



ASB GUIDELINES FOR INTERNAL CONTROL AND ADMINISTRATIVE PROCEDURES

NOTE: ITEMS HIGHLIGHTED IN “RED” ARE THE MOST COMMON AUDIT EXCEPTIONS.

GENERAL

1. ASB should have a properly approved constitution and bylaws consistent with District Procedure 4353.
2. **Student classes and clubs are properly approved (Request for Organization of School Club) and copies of their charter, constitution or statement of purpose and objectives are on file in the school office.**
3. Minutes are kept for all meetings of the ASB officers and signed by the ASB secretary.
4. Minutes are current and kept on file in the school office.

BUDGET (Applicable to Secondary Schools Only)

1. **Provisions for the adoption of the budget are followed consistent with District Procedure 2227.**
2. **Budget is prepared in a proper format and in sufficient detail.**
3. **All groups having funds deposited in the ASB should file budgets.**
4. Budgets are used effectively to monitor expenditures.
5. Actual expenses that exceed the budget must be approved by the ASB and such approval must be recorded in their minutes.

CASH RECEIPTS

1. All collections must be receipted upon accepting the deposit.
2. Pre-numbered receipts must be issued in sequence at point of original collection.
3. Pre-numbered receipts must be issued to person or clubs depositing the money.
4. Details as to the number of items receipted and the unit price should be recorded on the receipt.
5. Sub-receipt books are issued to staff authorized to receive collections.
6. Sub-receipt books must be turned over to the financial office as proof of collection.
7. **Sub-receipt books must be monitored and controlled.**
8. **Club deposits must have a club deposit slip signed by the depositor and verified by the financial clerk.**
9. Collections must be counted in the presence of the depositor.
10. Pre-numbered receipts must be recorded promptly in QuickBooks.
11. **All collections for deposits must be made daily and intact.**
12. Checks must be endorsed immediately upon receipt and account numbers of club/trust and ASB income accounts are to be indicated on the top portion of the check.
13. Receipts are filed in numerical sequence including voided receipts.
14. **Cash collections should not be used for payment of any kind; payment shall only be by ASB check.**
15. All financial transactions must pass through the financial office.
16. All collections must be deposited to the Board authorized bank accounts.
17. Alteration of receipt by erasure or any other means is never permissible. Void and issue a new receipt.
18. Original and duplicate copies of voided receipts must be retained for audit.

CASH DISBURSEMENTS

1. All checks must be accounted.
2. Checks must be adequately safeguarded.
3. **Student Body Requisition must be approved before checks are issued.**
4. **All checks issued must have an original invoice to support the expenditures.**
5. All checks must be drawn to a named payee never to “cash” or “bearer.”
6. Only authorized personnel sign checks.
7. Checks must not be signed in advance.
8. Checks must be posted to the proper account.
9. **Invoices and paid receipts must be stamped “PAID”, dated at the time the check is issued and attached to the ASB Requisition and duplicate copy of the checks.**
10. Signature area of voided checks is cut off.
11. **The student council must approve all expenditures.**
12. **Student body funds cannot be used to purchase items sold by district employees.**
13. **Student body funds cannot be used to purchase instructional materials and equipment for instructional use.**
14. **Under no conditions shall student body funds be expended for the benefit of the faculty.**
15. Stale dated checks are to be written off.

INVENTORIES (Applicable to Secondary Schools Only)

1. Goods are adequately safeguarded against loss by theft.
2. Goods are adequately protected against physical deterioration.
3. **Physical inventories are taken at least annually.**
4. Physical inventory is recorded at cost.

FUNDRAISING

1. **Approval of fundraising activities is obtained from the principal and ASB.**
2. Collections from fundraising must be turned in promptly to the finance office.
3. **Revenue potential is prepared before the fundraising activity and completed at the end.**
4. Door-to-door solicitation by students is not permitted.
5. **Lotteries and raffles are not permitted.**
6. **Food should not be prepared on the premises. Food prepared on the premises, are foods that require addition or mixing of ingredients, or cooking, or heating.**
7. **Tickets must be controlled and accounted.**
8. **Ticket recaps must be prepared.**

PURCHASING

1. **Competitive bids for purchases of \$1,500 or more of a specific type of item must be obtained in writing from at least three vendors.**
2. Restrictions on contracts or commitment of funds must not extend beyond the current fiscal year.

PURCHASE CARD

1. Prohibited purchases are reviewed before using the purchase card.
2. Purchase card purchase request is approved.
3. **Original invoices or paid receipts are kept on file.**
4. Sales and use tax calculations must be reported correctly.
5. Supporting invoices are faxed to the bank.

NONPROFIT ORGANIZATIONS, FOUNDATIONS OR BOOSTER CLUBS

1. **Approval of fundraising activities is obtained from the principal.**
2. Annually, the principal shall obtain a copy of the nonprofit organization's determination letter or certificate of nonprofit status pursuant to Internal Revenue Service Code Section 501.
3. The district's tax-exempt status and Federal Identification number are not for the nonprofit organizations, foundations or booster club's use.
4. The nonprofit organizations, foundations or booster club's funds and accounts shall be kept completely separate from Associated Student Body accounts.
5. School personnel are not to serve as organization officers.
6. School personnel are not authorized to sign on the organization's bank accounts.

OTHERS

1. **Bank reconciliation must be done as soon as the bank statement is ready.**
2. Balance Sheet or Trial Balance should be signed by the administrator or principal.
3. **ASB Consultant form must be completed for services rendered by an individual who is not an employee of the district.**
4. District Employees (Active or Retired) are not to be paid as a consultant.
5. Interest income should be recorded promptly.
6. **Trust accounts should never have a negative balance.**
7. **Collections for lost/damaged books must be remitted to the district at least once a year.**
8. Sales tax and use tax must be reported to the district every quarter.
9. Petty Cash Fund is not allowable.
10. **Advisor checklists must be on file in the financial office.**
11. **Inactive accounts must be reviewed for proper disposition of account balance.**
12. **Clearing accounts must not have a balance at the end of the year.**
13. Class will of graduating class are to be prepared.
14. Income and Expense Summary are to be closed to the ASB General fund at the beginning of the new fiscal year.