

FINANCIAL ACCOUNTING for SCHOOL ACTIVITIES

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FOREWORD

THIS HANDBOOK is a guide to accounting for school activity funds. It is designed for use by individual schools and school systems throughout the United States. The project was undertaken to meet the increasing concern of State and local school officials and the general public for safe and economical handling of school activity money, which amounts to millions of dollars annually.

Financial Accounting for School Activities contains a standard classification and definitions of accounts for handling receipts and expenditures for school activities and presents a system of accounting to illustrate how these accounts may be used. It is a supplemental volume to Handbook II, *Financial Accounting for Local and State School Systems*, in the State Educational Records and Reports Series. Handbook II provides the basis for a general accounting system for local and State school systems, whereas this handbook provides an accounting system for school activity funds. Applicable accounts and definitions in the two handbooks have been closely correlated.

In order to coordinate the activities of this project, a steering committee was appointed composed of Office of Education staff members. Soon thereafter, a National Advisory Committee on Financial Accounting for School Activities was appointed by the U.S. Commissioner of Education. This committee was composed of representatives of the American Association of School Administrators, the Association of School Business Officials of the United States and Canada, the Council of Chief State School Officers, the Department of Elementary School Principals, the National Association of Secondary-School Principals, and the Research Division of the National Education Association. At its first meeting the national advisory committee defined the purpose of the project and agreed upon the overall plan for developing the handbook.

Following the plans agreed upon by the advisory committee, a preliminary draft of the handbook was compiled by Office of Education staff members. This draft was reviewed at the First National Conference of Technical Consultants. These technical consultants, designated by the advisory committee, reviewed the draft page by page and recommended changes to be incorporated by the staff of the Office of Education in a second preliminary draft.

The second preliminary draft of the handbook was then submitted by mail to 120 members of the associations immediately concerned with the handbook for their reactions. The suggestions and recommendations emanating from this review were considered at the Second National Conference of Technical Consultants, and the third draft was prepared, incorporating the recommendations of this conference.

The third draft was then considered at the second meeting of the National Advisory Committee on Financial Accounting for School Activities. This committee approved the handbook, which had been developed over a 2-year period, and recommended its use as the guide for financial accounting for school activities in every school throughout the Nation.

Financial Accounting for School Activities will need to be revised from time to time to meet changing school activity needs. Experience gained through the use of the handbook will make possible revisions that will continually increase its effectiveness.

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ACKNOWLEDGMENTS

MANY INDIVIDUALS shared in the development of this handbook. Contributions were made by school business officials, by staff members of State departments of education, and by local school principals, both elementary and secondary. In addition, the Committee on Accounting for Public Schools of the American Institute of Certified Public Accountants reviewed the draft of the manual and provided constructive suggestions for its improvement.

Paul L. Reason, associate chief, Educational Records and Reports, Office of Education, provided valuable guidance throughout the handbook's development, making many helpful suggestions regarding the handbook and the preparation of materials for consideration at the conferences of technical consultants. Acknowledgment is made to Mabel E. Rogers, research assistant, Office of Education, for her assistance in the preparation and revision of the preliminary drafts.

It is not possible to list the name of each person who made an important contribution. The following list is limited, therefore, to the national advisory committee, the steering committee, and the technical consultants.

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INTRODUCTION

THIS HANDBOOK is a guide for the financial accounting of all money received by individual schools for school activities. The major purpose of the handbook is to establish standard accounts and terminology to be used in accounting for school activity money. It classifies and defines standard receipt and expenditure accounts, and includes a system of accounting for illustrative purposes. The handbook is adaptable for use by elementary schools, junior high schools, senior high schools, and community colleges, and may be used by school systems or by individual schools within a system.

School activities, as referred to in this handbook, are those activities that are financed in whole or in part by the operation of the school activity program and have their money accounted for in the individual school. They may be of a classroom or extra-classroom nature. For example, school activities may include student clubs or organizations, student publications, the sale of merchandise through a school store, and various instructional services such as the rental of textbooks.

As school activity programs have increased and expanded in recent years, the amount of money necessary to finance these programs has increased proportionately. These activities are financed in different ways. Some schools receive appropriated funds from the board of education for the total financing of all school activities, while in other schools the activities are partially or completely self-supporting. Regardless of the methods used to finance school activities, the school district is ultimately responsible for the funds, and a designated person, usually the principal, is responsible for the funds of a particular school.

It is not the intent of the handbook to recommend a system of bookkeeping, procedures for handling the money, or policies governing school activity accounting. The standard accounts and terminology are for use with either a cash or accrual basis of accounting and with either a double-entry or single-entry method of bookkeeping. By whatever method used, they will serve as a foundation for the accurate recording, reporting, and interpreting of financial information regarding school activities. The number of standard accounts used, the procedures for handling the money, and policies governing its accounting will depend upon the needs of the particular school and local and State regulations.

The universal use of the standard accounts and terminology in this handbook will (a) help to insure the proper initial recording of financial transactions; (b) improve accounting for school activity money; (c) improve school budget making; (d) provide information for policy determination; (e) facilitate comparisons of financial information among communities and States; (f) facilitate the reliable reporting to the board of education and the public concerning the financial condition of school activities; (g) improve the accuracy of local, State, and national summaries; and (h) serve as a protection for those individuals responsible for the money.

The handbook contains four parts. Part I classifies and defines the standard accounts which make up the component parts of a school activity accounting fund. Money which an individual school may be required to account for is grouped into two major categories so that the amount of money received and expended for student activities and organizations may be identified separately from other sums collected by a school.

The first category includes money received and expended for the operation of the student activity program. A set of REGULAR ACCOUNTS has been established to account for this money. Sources of money received for such purposes have been identified and classified into minimum accounts called regular receipt accounts. Expenditures for student activities and organizations have been identified and classified into minimum accounts called regular expenditure accounts.

The second category includes money collected by a school which is not available for the operation of the student activity program. A special set of accounts called CLEARING ACCOUNTS has been established to account for this money. Major sources of such money have been identified and classified as clearing receipt accounts, and the payments of such money have been classified as clearing expenditure accounts.

Definitions for the regular accounts and clearing accounts have been provided to serve as an aid in determining where items of financial information should be recorded. These accounts are shown in Table 1, Outline of Minimum Accounts, on page xiv.

Part II of the handbook organizes the regular accounts and clearing accounts into funds. Two systems of fund accounting are presented: single fund and multiple fund. The single-fund system may be used by schools wishing to account for all of their activities under one fund. The multiple-fund system outlines six basic funds into which activities may be grouped for accounting purposes. This system may be used by schools wishing to account for their activities in more than one fund. Some schools may need only one or two of the six suggested funds, while other schools may need to establish more.

The classification of accounts for each fund is built up by selecting the appropriate regular receipt, regular expenditure, clearing receipt, and clearing expenditure accounts from the minimum accounts which are classified and defined in the first three chapters of the handbook. The number of regular accounts and clearing accounts to be used will vary from fund to fund and from school to school. ▼

Part III of the handbook presents a suggested accounting system utilizing the recommended minimum regular and clearing accounts. Some schools may wish to modify the suggested accounting system to meet their individual needs. Other schools may find it more expedient to retain their present accounting system and utilize the minimum accounts recommended by the handbook. The suggested accounting system is based on generally accepted school business procedures, some of which are as follows:

- a. Official receipts should be issued for all money received.
- b. All money received should be deposited in a bank.
- c. All money expended should be expended by check, except for small cash purchases paid from petty cash.
- d. Supporting documents should be kept for all expenditures made.
- e. Bank reconciliation statements should be made each month.
- f. Monthly and yearly financial statements should be prepared.
- g. An audit should be made each year and copies of the audit should be filed with persons having administrative authority for the school.

Part IV of the handbook includes a guide to follow in recording receipt and expenditure transactions and a glossary of terms used in financial accounting for school activities.

Financial Accounting for School Activities is a supplemental volume to Handbook II, *Financial Accounting for Local and State School Systems*, in the State Educational Records and Reports Series. Whereas Handbook II provides the basis for a general accounting system for local and State school systems, this handbook provides an accounting system for school activity funds. Applicable accounts and definitions in the two handbooks have been closely correlated.

Table 1.—Outline of Minimum Accounts

REGULAR ACCOUNTS

RECEIPTS	EXPENDITURES
10. ACTIVITY INCOME 11. Admissions 12. Prorated Share of General Activity Tickets 13. Dues and Fees 14. Sales 15. Student Rentals From Materials 16. Advertising 17. Guarantees 18. Other Activity Income 20. GRANTS FROM THE SCHOOL DISTRICT 30. GIFTS FROM OTHER SOURCES 40. OTHER RECEIPTS	100. ACTIVITY EXPENSE 110. BASIC OPERATING EXPENDITURES 111. Personal and Contracted Services 112. Supplies 113. Purchases of Merchandise 114. Other Activity Expense 120. SUPPLEMENTAL OPERATING EXPENDITURES 121. Health Services 122. Pupil Transportation 123. Operation of Plant 124. Maintenance of Plant 125. Fixed Charges 200. CAPITAL OUTLAY

CLEARING ACCOUNTS

1010-a. BOARD OF EDUCATION	1010-b. BOARD OF EDUCATION
1020-a. OUT-OF-SCHOOL CAMPAIGNS	1020-b. OUT-OF-SCHOOL CAMPAIGNS
1030-a. TAXES AND DEDUCTIONS	1030-b. TAXES AND DEDUCTIONS
1040-a. NONSTUDENT SCHOOL ORGANIZATIONS	1040-b. NONSTUDENT SCHOOL ORGANIZATIONS
1050-a. RETURNABLE DEPOSITS	1050-b. RETURNABLE DEPOSITS
1060-a. GENERAL ACTIVITY TICKETS	1060-b. GENERAL ACTIVITY TICKETS
1070-a. ABATEMENTS	1070-b. ABATEMENTS
1080-a. LOANS FROM THE SCHOOL DISTRICT	1080-b. LOANS FROM THE SCHOOL DISTRICT
1090-a. INTERFUND TRANSFERS	1090-b. INTERFUND TRANSFERS
1100-a. PETTY CASH	1100-b. PETTY CASH
1110-a. MISCELLANEOUS CLEARING ACCOUNTS	1110-b. MISCELLANEOUS CLEARING ACCOUNTS

The detailed classification and definitions of accounts will be found in chapters 1, 2, and 3.

PART I

Part I

CLASSIFICATION AND DEFINITIONS OF ACCOUNTS

CHAPTER 1

Classification and Definitions of Regular Receipt Accounts

THIS CHAPTER classifies and defines the *regular receipt accounts* recommended for use in accounting for moneys received for the operation of student activities and organizations. Only those receipt accounts under which are recorded the regular receipts of student activities and organizations are included in this chapter.

Money coming into a school which is not for the operation of student activities and organizations, such as that for faculty clubs, PTA, and out-of-school drives, such as the Red Cross or March of Dimes, is not recorded as a regular receipt. This money is recorded under the clearing accounts which are discussed in chapter 3. Clearing accounts have been established because such money, if recorded as a part of the regular receipt accounts, would distort and exaggerate the amount actually received for the operation of student activities and organizations.

SECTION I

Classification of Regular Receipt Accounts

The accounts in this chapter are to be used when a specific school activity is financed wholly or in part by revenue obtained directly from the operation of that school activity. For example, the athletic fund might be financed in part from gate receipts and in part by an appropriation from the school district, or the activity might be financed entirely by the gate receipts and/or the pro rata share of the receipts from general activity tickets.

The accounts in this handbook are not to be used if a specific school activity is financed entirely by money appropriated by the school district and the school district receives no reimbursement from the operation of that activity. The accounts in Handbook II, *Financial Ac-*

counting for Local and State School Systems,¹ are used for that purpose.

Relationship of Accounts to Funds

An ACCOUNT is a descriptive heading under which are recorded financial transactions that are similar in terms of purpose, object, or source. There are two kinds of regular accounts: receipt accounts and expenditure accounts. Examples of regular receipt accounts are Gate Admissions, Dues and Fees, Sales, and Advertising. The regular expenditure accounts are discussed in chapter 2.

A FUND is a sum of money set aside for specific activities of a school and usually contains several accounts. For example, a fund may be established for athletic activities, merchandising activities, or publications activities. The accounts within each fund constitute a complete entity and all of the financial transactions for a particular fund are recorded in them. The accounts shown in this chapter are the minimum regular receipt accounts which should be used in accounting for the receipts of any established fund.

Minimum Regular Receipt Accounts

Money received by a school, regardless of its size, to finance student activities is derived from a number of sources. Major sources of revenue are classified and referred to as the minimum regular receipt accounts which schools should maintain.

Regular receipt accounts constituting the minimum breakdown are indicated by numbers without letters (14) to the left of the account title and definition. Additional detailed accounts are shown as subordinate to the minimum accounts and are indicated by numbers with letters (14-a) to the left of the accounts. (See table 2, p. 5.)

It is recommended that all schools, regardless of size, maintain the minimum receipt accounts shown in the classification as long as they receive any money from the sources indicated by the individual minimum accounts. It is further recommended that the additional detailed accounts be utilized, whenever applicable, as individual schools have need to expand their accounting systems beyond the minimum.

It is possible that some schools may not need to establish all of the minimum receipt accounts because they are not applicable. For ex-

¹ Paul L. Reason and Alpheus L. White. *Financial Accounting for Local and State School Systems, Standard Receipt and Expenditure Accounts*. Washington, U.S. Government Printing Office, 1957. (U.S. Department of Health, Education, and Welfare, Office of Education, State Educational Records and Reports Series: Handbook II, Bulletin 1957, No. 4.)

ample, if a school does not sell general activity tickets to students, it will not be necessary to include account 12, Prorated Share of General Activity Tickets. Other schools may wish to keep more detailed regular receipt accounts than those shown in the classification. If this is done, such detailed accounts should be readily classifiable under the accounts listed in this chapter.

Account Numbers

The account numbers appearing to the left of the accounts are used primarily for identification purposes. They may also be used with necessary adaptations as an accounting code, with either machine methods of accounting or pen-and-ink methods.

Classification of Regular Receipt Accounts

The following classification of regular receipt accounts is used in accounting for all money received by a school for the operation of student activities and organizations. In order to determine what transactions should be recorded under each account, refer to the definitions of regular receipt accounts, section II of this chapter.

Table 2.—Regular Receipt Accounts

REGULAR RECEIPT ACCOUNTS 10-40 Series	DEFINITION PAGE NUMBER
10. ACTIVITY INCOME.....	6
11. Admissions.....	6
12. Prorated Share of General Activity Tickets.....	6
13. Dues and Fees.....	7
14. Sales.....	7
14-a. Books and Periodicals.....	7
14-b. Confections, Foods, and Beverages.....	7
14-c. Other Merchandise.....	7
15. Student Rentals From Materials.....	8
15-a. Rental From Books.....	8
15-b. Rental From Equipment.....	8
16. Advertising.....	8
17. Guarantees.....	8
18. Other Activity Income.....	8
20. GRANTS FROM THE SCHOOL DISTRICT.....	8
30. GIFTS FROM OTHER SOURCES.....	9
40. OTHER RECEIPTS.....	9

SECTION II

Definitions of Regular Receipt Accounts

In order to facilitate the classification of regular receipts, definitions of each minimum account and the additional accounts are given. Schools should follow these definitions in recording regular receipts. Even though a school does not use the additional detailed accounts, these definitions will be helpful as a guide in recording transactions under the minimum accounts. These accounts are used only in accounting for money. The estimated value of material goods or services given to an activity is not recorded here. A memorandum record should be kept showing the estimated value of such material goods or services.

RECEIPTS**10-40 Series****10. ACTIVITY INCOME**

Activity income consists of all money resulting from the operation of school activities, such as athletic contests, entertainment events, publications, student organizations, instructional services, merchandising activities, and miscellaneous services. The money is derived from admission charges, dues and fees, sale of merchandise, and other operations of the activities.

11. Admissions

Money received from the sale of tickets or other admission charges to athletic contests, concerts, plays, musicals, assemblies, carnivals, fairs, movies, dances, and similar activities. Also included are pregame and season ticket sales to such activities. Receipts from admissions are the total amounts received less Federal, State, or local admissions taxes which must be paid. The amount of admissions tax is recorded under clearing account 1080, TAXES AND DEDUCTIONS.

12. Prorated Share of General Activity Tickets

Money received from the sale of general activity tickets to students for the support of various school activities. Money received from the sale of general activity tickets is initially recorded under clearing account 1060, GENERAL ACTIV-

ITY TICKETS, and is transferred to this account as a regular receipt at the time the money is prorated.

18. **Dues and Fees**

Money received from clubs, classes, or other student groups or organizations as dues, or fees for participation in the activities of the organization or group. Included is money received from laboratory, art, commercial, health, locker, towel, laundry, and library fees and fines, and money received from entrance fees for participation in athletic or entertainment activities. Dues and fees collected by a school which must be turned over to the board of education in the exact amount as collected are not recorded here; they are recorded under clearing account 1010, BOARD OF EDUCATION. Money received from pupils as a deposit which is returnable under certain conditions is not recorded here; it is recorded under clearing account 1050, RETURNABLE DEPOSITS.

14. **Sales**

Money received from the sale of merchandise through a school store or other student activity or school plan. Receipts from sales consist of the total money received less the amount of State and local sales tax and excise tax which must be paid. The amount of the taxes is recorded in clearing account 1030, TAXES AND DEDUCTIONS. Money received from sales which must be turned over to the board of education in the exact amount as collected is not recorded here; it is recorded under clearing account 1010, BOARD OF EDUCATION.

14-a. **Books and Periodicals.**—Money received from the sale of textbooks, supplementary books, workbooks, magazines and newspapers, and from the sale of student-produced publications, such as the school yearbook and school paper.

14-b. **Confections, Foods, and Beverages.**—Money received from the sale of confections, foods, and beverages, such as candy, gum, hot dogs, cookies, coffee, and milk, through concessions, vending machines, school store, or other school plan.

14-c. **Other Merchandise.**—Money received from the sale of merchandise not classifiable under accounts 14-a and 14-b, such as pencils, paper, school or organization

jewelry, pennants, sweaters, photographs, programs, and individual supplies. Included are student-produced articles which may have been developed in an industrial arts class, such as cedar chests or tables.

15. *Student Rentals From Materials*

Money received from the rental to students of books or any equipment, such as musical instruments, furnished on a rental basis. Rentals which must be turned over to the board of education in the exact amount as collected are not recorded here; they are recorded under clearing account 1010, BOARD OF EDUCATION.

15-a. *Rental From Books.*—Money received from the rental of textbooks, supplementary books, and review books.

15-b. *Rental From Equipment.*—Money received from the rental of musical instruments or any other piece of equipment or supply, such as a drafting set, which is rented to students.

16. *Advertising*

Money received for the operation of an activity from advertising, such as space in a school yearbook, paper, or program.

17. *Guarantees*

Money received as a definite or conditional guarantee for a public performance of any athletic team, musical or dramatic organization, or other student activity. Included is money received for mileage, per diem, and travel expenses, as well as that received as a flat guarantee or on a percentage or other division basis of total income, and the prorated share of tournament profits.

18. *Other Activity Income*

Money received for the operation of an activity that is not recorded under accounts 11 through 17, such as payment for services performed by an activity, interest received from a savings account, and rental of activity-owned property and

20. **GRANTS FROM THE SCHOOL DISTRICT**

Grants from the school district consist of receipts from the school district for the support of student activities when none of the

money received is subject to return to the school district. Money received from the school district which is subject to return, either in part or whole, is not recorded here; it is recorded under clearing account 1080, LOANS FROM THE SCHOOL DISTRICT.

30. GIFTS FROM OTHER SOURCES

Gifts from other sources consist of money received from individuals, private organizations, and foundations for the support of an activity for which no service or repayment to the contributor is expected. The estimated value of gifts of material goods or services is not recorded here. A memorandum record should be kept showing the estimated value of such material goods or services.

40. OTHER RECEIPTS

Other receipts consist of money received for the operation of student activities which is not recorded under accounts 10-30.

CHAPTER 2

Classification and Definitions of Regular Expenditure Accounts

THIS CHAPTER contains the classification and definitions of **REGULAR EXPENDITURE ACCOUNTS** recommended for use in accounting for money expended for the support of student activities and organizations.

Transactions involving the expenditure of money for nonstudent purposes, such as the payment of admissions taxes, expenditures for nonstudent organizations, and reimbursements to the board of education, are not recorded as regular expenditures. This money is recorded under the clearing accounts which are discussed in chapter 3.

SECTION I

Classification of Regular Expenditure Accounts

Expenditures for student activities are recorded under two series of accounts: series 100, **ACTIVITY EXPENSE**, and series 200, **CAPITAL OUTLAY**.

Under **ACTIVITY EXPENSE** is recorded any regular expenditure from an activity fund for the operation of the student activity program. Student activity expenditures usually incurred by all schools, such as those for personal and contracted services, purchase of supplies, and purchase of merchandise, are recorded under account 110, **Basic Operating Expenditures**. Expenditures which are not included under account 110, such as those for health services, pupil transportation, operation of plant, maintenance of plant, and fixed charges, are recorded under account 120, **Supplemental Operating Expenditures**.

In recording expenditures for student activities, a school may or may not need to use all of the basic or supplemental operating expenditure accounts shown. If an expense is incurred which falls

within the classification of one of the basic or supplemental accounts, that account should be utilized. There is no need to maintain accounts for which there is no expense or for which the service is provided from other sources. For example, accounts would not be maintained for health services, such as physical examinations and physicians' fees which are paid by the school district, or for transportation for athletic events which is furnished by parents or the school district without cost to the activity.

Under CAPITAL OUTLAY is recorded any regular expenditure from an activity fund which results in the acquisition of fixed assets or addition to fixed assets. In this handbook, CAPITAL OUTLAY usually includes expenditures which result in the acquisition of initial or additional equipment (not supplies).

Relationship of Accounts to Funds

An ACCOUNT is a descriptive heading under which are recorded financial transactions that are similar in terms of purpose, object, or source. Examples of regular expenditure accounts in the classification contained in this chapter are Personal and Contracted Services, Purchases of Merchandise, and Supplies. Regular receipt accounts were treated in chapter 1.

A FUND is a sum of money set aside for specific activities of a school, such as athletic activities, merchandising activities, or publications activities, and usually contains several accounts. The accounts within each fund constitute a complete entity and all of the financial transactions for the particular fund are recorded in them. The accounts shown in this chapter are the minimum regular expenditure accounts which should be used in accounting for the expenditures of any established fund.

Minimum Regular Expenditure Accounts

The minimum regular expenditure accounts are indicated by numbers without letters (113) to the left of the account titles. Additional detailed accounts are shown as subordinate to the minimum accounts and are indicated by numbers with letters (113-a) to the left of the accounts. (See table 3, p. 13.)

It is recommended that all schools, regardless of size, maintain the minimum regular expenditure accounts shown in the classification as long as they expend any money for any of the purposes indicated by the individual accounts. It is further recommended that the additional detailed accounts be utilized wherever applicable, as

Individual schools have need to expand their accounting system beyond the minimum.

Some schools may not need to establish all of the minimum expenditure accounts because they are not applicable. For example, if a board of education provides transportation for all student activities at no cost to the students or to the activity, it would not be necessary to maintain account 122, Pupil Transportation. Other schools may wish to keep more detailed regular expenditure accounts than those shown in the classification. If this is done, such detailed accounts should be readily classifiable under the accounts listed in this chapter.

Account Numbers

The numbers appearing to the left of the accounts are used primarily for identification purposes. They may also be used with necessary adaptations as an accounting code, with either machine methods of accounting or pen-and-ink methods.

Classification of Regular Expenditure Accounts

The following classification of regular expenditure accounts is used in accounting for all money expended for student activity purposes. In order to determine what transactions should be recorded under each account, refer to the definitions of regular expenditure accounts, section II of this chapter.

Table 3.—Regular Expenditure Accounts

REGULAR EXPENDITURE ACCOUNTS 100-200 Series	DEFINITION PAGE NUMBER
100. ACTIVITY EXPENSE.....	14
110. Basic Operating Expenditures.....	14
111. Personal and Contracted Services.....	14
112. Supplies.....	15
113. Purchases of Merchandise.....	15
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SECTION II

Definitions of Regular Expenditure Accounts

The definitions of each minimum and additional detailed account are given in order to facilitate the classification of expenditures.

ACTIVITY EXPENSE

100 Series

Activity Expense includes all expenditures connected with the operation of school activities, excluding those for capital outlay. Expenditures for the direct operation of athletic contests, entertainment events, publications, instructional services, merchandising activities, and miscellaneous activities are recorded under account 110, Basic Operating Expenditures. Expenditures beyond the direct operation of the activity in question for health services, pupil transportation, operation of plant, maintenance of plant including repair and replacement of equipment, and fixed charges are recorded under account 120, Supplemental Operating Expenditures. Expenditures for initial or additional equipment are not recorded here; they are recorded under the 200 series, CAPITAL OUTLAY.

110. BASIC OPERATING EXPENDITURES

Basic operating expenditures consist of expenses incurred for personal and contracted services of activity personnel, such as sponsors, ticket sellers, and game officials; supplies; purchases of merchandise to be resold; and other activity expense, such as advertising, guarantees to visiting teams and organizations, and travel expense.

111. *Personal and Contracted Services*

Expenditures for personal and contracted services which are directly a part of the program operation of an activity. Included are the full-time, part-time, and prorated portions of salaries of all personnel directly connected with the operation of school activity programs when such salaries are paid from the activity fund. This may include salaries for coaches, activity directors, advisors, sponsors, leaders, teachers, trainers, secretaries, clerks, and similar personnel. Salaries paid by the board of education of the school district are not included as an activity expense; such expenditures are recorded in the financial accounts of the school district.

This account also includes expenditures for services, such as those provided by assembly speakers, chaperons, ticket sellers, police guards, and game officials; and expenditures for services that are rendered in connection with the production of publications and the photographing of individuals, groups, or activities. Expenditures for personal and

contracted services related to health, pupil transportation, operation of plant, and maintenance of plant are not recorded here; they are recorded under the supplemental operating expenditure accounts relating to such services.

The salaries recorded here are gross salaries before deductions. Salary deductions for withholding tax, retirement, and social security are recorded as receipts under clearing account 1030-a, TAXES AND DEDUCTIONS, for transmittal to the proper payees.

112. *Supplies*

Expenditures for supplies and materials furnished for individual activities and organizations which are paid for from an activity fund. Examples are expenditures for stage props, playbooks, football uniforms, balls, bats, and decorations for a junior-senior prom. Supplies for resale are not recorded here; they are recorded under account 113, Purchases of Merchandise.

113. *Purchases of Merchandise*

Expenditures for merchandise that is to be resold, either through an established school store or by some other student activity or school plan. Expenditures for textbooks and other publications, confections, and supplies are recorded here.

113-a. *Books and Periodicals*.—Expenditures for textbooks, pamphlets, magazines, and other publications purchased for resale, including those which are student-produced.

113-b. *Confections, Foods, and Beverages*.—Expenditures for confections, foods, and beverages, such as candy, soft drinks, crackers, cookies, and nuts, purchased for resale. Expenditures for confections used in vending machines are included.

113-c. *Other Merchandise*.—Expenditures for supplies, other than those recorded under 113-a and 113-b, that are purchased for resale, such as paper, pencils, notebooks, lumber, and shop supplies. This account also includes items such as class or organization jewelry, pennants, sweaters, films, photographs, and commencement supplies.

114. Other Activity Expense

Expenditures for other basic expenses that cannot be readily classified under accounts 110 through 113-c, such as advertising expense, guarantees to visiting teams or organizations, and travel expense for students and sponsors. Additional subaccounts should be set up as needed for such items as rental of films; rental of costumes and equipment; State, regional, or national dues to activity associations; gifts; printing; and other miscellaneous items.

114-a. *Advertising*.—Expenditures for advertising, such as newspaper space, radio and television time, posters, and handbills.

114-b. *Guarantees*.—Expenditures for guarantees to visiting teams or organizations. This may include a flat amount or percentage of receipts and expenditures for visiting teams or organizations, such as those for lodging and meals.

114-c. *Travel Expense*.—Expenditures for meals, lodging, and other travel expense for students and staff members while participating in contests or events away from home. This includes actual transportation costs for staff members but does not include the cost of transporting pupils. Pupil transportation costs are recorded under account 122, Pupil Transportation.

120. SUPPLEMENTAL OPERATING EXPENDITURES

Supplemental operating expenditures consist of expenses incurred by school activities for health services, transportation, operation of plant, maintenance of plant, and fixed charges.

121. Health Services

Expenditures from an activity fund for medical, dental, and nursing services relating to medical examinations, treatments, and other health services. Medical and hospitalization insurance premiums are not recorded here; they are recorded under account 125, Fixed Charges.

121-a. *Personal and Contracted Services*.—Expenditures for salaries, wages, and contracted services for health personnel and health services. This includes salaries and fees paid to doctors, dentists, nurses, and similar

personnel. Also included are expenditures for hospitalization, clinical treatment, and special therapy programs.

121-b. *Other Expense*.—Expenditures for health services that are not classified as personal and contracted services. Included are medicines, supplies, and emergency treatments.

122. *Pupil Transportation*

Expenditures from an activity fund for expenses relating to the transportation of pupils in connection with school activities. Included are the salaries of drivers, payments for contracted services, transportation insurance, and other expenses.

122-a. *Personal and Contracted Services*.—Expenditures for salaries, wages, and contracted services for transportation provided to students. This includes the services of drivers and mechanics. Also included are expenditures to owners of school buses, parents or other individuals who transport students in a private car, public carriers, boards of education for district-owned buses, and to pupils for purchase of tickets on a public carrier.

122-b. *Other Expense*.—Expenditures, other than personal and contracted services, related to providing transportation, such as insurance premiums; garage expenses; purchase of gasoline, oil, tires, etc.; repair and maintenance of buses; and the purchase of replacement equipment. Expenditures for the purchase of initial or additional buses, vehicles, or other equipment are not recorded here; they are recorded under the 200 series, CAPITAL OUTLAY.

123. *Operation of Plant*

Expenditures from an activity fund for housekeeping activities concerned with keeping the physical plant open and ready for use. This includes heating, lighting, cleaning, janitorial supplies, wages, and such other operational expenses as are repeated somewhat regularly on a daily, weekly, monthly, or seasonal basis. Expenditures for the repair and replacement of facilities and equipment are not recorded here; they are recorded under account 124, Maintenance of Plant.

- 123-a. *Personal and Contracted Services*.—Expenditures for salaries, wages, and contracted services of personnel connected with the operation of plant, such as a custodian or custodian's helper. Also included are expenditures for contractual services, such as contracted cleaning service, rental and repair of equipment relating to plant operation, and other similar items.
- 123-b. *Other Expense*.—Expenditures relating to plant operation that cannot be classified as personal and contracted services, such as expenditures for heat, light, power, telephone service, supplies, and other miscellaneous items used by the activities.

124. *Maintenance of Plant*

Expenditures from an activity fund for the maintenance of buildings, grounds, facilities, or equipment used for school activity purposes. Examples are expenditures for repairing photographic equipment, film projectors and phonographs, and reseeding a football field.

- 124-a. *Personal and Contracted Services*.—Expenditures for salaries, wages, and contracted services for maintenance personnel, such as carpenters, painters, plumbers, electricians, and groundskeepers. Included also are expenditures for contracted services for special duties or special jobs, including labor and material when these items are part of the contract. For example, expenditures for repairing a backstop for a ball park or leveling and sowing grass in a football field would be recorded here.
- 124-b. *Other Expense*.—Expenditures relating to maintenance of plant that cannot be classified as personal and contracted services. Included are expenditures for materials for repair and replacement of equipment such as lockers, cabinets, scoreboards, film projectors, and phonographs, when such are not provided as part of a contract. Also included under this account are other expenditures for maintenance of plant, such as supplies, rental of equipment, and license plates for maintenance vehicles.

125. *Fixed Charges*

Expenditures from an activity fund of a generally recurrent nature which are not readily allocable to other accounts,

such as contributions to employee retirement and social security; insurance premiums; and rental of land, buildings, or other facilities.

125-a. **Employer Contributions for Retirement and Social Security.**—Expenditures from an activity fund for the employer's share of contributions to a retirement fund, such as social security. Employees' salary deductions are not recorded here; they are recorded under clearing account 1030, TAXES AND DEDUCTIONS.

125-b. **Insurance.**—Expenditures from an activity fund for all premiums for insurance, such as fire, theft, health, and accident, with the exception of transportation. Premiums for liability insurance and fidelity bonds are also included. This is exclusive of any insurance coverage held by the board of education of the school district.

125-c. **Rental of Land and Buildings.**—Expenditures from an activity fund for rental of facilities such as municipally-owned auditoriums, gymnasiums, athletic fields, and rentals charged by the school district.

125-d. **Other Fixed Charges.**—Expenditures of a generally recurrent nature that cannot be included in accounts 125-a through 125-c, such as refunds made on money received prior to the current fiscal year.

CAPITAL OUTLAY

200 Series

Capital Outlay includes all expenditures from an activity fund which result in the acquisition of initial or additional equipment for an activity or organization. For example, the initial purchase of phonographs, film projectors, equipment for a photography club, and basketball scoreboards are recorded here.

CHAPTER 3

Classification and Definitions of Clearing Accounts

THIS CHAPTER contains the classification and definitions of CLEARING ACCOUNTS to be used in conjunction with the regular receipt and expenditure accounts listed and defined in chapters 1 and 2.

Clearing accounts provide an effective means for dealing with transactions that present a false picture of the financial condition of school activities if recorded under the regular receipt and expenditure accounts. The clearing accounts presented in this chapter are intended to cover the transactions that should be accounted for outside of the regular receipt and expenditure accounts. The number of clearing accounts needed in a particular school will depend upon several factors, such as the type of transactions being recorded and whether a double-entry or single-entry system of bookkeeping is employed. Some schools may need to use only a few of the minimum clearing accounts, while other schools may find it necessary to use all of them.

SECTION I

Classification of Clearing Accounts

The clearing accounts recommended in this chapter make it possible to record, apart from the regular receipt and expenditure accounts, money collected by a school, which is not to be used for the operation of the student activity program. The use of clearing accounts will provide an accurate financial picture showing the amount of money collected and transmitted for all purposes other than money received and expended for student activities and organizations.

Money received and expended through the clearing accounts may be identified by one of the following two characteristics: (1) Money collected and held for the board of education and out-of-school organizations which must be turned over to such agencies in the exact amount collected, and (2) money collected and held for individual or group activities of the school which should be accounted for apart from the regular accounts of student activities and organizations.

Money collected and held for the board of education and out-of-school organizations includes: (a) Collections which must be turned

over to the board of education, such as fees, rentals, and fines; (b) money belonging to special drives or campaigns such as the Red Cross or March of Dimes; (c) collections for taxes and payroll deductions resulting from the operation of the school activity program, such as sales and admissions taxes, and money withheld for retirement and social security; (d) money held for nonstudent organizations such as the faculty club, PTA, and alumni association; and (e) miscellaneous collections of money of an in-and-out nature, such as money collected for student insurance premiums and individual bus fares.

Money collected and held for individual or group activities of the school includes: (a) Deposits collected from students, subject to return, such as locker and laboratory deposits; (b) unprorated portions of general activity ticket sales; (c) refunds, rebates, and collections for loss of or damage to school property; (d) loans from the school district to an activity; (e) interfund transfers; (f) receipts from State or conference meets or tournaments; and (g) advances such as those made for petty cash.

The accounts shown in this chapter are the basic clearing accounts which should be used with any established fund. However, not all of the clearing accounts in this chapter will be necessary or applicable to each fund. In setting up the accounts for a fund, the purposes for which the money is received and paid out will determine which of the clearing accounts are needed.

In using clearing accounts, certain rules should be followed:

1. It is important that each clearing account be kept separate and distinct within itself. The clearing accounts for one activity should not be intermingled with the clearing accounts for another activity.
2. All money received by a school which is not a part of the regular receipt accounts is recorded initially under the appropriate clearing receipt accounts.
3. Money recorded in clearing accounts is earmarked for a specific purpose at the time the money is received.
4. When all of the money under a particular account has been paid or proper transfers have been made the account has been cleared.
5. When possible, all clearing accounts, with the exception of account 1040, NONSTUDENT SCHOOL ORGANIZATIONS, should be cleared at the end of the fiscal year.

Account Numbers

Clearing accounts constituting the minimum breakdown are indicated by numbers without letters (1010) to the left of the account

title and definition, with the receipt accounts designated by numbers and letters (1010-a) and the expenditure accounts designated by numbers and letters (1010-b). Examples of the kinds of account breakdowns that will be necessary in certain of the clearing accounts are shown by the addition of a number following the letter designation (1010-a-1).

The numbers appearing to the left of the accounts are used primarily for identification purposes. They may also be used with necessary adaptations as an accounting code, with either machine methods of accounting or pen-and-ink methods.

Classification of Clearing Accounts

The following classification of clearing receipt and expenditure accounts is used to account for money which should be recorded outside the regular receipt and expenditure accounts. As previously stated, the specific clearing accounts needed will vary from school to school. In order to determine what transactions should be recorded under each account, refer to the definitions of clearing accounts, section II of this chapter.

Table 4.—Clearing Accounts

CLEARING ACCOUNTS 1000-1100 Series	DEFINITION PAGE NUMBER
1010. BOARD OF EDUCATION.....	24
1010-a. Receipts.....	24
1010-a-1. Fees.....	24
1010-a-2. Textbook Rentals.....	24
1010-b. Expenditures.....	24
1010-b-1. Fees.....	24
1010-b-2. Textbook Rentals.....	24
1020. OUT-OF-SCHOOL CAMPAIGNS.....	24
1020-a. Receipts.....	24
1020-a-1. American National Red Cross.....	24
1020-a-2. National Foundation.....	24
1020-b. Expenditures.....	24
1020-b-1. American National Red Cross.....	24
1020-b-2. National Foundation.....	24
1030. TAXES AND DEDUCTIONS.....	25
1030-a. Receipts.....	25
1030-a-1. State Sales Tax.....	25
1030-a-2. Social Security Tax.....	25

Table 4.—Clearing Accounts—Continued

CLEARING ACCOUNTS 1000-1100 Series	DEFINITION PAGE NUMBER
1030-b. Expenditures.....	25
1030-b-1. State Sales Tax.....	25
1030-b-2. Social Security Tax.....	25
1040. NONSTUDENT SCHOOL ORGANIZATIONS.....	25
1040-a. Receipts.....	25
1040-a-1. Faculty Club.....	25
1040-a-2. PTA.....	25
1040-b. Expenditures.....	25
1040-b-1. Faculty Club.....	25
1040-b-2. PTA.....	25
1050. RETURNABLE DEPOSITS.....	25
1050-a. Receipts.....	26
1050-a-1. Locker Deposits.....	26
1050-a-2. Laboratory Deposits.....	26
1050-b. Expenditures.....	26
1050-b-1. Locker Deposits.....	26
1050-b-2. Laboratory Deposits.....	26
1060. GENERAL ACTIVITY TICKETS.....	26
1060-a. Receipts.....	26
1060-b. Expenditures.....	26
1070. ABATEMENTS.....	26
1070-a. Receipts.....	26
1070-a-1. Admissions.....	26
1070-a-2. Dues and Fees.....	26
1070-a-3. Sales.....	26
1070-b. Expenditures.....	26
1070-b-1. Admissions.....	26
1070-b-2. Dues and Fees.....	26
1070-b-3. Sales.....	26
1080. LOANS FROM THE SCHOOL DISTRICT.....	27
1080-a. Receipts.....	27
1080-b. Expenditures.....	27
1090. INTERFUND TRANSFERS.....	27
1090-a. Transfers From Other Funds.....	27
1090-b. Transfers to Other Funds.....	27
1100. PETTY CASH.....	27
1100-a. Receipts.....	28
1100-b. Expenditures.....	28
1110. MISCELLANEOUS CLEARING ACCOUNTS.....	28
1110-a. Receipts.....	28
1110-b. Expenditures.....	28

SECTION II

Definitions of Clearing Accounts

Definitions of the minimum clearing accounts shown on the preceding pages are given to facilitate the classification of clearing receipts and expenditures. Even though a school does not use all of the accounts listed, the definitions will be helpful as a guide in recording transactions.

CLEARING ACCOUNTS

1000-1100 Series

1010. BOARD OF EDUCATION

This account is used to record all money collected for and paid to the board of education or school district. Included are instructional fees; fines; payments for repair or replacement of books, equipment, and property; and any other money collected and held for future remittance to the board of education. This account may be cleared several times during the year, and should be cleared at the close of the fiscal year.

1010-a. *Receipts*.—Money collected for the board of education or school district.

1010-b. *Expenditures*.—Money remitted to the board of education or school district.

1020. OUT-OF-SCHOOL CAMPAIGNS

This account is used to record money collected by the individual school for special fund-raising drives and campaigns sponsored by national and local organizations such as the American National Red Cross, National Foundation, and the American Cancer Society. Appropriate subaccounts will be necessary for each organization.

1020-a. *Receipts*.—Money collected for agencies such as the American National Red Cross, National Foundation, and American Cancer Society.

1020-b. *Expenditures*.—Money remitted to agencies such as the American National Red Cross, National Foundation, and American Cancer Society.

1030. TAXES AND DEDUCTIONS

This account is used to record payroll deductions and tax collections resulting from the activity program and to transmit such money to the proper payees. Included are retirement and social security deductions and withholding tax, admissions tax, sales tax, and any other taxes collected by individual schools. Appropriate subaccounts will be necessary to account for the different kinds of taxes and deductions. Employer's share of retirement, such as social security, is not recorded here; it is recorded under account 125, Fixed Charges.

1030-a. *Receipts.*—Money collected for taxes and deductions, such as sales tax, admissions tax, and social security.

1030-b. *Expenditures.*—Money remitted to the proper payees for taxes and deductions.

1040. NONSTUDENT SCHOOL ORGANIZATIONS

This account is used to record all money collected for and belonging to nonstudent school organizations. These organizations may include the faculty club, PTA, alumni association, and athletic associations. Appropriate subaccounts are necessary to account for each organization. The subaccounts are not necessarily cleared at the end of the fiscal year. Balances may be carried over from year to year or until such time as the need for the subaccount ceases. Money for nonschool organizations is not recorded here; it is recorded under account 1020, OUT-OF-SCHOOL CAMPAIGNS, or account 1110, MISCELLANEOUS CLEARING ACCOUNTS.

1040-a. *Receipts.*—Money received for the PTA, faculty club, alumni association, etc.

1040-b. *Expenditures.*—Money expended for or remitted to the PTA, faculty club, alumni association, etc.

1050. RETURNABLE DEPOSITS

This account is used to record all money received from students as a guarantee that books, keys, uniforms, laboratory equipment, etc., that have been furnished to students by the school or activity will be returned in an acceptable condition. A subaccount should be maintained for each type of deposit, showing the amount received and the amount returned. At the end of the school year,

the amount retained by the school is transferred to account 18, Other Activity Income.

1050-a. *Receipts*.—Money collected as deposits on books, keys, lockers, uniforms, laboratory equipment, etc.

1050-b. *Expenditures*.—Money returned to students as a refund of deposits on books, keys, uniforms, laboratory equipment, etc.

1060. GENERAL ACTIVITY TICKETS

This account provides a place for recording money received from the sale of general activity tickets which is to be prorated to various student activities. When the money is prorated, it is recorded under the regular activity income accounts of the fund in which the activity is classified. Money from the sale of season tickets is not recorded here; it is recorded under account 11, Admissions.

1060-a. *Receipts*.—Money received from the sale of general activity tickets.

1060-b. *Expenditures*.—Money prorated to the various activities from the sale of general activity tickets.

1070. ABATEMENTS

This account is used to record abatement transactions that may occur within a school activity fund. (An abatement is defined as that sum of money which results from a reduction of a previously recorded receipt or expenditure.)

1070-a. *Receipts*.—Money received by a school as a refund on previously recorded expenditures, such as overpayments to athletic game officials, discounts on purchases, sale of replaced equipment, and collections for loss of, or damage to, school activity property. At the end of the accounting period, the amounts recorded here are deducted from the appropriate expenditure accounts.

1070-b. *Expenditures*.—Money paid by a school as a refund on previously recorded receipts, such as refunds of money on the sale of admission tickets, sale of merchandise, general activity tickets, and dues and fees. At the end of the accounting period, the amounts recorded here are deducted from the appropriate receipt accounts.

1080. LOANS FROM THE SCHOOL DISTRICT

This account provides a place for recording money which is received from the school district for use by a school activity but which is to be returned by that activity to the school district sometime during the school year. A grant from the school district is not recorded here; it is recorded under account 20, GRANTS FROM THE SCHOOL DISTRICT.

1080-a. *Receipts*.—Money received as a loan from the school district for the junior class, yearbook, student council, etc.

1080-b. *Expenditures*.—Money returned to the school district from the junior class, yearbook, student council, etc.

1090. INTERFUND TRANSFERS

This account is for the purpose of recording money transferred from one activity fund to another. (*Note: An interfund transfer is a receipt of the fund to which the money is transferred and an expenditure of the fund from which the money is transferred. However, such a transaction is never considered a receipt or expenditure of the total activity funds of the school.*)

1090-a. *Transfers From Other Funds*.—Money received as a transfer from other funds.

1090-b. *Transfers to Other Funds*.—Money transferred to other funds.

1100. PETTY CASH

This account is established for the purpose of having cash available for making change or immediate cash payments of comparatively small amounts. Only the initial amount of the petty cash and any additions or deductions to it are included under this account. At any given time, the sum of the cash on hand and the petty cash vouchers for cash expenditures should equal the established amount of the account. When the petty cash of a given activity fund is nearly depleted, it is replenished from that fund by the issuance of a check equal to the total of the petty cash vouchers. The expenditures, as indicated by the cash payment vouchers, are recorded under the appropriate regular expenditure accounts of the fund. Money for the replenishment of the petty cash fund is not recorded here; it is recorded under

the appropriate regular expenditure account of the fund concerned.

At the end of the fiscal year, the amount of the Petty Cash Account is cleared, at which time the original amount used to establish the petty cash fund is returned to the regular accounts of the activity fund from which it was obtained.

1100-a. *Receipts*.—Money returned to an activity fund that has been used to establish a Petty Cash Account, or money returned to reduce the amount of a Petty Cash Account.

1100-b. *Expenditures*.—Money withdrawn from an activity fund to establish a Petty Cash Account, or additional money withdrawn from an activity fund to increase the amount of a Petty Cash Account.

1110. MISCELLANEOUS CLEARING ACCOUNTS

This account is used to record any clearing account receipts and expenditures which are not classifiable under accounts 1010-1100. Included under this account are transactions of an in-and-out nature involving the voluntary collection of money by students or teachers for services rendered by commercial organizations, such as collecting individual bus fares and money for student insurance premiums. Appropriate subaccounts will be necessary to account for each activity.

1110-a. *Receipts*.—Money collected for miscellaneous purposes such as individual bus fares and student insurance premiums.

1110-b. *Expenditures*.—Money remitted to a bus company, insurance company, or other agency or activity for which it was collected.

PART 2

Part II

FUND ACCOUNTING

CHAPTER 4

Fund Accounting

THE PRECEDING CHAPTERS of this handbook classified and defined the minimum accounts to be used in accounting for school activities. This chapter presents two systems of fund accounting, single fund and multiple fund, and outlines the application of the regular accounts and clearing accounts to each of these systems. Whether an individual school should account for its school activity money through a single fund or multiple funds will depend upon the needs of the particular school and State and local rules and regulations.

Single Fund

A school may wish to account for all activity money under one fund. A single activity fund consists of a sum of money set aside for the various activities of an individual school. The fund accounts constitute a complete entity and all of the financial transactions for the fund are recorded in them.

Under a single-fund system, all money raised by the various school groups and activities is deposited in one central activity fund. The individual groups or activities of the school may be credited with each deposit, but all expenditures from the fund are controlled by an activity committee or the principal. The money in the fund is considered as the school's fund and is used to support the total activity program.

Under this plan, budgeting for activities is more easily facilitated, and activities which have no income of their own may receive money for their operation. Accounting for school activities under one fund also facilitates distribution of money received from the board of education for subsidizing the activity program.

Schools may account for their activities under a single fund if it is not necessary to separate the cash balance of a given activity from the total sum of money for all activities. For example, if a school budgets money for athletic activities, expenditures for such activities may be

accounted for in the central fund regardless of the source of the income.

A school may account for its activities under a single fund in different ways, depending upon the amount of financial information desired regarding the activity groups making up the fund. If a school needs financial information about certain school activities, major categories may be set up for each. For example, major categories could be established for athletics, publications, and student organizations, or for each student club, organization, publication, or major sport. The number of such categories to be set up will depend upon the size of the school and the amount of financial information needed.

Under each of these categories, applicable minimum receipt and expenditure accounts would be maintained.

The minimum accounts shown in table 5, page 33, are the accounts classified and defined in chapters 1, 2, and 3. In setting up the accounts for a central activity fund, the appropriate accounts should be selected from this list. *It is recommended that all schools, regardless of size, maintain the minimum accounts outlined as long as money is received or expended as indicated by the individual minimum accounts. It is further recommended that the additional detailed accounts be utilized, whenever applicable, as individual schools have need to expand their accounting system beyond the minimum.*

The account numbers appearing to the left of the account titles are primarily for identification purposes. They may also be used, with necessary adaptations, as an accounting code, with either machine methods of accounting or pen-and-ink methods.

Table 5.—Outline of Accounts

REGULAR ACCOUNTS

RECEIPTS (10-40 SERIES)	EXPENDITURES (100-200 SERIES)
<ul style="list-style-type: none"> 10. ACTIVITY INCOME 11. Admissions 12. Prorated Share of General Activity Tickets 13. Dues and Fees 14. Sales <ul style="list-style-type: none"> 14-a. Books and Periodicals 14-b. Confections, Foods, and Beverages 14-c. Other Merchandise 15. Student Rentals from Materials <ul style="list-style-type: none"> 15-a. Rental From Books 15-b. Rental From Equipment 16. Advertising 17. Guarantees 18. Other Activity Income 20. GRANTS FROM THE SCHOOL DISTRICT 30. GIFTS FROM OTHER SOURCES 40. OTHER RECEIPTS 	<ul style="list-style-type: none"> 100. ACTIVITY EXPENSE 110. BASIC OPERATING EXPENDITURES <ul style="list-style-type: none"> 111. Personal and Contracted Services 112. Supplies 113. Purchases of Merchandise <ul style="list-style-type: none"> 113-a. Books and Periodicals 113-b. Confections, Foods, and Beverages 113-c. Other Merchandise 114. Other Activity Expense <ul style="list-style-type: none"> 114-a. Advertising 114-b. Guarantees 114-c. Travel Expense 120. SUPPLEMENTAL OPERATING EXPENDITURES <ul style="list-style-type: none"> 121. Health Services <ul style="list-style-type: none"> 121-a. Personal and Contracted Services 121-b. Other Expense 122. Pupil Transportation <ul style="list-style-type: none"> 122-a. Personal and Contracted Services 122-b. Other Expense 123. Operation of Plant <ul style="list-style-type: none"> 123-a. Personal and Contracted Services 123-b. Other Expense 124. Maintenance of Plant <ul style="list-style-type: none"> 124-a. Personal and Contracted Services 124-b. Other Expense 125. Fixed Charges <ul style="list-style-type: none"> 125-a. Employer Contributions to Retirement Systems 125-b. Insurance 125-c. Rental of Land and Buildings 125-d. Other Fixed Charges 200. CAPITAL OUTLAY (Initial or additional equipment)

Table 5.—Outline of Accounts—Continued

CLEARING ACCOUNTS 1000-1100 Series	
RECEIPTS	EXPENDITURES
1010-a. BOARD OF EDUCATION	1010-b. BOARD OF EDUCATION
1020-a. OUT-OF-SCHOOL CAM- PAIGNS	1020-b. OUT-OF-SCHOOL CAM- PAIGNS
1030-a. TAXES AND DEDUC- TIONS	1030-b. TAXES AND DEDUCTIONS
1040-a. NONSTUDENT SCHOOL ORGANIZATIONS	1040-b. NONSTUDENT SCHOOL OR- GANIZATIONS
1050-a. RETURNABLE DEPOS- ITS	1050-b. RETURNABLE DEPOSITS
1060-a. GENERAL ACTIVITY TICKETS	1060-b. GENERAL ACTIVITY TICKETS
1070-a. ABATEMENTS	1070-b. ABATEMENTS
1080-a. LOANS FROM THE SCHOOL DISTRICT	1080-b. LOANS FROM THE SCHOOL DISTRICT
1090-a. INTERFUND TRANS- FERS	1090-b. INTERFUND TRANSFERS
1100-a. PETTY CASH	1100-b. PETTY CASH
1110-a. MISCELLANEOUS CLEARING ACCOUNTS	1110-b. MISCELLANEOUS CLEAR- ING ACCOUNTS

Multiple Fund

Because of the increased number and variety of activities provided by the schools, it often becomes cumbersome to handle all of the activities in one fund. For this reason, some schools may wish to group various activities into different funds by placing those that are similar in nature or purpose into one overall group.

Accounting for school activities by funds is necessary when expenditures for certain activities must be identified with the receipts for that particular activity. In these instances, it provides both flexibility and control. For example, an elementary school may want to keep the money it receives and expends for instructional fees, supplies, and book rentals separate from its other activity money. In this case, a fund could be established for Instructional Fees and Rentals, and all other transactions could be handled through the Miscellaneous Fund. A large high school, however, due to the magnitude of its operations, may want to establish a number of funds for the different types of activities found in its program. Thus, the number of funds needed will vary from school to school.

A suggested grouping of activities into funds for accounting purposes is as follows:

1. **Student Organisation Fund.**—A fund for the activities of voluntary student groupings such as clubs, class organizations, societies, or similar organizations having as their primary purpose the pursuance of common goals and objectives. Included are dramatic and musical productions, paid assemblies, movies, and other activities (with the exception of athletics) which provide entertainment, amusement, and recreation.

2. **Athletic Fund.**—A fund for the activities comprising all inter-scholastic athletic games and events of a school, and for such intramural athletic events as may be financed from school activity money.

3. **Merchandise Fund.**—A fund for the activities of a merchandising nature, such as the operation of school stores, canteens, concession stands, and vending machines, which are directed primarily toward accommodating the merchandising needs of pupils or organizations.

4. **Publications Fund.**—A fund for the activities involving the printing and publishing of school newspapers, magazines, yearbooks, and other student-produced publications.

5. **Instructional Fees and Rentals Fund.**—A fund for the activities primarily of a classroom nature, such as instructional aids and fees.

6. **Miscellaneous Fund.**—A fund for the remaining school activities which do not fall readily into one of the specified funds given above.

A multiple-fund system may be operated as a centralized system even though the financial transactions are recorded in separate funds. Although the identity of the sums of money making up each fund is kept separate and distinct, only one set of books is needed to account for all funds. Only one bank account is needed, and one person is usually charged with the responsibility of keeping the books.

Within each of the funds a school may account for the activities in different ways. If detailed information about specific activities within each fund is not needed, it is only necessary to set up the minimum accounts under the heading of each fund, such as Athletics, Publications, and Instructional Fees and Rentals.

Schools wanting detailed financial information regarding specific activities within each fund could set up major categories for each. For example, within the Athletic Fund, major categories could be established for football and basketball, and within the Student Organization Fund, major categories could be established for each student club or class.

Under each of these categories, applicable minimum receipt and expenditure accounts would be maintained.

Food Services

In many school districts, food services are accounted for through district office procedures and the accounts in Handbook II, *Financial Accounting for Local and State School Systems*, are utilized. However, the accounting procedures given here are adaptable for use by schools accounting for food services in the individual school. When this is done, a separate Food Services Fund should be established, utilizing the standard receipt and expenditure accounts and adapting them to food services consistent with existing local and State regulations in the particular area.

Outline of Basic Funds

On the following pages, outlines of the six basic funds are presented, showing the regular receipt and expenditure accounts and the clearing accounts recommended for each fund.

The minimum regular accounts in each fund are indicated by numbers without letters (14) to the left of the account titles. Additional detailed accounts are shown as subordinate to the minimum accounts and are indicated by numbers with letters (14-a) to the left of the accounts. Clearing accounts constituting the minimum breakdown are indicated by numbers without letters (1010) to the left of the account title and definition, with the receipt accounts designated by numbers and letters (1010-a) and the expenditure accounts designated by numbers and letters (1010-b).

It is recommended that all schools, regardless of size, maintain the minimum accounts outlined for each fund as long as money is received or expended as indicated by the individual minimum accounts. It is further recommended that the additional detailed accounts be utilized, whenever applicable, as individual schools have need to expand their accounting systems beyond the minimum.

The account numbers appearing to the left of the account titles are primarily for identification purposes. They may also be used, with necessary adaptations, as an accounting code, with either machine methods of accounting or pen-and-ink methods.

STUDENT ORGANIZATION FUND

Definition.—The Student Organization Fund consists of a sum of money set aside for the purpose of financing the activities of clubs, classes, and similar student organizations which are under the super-

Table 6.—Student Organization Fund

REGULAR ACCOUNTS	
RECEIPTS (10-40 SERIES)	EXPENDITURES (100-200 SERIES)
<p>10. ACTIVITY INCOME</p> <p>11. Admissions</p> <p>12. Prorated Share of General Activity Tickets</p> <p>13. Dues and Fees</p> <p>14. Sales</p> <p>16. Advertising</p> <p>18. Other Activity Income</p> <p>20. GRANTS FROM THE SCHOOL DISTRICT</p> <p>30. GIFTS FROM OTHER SOURCES</p> <p>40. OTHER RECEIPTS</p>	<p>100. ACTIVITY EXPENSE</p> <p>110. BASIC, OPERATING EXPENDITURES</p> <p>111. Personal and Contracted Services</p> <p>112. Supplies</p> <p>113. Purchases of Merchandise</p> <p>114. Other Activity Expense</p> <p>114-a. Advertising</p> <p>114-b. Guarantees</p> <p>114-c. Travel Expense</p> <p>120. SUPPLEMENTAL OPERATING EXPENDITURES</p> <p>122. PUPIL TRANSPORTATION</p> <p>122-a. Personal and Contracted Services</p> <p>122-b. Other Expense</p> <p>123. Operation of Plant</p> <p>123-a. Personal and Contracted Services</p> <p>123-b. Other Expense</p> <p>124. Maintenance of Plant</p> <p>124-a. Personal and Contracted Services</p> <p>124-b. Other Expense</p> <p>125. Fixed Charges</p> <p>125-a. Employer Contributions to Retirement Systems</p> <p>125-b. Insurance</p> <p>125-c. Rental</p> <p>200. CAPITAL OUTLAY (Initial or additional equipment)</p>
CLEARING ACCOUNTS (1000-1100 Series)	
RECEIPTS	EXPENDITURES
<p>1030-a. TAXES AND DEDUCTIONS</p> <p>1070-a. ABATEMENTS</p> <p>1090-a. INTERFUND TRANSFERS</p> <p>1100-a. PETTY CASH</p>	<p>1030-b. TAXES AND DEDUCTIONS</p> <p>1070-b. ABATEMENTS</p> <p>1090-b. INTERFUND TRANSFERS</p> <p>1100-b. PETTY CASH</p>

vision of the school. Money belonging to nonschool student organizations, such as Boy Scouts, Girl Scouts, and 4-H Clubs, that meet in the school but are under the direction of nonschool personnel is not accounted for in this fund. If such money is handled by the school, receipts and expenditures are recorded in the Miscellaneous Fund under clearing accounts 1110-a and 1110-b.

Use.—A school may account for the financial activities of student organizations in different ways. Schools wanting detailed information regarding the finances of student organizations may establish separate categories for each class, club, or organization. For example, within the Student Organization Fund a category may be set up for the Class of 1960 under which the applicable accounts are maintained. If such detailed information on each student organization is not needed, it is only necessary to set up the accounts under the one heading, Student Organizations. The recommended minimum regular receipt, regular expenditure, and clearing accounts to be used for this fund are shown in table 6.

Selection of Accounts.—The accounts suggested in table 6 are selected from the master list of accounts classified and defined in chapters 1, 2, and 3. If a school has other receipts or expenditures for student organizations not covered in this outline, reference should be made to the master list of accounts in those chapters.

ATHLETIC FUND

Definition.—The Athletic Fund consists of a sum of money set aside for the purpose of financing the athletic program of a school. In most schools, this applies only to the interscholastic program, i.e., football, basketball, track, and minor sports. However, when schools finance their intramural programs from the Athletic Fund, such transactions are accounted for in this fund. Receipts from concession sales, the sale of programs, or the sale of other similar items at athletic events are not recorded under this fund; they are recorded in the Merchandise Fund, and the net profits from these sales are then transferred to the appropriate class, club, or other activity.

Use.—A school may account for the financing of athletics in different ways. Schools wanting detailed information regarding the finances of their athletic activities may establish separate categories for each sport. For example, within the Athletic Fund a separate category may be set up for interscholastic athletics, intramural athletics, or for each individual sport as desired, under which the appli-

Table 7.—Athletic Fund

REGULAR ACCOUNTS	
RECEIPTS (10-40 SERIES)	EXPENDITURES (100-200 SERIES)
<p>10. ACTIVITY INCOME</p> <p>11. Admissions</p> <p>12. Prorated Share of General Activity Tickets</p> <p>13. Dues and Fees</p> <p>16. Advertising</p> <p>17. Guarantees</p> <p>18. Other Activity Income</p> <p>20. GRANTS FROM THE SCHOOL DISTRICT</p> <p>30. GIFTS FROM OTHER SOURCES</p> <p>40. OTHER RECEIPTS</p>	<p>100. ACTIVITY EXPENSE</p> <p>110. BASIC OPERATING EXPENDITURES</p> <p>111. Personal and Contracted Services</p> <p>112. Supplies</p> <p>114. Other Activity Expense</p> <p>114-a. Advertising</p> <p>114-b. Guarantees</p> <p>114-c. Travel Expense</p> <p>120. SUPPLEMENTAL OPERATING EXPENDITURES</p> <p>121. Health Services</p> <p>121-a. Personal and Contracted Services</p> <p>121-b. Other Expense</p> <p>122. Pupil Transportation</p> <p>122-a. Personal and Contracted Services</p> <p>122-b. Other Expense</p> <p>123. Operation of Plant</p> <p>123-a. Personal and Contracted Services</p> <p>123-b. Other Expense</p> <p>124. Maintenance of Plant</p> <p>124-a. Personal and Contracted Services</p> <p>124-b. Other Expense</p> <p>125. Fixed Charges</p> <p>125-a. Employer Contributions to Retirement Systems</p> <p>125-b. Insurance</p> <p>125-c. Rental</p> <p>200. CAPITAL OUTLAY (Initial or additional equipment)</p>
CLEARING ACCOUNTS (1000-1100 Series)	
RECEIPTS	EXPENDITURES
<p>1030-a. TAXES AND DEDUCTIONS</p> <p>1070-a. ABATEMENTS</p> <p>1090-a. INTERFUND TRANSFERS</p> <p>1100-a. PETTY CASH</p>	<p>1030-b. TAXES AND DEDUCTIONS</p> <p>1070-b. ABATEMENTS</p> <p>1090-b. INTERFUND TRANSFERS</p> <p>1100-b. PETTY CASH</p>

cable accounts are maintained. If detailed information on each athletic activity is not needed, it is only necessary to set up the accounts under one heading, Athletics. The recommended minimum regular receipt, regular expenditure, and clearing accounts to be used for this fund are shown in table 7.

Selection of Accounts.—The accounts suggested in table 7 are selected from the master list of accounts classified and defined in chapters 1, 2, and 3. If a school has other receipts or expenditures for athletic activities not covered in this outline, reference should be made to the master list of accounts in those chapters.

MERCHANDISE FUND

Definition.—The Merchandise Fund consists of a sum of money set aside for the purpose of financing the merchandising activities of a school (with the exception of school lunch and student-produced publications) which are directed primarily toward meeting the merchandising needs of students, teachers, and the general public. Included are the merchandising activities of school-sponsored stores, shops, canteens, classes, and clubs. The net profits from these activities are transferred to the appropriate class or organization. Money which a school may collect for and transmit to the board of education for merchandising activities, such as rental of textbooks, is not recorded in this fund; such receipts and expenditures are recorded in the Miscellaneous Fund under clearing accounts 1010-a and 1010-b, respectively.

Use.—A school may account for merchandising activities in different ways. Schools wanting detailed information regarding the finances of their merchandising activities may establish separate categories or headings for different types of sales. For example, within the Merchandise Fund a separate category may be set up for a school store, concession sales, or programs under which the applicable accounts are maintained. If detailed information on each merchandising activity is not needed, it is only necessary to set up the accounts under one heading, Merchandise. The recommended minimum regular receipt, regular expenditure, and clearing accounts to be used for this fund are shown in table 8.

Inventories.—The handbook deals only with receipt and expenditure accounts. However, in the operation of a merchandising activity, good bookkeeping procedures will necessitate the taking of an inventory in order to accurately determine the cost of a merchandising activity. Inventories will need to be taken as often as it is necessary to prepare a financial statement on merchandising activities.

Table 8.—Merchandise Fund

REGULAR ACCOUNTS	
RECEIPTS (10-40 SERIES)	EXPENDITURES (100-200 SERIES)
<p>10. ACTIVITY INCOME</p> <p>14. Sales</p> <p> 14-a. Books and Periodicals</p> <p> 14-b. Confections, Foods, and Beverages</p> <p> 14-c. Other Merchandise</p> <p>18. Other Activity Income</p> <p>20. GRANTS FROM THE SCHOOL DISTRICT</p> <p>30. GIFTS FROM OTHER SOURCES</p> <p>40. OTHER RECEIPTS</p>	<p>100. ACTIVITY EXPENSE</p> <p>110. BASIC OPERATING EXPENDITURES</p> <p>111. Personal and Contracted Services</p> <p>112. Supplies</p> <p>113. Purchases of Merchandise</p> <p> 113-a. Books and Periodicals</p> <p> 113-b. Confections, Foods, and Beverages</p> <p> 113-c. Other Merchandise</p> <p>114. Other Activity Expense</p> <p>120. SUPPLEMENTAL OPERATING EXPENDITURES</p> <p>123. Operation of Plant</p> <p> 123-a. Personal and Contracted Services</p> <p> 123-b. Other Expense</p> <p>124. Maintenance of Plant</p> <p> 124-a. Personal and Contracted Services</p> <p> 124-b. Other Expense</p> <p>125. Fixed Charges</p> <p> 125-a. Employer Contributions to Retirement Systems</p> <p> 125-b. Insurance</p> <p> 125-c. Rental</p> <p>200. CAPITAL OUTLAY (Initial or additional equipment)</p>
CLEARING ACCOUNTS (1000-1100 Series)	
RECEIPTS	EXPENDITURES
<p>1030-a. TAXES AND DEDUCTIONS</p> <p>1070-a. ABATEMENTS</p> <p>1090-a. INTERFUND TRANSFERS</p> <p>1100-a. PETTY CASH</p>	<p>1030-b. TAXES AND DEDUCTIONS</p> <p>1070-b. ABATEMENTS</p> <p>1090-b. INTERFUND TRANSFERS</p> <p>1100-b. PETTY CASH</p>

Selection of Accounts.—The accounts suggested in the outline of the Merchandise Fund are selected from the master list of accounts classified and defined in chapters 1, 2, and 3. If a school has receipts or expenditures for merchandising activities not covered in this outline, reference should be made to the master list of accounts in those chapters.

PUBLICATIONS FUND

Definition.—The Publications Fund consists of a sum of money set aside for the purpose of financing the preparation, production, and distribution of student-produced publications, such as the school paper, school yearbook, and school magazine. Items such as printed programs and tickets are not included in this fund. Receipts from programs sold at a school event are recorded in the Merchandise Fund. The cost of programs which are furnished as a part of the cost of admissions and the cost of printing tickets are included in the fund in which the given activity is placed.

Use.—A school may account for the financial activities of school publications in different ways. Schools wanting detailed information regarding the finances of their publications program may establish separate categories for each type of publication. For example, within the Publications Fund a separate category may be set up for the school paper, school yearbook, or school magazine, under which the applicable accounts are maintained. If detailed information on each publications activity is not needed, it is only necessary to set up the accounts under one heading, Publications. The recommended minimum regular receipt, regular expenditure, and clearing accounts to be used for this fund are shown in table 9.

Selection of Accounts.—The accounts suggested in the outline of the Publications Fund are selected from the master list of accounts classified and defined in chapters 1, 2, and 3. If a school has receipts or expenditures for publications not covered in this outline, reference should be made to the master list of accounts in those chapters.

Table 9.—Publications Fund

REGULAR ACCOUNTS	
RECEIPTS (10-40 SERIES)	EXPENDITURES (100-200 SERIES)
<p>10. ACTIVITY INCOME</p> <p> 12. Prorated Share of General Activity Tickets</p> <p> 13. Dues and Fees</p> <p> 14. Sales</p> <p> 14-a. Books and Periodicals</p> <p> 16. Advertising</p> <p> 18. Other Activity Income</p> <p>20. GRANTS FROM THE SCHOOL DISTRICT</p> <p>30. GIFTS FROM OTHER SOURCES</p> <p>40. OTHER RECEIPTS</p>	<p>100. ACTIVITY EXPENSE</p> <p> 110. BASIC OPERATING EXPENDITURES</p> <p> 111. Personal and Contracted Services</p> <p> 112. Supplies</p> <p> 114. Other Activity Expense</p> <p> 114-c. Travel Expense</p> <p> 120 SUPPLEMENTAL OPERATING EXPENDITURES</p> <p> 123. Operation of Plant</p> <p> 123-a. Personal and Contracted Services</p> <p> 123-b. Other Expense</p> <p> 124. Maintenance of Plant</p> <p> 124-a. Personal and Contracted Services</p> <p> 124-b. Other Expense</p> <p> 125. Fixed Charges</p> <p> 125-a. Employer Contributions to Retirement Systems</p> <p> 125-b. Insurance</p> <p> 125-d. Other Fixed Charges</p> <p>200. CAPITAL OUTLAY (Initial or additional equipment)</p>
CLEARING ACCOUNTS (1000-1100 Series)	
RECEIPTS	EXPENDITURES
<p>1030-a. TAXES AND DEDUCTIONS</p> <p>1070-a. ABATEMENTS</p> <p>1090-a. INTERFUND TRANSFERS</p> <p>1100-a. PETTY CASH</p>	<p>1030-b. TAXES AND DEDUCTIONS</p> <p>1070-b. ABATEMENTS</p> <p>1090-b. INTERFUND TRANSFERS</p> <p>1100-b. PETTY CASH</p>

INSTRUCTIONAL FEES AND RENTALS FUND

Definition.—The Instructional Fees and Rentals Fund consists of a sum of money set aside for the purpose of supplemental financing of instructional activities, such as classroom supplies, laboratory fees, and rentals for books, when such receipts and expenditures are handled by an individual school. Receipts from fees and rentals which must be remitted to the board of education are not recorded in this fund; they are recorded in the Miscellaneous Fund under clearing account 1010-a.

Use.—A school may account for instructional fees and rentals in different ways. Schools wanting detailed financial information regarding instructional fees and rentals may establish separate categories for each instructional activity. For example, within the Instructional Fees and Rentals Fund a separate category may be set up for classroom supplies, laboratory fees, or rental of books, under which the applicable accounts are maintained. If detailed information on each instructional activity is not needed, it is only necessary to set up the accounts under one heading, Instructional Fees and Rentals. The recommended minimum regular receipt, regular expenditure, and clearing accounts to be used for this fund are shown in table 10.

Selection of Accounts.—The accounts suggested in the outline are selected from the master list of accounts classified and defined in chapters 1, 2, and 3. If a school has other receipts or expenditures for the Instructional Fees and Rentals Fund not covered in this outline, reference should be made to the master list of accounts in those chapters.

Table 10.—Instructional Fees and Rentals Fund

REGULAR ACCOUNTS	
RECEIPTS (10-40 SERIES)	EXPENDITURES (100-200 SERIES)
<p>10. ACTIVITY INCOME</p> <p>13. Dues and Fees</p> <p>15. Student Rentals From Materials</p> <p>15-a. Rental From Books</p> <p>15-b. Rental From Equipment</p> <p>18. Other Activity Income</p> <p>20. GRANTS FROM THE SCHOOL DISTRICT</p> <p>30. GIFTS FROM OTHER SOURCES</p> <p>40. OTHER RECEIPTS</p>	<p>100. ACTIVITY EXPENSE</p> <p>110. BASIC OPERATING EXPENDITURES</p> <p>111. Personal and Contracted Services</p> <p>112. Supplies</p> <p>113. Purchases of Merchandise</p> <p>113-a. Books and Periodicals</p> <p>114. Other Activity Expense</p> <p>120. SUPPLEMENTAL OPERATING EXPENDITURES</p> <p>122. Pupil Transportation</p> <p>122-a. Personal and Contracted Services</p> <p>122-b. Other Expense</p> <p>124. Maintenance of Plant</p> <p>124-b. Other Expense</p> <p>125. Fixed Charges</p> <p>125-a. Employer Contributions to Retirement Systems</p> <p>125-b. Insurance</p> <p>125-c. Rental of Land and Buildings</p> <p>200. CAPITAL OUTLAY (Initial or additional equipment)</p>

CLEARING ACCOUNTS
1000-1100 Series

RECEIPTS	EXPENDITURES
<p>1050-a. RETURNABLE DEPOSITS</p> <p>1070-a. ABATEMENTS</p> <p>1100-a. PETTY CASH</p>	<p>1050-b. RETURNABLE DEPOSITS</p> <p>1070-b. ABATEMENTS</p> <p>1100-b. PETTY CASH</p>

MISCELLANEOUS FUND

Definition.—The Miscellaneous Fund consists of a sum of money set aside for the purpose of financing the activities of a school which are not accounted for in other funds, such as money used for the general administration of the student activity program. It also provides a place to account for clearing receipts and expenditures which are not accounted for in other funds. For example, all money collected for and remitted to the board of education is accounted for in this fund under clearing accounts 1010-a and 1010-b.

Use.—A school may account for the financing of miscellaneous student activities in different ways. Schools wanting detailed information regarding the finances of each miscellaneous student activity may establish separate categories for each activity. For example, within the Miscellaneous Fund a separate category may be set up for each activity not accounted for in the other funds, under which the applicable accounts are maintained. If such detailed information on each activity is not needed, it is only necessary to set up the accounts under one heading, Miscellaneous. The recommended minimum regular receipt, regular expenditure, and clearing accounts to be used for this fund are shown in table 11.

Selection of Accounts.—The accounts suggested in the outline are selected from the master list of accounts classified and defined in chapters 1, 2, and 3. If a school has other receipts or expenditures for the Miscellaneous Fund not covered in this outline, reference should be made to the master list of accounts in those chapters.

Table 11.—Miscellaneous Fund

REGULAR ACCOUNTS	
RECEIPTS (10-40 SERIES)	EXPENDITURES (100-200 SERIES)
<p>10. ACTIVITY INCOME</p> <p> 12. Prorated Share of General Activity Tickets</p> <p> 18. Other Activity Income</p> <p>20. GRANTS FROM THE SCHOOL DISTRICT</p> <p>30. GIFTS FROM OTHER SOURCES</p> <p>40. OTHER RECEIPTS</p>	<p>100. ACTIVITY EXPENSE</p> <p> 110. BASIC OPERATING EXPENDITURES</p> <p> 111. Personal and Contracted Services</p> <p> 112. Supplies</p> <p> 114. Other Activity Expense</p> <p> 120. SUPPLEMENTAL OPERATING EXPENDITURES</p> <p> 123. Operation of Plant</p> <p> 123-a. Personal and Contracted Services</p> <p> 123-b. Other Expense</p> <p> 124. Maintenance of Plant</p> <p> 124-a. Personal and Contracted Services</p> <p> 124-b. Other Expense</p> <p> 125. Fixed Charges</p> <p> 125-a. Employer Contributions to Retirement Systems</p> <p> 125-b. Insurance</p> <p> 125-c. Rental</p> <p>200. CAPITAL OUTLAY (Initial or additional equipment)</p>

CLEARING ACCOUNTS (1000-1100 Series)

RECEIPTS	EXPENDITURES
<p>1010-a. BOARD OF EDUCATION</p> <p>1020-a. OUT-OF-SCHOOL CAMPAIGNS</p> <p>1030-a. TAXES AND DEDUCTIONS</p> <p>1040-a. NONSTUDENT SCHOOL ORGANIZATIONS</p> <p>1060-a. GENERAL ACTIVITY TICKETS</p> <p>1110-a. MISCELLANEOUS</p>	<p>1010-b. BOARD OF EDUCATION</p> <p>1020-b. OUT-OF-SCHOOL CAMPAIGNS</p> <p>1030-b. TAXES AND DEDUCTIONS</p> <p>1040-b. NONSTUDENT SCHOOL ORGANIZATIONS</p> <p>1060-b. GENERAL ACTIVITY TICKETS</p> <p>1110-b. MISCELLANEOUS</p>

PART 3

Part III

A FINANCIAL ACCOUNTING SYSTEM

CHAPTER 5

A Financial Accounting System

THE ACCOUNTING SYSTEM presented in this chapter has been developed for use in accounting for all financial transactions involving school activities. Procedures are outlined and supporting documents, registers, ledgers, and reports are illustrated. The regular receipt, regular expenditure, and clearing accounts set forth in chapters 1, 2, and 3, and the fund accounting concept presented in chapter 4 are utilized. The suggested accounting system is one system which may be used; other systems could accomplish the same purpose. Some schools may wish to retain their present accounting system, utilizing the standard receipt and expenditure accounts presented in chapters 1, 2, and 3. Other schools may wish to modify the suggested system to meet their particular needs, either through the use of a single fund or multiple funds.

Principles Governing Activity Fund Accounting

The accounting procedures suggested in this handbook are based on the following principles:

1. The general administration of school activity fund accounting should be governed by rules and regulations prescribed by the board of education of the school district.
2. The board of education should designate a person (usually the superintendent) to implement all policies and rules pertaining to the supervision and administration of funds in the schools under his jurisdiction.
3. One person should be designated (usually the principal) to be responsible for the funds in each individual school.
4. Expenditures for school activities should be carefully planned within the resources of the activity, which would make the use of a budget control of receipts and expenditures desirable and sometimes necessary.
5. Persons handling the school funds should be bonded through the regular school district procedures, and the bond should be in an

amount sufficient for the adequate protection of the funds of the school.

6. An annual audit should be made of all school activity funds trained and recognized auditors.
7. Regular financial reports should be made to the administrative head of the school and to the board of education.

SECTION I

Activity Fund Accounting Procedures

The accounting procedures suggested in this chapter are intended primarily for use by the person or persons responsible for handling the activity money and keeping the books. This may be the principal or another person who has been assigned such responsibility. The procedures recommended are not set forth as the only ones which may be followed. In many instances, modification of these procedures may be necessary to meet the needs of individual schools or school systems. Anyone planning to use this handbook who is not versed in accounting for school activities might well seek the assistance of the board of education accountant or other publicly employed accountant.

Centralized and Decentralized Accounting

Financial accounting for school activities as outlined in this handbook may be handled through a centralized or decentralized system.

Under a centralized system, the money and records for all the funds are handled and maintained through a central office under the supervision of a central treasurer. One or more bank accounts may be maintained for these funds.

Under a decentralized system, individual funds are maintained for certain activities. Each of these funds has its own treasurer and maintains a separate bank account.

This handbook recommends a centralized system. Although the procedures outlined herein have been developed for a centralized system, they are equally applicable for a decentralized system.

Adapting to Double-Entry and Single-Entry Bookkeeping

The accounts shown in this handbook are for use with either double-entry or single-entry method of bookkeeping, and when used

with either method, will result in comparable financial data among individual schools. The system of bookkeeping described in this chapter is for illustrative purposes, and utilizes a single-entry method. Many schools will prefer a double-entry method of bookkeeping as it provides a control of assets and liabilities, including inventories, investments, receivables, payables, and equipment.

The procedures and forms presented in the handbook are intended to provide a basic framework upon which schools may develop their own system. The suggested bookkeeping procedures and forms can be used with a single-entry method as shown, or can be modified very easily for a double-entry method.

Handling and Recording Cash Receipts and Expenditures

The efficient and accurate accounting of school activity funds requires that sound procedures be followed in handling money received. Money may be collected initially by a student activity treasurer, who, in turn, deposits it with the central treasurer; or the initial collection may be made by the central treasurer.

The use of a student activity treasurer provides safeguards that result from having two independent records of all receipt and expenditure transactions. The use of a student treasurer in no way relieves the adult faculty member concerned of the responsibility for activity funds. The official records are maintained by the central treasurer, while individual records of receipts and expenditures for each activity are maintained by the student activity treasurer. This provides a basis for auditing the records of both the central treasurer and the activity treasurer.

In addition, student activity treasurers gain many valuable educational experiences through keeping accurate financial records of the clubs or organizations they represent. Care should be taken to see that procedures used by student treasurers are not in conflict with instruction received in class.

I. Procedures for Student Activity Treasurer

- A. **Collections.**—Money collected by a student activity treasurer is acknowledged by the issuance of a prenumbered auxiliary receipt, cash register sales slip, or prenumbered ticket to the person from whom the money is received.
- B. **Deposits.**—All money collected by student activity treasurers is deposited intact with the central treasurer immediately and is substantiated by confirming records. A deposit slip should accompany each deposit made with the central treasurer. A

signed receipt is received from the central treasurer acknowledging each deposit.

- C. **Disbursements.**—The activity purchase order is prepared by the activity treasurer and submitted to the activity sponsor and school principal for approval. The student treasurer checks the merchandise against the invoice and purchase order when it is received and forwards the invoice to the central treasurer for payment. If the activity has established a petty cash fund, the student activity treasurer maintains adequate records covering petty cash transactions.
- D. **Records of Transactions.**—The activity treasurer should keep a set of books for that given activity. The amount of collections deposited with the central treasurer is entered in a receipts journal, and the amount of disbursements is entered in an expenditures journal for the activity.

II. Procedures for Central Treasurer for Receiving and Disbursing Money

- A. **Collections.**—An official, prenumbered, duplicate or triplicate receipt is prepared in acknowledgment of cash collections from any source. The Official Receipt, Form 1, page 60, should reveal such information as is necessary for making appropriate entries in the Receipts Distribution Ledger.
- B. **Deposits.**—Money collected by the central treasurer should be deposited intact daily in the officially designated depository. Checks deposited should be endorsed with a restrictive endorsement, and a duplicate deposit slip must accompany each deposit and be signed by the bank teller. An Analysis of Deposit, Form 2, is prepared by the central treasurer for each deposit.
- C. **Disbursements.**
1. **Check Disbursements.**—All disbursements, except small cash purchases, should be made by check prepared by the central treasurer. The central treasurer should not issue a check without an approved purchase order or an approved disbursement order, to which has been attached a properly checked invoice showing the receipt of the goods or services. (An example of one type of combined requisition and purchase order is shown as Activity Purchase Order, Form 3, p. 64.) The Check, Form 4, p. 66, should be prenumbered and serve as the basis for making an entry in the Expenditures Distribution Ledger. When a check has been written, the invoice and supporting documents should be marked "paid" and filed for auditing purposes.

2. **Petty Cash Disbursements.**—To facilitate small cash purchases, most schools will operate a petty cash account. Purchases through petty cash should be restricted to an absolute minimum, and when a cash expenditure is made a Petty Cash Voucher, Form 5, page 68, should be used to support the transaction. Petty Cash Vouchers should be supported by paid invoices where possible.
3. **Interfund Transfers.**—Transfers of money from one fund to another are supported by a Transfer Voucher, Form 6, page 70, which is signed by the sponsor or organization representative authorizing the central treasurer to make the transfer.

III. Procedures for Central Treasurer in Recording Transactions and Keeping the Books

- A. **Fund Balance Record.**—An official receipt is made out for all money received, and a check is issued for all money paid out by the central treasurer. Money received by an individual school should be deposited daily. After each deposit has been made it is recorded in the Fund Balance Record, Form 7, page 72, of the appropriate fund. The amount to be recorded is taken from the Analysis of Deposit, Form 2, page 62. Each check issued by the central treasurer is also recorded in the appropriate Fund Balance Record.

A Fund Balance Record is maintained for each fund. It provides a running balance of the fund and minimizes the possibility of overspending from the fund.

- B. **Receipts and Expenditures Register.**—The total amount of each deposit made and of each check issued by the central treasurer is recorded in the Receipts and Expenditures Register, Form 8, page 74.

The Receipts and Expenditures Register serves as a control whereby the total amount of money deposited and expended for all funds is maintained continuously, and at any given time the total amount of money available for all funds can be readily determined by subtracting the amount expended from the total deposits plus the beginning balance.

- C. **Receipts Distribution Ledger.**—All money received by the central treasurer is recorded in the Receipts Distribution Ledger, Form 9, page 76, from the Official Receipt. The Receipts Distribution Ledger provides an analysis of all cash receipts through a distribution among the regular receipt ac-

counts: Account 10, **ACTIVITY INCOME**; account 20, **GRANTS**; account 30, **GIFTS**; and account 40, **OTHER RECEIPTS**; and through the clearing receipt accounts.

A school should maintain a Receipts Distribution Ledger for each of the funds established. The number of columns needed in the Receipts Distribution Ledger will depend upon each fund and the number of minimum accounts utilized (see ch. 4).

- D. **Expenditures Distribution Ledger.**—All money expended by the central treasurer is recorded in the Expenditures Distribution Ledger, Form 10, page 78, from the check voucher or stub. The Expenditures Distribution Ledger provides an analysis of expenditures through a distribution among the regular expenditure accounts, account 100, **ACTIVITY EXPENSE**, and account 200, **CAPITAL OUTLAY**; and through the clearing expenditure accounts.

A school should maintain an Expenditures Distribution Ledger for each of the funds established. The number of columns needed will depend upon each fund and the number of minimum accounts utilized (see ch. 4).

- E. **Subsidiary Activity Ledger.**—The Subsidiary Activity Ledger may be used by schools desiring a record of the financial transactions of certain activities within a given fund. A Subsidiary Activity Ledger, Form 11, page 80, is maintained for each category or activity, showing the receipts, expenditures, and cash balance.

Postings are made to the Subsidiary Activity Ledger from the Receipts Distribution Ledger and the Expenditures Distribution Ledger of the fund.

- F. **Reconciliation of Bank Statement.**—The balance shown by the bank statement will rarely agree with the balance reflected by the books of the activity funds because of outstanding checks, deposits in transit, bank service charges, and possible errors. Thus, the bank statement should be reconciled with the activity fund books as soon as possible after it has been received. A Reconciliation of Bank Statement, Form 12, page 82, is used for this purpose.

- G. **Monthly Financial Statement of Each Fund.**—At the end of the month a financial statement should be prepared for each fund. There are many ways a monthly financial statement may be presented. The Monthly Financial Statement of Each Fund, Form 13, page 84, shows the receipts and expenditures for a fund by source and purpose. This information for the

statement is derived from the Fund Balance Record, Receipts Distribution Ledger, and the Expenditures Distribution Ledger. The information contained in Form 13 also includes the financial status of each activity making up an activity fund. This information is derived from the Subsidiary Activity Ledger. The monthly financial statement should be signed by the central treasurer and the principal, or whoever has responsibility for the funds in the particular school.

A list of accounts payable for each fund should be included, and may be entered on the back of the Monthly Financial Statement of Each Fund.

- H. *Monthly Summary Statement for All Funds.*—The Monthly Summary Statement for All Funds, Form 14, page 86, is prepared for two purposes: (1) To provide the board of education with a report of the overall financial status of the school activity funds, and (2) to provide an internal check against bookkeeping errors.

The information to be recorded here is derived from two sources. The total deposits and the total expenditures of all funds are taken from the Receipts and Expenditures Register. The financial information regarding each fund is taken from the Monthly Financial Statement of Each Fund. The total balance of all funds should equal the balance as reflected by the Receipts and Expenditures Register and the Reconciliation of Bank Statement. The Monthly Summary Statement for All Funds should be signed by the central treasurer and the principal, or whoever has responsibility for the funds in the particular school.

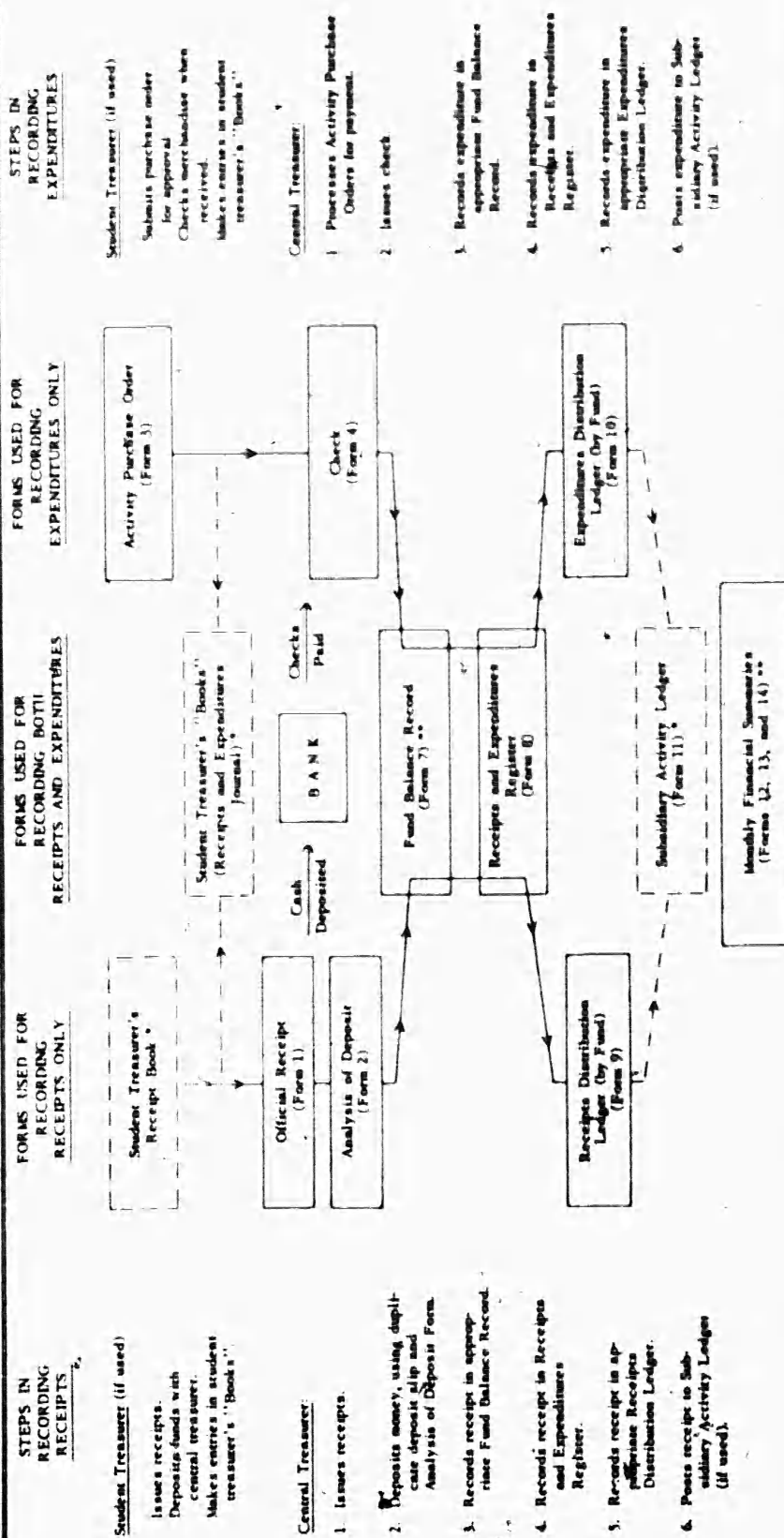
- I. *Annual Financial Statements.*—Annual financial statements should be prepared at the end of the school year. The forms used for the Monthly Financial Statement of Each Fund and the Monthly Summary Statement for All Funds may be used in preparing the annual financial statements.

SECTION II

Activity Fund Accounting Forms

This section of the chapter provides a sample set of forms that may be used in implementing the accounting procedures outlined in section I. The chart on page 58 summarizes the process in graphic form and identifies the appropriate forms to be used in each step. Briefly,

PROCEDURES AND FORMS FOR USE IN ACCOUNTING FOR SCHOOL ACTIVITY FUNDS



* Optional steps and forms shown by broken line.

** Procedure illustrated uses multiple funds on a cash basis. Forms 7 and 14 are not needed when using a single fund.

NOTE: Petty cash transactions and interfund transfers are recorded from Forms 3 and 6

the steps to be used in recording receipt and expenditure transactions are :

a. *Steps to be followed in recording receipts*

- (1) Issue receipts.
- (2) Deposit money, using duplicate deposit slip and Analysis of Deposit Form.
- (3) Record receipt in appropriate Fund Balance Record.
- (4) Record receipt in Receipts and Expenditures Register.
- (5) Record receipt in appropriate Receipts Distribution Ledger.
- (6) Record receipt in Subsidiary Activity Ledger (if used).

b. *Steps to be followed in recording expenditures*

- (1) Process Activity Purchase Order for payment.
- (2) Issue Check.
- (3) Record expenditure in appropriate Fund Balance Record.
- (4) Record expenditure in Receipts and Expenditures Register.
- (5) Record expenditure in appropriate Expenditures Distribution Ledger.
- (6) Record expenditure in Subsidiary Activity Ledger (if used).

c. *Summary statements to be prepared*

- (1) Reconcile the bank statement.
- (2) Prepare Monthly Financial Statement of Each Fund.
- (3) Prepare Monthly Summary Statement for All Funds.
- (4) Prepare an Annual Financial Statement of Each Fund.
- (5) Prepare an Annual Summary Statement for All Funds.

The forms shown on the following pages include sample entries for the Student Organization Fund to illustrate the cycle of operations for one fund. The same cycle of operations would be followed in recording transactions for each of the other activity funds maintained by a school. Instructions have been included in the explanation of each form to show how the same forms may be used by schools utilizing a single fund.

It should be noted that the procedures illustrated are set up on a cash basis of accounting, utilizing multiple funds in a single-entry system. However, schools wishing to use a single-fund system, a double-entry system, or an accrual basis for accounting will find the procedures readily adaptable to any of these variations.

YOUR SCHOOL		No. <u>1</u> (1)
Received from <u>John Smith, Class of 1960</u>		(2)
Source of Income <u>Gate Receipts, Play, Class of 1960</u>		
Fund (3)	Account (4)	Amount (5)
<u>Student Organization</u>	<u>11, Admissions</u>	<u>\$ 490.00</u>
<u>Student Organization</u>	<u>10.90, Dues and Deductions</u>	<u>10.00</u>
	<u>Total</u>	<u>\$ 500.00</u>

Signed John Doe
 Title Central Treasurer
 Date 10/2/58

Form 1.—Official Receipt.

Sample Entries

No.	Date	Purpose
1	10 / 2	Play, Class of 1960, Student Organization Fund, Admissions—\$490.00, Admissions Tax—\$10.00. Total—\$500.00.
2	10 / 6	Football Game, Athletic Fund, Admissions—\$392.00, Admissions Tax—\$8.00. Total—\$400.00.
3	10 / 9	Student Assembly Program, Student Organization Fund, Student Council, Admissions—\$100.00.
4	10 / 11	School Paper, Publications Fund, Sale of Publications—\$25.00.
5	10 / 15	Dramatic Club, Student Organization Fund, Dues and Fees—\$25.00.
6	10 / 16	General Activity Tickets, Miscellaneous Fund, General Activity Tickets—\$40.00.
7	10 / 17	School Carnival, Class of 1959, Student Organization Fund, Admissions—\$196.00, Admissions Tax—\$4.00, Sales—\$392.00, Sales Tax—\$8.00. Total—\$600.00.
8	10 / 18	Y-Teen Club, Student Organization Fund, Dues and Fees—\$50.00.
9	10 / 21	Magazine Subscriptions, Merchandise Fund, Sales—\$750.00.
10	10 / 24	Classroom Supplies, Instructional Fees and Rentals Fund, Dues and Fees—\$50.00.
11	10 / 30	Close out Petty Cash Account, Student Organization Fund, Petty Cash—\$10.00.

Explanation of Form 1.—Official Receipt

Use.—Form 1, Official Receipt, is issued in duplicate for all cash received by the school treasurer. The duplicate receipt is retained by the treasurer to serve as the basis for making entries in the Receipts Distribution Ledger, Form 9.

Item Numbers

- (1) Receipt number, which is used in identifying the transaction in the Receipts Distribution Ledger, Form 9, and the amount of deposits in the Receipts and Expenditures Register, Form 8.
- (2) Person and organization from whom the money is received.
- (3) Fund in which the receipt is to be recorded.
- (4) Account under which the receipt is to be recorded.
- (5) Amount of the receipt.

Sample Entries.—Sample receipt transactions are included on page 60. The receipts for the Student Organization Fund (Nos. 1, 3, 5, 7, 8, and 11) have been recorded in the Receipts Distribution Ledger, Form 9; of this fund. (Note: Receipt No. 11 shows that \$10.00 which had been withdrawn from the fund to establish a petty cash account has been returned to the fund.)

Schools using *multiple funds* will record each of the receipts in the Receipts Distribution Ledger of the appropriate fund.

Schools using a *single fund* will record all of the receipts in the Receipts Distribution Ledger of their central activity fund.

Your School (1)

Detail of Deposit No. 10 (2) Dated 10/9 19 52 (3)

Covering Receipts No. 1 Through 3 (4)

FUND	AMOUNT (5)
Student Organization	\$ <u>600.00</u>
Athletic	<u>400.00</u>
Merchandise	_____
Publications	_____
Instructional Fees and Rentals	_____
Miscellaneous	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Total Deposit	\$ <u>1,000.00</u>

Form 2.—Analysis of Deposit.

Explanation of Form 2.—Analysis of Deposit

Use.—Form 2 provides an analysis of the amount of money deposited that belongs to the various funds. When the duplicate deposit ticket is received from the bank teller, the Analysis of Deposit should be stapled to the back of the duplicate deposit ticket. The amount deposited for each fund is recorded in the appropriate Fund Balance Record, Form 7, and the amount of the total deposit is recorded in the Receipts and Expenditures Register, Form 8.

Item Numbers

- (1) Name of school.
- (2) Deposit number.
- (3) Date of deposit.
- (4) Receipt numbers covered by the deposit.
- (5) Amount of the deposit belonging to each fund and total amount of the deposit.

Sample Entries.—The sample Analysis of Deposit includes receipt numbers 1, 2, and 3, for a total of \$1,000.00 distributed between the Athletic Fund and the Student Organization Fund. The \$600.00 deposited for the Student Organization Fund has been recorded in the Fund Balance Record, Form 7, of that fund; and the amount of the total deposit has been entered in the Receipts and Expenditures Register, Form 8. (The recording of the \$400.00 in the Fund Balance Record of the Athletic Fund is not shown.)

Schools using a *single fund* will not maintain the Fund Balance Record, Form 7. Therefore, it is only necessary to record the total deposits in the Receipts and Expenditures Register, Form 8, of the central activity fund.

ACTIVITY PURCHASE ORDER

Your School
Yourtown, U.S.A. No. 40 (1)Date 9/1 1958Purchased from Any Supply Company (2)Address 1010 Main Street, Yourtown, U.S.A.Charge to Student Organization Fund, Dramatic Club Activity (3)Date Wanted 10/1/58 Terms 2% (4)Deliver to You School

Quantity	Unit	Description	Unit Cost	Total Cost
1	ea.	Page Recorder A-1011	\$153.06	\$153.06
		Less discounts of 2%		<u>3.06</u>
				\$150.00

John Rogers
Activity TreasurerGeorge Robinson
Activity SponsorW. E. Jones
Principal's Approval

Form 3.—Activity Purchase Order.

Explanation of Form 3.—Activity Purchase Order

Use.—Form 3, Activity Purchase Order, is a request for authority to purchase goods under the name of the individual school. The request, when signed by the activity treasurer and activity sponsor, becomes a requisition. After it has been signed by the principal, it becomes a purchase order. When the goods are received, a copy of the purchase order should be attached to the invoice (which has been properly checked to show that the goods have been received), and forwarded to the central treasurer, with a request for payment. When the check is written, the purchase order, invoice, and other supporting documents are marked "paid" and filed for auditing purposes.

Item Numbers

- (1) Number of approved purchase order.
- (2) Company or firm from which the goods are being ordered.
- (3) Fund and activity against which the goods will be charged.
- (4) Date requested for delivery of goods and terms, if any, under which the goods are being purchased.

Sample Entry.—The sample Activity Purchase Order is a request by the Dramatic Club to purchase a tape recorder. The request was signed by the activity treasurer and activity sponsor and approved by the principal. After the article is received and paid for, the central treasurer should mark the purchase order "paid" and indicate the number of the check and date issued.

The Activity Purchase Order serves the same purpose for schools using either a *single fund* or *multiple funds*.

No. <u>21</u> (1) <u>10/2</u> 19 <u>58</u>	Balance forward . . .	\$ <u>1,000⁰⁰</u>
Order of <u>A. B. C. Publishing Company</u> (2)	Deposit	
Fund <u>Student Organization</u> (4)	Balance	<u>1,000⁰⁰</u>
Account <u>112, Supplies</u> (5)	Amount this check . . .	<u>20⁰⁰</u>
For <u>Playbooks, Class of 1960</u> (6)	Balance forward . . .	\$ <u>980⁰⁰</u>

ANY BANK
Yourtown, U.S.A. 10/2 1958 No. 21 (1)

Pay to the
Order of A. B. C. Publishing Company (2) \$ 20⁰⁰ (3)
Twenty and 00/100 Dollars

YOUR SCHOOL, U.S.A.

For Playbooks By John Doe Treasurer (7)
W. E. Jones Principal (7)

Form 4.—Check.

Sample Entries

No.	Date	Purpose
21	10/ 2	ABC Publishing Co., Student Organization Fund, Class of 1960 (Playbooks), Supplies—\$20.00.
22	10/ 4	John Jones, Athletic Fund (Football officials), Personal and Contracted Services—\$75.00.
23	10/ 6	John Doe, Student Organization Fund, Establish Petty Cash Account, Petty Cash—\$10.00.
24	10/ 8	Acme Costume Co., Student Organization Fund, Class of 1960 (Rental of costumes for play, Class of 1960), Other Expenses—\$50.00.
25	10/17	Jones Publishing Co., Merchandise Fund, Purchases of Merchandise (Magazines)—\$350.00.
26	10/17	General Novelty Co., Student Organization Fund, Class of 1959 (School carnival), Purchases of Merchandise—\$100.00.
27	10/18	City Newspaper, Student Organization Fund, Class of 1960 (Advertising placards), Advertising—\$15.00.
28	10/20	State Tax Commission, Athletic Fund—\$8.00, Student Organization Fund—\$22.00 (Sales and Admissions Tax, First Quarter), Taxes and Deductions. Total—\$30.00.
29	10/24	Any Supply Co., Student Organization Fund, Dramatic Club (Tape recorder), Capital Outlay—\$150.00.
30	10/28	George Jackson, Student Organization Fund, Class of 1960 (Custodial help for play), Operation of Plant—\$25.00.
31	10/30	John Doe, Student Organization Fund, Replenish Petty Cash (Student Council—\$3.00, Class of 1960—\$3.02), Other Activity Expense—\$6.02.

Explanation of Form 4.—Check

Use.—Form 4 is a check used in making and identifying payments. It serves as the basis for making entries in the Fund Balance Record, Form 7; Receipts and Expenditures Register, Form 8; and the Expenditures Distribution Ledger, Form 10.

Item Numbers

- (1) Check number which is used in identifying the transaction in the Expenditures Distribution Ledger.
- (2) Payee.
- (3) Amount of the expenditure transaction.
- (4) Fund in which the transaction is to be recorded.
- (5) Account under which the expenditure is to be recorded.
- (6) Purpose for which the expenditure is being made.
- (7) Persons signing the check—the treasurer and principal, or whoever is given that authority. The number of signatures required will depend upon local regulations. In many cases, two or more signatures are required.

Sample Entries.—A number of sample expenditure transactions are included. All of the expenditures are recorded in the Receipts and Expenditures Register, Form 8. The expenditures for the Student Organization Fund (Checks Nos. 21, 23, 24, 26, 27, 28, 29, 30, and 31) are recorded in the Fund Balance Record, Form 7, and in the Expenditures Distribution Ledger, Form 10, of the Student Organization Fund. (Note: Check No. 23 was issued to establish a petty cash account, and check No. 31 was issued to replenish petty cash.) Schools using a *single fund* will record all of the expenditures in the Receipts and Expenditures Register, Form 8, and in the Expenditures Distribution Ledger, Form 10, of their central activity fund.

YOUR SCHOOL	No. <u>1</u>	(1)
	<u>10/4</u> 19 <u>58</u>	
Received from <u>John Doe</u>	(2) \$ <u>3⁰⁰</u>	(3)
Fund <u>Student Organization</u>		(4)
Account <u>114, Other Activity Expense</u>		(5)
For <u>Stamps, Student Council</u>		(6)
Received by:		
	<u>Robert Smith</u>	(7)

Form 5.—Petty Cash Voucher.

Sample Entries

No.	Date	Purpose
1	10/4	Robert Smith, Student Organization Fund, Student Council (Stamps), Other Activity Expense—\$3.00.
2	10/17	Western Union, Student Organization Fund, Class of 1960 (Telegram), Other Activity Expense—\$1.30.
3	10/21	Express Company, Student Organization Fund, Class of 1960 (Express on purchases), Other Activity Expense—\$1.72.

Explanation of Form 5.—Petty Cash Voucher

Use.—Form 5, Petty Cash Voucher, is used to support small expenditures paid by cash from a petty cash account. When the petty cash account is replenished, a check is issued against the fund from which the money was initially drawn for the total of the Petty Cash Vouchers. The expenditures are then recorded in the Expenditures Distribution Ledger, Form 10, of that fund.

Item Numbers

- (1) Number of Petty Cash Voucher.
- (2) Name of person making petty cash payment.
- (3) Amount of Petty Cash Voucher.
- (4) Fund from which cash is paid.
- (5) Account to be charged when the transaction is recorded in the Expenditures Distribution Ledger.
- (6) Purpose of the cash expenditure.
- (7) Signature of person receiving payment.

Sample Entries.—Three sample petty cash payments are shown. The petty cash payments were recorded in the Expenditures Distribution Ledger, Form 10, under the appropriate accounts when the petty cash account was replenished.

Schools using a *single fund* will follow the same procedure in using the Petty Cash Voucher.

YOUR SCHOOL	No. <u>K-1</u>	(1)
To: Central Activity Treasurer This is your authority to transfer	\$ <u>400.00</u>	(2)
From the <u>Merchandise</u>		(3) Fund
To the <u>Student Organization</u>		(4) Fund
Explanation <u>Transfer profits on sale of magazines to Senior Class</u>		(5)
Authorized by <u>W. E. Jones</u>		(6)
<u>10/20</u> 19 <u>58</u>	Title: <u>Principal</u>	

Form 6.—Transfer Voucher.

Explanation of Form 6.—Transfer Voucher

Use.—Form 6, Transfer Voucher, is used to support the transfer of money from one fund to another. No check is issued, but proper entries must be made in the Fund Balance Record, Form 7, and the distribution ledger clearing accounts of each fund involved. An interfund transfer is a receipt or expenditure of the fund into which or from which the money is transferred, but it is never considered a receipt or expenditure of the total activity funds of the school.

Item Numbers

- (1) Number of the Transfer Voucher.
- (2) Amount of money transferred.
- (3) Fund from which the money is transferred.
- (4) Fund to which the money is transferred.
- (5) Explanation of the transferring; including the activity or organization against which and to which the transfer is made.
- (6) Signature of the person having authority to approve the transfer.

Sample Entry.—The Transfer Voucher entry given indicates that a transfer of \$400 from the Merchandise Fund to the Student Organization Fund has been authorized. This transfer of money represents profit made on the sale of magazines for the Class of 1959. The transaction is recorded in the Fund Balance Record, Form 7, of the Student Organization Fund, and in the Receipts Distribution Ledger, Form 9, of that fund under clearing account 1090-a, INTERFUND TRANSFERS. The transfer of this money out of the Merchandise Fund is not shown.

Schools using a *single fund* will use the Transfer Voucher to support the transfer of money from one major category to another within the fund. In these cases, a transfer would be recorded as a receipt in the Receipts Distribution Ledger, Form 9, under clearing account 1090-a, INTERFUND TRANSFERS, and as an expenditure in the Expenditures Distribution Ledger, Form 10, under clearing account 1090-b, INTERFUND TRANSFERS.

<u>Student Organization</u> Fund					
Date	Voucher or Check Number		Receipts	Expenditures	Balance
	Voucher	Check			
	(1)	(2)	(3)	(4)	
1958					
10/1					\$ 275.00
10/2		21		\$ 20.00	255.00
10/6		23		10.00	245.00
10/8		24		50.00	195.00
10/9	10		\$ 600.00		795.00
10/17	11		25.00		820.00
10/17		26		100.00	720.00
10/18	12		650.00		1,370.00
10/20		27		15.00	1,355.00
10/20		28		22.00	1,333.00
10/20	V-1		400.00		1,733.00
10/20	V-2		100.00		1,833.00
10/24		29		150.00	1,683.00
10/28		30		25.00	1,658.00
10/30		31		6.02	1,651.98
10/31	14		10.00		1,661.98

Form 7.—Fund Balance Record.

Explanation of Form 7.—Fund Balance Record

Use.—Form 7, Fund Balance Record, is used to keep a running balance of each fund, and provides a financial analysis of each fund. The amounts recorded under the receipts column are taken from the Analysis of Deposit, Form 2, and the Transfer Voucher, Form 6. The amounts for expenditures are taken from the check stub, Form 4, and the Transfer Voucher, Form 6.

Item Numbers

- (1) Number of deposit, check, or transfer voucher.
- (2) Amount of deposit or transfer of money into the fund.
- (3) Amount of check or transfer of money out of the fund.
- (4) Fund balance.

Sample Entries.—The financial information contained in the Fund Balance Record is for the Student Organization Fund. The amounts have been recorded from the Analysis of Deposit, Form 2; Check, Form 4; and Transfer Voucher, Form 6.

This form will not be maintained by schools using a *single fund* to account for school activity money.

RECEIPTS					EXPENDITURES					Cash Balance	
Date	Deposit Number	Receipt Numbers	Amount Each Deposit	Cumulative Deposits	Date	Check No.	Payee	Fund	Amount Each Check		Cumulative Checks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
10/1					1958						\$6000.00
						21	A.B.C. Publishing Co. S.D.		20.00	20.00	980.00
						22	John Jones		75.00	95.00	905.00
						23	John Doe City S.D.		10.00	105.00	895.00
						24	Home Costume Co. S.D.		50.00	155.00	845.00
10/9	10	1-3	4,000.00	4,000.00							1,845.00
10/15	11	4-5	50.00	4,050.00							1,875.00
						25	Home Publishing Co. S.D.		350.00	505.00	1,545.00
						26	General Monthly Co. S.D.		100.00	605.00	1,445.00
						22	City Newspaper S.D.		15.00	620.00	1,430.00
						28	State Printing Co. S.D.		30.00	650.00	1,400.00
						29	Long Supply Co. S.D.		150.00	800.00	1,250.00
10/28	12	6-8	690.00	1,740.00							1,940.00
10/30	13	9	750.00	2,490.00							1,915.00
10/30	14	10-11	60.00	2,550.00							2,650.00
						31	John Doe City S.D.		60.00	891.00	2,650.00
											2,718.98

Form 8.—Receipts and Expenditures Register.

Explanation of Form 8.—Receipts and Expenditures Register

Use.—The Receipts and Expenditures Register is used to record each bank deposit and each check issued for all funds. It serves as a control whereby the total cash balance for all funds may be determined readily.

Item Numbers

- (1) Date of deposit.
- (2) Number of deposit slip.
- (3) Receipt numbers supporting the amount deposited.
- (4) Amount of deposit.
- (5) Cumulative total of deposits.
- (6) Date check is issued.
- (7) Check number.
- (8) Payee.
- (9) Fund in which expenditure is recorded.
- (10) Amount of check.
- (11) Cumulative total of checks issued.
- (12) Cash balance on hand.

Sample Entries.—The entries in the Receipts and Expenditures Register are sample transactions for the different activity funds. All money deposited and all checks issued are entered in the proper columns. At any given time, the cash balance for all funds can be determined by subtracting the total checks from the total deposits plus the beginning balance.

Schools using a *single fund* will follow the same procedures outlined above so that a control may be maintained over all activity money.

Explanation of Form 9.—Receipts Distribution Ledger

Use.—Form 9, Receipts Distribution Ledger, provides an analysis of regular receipt and clearing receipt transactions through a distribution among the various accounts of a given fund. The entries are recorded from the Official Receipt, Form 1, and the Transfer Voucher, Form 6.

Item Numbers

- (1) Entry number.
- (2) Date of transaction.
- (3) Number of Official Receipt or Transfer Voucher.
- (4) Amount of receipt.
- (5) Source of receipt.
- (6) Purpose of the transaction.
- (7)-(8) Distribution of the activity receipts among the various regular receipt accounts. Columns are provided for the accounts used: **ACTIVITY INCOME** which, in this example, is divided into columns for Admissions, Prorated Share of General Activity Tickets, Dues and Fees, Sales, and Other Activity Income; and **GRANTS FROM THE SCHOOL DISTRICT**. Columns for additional regular receipt accounts may be added as needed.
- (9) Total regular receipts.
- (10)-(12) Distribution of money classified as clearing receipts among the various clearing accounts. Columns are provided for the accounts used: **TAXES AND DEDUCTIONS**, **INTERFUND TRANSFERS**, and **PETTY CASH**. Columns for additional clearing receipt accounts may be added as needed.
- (13) Total clearing receipts.

Sample Entries.—The entries for the Student Organization Receipts Distribution Ledger have been recorded from the Official Receipt, Form 1, and the Transfer Voucher, Form 6. The clearing accounts used are account 1030, **TAXES AND DEDUCTIONS**, to record taxes collected; account 1090, **INTERFUND TRANSFERS**, to record the \$400 transferred from the Merchandise Fund; and account 1100, **PETTY CASH**, to record the return to the fund of money previously withdrawn to establish petty cash.

Schools using a *single fund* will record all receipts and all transfer entries in the Receipts Distribution Ledger of their central activity fund.

		Student Organization										Fund		
No.	Date	Check or Vou. No.	Amount	Payee	For	REGULAR EXPENDITURE ACCOUNTS					CLEARING EXPENDITURE ACCOUNTS			
						Supplies	Purchases of Misc. Aids.	Other Activity Expense	Operation of Plant	Capital Outlay	Total Regular Expenditures	Taxes and Deductions	Petty Cash	Total Clearing Expenditures
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(7)	(7)	(8)	(9)	(10)	(11)	(12)	
	1939								200		1030-b	1100-b		
1	10/2	21	\$ 20.00	WACHMIDING BOOKER	Booker	\$ 20.00				\$ 20.00				
2	10/6	23	10.00	John Doe	City Club							\$ 10.00	\$ 10.00	
3	10/8	24	50.00	John Doe	City Club		\$ 50.00			50.00				
4	10/17	26	100.00	John Doe	City Club		100.00			100.00				
5	10/18	27	15.00	John Doe	City Club		15.00			15.00				
6	10/20	28	22.00	John Doe	City Club						\$ 22.00		22.00	
7	10/24	29	150.00	John Doe	City Club				\$ 150.00	150.00				
8	10/28	30	25.00	John Doe	City Club			\$ 25.00		25.00				
9	10/30	31	6.00	John Doe	City Club			6.00		6.00				
			\$ 378.00			\$ 20.00	\$ 100.00	\$ 71.00	\$ 25.00	\$ 150.00	\$ 22.00	\$ 10.00	\$ 32.00	

Form 10.—Expenditures Distribution Ledger.

Explanation of Form 10.—Expenditures Distribution Ledger

Use.—Form 10, Expenditures Distribution Ledger, provides an analysis of regular and clearing expenditure transactions through a distribution among the various accounts of a given fund. The entries are recorded from the check stub, Form 4, and the Transfer Voucher, Form 6.

Item Numbers

- (1) Entry number.
- (2) Date of transaction.
- (3) Check number.
- (4) Amount of expenditure.
- (5) Payee.
- (6) Purpose of transaction.
- (7)–(8) Distribution of the activity expenditures among the various regular expenditure accounts. Columns are provided for the accounts used: **ACTIVITY EXPENSE** which, in this example, is divided into columns for Supplies, Purchases of Merchandise, Other Activity Expense, and Operation of Plant; and **CAPITAL OUTLAY**. Columns for additional regular expenditure accounts may be added as needed.
- (9) Total regular expenditures.
- (10)–(11) Distribution of money classified as clearing expenditures among the various clearing accounts. Columns are provided for the accounts used: **TAXES AND DEDUCTIONS** and **PETTY CASH**. Columns for additional clearing expenditure accounts may be added as needed.
- (12) Total clearing expenditures.

Sample Entries.—The entries for the Student Organization Fund Expenditures Distribution Ledger have been recorded from the sample entries from the check stub, Form 4. The clearing accounts used are account 1030, **TAXES AND DEDUCTIONS**, to record the payment of taxes collected; and account 1100, **PETTY CASH**, to record the \$10.00 withdrawn to establish petty cash.

Schools using a *single fund* will record all checks issued and all transfer entries in the Expenditures Distribution Ledger of their central activity fund.

<u>Student Organization</u>							Fund
<u>Senior Class</u>							
Date	Acct. No.	Explanation	Rec. No.	Check No.	Receipts	Expenditures	Balance
1938		Balance					\$ 50.00
10/11		School carnival	7		\$ 588.00		638.00
10/17	113	Trade for carnival		26		\$ 100.00	538.00
10/20	1090	Profit, sale of magazines traded from Trade Show	V-1		400.00		938.00
<u>Junior Class</u>							
10/11		Balance					\$ 100.00
10/2	11	Play, Class of 1938	1		\$ 490.00		590.00
10/2	112	Playbook		21		\$ 20.00	570.00
10/8	114	Book of Costumes		24		50.00	520.00
10/18	114	Advertising		27		15.00	505.00
10/28	122	Custodial fee for Play		30		25.00	480.00
10/30	114	Program for 1938 (172)		31		3.02	476.98
<u>Student Council</u>							
10/11		Balance					—
10/19	11	Assembly program	3		\$ 100.00		\$ 100.00
10/20	12	Board of class gen. act. tickets	V-2		100.00		200.00
10/30	114	Stamps		31		\$ 3.00	197.00
<u>Dramatic Club</u>							
10/11		Balance					\$ 125.00
10/15	13	Club dues	5		\$ 25.00		150.00
10/24	200	Spe. recorder		29		\$ 150.00	—
<u>Y-Teena</u>							
10/11		Balance					—
10/18	13	Club dues	8		\$ 50.00		\$ 50.00

Form 11.—Subsidiary Activity Ledger.

Explanation of Form 11.—Subsidiary Activity Ledger

Use.—Form 11, the Subsidiary Activity Ledger, provides a record of the financial transactions of each activity comprising an activity fund. All of the receipts and expenditures of an activity may be accounted for on a single ledger sheet as illustrated; or accounts for receipts and expenditures and clearing accounts, such as Admissions, Dues and Fees, and Supplies may be maintained for each organization.

Sample Entries.—The Subsidiary Activity Ledger entries illustrated are for the Student Organization Fund, posted from the Receipts Distribution Ledger, Form 9, and the Expenditures Distribution Ledger, Form 10.

Schools using a *single fund* will use the Subsidiary Activity Ledger if they desire to maintain a separate record of all receipts and expenditures of each individual student activity. Postings will be made as outlined, and will include all receipt and expenditure transactions of the central activity fund.

BANK RECONCILIATION

Yours Bank

Balance per Bank Statement, 10/31, 19 58 \$ 2,808.98

Add: Deposits in Transit

Deposit No. 14 Date 10/31 \$ 60.00

Deposit No. _____ Date _____ \$ _____

Deposit No. _____ Date _____ \$ _____

Other (specify) _____ \$ _____

Total \$ 60.00
\$ 2,868.98

Deduct: Outstanding Checks

Check No. 29 Date 10/24 \$ 150.00

Check No. _____ Date _____ \$ _____

Check No. _____ Date _____ \$ _____

Other (specify) _____ \$ _____

\$ 150.00

Balance, 10/31, 19 58 \$ 2,718.98

Balance per Books, 10/1, 19 58 \$ 1,000.00

Total Deposits (Nos. 10-14)) \$ 2,550.00

Total) \$ 3,550.00

Less Checks (Nos. 21-32)) \$ 831.02

Balance per Books, 10/31, 19 58 \$ 2,718.98

Remarks or Explanations _____

Form 12.—Reconciliation of Bank Account.

Explanation of Form 12.—Reconciliation of Bank Account

Use.—Form 12, Reconciliation of Bank Account, is used to reconcile the bank statement with the balance as reflected by the activity fund books. The amounts for the beginning balance, total deposits, and total checks issued for all funds are taken from the Receipts and Expenditures Register, Form 8.

The procedure for reconciling the bank account is as follows:

1. Enter the Balance per Bank Statement. Use the last date and last balance shown on the bank statement.
2. Add Deposits in Transit—deposits not yet credited on the bank statement. Include any other credits by the bank not entered on the school's books.
3. Deduct outstanding checks—checks not charged on the bank statement. Include any outstanding checks from the previous month's reconciliation that are still unpaid and any other charges made by the bank, such as bank service charges.
4. Obtain the Balance per Books from the Receipts and Expenditures Register, as indicated.
5. Compare the two balances. They should be the same and agree with the balance shown on the checkbook stub.

Schools using a *single fund* will follow the same procedure in preparing the bank reconciliation.

RECEIPTS AND EXPENDITURES BY ACTIVITY		Student Organizations		FUND
Activity	Balance	Receipts	Expenditures	Balance
Class of 1959	\$ 50.00	\$ 988.00	\$100.00	\$ 938.00
Class of 1960	100.00	490.00	113.02	476.98
Student Council		200.00	3.00	197.00
Dramatic Club	125.00		150.00	
Y-Teen Club		25.00		
Petty Cash		50.00		50.00
Sales Tax		10.00		
		22.00		
Total	\$275.00	\$1,785.00	\$398.02	\$1,661.98

RECEIPTS BY SOURCE AND PURPOSE		EXPENDITURES BY SOURCE AND PURPOSE	
RECEIPTS BY SOURCE AND PURPOSE BALANCE, 10/1/58 \$ 275.00 Regular Receipts: Admissions \$786.00 Promoted Share Activity Tickets 100.00 Dues and Fees 75.00 Sales 392.00 Total Regular Receipts \$1,353.00 Clearing Receipts: Taxes and Deductions \$ 22.00 Transfers from Other Funds 400.00 Petty Cash 10.00 Total Clearing Receipts \$ 432.00 TOTAL RECEIPTS AND BALANCE \$2,060.00	EXPENDITURES BY SOURCE AND PURPOSE Regular Expenditures: Supplies \$ 20.00 Purchases of Merchandise 100.00 Other Activity Expense 71.02 Operation of Plant 25.00 Capital Outlay 150.00 Total Regular Expenditures \$ 366.02 Clearing Expenditures: Taxes and Deductions \$ 22.00 Petty Cash 10.00 Total Clearing Expenditures \$ 32.00 FUND BALANCE 10/31/58 \$ 398.02 TOTAL RECEIPTS AND BALANCE \$1,661.98		

We hereby certify to the best of our knowledge and belief that this financial report reflects the true condition of these funds.

John Doe (Central Treasurer) *W. E. Jones* (Principal)

Form 13.—Monthly Financial Statement of Each Fund.



Explanation of Form 13.—Monthly Financial Statement of Each Fund

Use.—Form 13, Monthly Financial Statement of Each Fund, is prepared for each of the funds. This financial statement includes the financial condition of each activity making up a fund, and an analysis of the receipts and expenditures of a fund by source and purpose. The financial information for the Monthly Financial Statement of Each Fund is taken from the Subsidiary Activity Ledger, Form 11; the Receipts Distribution Ledger, Form 9; and the Expenditures Distribution Ledger, Form 10. This statement should be signed by the central treasurer and the principal, or whoever has responsibility for the funds in the particular school.

Sample Entries.—The monthly financial statement for the Student Organization Fund is shown. The financial information pertaining to each student organization making up the fund was taken from the Subsidiary Activity Ledger, Form 11. The amounts for the regular receipts were taken from columns 7-9, and the amounts for the clearing receipts from columns 10-13 of the Receipts Distribution Ledger, Form 9. The amounts for the regular expenditures were taken from columns 7-9, and the amounts for the clearing expenditures from columns 10-12 of the Expenditures Distribution Ledger, Form 10.

Schools using a *single fund* will prepare only one monthly financial statement, prepared on the same basis as form 13 but covering all transactions of their central activity fund.

RECEIPTS AND EXPENDITURES BY FUND						
Fund	Balance 10/1/58	Regular Receipts	Clearing Receipts	Regular Expenditures	Clearing Expenditures	Balance 10/31/58
Student Organization	\$ 375.00	\$1,353.00	\$432.00	\$366.02	\$ 32.00	\$1,661.98
Athletic	250.00	392.00	8.00	75.00	8.00	567.00
Merchandise	200.00	750.00		350.00	400.00	200.00
Publications	100.00	25.00				125.00
Instructional Fees and Rentals		50.00	40.00		100.00	50.00
Miscellaneous	175.00					115.00
Total	\$1,000.00	\$2,570.00	\$480.00	\$791.02	\$540.00	\$2,718.98

RECEIPTS BY SOURCE AND PURPOSE		EXPENDITURES BY SOURCE AND PURPOSE	
BALANCE, 10/1/58	\$1,000.00	Regular Expenditures:	
Regular Receipts:		Personal and Contracted Services	\$ 75.00
Admissions	\$1,178.00	Supplies	20.00
Pressed Share Activity Tickets	100.00	Purchases of Merchandise	450.00
Dues and Fees	125.00	Other Activity Expenses	71.02
Sales	1,167.00	Operation of Plant	25.00
Total Regular Receipts	\$2,570.00	Capital Outlay	150.00
		Total Regular Expenditures	\$ 791.02
Clearing Receipts:		Clearing Expenditures:	
Taxes and Deductions	\$ 30.00	Taxes and Deductions	\$ 30.00
General Activity Tickets	40.00	General Activity Tickets	100.00
Transfers from Other Funds	400.00	Transfers to Other Funds	400.00
Petty Cash	10.00	Petty Cash	10.00
Total Clearing Receipts	\$ 480.00	Total Clearing Expenditures	\$ 540.00
TOTAL RECEIPTS AND BALANCE	\$3,050.00	Total Expenditures	\$1,331.02
	\$4,050.00	BALANCE, ALL FUNDS 10/31/58	\$2,718.98

We hereby certify to the best of our knowledge and belief that this financial report reflects the true condition of these funds.

John A. ...
(General Treasurer)

W. E. Jones
(Principal)

Form 14.—Monthly Summary Statement for All Funds.

Explanation of Form 14.—Monthly Summary Statement for All Funds

Use.—Form 14, Monthly Summary Statement for All Funds, shows the receipts, expenditures, and balances of each of the individual funds and reveals the distribution of the money among the funds. In addition, the statement includes an analysis of the receipts and expenditures of all funds by source and purpose. The financial information for the Monthly Summary Statement for All Funds is derived from the Monthly Financial Statement of Each Fund, Form 13. This summary statement should be signed by the central treasurer and the principal, or whoever has responsibility for the funds in the particular school.

This form will not be necessary for schools using a *single fund*.

PART 4

Part IV

FINANCIAL ACCOUNTING TERMINOLOGY

CHAPTER 6

Guide to Recording Receipts and Expenditures

THIS CHAPTER contains: (1) Criteria for distinguishing between supplies and equipment, and (2) a guide for recording receipt and expenditure transactions. The guide is designed to serve as an index for locating quickly the account under which an item of receipt or expenditure should be recorded.

SECTION I

Supplies and Equipment

One of the constant problems in recording expenditures for school activities is that of distinguishing between supplies and equipment. For this reason, the criteria for classifying an item as a supply and the criteria for classifying an item as equipment are given. These criteria were taken from Handbook II, *Financial Accounting for Local and State School Systems*.

Criteria for Supply Items

A supply item is any article or material which meets any *one* or more of the following conditions:

1. It is consumed in use.
2. It loses its original shape or appearance with use.
3. It is expendable; that is, if the article is damaged or some of its parts are lost or worn out, it is usually more feasible to replace it with an entirely new unit rather than repair it.
4. It is an inexpensive item, having characteristics of equipment, whose small unit cost makes it inadvisable to capitalize the item.
5. It loses its identity through incorporation into a different or more complex unit or substance.

Criteria for Equipment Items

An equipment item is a movable or fixed unit of furniture or furnishings, an instrument, a machine, an apparatus, or a set of articles which meets *all* of the following conditions:

1. It retains its original shape and appearance with use.
2. It is nonexpendable; that is, if the article is damaged or some of its parts are lost or worn out, it is usually more feasible to repair it rather than replace it with an entirely new unit.
3. It represents an investment of money which makes it feasible and advisable to capitalize the item.
4. It does not lose its identity through incorporation into a different or more complex unit or substance.

SECTION II**Guide for Recording Receipts and Expenditures**

The guide for recording receipt and expenditure transactions contains two lists of items, one for receipts and one for expenditures. Each list of items is arranged alphabetically. Directly after each item is the number of the account under which the item should be recorded, and the page on which the account will be found. The account numbers refer to the regular receipt accounts defined in chapter 1, the regular expenditure accounts defined in chapter 2, and the clearing receipt and expenditure accounts defined in chapter 3.

The list of receipt and expenditure transactions shown in this chapter does not attempt to include all of the specific transactions which might take place in an individual school. Rather, a representative list of typical receipt and expenditure transactions has been selected. If a specific transaction cannot be found in the list, it is suggested that a similar transaction be located, which would then serve as a guide to recording the specific transaction in question.

Guide for Recording Receipts

<i>Receipt transaction</i>	<i>Account</i>	<i>Page</i>
Abatement of expenditures.....	1070-a	26
Admissions.....	11	6
Advertisements.....	16	8
Appropriation from board of education.....	20	8

Guide for Recording Receipts—Continued

<i>Receipt transaction</i>	<i>Account</i>	<i>Page</i>
Assessments (other than board of education).....	13	7
Assessments, board of education.....	1010-a	24
Board of education, collections for.....	1010-a	24
Deposits, student.....	1050-a	26
Donations.....	30	9
Dues, class and club.....	13	7
Dues, faculty.....	1040-a	25
Endowments.....	18	8
Fees (collected for board of education).....	1010-a	24
Fees, student activity.....	13	7
Fines (collected for board of education).....	1010-a	24
Fines, student activity.....	13	7
Gate receipts.....	11	6
General activity ticket sales.....	1060-a	26
General activity tickets, prorated share.....	12	6
Gifts.....	30	9
Grants from school district.....	20	8
Guarantees.....	17	8
Insurance premiums (collected for students).....	1010-a	24
Insurance premiums (paid for activity).....	18	8
Loans to activities from board of education.....	1080-a	27
Nonschool agencies, money received		
Bus fares (individual students).....	1110-a	28
Insurance premiums (individual students).....	1110-a	28
Special drives and campaigns (Red Cross, Cancer Fund).....	1020-a	24
Nonstudent organizations, money received		
Alumni association.....	1040-a	25
Faculty club.....	1040-a	25
Parent-Teacher Association.....	1040-a	25
Paid assembly.....	11	6
Photography sales.....	14-c	7
Rentals		
Books.....	15-a	8
Equipment.....	15-b	8
Instruments.....	15-b	8
Refunds.....	1070-a	26
Sale of investments.....	18	8
Sale of merchandise		
Books.....	14-a	7
Class products.....	14-c	7
Confections.....	14-b	7
Jewelry.....	14-c	7
Magazines and newspapers.....	14-a	7
Programs.....	14-c	7

Guide for Recording Receipts—Continued

<i>Receipt transaction</i>	<i>Account</i>	<i>Page</i>
Sale of radio rights.....	18	8
Sale of television rights.....	18	8
Salvage drives.....	18	8
School paper.....	14-a	7
School yearbook.....	14-a	7
Taxes		
Excise.....	1030-a	25
Sales.....	1030-a	25
Social security (employee's share).....	1030-a	25
Withholding (employee's share).....	1030-a	25
Ticket sales.....	11	6
Transfers of money from other funds.....	1090-a	27
Vending machine sales.....	14	7

Guide for Recording Expenditures

<i>Expenditure transaction</i>	<i>Account</i>	<i>Page</i>
Abatements of revenue.....	1070-b	26
Activity bus, initial or additional.....	200	19
Activity bus, repair and replacement.....	122	17
Advertising.....	114	16
Albums, record.....	112	15
Archery sets.....	112	15
Assembly speakers or programs.....	111	14
Association membership.....	114	16
Athletic uniforms.....	112	15
Auditing activity books.....	114	16
Awards, student.....	114	16
Backstop, initial or additional.....	200	19
Backstop, repair and replacement.....	124-b	18
Band instruments, initial or additional.....	200	19
Band instruments, repair and replacement.....	124-b	18
Bandages.....	121-b	17
Baseballs.....	112	15
Bases, baseball.....	112	15
Basketball shoes.....	112	15
Basketballs.....	112	15
Batons.....	112	15
Bats.....	112	15
Bleachers, initial or additional.....	200	19
Bleachers, repair and replacement.....	124-b	18
Board of education, payments to.....	1010-b	24
Boards, checker.....	112	15
Books, purchased for rental.....	112	15
Books, purchased for resale.....	113-a	15
Boxing gloves.....	112	15
Brooms.....	123-b	18
Bus drivers, payments to.....	123	17

Guide for Recording Expenditures—Continued

<i>Expenditure transaction</i>	<i>Account</i>	<i>Page</i>
Cabinets, beverage cooling, initial or additional.....	200	19
Cabinets, beverage cooling, repair and replacement.....	124-b	18
Cabinets, ice cream, initial or additional.....	200	19
Cabinets, ice cream, repair and replacement.....	124-b	18
Cabinets, supply, initial or additional.....	200	19
Cabinets, supply, repair and replacement.....	124-b	18
Cameras, initial or additional.....	200	19
Cameras, repair and replacement.....	124-b	18
Card tables, initial or additional.....	200	19
Card tables, repair and replacement.....	124-b	18
Cash boxes.....	112	15
Cash registers, initial or additional.....	200	19
Cash registers, repair and replacement.....	124-b	18
Chairs, initial or additional.....	200	19
Chairs, repair and replacement.....	124-b	18
Chalk.....	112	15
Clocks, wall, initial or additional.....	200	19
Clocks, wall, repair and replacement.....	124-b	18
Coaches, payments to.....	111	14
Contributions paid to retirement funds (employee's share).....	1030-b	25
Contributions paid to retirement funds (employer's share).....	125-a	19
Costumes.....	112	15
Cotton.....	112	15
Crayons, purchased for resale.....	113-a	15
Crepe paper.....	112	15
Cups.....	112	15
Custodians, payments to.....	123-a	18
Decorations.....	112	15
Deposits returned—books, instruments, keys, lockers.....	1050-b	26
Developer, photographic.....	112	15
Developing tanks.....	112	15
Disinfectants.....	123-b	18
Display cases, initial or additional.....	200	19
Display cases, repair and replacement.....	124-b	18
Drafting instruments.....	112	15
Duplicating machines, initial or additional.....	200	19
Duplicating machines, repair and replacement.....	124-b	18
Dustcloths.....	123-b	18
Dustpans.....	123-b	18
Electric batteries.....	112	15
Electric cords.....	112	15
Enlargers, photographic, initial or additional.....	200	19
Enlargers, photographic, repair and replacement.....	124-b	18
Eyeglass protectors.....	112	15
Exhibit cases, initial or additional.....	200	19
Exhibit cases, repair and replacement.....	124-b	18
Exposure meter, initial or additional.....	200	19
Exposure meter, repair and replacement.....	124-b	18

Guide for Recording Expenditures—Continued

<i>Expenditure transaction</i>	<i>Account</i>	<i>Page</i>
Fees paid to board of education.....	1010-b	24
Field trips, transportation.....	122-a	17
Filing cabinets, initial or additional.....	200	19
Filing cabinets, repair and replacement.....	124-b	18
Film (visual aids).....	112	15
Film rental.....	114	16
Film projector, initial or additional.....	200	19
Film projector, repair and replacement.....	124-b	18
Films, activity (photography club).....	112	15
Films, purchased for resale.....	113-c	15
First aid kits.....	121-b	17
Flags.....	112	15
Flashlights.....	112	15
Football shoes.....	112	15
Footballs.....	112	15
Footbath, initial or additional.....	200	19
Footbath, repair and replacement.....	124-b	18
Freight charges.....	114	16
Furniture, initial or additional.....	200	19
Furniture, repair and replacement.....	124-b	18
Furniture polish.....	123-b	18
Game officials.....	111	14
Games.....	112	15
Glasses, drinking.....	112	15
Globes, initial or additional.....	200	19
Globes, repair and replacement.....	124-b	18
Glue.....	112	15
Golf bags.....	112	15
Guarantees, visiting teams and organisations.....	114	16
Gym shoes.....	112	15
Handball.....	112	15
Heat pad.....	112	15
Hectograph, initial or additional.....	200	19
Hectograph, repair and replacement.....	124-b	18
Helmets.....	112	15
Hip pads.....	112	15
Horses (gym equipment), initial or additional.....	200	19
Horses (gym equipment), repair and replacement.....	124-b	18
Horseshoes.....	112	15
Hose, garden.....	123-b	18
Hurdles, initial or additional.....	200	19
Hurdles, repair and replacement.....	124-b	18
Ice.....	112	15
Ice cream freezer, initial or additional.....	200	19
Ink.....	112	15

Guide for Recording Expenditures—Continued

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Recorder, tape, sound or wire, repair and replacement	124-b	18
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CHAPTER 7

Glossary of Terms

THIS CHAPTER contains definitions of terms used in this handbook and such additional terms as seem necessary to obtain common understanding concerning financial accounting procedures for school activity funds. The glossary is arranged alphabetically with appropriate cross-referencing where necessary.

Some of the definitions shown are taken or adapted from the recommendations of the National Committee on Governmental Accounting.¹ These are designated by an asterisk (*) following the definition. Others have been taken or adapted from Handbook I² and Handbook II³ in the State Educational Records and Reports Series. Those from Handbook I are designated by two asterisks (**) following the definition, while those from Handbook II are designated by three asterisks (***).

Abatement.—A reduction of a previously recorded expenditure or receipt item by such things as refunds, rebates, and collections for loss or damage to school property.*** See also Refund.

Account.—A descriptive heading under which are recorded financial transactions that are similar in terms of a given frame of reference, such as purpose, object, or source.***

Account, Clearing.—Accounts used to accumulate total receipts or ex-

penditures either for later distribution among the accounts to which such receipts or expenditures are properly allocable, or for recording the net differences under the proper account. In this handbook, clearing accounts are used to record receipts and expenditures other than those used for the operation of student activities and organizations.*** (An adaptation.)

Account, Regular Expenditure.—In this handbook, regular expenditure accounts are used to record total

¹ National Committee on Governmental Accounting. *Municipal Accounting and Auditing*. Bulletin No. 14, Municipal Finance Officers Association of the United States and Canada, Chicago, September 1951.

² Paul L. Reason, Emery M. Foster, and Robert F. Will. *The Common Core of State Educational Information*. Washington, U.S. Government Printing Office, 1953. (U.S. Department of Health, Education, and Welfare, Office of Education, State Educational Records and Reports Series: Handbook I, Bulletin 1953, No. 8.)

³ Paul L. Reason and Alpheus L. White. *Financial Accounting for Local and State School Systems, Standard Receipt and Expenditure Accounts*. Washington, U.S. Government Printing Office, 1957. (U.S. Department of Health, Education, and Welfare, Office of Education, State Educational Records and Reports Series: Handbook II, Bulletin 1957, No. 4.)

expenditures for current expense and capital outlay by student activities and organizations.

Account, Regular Receipt.—In this handbook, regular receipt accounts are used to record income received for the operation of student activities and organizations.

Accounting Period.—A period at the end of which and for which financial statements are prepared; for example, July 1 to June 30.***

Accounts Payable.—Unpaid balances or invoices against an activity fund which are due and owing to private persons, firms, governmental units, or others.*** (An adaptation.)

Accounts Receivable.—Amounts owed to an activity fund by private persons, firms, governmental units, or others.*** (An adaptation.)

Administrative Unit, Local Basic.—An administrative unit at the local level which exists primarily to operate schools or to contract for school services.** (An adaptation.) (This term is used synonymously with the term "school district.")

Assembly.—A gathering of students, usually at a regular scheduled time and place and under the direction of adults, for the purpose of participating in concerts, social enjoyment, deliberations, etc. Examples of such assemblies include routine, daily or weekly assemblies; special assemblies for dramatic, music, or forensic activities; and student elections.

Assembly, Paid.—A gathering of students, usually at a regularly scheduled time and place, and under the direction of adults, primarily for the purpose of social enjoyment for which admissions are charged to those in attendance. Examples of paid assemblies include programs such as plays, movies, concerts, and variety acts.

Assets.—The entire property owned by a school activity organization.*** (An adaptation.)

Athletic Fund.—See Fund, Athletic.

Athletics, Interscholastic.—Organized games and athletic activities engaged in by students specifically trained for such purposes with similarly trained students from other schools.

Athletics, Intramural.—Organized games and athletic activities engaged in by students of a school with other students from the same school. The intramural program may be an integral part of the physical education program or a distinctive program of its own; in either case, the program must be confined to a single school.

Audit.—The examination of records and documents and the securing of other evidence for one or more of the following purposes: (a) Determining the propriety of proposed or completed transactions; (b) ascertaining whether all transactions have been recorded; (c) determining whether transactions are accurately recorded in the accounts and in the statements drawn from the accounts.***

Board of Education, Public.—The elected or appointed body which has been created according to State law and vested with responsibilities for education activities in a given geographical area. These bodies are sometimes called school boards, governing boards, boards of directors, school committees, school trustees, etc. This definition relates to the general term and covers State boards, intermediate administrative unit boards, and local basic administrative unit boards.***

Budget.—A plan of financial operation embodying an estimate of proposed expenditures for a given period or

purpose and the proposed means of financing them.*** (An adaptation.)

Capital Outlay.—An expenditure which results in the acquisition of fixed assets or additions to fixed assets. It is an expenditure for land or existing buildings, improvement of grounds, construction of buildings, additions to buildings, remodeling of buildings, or initial or additional equipment. In this handbook, capital outlay usually includes expenditures from an activity fund which result in the acquisition of initial or additional equipment.** (An adaptation.)

Cash.—Currency, checks, postal and express money orders, and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash; and bank deposits. Any restriction of availability should be indicated.*

Cash Discount.—An allowance received or given if payment is completed within the stated period. The term is not to be confused with "trade discount."*

Check.—A bill of exchange drawn on a bank, payable on demand; a written order on a bank to pay on demand a specified sum of money to a named person, to his order, or to bearer out of money on deposit to the credit of the maker. A check differs from a warrant in that the latter is not necessarily payable on demand and may not be negotiable; and it differs from a voucher in that the latter is not an order to pay. A voucher-check combines the distinguishing marks of a voucher and a check; it shows the propriety of a payment and is an order to pay.*

Clearing Accounts.—See Account, Clearing.

Coding.—A system of numbering, or otherwise designating, accounts, entries, invoices, vouchers, etc., in

such a manner that the symbol used reveals quickly certain required information.*

Concession.—A concession is the granting to an individual or group the right to use portions of the school premises for some specific purpose. Usually, it is for the sale of confections, such as dairy products, sandwiches, peanuts, popcorn, and soft drinks sold at athletic games, plays, concerts, and similar events.

Contracted Services.—See Personal and Contracted Services.

Controlling Account.—An account usually kept in the general ledger in which the postings to a number of identical, similar, or related accounts are summarized so that the balance in the controlling account equals the sum of the balances of the detailed accounts. The controlling account serves as a check on the accuracy of the detailed account postings and summarizes the expenditures in relation to the budget estimates.***

Current Expense.—Any expenditure except one for capital outlay or debt service. If any accounts are kept on the accrual basis, current expense includes total charges incurred, whether paid or unpaid. If accounts are kept on the cash basis, it includes only actual disbursements.***

Deposit, Returnable.—Money collected from students and held in a school fund for future return at a designated period for the purpose of covering losses or damages to school-owned supply and equipment items while being used by the students.

Double Entry.—A system of bookkeeping which requires for every entry made to the debit side of an account or accounts an entry for the corresponding amount or amounts

to the credit side of another account or accounts.*

Equipment.—A material item of a nonexpendable nature, such as a built-in facility, a movable or fixed unit of furniture or furnishings, an instrument or apparatus, a machine (including attachments), an instructional skill-training device, or a set of small articles whose parts are replaceable or repairable, the whole retaining its identity and utility over a period of time which is characteristic of and definable for items of its classes.***

Expenditures.—If accounts are kept on the accrual basis, this includes total charges incurred, whether paid or unpaid, for current expense, capital outlay, and debt service. If accounts are kept on the cash basis, this includes only actual disbursements for these purposes.**

Expenditures Distribution Ledger.—As used in this handbook, a ledger which provides a distribution of expenditures among the regular expenditure accounts and the clearing expenditure accounts of a given fund.

Expense, Travel.—Expenses incurred by students and sponsors of a school activity in connection with travel related to the activity, other than those expenses directly chargeable to pupil transportation.

Fidelity Bond.—A bond guaranteeing the school activities against losses resulting from the actions of the treasurer, employees, or other persons of the school.*** (An adaptation.)

Financial Statement.—As used in this handbook, a formal written presentation which sets forth information concerning the financial condition of a school activity fund.

Food Services.—Those activities which have as their purpose the preparation and serving of regular

and incidental meals, lunches, or snacks in connection with school activities.*** (In this handbook, concession sales are considered as merchandising activities rather than food services.)

Fund.—A sum of money or other resources set aside for specific activities of a school, usually containing several accounts. The fund accounts constitute a complete entity, and all of the financial transactions for the particular fund are recorded in them.*** (An adaptation.)

Fund, Athletic.—A sum of money used to finance the activities which are directly related to the interscholastic athletic program of a school and such intramural athletic activities as may be financed from school activity money.

Fund, Instructional Fees and Rentals.—A sum of money used to finance the activities primarily of a classroom nature, such as instructional aids and laboratory fees.

Fund, Merchandise.—A sum of money used to finance the merchandising activities of a school which are directed primarily toward meeting the merchandising needs of students, teachers, and the general public. Included are the merchandising activities of school-sponsored stores, shops, canteens, classes, clubs, etc.

Fund, Miscellaneous.—A sum of money used to finance student-related activities not accounted for in the other funds.

Fund, Publications.—A sum of money used to finance the preparation, production, and distribution of student-produced publications such as the school paper, school yearbook, and school magazine.

Fund, Student Organization.—Money used to finance the activities of clubs, classes, and similar student

organizations which are under the supervision of the school.

Fund Accounts.—All accounts necessary to set forth the financial operations and financial condition of a fund.**

Gift.—Money received from a philanthropic foundation, private individual, or private organization for which no repayment or special service to the contributor is expected.***

Grant.—Money paid to a school activity by the school district for which no repayment is expected.*** (An adaptation.)

Interfund Transfers.—Money which is taken from one school activity fund and added to another activity fund. Interfund transfers are not receipts or expenditures of a school.*** (An adaptation.)

Invoice.—An itemized statement of merchandise shipped or sent to a purchaser, consignee, etc., with the quantity, value or prices, and charges annexed.***

Liabilities.—Debt or other legal obligations arising out of transactions in the past which are payable but not necessarily due. Encumbrances are not liabilities; they become liabilities when the services or materials for which the encumbrance was established have been rendered or received.***

Local Basic Administrative Unit.—See Administrative Unit, Local Basic.

Maintenance of Plant.—Those activities which are concerned with keeping the grounds, buildings, and equipment at their original condition of completeness or efficiency, either through repairs or by replacements of property (anything less than replacement of a total building).***

Memoranda Accounts.—An informal record of a school activity transac-

tion that cannot be recorded under the regular financial accounts but for which a record is desired.*** (An adaptation.)

Merchandise Fund.—See Fund, Merchandise.

Miscellaneous Fund.—See Fund, Miscellaneous.

Net Expenditure of an Activity.—The actual outlay of money by a school activity for some service or object after the deduction of any discounts, rebates, or reimbursements.

Operation of Plant.—Those activities which are concerned with keeping the physical plant open and ready for use. It includes cleaning, disinfecting, heating, moving furniture, caring for grounds, operating telephone switchboards, and other such housekeeping activities as are repeated somewhat regularly: Daily, weekly, monthly, or seasonally. It does not include repairing.**

Payroll.—A list of individual employees entitled to pay, with the amounts due to each for personal services rendered.***

Personnel, Health.—Persons in the field of physical and mental health such as physicians, psychiatrists, school nurses, dentists, dental hygienists, psychiatric social workers, and therapists, whose services are directed primarily at individuals, although sometimes used for group activities.**

Personnel, Maintenance.—Personnel on the school activity payroll who are primarily engaged in the repairing and upkeep of grounds, buildings, and equipment.** (An adaptation.)

Personnel, Operational.—Personnel on the school activity payroll who are primarily engaged in keeping the physical plant open and ready for use. Included are personnel engaged in cleaning, disinfecting, heating, moving furniture, caring for

grounds, operating telephone switchboard, and other such work except repairing, which is repeated somewhat regularly: Daily, weekly, monthly, or seasonally.** (An adaptation.)

Personal and Contracted Services.—As used in this handbook, services rendered by personnel on a salary or contractual basis for the program operation of an activity. It may include the full-time, part-time, and prorated portions of salaries paid out of a school activity fund for coaches, sponsors, trainers, and similar personnel, and for other contracted services such as fees for entertainment programs, producing publications, and photographing individuals and groups.

Petty Cash.—A sum of money, either in the form of currency or a special bank deposit, set aside for the purpose of making change or immediate payments of comparatively small amount.*

Petty Cash Voucher.—A voucher used to support expenditures paid by cash.

Prorating.—The allocation of parts of a single expenditure to two or more different accounts in proportion to the benefits which the expenditure provides for the purpose or program area for which the accounts were established.***

Publications Fund.—See Fund, Publications.

Purchase Order.—A document which authorizes the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.*

Rebates.—Abatements or refunds.*

Receipts.—As used in this handbook, income to be used for the purpose of financing student activities and organizations.

Receipts and Expenditures Register.—As used in this handbook, a financial record of each deposit made and each check issued by the central treasurer of an individual school.

Receipts Distribution Ledger.—As used in this handbook, a ledger which provides a distribution of the receipts among the regular receipt accounts and the clearing receipt accounts of a given fund.

Records.—Written statements of information which are made by a person, unit, or organization for the use of that person, unit, or organization.**

Refunds.—(a) An amount paid back or credit allowed because of an over-collection or on account of the return of an object sold; (b) to pay back or allow credit for an amount because of an over-collection or because of the return of an object sold; (c) to provide for the payment of a loan through cash or credit secured by a new loan.* See also Abatement.

Reimbursement.—Cash or other assets received as a repayment of the cost of work or services performed, or of other expenditures made for or on behalf of another governmental unit or department, or for an individual, firm, or corporation.*

Repairs.—The restoration of a given piece of equipment, of a given building, or of grounds to original condition of completeness or efficiency from a worn, damaged, or deteriorated condition.***

Replacement of Equipment.—A complete unit of equipment purchased to take the place of another complete unit of equipment which is to be sold, scrapped, or written off the record, and serving the same purpose as the replaced unit in the same way.***

Reports.—Written statements of information which are made by a person, unit, or organization for the use of some other person, unit, or organization.**

Requisition.—A written demand or request, usually from one department to the purchasing officer or to another department, for specified articles or services.*

Retirement Fund System.—A plan whereby a fund of money, built up through contributions from participants and other sources, is used to make regular payments to those who retire from service in the educational system by reason of age, disability, or length of service.**

Salary.—The total amount regularly paid or stipulated to be paid to an individual, before deductions, for personal services rendered while on the payroll of the school activity.*** See also Personal and Contracted Services.

School.—A division of the school system consisting of a group of pupils composed of one or more grade groups, organized as one unit with one or more teachers to give instruction of a defined type, and housed in a school plant of one or more buildings. More than one school may be housed in one school plant, as is the case when the elementary and secondary programs are housed in the same school plant.**

School Bus.—A vehicle with a manufacturer's rated seating capacity of 12 or more. (Seating capacity figured on the basis of at least 18 inches of seat space per pupil.)**

School District.—This term is used synonymously with the term "local basic administrative unit."***

School Plant.—The site, buildings, and equipment constituting the physical facilities used by a single school or

by two or more schools sharing the use of common facilities.**

School Publications.—Newspapers, magazines, yearbooks, handbooks, or similar materials produced by students for circulation among students and the public.

School Site.—The land and all improvements to the site, other than structures, such as grading, drainage, drives, parking areas, walks, plantings, play courts, and playfields.**

Student-Body Activities.—Direct and personal services for public school pupils, such as interscholastic athletics, entertainments, publications, clubs, band, and orchestra, that are managed or operated by the student body under the guidance and direction of adults, and are not part of the regular instructional program.***

Student Organisation.—Any group of students organized into a single body for the purpose of pursuing common goals and objectives. This includes the various types of student clubs and class organizations which, with the proper approval by school authorities, are managed and operated by students under the direction or supervision of adults.

Student Organisation, Class or Grade.—An organized group of students who, by virtue of having completed a designated number of school years, pursue common goals and objectives. Such organizations include the senior, junior, sophomore, and freshman classes, and the elementary school grades. They are managed and operated by students under the direction and supervision of instructional personnel.

Student Organisation, Club.—An organized group of students with basically the same interests whose main objective is the furtherance of these interests. Included are social,

hobby, instructional, recreational, athletic, honor, dramatic, musical, and similar clubs or societies which are managed and operated by the students under the direction and supervision of adults. All clubs must be approved by the proper school authorities.

Student Organization Fund.—See Fund, Student Organization.

Subsidiary Activity Ledger.—As used in this handbook, a record of the financial transactions of a given activity within a fund showing the receipts, expenditures, and balance for the activity.

Supply.—A material item of an expendable nature that is consumed, worn out, or deteriorated in use; or one that loses its identity through fabrication or incorporation into a different or more complex unit or substance.***

Trade Discount.—An allowance, usually varying in percentage with volume of transactions, made to those engaged in certain businesses and allowable irrespective of the time when the account is paid. The term should not be confused with "cash discount."*

Transfer Voucher.—A voucher authorizing posting adjustments and

transfers of cash or other resources between funds or accounts.***

Treasurer, Central.—The individual who receives and serves as custodian of all school activity money and disburses it upon orders made by the proper authority. In general, the central treasurer serves as the bookkeeper; however, the position of bookkeeper may be distinct and apart from the position of central treasurer.

Treasurer, Student Activity.—A pupil officer of an organization who receives, disburses, and accounts for the money of the organization in accordance with established rules and regulations.

Vehicle, Privately Owned.—A vehicle owned by the contractor; a vehicle partially owned by the contractor (for instance the contractor may own the chassis and the school own the body); or a car used by a parent who is paid from the activity funds to transport his own children and sometimes other children to school activities.** (An adaptation.)

Voucher.—A document which authorizes the payment of money and usually indicates the accounts to be charged.*** See also Petty Cash Voucher.

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