

ASSOCIATED/UNITED STUDENT BODY FOR ADMINISTRATION



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Purpose For Workshop

- 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

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

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

Organized ASB/USB

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.
- Making certain that minutes are kept of all ASB/USB and club meetings.

Organized ASB/USB

(continued)

- 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.
- Scheduling and receiving proper approval for fund-raising events.

Organized ASB/USB

(continued)

- ▶ 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/>

General Business Practices and Internal Controls

Chapter 5

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

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)

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

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)

Bank Accounts

- Accounts should be board approved
- Require two signatures on all checks
- Have account reconciled by someone who doesn't keep the check register
 - How well is the review performed
- Deposits made regularly – Loomis Weekly Pick Up
- 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

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)

Examples of Prohibited Purchases (Continued)

- ▶ Employee appreciation meals
- ▶ 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)

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)

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
- ▶ 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)

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)

Scholarships

Cash awards are not allowed; 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.

Contracts

Chapter 15

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!

If you have any vending machine contracts they are required to be reviewed and approved by Business Services.

Contracts

Chapter 15, (continued)

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.

Cash Disbursement Management and Procedures

Chapter 18

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)

- ▶ **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

For everyone's protection, do the following:

- Never leave money unattended.
- Always count all money with a witness.
- Always sign and initial and have a witness sign and initial documentation in as many places as possible indicating the status and amount of money that the two signers counted.
- Always retain duplicate cash count forms for the club's records.
- Double-check bank reconciliations, cancelled/cleared checks, and check endorsements.
- Always provide a receipt to those depositing money.

Cash Controls and Fraud

Chapter 19, (continued)

- Obtain proper authorizations for all transactions including journal entries, transfers, reimbursements and advances.
- Always compare the advisor's copies of club transactions with the financial report for the club.
- Ensure that all club advisors retain club-related records for as long as they serve as club advisor.
- 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.
- 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.

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

- Apply to all food and beverage served and sold on 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 Handout

Food and Beverage on Campus

(continued)

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.

Teamwork Makes the Dream Work!

- ▶ Remember, the District is here to help!
- ▶ Tony Carrillo, Accounting Supervisor
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Questions?

