

ASB Procedures Manual

Revised 2017

**Produced by members of the WASBO ASB Networking
Group Subcommittee and SAO**

WASBO ASB PROCEDURES MANUAL
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INTRODUCTION

Accounts Payable makes certain that the funds are distributed in accordance with all district, state and federal regulations and that we are within vendor terms or contract stipulations. Payment of pre-approved purchase orders for merchandise and/or services are paid through Accounts Payable.

In addition, some districts may allow purchasing cards to be used by district staff for district-approved purchases. The district must obtain prior Board approval to set up a purchasing card system. Procedures and processes must be in place in order to ensure that audit standards are met.

Statute 43.09.2855 states that credit cards (procurement cards) can be used but debit cards are not authorized. For more information, please reference the Purchasing section of the manual.

Contracts that require a deposit are acceptable but otherwise pre-pays are not allowed as per RCW 42.24.080.

RCW 42.24.080

Municipal corporations and political subdivisions—Claims against for contractual purposes—Auditing and payment—Forms—Authentication and certification.

(1) All claims presented against any county, city, district or other municipal corporation or political subdivision by persons furnishing materials, rendering services or performing labor, or for any other contractual purpose, shall be audited, before payment, by an auditing officer elected or appointed pursuant to statute or, in the absence of statute, an appropriate charter provision, ordinance or resolution of the municipal corporation or political subdivision. Such claims shall be prepared for audit and payment on a form and in the manner prescribed by the state auditor. The form shall provide for the authentication and certification by such auditing officer that the materials have been furnished, the services rendered, the labor performed as described, or that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the municipal corporation or political subdivision. No claim shall be paid without such authentication and certification.

(2) Certification as to claims of officers and employees of a county, city, district or other municipal corporation or political subdivision, for services rendered, shall be made by the person charged with preparing and submitting vouchers for payment of services. He or she shall certify that the claim is just, true and unpaid, and that certification shall be part of the voucher.

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PROCEDURES

ASB Bookkeeper

The ASB bookkeeper will verify receipt of items ordered through Purchasing. Verify quantities, description detail, unit prices, extensions, discounts, dates, purchase order number, applicable sales tax and all other significant data.

If any differences are detected, contact the vendor to facilitate any necessary changes and/or corrections to the order. The packing slip should be attached to the purchase order.

Forward all documents bearing appropriate student and advisor signatures to Accounts Payable for payment through the Accounts Payable system.

If there is a change in the amount of items purchased, or the cost of the items changes, the ASB Governing Body must approve the changes. Use reason on the dollar amount of the changes that are sent back to the ASB Governing Body.

Pay only from a detailed or itemized invoice, not from a copy or a “statement”.

Student Council

- 1) Must pre-approve all purchases.
- 2) Must approve actual expenditures in a meeting and these approvals must be documented in the meeting minutes. The documentation should include; vendor, invoice number, and amount.
- 3) For Elementary schools that do not have a constitution, the principal will be the authorizing body.

The district office shall only pay invoices that have been approved by the student council and reflected in the student council minutes. (WAC 392-138-125)

WASBO ASB PROCEDURES MANUAL	AGENCIES AND GROUPS INTERESTED IN ASB, WITH SOME EXAMPLES	REVISED 7/17
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Federal Level

Courts	Freedom of Speech, Assembly
Internal Revenue Service	Compensation for Advisors/Coaches
Department of Agriculture	Vending Machines, Nutrition Standards, Smart & Healthy Snacks
Congress	School Funding
Department of Education	Equity & inclusivity issues

State Level

Department of Labor & Industries	Employment conditions for Coaches/Advisors
Department of Revenue	Sales taxes, Comp tax, Fundraising Exemptions
State Courts	Broad Issues like McCleary
Office of the Governor	School budgets
Department of Ecology	Environmental issues like car washes
Attorney General	Interpreting ASB laws
Legislature	RCW's, Funding, Spending guidelines
Superintendent of Public Instruction	Gender Equity, ASB Budgeting, WAC's
State Board of Education	Student Voice in Policies, WIAA oversight
WA Interscholastic Activities Association	Sports, Debate, Drama, Band, Spirit
State Gambling Commission	Raffles, Bingo, Carnivals
State Auditor	Compliance, record keeping
Secretary of State	Support Groups, Charitable Solicitations
Association of WA School Principals	Educating & Advising Principals
WA Assoc. of Secondary School Principals	Student Leadership Development
WA Activities Coordinator's Assoc.	Educating Advisors
WA Assoc. of School Business Officials	Educating Administrators

Local Level

County Health Department	Concessions, food sales, food-handling permits
Department of Transportation	Local parades
Air Pollution Control Authority	Bonfires
Educational Service District	Teacher & Student workshops
School Board	Local Policies & Procedures/Regulations
Principal	CEO/CFO in Monitoring ASB
Associated Student Body	ASB Constitution, Leadership, Activities, Programs, Finance
School Clubs, Classes, Sports	Projects and Activities
Private ASB	Scholarships, Charities, Charitable Fundraising

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INTRODUCTION

The Board of Directors of each school district and its designees are responsible for the protection and control of the financial resources of the Associated Student Body Fund just as they are for other public funds placed in their custody.

The laws governing the Associated Student Body Fund, and the rules and regulations developed by the Superintendent of Public Instruction pursuant to those laws provide the legal and procedural framework for the Board of Directors of each school district to administer the Associated Student Body Fund.

WAC 392-138-013 requires the Board of Directors to approve the constitution and bylaws of each Associated Student Body in the District and establish policies and procedures which:

- Identify program activities.
- Establish an official governing body.
- Authorize methods and means to raise and acquire moneys.
- Designate a primary advisor to each Associated Student Body.
- Determine the purpose for which Associated Student Body moneys shall be budgeted and disbursed.

ACTIVITIES

The Board of Directors activities may include, but are not limited to:

- Establishment of all policies and procedures related to the Associated Student Body.
- Approval of all Associated Student Body fees and fee waivers.
- Approval of all Associated Student Body expenditures.
- Approval of the Associated Student Body budget.
- Approval of a list of appropriate fundraisers.
- Approval of all Associated Student Body constitutions and by-laws.
- Approval of all clubs and class accounts and all athletic activities.

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PURPOSES

- To comply with formal requirements for organizing Associated Student Bodies and establishing an Associated Student Body program fund.
- To provide for the efficient administration, management and control of money, records and reports of the Associated Student Bodies organized in the school district.
- To encourage the supervised self-government of Associated Student Bodies. The Board of Directors should develop policies and procedures to promote this goal.

Final approval of Associated Student Body activities rests with the Board of Directors, but the students determine what activities will constitute the Associated Student Body program. Although no student activity may be a part of the Associated Student Body program without the approval of the Board of Directors, the board has no power to initiate Associated Student Body activities.

Parent Groups and Other School Support Organizations:

A Guide for School Personnel and Parents

Bill Williams, Attorney-at-law (Inactive)¹

INTRODUCTION

This paper is intended to present a general overview of the major questions to which school personnel who work with parent support groups², as well as the leaders of such groups, should be able to answer to fulfill their duties. The information provided is current as of January 15, 2017, and most of the important points are accompanied by citations to the relevant statute, rule or case law. However the applications of the general principles outlined in this paper may depend on the specific facts and contexts of individual situations. Accordingly no statement in this paper should be considered as legal advice, and readers are strongly encouraged to consult with legal counsel with respect to any particular issue with which they are concerned.

IS THE GROUP INCORPORATED?

Most parent support groups in Washington are incorporated as nonprofit corporations. A corporation is a legal entity that is separate from the individuals who create it and operate its functions. If the corporation has members, it is also separate from those members. It can conduct business, hire staff, contract, sue, and obtain insurance in its own name—in short it can do anything that an individual can do (and as discussed below, a nonprofit corporation can do some things that an individual cannot legally do). It is a “person” as that term is used in Washington statutes.³ This means that it is subject to legal requirements including criminal prohibitions⁴ just like a human being.

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² The term “parent support groups” is used throughout this paper to refer to organizations that are typically composed of parents who come together to support the school or school community that their own children attend. Such groups may describe themselves in a variety of ways -- PTAs or PTSAs (if chartered by the Washington State PTA), parent-teacher organizations (PTOs), booster clubs, etc. In this paper the term “parent support group” should be read as referring to any such group, regardless of its name.

³ RCW 1.16.080(1)

⁴ RCW 9A.04.110 (17); see also *State v. Truax*, 130 Wash. 69, 226 P. 259 (1924) (a corporation can be charged with a crime punishable by a fine, but not if the crime is punishable only by imprisonment, because a corporation cannot be imprisoned.) Almost all Washington criminal statutes include fines as possible punishments for violations.

WHY DOES IT MATTER?

Because a corporation is a separate legal entity it—and not the individual officers, employees or volunteers—is liable for damages caused by acts of such individuals taken on behalf of the corporation as long as they are acting in good faith and within the scope of their authority. Incorporation as a nonprofit also allows the organization to conduct certain kinds of activities and/or receive certain benefits that would not be available to individuals.

A secondary benefit of incorporation can be its continuity—it can and does exist long beyond the lives of the individuals involved with it. This is particularly important for parent support groups because the parents’ interest tends to move with their children from school to school and ultimately dissipate when their children graduate.

If you are unsure whether a group is incorporated, you can determine whether it is incorporated on the Secretary of State’s website, <https://www.sos.wa.gov/corps/>.

WHAT IF THE GROUP ISN’T INCORPORATED?

If a group of parents come together to take action to support students and are not incorporated they will be considered for legal purposes to be an unincorporated association. Some unincorporated associations are well-organized and continue in operation over a long period of time. Others fade away as the individuals involved move, move on to other things or lose interest.

The major differences between an unincorporated association and a nonprofit corporation are (1) unlike a corporation, the members of an unincorporated association are individually liable for all actions of the association⁵; (2) there are no formal requirements to create an unincorporated association, and as a result the individuals involved may not even be aware that they are part of such an entity. Most of the legal requirements for nonprofit corporations (other than the annual filing with the Secretary of State’s Corporations Division) also apply to unincorporated associations; however some of the privileges available to nonprofit corporations are not equally available to unincorporated associations.⁶

PROFIT vs. NONPROFIT CORPORATION: WHAT’S THE DIFFERENCE?

Sometimes people have the mistaken belief that a nonprofit corporation should never earn a profit from its activities, i.e. that all funds received or raised during the year should be spent during the year in which they were raised. That is not accurate. A nonprofit corporation, like most people and certainly most businesses, must have funds on which to operate, and that includes making a “profit” in the sense that income exceeds expenses during the fiscal year.

⁵ *Nolan v. McNamee*, 82 Wash. 585, 144 P. 904 (1914) (all members of an unincorporated association are liable for the debts of the association).

⁶ For example, as discussed more fully below at page 9, nonprofit corporations can, under certain circumstances, engage in gambling activities, even though individuals engaged in identical activities would be committing a crime.

Doing so allows the nonprofit to pay its expenses at the beginning of the next fiscal year and to build up a reserve to cushion against unanticipated expenses or fundraising challenges in subsequent fiscal years.

The difference between a for-profit corporation and a nonprofit corporation is that while a for profit corporation is owned by its shareholders – who share in its profits either through dividends or sale of stock -- no one “owns” the assets of a nonprofit corporation, and no one individual receives a part of its earnings, or “profits.”

HOW IS A NONPROFIT CORPORATION ESTABLISHED?

Creating a nonprofit corporation is fairly easy. The organizing document is called the “Articles of Incorporation.”⁷ There are forms on the Washington State Secretary of State’s website (<https://www.sos.wa.gov/corps/Forms.aspx>) that can be filled out, signed and mailed to the Secretary of State’s office along with the filing fee (currently \$30). There is also an online option that offers expedited processing for a fee of \$50.

WHO DETERMINES THE RULES GOVERNING A NONPROFIT CORPORATION?

The governance of a nonprofit corporation is determined by its individual Articles of Incorporation, its bylaws and in a few instances by state law. PTAs and PTSAs operate under a uniform set of bylaws established by the Washington State PTA.⁸ Other parent support groups establish their own set of rules either in the Articles of Incorporation or bylaws, including whether to have members; what voting rights, if any, members will have; the size and composition of its board of directors; the method of selecting officers; the necessary quorum in order for the board or the membership to conduct business, and other items that the organizers deem appropriate.

WHAT ARE A NONPROFIT CORPORATION’S CONTINUING REQUIREMENTS TO KEEP ITS CORPORATE STATUS?

Board of Directors

A nonprofit corporation is governed by the board of directors, and either the Articles of Incorporation or the bylaws should spell out the number and terms of the board members. Board members of any corporation – whether a for-profit or a nonprofit -- have a special level of responsibility that is called the “fiduciary responsibility” to make sure that they are acting in the

⁷ RCW 24.03.025, .145 - .150. Note that if the nonprofit wants to apply for a federal tax exemption, its Articles of Incorporation must include certain language about its purposes and the disposition of any assets if the corporation is dissolved. Federal tax exemptions are discussed below at pages 5-6.

⁸ The current versions of the PTA Bylaws are at http://www.wastatepta.org/new/WSPTA_Bylaws_2016-17.pdf. (viewed on January 15, 2017).

best interests of the corporation.⁹ If board members do not comply with these duties and the corporation is financially harmed, the board members can be held personally liable. However, this does not mean that board members are responsible for errors or mistakes that are made in good faith.¹⁰

These fiduciary duties that all board members have include the duty of to act in good faith and exercise reasonable care¹¹ in making decisions or acting on behalf of the corporation; to be loyal¹² to the corporation; and to be obedient to the corporate mission and purposes.¹³

While the task of complying with various requirements of the corporation can be assigned to individual board members, officers or others, all board members remain responsible for making sure that the nonprofit is operating within the bounds of the law and in the best interest of the corporation.

Officers

A nonprofit corporation must have a president, at least one vice-president, a secretary and a treasurer.¹⁴ The terms, manner of election and removal and qualifications should be set forth in the Articles of Incorporation or in the bylaws. Offices can be combined except that state law prohibits the combination of the president and secretary. Typically the officers are members of the board of directors, but that is not a requirement.

Annual Report

A nonprofit corporation is required to file a report (and pay a fee) with the Secretary of State's office at any time there is a change in officers or the registered agent, and in any event at least

⁹ The fiduciary duties of members of a nonprofit's board are the same as to those of the directors of a for-profit corporation.

¹⁰ *Para-Medical Leasing, Inc. v. Hangen*, 48 Wn.App. 389, 394, 739 P.2d 717 (Div. 1 1987), quoting *Nursing Home Bldg. Corp. v. DeHart*, 13 Wash.App. 489, 498-99, 535 P.2d 137, review den'd, 86 Wash.2d 1005 (1975). ("[T]he law will not hold directors liable for honest errors, for mistakes of judgment, when they act without corrupt motive and in good faith, that is, for mistakes which may properly be classified under the head of honest mistakes. . . . This rule is commonly referred to as the 'business judgment rule.'")

¹¹ *Senn v. Northwest Underwriters, Inc.*, 74 Wn.App. 408, 415, 875 P.2d 637 (1994) (The fact that an officer did not inform herself of the activities being taken by the corporation does not excuse her liability for defalcations.)

¹² *Rodriguez v. Loudeye Corp.*, 144 Wn.App. 709, 722, 189 P.3d 168, (2008) ("The duty of loyalty mandates that the best interest of the corporation and its shareholders takes precedence over any interest possessed by a director ... and not shared by the stockholders generally.") (*internal punctuation and citations omitted*).

¹³ *In re Manhattan Eye, Ear & Throat Hosp.*, 186 Misc.2d 126, 151-2, 715 N.Y.S.2d 575 (1999)(It is axiomatic that the board of directors is charged with the duty to ensure that the mission of the charitable corporation is carried out. This duty has been referred to as the "duty of obedience." It requires the director of a not-for-profit corporation to be faithful to the purposes and goals of the organization, since unlike business corporations, whose ultimate objective is to make money, nonprofit corporations are defined by their specific objectives: perpetuation of particular activities [is] central to the raison d'etre of the organization.") (*internal punctuation and citations omitted*).

¹⁴ RCW 24.03.125

annually during the month in which the corporation was originally incorporated.¹⁵ Financial institutions sometimes rely on the current information on the Secretary of State’s website as evidence of the current officers when adding or deleting signers to the organization’s account(s).

Registered Agent

The nonprofit must designate a “registered agent”, i.e. the person or organization to whom all official notices will be sent and where legal papers can be served.¹⁶ The initial designation of a registered agent should be in the Articles of Incorporation, and the registered agent should be listed in any subsequent report filed with the Secretary of State’s office. Designation of a registered agent will also be required for purposes of filing tax returns with the IRS. The person or entity that is selected as registered agent should be reasonably available at all times so that important notices or requests from government agencies are not neglected.¹⁷

Record Keeping

By statute, a nonprofit corporation is required to keep certain records, including (1) current articles and bylaws; (2) membership information (if there are members); (3) financial statements; (4) officers’ and directors’ information; and (5) minutes of meetings of the board and of members (if any).¹⁸ These records should be maintained either by the secretary of the nonprofit corporation or by the registered agent. If the corporation has members, these records are available by law to inspection by a member of 90 days standing for a purpose reasonably related to membership interests.¹⁹

HOW DO I DETERMINE WHETHER A PARENT GROUP IS COMPLYING WITH THESE REQUIREMENTS?

As noted in the preceding paragraph, anyone who has been a member of the nonprofit for at least 90 days has the right to review certain corporate records, so if you are a member, the first thing to do is ask to see the corporate records, which should provide sufficient information to determine whether the group is in compliance with state law.

¹⁵ RCW 23.95.255(2)(4). WAC 434-112-060.

¹⁶ RCW 23.95.415.

¹⁷ Parent groups should be cautious about using the school or school district with which they are affiliated as their designated agent. First, they should make sure that the school or school district consents to serve in that capacity. Second, and more importantly, care should be taken to make sure that there will be someone at the address that is listed who knows what to do when notices addressed to the parent group are received. In that same vein, listing an individual runs the risk that the person named may move or not forward notices to the appropriate person to respond. If that happens, important deadlines could be missed to the detriment of the parent group. One of the services provided by Washington State PTA is to serve as registered agent for local PTAs and PTSAs at no additional charge.

¹⁸ RCW 24.03.135

¹⁹ *Ibid.*

If there's no response, or you don't know who to ask, the Secretary of State's website has current information on the status of any nonprofit corporation registered in Washington State. To find the status of a particular corporation, go to www.sos.wa.gov, then on the list on the left hand side of the page click on "Corporations." That will open a page that has a "Corporation Search" function. Enter the name of the nonprofit (or your best guess as to its name) and you should receive a list of corporations (profit and nonprofit) meeting the search criteria, along with whether the corporation is "active" or "inactive."

If you click on the nonprofit's name, you can see additional information, including its Uniform Business Identifier or UBI (this is the tax identification for state purposes), and the date on which it would become inactive if the required annual report is not filed. Click on "View More Information" and you can see the names and addresses of the officers and the registered agent. There is also the option of purchasing copies of various corporate documents via the website, and some historical documents made be accessed through the Archives Division of the Secretary of State's Office.

ARE NONPROFITS EXEMPT FROM PAYING STATE SALES AND BUSINESS TAXES?

Nonprofit corporations pay state sales tax on items they buy for their own use just like any other person purchasing such goods in Washington. On the other hand, if a nonprofit is buying items for resale, it can obtain a reseller's permit and avoid paying sales tax at the time of purchasing the items.²⁰ A nonprofit that obtains a Consolidated Business License will usually receive a reseller's permit automatically.²¹

When a nonprofit corporation sells items as part of a "fund raising activity" that is not a "regular place of business" it is NOT required to collect sales tax.²² The proceeds of such sales are likewise exempt from Washington's business and occupation (B&O) tax.²³

However when a nonprofit operates a "regular place of business", i.e. a retail operation that is operated on a regular schedule, sales are subject to the retail sales tax and the B&O tax. There is a small business credit that, as a practical matter, means that retail sales of less than \$89,000 per year are not subject to payment of B&O taxes.²⁴

State tax returns are filed and taxes are paid either quarterly, semi-annually or annually, depending on the level of revenue. For most nonprofits the report is due annually no later than

²⁰ RCW 82.08.130; *see also* WAC 458-20-102 for regulations relating to reseller permits.

²¹ WAC 458-20-10201 (204)

²² RCW 82.08.02573

²³ RCW 82.04.3651

²⁴ WAC 458-20-104. This allowance is a credit, not an exemption, which means the group still has to file information about its activities with the Department of Revenue, and then claim the credit against any tax that otherwise would be due.

January 31st of the following year. Information about state tax laws is available from the Washington Department of Revenue (<http://dor.wa.gov/Content/Home/Default.aspx>).

DO NONPROFIT PARENT GROUPS PAY FEDERAL TAXES?

A nonprofit corporation is subject to the federal income tax on net corporate income unless it applies for and is granted a tax exemption by the Internal Revenue Service.²⁵ Nonprofit parent groups may apply for tax exemption under one of two different sections of the Internal Revenue Code, either Section 501(c) (3) or Section 501(c)(4). Those whose articles of incorporation state that they are organized for educational or charitable purposes can apply for tax exemption under Section 501(c) (3). Exemption under Section 501(c)(3) means that the group will not have to pay federal income tax on its net revenues²⁶, and that donations made by individuals are deductible by them as charitable contributions.²⁷ However, groups that are exempt under Section 501(c)(3) are subject to severe limitations on lobbying or other political activity.

Some parent groups are tax exempt under Section 501(c)(4) of the Internal Revenue Code, which allows them to spend their resources on lobbying; however donations to 501(c)(4) organizations cannot be claimed as tax exemptions by donors.

To qualify, the nonprofit must include certain specific language in its Articles of Incorporation, and must file an application with the IRS. Forms and information about filing are available on the IRS website.²⁸ An organization with less than \$5,000 in revenue that meets the other requirements does not need to apply to be considered tax exempt.²⁹

WHAT ARE THE ONGOING OBLIGATIONS OF A TAX EXEMPT ORGANIZATION?

A nonprofit that has been granted exemption from federal tax under Section 501(c)(3) must file an annual informational report, due on the 15th day of the 4th month following the end of the nonprofit's fiscal year, or face a penalty of up to \$100 per day for each day that the return is not filed.³⁰ In addition, organizations exempt under section 501(c)(3) must make copies of their application for tax exemption and the past three years' tax returns available on reasonable request for inspection by any member of the public, not just members of the organization.³¹

²⁵ 26 USC § 11

²⁶ 26 USC § 501(c)(3)

²⁷ 26 USC § 170

²⁸ <https://www.irs.gov/charities-non-profits/applying-for-tax-exempt-status> (viewed January 15, 2017) 26 CFR § 1.501(a)-1, The current fee is \$400 if the applicant organization anticipates having less than \$10,000 in total receipts and \$850 if the applicant anticipates receipts of more than \$10,000. https://www.irs.gov/irb/2016-01_IRB/ar14.html#d0e17916 (viewed January 15, 2017)(scroll down to Part 6, Section 6-09).

²⁹ <https://www.irs.gov/charities-non-profits/charitable-organizations/public-charity-exemption-application> (viewed January 30, 2017)

³⁰ 26 USC § 6721. More information about the annual tax return is available on the IRS website, <https://www.irs.gov/uac/e-file-for-charities-and-non-profits> (viewed January 15, 2017).

³¹ 26 CFR § 301.6104(d)-1

Most importantly, the nonprofit must assure that it continues to operate consistent with its application documents, which in effect become a contract with the IRS. Complying with this requirement means that the nonprofit must confine its activities to those set forth in the initial application, unless the nonprofit updates its statement of activities. It also means that the nonprofit may not become involved in campaigns for elected office—both partisan and nonpartisan—nor can it expend a substantial portion of its resources, including volunteer time, on lobbying.

Failure to comply with these requirements can result in the imposition of significant financial penalties and ultimately lead to the loss of the nonprofit's tax exempt status. Any income earned by the nonprofit from regular ongoing business activities that are not related to the nonprofit's charitable or educational purpose is subject to the corporate income tax, regardless of the nonprofit's tax exemption under Section 501(c)(3).³²

HOW CAN I FIND OUT THE FEDERAL TAX STATUS OF A NONPROFIT CORPORATION?

There are three options for someone seeking to determine the federal tax status of a nonprofit corporation. The first is simply to ask an officer or board member, and s/he says that the nonprofit is exempt from federal income tax, ask to see copies of the application for tax exempt status and recent tax returns. As noted above (page 7, footnote 27 and associated text) IRS regulations require that these records be disclosed to any person – not only its members – so you're entitled to see them upon request.

You can also ascertain the current status of the nonprofit via the IRS website, www.irs.gov. Type "charities" into the search field, and then click on the link titled "EO Select Check." Follow the directions and you can find out whether the nonprofit is currently tax exempt or has had its tax exempt status revoked. Note that the search will identify any current or previous registered tax exempt organization that has any variation of any of the words in the search field, so be as precise as possible in making your search.

The third resource is a free website, www.guidestar.org. This nonprofit website contains information about nonprofits including access to copies of tax returns the organization has filed. To access this information requires setting up a free account, and there is no charge for locating or downloading information. Note that there is a lag time between when returns are filed with the IRS and when they're made available on GuideStar, so you may not be able to see the most recent return. Also, GuideStar does not have access to 990N returns filed electronically.

³² 26 U.S.C. §511.

DO PARENT GROUPS HAVE TO REGISTER UNDER THE WASHINGTON STATE CHARITABLE SOLICITATIONS ACT?

Any person (including corporations and associations) that collects funds from the public—including membership dues, donations, sales of items, etc.—for charitable or educational purposes is required to register with the Washington Secretary of State under the Washington Charitable Solicitation Act.³³ There is an exemption for organizations that are operated entirely by volunteers and collect less than \$50,000 during its fiscal year,³⁴ but there is an optional registration available online for free for those exempt organizations.³⁵

Registered organizations are required to file an annual renewal with the Secretary of State's office no later than eleven months after the end of its fiscal year.³⁶ The financial statement included in the annual renewal must be reviewed by the organization's board of directors.³⁷ Whether required to be registered or not, all organizations are required to abide by certain statutory limitations on how funds are solicited.³⁸

DO PARENT GROUPS NEED A LICENSE TO OPERATE FUNDRAISING ACTIVITIES THAT CONSTITUTE GAMBLING ACTIVITIES?

Under Washington law, any activity that involves (1) a prize that is awarded (2) on the basis of chance among (3) persons who have given valuable consideration in order to participate is considered a lottery.³⁹ Consideration need not be of a monetary value, but can include visiting a store to obtain a free ticket for a drawing.⁴⁰ Washington statutes set forth specific regulations about when and under what circumstances gambling activities can be conducted—some can be conducted by a “bona fide charitable or nonprofit organization”⁴¹ without a license while others require a license, and some cannot be conducted at all.

³³ See, generally, RCW 19.09

³⁴ WAC 434-120-100(2)(b). There is also a registration requirement for professional fundraisers, but it only applies to those who are paid for fund raising activities.

³⁵ WAC 434-120-110. The main advantage of the optional registration is that organizations that give grants often require that their grantees be registered, even though they are legally exempt from the registration. The optional registration satisfies such a requirement.

³⁶ WAC 434-120-140(2)(a)

³⁷ RCW 19.09.075(2)

³⁸ RCW 19.09.100

³⁹ *State ex rel. Evans v. Brotherhood of Friends*, 41 Wn.2d 133, 150, 247 P.2d 787 (1952) (“Three things are necessary to constitute a lottery, viz., prize, chance, and consideration.”)(Citation and quotation marks omitted). See also *Society Theatre v. City of Seattle*, 118 Wash. 258, 203 P. 21 (1922); *D’Orio v. Jacobs*, 151 Wash. 297, 275 P. 563 (1929).

⁴⁰ *State ex rel. Schillberg v. Safeway Stores, Inc.*, 75 Wn.2d 339, 450 P.2d 949 (Wash. 1969)

⁴¹ RCW 9.46.0209. Under a close reading of this statute it is not clear that a school ASB would qualify as a “bona fide charitable or nonprofit organization” but the Gambling Commission has issued licenses to ASBs, indicating that it considers ASBs as qualifying organizations for this purpose.

Organizing or conducting a gambling activity that is not conducted in accordance with the state gambling act is “professional gambling.”⁴² Engaging in “professional gambling” is a crime with the maximum penalty of ten years in prison and a fine of up to \$20,000.⁴³ Information about legal gambling activities and licensing requirements is available from the Washington State Gambling Commission (<http://www.wsgc.wa.gov/>).

ARE THERE REQUIREMENTS UNDER THE STATE LIQUOR LAWS THAT MIGHT APPLY TO A NONPROFIT PARENT GROUP?

Parent groups occasionally conduct fund raisers at which alcohol is served. Such events can never be allowed to be conducted on school premises.⁴⁴ In addition, unless the premises and/or the caterer for such a fund raiser are licensed to serve liquor, the parent group must obtain a “special occasion license” from the Washington Liquor & Cannabis Board.⁴⁵ The requirement for a license also applies to auctions where alcohol is included in items being auctioned. A separate permit is required if alcohol is to be offered as a prize in a raffle.⁴⁶ More information about liquor licenses is available from the Washington State Liquor & Cannabis Board (<http://lcb.wa.gov/>).

WHAT ARE THE MAJOR POTENTIAL RISKS TO A NONPROFIT PARENT GROUP AND HOW CAN THEY BE MINIMIZED?

Bank Accounts

Generally a nonprofit will have one or more bank accounts where its funds are deposited. Opening an account in a financial institution requires either a Social Security Account Number (SSAN) of an individual or an Employer Identification Number (EIN) issued in the name of the organization by the Internal Revenue Service. Using an individual’s SSAN is dangerous because it would place the individual at risk of having his/her identity stolen and s/he would likely have to pay federal income tax on any interest received because of the funds belonging to the organization. It is highly recommended that the organization obtain an EIN instead of using an individual’s Social Security Number.

Contrary to what its name suggests, an EIN does not mean that the organization has to actually be an employer—the EIN is simply the federal government’s means of identifying entities other

⁴² RCW 9.46.0269

⁴³ RCW 9.46.220-.222, 9A.20.021

⁴⁴ RCW 66.44.100 (prohibiting consuming alcohol in a public place) and RCW 66.04.010(36) defining “public place” as including “buildings and grounds used for school purposes.”

⁴⁵ RCW 66.24.380, WAC 314-05-020. There is also a “banquet permit” that allows alcoholic beverages to be served free of charge at invitation-only events that are not advertised to or open to the general program. See *generally* Chapter WAC 314-18. Most fundraising events conducted by nonprofits are not by invitation only and therefore would not qualify for or require a banquet permit.

⁴⁶ RCW 9.46.0315, WAC 314-38-040,

than individuals for tax-related purposes. The easiest way to obtain an EIN is to apply via the online application process.⁴⁷

No Credit or Debit Cards

Most financial institutions offer account holders the convenience of withdrawing funds via use of a debit card and/or through online transfers. It is strongly recommended that nonprofits operated by volunteers avoid these options in order to minimize the risk that the account might be “hacked” or that funds are diverted to purposes unrelated to the nonprofit.

No intermingling nonprofit’s fund with personal funds

Having one of the members deposit funds belonging to the nonprofit into her/his personal account is extremely ill-advised. Not only would such a step increase the risk of theft or misappropriation, it would run the additional risk that the funds could be taken to pay debts of the individual.⁴⁸

Accountability for funds

Nonprofits’ reliance on volunteers makes them particularly vulnerable to having their funds mismanaged. This can undercut the credibility of the nonprofit with its members and/or contributors, and can result in diversion of nonprofit funds from the purposes for which they were raised.

To minimize the risk of such diversion, the nonprofit should put in place reasonable policies and procedures specifying how funds will be handled, what financial records will be maintained, and how frequently the board of directors will receive financial reports. It is strongly recommended that such procedures include having, at a minimum, the following elements:

- at least two people count any cash receipts at fundraising events with each keeping a copy of the resulting tally; and
- a board member who is not an authorized signer on the nonprofit’s bank accounts review bank and investment account statements on a regular, preferably monthly, basis and report the results of the review to the board;
- all board members receive a monthly financial report (typically prepared by the treasurer) even in months when there is no board meeting – failure to receive regular financial reports is a warning sign that board members should not ignore;
- the board establishes a committee that periodically (at least twice per year) reviews all financial records and, when appropriate, makes recommendations for improvements.

⁴⁷ <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online> (viewed January 15, 2017).

⁴⁸ See, e.g. *Chase & Baker Co. v. Olmsted*, 93 Wash. 306, 160 P. 952, (1916) (the portion of bank account funds held in trust for another can be attached by debtor of the account owner if the balance in the account has, at any time, fallen below the amount held in trust).

Although the responsibility for handling and accounting for funds can be assigned to one or more board members, typically but not always the treasurer, assuring that all funds are properly handled and accounted for is one aspect of the fiduciary duty that all board members assume by agreeing to serve.

Contractual liability

A nonprofit is liable on its contracts just like any person or other entity. Contracts can be made orally or in writing, and if the person with whom the contract is made reasonably believes that the person making the contract on behalf of the nonprofit has authority to do so, it can be enforced against the nonprofit. To guard against unwise contracting actions, a nonprofit should have clear policies about who is authorized to contract on behalf of the nonprofit and under what circumstances.

Insurance to Cover the Nonprofit's Personal Injury Liability

Nonprofits can be held liable for injuries resulting from the negligent actions of its volunteers and employees, just like any other legal entity.⁴⁹ To minimize the risk to the nonprofit's viability the nonprofit should maintain adequate liability insurance to protect its assets from such liability. Many school districts require that nonprofits using their facilities provide proof of such insurance and in some instances that the school district be named as an additional insured on the nonprofits' liability insurance coverage.

Other kinds of insurance

- **Medical payments** insurance reimburses medical expenses of persons injured at events conducted by the nonprofit without requiring a showing that the nonprofit was at fault in causing the injury.
- **Property damage** insurance will cover any property owned by the nonprofit, including items that may only be in the nonprofits' possession for a short time things such as donated auction items, spirit wear inventories, etc. School district insurance will not cover such items nor will many home owners' policies.
- **Errors and omissions** insurance protects board members from claims that they have violated their fiduciary duty to the association.
- **Fidelity bonds** will cover financial losses resulting from diversion of funds. However such bonds often are conditioned on a requirement that certain procedures for the handling of funds be followed as a condition of the insurance.

⁴⁹ *Pierce v. Yakima Valley Memorial Hosp. Ass'n*, 260 P.2d 765, 43 Wn.2d 162 (1953) (overruling prior cases holding charities immune from tort liability because the widespread availability of insurance negates the policy justification for such immunity).

OTHER RESOURCES

Washington State PTA, <http://www.wastatepta.org/>, a nonprofit that charters approximately 900 local chapters in Washington, and is affiliated with the National PTA, <http://www.pta.org/>. 1300 South Fawcett, Suite 300, Tacoma WA 98402.

PTO Today, <http://www.ptotoday.com/>, a for-profit company that sells services to parent organizations. 100 Stonewall Blvd., Suite 3, Wrentham, MA 02093.

Better Booster Clubs, <http://www.betterboosterclubs.com/>, 1601 East Highway 13, Suite 200, Burnsville, MN 55337-6848.

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INTRODUCTION

Budgeting is the process of realistically estimating the beginning fund balance the revenue and expenditures for ASB activities for the coming school year. Accuracy is important since the approved expenditure budget **cannot be exceeded**. **Excessive overestimation can be seen as a failure to be good stewards of public moneys**. A budget is a plan approved by the ASB Governing Body and the Board of Directors and sets the maximum amount of expenditures for the school year.

PROCEDURES

BUDGET DEVELOPMENT AND APPROVAL

Each ASB will annually prepare, with the guidance of the primary advisor or designee and prior to the completion of the school year, a budget for the following fiscal year (September-August). Individual activity account budgets are combined to become the preliminary ASB budget for the school. This requires documented approval by the student council, the principal, and the primary advisor.

Preliminary ASB budgets (including forms and supporting documentation) from the individual schools, after principal's or designee approval, are sent to the district office for review. After the district office approves the preliminary budgets, final forms are prepared, signed and dated by the ASB. The final forms are returned to the district office to be combined with all ASB school budgets. This becomes the District's ASB Fund Budget and is presented to the Board of Directors for approval. Once approved by the Board, this becomes the official plan for the ASB for the year. The schedule for completing the budget process is determined by the district office. The process provides for necessary student participation as stated in WAC 392-138-110.

BUDGET PREPARATION

A. Review of Accounts

Review current year ASB budget reports, considering the following:

1. Continuing Accounts – Activity accounts that are actively being used and will continue next school year.
2. Inactive Accounts – For activity accounts that are not being used, determine if the account should remain active. If so, include it in the ASB budget. If not, the student council should take action to close the account and transfer any money remaining into the general student body account according to the

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applicable constitution ensuring that all outstanding invoices are paid. Money remaining in accounts for classes that have graduated cannot be carried forward into the new school year and must be closed to a general student body account by action of the student body. (WAC 392-138-021)

3. New Account Codes – Activity account codes that are not currently in the budget and are anticipated for the next school year should be included. New activity accounts must be set up following the bylaws of the ASB Constitution by action of the student council. Contact the district office for new account codes.
4. Nonassociated Student Body Private Moneys – The Board of Directors of a school district may permit student groups to raise moneys through fundraising or solicitation in their private capacities subject to certain conditions, including prior board approval (WAC 392-138-200).

RCW 28A.325.030 permits these nonassociated student body private moneys to be held either in trust within the associated student body fund or held in a trust fund. If such funds are held in a trust fund, they are not budgeted.

If, however, the moneys are held in trust within the associated student body fund they are budgeted in the same manner as other ASB funds pursuant to WAC 392-138(1)(d) and disbursed as provided for in the approved budget (WAC 392-138-210 and WAC 392-138-110). Money the district intends to hold in trust within the ASB Fund may be budgeted in account 6000 private money in anticipation of activities that involve collecting contributions for scholarship, student exchange and charitable purposes, even if specific plans have not been set.

It is strongly recommended that you contact the district office prior to collecting contributions to review the district policy governing private money. Any contributions collected from activities that do not follow proper procedure cannot be expended for charitable purposes. (WAC 392-138-200)

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B. Activity Budgets (WAC 392-138-110)

The following items are important in developing activity budgets:

It is recommended that the fundraiser approval form be utilized to assist in the budget process. (Appendix C – Fundraiser Proposal)

1. Beginning Fund Balance as of 09-01-20XX – Estimate the fund balance available as of 08-31-20XX. Estimate all revenues, expenditures and any transfers to the end of the fiscal year. You cannot have a negative beginning balance.
2. Revenues – List estimated revenues expected during the next school year. Be sure that the estimated revenues from fundraisers include the total amount received from the sale of items, and not the net profit. For example, if you expect to collect \$5,000 for the goods that cost \$3,000, you would include \$5,000 in the revenue column and \$3,000 in the expenditure column.
3. Interactivity Transfers – List any money that may be transferred in from another activity account (+) or transferred out to another activity account (-). The source and recipient of transfer must be identified.
4. Expenditures – List estimated expenditures during the next school year. Keep in mind that you are not allowed to spend more than your total budgeted expenditures.
5. Ending Fund Balance 08-31-20XX – The ending fund balance is a residual balance. It is equal to the beginning fund balance plus revenues, plus or minus interactivity transfers, less expenditures. The ending fund balance must be greater than or equal to zero.

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C. ASB Budget

After collecting budgets from each of the activities, athletics, classes, and clubs, review for reasonableness and verify calculations. The ASB budget must then be approved by the student council, the principal, the primary advisor, and documented in the student council minutes. Depending upon your district's procedures, the budget could be compiled by the Athletic Director, the Activity Coordination, or the ASB Bookkeeper into one complete budget.

D. Submission to District Office

Submit the completed ASB budget to the district office.

For each activity, include a brief description of funding sources and expenditures. This will provide supporting information for the presentation of ASB activities for Board of Director approval (WAC 392-138-013).

BOARD OF DIRECTOR'S APPROVAL

The Board of Director's must approve the school district ASB Fund Budget before any disbursements are made.

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INTRODUCTION

Associated Student Body revenues are those fees collected from students and non-students as a condition of attendance at any optional non-credit extra-curricular event of the school district, which is of a cultural, social, recreational, or athletic nature. Also considered ASB revenue is money earned from ASB activities and any other money received by an ASB for support of the student body program.

The Washington Administrative Code states in part that all ASB money, **UPON RECEIPT**, shall be transmitted **INTACT** to the district depository bank and then to the County Treasurer. (WAC 392-138-115 and WAC 392-138-205)

If you have any questions, contact your district office.

INTERNAL CONTROLS

Cash handling involving cash registers, point of sale programs, change funds and receipt books is an integral part of the internal control system of school districts. Internal control is defined as a plan of organization, methods and procedures to ensure that monetary use is consistent with state law and with district policy; and that resources are guarded against waste, loss and misuse.

All monies should come to the ASB bookkeeper on a daily basis and under no circumstances should ASB money be left in a classroom or taken home for safekeeping, by either students or staff.

The principles of internal control are:

- Clear separation of duties and responsibilities
 1. A single employee's work must be subject to automatic verification by another, and
 2. Cash handling must be separated from record keeping
- Definite written procedures for cash handling
- Independent internal monitoring
- Keep voided receipts in numerical file
- Receipting records shall be maintained for a minimum of 6 years.

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PROCEDURES

A. Receipt Forms

Receipt forms must be standard throughout the district. **Generic receipts are not acceptable.** Receipt books should be obtained from the district supply. Cash register receipts are acceptable as an alternative to the handwritten receipt.

Items that must be included on receipt:

- Pre-numbered receipts.
- Pre-printed with district or school name.
- Date of transaction.
- From whom money is received.
- Signature of person receiving money.
- Indication of cash and/or check amounts.
- Applicable revenue codes.

B. Receipting

An authorized ASB representative shall receipt all money at the time of collection by either a District authorized receipt book, cash register, or point of sale program.

- Receipts must be issued in numeric order.
- Checks may **NOT** be cashed from ASB funds.
- Checks may **NOT** be written for more than the amount of purchase.
- ASB money may **NOT** be used to make change.
- The “Cash” or “Check” box on the receipt must be marked to indicate whether money received was in the form of cash or check. If a mixture of cash and checks is received, note the amount of each on the receipt.
- Checks must be endorsed immediately upon receipt.

Note: Do **NOT** hold any person’s check. Do **NOT** accept post-dated checks.

Hand-written district receipts are to be prepared in a minimum of two parts with copies as follows:

- Original to Customer
- Second copy is Numerical File (left in book or put in a file).

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- Voided receipts are to be noted as such; i.e., write the word “VOID” across the face of all copies and **save**. Staple payee copy to all other copies of the receipt and leave in numerical file. *Recommended Internal Control: Have a Building Administrator initial the voided receipt.*

POINT-OF-SALE COMPUTERIZED RECEIPTS

Schools can install computerized point-of-sale registers and network them within their buildings or their district. Point-of-sale registers allow all money, ASB or General Fund, to be receipted through the same register or multiple registers. Money received is separated by fund and then by the account code.

Point-of-sale registers also allow ASB and General funds to be deposited together as the computer receipts revenue to the proper fund, identifies receipts by code, individual or activity, and can offer a detailed transaction report or a summary by account code report. Cash is closed out at the end of the day and balanced to the cash drawer report. Cash, checks and credit cards are identified separately. An “on account” feature is also available.

Individuals receipting money should have their own password prior to logging on. This creates internal accountability so that transactions can be assigned to individuals. *These transactions should not be attempted without specific instructions from the district office or unless your register has been set up to receipt them.*

For voids, follow the recommendation of your software provider.

CASH REGISTER RECEIPTS AND PROCEDURES

Cash registers are an alternative method of handling cash receipts. Their use is preferable at secondary schools and in large student stores. Cash registers can process receipts quickly, summarize daily activity, and keep cash and checks temporarily secure in the cash drawer.

Change funds must be established for each register. This can best be accomplished by issuing an ASB warrant. (An ASB imprest fund check can also be used). By either method, checks must be payable to the custodian in charge. Change funds are to remain intact and must be closed out at fiscal year end by depositing the fund back to the activity from which it was issued.

All cash received must be processed through the register using the following steps:

- Count the cash.
- Ring the amount of sale into the register.

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- Enter the applicable ASB activity code.
- Enter the amount of money received. Be sure to designate cash, check, or the appropriate mix. **Checks received must be for the exact amount of purchase.**
- At this time, the cash drawer opens and the amount of change, if any, appears on the register. *Original bills should not be put into the cash drawer until the transaction has been completed.* (This is to alleviate any question about the amount of money received.)
- Count change back to customer.
- Give customer the register receipt.
- Put money in the drawer. Endorse all checks immediately upon receipt.
- Close the drawer. *The cash register drawer should remain closed between transactions.*

Money collected from pop machines, ticket sellers, or ASB activity groups (such as school stores) can be entered into the register in total and the receipt given to the person depositing the money.

At the conclusion of each day's business, a "Z" tape should total the cash register out. The tape will show the receipt total summarized by account code. Count the money in the till, the total should match the amount on the "Z" tape. Any large discrepancies must be accounted for & signed by the person(s) counting the till. Any small differences may be adjusted to a revenue account as cash "over & short" and recorded in a log for periodic review. The original change fund should be locked in the school safe for the next day's business.

A summary of the daily receipts by fund and activity should be prepared with the "Z" tape using the transmittal of district receipts form. The deposit should be prepared according to procedure and the amount of receipts deposited intact daily.

DEPOSITS

All collections are to be deposited intact daily to the District depository account. *Intact means that total cash received must match total cash deposited and total checks received must match total checks deposited.*

A. Deposit Preparation

- All checks are to be endorsed "For Deposit Only" with your building and/or district name and bank account. Each building location should have its own stamp so NSF checks can be identified.
- Be sure both school name and location code is on the front of the deposit slip.

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- Prepare deposit slip per bank and district instructions.
- Prepare deposit transmittal for the district office.

B. Reconciliation of District Depository Accounts

District office personnel will reconcile the local bank depository accounts at least once each month.

NON-SUFFICIENT FUND CHECKS

The buildings/departments will be notified when an NSF check has been received. Contact the check writer and ask for payment. If payment is received, re-deposit per your district requirements. If payment is not received, refer back to the district office. The district office will also need the activity code the check was originally receipted against.

If the district has a policy pertaining to the electronic retrieval of NSF checks, it is important to inform your parent community through the school newsletter or the student handbook, and posting that information in the school office.

If you use an electronic point of sale system, an NSF should be entered into the system. Contact the district office for further guidance.

TRANSMITTAL OF DISTRICT RECEIPTS

At the time of deposit, a summary of all receipts is reported to the District Office. Receipts are to be summarized by program and revenue code. Contact your district office for instructions.

For Handwritten receipts:

- Deposits should be listed by date and amount.
- Beginning and ending receipt numbers are to be listed.
- Receipts should be issued in consecutive order, any exceptions must be explained.
- Re-deposits should be handled according to district procedures.

CHANGE FUNDS

Schools requiring a change fund for certain activities should contact the ASB bookkeeper or the district office.

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SAMPLE CONSTITUTION AND BYLAWS OF THE ASSOCIATED STUDENT BODY

An Associated Student Body shall be formed in each school within the district whenever one or more students in that school engage in money-raising activities with the approval and at the direction or under the supervision of the district. An Associated Student Body shall be a formal organization of students, including sub-components or affiliated student groups, and each Associated Student Body program to the board of directors for approval. All property and money acquired by Associated Student Bodies shall be district funds and shall be deposited and disbursed from the Associated Student Body program fund.

CONSTITUTION OF THE STUDENT BODY OF _____ SCHOOL

Preamble

We, the students of _____ High School, with equal representation, respect, value and recognition of all students and staff, and for the promotion of good government, good sportsmanship, student activities, and the general welfare of the students of _____ High School, establish this Constitution of the Student Body of _____ High School.

Article 1. Name of Organization/Mascot & Colors

Section A. It is resolved that the name of this organization shall be the Associated Student Body of _____ High School.

Section B. The name of the mascot for all extra curricular activities shall be the _____.

Section C. The school colors shall be _____, _____, and _____.

Article 2. Purpose

The principle purpose of this organization shall be:

Section A. To unify all student organizations under one general contract.

Section B. To increase student involvement in school management.

Section C. To develop in all students an understanding and appreciation of the democratic process.

Section D. To promote mutual respect and communication.

Section E. To encourage student involvement and enthusiasm in all school activities.

Section F. To discuss and settle disputes which arise between organizations and activities.

Section G. To establish traditions & responsibilities that promote a positive atmosphere.

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Article 3. The Student Council shall have powers to:

Section A. Help make rules and/or guidelines for the betterment of the school, its life, or its interests. For example:

- Student Council
- Social Activities.
- Assemblies.
- Preservation of school and personal property.

Section B. Grant charters to clubs and organizations.

Section C. Investigate and report on matters referred to it by the student body or faculty.

Section D. Approve all student body financing and spending.

Section E. The powers of the Council are delegated to it by the principal, who shall have the power to veto any measure adopted by the council, if he/she feels the measure unreasonable, unsafe, or in violation of the Washington State Code, school policies, or law.

Article 4. Membership

Section A. The student body of the _____ High School shall consist of all the students from the ninth, tenth, eleventh and twelfth grades and the members of the faculty of those grades.

Section B. The Student Council shall be comprised of _____ executive members plus class representatives, homeroom representatives, one faculty member [list others]

Section C. The Executive Council shall consist of the following:

1. President
2. Vice President
3. Treasurer
4. Secretary

Article 5. Duties of Student Council Members

Section A. Duties of the ASB President

1. Enforce the Constitution.
2. Veto an issue with reason.
3. Receive committee reports.
4. Appoint committees.
5. Be a rep. at school related community functions.
6. Be a non-voting member at Student council meeting, except in the event of breaking a tie vote.

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Section B. Duties of the ASB Vice President

1. To fulfill the duties of the president in the president's absence or in case of resignation or incapacity of the president.
2. To be an ex-officio member of all committees.
3. To be a representative at all school related functions, in the president's absence.

Section C. Duties of the ASB Secretary

1. To keep accurate and up-to-date minutes of all regular and special student council and executive meetings.
2. To make copies of the minutes for all members of Student council and the faculty office.
3. To be responsible for all correspondence from student council and the faculty.
4. To supply members with the agenda prior to meetings.

Section D. Duties of the ASB Treasurer:

1. Approve all bills authorized by the Student Council.
2. To make financial reports and accounts for all ASB expenditures.
3. Assist with ASB finances.
4. Chair the ASB Budget Committee.

Section E. Duties of Homeroom Representatives:

1. To represent the views of the people in his/her homeroom.
2. To report all Student Council actions to the homeroom.
3. To assist in student body activities.
4. To keep an up-to-date notebook of all student council meetings and correspondence.

Section A. Major Officers:

1. President (elected)
2. Vice President (elected)
3. Treasurer(s) (appointed)
4. Secretary (elected)

Section B. Intermediate Offices:

1. Class Officers
2. Interhigh representative

Section C. Minor Offices:

1. Class representatives
2. Club representatives
3. Homeroom representative
4. Club non-representative officers
5. Class non-representative officers

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Section D. A major officer may not hold an intermediate office, but may hold one minor office.

Section E. An intermediate officer may not hold a major office but may hold two minor offices.

Section F. A student may not hold three minor offices.

Article 7. Eligibility of Student Council Members

Section A. All Student Council members must have and maintain a cumulative _____ grade point average.

Section B. Requirements for all Student Council Members during their period of service shall be:

Section 1. President, Vice President, Secretary and Treasurer must be Juniors or Seniors while holding the office.

Section C. A student must have been in attendance no less than 85% of the school year during the year he/she chooses to run for an office. Attendance requirement may be waived for certain specific conditions. Attendance at student council meetings is required. If absent, a substitute should be appointed.

Article 8. Jurisdiction over Vacant Offices

Section A. Any officer or member of Student Council missing three or more meetings without a reasonable and acceptable excuse may be suspended from the Council. Due process will be observed as related to Student Rights and Responsibilities.

Section B. Any student who drops below the required GPA shall be suspended from the office or position. Due process will be observed as related to Student Rights and Responsibilities.

Section C. In the event of permanent vacancies in offices:

Section 1. New major officers will be appointed by Student Council.

Section 1. Intermediate and minor officers will be re-elected by the group they represent.

Article 9. ASB Card

Section A. The cost of the ASB card will be determined by the finance committee, and approved by the School Board.

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Article 10. Voting

Section A. Each member of the student council is allowed one vote for the office/organization he/she represents.

Section B. A person may represent only one organization at student council.

Section C. Any student may attend a student council meeting (with teacher’s permission prior to the meeting) but may not vote unless a member.

Article 11. Meetings

Section A. The Executive Council will meet prior to every Student Council meeting to plan the agenda. All persons must request a place on the agenda at that time. Agendas will be given to all members at least two days prior to the meeting.

Section B. All Homeroom Representatives will hold a meeting before the scheduled student council meeting in order to gather input for the next meeting to report on that meeting.

Article 12. Elections

Section A. All ASB officers shall be for a twelve-month period beginning the day of inauguration and continuing to the next inauguration.

Section B. Any student who wishes to run for an office may do by filing a declaration of candidacy with the ASB Advisor.

Section C. Appointed officers include:

1. Treasurer is chosen by the faculty and confirmed by the principal.

Section D. A student may run for only ___ major position(s) each year.

Section E. A primary election shall be held for the purpose of selecting two candidates to run for each office in the general election.

Section F. All students enrolled in _____ High School have the right to vote in the ASB officers elections. Middle School students shall {shall not} vote.

Section J. Voting for officers will be held on _____.

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Article 13. Amendments to student body constitution.

Section A. A petition for an amendment must be signed by one-third of the student body and presented to the council for approval in the form of an amendment. A copy of the petition shall be presented to the Principal.

Section B. The amendment must be visibly posted for one week around campus.

Section C. Homerooms will vote on all amendments. In order to pass, the amendment must be carried by a three-fourths majority of the student body and is subject to approval by the Principal.

Article 14. Dissolution of ASB

Section A. If the _____ (complete school name) ASB was ever dissolved by the _____ (school district name and number), the ASB funds would revert to the _____ School District under the control of the District’s School Board of Directors.

Section B. WAC 392-138-021: Title to Property ~ Dissolution of an ASB. Title to all property acquired through the expenditure of an ASB’s public moneys shall be vested in the school district. In the event...the ASB ceases to exist for any reason, then (a) the school district and parent associated student body shall cease carrying any money or account on behalf of or to the credit of the organization, and (b) the records of the organization shall be retained and disposed of in accordance with applicable state law regarding the retention and destruction of public records.

Section C. The records of the school’s ASB Constitution and the ASB Council Minutes shall be kept in perpetuity (never to be destroyed) in a safe and central location and per the applicable state laws regarding retention can be sent to the state archives.

Signatures of Intended Members/Date Signed

Signature of President of District Board of Directors/Date Signed

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SAMPLE CONSTITUTION AND BYLAWS OF AN ASB CLUB

CONSTITUTION OF THE _____ CLUB OF _____ SCHOOL

Preamble

We, the students, for the promotion of good government, good sportsmanship, student activities, and the general welfare of the students of _____ High School, establish this Constitution of the _____ Club.

Article 1. Name of Organization

Section A. It is resolved that the name of this organization shall be the _____ Club of _____ High School.

Article 2. Purpose

The purposes of this organization shall be to:

Section A.

1. To create
2. To achieve

Section B.

- 1.
- 2.

Article 3. Membership

Section A. Membership in _____ Club is established by

Section B. Membership in _____ Club is maintained by

Article 4. Duties

Section A. Duties of _____ Club

1. To create
2. To assist
3. To achieve
4. To organize
5. To attend
6. To support
7. To raise funds for

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Article 5. Eligibility

Section A. To be eligible to participate in the _____ Club, all Club members must have and maintain a cumulative _____ grade point average.

Section B. Requirements for all _____ Club members during their period of service shall be required to:

Article 6. Amendments

Section A. This Constitution shall be amended by a two-thirds majority vote of the membership provided...

Article 7. Dissolution of the Club

Section A. If the _____ (name) Club was ever dissolved and there were remaining moneys in the account, the Club funds would revert to the school's Associated Student Body general account. Guidance for dissolution is per the school's Associated Student Body Constitution.

Section B. All records of the Club and Club Minutes shall be kept in a safe and central location never to be destroyed and per applicable state laws regarding retention can be sent to the state archives.

Adopted on this _____ day of _____, 20____.

By:

Approved by:

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INTRODUCTION

Personal service contracts are used to initiate an agreement with an independent contractor to provide services to the ASB. An independent contractor is a person/company, **not acting as an employee of the district**, involved in their own business contracting to provide services to the district.

Examples of services for which an ASB might require a contractual agreement are artists, performers, guest speakers, disc jockeys, musicians, assembly presentations, drama coaches, equestrian coaches, rifle club coaches, etc.

PROCEDURE

1. An employee of the District working as an employee cannot be paid as an independent contractor. Employees may legitimately have an independent business outside of their normal employee activities, but would need to ensure that other criteria are met before contracting with the District– e.g. conflict of interest, bid law compliance, district policy, etc.
2. Workers who are determined to actually be employees must be processed through the Human Resources Department (certificated/classified) and paid at a rate that has been approved for that activity by the Board of Directors.
3. All personal service contracts must have prior approval in accordance with district policy, which is usually the board of directors or their designee. Without prior approval, risk associated with services provided could create potential for personal liability to District staff. The form must include the contractors unified business identifier (UBI).
4. If the contractor has a business name and a federal ID number, all payments will be made payable to the business name.
5. Contractors need to submit requests for payment on business invoices as prescribed by district policy
6. The District business office should be contacted for additional requirements.

Contractors are required to have a UBI number issued by the Washington State Department of Revenue. If a specific contractor should challenge your request for a UBI number, you should contact your district business office.

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Independent contractors must sign a personal services contract. Check with your district business office for available forms.

NOTE: Independent contractors who will have regularly scheduled, unsupervised access to children **must** have a criminal background check, including fingerprinting. Check with your Human Resources office for information.

NOTE: Consider conflicts of interest, or beneficial interest situations, those situations where the employee may benefit or appear to benefit.

WAC 180-87-050 - Misrepresentation or falsification in the course of professional practice.

Any falsification or deliberate misrepresentation, including omission, of a material fact by an education practitioner concerning any of the following is an act of unprofessional conduct:

- (1) Statement of professional qualifications.
- (2) Application or recommendation for professional employment, promotion, certification, or an endorsement.
- (3) Application or recommendation for college or university admission, scholarship, grant, academic award, or similar benefit.
- (4) Representation of completion of in-service or continuing education credit hours.
- (5) Evaluations or grading of students and/or personnel.
- (6) Financial or program compliance reports submitted to state, federal, or other governmental agencies.
- (7) Information submitted in the course of an official inquiry by the superintendent of public instruction related to the following:
 - (a) Good moral character or personal fitness.
 - (b) Acts of unprofessional conduct.
- (8) Information submitted in the course of an investigation by a law enforcement agency or by child protective services regarding school related criminal activity.
- (9) Assessments leading to certification.
- (10) An education practitioner who aids, encourages, and/or abets another educator in any falsification or deliberate misrepresentation, including omission, of a material fact in conjunction with the acts listed above commits misrepresentation in the course of professional practice.

RCW 42.23.030 Interest in Contracts Prohibited: No municipal officer shall be beneficially interested, directly, or indirectly, in any contract which may be made by, through or under the supervision of such officer, in whole or in part, or which may be made for the benefit of his or her office, or accept, directly or indirectly, any compensation, gratuity or reward in connection with such contract from any other person beneficially interested therein.

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RCW 42.23.070

Prohibited acts.

(1) No municipal officer may use his or her position to secure special privileges or exemptions for himself, herself, or others.

(2) No municipal officer may, directly or indirectly, give or receive or agree to receive any compensation, gift, reward, or gratuity from a source except the employing municipality, for a matter connected with or related to the officer's services as such an officer unless otherwise provided for by law.

(3) No municipal officer may accept employment or engage in business or professional activity that the officer might reasonably expect would require or induce him or her by reason of his or her official position to disclose confidential information acquired by reason of his or her official position.

(4) No municipal officer may disclose confidential information gained by reason of the officer's position, nor may the officer otherwise use such information for his or her personal gain or benefit.

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The Expectations

Interest in contracts prohibited: No municipal officer shall be beneficially interested, directly or indirectly, in any contract which may be made by, through or under the supervision of such officer, in whole or in part, or which may be made for the benefit of his or her office, or accept, directly or indirectly, any compensation, gratuity or reward in connection with such contract from any other person beneficially interested therein.

RCW 42.23.070

Prohibited acts.

- (1) No municipal officer may use his or her position to secure special privileges or exemptions for himself, herself, or others.
- (2) No municipal officer may, directly or indirectly, give or receive or agree to receive any compensation, gift, reward, or gratuity from a source except the employing municipality, for a matter connected with or related to the officer's services as such an officer unless otherwise provided for by law.
- (3) No municipal officer may accept employment or engage in business or professional activity that the officer might reasonably expect would require or induce him or her by reason of his or her official position to disclose confidential information acquired by reason of his or her official position.
- (4) No municipal officer may disclose confidential information gained by reason of the officer's position, nor may the officer otherwise use such information for his or her personal gain or benefit.

WAC 180-87-050

Misrepresentation or falsification in the course of professional conduct: Any performance of professional practice in flagrant disregard or clear abandonment of generally recognized professional standards in the course of any of the following professional practices is an act of unprofessional conduct...

The Components

The Law - RCW & WAC

OSPI Code of Professional Conduct.

Community perceptions: They drive our voter approved funding levels (levy, bonds).

Unfavorable news articles. Public education can be a target for the media and the perception of wrongdoing makes great press. *A negative headline in a local paper about a neighboring school district taints your district's image too.*

Purchasing actions protested at board meetings.

Community members express lack of trust of managing funds.

Un-informed staff and parents.

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The Issues

Administrator hired family members and paid them through ASB.
 Coaches get free meals at McDonalds if they take athletes there.
 Supervisor **required** employee to sell fundraising items for family member.
 Teachers get cash from the Parent Support Group.
 Bonus rewards from vendors kept personally, e.g. Entertainment Books.
 Teacher selling items at school and keeping the profits.
 Parent Support Groups using district-buying power.
 Staff using school equipment at home or other business.

Legal But Inappropriate

Wearing school logo shirts to establishments that do not reflect district standards
 Driving a district vehicle to the store or eatery
 Dating employees of contractors that do business with the District
 Attending highly visible recreational events with vendors. Close friendship with a vendor
 Coach's family has exclusive access to gym or pool

GENERAL STATE REQUIREMENTS

- A. By state law, all school districts are required to have policies in place regarding ASB Funds and accounts.
- B. ASB money is considered to be “public money”, (that is money generated by a public institution) and is therefore subject to close scrutiny and review in regard to record keeping and financial records (State Auditor’s Office).
- C. ASB officers, with the guidance and supervision of the primary advisor, develop an ASB operating budget annually with projected income and expenses for the next school year. This is accomplished each spring.
1. **All** ASB, Clubs, Classes, & Athletics participate in the budget process.
 2. **All** ASB, Clubs, Classes, & Athletics must provide the Student Council information so that an informed fiscal decision can be made for the allocation of funds in building the annual budget (expenses, income, etc.)
 3. The Student Council approved ASB budget is then submitted to the building Principal. After Principal approval, it is then submitted to the business office and lastly the school district’s Board of Directors has final approval of the ASB budget.

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- D. The use of any ASB funds must be for *current Students* of the schools ASB
- All expenditures require prior approval. If using the ASB Purchasing Form, it keeps all required information together.
 - Meeting minutes from the ASB Council and Club must show the discussion and voted on approval of the expenditure. Minutes need to be available upon request. Council meeting minutes are permanent record and need to be held indefinitely.
 - School District Board Policies and Procedures, District Business office, along with Local, State and Federal law are to be upheld by building administration, bookkeeper and district business services office.
 - All ASB fees must have School Board approval

WASBO ASB PROCEDURES MANUAL	FUNDRAISING - CHARITABLE (PRIVATE MONEY)	REVISED 7/17
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INTRODUCTION

Student fundraising activities are governed by RCW 28A.325.030. The statute clarifies the difference between activities to raise public funds, such as money for school sports programs and school clubs, from fundraising activities which result in private money for charitable causes.

The statute includes a provision to permit student groups **in their private capacity** to conduct fundraising activities for scholarships, student exchange programs or charitable purposes. If certain conditions are met these funds are considered **nonassociated** student body funds (WAC 392-138-010) and are not public money under section 7, article VIII of the state constitution.

REQUIREMENTS (RCW 28A.325.030, WAC 392-138-200, 205, 210)

Board policy must be in place defining the scope and nature of allowable fundraising and must include provisions to ensure appropriate accountability for these funds.

Funds must be held in trust by the school district and accounted for separate from public money.

- The 6XXX account is used for Charitable/Private Money (if your district's charitable/private money is less than 5% of your district's annual ASB expenditures.)
- District private purpose trust fund (if it exists) may also be used.

Contact your district office for more information.

Budget approval and capacity is required if deposited to the ASB funds. No budget is required if using a trust fund.

Notice must be given to potential customers identifying the intended use of the proceeds. The notice shall also state that the proceeds are non-associated student body funds to be held in trust by the school district exclusively for the intended purpose.

Deposit and investment practices follow the same requirements as public funds of the district. All money must be receipted, deposited intact and transferred to the county treasurer.

Direct costs of the fundraiser are withheld by the district or otherwise compensated.

Pre-approval for disbursement is required by the ASB or other authority designated in school

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district policy or procedures.

Use of funds must be only for the advertised purpose. Examples of charitable fundraisers may include: funding scholarships and student exchange programs, assisting families whose homes have been destroyed, supporting bonafide charitable organizations, community projects. Charitable purposes do not include any activity related to assisting a campaign for election of a person to an office or promotion or opposition to a ballot proposition.

CONSIDERATIONS

Raising Enough - There is risk of not raising enough to cover the cost of the activity. This can be problematic since district/public funds CANNOT be used to finance the event. Plan carefully to ensure a profitable event. Running a second fundraiser would be an option to breakeven.

Nonprofit Organizations - Some nonprofit organizations desire to use students and class time to raise funds for their cause. Districts need to review the activities and determine if they are consistent with the district mission and policies. It is recommended that charitable fundraising be done outside of the class day.

Accepting Checks - If accepting checks, wait until all deposits have cleared before remitting proceeds. Checks that are returned as “non sufficient funds” must be deducted from the amount available. Matching donations may arrive late and must be processed in the same manner as the other donations.

Prizes, Commissions, Incentives - Consider whether prizes, commissions, and incentives will be permitted in conjunction with charitable fundraising. Some districts have taken the approach that student involvement in these types of events should be the result of the student’s desire to participate in a good cause. These types of expenses may also lessen the amount available for the charitable purpose. ASB funds cannot be used to support private charitable functions.

WASBO ASB PROCEDURES MANUAL	FUNDRAISING	REVISED 7/17
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INTRODUCTION

The following procedures for fundraising are necessary to ensure accounting controls in accordance with Generally Accepted Accounting Principles and a good internal control system.

Advisors and staff should be trained on fundraising procedures prior to any fundraising activities taking place.

See the Appendix for Fundraising forms.

PROCEDURES

A. Procedures Prior to Sale

1. The fundraiser must be a type approved by the School Board. The student government, according to the constitution, and the school principal, or designee must approve all fundraising. Complete a fundraiser intent form and check with the district office about their notification requirements for fundraisers.
2. If the fundraiser is done on a “one time” basis or not considered a “regular” business operation, the fundraiser may be exempt from WA State Sales Tax. If so, a district re-sale certificate needs to be sent to the vendor.
3. Put the fundraiser on the master calendar. A timetable shall be established for the starting and ending dates of the fundraiser, preferably no longer than 2 weeks. Depending on the type of event, a shorter time frame may be more appropriate and successful.
4. A selling price shall be established for the merchandise.
5. A district approved purchasing method shall be issued to the vendor.
 - a. A written agreement should be made with the vendor to ensure that unsold merchandise can be returned for credit. If merchandise cannot be returned, have a plan in place for leftover merchandise.
 - b. Consideration should be given to whether or not bid laws apply.
6. At the time merchandise is received from the vendor it shall be counted, signed for, and secured until it is checked out to the students.

WASBO ASB PROCEDURES MANUAL	FUNDRAISING	REVISED 7/17
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7. The students shall be informed that they are responsible for all merchandise checked out to them. A parent approval letter is recommended. (See appendix)
 - a. The board should adopt a policy that students who do not return the unsold merchandise or cash received from sale of the merchandise will be assessed a fine.
 - b. This fine should be equivalent to the retail value of the merchandise.

B. Procedures During the Sale

1. All merchandise should be stored in a secure area throughout the sale. The club advisor or designee should be responsible for securing the merchandise and for checking all merchandise in and out.
2. It is recommended that records be kept for individual students for accountability. (See Appendix)
 - a. Students must sign a checkout log each time he/she receives merchandise.
 - b. Students must sign the checkout log each time he/she turns in money for merchandise sold. (See Appendix)
3. Money is to be turned into the ASB bookkeeper each day from the students. If collected by a staff member, a collection log must accompany the funds for deposit. (See Appendix)
4. **Under no circumstances, should public money be taken home for safekeeping, by either students or staff, nor stored in a classroom, nor deposited to an individual's personal bank account. Money should be secured according to district policy.**

C. Procedures After the Sale

1. All student record sheets must be reconciled when students turn in money or merchandise after the fundraiser has ended and fines added to the student's record as necessary. (See Appendix for Reconciliation Sheet)
2. All unsold merchandise is to be counted and placed in a secure location. Follow your plan for unsold merchandise.
3. The Final Reconciliation Form is to be kept on file on each fund raising activity. (See Appendix)

WASBO ASB PROCEDURES MANUAL	FUNDRAISING	REVISED 7/17
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The file should include:

- a. The profit and loss analysis.
- b. Relevant documentation, that might include but is not limited to: The fundraiser intent form, copies of all vendor invoices, district purchase order(s), receipts, student records sheets (including student fines), and other district reports.
- c. A record of physical inventory of the unsold merchandise.
- d. A copy of the vendor's credit memo for the merchandise returned.
- e. A copy of the ASB interactivity transfer for the unsold merchandise transferred to the student store or other ASB club.
- f. A final reconciliation showing the profit analysis of the fundraiser. This may be on the fundraising form or by itself.

WASBO ASB PROCEDURES MANUAL	GENERAL FUND FUNDRAISING	REVISED 7/17
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General Fund Fundraising

History- On February 19, 2003, the Attorney General’s Office issued AGO 2003 No. 1, which stated that RCW 28A.320.015 authorizes school districts to undertake fundraising activities where the activity in question is related to the educational purposes served by the school district.

Guidelines:

1. There must be a school board policy

Prior to general fund fundraising, school board must adopt policies outlining the scope and nature of fundraising to be allowed. All fundraising activities allowed by the policy must either relate to an educational activity or promote the effective, efficient, and safe management of the district. It is recommended that districts develop a listing of allowable General Fund fundraising activities.

2. Must relate the fundraising activity

Districts must show a link between the fundraising activity and some specific district educational activity. It is recommended that the link to the educational activity be outlined on the fundraiser request form.

3. Clearly state that it’s General Fund fundraising

The purpose of the fundraiser must be clearly identified as being a fundraiser for the General Fund. All advertising should clearly indicate what the intended purpose of the proceeds are for, and appropriate accounting records be maintained to properly account for each fundraising activity.

4. Fundraising activities should not be combined

Districts should clearly identify whether fundraising activities are: General Fund fundraising; Associated Student Body fundraising; or Charitable, nonassociated student body fundraising. “Joint” fundraising activities (i.e. ASB and general fund) are NOT recommended.

5. It is NOT private money

Moneys raised from general fund fundraising activities are public moneys, and as such must be spent appropriately.

WASBO ASB PROCEDURES MANUAL	GIFTS/AWARDS/INCENTIVES	REVISED 7/17
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INTRODUCTION

ASB funds are designated as public funds of the school district per RCW 28A.325.020 and RCW 28A.325.030. As public funds of the district, the district must control and account for student body money within the legal parameters governing public funds. This results in certain restrictions on the use of these funds.

PROCEDURES

Some particular restrictions on the use of public money that cause confusion are:

- ASB public funds can only be used for legal and legitimate activities of the Associated Student Body.
- ASB public funds cannot be used for any personal or private use.
- ASB public funds cannot be used for anything under the general heading of gifts, including charitable donations, scholarship or student exchange.

Expenditures for charitable donations, scholarships, and student exchange may be made only from legitimate ASB private, nonassociated student body money subject to board policy and specific controls. (See Fundraising Charitable - Private Money Section.)

While it is constitutionally prohibited (Article VIII section 7) to make a gift of public funds, it is legal to give prizes or awards in recognition of achievement under certain conditions. The distinction between gifts and prizes or awards is made based upon the following:

- Cash awards and cash equivalents such as gift certificates/cards are not allowed.
- Items given to individuals should be of nominal value (check district policy for de minimis amount). For example, an inexpensive pin, plaque, trophy, or athletic sew-on patch would be allowed since they have a nominal value and no functional use or value except to the person receiving the award.
- If the item is of a personal nature and of greater than nominal value but will be retained by the Associated Student Body, it is not considered a gift. For example, spirit wear can be purchased for use during the club activities; however, individuals cannot retain them.

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- Awarding of Student Apparel

Individuals in certain groups within the District’s ASB provide leadership, encourage sportsmanship and promote school recognition and school spirit within the school setting and community. In recognition of this service, apparel that no longer has a monetary value may be awarded to these individuals.

It is also legal to give prizes in a raffle designed to raise funds for the student body, provided the money collected is at least as much as the value of the prize(s) being raffled. The ASB must own the prize prior to the start of the raffle. There are specific requirements that must be followed in holding a raffle per the Washington State Gambling Commission. (See Fundraising Section.)

Some examples of payments that have been determined to be gifts and **NOT ALLOWED** are as follows:

- Food or clothing that was purchased for a needy family. Nonassociated student body funds raised by students in their private capacities may be used for such purposes provided they are permitted by district policy. (See Charitable section.)
- Refreshments purchased for teacher or staff (non-student) meetings.

The use of ASB money for graded curricular activities is strictly prohibited. ASB money can only be used for optional, noncredit extracurricular events (which are cultural, social, recreational or athletic in nature) of the district (RCW 28A.325.010).

WASBO ASB PROCEDURES MANUAL	IMPREST FUND CHECKING ACCOUNTS	REVISED 7/17
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INTRODUCTION

An ASB imprest fund is a district checking account established at a local commercial bank to allow schools to make **minor** disbursements by check for **certain approved purchases**. Some districts are using P-Cards as an alternative to Imprest accounts.

Each school may establish an ASB imprest fund checking account up to the maximum established by the Board of Directors for the convenience and efficiency of expediting disbursement, subject to the following: (See WAC 392-138-120)

1. The maximum amount of the imprest fund checking account shall be no more than is necessary for the highest month's disbursements.
2. The imprest fund checking account shall be initiated by deposit of, and replenishment of, a warrant drawn on the school's ASB fund. (GL 200)
3. Disbursements from the imprest fund checking account must be by check and shall be restricted to payment of invoices approved by the ASB Governing Body and the ASB advisor and those allowed by the central business office.
4. All imprest requests must show evidence of student approval.
5. Imprest requests must be accompanied by forms, **original** receipts or invoices showing the exact amount requested for payment.
6. The imprest fund checking account shall be replenished at least once a month by a warrant drawn on the ASB fund in the sum total of the disbursements made in the imprest fund checking account during the preceding month.

PROCEDURES

- A. Check Signers of the Imprest Account
 - **Authorized signers are school administrators and possibly the Activity Coordinator.** The custodian of the imprest account should not be a signer on the account. Each time an administrator is replaced the bank signature card must be renewed. (If the custodian signs checks, an additional signature is required.)

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B. Opening an Imprest Fund Checking Account

- After the Board of Directors has approved an imprest fund, it is opened by issuing a district warrant from the ASB fund. The Board of Directors must approve a resolution authorizing the maximum amount of the imprest fund before the district office can establish the checking account.

C. When to Use the Imprest Fund Checking Account

- Upon direction of the district business office, a check can be written for the convenience and expediency of payment for ASB goods and services. Expenditures cannot exceed the balance of the account. District policy and procedure may determine which payments must be made through the district accounts payable system and which payments may be made through the imprest fund checking account.

Suggested uses are:

Memberships
Registrations
Dues
Deposits

(Forms must be filled out in their entirety prior to issuing a check. Forms must indicate amount due, i.e., price per team, individual, etc.)

- Restrictions on the use of the imprest fund checking account are:
 1. Bids: The district office may have bids or contracts that require products be purchased from a particular vendor.
 2. Wages: All employee wages, including those paid for student employees or temporary employees, **must** be paid through the district payroll system by district warrant.
 3. Personal Services: Independent contractors are frequently considered employees by one or more regulatory agencies. For tax purposes, payment must be made by the district accounts payable system.
 4. Sales Tax: Purchases from out-of-state vendors do not always include state sales tax since these vendors may not be registered with the Washington State Department of Revenue. By law, the district must pay local compensating tax directly to the Department of Revenue on these purchases. The accounts payable department

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will charge this tax when the imprest fund replenishment is processed.

D. How to Use the Imprest Fund Checking Account

- Each expenditure made from the ASB imprest fund checking account must show prior approval of the ASB Governing Body and the ASB advisor.
- Student approval and original itemized vendor invoices, receipts and forms must be on file for each imprest check written. These items are attached to the request for imprest check form and submitted with the replenishment to Accts Payable.
- Each check must be recorded in a check register by check number; this is easily done with computer software. All checks, including voids, must be accounted for in the register. Voided checks must be kept on file. **All voided checks must have the signature area removed.**

E. Depositing Into the Imprest Fund Checking Account

- The only deposits allowed to the imprest fund checking account are replenishment warrants and/or a return of change fund. Deposit change returned from checks written for travel expenses to the activity account.

F. Replenishing the Imprest Fund Checking Account

- An imprest fund checking account replenishment request must be completed at least once a month by statute.
- **DO NOT** overdraw an imprest fund checking account.
- The district office will issue a replenishment warrant in the name of the account custodian and school. Deposit directly to the imprest fund account.

G. Bank Statement Reconciliation

- Complete the bank statement reconciliation monthly and file according to district procedure. The bank reconciliation should be completed by someone other than the custodian of the imprest fund checking account and may be completed by the district office.

WASBO ASB PROCEDURES MANUAL	IMPREST FUND CHECKING ACCOUNTS	REVISED 7/17
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Unredeemed checks are added back into the imprest fund account after a certain period of time has passed. Check with the district office. Remember to credit unredeemed checks on the replenishment report since they were replenished previously. Record as a credit on the replenishment form by check number, payee, account code and amount

WASBO ASB PROCEDURES MANUAL	INTEREST EARNINGS	REVISED 7/17
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INVESTMENTS

Several times a month the district business office transmits the ASB funds to the county Treasurer’s office for investment. The ASB Fund earns interest from the investment of funds with the county Treasurer. Interest earnings derived from these investments should be divided proportionately between the district’s elementary and secondary schools’ ASB Funds.

ASB investment earnings must remain in the ASB Fund and are not transferable to the General Fund (WAC 392-138-115).

DISTRIBUTION

The monthly county Treasurer’s report to the district business office will indicate the month’s interest distribution for the ASB Fund. An Excel spreadsheet is an excellent way to distribute interest earnings based upon each school’s ASB prior month ending fund balance. The distribution is done at the district level usually through a Journal Entry.

Schools that have large scholarship or private donation accounts are kept in Trust Fund 70 accounts at the district level and are held at the country Treasurer’s office for investment. The Trust accounts can be “expendible” or “non expendible” based upon the initial set-up of the Trust account. Interest earnings from these Trust accounts shall be accounted for, expended, invested, and distributed based upon individual account balances at the district level usually through a Journal Entry.

RCW 28A.30.330; RCW 28A.325.030; WAC 392-138-115; WAC 392-138-200; WAC 392-138-205

WASBO ASB PROCEDURES MANUAL	INTERNAL CONTROLS	REVISED 7/17
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INTRODUCTION

Internal control is a plan of organization under which employees' duties are arranged and records and procedures are designed to make it possible to exercise effective accounting control over assets, liabilities, revenues, and expenditures. Good internal controls are designed to:

- Safeguard assets
- Ensure the accuracy and reliability of accounting data
- Promote operational efficiency
- Ensure adherence to managerial policies and state and federal statutes
- Assign accountability

WRITTEN POLICIES AND PROCEDURES

Each district should develop written policies and procedures for the ASB. Policies provide Board authorization for ASB activities. Procedures provide instructions in the correct method for processing transactions and identify critical checks and balances that must be included to ensure accuracy.

SEGREGATION OF DUTIES

Employee responsibilities should be subdivided so that no single employee is responsible for authorizing, processing, recording and reviewing a single transaction. This system helps ensure that errors and irregularities do not occur or that if they do occur, they are identified and corrected promptly. In a one-person office, it is critical that management routinely reviews and approves individual transactions to maintain the required segregation of duties. It is recommended that students be trained and perform some of these functions.

DOCUMENTATION

All ASB transactions should be promptly and accurately recorded on district authorized pre-numbered documents. The numeric sequence of documents should be accounted for.

ROUTINE RECONCILIATIONS

An independent party should routinely compare recorded figures to actual assets. Some reconciliations such as deposit reconciliations and bank reconciliations are prepared on a monthly basis by building and/or district personnel. Other reconciliations are the responsibility of an independent, outside party such as routine reviews by internal

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auditors or state examiners. All reconciliations are designed to ensure that documents accurately reflect the value of district assets.

SECURITY

Physical access to cash, checks, pre-numbered documents, fundraising products, ASB records, and other ASB assets should be limited to authorized individuals. Limited access protects assets and assigns responsibility in the event of missing items.

When an employee leaves the district or changes position, somethings to consider:

- Change the safe combo
- Alarm codes and passwords
- Keys
- Procurement/Credit Cards
- Bank Accounts/Signature Cards/Online Banking
- Accounting and Student Information System access

RECORDS RETENTION

The Washington State Division of Archives and Records Management establishes the time period for retaining all documents. Retention of documents is necessary for future review by state examiners and to provide supporting documentation for future research of previous transactions. See the Records Retention section for archiving guidelines.

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Associated Student Body Funds

Internal Controls Checklist

- Student council constitution (and bylaws) in place.
- Official minutes of student meetings kept on file, and sent to the district office for archival storage.
- Club constitutions and minutes on file.
- Student officers approve all clubs and student activities budget, fundraisers, and expenses.
- Pre-numbered tickets, receipts, or cash register receipts are always used when money is collected.
- All moneys are counted before transferring between students and staff, and verified.
- Receipts are always noted as *cash or check* accepted.
- All moneys are deposited within one working day and are intact.
- All transmittals are prepared and submitted by district policy.
- All funds are transferred on a timely basis (at least monthly).
- All NSF checks are followed up on a timely basis.
- All expenditures are used for extracurricular optional, non-credit activities that are Cultural, Athletic, Recreational, or Social in nature.
- The purpose of expenditures is noted and approved by student officers as outlined in the constitution or bylaws.
- All records of fundraisers are kept together.
- Prizes, awards, and incentives are approved and nominal in nature.
- All School District policies are followed for expenditures: Purchase orders, approval, bids or quotes.
- Petty Cash and /or Imprest accounts are documented and approved.
- Petty Cash and /or Imprest accounts are reconciled in a timely basis (at least monthly).
- A procedure is established and followed for maintaining inventories in the student store.
- All equipment purchased with ASB funds are annually inventoried and reconciled.
- The combination to the safe is changed when key staff turnover.
- All tickets are recorded in a ticket log, accounted for, and sales are compared to deposits and ticket reports.
- All fundraisers are pre-approved by students and staff.
- All fundraisers are reconciled at the end of a sale.
- All receipts, tickets, purchase orders, and other pre-numbered documents are secured, and reconciled on a regular basis.
- All funds raised as Private Moneys are restricted to use as stated by the donor.
- Procedures are in place to insure that no club, sport or activity spends more funds than it has available.
- Student officers approve monthly financial reports and budget comparisons.
- Private moneys from Parent Support Groups are clearly separated from ASB and school accounting.

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Note: Also See Ticket Sales and Student Stores

INTRODUCTION

Inventory procedures should be followed for student stores, vending machines and any fundraisers that includes selling a product. **Inventory is required for all equipment, uniforms, and any small and attractive assets.** Inventory must be performed, at the minimum, on an annual basis by students, coaches/advisors and/or the Athletic/Activities Director.

PROCEDURES

A. Order and Receipt of Goods

All merchandise must be ordered on a district ASB purchase order or by a district purchasing card. See the Purchasing section for details.

When merchandise is received, a comparison should be made between the items received versus ordered and note any differences on the packing slip or invoice. Follow your district's Accounts Payable process to ensure timely payment.

B. Safeguarding Assets

School inventory should always be stored in a locked, secured area. Only a limited number of people should have access to the storage area.

If designated people who had responsibility for keys and combinations leave the district or change positions, locks should be changed. See Internal Controls for other items to be addressed.

C. Reconciliation

1. A physical inventory of resale items should be performed monthly. Inventory can be taken less frequently for small operations like those in an elementary school. The frequency of taking inventory must be increased if significant shortages are discovered.
2. Complete an Inventory Reconciliation Form (See Appendix C).
 - Start with beginning inventory, add purchases made during the month (from vendor invoices), and deduct ending inventory. This figure

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should represent the quantity of items sold. To reconcile the quantity sold to actual cash deposits, extend the quantity sold by the selling price. This total figure should equal the cash deposited.

- All differences must be explained in writing and signed in ink.
- *Copies of all inventory forms should be available for district review.*
- If the inventory is for a fundraiser, the original monthly inventory reconciliation should be kept with the final fundraising reconciliation.

Vending Machines – District Managed

- Two people (students performing this task shall have adult supervision) shall work together stocking inventory and counting cash. Cash and the inventory log shall be given to the ASB bookkeeper or secretary. He/she will issue a receipt. This receipt shall be retained in the vending machine records.
- Expired inventory is to be removed immediately and counted as damaged/destroyed
- Inventory should be stocked and used by expiration date in relation to vending machine count timeframe.
- It is recommended that signage state “Use at your own risk/no refunds” as we have to deposit intact.
- Use item counters on vending machines to compare inventory activity to calculated inventory sold. Any significant differences in cash to sales or inventory sold to the counter shall be investigated and adequately documented.
- If a district opts not to use item counters on the vending machines, or if vendors are not able to provide counters on vending machines, it will be necessary to perform manual inventory counts on all machines and storeroom commodities.

SURPLUS INVENTORY (RCW 28A-335-180)

Check with your district office regarding district policy in the surplus of ASB items, equipment, and uniforms.

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INTRODUCTION

Parent support groups such as PTA and PTSA, in cooperation with the school administrative staff, are very helpful, needed, and can be an enriching component to the school climate. Encouragement to involve parents comes from the local school board and the superintendent. Their volunteer involvement provides added resources for both students and staff.

PTA and PTSA are proprietary names and are registered service marks. (This is the same legal status as a trademark, but is the designation used for services). Groups may only use “PTA/PTSA” if they are registered with the National Congress of Parents and Teachers and the Washington State PTA.

A PTA is not a “school-related organization.” Each PTA is a local, self-governing, nonprofit (and usually, tax-exempt) membership association with their own set of bylaws, elected officers and membership. PTA’s pass an annual budget and are subject to the Articles of Incorporation and the Bylaws, but PTA’s are also subject to the Washington State PTA to which they pay membership dues. PTA’s are encouraged to obtain 501 (C) 3 status and must carry liability insurance.

Washington State PTA offers assistance to local units. Publications such as *Washington State PTA Money Matters* and *PTA and the Law* outline the requirements for the proper handling of PTA funds and how PTAs operate.

Staff participation, cooperation and support of PTA’s are encouraged. However, employees are discouraged from holding an official position or having signature authority with a PTA due to potential conflicts of interest. (RCW 42.23)

If the PTA holds a fundraising activity at a school, on or off school district property, or involving students, **and** is conducted at the **direction or under the supervision of the PTA**, the money belongs to the PTA. See the Washington State PTA publication, *PTA and the Law*, for further clarification.

PROCEDURES

In order for these funds to belong to the PTA, **the entire activity must have been conducted at the direction and/or supervision of the PTA**. This means that the PTA must be clearly in charge of the activity, including advertising the activity.

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To determine if the PTA directed or supervised the activity, **all** of the following criteria are used:

1. If there was a contract involved, **the PTA must have signed the contract in accordance with their bylaws.** If someone else (i.e., a school district representative) signed the contract, then the activity is not a PTA activity.
2. The PTA must have been involved in the creation and planning of the activity, as well as the implementation, operation and management of the activity. It must also:
 - provide the majority of manpower for the activity through its volunteer members and not by students;
 - have a properly structured committee for the activity; and
 - provide insurance for the activity.
3. School district employees should be involved only on their own personal (non staff) time unless the employee's job description requires them to serve in an advisory capacity.
4. The activity must follow PTA guidelines which may include:
 - approval by the PTA membership or Executive board; and
 - be a part of their budget.
5. A facility use permit may be required by the school district, in accordance with district policy.
6. Moneys collected from the fundraising activity are not to be counted by school district employees, held in a district facility or school safe, or be deposited into a district bank account. Instead, money is to be counted by the designated PTA representative in accordance with its rules. It must be deposited into a separate bank account which is operated solely by the PTA.
7. When students are asked to participate in a PTA fundraiser, it must be clearly advertised that the activity is a PTA event. Students are discouraged from collecting money for the PTA. A contract between the PTA and the ASB is advisable when students are asked to work a PTA event, because it clearly defines the responsibility and distribution of the funds. If a majority of the work or sales is performed by students, or the event could not be successful without student participation, then it becomes an ASB event.
8. By Washington State PTA rules, local PTA chapters are not allowed to sponsor student athletic contests.

If the activity does not meet these criteria, then it is not a PTA activity and the money raised at the activity does not belong to the PTA.

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Donations:

PTA’s making a donation to a school should contact the building Principal to determine district policies and guidelines governing donations.

Non Profit Bulk Mailings:

Usually PTA local units and councils can qualify for a special, reduced non-profit bulk mailing permit. They would do this with the post office where their mailings will be made. The special bulk rate authorization cannot be rented, delegated or loaned to another organization. The special permit indicia is stamped in the upper right hand corner.

The school district can also have a special non-profit bulk mailing permit that is used by the local schools and Administrative departments, and this may not be loaned to the PTA or any other organization. Newsletters to parents/guardians, if paid by either the school district or the PTA, may include PTA information.

If a PTA council holds a non-profit bulk mailing permit, in addition to the district holding a non-profit bulk mailing permit, the school newsletter may include the dues membership envelope, but they cannot include commercial advertising.

For further information about postal regulations, please contact the U.S. Postal Service. They may be contacted at www.usps.com.

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INTRODUCTION

All purchases must follow district policy and procedures which require the issuance of a purchase order, or if Board approved, use of a *purchase/procurement* card.

PROCEDURES

These procedures outline issuance of purchase orders at the school level and at the district level recognizing that specific procedures may vary from district to district.

To make an ASB purchase:

1. Determine budget capacity.
2. Prior approval of ASB governing body.
3. Prepare a requisition and/or purchase order.
4. Receive approval signatures.
5. Review state bid laws and district policy.

In some cases, an employee may receive prior approval to purchase miscellaneous items with a personal check or credit card. The original receipt(s), not a charge card statement, must be attached to a district authorized reimbursement form and submitted for reimbursement accompanied by the appropriate student and administrative signatures.

Refer to WAC 392-138-125 and WAC 392-138-210 which govern disbursements by ASB's.

Contact your district office for further district purchasing procedures.

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RCW 28A.320.030	Gifts, conveyances, etc., for scholarship and student aid purposes, receipt and administration.
RCW 28A.325.010	Fees for optional noncredit extracurricular events–Disposition.
RCW 28A.325.020	Associated student bodies–Powers and responsibilities affecting.
RCW 28A.325.030	Associated student body program fund–Fund raising activities-Nonassociated student body program fund moneys.
RCW 28A.325.050	Associated student body program – Publication of information on school district website.
RCW 43.09.240	Public officers & employees-Duty to account & report-Removal from office-Deposit of collections

RCW 28A.320.030 Gifts, conveyances, etc., for scholarship and student aid purposes, receipt and administration.

The board of directors of any school district may accept, receive and administer for scholarship and student aid purposes such gifts, grants, conveyances, devises and bequests of personal or real property, in trust or otherwise for the use or benefit of the school district or its students; and sell, lease, rent or exchange and invest or expend the same or the proceeds, rents, profits and income thereof according to the terms and conditions thereof, if any, for the foregoing purposes; and enter into contracts and adopt regulations deemed necessary by the board to provide for the receipt and expenditure of the foregoing.

RCW 28A.325.010 Fees for optional noncredit extracurricular events–Disposition.

The board of directors of any common school district may establish and collect a fee from students and nonstudents as a condition to their attendance at any optional noncredit extracurricular event of the district which is of a cultural, social, recreational, or athletic nature: PROVIDED, That in so establishing such fee or fees, the district shall adopt regulations for waiving and reducing such fees in the cases of those students whose families, by reason of their low income, would have difficulty in paying the entire amount of such fees and may likewise waive or reduce such fees for nonstudents of the

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age of sixty-five or over who, by reason of their low income, would have difficulty in paying the entire amount of such fees.

An optional comprehensive fee may be established and collected for any combination or all of such events or, in the alternative, a fee may be established and collected as a condition to attendance at any single event. Fees collected pursuant to this section shall be deposited in the **associated student body** program fund of the school district, and may be expended to defray the costs of optional noncredit extracurricular events of such a cultural, social, recreational, or athletic nature, or to otherwise support the activities and programs of **associated student bodies**.

RCW 28A.325.020 Associated student bodies—Powers and responsibilities affecting.

As used in this section, an "**associated student body**" means the formal organization of the students of a school formed with the approval of and regulation by the board of directors of the school district in conformity to the rules and regulations promulgated by the superintendent of public instruction: PROVIDED, That the board of directors of a school district may act or delegate the authority to an employee of the district to act as the **associated student body** for any school plant facility within the district containing no grade higher than the sixth grade.

The superintendent of public instruction, after consultation with appropriate school organizations and students, shall promulgate rules and regulations to designate the powers and responsibilities of the boards of directors of the school districts of the state of Washington in developing efficient administration, management, and control of moneys, records, and reports of the **associated student bodies** organized in the public schools of the state.

RCW 28A.325.030 Associated student body program fund—Fund raising activities-Nonassociated student body program fund moneys.

There is hereby created a fund on deposit with each county treasurer for each school district of the county having an **associated student body** as defined in RCW 28A.325.020. Such fund shall be known as the **associated student body** program fund. Rules adopted by the superintendent of public instruction under RCW 28A.325.020 shall require separate accounting for each **associated student body's** transactions in the school district's **associated student body** program fund.

All moneys generated through the programs and activities of any **associated student body** shall be deposited in the **associated student body** program fund. Such funds may be invested for the sole benefit of the **associated student body** program fund in items

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enumerated in RCW 28A.320.320 and the county treasurer may assess a fee as provided therein. Disbursements from such fund shall be under the control and supervision, and with the approval, of the board of directors of the school district, and shall be by warrant as provided in chapter 28A.350 RCW: PROVIDED, That in no case shall such warrants be issued in an amount greater than the funds on deposit with the county treasurer in the **associated student body** program fund.

To facilitate the payment of obligations, an imprest bank account or accounts may be created and replenished from the **associated student body** program fund.

The **associated student body** program fund shall be budgeted by the **associated student body**, subject to approval by the board of directors of the school district. All disbursements from the **associated student body** program fund or any imprest bank account established thereunder shall have the prior approval of the appropriate governing body representing the **associated student body**.

Notwithstanding the provisions of RCW 43.09.210, it shall not be mandatory that expenditures from the district's general fund in support of **associated student body** programs and activities be reimbursed by payments from the **associated student body** program fund.

Subject to applicable school board policies, student groups may conduct fund raising activities, including but not limited to soliciting donations, in their private capacities for the purpose of generating nonassociated student body fund moneys. The school board policy shall include provisions to ensure appropriate accountability for these funds.

Nonassociated student body program fund moneys generated and received by students for private purposes to use for scholarship, student exchange and/or charitable purposes shall be held in trust in one or more separate accounts within an associated student body program fund and be disbursed for such purposes as the student group conducting the fund raising activity shall determine: PROVIDED, That the school district shall either withhold an amount from such moneys as will pay the district for its direct costs in providing the service or otherwise be compensated for its cost for such service.

Nonassociated student body program fund moneys shall not be deemed public moneys under section 7, Article VIII, of the state Constitution. Notice shall be given identifying the intended use of the proceeds. The notice shall also state that the proceeds are nonassociated student body funds to be held in trust by the school district exclusively for the intended purpose. "Charitable purpose" under this section does not include any activity related to assisting a campaign for election of a person to an office or for the promotion or opposition to a ballot proposition.

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RCW 28A.325.050 Associated student body program fund—Publication of information on school district website.

- (1) Each school district that has an associated student body program fund must publish the following information about the fund on its web site:
- (a) The fund balance at the beginning of the school year;
 - (b) Summary data about expenditures and revenues occurring over the course of the school year; and
 - (c) The fund balance at the end of the school year.
- (2) The information under this section must be published for each associated student body of the district and each account within the associated student body program fund.
- (3) If the school district web site contains separate web sites for schools in the district, the information under this section must be published on the web site of the applicable school of the associated student body.
- (4) No later than August 31, 2014, school districts must publish the information under this section on their web sites for the 2012-13 and 2013-14 school years. School districts must add updated annual information to their web sites by each August 31st, except that school districts are only required to maintain the information on the web site from the previous five years.

RCW 43.09.240 Local government accounting—Public officers and employees—Duty to account and report—Removal from office—Deposit of collections.

Every public officer and employee of a local government shall keep all accounts of his or her office in the form prescribed and make all reports required by the state auditor. Any public officer or employee who refuses or willfully neglects to perform such duties shall be subject to removal from office in an appropriate proceeding for that purpose brought by the attorney general or by any prosecuting attorney.

Every public officer and employee, whose duty it is to collect or receive payments due or for the use of the public shall deposit such moneys collected or received by him or her with the treasurer of the local government once every twenty-four consecutive hours. The treasurer may in his or her discretion grant an exception where such daily transfers would not be administratively practical or feasible as long as the treasurer has received a written request from the department, district, or agency, and where the department, district, or agency certifies that the money is held with proper safekeeping and that the entity carries out proper theft protection to reduce risk of loss of funds. Exceptions granted by the treasurer shall state the frequency with which deposits are required as long as no exception exceeds a time period greater than one deposit per week.

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In case a public officer or employee collects or receives funds for the account of a local government of which he or she is an officer or employee, the treasurer shall, by Friday of each week, pay to the proper officer of the local government for the account of which the collection was made or payment received, the full amount collected or received during the current week for the account of the district.

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INTRODUCTION

Public records, office files and memoranda must be retained for specific reasons and times. Below is a brief overview of some records that may be affected by the Retention Laws and Guidelines. Please refer to WAC 414-08-020, 030, 040, 050 for more detailed information on retention and destruction of records.

PROCEDURES

A copy of the WASBO Records Management Manual (2015) for School Districts and ESD's in Washington State can be found at:

http://c.ymcdn.com/sites/www.wasbo.org/resource/resmgr/Records_Mgmt/RecordsManagementManualPart1.pdf
http://c.ymcdn.com/sites/www.wasbo.org/resource/resmgr/Records_Mgmt/RecordsManagementManualPart2.pdf

The following schedule is a condensed version of the State Approved Retention Schedule. The entire Schedule can be found at: www.sos.wa.gov/archives/RecordsManagement/Records-Retention-Schedules-for-School-Districts-and-Educational-Services-Districts.aspx. The latest update is 8/11/2016.

Records Manual Series Title & Description	Secondary Description	Retention Primary Copy
Athletics	Eligibility Records	3 Years
Banking Records	Canceled Checks	6 Years
	Check Registers	6 Years
	Deposit Slips	6 Years
	Bank Statements	6 Years
Budget		Permanent
Budget Work Papers		Current and Prior Year
Cash Receipts Transmittals – Internal		6 Years
Club Constitutions		Permanent
Constitution and Bylaws		Permanent
Contracts/Agreements		Termination Plus 6 Years
Election Results		6 Years
Employee Reimbursement Forms		Current Year and Prior Year
Expenditure/Balancing Reports		Current Year and Prior Year
General Ledger		6 Years
Historical Materials	Trophies, Banners etc	Permanent

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Records Manual Series Title & Description	Secondary Description	Retention Primary Copy
Imprest Reconciliation Forms		3 Years
Inventory Reconciliations	Student Store	3 Years
	Fundraisers	3 Years
	Ticket Sales	3 Years
Invoice/Approval/PO/Contract Copies		6 Years
Meeting Minutes of Clubs & Student Council		Permanent
Petty Cash Records		6 Years
Receipt Books (hand-written)		6 Years
Requisitions (original signatures)		6 Years
Student Fee/Fine Statements		6 Years
Transmittals with Z-tapes		3 Years

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STORAGE

1. Complete a transmittal request, and after approval of the Regional Archivist, send the documents to him/her for retention. Keeping a record of all shipments made is essential. This is a preferred method since storage is done in accordance with the State.
2. Continue to retain records in a permanent storage area. Care should be taken to store information in accordance with requirements (i.e. microfiche, vaults, etc.)

DISPOSITION

1. Supervised destruction of the records. Record of destruction with the signature of witnesses should be retained.

The State Retention Manual may be downloaded at:

www.sos.wa.gov/archives/RecordsRetentionSchedules.aspx

ELECTRONIC MAIL

E-mail messages that are usually public records and must meet records retention requirements before being destroyed:

- Policy and Procedure Directives
- Correspondence or memoranda related to official public business
- Agendas and minutes of meetings
- Documents relating to legal or audit issues
- Messages which document agency actions, decisions, operations and responsibilities
- Documents that initiate authorize or complete a business transaction
- Drafts of documents that are circulated for comment or approval
- Final reports or recommendations
- Appointment calendars
- E-mail distribution lists
- Routine information requests
- Other messages sent or received that relate to the transaction of local government business

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E-mail messages that are usually administrative materials with no retention value:

- Information-only copies, or extracts of documents distributed for reference or convenience, such as announcements or bulletins
- Phone message slips that do not contain information that may constitute a public record
- Copies of published materials
- Informational copies
- Preliminary drafts
- Routing slips
- Transmittals (letters/memos)

See E-mail Guidelines on-line at Archives website:

www.sos.wa.gov/archives/RecordsManagement/Managing-Emails.aspx

Transferring Archival Records – Pg. 26 Records Management Manual

There are two methods for transferring records to the Washington State Archives; one for electronic records and one for paper records.

If the records are digital, you can work with the digital archives to transfer your records. They have made it very easy to transfer Archival Email, School Board Minutes and other born electronic records. They will provide preservation of these valuable legal and historical records as per Chapter 434-663 WAC. If you have archival electronic records to transfer to the Digital Archives, please contact them at 360-586-4901.

If the Archival records are paper, they need to be indexed and boxed up in Acid-Free Storage Boxes (see Long-Term Records). You may contact your Archives Branch for assistance.

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INTRODUCTION

A refund is a return of funds. There are two types of refunds, a refund of revenue and a refund of expenditure.

PROCEDURE

A refund of revenue is returning funds that have been previously receipted and deposited by the ASB. Sufficient documentation showing original receipt of funds must be supplied to issue a refund. A refund can be issued by imprest check or district warrant, but should never be made from current cash on hand. Consult your district office for board-authorized procedures.

A refund of expenditure is when the ASB returns merchandise to the vendor. The vendor issues a credit invoice or refund check. Consult your district office for the correct procedures to follow when this type of transaction occurs. Consult your district office for board-authorized procedures.

Refunds for receipted checks should not be issued until sufficient time has passed to ensure the check has cleared the bank. Consult your district office for board-authorized procedures.

The ASB Bookkeeper should verify which fund and account the original transaction occurred in to ensure that the refund comes from that same fund and account. (IF the revenue was deposited in a revenue General Ledger account, the refund should come back out of that same revenue General Ledger account).

Refunds must be recorded in the point of sale system or student records to ensure a double refund is not issued and proper internal controls are followed.

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ASB Resources

- Washington Interscholastic Activities Association: www.wiaa.com for their publication on ASB Fund Guidelines (click on “Publications”).
- State Auditor’s Office: www.sao.wa.gov for school district audit reports and fraud findings.
- Washington Association of School Business Officials: www.wasbo.org to download the **ASB Procedures Manual** and the **Activity Coordinator's Guide**.
- Association of Fund Raising Distributors and Suppliers www.afrds.org for tips on fund raising.
- All state agencies: www.access.wa.gov
- Internal Revenue Service: www.irs.gov for federal tax information.
- Office of Superintendent of Public Instruction: www.k12.wa.us – search for the current year Accounting Manual or search WAC’s.

Questions???

✓ *Check first with your school district business office...*

<i>Office of the Superintendent of Public Instruction (OSPI)</i>	<i>360-725-6000</i>
<i>Washington Association of School Business Officials (WASBO)</i>	<i>360-528-2025</i>
<i>Washington State Gambling Commission</i>	<i>360-486-3440</i>
<i>Washington State Auditor’s Office (SAO)</i>	<i>360-902-0370</i>
<i>Washington State Department of Revenue (DOR)</i>	<i>1-800-647-7706</i>
<i>Association of Washington School Principals (AWSP)</i>	<i>360-357-7951</i>
<i>Washington Interscholastic Activities Association (WIAA)</i>	<i>425-687-8585</i>
<i>Washington Association of Student Leaders</i>	<i>360-497-5323</i>

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A risk management plan is a document that the district Administration prepares to foresee risks, estimate impacts, and define responses to issues. It also contains a risk assessment matrix. A risk is "an uncertain event or condition that, if it occurs, has a positive or negative effect on a program's objectives."

Your school district works very hard to minimize risk, create safe school plans and procedures, hold safety drills, and respond to emergency situations, but whenever there are employees and students involved, accidents and incidents will occur. The school district has to take into consideration the safety & internal workings of all of the school buildings, including the kinds of chemicals used for cleaning, maintenance of district grounds, playgrounds, the parking lots, roof conditions, alarm systems, the bus garage where school buses are stored, field trips including day and overnight, the back-up of the IT system, and much more. The safety of the staff and students is the highest priority in a school district. There are legal expectations that a school district must have in place. These are:

- The duty to warn and inform.
- The duty to provide proper instruction.
- The duty to condition and equip participants properly.
- The duty to provide proper supervision.
- The duty to provide safe facilities.
- The duty to provide safe equipment.
- The duty to provide prompt and appropriate post injury care.

In addition, there are four basic ways to handle a risk.

Avoid: The best thing you can do with a risk is avoid it. If you can prevent it from happening, it definitely won't hurt your program or activity.

Mitigate: If you can't avoid the risk, you can mitigate it. This means taking some sort of action that will cause it to do as little damage to your activity as possible.

Transfer: One effective way to deal with a risk is to pay someone else to accept it for you. The most common way to do this is to buy insurance.

Accept: When you can't avoid, mitigate, or transfer a risk, then you have to accept it. But even when you accept a risk, at least you've looked at the alternatives and you know what will happen if it occurs. If you can't avoid the risk, and there's nothing you can do to reduce its impact, then accepting it is your only choice.

By the time a risk actually occurs, it's too late to do anything about it. That's why you need to plan for risks from the beginning and keep coming back to do more planning throughout the project or activity. It's good to ask the question ~ "Are we going to embrace this activity and it's

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potential liability or “divorce” our involvement due to the nature of the activity?” Our obligation is to protect the staff, students, and volunteers on and off our school grounds if it’s a school sponsored activity...and protect the district’s liability as well. When we reduce the risk involved we create a safer environment and reduce the district’s financial liability.

With regards to the ASB, all of these areas are also applicable. It’s important for a teacher, an Advisor, the Activity Coordinator and the Principal to review the activities and field trips that are being planned and to make certain that that unsafe or inappropriate conditions do not occur. If something may be questionable, it’s a good plan to contact the district Risk Manager to find out if an activity is covered or not covered under the district’s insurance policy.

With some companies, powder puff football is not allowed nor are inflatable bouncy houses or dunk tanks, so this would be a risk to “Avoid.” Another example of “Avoidance” is to not allow students on a school sponsored trip the use of a swimming pool at a hotel without the hotel’s authorized on duty life guard. A teacher, parent, or an advisor cannot substitute as a lifeguard.

An example to “Mitigate” risk for a field trip would be to use school district buses, have permission slips and medications for students, an appropriate ratio of students to chaperones, and make sure the trip is age appropriate. An example to “Transfer” risk is to contract the risk to another company or group. A school district would contract with a private insurance company or join the Washington Schools Risk Management Pool. Policies are reviewed as to what is covered and what is not covered as well as a deductible amount that is reached before the loss is covered.

Always consider the risks that could be involved with any activity whether it’s a field day activity at school or an off-site field trip activity. For example, if the band is going to Disneyland to perform, there are a number of things that have to take place before the kids and chaperones board the airplane such as:

- Has the school board approved the overnight field trip?
- Have airline tickets and hotel accommodations been made? And sufficient chaperones confirmed?
- Have permission slips been signed by the students and parents? (these may include medical needs as well)
- Have all monies owed for the trip been paid by the students/parents?
- How many staff members are going?
- Have substitutes been assigned?
- Has staff requested an Advance Travel check (if needed) from the district fiscal office for trip expenses?
- Has an agenda of activities & times been prepared and communicated to students/parents, school Admin. staff, and chaperones?
- How are band instruments getting to California?

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- Schedule a meeting to inform the chaperones of their supervisory obligations and non-alcohol consumption during the trip, no cell-phone check-in with the school staff, but face to face check-in if there is “free time” with adult chaperones to explore the Disneyland grounds, and no additional activities (such as side trips) that haven’t been authorized, etc.
- These kinds of trips can be a wonderful experience for the students, staff and chaperones if it’s done with good pre-planning and taking into account what might happen in case of an emergency or if a student needs to be sent home.

Unfortunately, negligence can happen. Negligence involves four elements, and all four must be present to be found negligent in a court of law.

- Duty: an official or reasonable expectation
- Breach of duty: the expectation was not met
- Proximate cause: that initial action which set in motion a sequence of events resulting in an accident.
- Damages: the accident caused someone to be hurt or something to be damaged

As previously mentioned, school districts are insured to cover potential risks. They can carry insurance through a private insurance carrier or join a Risk Management Pool. A Risk Management Pool is not an insurance company but a self-funded group of school districts and educational service districts that have joined together to prevent, control and pay for liability and property risks.

What makes a Risk Management Pool different from a private insurance carrier is the fact that:

- Members control the coverage; coverage is tailored not only to schools in Washington State, but to the particular membership. Pool staff usually make the coverage decisions and those decisions can be appealed to the Executive Board, who is elected by the membership.
- Coverage is only part of the solution. More emphasis is placed on risk control measures, such as training in liability prone areas and on-site review of facilities, policies and procedures.
- Members control their own rates. Rates are modified by each members’ own loss experience, so a member with a favorable loss record can earn a favorable premium rate.

The top 10 loss pitfalls in schools are:

10. Unsafe Facilities: Examples include slips, trips and falls, improper maintenance and vandalism.

9. Unsafe Equipment: Includes playground equipment, shop machines, science labs, and furniture.

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8. Deliberate Indifference: This includes discrimination, student-to-teacher assault and sexual harassment.
7. Failure to Protect Students: Examples include fighting and classroom accidents.
6. Failure to provide safe transportation: This includes bus accidents, loading/unloading issues and other vehicles.
5. High Risk Activities: Examples include field trips, P.E. accidents, and inflatable toys and games.
4. Failure to Communicate: Includes employment issues, contractual signatory authorization and reporting procedures.
3. Failure to Render Appropriate First Aid: When to call 911, health room issues/training and athletic injuries.
2. Failure to Instruct Students and Staff: Examples include deficient substitute training, special education claims and documentation.
1. Failure to Supervise: This includes, care, custody and control, direct oversight of activities and unattended classrooms.

Other considerations of risk include the following:

Afterschool meetings/practices:

- Music
- Drama
- Debate
- Yearbook
- Newspaper
- Cheer
- Dance

Athletic Games and Contests:

- Players
- Student spectators
- Adult spectators
- Invitationals

Non sponsored WIAA:

- Water Polo
- Equestrian
- Lacrosse

Athletic Practices:

- Pre-season
- In-season

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- Off-season

Weight Room:

- Equipment

Parent Groups:

- Booster Clubs
- PTA/PTSA and PTOs

CTE Club Activities:

- FFA
- FBLA
- FCCLA
- DECA/Student Stores
- TSA
- Skills USA
- Culinary Arts catering/social meals

Cash Handling & Chain of Custody

Coach/ Advisor Concerns/Considerations:

- Permission slips
- Background checks
- Driving

Dances and Socials:

- On campus
- Off campus
- End of season celebrations
- Food

Field Trips:

- Day trips
- Overnight
- Challenge Courses
- Parades
- Interhigh activities
- Lock-ins
- Sports camps
- Leadership Camps

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Fund Raising:

- Product inventory
- Vendor selection
- Services Agreement/Contracts
- Student involvement
- Daily deposits/Reconciliation

Music/Drama/Dance performances:

- On campus
- Off campus

Student privacy:

- Family Educational Rights and Privacy Act (FERPA)
- Photos

School Assemblies:

- Speakers
- Guests
- Competitions
- Crowd considerations

References: RCW 28A.320.060; RCW 28A.320.070; RCW 28A.320.125; RCW 28A.320.126; WAC 200-110-150; WAC 200-110-200 as well as your own school district policies and procedures.

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INTRODUCTION

All activities of a secondary school ASB's, in grades 7 through 12, must have student approval and supporting documentation must bear evidence of student engagement. Student authorization may be satisfied by signatures on requisitions, purchase orders, payment orders, or disclosure in the minutes of the ASB student council. Students authorized to approve transactions in the cultural, athletic, social and recreational areas of the ASB should be designated by the ASB governing body.

For schools with grades lower than sixth grade, the board may designate the Principal to act as the ASB. Refer to RCW 28A.325.020.

RESPONSIBILITIES

The ASB fund is for the extracurricular benefit of the students and their involvement in the decision making process is an integral part of associated student body government. The students must have adult supervision to properly administer the associated student body programs, but that supervision must not exclude student participation in determining the use of the money. Refer to WAC 392-138-120, WAC 392-138-125 and WAC 392-138-210. The following events must show evidence of student approval in schools with 7th grade and above:

- Budget
- Collection of private money
- Constitution and By-laws
- Disbursements
- Election of student officers
- Fundraisers
- Transfers

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EMPOWERMENT AND AUTHORITY OF THE STUDENT COUNCIL

A student council needs to understand the parameters within which it functions at school. Failure to understand these can lead to a breakdown in communication between the principal and the council. The result can be discontent and frustration. Positive school climate may become impossible under such circumstances. Ultimately, the public is “in charge” in a public school system. Their desires are reflected in the policies adopted by the Board of Education and executed by the administration. State and federal laws also impact the system. With this in mind, a student council can actually function on three participatory levels within the school.

Level One: Students have been “empowered” by the principal to conduct their activities with nearly complete authority. Nearly complete because they are subject to the approval of their advisor and the principal.

Level Two: Students have been empowered by the principal to share authority with the staff and administration.

Level Three: Students have been empowered to give input, but have no control over decision making.

Levels of empowerment in most schools include:

Authority	Shared Authority	Input Authority (No Authority)
Council Projects	School Climate	Grades
Elections	Event Scheduling	Discipline
Homecoming	Student Scheduling	Hiring/Firing
Constitutional Revision	Fund Raising	Cafeteria
Council Operation	Athletic Expenditures	Maintenance
Publicity	Announcements	Vacation
Evaluation	Assemblies	National Organizations
Dances	Traditions	Day Length
		Credit Requirements

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INTRODUCTION

Student stores are traditionally a component of the Career and Technical Education department and are the lab portion of the advanced marketing classes. It is important, however, that the student store works hand-in-hand with the ASB since the account operates under the umbrella of ASB law. Successful stores can and should be a great source of revenue for the ASB as well. It is up to the ASB officers to determine distribution of the net profit based on the school's Constitution. In addition, it is also imperative that the store maintain a positive working relationship with the district's food service provider. It is recommended that student stores purchase items from the district's food service program as well as other vendors. Vending, the student store, and the food service program should compliment each other; not be a cause of antagonism and resentment. As part of the leadership aspect of the store, students should be involved in the decision making as to healthy food choices, vendors, what they think students will purchase, and the price of those items.

A well run student store should be more than a place where students can purchase a snack. It should become a part of the cultural backbone of the school; a place where all students and staff feel welcome and comfortable. Having students write up a store manual will educate and enforce some of these procedures.

Be sure to check with your district office regarding how to work with your district's food service program and the guidelines for OSPI and the district's healthy nutrition policy and procedures. For more guidance, please visit this site for nutrition guidelines and calculation tool. Please keep the documentation for Nutrition Services audit review.

Insert link from OSPI child nutrition

PROCEDURES

A. SUPERVISION OF WORKERS

1. A student store best practice should have **adult supervision** when in operation.
2. A student manager should select and schedule all student workers which is reviewed and monitored by an adult supervisor. The adult should review all written policies for handling money (cash and checks) with the designated students to ensure good internal controls and reconciliation at the end of a shift.
3. A minimum of two people should be present when the student store is operating.
4. The number of student workers should be limited to allow for proper supervision and

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control.

5. Student workers are not allowed to eat or drink while working in the store.
6. Student workers must have segregated duties in order to have the necessary accounting controls and efficiency.
7. Specific duties:
 - One person should take the customer's order, receive the cash due for the purchase, and provide the appropriate change.
 - The second person should retrieve the product from the shelf, verify the price with the cashier, and deliver the product to the customer.
8. The person who is responsible for cashier duties:
 - Receive the correct amount of money from the customer for the purchases.
 - Count the money received from the customer and return the necessary change before placing any money received into the cash drawer.
9. If hot and cold food is being prepared and sold, all workers may be required to have a Food Handler's Card in compliance with the local health department regulations. Check your local county requirements. In addition to food, the student store can sell spirit wear and school supplies.

B. STUDENT STORE SECURITY

1. Student store operations should only take place in a secure surrounding (an office, secured room, etc.) where customers are unable to reach money or merchandise or easily walk behind the counter.
2. As a best practice, an adult supervisor is to observe the operation at all times.
3. All student stores should use cash registers or other accounting methods, such as an electronic point of sale program. Records must be maintained to reconcile receipts.
4. Cash boxes are not recommended due to risk and lack of inventory controls.
5. Each student worker should be assigned a password to be used for login which assigns the responsibility of the till to that student worker for the duration of their shift (one student worker per till per shift). Passwords should be controlled by someone that does not have access to the system. Passwords should not be easily obtainable, i.e. do not use easily identifiable passwords such as names.
Money should NOT be left exposed at any time, except when receiving payment or giving change to the customer. At the end of every shift, each student worker must reconcile their day's sales, which are verified by the adult supervisor prior to the next shift starting.
6. All money must be stored in a safe at the end of each shift and then transported by two students or one adult supervisor to the ASB Bookkeeper. The ASB Bookkeeper should

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receipt the proceeds and provide a copy back to the student store supervisor.

7. The student store must be locked when not open for business. When it is open, only designated workers and/or adult supervisors are to be behind the sales counter.
8. Designated workers are not to leave the store unattended at any time while open for business. In case of emergency or emergency drills, the adult supervisor should secure and lock the store before leaving the premises.
9. Only the adult supervisor and school management will have keys to the student store. When an adult supervisor changes position, the safe combination must be changed and keys inventoried and key access reviewed.
10. If the student store is opened after school hours the monies collected must be secured in a locked safe.
11. It is recommended that video surveillance cameras be installed for additional security.
12. The student store should be restricted to student store use only. It should not be used by other groups or for concessions.

C. CASH HANDLING

1. Cash registers or an electronic point of sale program are recommended to track purchases and for inventory control.
2. Sales are to take place only when the store is open for business.
3. Receipt correct mode of payment – cash, check or credit/debit cards as available in your district.
4. All sales require a form of payment at the time of purchase. No IOU's.
5. All sales should be rung up on the register or recorded on a transaction register or log at the time of sale.
6. If checks are accepted, they are to be endorsed with an endorsement stamp immediately upon receipt. Checks are to be for the purchase price only ~ not more or less than the posted purchase price.
7. The adult supervisor or student manager must document all returns at the time of the transaction. Refunds can only be given during the current shift. Otherwise, instore credit can be offered and must be documented.
8. The adult supervisor or student manager must document all “over rings” or voided transactions at the time of the transaction. Cash in the store register is not to be used for personal convenience (i.e. make change or cash a check when no sale has been made.)
9. No student or staff member should take the merchandise without paying for it.
10. The price of merchandise can be reduced for sale when conditions warrant. For example, expiration dates or old merchandise. “Buy one, get one free” cannot be used

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but individual items can be reduced for a quick sale.

11. If a student worker is going to purchase a store item, they must do so at the end of their shift and another student worker must transact the sale.
12. No cash should be kept in the student store register when the store is not in operation.
13. A minimum of two people, including the shift cashier, will count all cash at the end of each shift. The adult supervisor should oversee the cash counting.
 - After the cash has been counted, a reconciliation report or completed form should be signed by the students and adult supervisor who counted the cash.
 - A copy of the sales report must be submitted with the cash and checks to the ASB Bookkeeper.
14. The ASB Bookkeeper, upon receiving the cash receipts and sales report from the student store, should:
 - Count the cash receipts in the presence of the person submitting the cash and checks then compare to the sales report.
 - Receipt all cash and checks received through a 'point of sale' program or district issued receipt book. (See the *Cash Handling* section.)
 - The ASB Bookkeeper should return the receipt produced above to the adult supervisor or student store manager.
Deposit the cash receipts within 24 hours (RCW 43.09.240) and send documentation to the district office.

D. CHANGE FUND/STARTUP CASH

1. The initial change fund/startup cash for the student store is to be issued by the district office from the ASB's General Ledger "200" account with a Purchase Order. The change fund is not created by holding back cash from sales or deposits. Do not deposit or reimburse a change fund.
2. The change fund/startup cash is to be stored in a school safe.
3. If your change fund needs to be increased or decreased, contact your district office.
At the end of the school year, the change fund should be returned to ASB Bookkeeper or district office per procedure.

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E. INVENTORY and PERMANENT RECORDS

1. A complete physical inventory count of the goods for sale in the student store must be performed at the beginning and ending of each school year. Physical counts should also be completed periodically throughout the school year.(For example, at the quarter or semester breaks)
2. In addition, a physical inventory should be done of the equipment and supplies at the beginning and ending of each school year.
3. At the end of the year, a list of this inventory must be sent to the district office.
4. The student manager, with adult supervision, should always complete a physical count of the inventory before adding new items. This should be reconciled to the existing inventory.
5. Student store accounting records are public records and are to be retained according to the State guidelines for records retention. For further information, refer to the *Records Retention* and *Inventory* sections.

*See Appendix C for example Inventory Reconciliation

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INTRODUCTION

Ticket sales procedures are to ensure the proper accounting and deposit of cash from ticket sales. No complimentary tickets may be given.

PROCEDURES

A. Safeguarding Tickets

- Tickets represent cash and must be safeguarded accordingly.
- They must be secured in a locked safe or cabinet until issued to a ticket seller.

B. Use Pre-numbered Tickets

- Pre-numbered tickets must be used for all activities for which admission is charged.
- It is recommended that different colored tickets be used for different admission fees.

C. Issue Tickets

- Prepare a ticket log (Attachment A) of the tickets to be issued. Record the ticket number sequence, purpose, name and signature of the ticket seller responsible.
- Issue each ticket seller the tickets, daily ticket sales form (Attachment B) and change fund. Record the name, event, beginning ticket number and amount of change fund issued on the sales form.

D. Ticket Sales and Admissions

- It is recommended that two individuals control admissions. One collects money and the other issues tickets.
- Tickets must be sold in number sequence.

For example: The ticket collector will tear the ticket in half, place the numbered half in a box and give the other half to the purchaser. Tearing prevents tickets from being reused and the numbered half of the ticket provides a way to reconcile receipts.

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Allowing individuals to enter an ASB event-when the event charges admission- without paying the posted fee, is a violation of the state law.

I. School districts may have a gate list for those individuals who are performing services during regular season events. A Pass gate is designed for those who have a legitimate reason to be in the event without paying for admission. The term pass is a misnomer- the correct term would be identification card, the holder would then have to identify their job at the event.

Depending on District policies, a “Pass” gate might include these:

- Game Officials
- Scouts (using interlocal agreements between Districts)
- Official Supervisors (this could include faculty and board members for home events if they agree to help supervise)
- Band Members
- Scorekeepers
- Announcers
- Media professionals
- Cheerleaders and/or Dance team
- Concession stand workers
- Half-time entertainment

Retirement passes for employees, Booster Club passes, Bus Drivers, and family members of any of the above are not entitled to enter without paying or having a job to perform. Note that a student with an ASB card actually has paid for the admittance at a reduced rate as approved by the student government and school board.

II. In the matter of season tickets (aka passes) purchased by individuals or families, the WAC and RCW allow the board to approve fee structures for this purpose.

WAC 392-138-105 Associated student body public moneys—Fees optional noncredit extracurricular events.

The board of directors of any common school district may establish and collect a fee from students and nonstudents as a condition to their attendance at any optional noncredit extracurricular event of the district which is of a cultural, social, recreational, or athletic nature:

RCW 28A.325.010 Fees for optional noncredit extracurricular events--Disposition.

The board of directors of any common school district may establish and collect a fee from students and nonstudents as a condition to their attendance at any optional noncredit extracurricular event of the district which is of a cultural, social, recreational, or athletic nature: PROVIDED, That in so establishing such fee or fees, the district shall adopt regulations for

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waiving and reducing such fees in the cases of those students whose families, by reason of their low income, would have difficulty in paying the entire amount of such fees and may likewise waive or reduce such fees for nonstudents of the age of sixty-five or over who, by reason of their low income, would have difficulty in paying the entire amount of such fees. An optional comprehensive fee may be established and collected for any combination or all of such events or, in the alternative, a fee may be established and collected as a condition to attendance at any single event. Fees collected pursuant to this section shall be deposited in the associated student body program fund of the school district, and may be expended to defray the costs of optional noncredit extracurricular events of such a cultural, social, recreational, or athletic nature, or to otherwise support the activities and programs of associated student bodies.

E. Daily Sales Report

- Count money and complete cash summary on ticket sales form daily.
- Ticket value should equal cash summary total. Any difference must be explained.
- To calculate the number of tickets sold, take the ending ticket number minus the beginning ticket number plus one and multiply by the selling price. Return the completed daily ticket sales form and all money collected to the ASB bookkeeper.
- Follow district procedures to safely secure monies collected after school hours.

F. Completion of Event

- Return all unused tickets and change fund to ASB bookkeeper or secretary with the final daily ticket sales form.
- The ASB bookkeeper logs in and verifies all tickets are accounted for and that the change fund has been returned intact.

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Travel by district employees, students, chaperones and volunteer coaches (anyone supervising students) shall be consistent with district travel policy and regulation. Payment of claims for travel and expenses shall be consistent with State Law (RCW 42.24).

Necessary travel expenses for ASB activities are an allowable cost of the ASB fund. Travel expenses for ASB advisors are allowable. As with all disbursements, ASB travel expenses must have the prior approval of the ASB governing body, and adequate documentation.

Travel may require Board approval prior to taking place (refer to District Board policy.)

Chaperones – Travel expenses of accompanying adults (advisors or approved chaperones) are a justifiable and reimbursable expense of the activity, but must have prior student council approval. Chaperones must meet district volunteer protocols and guidelines. Overnight travel may require chaperones to be fingerprinted (must allow 6-8 week processing time).

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INTRODUCTION

The following procedures are for the operation of district managed ASB vending machines in the school district. These procedures are to ensure controls over vending machines.

PROCEDURES

A. Physical Controls

1. Inventory – See the Inventory Section of the manual
2. Cash – See the Cash Handling Section of the manual

B. Accounting Controls

1. Inventory – Unique to vending machine transactions are:
 - Each different inventory unit must be accounted for separately (i.e. soda, candy, etc.)
 - The use of item counters for the vending machines provide a quick count of the transaction totals for a given period. Remember, counters are not absolutely fail proof; counter data must be compared to actual physical inventory counts on a periodic basis to ensure the integrity of the counters.
2. Cash – The building administrator:
 - Shall assign responsibility for the collection of cash and the restocking of vending machines to specific employees or supervised students.
 - Ensure that a meaningful comparison of cash sales to changes in the inventory is prepared.
 - Shall periodically review procedures to ensure compliance with written directions.

C. Sample Forms

1. A sample inventory reconciliation form has been included for your use in the appendix. ***These forms are meant solely to serve as an example, and are not intended to replace any form that has been prescribed by a district's management.***

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INTRODUCTION

The following procedures are for the operation of vendor managed ASB vending machines in the school district. These procedures are to ensure accounting controls over vending machines.

PROCEDURES

A. Management of Vending Machines:

1. It is recommended that the vendor manage all vending machines operated in the district for the benefit of the ASB. A contract shall be secured between the district office and the vendor for a specified length of service and terms of the contract. In addition to the terms of the contract the vendor is responsible for:
 - Ownership of the machine(s).
 - Proof of insurance.
 - Machines shall be installed to meet earthquake safety standards.
 - Stocking the machine(s) with USDA/district compliant products and limiting student access to USDA/noncompliant products. (see Appendix B for Smart Snack compliance).
 - Keeping the machine(s) clean and maintained.
 - A change or loss fund for the machine(s).
 - Withdrawing all cash from the machine(s).
 - Paying the district, a commission for the sales through the machine(s).
 - Providing an accounting of how the commission was calculated.

2. All contractor vehicles must be easily identified as belonging to the contractor. All contract employees accessing school district property must wear a vendor's uniform and/or vendor's identification badge. It is optional if a district requires the vending machine contractor to be bonded.

The vendor is responsible in the assignment of staff to the schools and shall prohibit any employee on school property that have pled guilty to or been convicted of any felony crime specified in RCW 28A.400.322.

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B. Accounting Controls

1. If possible, it is recommended that item counters be used in the machine(s) as a means to count the number of items sold and a basis for the commission to be received.
2. The responsibility of district management over the vending machine(s) includes:
 - Review of vendor reports for each machine to validate the commission received.
 - The ASB Bookkeeper should validate the ID number and the reading on the item counter(s) that are recorded by the vendor's service record or review vendor reports that tie the product sold to the commissions received.
 - The ASB Bookkeeper should sign the service record and retain a copy for the ASB school files.
3. The above procedures must be followed:
 - When the machine is installed.
 - At the end of each district reconciliation cycle.
 - When a machine is removed.
 - When the selling price for an item is changed.
 - Upon change of district staffing

C. Vending Machine Receipts

Checks received from the vendor for commissions on vending machines shall be received and deposited immediately.

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WAC 392-138-210 Nonassociated student body private moneys – Disbursement approval – Total disbursements.

WAC 392-138-003 Authority.

The authority for this chapter is RCW 28A.325.020 which authorizes the superintendent of public instruction to adopt rules and regulations regarding the administration and control of associated student body moneys.

WAC 392-138-005 Purposes.

The purposes of this chapter are to: (1) Implement RCW 28A.325.020, (2) designate the powers and responsibilities of the board of directors of each school district regarding the efficient administration, management, and control of moneys, records, and reports of associated student body funds, (3) encourage the supervised self-government of associated student bodies, and (4) permit fundraising activities by students in their private capacities for the purpose of generating nonassociated student body private moneys.

WAC 392-138-010 Definitions.

- (1) "Associated student body organization" means a formal organization of students, including subcomponents or affiliated student groups such as student clubs, which is formed with the approval, and operated subject to the control, of the board of directors of a school district in compliance with this chapter.
- (2) "Associated student body program" means any activity which (a) is conducted in whole or part by or in behalf of an associated student body during or outside regular school hours and within or outside school grounds and facilities, and (b) is conducted with the approval, and at the direction or under the supervision, of the school district.
- (3) "Central district office" means the board of directors and/or their official designee to whom authority has been delegated to act in their behalf.
- (4) "Associated student body public moneys" means fees collected from students and nonstudents as a condition to their attendance at any optional noncredit extracurricular event of the school district which is of a cultural, social, recreational or athletic nature, revenues derived from "associated student body programs" as defined in subsection (2) of this section, and any other moneys received by an associated student body, not specified in subsection (5) of this section and WAC 392-138-100, for the support of an associated student body program.
- (5) "Nonassociated student body private moneys" means moneys generated by fundraising activities or solicitation of donations by student groups in their private capacities for private purposes and/or private gifts and contributions.

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(6) "Associated student body governing body" means the student council, student activities board, or other officially recognized group of students appointed or elected to represent the entire associated student body within a school in accordance with procedures established by the board of directors of the school district.

(7) "Trust fund" means a fund used to account for assets held by the district in a trustee capacity for the specific purpose designated by the fundraising group and described in the notice provided to donors prior to the fundraising event. Such moneys must be accounted for separately from associated student body public moneys

(8) "Held in trust" means held as private moneys either within a separate account within the associated student body fund or in a trust fund to be disbursed exclusively for an intended purpose.

[Statutory Authority: RCW 28A.58.115. 84-13-025 (Order 84-15), § 392-138-010, filed 6/13/84; Order 4-76, § 392-138-010, filed 3/4/76, effective 7/1/76.]

WAC 392-138-011 Formation of associated student bodies required.

The formation of an associated student body shall be mandatory and a prerequisite whenever one or more students of a school district engage in money-raising activities with the approval and at the direction or under the supervision of the district: *Provided*, That the board of directors of a school district may act, or delegate the authority to an employee(s) of the district to act, as the associated student body governing body for any school facility within the district containing no grade higher than the sixth grade.

WAC 392-138-013 Powers – Authority and policy of board of directors.

(1) The board of directors of each school district shall:

(a) Retain and exercise the general powers, authority, and duties expressed and implied in law with respect to the administration of a school district and regulation of actions and activities of the associated student bodies of the district including, but not limited to RCW 28A.320.010 (Corporate powers), RCW 28A.150.070 (General public school system administration), RCW 28A.320.030 (Gifts, conveyances, etc., for scholarship and student aid purposes, receipts and administration), RCW 28A.600.010 (Government of schools, pupils, and employees), RCW 28A.320.040 (Bylaws of board and school government), RCW 28A.400.030 (2) and (3) (Superintendent's duties), RCW 28A.600.040 (Pupils to comply with rules and regulations), RCW 43.09.200 (Local Government Accounting—Uniform system of accounting), RCW 36.22.090 (Warrants of political subdivisions), and chapter 28A.505 RCW (School district budgets);

(b) Approve the constitution and bylaws of each district associated student body and establish policies and guidelines relative to:

(i) The identification of those activities which shall constitute the associated student body program;

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- (ii) The establishment of an official governing body representing the associated student body;
 - (iii) The methods and means by which students shall be permitted to raise and otherwise acquire associated student body moneys; and
 - (iv) The designation of the primary advisor to each associated student body and the authority of the primary advisor to designate advisors to the various student subgroup organizations affiliated with an associated student body;
- (c) Assign accounting functions, or portions thereof, to the school building level to be performed by a designated representative of an associated student body or centralize the accounting functions at the district central administrative office level; (d) Provide for the participation of the associated student body or bodies of the school district in the determination of the purposes for which associated student body public moneys and nonassociated student body private moneys if held as private moneys within the associated student body fund shall be budgeted and disbursed; and
- (2) If the district permits students to conduct fundraising activities and solicitation of donations in their private capacities they shall establish policies to permit such activities and the allowable uses of such moneys. The board policy and/or procedures must include the approval process for such activities as well as provisions to ensure appropriate accountability for these funds, which are required to be held in trust.

WAC 392-138-014 Accounting procedures and records.

Associated student body public and nonassociated student body private moneys shall be accounted for as follows:

- (1) Accounting methods and procedures shall comply with such rules and regulations and/or guidelines as are developed by the state auditor and the superintendent of public instruction and published in the Accounting Manual for Public Schools in the State of Washington and/or other publications;
- (2) Whenever two or more associated student bodies exist within a school district, the accounting records shall be maintained in such a manner as to provide a separate accounting for the transactions of each associated student body in the associated student body program fund;
- (3) The fiscal and accounting records of associated student body program moneys shall constitute public records of the school district, shall be available for examination by the state auditor, and shall be preserved in accordance with statutory provisions governing the retention of public records; and
- (4) Nonassociated student body private moneys shall be held in trust by the school within the associated student body fund or within a trust fund and be disbursed exclusively for such purposes as the student group conducting the fundraising activity shall determine, subject to applicable school board policies. The district shall either withhold or otherwise be compensated an amount from such moneys to pay its direct costs in providing the

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service. Such funds are private moneys, not public moneys under section 7, Article VIII of the state Constitution.

WAC 392-138-017 Segregation of public and private moneys.

When a school district has associated student body organizations that receive both public and private moneys as defined in **WAC 392-138-010** (4) and (5), two separate sets of accounts shall be maintained. In addition, separate accounting records should be maintained by organization or purpose including clubs, classes, athletic activities, private purpose fundraising events, and general associated student body.

WAC 392-138-018 Petty cash funds.

The board of directors of a school district may authorize the establishment and maintenance of associated student body petty cash funds for use in instances when it is impractical to make disbursement by warrant or check, subject to the following conditions:

- (1) A petty cash fund shall be initiated by warrant or check;
- (2) Paid-out receipts shall constitute invoices for the purpose of vouchering; and
- (3) An upper limit of the amount of the petty cash fund shall be established by the board of directors.

WAC 392-138-019 Compliance with bid law required.

The statutory provisions of RCW 28A.335.190, the so-called "bid law" governing school district purchasing procedures, shall govern purchases payable from the associated student body funds.

[Statutory Authority: 1990 c 33. 90-16-002 (Order 18), § 392-138-065, filed 7/19/90, effective 8/19/90; Order 4-76, § 392-138-065, filed 3/4/76, effective 7/1/76.]

WAC 392-138-021 Title to property–Dissolution of associated student body or affiliated group.

Title to all property acquired through the expenditure of associated student body public moneys shall be vested in the school district. In the event a member organization affiliated with an associated student body elects to disband or ceases to exist for any reason, then () (1) the school district and parent associated student body shall cease carrying any money or account on behalf of or to the credit of the organization, and ((2) the records of the organization shall be retained and disposed of in accordance with applicable state law regarding the retention and destruction of public records.

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WAC 392-138-105 Associated student body public moneys—Fees optional noncredit extracurricular events.

The board of directors of any common school district may establish and collect a fee from students and nonstudents as a condition to their attendance at any optional noncredit extracurricular event of the district which is of a cultural, social, recreational, or athletic nature: *Provided*, That in so establishing such fee or fees, the district shall adopt regulations for waiving and reducing such fees in the cases of those students whose families, by reason of their low income, would have difficulty in paying the entire amount of such fees and may likewise waive or reduce such fees for nonstudents of the age of sixty-five or over who, by reason of their low income, would have difficulty in paying the entire amount of such fees.

An optional comprehensive fee may be established and collected for any combination or all of such events or, in the alternative, a fee may be established and collected as a condition to attendance at any single event. The board of directors shall adopt policies which state that: (1) Attendance and the fee are optional, and (2) the district will waive and reduce fees for students whose families, by reason of their low income, would have difficulty in paying the entire amount of such fees.

Fees collected pursuant to this section shall be designated as associated student body public moneys and shall be deposited in the associated student body program fund of the school district. Such funds may be expended to defray the costs of optional noncredit extracurricular events of such a cultural, social, recreational, or athletic nature, or to otherwise support the public activities and programs of associated student bodies.

WAC 392-138-110 Associated student body public moneys—Associated student body program budget

(1) Each associated student body of a school district, with the guidance of the primary advisor, and at such time as is designated by the central district office, annually shall prepare and submit a financial plan (budget) for support of the associated student body program to the district superintendent or his/her designee for consolidation into a district associated student body program fund budget and then present such budget to the board of directors of the district for its review, revision, and approval: *Provided*, That revisions of the budget submitted by an associated student body and revisions of the budget approved by the board of directors shall first be reviewed by the associated student body and, in the case of an approved budget, shall be subject to the requirements of chapter 28A.505 RCW regarding emergency expenditures or budget extensions. The budget as approved shall constitute an appropriation and authorization for the disbursement of funds for the purposes established in the budget.

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(2) Each associated student body of a charter school, with the guidance of the primary advisor, and at such time as is designated by the charter school's lead administrator, annually shall prepare and submit a financial plan (budget) for support of the associated student body program to the lead administrator or his/her designee for consolidation into a charter school associated student body program fund budget and then present such budget to the charter school board for its review, revision, and approval: Provided, That revisions of the budget submitted by an associated student body and revisions of the budget approved by the charter school board shall first be reviewed by the associated student body and, in the case of an approved budget, shall be subject to the requirements of chapter 392-123 WAC regarding emergency expenditures or budget extensions. The budget as approved shall constitute an appropriation and authorization for the disbursement of funds for the purposes established in the budget.

WAC 392-138-115 Associated student body public moneys—Deposit and investment.

All associated student body public moneys, upon receipt, shall be transmitted intact to the district depository bank and then to the county treasurer or directly to the county treasurer for deposit to the credit of the "associated student body program fund" of the school district and shall be accounted for, expended, and invested subject to the practices and procedures governing other moneys of the district except as such practices and procedures are modified by or pursuant to this chapter.

WAC 392-138-120 Associated student body public moneys—Imprest bank checking account.

The board of directors of a school district may authorize the establishment and maintenance of an associated student body imprest bank checking account for convenience and efficiency in expediting disbursements, subject to the following conditions:

- (1) The maximum amount of such an account shall be no more than is necessary to provide for disbursements at the level of the month of highest estimated demand for disbursements;
- (2) An imprest bank checking account shall be initiated by deposit of, and replenished by, a warrant drawn on the associated student body program fund;
- (3) Disbursements from an imprest bank checking account shall be by check and shall be restricted to payments of invoices bearing evidence of student approval in accordance with associated student body bylaws;
- (4) An imprest bank checking account shall be replenished at least once each month by a warrant drawn on the associated student body program fund in payment of an approved

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voucher in an amount equal to the sum total of the disbursements made by check from the imprest bank checking account during the preceding interval; and
(5) The replenishment voucher shall reflect such information as the central district office shall prescribe relative to identification of invoices, invoice approvals, codification of expenditures, cancelled checks, and other information deemed pertinent.

WAC 392-138-125 Associated student body public moneys—Disbursement approval – Total disbursements.

Associated student body public moneys shall be disbursed subject to the following conditions:

- (1) No disbursements shall be made except as provided for in the budget approved pursuant to WAC 392-138-040;
- (2) Disbursements shall occur only upon presentation of properly prepared vouchers in such format and design as the central district office shall prescribe;
- (3) All disbursements from the associated student body program fund or any imprest bank account established there under shall have the prior approval of the appropriate governing body representing the associated student body. Supporting documentation of the vouchers shall bear evidence of approval by the associated student body governing body in accordance with associated student body bylaws;
- (4) When an account within the fund balance of an associated student body organization does not contain a sufficient balance to meet a proposed disbursement, such disbursement shall be limited to the fund balance: Provided, That a transfer of fund balance between associated student body organizations may be made pursuant to the associated student body bylaws and as approved by the associated student body governing body;
- (5) Warrants shall not be issued in excess of the moneys on deposit with the county treasurer in the associated student body program fund; and
- (6) All disbursements shall be made by warrant except for disbursements from imprest bank accounts and petty cash funds provided for in this chapter.

WAC 392-138-130 Associated student body public moneys – League and other joint activities.

Athletic league and other forms of joint inter and intra school district associated student body programs are not precluded by this chapter. In the case of such joint programs, a single school district or associated student body or a board representing the participating associated student bodies shall manage associated student body moneys made available to it for the support of the joint program and received as a result of the conduct of such program, in compliance with this chapter and a written cooperative agreement authorized by the board(s) of directors of the district(s).

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WAC 392-138-200 Nonassociated student body private moneys.

The board of directors of a school district may permit student groups to raise moneys through fundraising or solicitation in their private capacities when the following conditions are met:

- (1) Prior to solicitation of such funds, the school board approves policies defining the scope and nature of fundraising permitted. School board policy includes provisions to ensure appropriate accountability, including prompt deposit, holding the moneys in trust, and disbursement only for the intended purpose of the fund-raiser;
- (2) Such funds are used for scholarship, student exchange, and/or charitable purposes. Charitable purposes do not include any activity related to assisting a campaign for election of a person to an office or promotion or opposition to a ballot proposition;
- (3) Prior to solicitation of such funds notice is given. Such notice identifies the intended purpose of the fundraiser, further it states the proceeds are nonassociated student body funds to be held in trust by the school district exclusively for the intended purposes;
- (4) The school district withholds or otherwise is compensated an amount adequate to reimburse the district for its direct costs in handling these private moneys; and
- (5) WAC 392-138-205 applies to moneys received, deposited, invested, and accounted for under this section.

Nonassociated student body private moneys shall not be deemed public moneys under section 7, Article VIII of the state Constitution.

WAC 392-138-205 Nonassociated student body private moneys—Deposit and investment.

All nonassociated student body private moneys, upon receipt, shall be transmitted intact to the district depository bank and then to the county treasurer or directly to the county treasurer for deposit to the credit of the school district's trust fund or the associated student body fund, if held in trust within that fund within accounts as defined in WAC 392-138-010 and shall be accounted for, expended, and invested subject to applicable school board policy and/or procedures pursuant to WAC 392-138-200.

WAC 392-138-210 Nonassociated student body private moneys—Disbursement approval—Total disbursements

Nonassociated student body private moneys shall be disbursed subject to the following conditions:

- (1) If such funds are held in trust within the associated student body fund they shall be budgeted pursuant to WAC 392-138-013(1)(d). No disbursements shall be made except as provided for in the budget approved pursuant to WAC 392-138-110. All disbursements

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shall have the prior written approval of the associated student body or such other authority designated in school district policy or procedures;

(2) If such funds are held in a trust fund they are not budgeted. Disbursements shall occur only upon presentation of properly prepared vouchers in such format and design as the central district office shall prescribe, and as provided for in subsection (3) of this section;

(3) Vouchers authorizing disbursements shall be accompanied by written evidence of approval of disbursement by the associated student body or other authority designated in the school district's policies and procedures;

(4) Disbursements shall be made only for the intended purposes pursuant to WAC 392-138-200.