

**Bridgehampton
UFSD**

**Extraclassroom
Activity Funds**



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Commissioner's Regulations (8 NYCRR Part 172)

“The board of education of each school district ...shall make rules and regulations for the establishment, conduct, operation, and maintenance of extraclassroom activities and for the safeguarding, accounting and audit of all moneys received.”¹

THE SAFEGUARDING, ACCOUNTING, AND AUDITING OF EXTRACLASSROOM ACTIVITY FUNDS

Revised 2019



Introduction to Student Extraclassroom Activity Funds (ECAAF)

Extraclassroom Activity Funds are defined in the Regulations of the Commissioner of Education as

“Funds raised other than by taxation or through charges of a Board of Education for, by or in the name of a school, student body or any subdivision thereof.”²

Basically, this means:

ECAAF are funds raised by and for the students. Moneys are usually collected voluntarily by pupils and are spent by them as **THEY SEE FIT**, so long as they abide by established regulations. It is not meant to supplement the district's budget

You might be asking yourself...
“What does any of that mean to me?”³

This means that there are certain policies and procedures which must be followed when electing to participate in the operation of student Extraclassroom activities.



Philosophy⁴



Education involves more than that which is learned from a book in a classroom.

Interacting and working with others is as much a part of the learning process as is the classroom related activities.

Goals of the Program⁵

- 1) To realize and learn the importance of working as a team for the common good.
- 2) To learn responsibility in the knowledge that effort will be keyed to the realization of a desired reward.
- 3) To learn the responsibilities and procedures involved in effectively operating a group organization.



Potential Audit Findings

Policies and procedures regarding the purpose of Extraclassroom Activities to be managed by and for students is essential to ensure students learn from these experiences and that the funds raised are accounted for according to established procedures.

The Office of the State Comptroller and Independent Auditors will examine Extraclassroom documents held by each club and the Central Treasurer to ensure the district is following established procedures.

Failure to follow these procedures puts the district at risk for unfavorable audit findings.

From a different East End school's State audit⁶

Key Findings

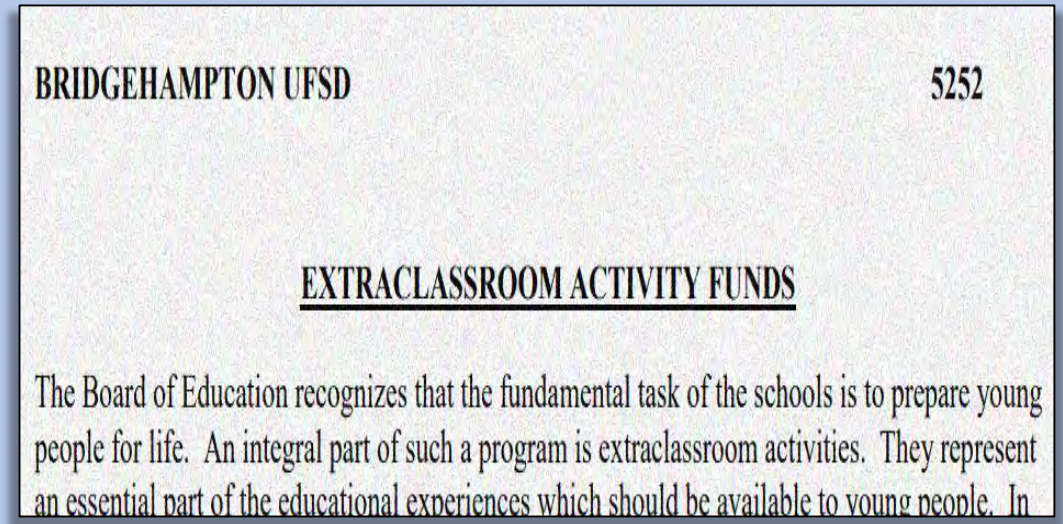
The ECA clubs did not maintain adequate records. Therefore, we could not determine whether all funds received and disbursed were properly accounted for.

- Deposits were not always supported by school deposit forms or accurately completed bank deposit slips and activity logs.
- Of the collections we reviewed, \$82,592 (95 percent) were not supported by a duplicate press-numbered receipt.
- Twenty-one of the 24 ECA clubs did not maintain ledgers.
- Deposit slip compositions did not always match records provided to the central treasurer.
- No profit and loss statements were prepared

Establishing Strong Internal Controls⁷

The Board of Education works with school district officials in an effort to establish strong internal controls and appoints officers to ensure these controls are communicated, understood, and followed⁴

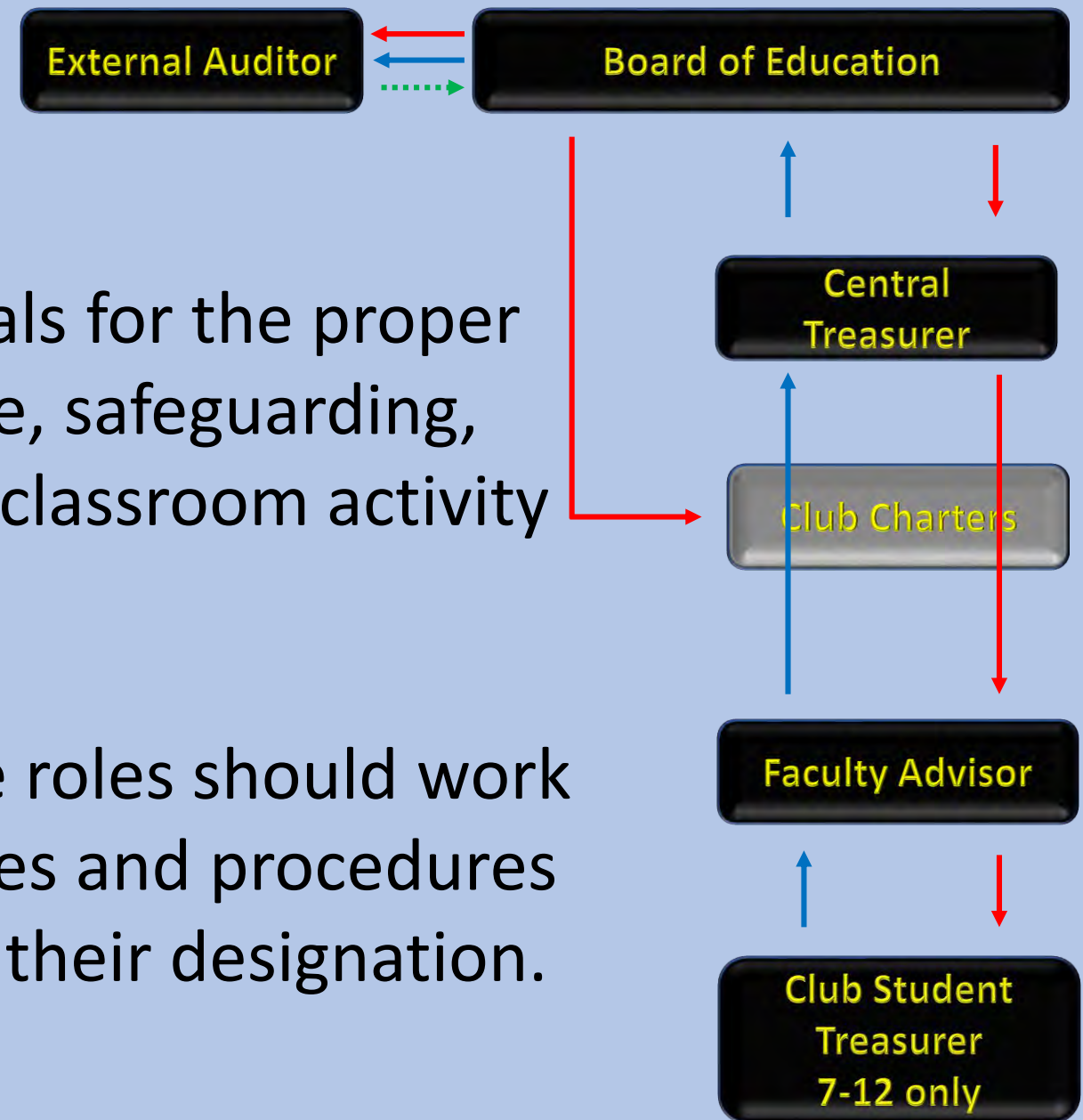
The segregation of officer duties is an important piece of that effort.



Designation of Roles and Responsibilities⁸

The designated roles of individuals for the proper conduct, operation, maintenance, safeguarding, accounting and auditing of extraclassroom activity funds, is a process.

All Individuals operating in these roles should work together to ensure district policies and procedures are utilized appropriately within their designation.



Central Treasurer⁹

Appointed by the
Board of Education



Central Treasurer Responsibilities

Have custody of all funds

Prepare and send a Treasurer's Report for review by the Board of Education on a quarterly basis.

Complete deposits and disbursements following appropriate accounting procedures

Prepare a fiscal year reconciliation and send all records to the Board of Education to be forwarded to the Independent Auditor when requested

Keep an account listing of the receipts and disbursements for each individual activity and post a register of all the receipts and disbursements of the combined student organizations.

Obtain sales and service tax information from each faculty advisor, and process tax payments as indicated by the rules and regulations of New York State Department of Taxation and Finance

Receive and verify his/her account statements and prepare a reconciliation of cash balances and club accounts on a monthly basis.

Club Charter

Students that want to participate in an extracurricular club during the school year shall submit a club charter to the principal¹⁰

A Club Charter is a written document that establishes and defines the club purpose and goals as to not duplicate the goals of an existing student organization

The Charter must identify the club name, faculty advisor, purpose, intent to have a student activity fund and who the student representative will be.

It is recommended, but not required, that the charter be submitted for approval before the end of the prior school year. Clubs should not meet without having their charter approved by the Board of Education each school year.



Accredited by the Middle States Association/Council on Elementary and Secondary Education

Bridgehampton Union Free School District

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Telephone: (631) 998-1300 www.bridgehampton.k12.ny.us Facsimile: (631) 537-1030

STUDENT CLUB OR ACTIVITY CHARTER

- We the students of Bridgehampton School request permission to form a Student Club or Activity for the school year _____. We are attaching a list of the students sponsoring this application.
- This organization will be called: _____
- The advisor is: _____
- The purpose of this organization will be: _____
- _____
- Yes No We request to have a Student Activity Fund account

Student Representative: _____ Date: _____

Advisor: _____ Date: _____

Upon approval, the club must submit a copy of the club's constitution including the following Articles:

1. Name and Purpose, 2. Membership, 3. Meetings, 4. Officers, 5. Duties of the Members, 6. Elections, 8. Amendment policy

You will receive the format for the constitution once you have been approved.

*Approved by:

School Principal: _____ Date: _____

Central Treasurer: _____ Date: _____

Faculty Advisor¹¹

Appointed by the
Board of Education



Faculty Advisor

Provide direct supervision of student members at all times during class/club activities

Be responsible for and provide supervision in regard to safeguarding all funds and monies associated with the respective class/club organization

Provide student members with advice, consultation and leadership in class/club organization procedures and activities

Maintain attendance and/or participation records

Provide student members with advice, consultation and leadership regarding class/club organization and financial and fundraising procedures

Provide an annual end-of-year summary to the central treasurer

Student Activity Treasurer¹²

Elected by the students of each organization. It shall be the duty of the student activity treasurer to:

- Be responsible for maintaining all financial records for the class/club organization with consultation from the faculty advisor and central treasurer
- To be responsible for following all extracurricular accounting procedures as specified





STUDENT FUND RAISING ACTIVITIES

Only those organizations granted approval by the Board of Education shall have permission to solicit donations and contributions from students.

All fund-raising activities must be voluntary, and no direct solicitation of students is permitted on school premises during school hours. However, the Board will allow the following forms of indirect solicitation:

1. the sale of goods, services, or tickets to an event (social, musical, athletic, etc.), where a portion of the funds go to a charitable purpose;
2. the recruitment of students during school hours to participate in fund-raising activities to be conducted off school premises and/or when school is not in session. School personnel are permitted to hang posters or distribute flyers notifying students of these activities. However, school personnel may not act as a conduit and collect funds from students on behalf of a charity for which they recruited; and
3. the placement of a bin or collection box in a hallway or other common area for the voluntary donation of food, clothing or money.

Additional factors to be considered when granting or denying approval to outside (non-school) organizations wishing to conduct fund-raising activities are:

1. whether the group has regional or national recognition;
2. whether the group directs at least **[80 percent]** of its expenditures to charitable program activities;

Fundraising Activities

- To provide for the operation of class/club organizations, fundraising activities may be necessary
- All class/club fundraising activities must be approved by the Principal in advance by submitting a ***Request for Fundraising Activity Form***
- Fundraisers should be limited to educational purposes, directly or indirectly.



Fundraising continued

- Fundraising activities which are to be conducted online must receive prior approval from administration and may require further approval
- Sales Tax liabilities should be considered when planning activities to optimize students' profits, whenever possible
- **The Health, Hunger-Free Kids Act** maintains nutritional standards in schools. The sale of certain food items may be restricted during school hours

In accordance with Section 210.11(b)(4), the New York State Education Department (SED) is electing to establish a policy that no fundraising exemptions may be granted and is **prohibiting any food related fundraisers that do not meet the nutritional standards from being held during the school day**¹³.



Request for Fundraising Activity

The *Request for Fundraising Activity* form should be completed by the faculty advisor.

The purpose of the form is to identify what type of fundraiser is being conducted, and how the funds will be used by the organization.

The form also asks for information about dates and times of the fundraiser which can assist the scheduling of events to avoid overlap.

After the Principal approves or rejects the request, they will provide the form to the central treasurer to communicate the fundraisers' status

A copy of the form should also be given to the faculty advisor to keep with the club's records

Bridgehampton UFSD
Request for Fundraising Activity

CLUB: _____ School Year: _____

Advisor: _____

Funds will be used to: _____

Estimated Amount Needed: _____

Activity Requested: _____

Duration of Activity: _____

Date(s) Requested: _____

Approved: Disapproved:

_____, Building Principal

Date(s) Allocated: _____

Disapproved for the following reason(s): _____

We were approved for our fundraiser, what happens next?¹⁴

- Once your fundraising request has been approved, the faculty advisor should schedule a meeting with student participants to prepare fundraising plans
- Fundraising plans can include determining tax liabilities, reviewing appropriate accounting procedures, preparing and completing supporting documentation, and advertising the fundraising activity.
- Fundraising advertisements must be approved by administration
- All funds raised through approved fundraising activities are to be deposited within two (2) school days of the fundraising activity by following the extracurricular accounting procedures
- Fundraising plans should be noted by the club secretary in the clubs meeting minutes

Meeting Minutes¹⁵

Faculty Advisors provide student members with advice, consultation and leadership regarding organizational business and fundraising procedures.

During the club meetings, faculty advisors and club officers may discuss club business, the status and/or preparation of fundraising activities, and a financial review of the activity or club account

Faculty advisors should record this information, along with attendance, and participation through the use of Meeting Minutes

The meeting minutes should be retained with club records and may be requested by the Central Treasurer

**Bridgehampton UFSD
Club Meeting Minutes**

Activity or Club Name: _____

Faculty Advisor: _____

Meeting Date: _____

Participant Names in Attendance:

Activity/Club Business: _____

Fundraising Activities: _____

Financial Review: The financial review should be a discussion of the monthly account statement including deposits, payments and donations. The financial review should also include any financial decisions that need to be made. This should be done by the club treasurer

Open Discussion Items: _____

Next Meeting Date: _____

Meeting Minutes Completed by: _____

Fundraising for Charitable Donations¹⁶

- When conducting fundraising activities for the purpose of donating profits to a recognized 501c.3 organization, such as:
 - American Cancer Society
 - American Heart Association
 - Make-a-Wish Foundation
 - Sparrow's Nest
- It is recommended that students register and conduct fund collection through the charitable organization, whenever possible.
- Activity treasurers should retain proof of donations and exemption status from the organization to retain with their club records
- Donations being raised for community members in need, should be accompanied with a donation letter and any necessary tax documents and a copy kept in club records

Taxable vs Tax-Exempt Fundraisers¹⁷

The school district is a tax-free entity. Student organizations are a taxable entity. It is illegal, a violation of NYS tax law, to use the school district's tax free status (tax exemption number) to avoid the payment or collection of sales tax.

Taxable

The general rule is, if you normally pay taxes on an item or service, you will need to pay sales tax and use taxes.

Prepared Food, Eaten at point of sale, or "Take-out"

Spaghetti Dinners, Pancake Breakfasts, BBQ and other catered meals such as Ice Cream Socials, Fresh popped popcorn, etc.

Concession Items

Water, Soda, Hot Coffee, Hot Chocolate, Candy, Juice (less than 70% juice) etc.

Admissions

Prom, dances, movie nights, fairs, banquets, etc.

Sales and Service

Yearbooks, Graduation gowns and rings, Plants and flowers, Wrapping Paper, Car Washes, Babysitting, etc.

Non-Taxable

The general rule is, if you don't normally pay taxes on an item or service, you will not need to pay sales tax and use taxes.

Bulk foods, Food Products, and Beverages

Bake Sales, un-popped popcorn, Hot Coco packets, tea bags, Pastry Braids, Doughnuts, Whole Bakery Pies, etc.

Concession Items

Juice (more than 70% juice), Fruit, Vegetables, Potato Chips, Pretzels, Granola Bars, Crackers, Packaged Ice Cream, etc.

Admissions

Art shows, Drama performances, Musical Arts, District Sports, etc.

Sales and Service

Yearbook/Program Ads, Newspapers, Graduation gown rentals, Entertainment books, Discount Cards, Gift Cards, Walk-A-Thon, Arts & Crafts Fair Booth Rentals, Donations, etc.

New York State Racing and Gaming Law

“Only persons eighteen years of age or older shall purchase raffle tickets, sell raffle tickets, or conduct or assist in the conduct of a raffle drawing”¹⁸

This law prevents students from participating in gaming activities, and therefore student extraclassroom activities cannot raise funds by conducting 50/50 sales, Raffles, Bingo or other games of chance



Deposit Tickets²⁰

Funds should never be brought home or stored outside of an approved drop box and/or vault. The central treasurer is responsible for custody of all funds.

A *Deposit Ticket* is used to prepare funds for deposit with the central treasurer.


These should include:

- Date
- Club or activity account name
- Fundraising activity name
- Total amount of deposit
- Signatures of:

- Club Treasurer
- Faculty Advisor
- Central Treasurer

The funds and the deposit ticket should be given to the central treasurer after all the information has been entered and the club treasurer and faculty advisor have signed the form

The deposit must be accompanied by supporting documentation

 Approved by the Middle States Association of Colleges and Secondary Schools
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DEPOSIT RECEIPT
*****PLEASE ATTACH ADDITIONAL DOCUMENTATION FOR PROCESSING*****

DATE: _____, 20____

ACTIVITY / CLUB: _____

SOURCE OF FUNDS / FUNDRAISER: _____

BILLS: \$ _____

COINS/SILVER: \$ _____

CHECKS: \$ _____

TOTAL AMOUNT OF DEPOSIT: \$ _____

CHECKED BY:

Club Treasurer	PRINT NAME	Date
Club Advisor	PRINT NAME	Date
Club Co-Advisor	PRINT NAME	Date
Central Treasurer	PRINT NAME	Date

DATE OF DEPOSIT: _____

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Admission Sales²¹

Ticket sales for events can make it difficult to offer receipts each time a purchase is made

To properly record and account for admission sales, pre-numbered tickets should be used.

Beginning and ending numbers should be referenced to determine the amount of sales to be collected.

A different color ticket should be used for each occasion to prevent anyone from reusing old tickets.

Ticket takers should develop a system for collecting tickets, by either storing or destroying them , to prevent anyone from reusing these tickets.

An Excel Document can be used to support documentation to meet the requirements as supporting documentation for fund deposits.

The screenshot shows an Excel spreadsheet with the following data:

TICKETS SALE RECORD MAINTAIN							
Capacity		500					
s no	Events	Date	Tickets Sold	% Sold	Remaining Tickets	% Of Tickets Sale	Reports
1	event 1	1-Jan-20	450	90%	50	10%	LAST FEW SEATS
2	event 2	1-Feb-20	350	70%	150	30%	SEATS AVAILABLE
3	event 3	1-Mar-20	150	30%	350	70%	SEATS AVAILABLE
4	event 4	1-Apr-20	360	72%	140	28%	SEATS AVAILABLE
5	event 5	1-May-20	500	100%	0	0%	LAST FEW SEATS
6	event 6	25-Jun-20	400	80%	100	20%	LAST FEW SEATS
7	event 7	30-Jul-20	200	40%	300	60%	SEATS AVAILABLE

Thank you!!

Citations

- 1) The Safeguarding, Accounting, and Auditing of Extraclassroom Activity Funds:
<https://www.p12.nysed.gov/mgtserv/documents/ExtraclassroomActivities-January2019reviewed.pdf>
- 2) ibid
- 3) Marlboro Central School District Extra Classroom Activity Funds (Permission obtained 3/14/2022):
<https://ny24000063.schoolwires.net/cms/lib/NY24000063/Centricity/Domain/11/2021%20MCSD%20ECAAF%20Presentation.pdf>
- 4) ibid
- 5) ibid
- 6) Neighboring schools State Audit Findings: <https://www.osc.state.ny.us/files/local-government/audits/2021/pdf/westhampton-beach-2021-9.pdf>
- 7) Marlboro Central School District Extra Classroom Activity Funds:
<https://ny24000063.schoolwires.net/cms/lib/NY24000063/Centricity/Domain/11/2021%20MCSD%20ECAAF%20Presentation.pdf>
- 8) ibid
- 9) ibid
- 10) ibid

Citations

11) ibid

12) ibid

13) The Health, Hunger-Free Kids Act <http://www.cn.nysed.gov/content/smart-snacks-standards-and-fundraisers#:~:text=In%20accordance%20with%20Section%20210.11,held%20during%20the%20school%20day> CI
ub Charter: http://www.nyssba.org/clientuploads/nyssba_pdf/Events/NSBMA-08-08-09-14/fo-module-4-slides-080914.pdf

14) Marlboro Central School District Extra Classroom Activity Funds:
<https://ny24000063.schoolwires.net/cms/lib/NY24000063/Centricity/Domain/11/2021%20MCSD%20ECAAF%20Presentation.pdf>

15) ibid

16) Ibid

17) Ibid

18) Games of Chance: <https://www.gaming.ny.gov/pdf/REVISED%20Raffle%20Guidelines%207%207%202017.pdf>

19) Marlboro Central School District Extra Classroom Activity Funds:
<https://ny24000063.schoolwires.net/cms/lib/NY24000063/Centricity/Domain/11/2021%20MCSD%20ECAAF%20Presentation.pdf>

20) ibid

21) ibid

Bridgehampton Board Policy 5252 Extraclassroom Activity Funds

https://bridgehampton.k12.ny.us/Assets/5000_Series/5252_Student_Activities_Funds_Management_042419.pdf?t=636917182466970000