted to Fiscal Services two times a year, the end of June and before leaving for winter break. An e-mail notification is sent out to High School ASB/USB clerks requesting the information. Based on the information obtained from the ASB/USB clerks, forms 1099 will be sent out to vendors accordingly by Fiscal Services.**
- ▶ **Fiscal Services tracks all Middle School ASB/USB payments made to vendors for services and forms 1099 will be sent out to vendors accordingly by Fiscal Services.**



# Cash Controls and Fraud

## Chapter 19

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### For everyone's protection, do the following:

- Never leave money unattended.
- Always count money with a witness and document that both parties verified counted amount.
- Always retain duplicate cash count forms for the club's records.
- Reconcile bank statements on a monthly basis ensuring cash is available and club financial records are accurately reflected.
- Always provide a receipt to those depositing money.
- Provide monthly account summaries (revenues & expenses) to each club.

# Cash Controls and Fraud

Chapter 19, (continued)

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- Ensure that the ASB/USB bookkeeper is never afraid to say NO. The ASB/USB bookkeeper should never be afraid to refuse an incorrect deposit or improper authorization for disbursement.
- Obtain proper authorizations for all transactions including journal entries, transfers, reimbursements and advances.
- Ensure disbursements are made after student council approval and all check requests contain all necessary signatures.
- ASB/USB deposits are to be picked up by armored carrier on a regular basis (depending on site). On very rare occasion, deposits are transported directly to branch offices by two people.

# Cash Controls and Fraud

Chapter 19, (continued)

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- ▶ Purchased items are verified and counted indicating all items are received and invoices/receiving documents are noted with an “OK to pay” or “received with a date”.
- ▶ Ensure that all tickets for sale are secured, master ticket log is updated and sales recap form contains explanations of any overages & shortages.
- ▶ Conduct monthly inventory counts and locate discrepancies and calculate ending valuations.
- ▶ Ensure that all club advisors retain club-related records for as long as they serve as club advisor.

# Record Retention

Record	Retention Period
ASB/USB Constitution, Bylaws and Charters	Permanent
Equipment Inventory	Permanent
Club and Council Minutes	4 Years
Budgets	4 Years
Invoices and Approval Documents	4 Years
Banking Records	4 Years
Financial Statements/Accounting Records	4 Years

# Food and Beverage on Campus

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- Applies to all food and beverage served and sold on any school campus from midnight to 30 minutes after the end of the school day.
- Must be approved prior to serving or selling to students by Nutrition Services to ensure compliance with Federal, State and Local regulations.
- Food/Beverage sales must be conducted by student approved organizations.
- All food and beverage served or sold on campus must comply with Health Department regulations.
- These are not new regulations; these are existing regulations.
- \*For more details see the Nutrition Services Quick Reference <https://www.cde.ca.gov/ls/nu/he/compfoodsrefpub.asp>

# Food and Beverage on Campus

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Elementary	Secondary (MS/HS)
Only one food or beverage item per sale.	Only one student organization per day is allowed to sell each day.
Sale must occur after the last lunch period.	Up to 3 categories can be sold. (beverage, snack, dessert).
Food or beverage item cannot be prepared on campus.	Food/beverage cannot be prepared on campus.
Each school is allowed only four sales per year.	Cannot be the same food sold during the noon meal service that day.
Cannot be the same food sold during the noon meal service that day.	Any and all student organizations may sell on the same four predesignated days per year.

# Principal/ASB-USB Director Monthly Check Lists

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- The monthly check off lists are now available on Informed K12 and will need to be completed when you have reviewed your monthly financial packages.
- These check off lists will help principals/ASB-USB directors manage their sites ASB/USB.
- Informed K12 forms presentation/handout.

# New District Fraud Hotline

- Two ways to report suspected fraud  
SafeToReport.com  
– or –  
Phone in at 1-877-698-4148



- Reporters may choose to remain anonymous or disclose their name.
- Each report will be reviewed by a third-party fraud investigation specialist.
- See handout for details.



# PSUSD Residual Scholarship Committee

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- ▶ **Details regarding the PSUSD Residual Scholarship Committee (PSUSD RSC) – Brian Murray.**

# Teamwork Makes the Dream Work!

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- ▶ Remember, the District is here to help!
- ▶ Lesley Murray, Accounting Supervisor  
(760) 883-2710 ext. 4806069  
lmurray@psusd.us

# Questions?

