

I. Policy Statement

The Board of Education of Howard County recognizes that schools receive financial support for school-related activities from the community, parent organizations, and students. Since school activity funds are public funds entrusted to the school for the benefit of Howard County Public School System (HCPSS) students, the Board requires that these funds be managed in a way that is both fiscally and educationally responsible.

II. Purpose

The purpose of this policy is to establish parameters for the accountability of school activity funds.

III. Definitions

Within the context of this policy, the following definitions apply:

- A. Fiduciary Agent – The person responsible for overseeing school activity funds in accordance with HCPSS policies and procedures.
- B. School Activity Funds – All cash funds held in the name of a school including fundraising proceeds, cash donations, funds transferred from the Board, and funds provided to a school not allocated through the Board budget.

IV. Standards

- A. Each school will use its school activity funds for the benefit of students currently enrolled in the HCPSS unless other purposes are specifically designated by a donor and will communicate this to all prospective donors.
- B. School activity funds will be accounted for in a manner consistent with the HCPSS School Activity Funds Manual.
- C. The approval of the principal is required for school activity funds to be spent. School activity funds will only be spent for the following education-related purposes as defined by the HCPSS School Activity Funds Manual:
 - 1. Approved expenditures for improvements to real property in accordance with Policy 6060 Community Improvements to School Sites or School Facilities.
 - 2. Approved technology expenditures.

3. Books/media equipment.
 4. Co-Curricular activities.
 5. Compensation for services.
 6. Defraying costs or charges for students.
 7. Equipment.
 8. Extra-curricular activities.
 9. Materials of Instruction.
 10. Meeting expenses.
 11. Staff development expenses.
 12. Student recognition, awards, or incentives.
 13. Student snacks.
 14. Supplies.
- D. Expenditures for purposes other than those listed in Section IV.C. above require the advance approval of the Superintendent/designee.
- E. Use of school activity funds other than those listed in Section IV.C. above will not be used to benefit HCPSS employees or students unless the purpose is education-related.
- F. The HCPSS School Activity Funds Manual will include processes for the handling of these funds and the designation of individuals or offices responsible for those processes.
- G. A committee for school activity funds will serve as an advisory group to the Superintendent/designee to review and recommend changes regarding the School Activity Funds Manual.
- H. All purchases must comply with Policy 4050 Procurement of Goods and/or Services.
- I. School activity funds will be audited pursuant to the Internal Audit Plan approved by the Board of Education. The funds are also subject to audit as part of the external audit of HCPSS's financial statements.

V. Responsibilities

- A. The Superintendent/designee will ensure that the fiduciary responsibilities for all schools are met.
- B. The school principal is the fiduciary agent for school activity funds and as such will maintain these funds in accordance with HCPSS policies and procedures and for ensuring these funds are used for education-related purposes.
- C. The Superintendent/designee will provide the School Funds Report to the Board, annually, which will include beginning balances, total increase and total decreases as well as the ending school activity funds balance for each school activity account.

VI. Delegation of Authority

The Superintendent is authorized to develop appropriate procedures to implement this policy.

VII. References

- A. Legal
- B. Other Board Policies
 - Policy 4010 Donations
 - Policy 4020 Fundraising by Schools and School-Sponsored Organizations
 - Policy 4050 Procurement of Goods and/or Services
 - Policy 6060 Community Improvements to School Sites or School Facilities
 - Policy 8040 Selection of Instructional Materials
 - Policy 8100 Field Trips
 - Policy 9080 Interscholastic Athletic Program
- C. Relevant Data Sources
 - HCPSS Annual Fundraising & Donations Report
 - HCPSS Annual School Funds Report
 - HCPSS School Activity Fund Internal Audit Reports
- D. Other
 - HCPSS School Activity Funds Manual

VIII. History

ADOPTED: January 27, 2005
REVIEWED:
MODIFIED:
REVISED: April 12, 2012
 June 11, 2020
EFFECTIVE: July 1, 2020

SCHOOL ACTIVITY FUNDS

Effective: July 1, 2020

I. General

The Office of School Management and Instructional Leadership will ensure all principals, bookkeepers, and principals' secretaries receive training on administering school activity funds at their appointment/hire and on an ongoing basis.

II. Howard County Public School System (HCPSS) School Activity Funds Manual

- A. The Superintendent/designee will develop and implement a comprehensive HCPSS School Activity Funds Manual. The manual will reflect the principle that school activity funds are public funds.
- B. Topics to be addressed in the HCPSS School Activity Funds Manual will include, but not be limited to:
 - 1. Principal oversight and management of school funds.
 - 2. Procedures for:
 - a. Receipts
 - b. Disbursements
 - 3. Internal controls over school activity funds.
- C. The manual will be located on the HCPSS staff resources online repository.
- D. The Superintendent/designee will convene at least annually a committee for school activity funds to review the manual and make recommendations of changes.
 - 1. The committee will:
 - a. Assist in the updates to the HCPSS School Activity Funds Manual.
 - b. Meet at least annually to review and make recommendations of changes to the manual.
 - 2. The composition of the committee will include a minimum of:
 - a. The Superintendent/designee, who serves as the chairperson.

- b. A representative from the Office of School Management and Instructional Leadership.
- c. Two principals from each level.
- d. Two high school bookkeepers.
- e. Two principals' secretaries each from the elementary and middle school level.
- f. The Central Office school activity accountant.
- g. The HCPSS Board of Education Internal Auditor.
- h. Other members as appropriate.

- 3. Committee members may serve for a term of two or more years.

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