



## Extra-Classroom Activities

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Extra-classroom activities have seen a lot of changes over the past few years due to the pandemic. The constantly changing landscape began when schools were closed in March of 2020 putting an abrupt stop to all extra-class activity. In 2021 there was limited activity as schools were working through various hybrid scenarios, and then back to increasingly normal activity in 2022. As activity ramps up and restrictions are lifted, it is important to review policies and best practices.

The regulations of the Commissioner of Education of the New York State Education Department (SED) were formulated to safeguard funds, and to provide students with an opportunity to operate a business. The Board is responsible for adopting policies and procedures to safeguard the extra-classroom activity funds. SED has published a pamphlet that Districts can use in conjunction with their policies – “The Safeguarding, Accounting, and Auditing of Extraclassroom Activity Funds”.

### **Key roles:**

- Each club must have a **Student Treasurer** and **Faculty Advisor**. The student treasurer is responsible for collecting, counting, and preparing documentation for deposits/payments to be submitted to the Central Treasurer. They should maintain a ledger and compare their records regularly with the Central Treasurer’s records. The faculty advisor is there to guide, assist, approve, and insure an educational experience for the students within the club.
- The Board must appoint a **Central Treasurer** to maintain custody of Extraclassroom funds, oversee accounting, depositing, and payments. The Central Treasurer should have no part in the approval of payments.
- The **Chief Faculty Counselor** is responsible for all activity within their building. This includes approving fundraisers, approving payments, reviewing financial reports, and investigating problems.

### **Common challenges:**

- **Collections supporting documentation:** Clubs are typically good about preparing a student deposit form, however, supporting documentation is generally lacking. For example, when ticket stubs are used - a ticket reconciliation should be prepared and submitted with the deposit; when admissions are collected - a roster or tally sheet should

be maintained to support the deposit; when fundraising events occur - a collection log with name, date, amount received, quantity sold/composition should be handed into the Central Treasurer with the deposit.

- **Collections being remitted timely to the Central Treasurer:** When a club collects money, every effort should be made to have the Student Treasurer and Faculty Advisor count the money and turn into the Central Treasurer for deposit within five days as a best practice. Money should never be taken home, and it should always be safeguarded at the District.
- **Profit and loss statements:** For all fundraising events, the student treasurer with assistance from the faculty advisor should prepare a profit and loss statement in order to analyze the fundraising activity. This procedure is an excellent opportunity for the students and faculty advisor to discuss business and evaluate whether the event was profitable. These profit and loss statements should be signed by the Student Treasurer and Faculty Advisor and turned in to the Central Treasurer.
- **Club minutes:** Club meeting minutes are a source of support for club activities and purchases made. This is especially important for any payments made by the club that are not an obvious direct benefit to the students of that club. For example, if a club wants to donate money, or purchase a gift for staff or the District, club minutes will indicate that a majority of students voted and agreed to spend their money in that way.
- **Disbursements authorization and support:** All payment orders should be signed by the Student Treasurer, Faculty Advisor, and Chief Faculty Advisor prior to the Central Treasurer issuing a check. In addition, detailed original invoices or receipts should be turned into the Central Treasurer to support the items purchased.
- **Sales tax:** In general, extra-class activity funds are not exempt from sales tax. Clubs should not be using the District's sales tax exemption number. When student clubs purchase items intended for resale, a resale certificate (ST-120) should be used to make tax free purchases on those items intended for resale. The club will then collect and remit tax on the gross sales from that fundraiser. There are certain circumstances in which a fundraiser is exempt from sales tax that are outlined in tax guides and publications, as well as a helpful chart in the SED pamphlet on extra-classroom activity funds. The Faculty Advisors and Central Treasurers should be aware of what activities are subject to sales tax and take steps to see that it is accurately calculated and recorded.
- **Student involvement:** Extra-classroom activities are meant to be a learning experience for students. If there is not student involvement in all aspects of the handling of club finances, the club does not qualify as an extra-classroom activity. It's important to remember that extra-classroom activity funds purpose is to be operated by and for the students.

Having strong internal controls in place will provide a guideline for students to learn successful business practices. As extra-classroom activities evolve and change due to the pandemic, District's should review policies and procedures to ensure they are adequately implemented, and the individuals in key roles understand their responsibilities.