SCHOOL ACTIVITY FUNDS

The purpose of this policy is to ensure that adequate fiscal responsibility and control are maintained for funds entrusted to the Loudoun County Public Schools with effective and efficient operating procedures provided by in the Business and Financial Services Department.

A. Fiscal Responsibility.

1. School activity funds are all funds received from extracurricular school activities including but not limited to, such as athletics, club dues, fundraisers, pictures, yearbooks, vending machine proceeds that are not part of the School Nutrition Services program, etc, including donations from School Support Organizations.

2. Division-level fees and charges collected by schools and educational centers (e.g., AP Fees, Athletic Fees, Behind The Wheel) shall be forwarded to the Department of Business and Financial Services, Accounting Division.

3. Each school shall keep an accurate and complete record of all receipts and disbursements so that a clear and concise statement of the condition of each fund may be determined at all times. An accounting system shall be established to provide full accountability for all funds collected and disbursed by schools and centers. This system shall provide financial information for effective management, control, and planning of school funds.

4. It shall be the duty of each principal to ensure that such records are maintained in accordance with the policies, regulations, and guidelines prescribed by the Business and Financial Services Department, the Loudoun County School Board, and the Virginia Department of Education, set forth in the Loudoun County Public Schools School Activity Funds Administrative and Accounting Manual. The principal or person designated by him/her shall perform the required financial duties of the school finance officer or central treasurer.

5. Financial records of School Activity Funds shall be retained and disposed of in accordance with regulations concerning financial records retention and disposition set forth in law and regulation. Virginia Code § 22.1-89.2 financial records retention and disposition schedule.

B. Public Funds. School activity funds are considered to be a public deposit. These funds as defined in the Security for Public Deposits Act (SPDA) are monies held in a fiduciary capacity and as custodians of these funds LCPS personnel are
SCHOOL ACTIVITY FUNDS

obligated to inform our banks that public funds are being deposited in their institutions. The school official or school employee administering the funds shall notify the banking institution of the SPDA requirement prior to opening the account.

C. Investments. Each Loudoun County Public School shall be required to establish a checking account at a local bank near their respective school for the purpose of administering the transactions of their school activity funds. The School Board authorizes the Principal to open a savings account, money market account, or a certificate of deposit insured by the Federal Deposit Insurance Corporation in the name of the school (while adhering to the SPDA), if the Principal determines in cooperation with Assistant Superintendent the Chief Financial Officer for Business and Financial Services that there are idle funds at the school. The School Board does not permit the Principal to maintain any other types of investments.

D. Annual Audit. An annual audit of these funds shall be performed by an independent audit firm appointed by the School Board. School activity funds shall be audited at least once a year by a duly qualified accountant or accounting firm to be selected by the Department of Business and Financial Services. Audits are conducted to verify compliance with the provisions of federal, state, LCPS regulations, and audit standards.

[Former Policy 4-11]
Adopted: 8/11/70
Revised: 5/10/94, 1/9/07, 10/13/09, 6/7/16
Current Revision: xx/xx/xx

Legal Refs: Code of Virginia, 1950, as amended, §§ 2.2-4400, 2.2-4407, 2.2-4408, 8 VAC 20-240-10, 8 VAC 20-240-20, 8 VAC 20-240-40, 1 VAC 22.1-89.2

Cross Refs: Policy 4020, Policy 4125, Policy 8010