



Robert V. Antonucci  
Commissioner

# The Commonwealth of Massachusetts Department of Education

D4001

350 Main Street, Malden, Massachusetts 02148-5023 • (617) 388-3300

## MEMORANDUM

**TO:** Superintendents

**FROM:** Robert V. Antonucci  
Commissioner *RAV*

**DATE:** May 31, 1996

**RE:** STUDENT ACTIVITY ACCOUNTS

Legislation has recently been enacted to allow school districts to set up checking accounts for use by school principals in spending monies collected through various student activities. A copy of this statute (Chapter 66 of the Acts of 1996) is enclosed.

I encourage you to use this new authority to replace any unofficial and unauthorized bank accounts which may have been established in your district to handle student activity receipts. In the aggregate, many thousands of dollars in receipts and expenditures are generated as a result of school sponsored student activities. Chapter 66 provides a way for school managers to handle these financial transactions quickly and efficiently, with reasonable safeguards.

Procedures to govern the use of these new student activity accounts should be adopted by the school committee, after consultation with your business manager, municipal or district treasurer, and municipal finance director, as appropriate. As a guide, the Association of School Business Officials (ASBO) has two publications, "Guidelines for Student Activity Fund Accounting" and "Internal Audit Guide for Student Activity Funds", that will assist in establishing procedures.

The procedures should include a requirement for an annual audit of these accounts, as required by the statute. At a minimum such audits should include:

- a) a reconciliation of the cash balances as shown in the checkbook and bank statements;
- b) a review of compliance with the school committee's adopted procedures; and
- c) a review of the supporting documentation for a randomly selected sample of payments.

These annual audits can be conducted by personnel in the school business office or the municipal finance office. For accounts with authorized limits exceeding \$25,000, districts should consider having the audit conducted by an outside accounting firm at least every two or three years.

Please share this information with your business manager. If you need any additional information, please contact Jay Sullivan at (617) 388-3300 ext. 595. Thank you.

Attachment

ADOPTED 6/13/97

## TABLE OF CONTENTS

	<u>Page</u>
<b>I. GENERAL INFORMATION</b>	
Definition of Student Activity Accounts	1
Establishing a Student Activity Organization	1
Tax Exempt Status	1
Investments	2
Interest Earnings	2
Gifts	2
Scholarship Funds	3
Audits	3
Training Sessions	4
<b>II. ORGANIZATIONAL MANAGEMENT</b>	
Administrative Personnel	5
Bonding	6
<b>III. OPERATING PROCEDURES</b>	
Accounting Systems, Forms and Record Keeping	7
Receipts	7
Purchases	8
Expenditures/Disbursements/Checks	9
Petty Cash	9
Cash Boxes	10
Fund Raisers	10
Inactive Accounts	11
Class Account at Graduation	11
	<u>Appendix</u>
SAMPLE FORMS	A
EXCERPTS OF RELEVANT STATUTES	B

# **I. GENERAL INFORMATION**

## **DEFINITION OF STUDENT ACTIVITY ACCOUNTS**

A student activity account shall be used for monies raised by student organizations and which will be expended by those organizations for their benefit. Monies deposited to a student activity account are governed by MGL Ch. 66 Acts of 1996. Monies governed by any other laws which specify other ways in which the money must be handled cannot be deposited to a student activity account. (For example: athletic gate receipts are governed by MGL Ch. 71, Section 47 and must be deposited with the city/town/regional treasurer and, therefore, cannot be deposited to a student activity account.) Refer to Appendix B for text of MGL Ch. 66 Acts of 1996 as well as listings of other applicable laws.

## **ESTABLISHING A STUDENT ACTIVITY ORGANIZATION**

1. A student activity organization requires School Committee approval prior to its establishment. No account can be established for any organization that has not received such School Committee approval.
2. A request for School Committee approval should include a statement of purpose for the organization and a procedure for the selection of officers.
3. Recognizing that there are activities that are one-time events, the School Committee may approve establishment of an account within a school's student activity fund for one-time events. All deposits and expenditures related to a specific one-time event shall be processed through this account.
4. Any monies remaining in the one-time event account at the close of the school year shall be transferred to the student activity account's general fund.
5. The one-time event account shall not be used by any organizations approved by the School Committee. Such organizations shall have their own account within the student activity fund.

## **TAX EXEMPT STATUS**

All student activity account purchases should be under the tax exempt number of the regional school district treasurer's office. No separate tax numbers are allowed.

When class accounts are turned over at graduation, the class may not use the tax-exempt number since they are no longer under the control of the School Committee.

## **INVESTMENTS**

- 1. Before an account is opened, the School Committee shall approve all banks where deposits are made. All such deposits shall be made only to federally insured banking institutions and shall be in an interest-earning account(s).**
- 2. The bank for all deposits shall be local to allow for easy and timely depositing of all student account monies.**
- 3. Any investment other than a checking/savings account shall require approval of the business manager after a cash flow analysis is completed.**

## **INTEREST EARNINGS**

- 1. Interest earned on checking accounts, savings accounts, certificates of deposit, and any other investment authorized by the School Committee with student activity monies shall accrue to the student activity account. A separate record shall be maintained on all interest earnings.**
- 2. The School Committee shall specify the use and disposition of all interest earned, which shall be for the benefit of the students participating in activities:**
  - (a) Interest earnings may be expended for costs related to the operation of the student account This includes (but is not limited to) audits, specialized bonds for employees handling student activity monies (if not covered under general liability policies), forms and tickets, and bookkeeping costs.**
  - (b) Interest earnings not used for operational costs of the account may be turned over to the clubs, classes and organizations having monies in the student activity account. A distribution system shall treat all organizations equitably in such distributions.**

## **GIFTS**

- 1. Gifts to student organizations are governed by Massachusetts General Law Chapter 71, Section 47B and shall be processed in accordance with School Committee policy.**
- 2. Gifts under \$ 500 may be accepted by the Superintendent. Gifts over \$ 500 shall be accepted by the School Committee.**
- 3. Gifts to other than student organizations are governed by Massachusetts General Law Chapter 44, Section 53A and shall be processed in accordance with such, including deposit of monetary gifts with the treasurer of the city/town/regional school district.**

4. After acceptance, monetary gifts under Chapter 71, Section 47B shall be deposited to the student activity account and expended for the specific purpose for which it was received.
5. If no specific purpose was indicated, the monetary gift shall be expended in accordance with the overall intent of the gift.

### **SCHOLARSHIP FUNDS**

1. All monies donated or collected for scholarship purposes shall be governed by Massachusetts General Law Chapter 44, Section 53A. This includes the depositing of all such monies with the Regional School Treasurer.
2. All scholarship monies shall be managed by the School Committee in accordance with the guidelines under which the scholarship was established.
3. All scholarships should be accompanied by a written statement that includes the following:
  - a. the purpose of the scholarship
  - b. how the funds will be expended:
    - 1) how the amount of the award will be determined
    - 2) how frequently the award will be made (i.e., annually)
    - 3) how the recipient of the award shall be determined
  - c. who shall manage the investment
4. A copy of the written statement should accompany receipt of the initial monies and should be forwarded to the Treasurer for establishment of the account.

### **AUDITS**

1. All student activity accounts shall have an audit at least annually. The audit shall be arranged by the Superintendent or the Business Manager, not by the bookkeeper or the principal involved with the account.
2. The cost of the independent audit may be paid by the School Committee from its budget and/or from the interest earned on the student activity account.
3. In addition to the annual audit, there shall be ongoing internal auditing by the Business Manager or another designee of the Superintendent. This internal audit shall involve

reviewing the monthly reports prepared by the individuals having daily oversight of the accounts.

## **TRAINING SESSIONS**

The services and/or guidance of the Superintendent's Office, the School Business Manager's Office, or the Superintendent's designee shall be made available to the Principal's Office to review laws and the essentials of good bookkeeping procedures to ensure accurate and auditable books/accounts.

It is recommended that an annual meeting be conducted for advisors and student officers/treasurers in early September to review these principles of the student activity accounts system. Training shall be made available on the necessary procedures, forms, authorizations needed, and the books and records to be kept to accurately systematize an audit trail and procure the proper reports.

## **II. ORGANIZATIONAL MANAGEMENT**

### **ADMINISTRATIVE PERSONNEL**

**School Committee:** The School Committee adopts policies to govern the establishment and operation of the activity funds.

**Superintendent:** The Superintendent is responsible for administering all School Committee policies.

**Business Manager:** The Business Manager is responsible for accounting procedures, internal controls and auditing.

**Principal:** The principal or other authorized administrator is responsible at the building level for the overall administration of the accounts under his/her control, to include deposits, expenditures, bookkeeping, any other duties as may be necessary to ensure the safeguarding of assets, and any other duties as required by School Committee policy.

**Bookkeeper:** The bookkeeper maintains all accounting records, keeps physical control of the checkbook and/or passbook, maintains copies of all deposit slips, receipts, invoices and other relevant documents, and does the reconciling of monthly bank statements. The bookkeeper shall be designated by the Superintendent, but in no case shall the designee be the principal.

**Advisors:** The duties and responsibilities of the adviser should consist of the following:

- (a) Oversee the student members in relation to all financial matters;

- (b) Supervise the activities of the activity group, including fund-raising activities; and
- (c) Any other duties as assigned by the proper administrative authority.

**Student Officer/Treasurer:** If money will be maintained separately for a student organization, each club/class must designate an elected officer to act as treasurer.

At those grade levels (elementary/middle/secondary) where elected student officers do not exist or where activities pool their monies, an advisor shall be appointed by the Superintendent (who shall not be the bookkeeper or principal) who shall, in addition to duties of advisor, act as treasurer.

### **BONDING**

All employees involved in handling any funds from student activity accounts shall be bonded in the same manner as other school employees who handle money (example: lunch program employees). Such coverage may be in the form of a specific bond as provided by an insurance company or by an endorsement to a liability policy.

## **III. OPERATING PROCEDURES**

### **ACCOUNTING SYSTEMS. FORMS AND RECORD KEEPING**

A critical point to keep in mind with all record keeping is that each person involved should protect themselves from charges of wrong doing by keeping detailed records with appropriate backup documents. A clear audit trail shall be left at all times. This would include the following:

1. Pre-numbered tickets shall be used with an inventory system for monitoring the use of such.
2. Standardized forms (for deposits, disbursements, etc.) shall be used whenever possible.
3. All disbursements shall require a bill or some type of receipt.
4. All deposits shall require a deposit slip stating source of the monies, total amount being deposited, and signature of the person making the deposit.
5. Bank reconciliations and account reconciliations shall be done monthly with a copy of each to the Business Manager.
6. Quarterly financial reports shall be made to the School Committee summarizing the beginning balance, receipts, disbursements and ending balance of each student activity account.
7. Accounting systems recommend that a double entry system be used. Such a system can be either computerized or manual.

8. Forms should be standard 8-1/2" x 11", universal and ready and easy to use.
9. Whenever possible forms should be pre-numbered.
10. Sample forms are shown in Appendix A.

## **RECEIPTS**

1. Any student organizations receiving monies from any source (fund raisers, donations, etc.) shall deposit such money with the bookkeeper within twenty-four hours.
2. If money is received on a weekend, it shall be deposited early Monday morning with the principal's office. No student shall take money home at any time; money received over the weekend shall be deposited to a night depository, secured in a locked vault, or safeguarded by other means.
3. The bookkeeper shall deposit to the bank all monies received from student organizations as soon as possible, but in no case later than forty-eight hours after receipt by the bookkeeper.
4. Any money not deposited to the bank by the bookkeeper on the same day it was received shall be kept overnight in a safe or other secure locked area. It is recommended that such secured areas be alarmed.
5. All money deposited to the office by a student organization (student officer/treasurer or advisor) shall be accompanied by a deposit slip stating the source of the monies, the amount of money being deposited, and signed by the person depositing the money with the bookkeeper.
6. The advisor or student officer/treasurer shall keep a duplicate of the deposit slip submitted to the bookkeeper with the money.

## **PURCHASES**

1. No purchases will be made without prior approval of the appropriate activity advisor.
2. The up fronting of personal monies should be avoided whenever possible. If it is anticipated that up fronting of monies may be necessary, prior approval shall be obtained from the principal.
3. Any student or staff member making a purchase under the student activity account which requires the up fronting of personal funds must obtain a receipt in order to receive reimbursement.
4. Equipment and supplies purchased with student activity account monies are the property of the organization, not of any individual student, advisor, or other interested party.
5. Student advisors or others involved in purchasing through the student activity account shall not in any way benefit personally from the purchase.

6. Student activity monies shall not be used for any purpose unrelated to student activities or for the benefit of any staff person.
7. Student activity monies shall not be used in any manner that by-passes normal school department purchasing procedures.

### **EXPENDITURES/DISBURSEMENTS/CHECKS**

1. All expenditures/disbursements from student activity accounts shall be made by check.
2. No check shall be made payable to cash.
3. Checks shall be signed only after they are completely prepared.
4. All checks shall be two-party checks (i.e., requires two signatures to be valid). A school may choose to authorize three people to sign checks and require two of these three signatures on all checks. (This allows checks to be issued in the absence of one person.)
5. No checks shall be issued without bills or receipts to document the disbursement. Statements alone (i.e., without any supporting documents) shall not be used for the issuance of checks.
6. A record of all checks issued will be maintained.
7. All checks shall be accounted for, including voided checks (which shall be mutilated to avoid reuse but not destroyed).
8. Monthly checkbook reconciliations to bank statements and account reconciliations will be done (see "Accounting Systems, Forms and Record Keeping").
9. A standardized form must accompany all requests for check issuance. This form shall accompany the invoice and/or receipt and/or all supporting documents and must state to whom the check shall be payable, the reason for the payment, the amount of the check, the account to be charged, and the approval signature of the student officer/treasurer and/or advisor.
10. Sample forms are available in Appendix A.

### **PETTY CASH**

The only reason a petty cash fund shall be used is to establish a cash box(es) at the beginning of the year. No disbursements shall be made from any petty cash fund nor directly from any cash receipts. All receipts shall be deposited and all disbursements made by check.

For additional information on cash boxes, please refer to the next section.

## **CASH BOXES**

- 1. A cash box(es) may be needed during the year to make change during fund-raising activities. At no time shall a cash box be used as a petty cash fund. (Please refer to previous section under "Petty Cash".)**
- 2. A check may be made to petty cash/cash box at the beginning of each fiscal year. This will be done via a voucher "to open petty cash/cash box for fiscal year 19XX". This check shall be cashed and placed in a locked cash box (it is recommended that the area be alarmed), which shall be kept in a safe or other secure locked location.**
- 3. The cash box shall be signed out to student organizations as needed for fund raising. A log book shall be kept which records which group is using the cash box, the date signed out, the amount in the cash box, and the signatures of both the person signing it out of the safe (which should be the bookkeeper) and the person receiving it. Upon return of the cash box, the log shall also record the date returned, amount returned (which shall be equal to the amount signed out), and signatures of both parties again.**
- 4. The cash box shall be closed out at the end of the fiscal year by depositing the money back to the main account. The amount deposited back must equal the amount originally withdrawn to establish the cash box.**
- 5. During the course of the year, the bookkeeper shall be placed in charge of overseeing that the proper change is in the cash box (i.e., a cash box with five twenty dollar bills does not help make change during a fund raiser).**
- 6. A sample log form is shown in Appendix A.**

## **FUND RAISERS**

- 1. Fund-raising projects shall, in general, contribute to the educational experience of students and shall add to, not conflict with, the instruction program.**
- 2. Fund-raising projects must have prior approval of the Superintendent.**
- 3. Results of fund raisers shall be reported within one week of the close of the fund raiser on the appropriate form (see example in Appendix A).**
- 4. All monies received through fund raisers shall be deposited in accordance with the preceding section on "Receipts".**
- 5. Expenditures related to fund raisers must be handled in accordance with the guidelines and policies for all other student activity account expenditures (see "Purchases" and "Expenditures/Disbursements/Checks").**

**APPENDIX A**  
**SAMPLE FORMS**

**STUDENT ACTIVITY ACCOUNT  
DEPOSIT SLIP**

CLASS/CLUB: \_\_\_\_\_ DATE: \_\_\_\_\_

SOURCE OF MONEY: \_\_\_\_\_

AMOUNT OF MONEY TO BE DEPOSITED: \_\_\_\_\_

BILLS: \_\_\_\_\_ FACULTY ADVISOR: \_\_\_\_\_

CHECKS: \_\_\_\_\_ BOOKKEEPER: \_\_\_\_\_

TOTAL: \_\_\_\_\_

**TO BE PREPARED IN DUPLICATE COPIES: ONE (1) TO OFFICE WITH DEPOSIT, ONE (1) TO CLASS/CLUB**

**STUDENT ACTIVITY ACCOUNT  
DEPOSIT SLIP**

CLASS/CLUB: \_\_\_\_\_ DATE: \_\_\_\_\_

SOURCE OF MONEY: \_\_\_\_\_

AMOUNT OF MONEY TO BE DEPOSITED: \_\_\_\_\_

BILLS: \_\_\_\_\_ FACULTY ADVISOR: \_\_\_\_\_

CHECKS: \_\_\_\_\_ BOOKKEEPER: \_\_\_\_\_

TOTAL: **TO BE PREPARED IN DUPLICATE COPIES: ONE (1) TO OFFICE WITH DEPOSIT, ONE (1) TO CLASS/CLUB**



# STUDENT ACTIVITY ACCOUNT EVENT FINANCIAL REPORT

TO BE COMPLETED FOR ALL FUND RAISERS, ACTIVITIES, ETC. AT COMPLETION

CLUB/CLASS:

DATE:

EVENT:

EVENT DATE:

DEPOSIT DATE:

SOURCE:

AMOUNT: \$

\$

\$

\$

\$

TOTAL INCOME: \$

## EXPENDITURES

ITEM:

CHECK#:

—

AMOUNT: \$

TOTAL EXPENSES: \$

PROFIT/LOSS: \$

SUBMITTED BY:

DATE:

REVIEWED BY:

DATE:

**STUDENT ACTIVITY ACCOUNT**

**CASH BOX LOG BOOK**

**SIGN OUT:**

**SIGN IN:**

<b>DATE OUT</b>	<b>ORGANIZATION</b>	<b>AMOUNT</b>	<b>ADVISOR SIGNATURE</b>

<b>DATE RETURNED</b>	<b>AMOUNT</b>	<b>ADVISOR SIGNATURE</b>	<b>OFFICE SIGNATURE</b>

**APPENDIX B**  
**EXCERPTS OF RELEVANT STATUTES**

## OTHER RELEVANT LAWS

The following Massachusetts laws pertain to student monies and shall be reviewed prior to development of a student activity account policy for your school district:

	<u>Page</u>
1. Massachusetts General Law Chapter 66 Acts of 1996 - Student Activity Accounts	B-1
2. Massachusetts General Law Chapter 44, Section 53 - Lost Textbook Revolving Account	B-2
3. Massachusetts General Law Chapter 71, Section 47 - Athletic Revolving Account	B-3
4. Massachusetts General Law Chapter 71, Section 71E - Adult Education and Continuing Education Revolving Accounts	B-4
5. Massachusetts General Law Chapter 71, Section 71C - Community School Programs Revolving Account	B-5
6. Massachusetts General Law Chapter 74, Section 14B - Culinary Arts and Other Vocational Technical Revolving Funds	B-6
7. Massachusetts General Law Chapter 44, Section 53A - Grants and Gifts (covers all scholarships)	B-7
8. Massachusetts General Law Chapter 548 - School Lunch Revolving Account	
9. Massachusetts General Law Chapter 71, Section 47B - Gifts - Student Organization	

**M.G.L CHAPTER 66**  
**Acts of 1996**

Section 47 of Chapter 71 of the General Laws, as appearing in the nineteen hundred ninety two Official Edition, is hereby amended by adding at the end thereof the following paragraph:

Notwithstanding the provisions of section fifty-three of chapter forty-four or of the preceding paragraphs of this section, the school committee of any city, town, or district may authorize a school principal to receive money in connection with the conduct of particular student activities, and to deposit such money intact, with the municipal or regional school district treasurer, into an interest bearing bank account, hereinafter referred to as the "Student Activity Agency Account," duly established by vote of the school committee to be used for the express purpose of conducting student activities. Interest earned by the Student Activity Agency Account shall be retained by the fund and the school committee shall determine for what purpose said earnings, net of bank charges, may be used.

Optionally, in addition to the Student Activity Agency Account, the school committee may authorize the municipal or regional school district treasurer to establish a checking account, hereinafter referred to as the "Student Activity Checking Account," to be operated and controlled by a school principal and from which funds may be expended exclusively for student activity purposes per the particular student activities authorized by the school committee. This account is for expenditure purposes only and funds received for student activities may not be deposited directly into the account.

The school committee shall vote to set the maximum balance that may be on deposit in the Student Activity Checking Account. The principal shall give a bond to the municipality or district in such amount as the treasurer shall determine to secure the principal's faithful performance of his/her duties in connection with such account. To initially fund the Student Activity Checking Account, to the extent funds are available in the agency account, funds up to the maximum balance set by the school committee will be transferred from the agency account through the warrant process.

Periodically, to the extent funds are available in the agency account, the municipal or regional school district treasurer shall reimburse the Student Activity Checking Account, through the warrant process, to restore the limit set by the school committee. The principal shall adhere to such administrative procedures as the municipal or regional school district treasurer or accountant may prescribe. Annually there shall be an audit of the student activity funds conducted in accordance with procedures as agreed upon between the school committee and the auditor based upon guidelines issued by the department of education.

**M.G.L CHAPTER 44**  
**Section 53**  
**City, Town or District Funds; Use and Disposition**

All moneys received by any city, town, or district officer or department, except as otherwise provided by special acts and except fees provided for by statute, shall be paid by such officers or department upon their receipt into the city, town or district treasury. Any sums so paid into the city, town or district treasury shall not later be used by such officer or department without specific appropriation thereof; provided, however, that (1) sums allotted by the commonwealth or a county to cities or towns for highway purposes and sums allotted by the commonwealth to cities, towns or districts for water pollution control purposes shall be available therefore without specific appropriation, but shall be used only for the purposes for which the allotment is made or to meet temporary loans issued in anticipation of such allotment as provided in section six or six A, (2) sums not in excess of twenty thousand dollars recovered under the terms of fire or physical damage insurance policy and sums not in excess of twenty thousand dollars received in restitution for damage done to such city, town or district property may be used by the officer or department having control of the city, town or district property for the restoration or replacement of such property without specific appropriation and (3) sums recovered from pupils in the public schools for loss of school books or paid by pupils for materials used in the industrial arts projects may be used by the school committee for the replacement of such books or materials without specific appropriation.

**M.G.L CHAPTER 71**  
**Section 47**  
**Athletic Programs; School Organization; Regulations**

The committee may supervise and control all athletic and other organizations composed of public school pupils and bearing the school name or organized in connection therewith. It may directly or through an authorized representative determine under what conditions the same may compete with similar organization in other schools. Expenditures by the committee for the organization and conduct of physical education, athletics, sports, games and play, for providing proper apparatus, equipment, supplies, athletic wearing apparel, including appropriate souvenir garments and trophies, and facilities for the same in the buildings, yards and playgrounds under the control of the committee, or upon any other land which it may have the right or privilege to use for this purpose, and for the employment of experienced athletic directors to supervise said physical education, athletics, sports, games and play, shall be deemed to be for a school purpose. Expenditures by the committee for making special awards to pupils who have performed meritoriously in the fields of art, debating, distributive education, music, science, social studies or languages shall also be deemed to be for a school purpose. Cities and towns may appropriate for the employment of coaches to supervise in public schools physical education, athletics, sports, games and play, and for the transportation and expenses of public school athletic teams, coaches, cheerleaders, bands and any other groups composed of public school pupils which bear the school name and are under the control of the school committee, within and without the commonwealth, to places where athletic contest or physical education, sports, games, play, musical festivals, competition or other events are held, and for the purchase of band and cheerleaders' uniforms and musical instruments for the members of bands composed of public school pupils and bearing the school name and under the control of school of the school committee. All receipts by the committee in connection with the conduct of activities provided for under this section or any other activity not expressly provided for in this chapter but sponsored by the school committee in which participation is contingent upon the payment of a fee by the participant, shall be deposited with the treasurer of such town or, in cases where the town is a member of a regional school district, with the treasurer of such district and held as a separate account and expended by said school committee without further appropriation, notwithstanding the provisions of section fifty-three of chapter forty-four. No moneys may be expended from an appropriation or from the separate fund authorized by this section except upon the approval of the school committee, or of the selectmen in towns and of mayors in cities, for travel to other states.

**M.G.L CHAPTER 71**  
**Section 71E**  
**Appropriations for and Expenditures of Receipts from Adult**  
**Education and Continuing Education Programs**

In any city or town which accepts this section, all moneys received by the school committee in connection with the conduct of adult education and continuing education programs, including, but not limited to adult physical fitness programs conducted under section seventy-one B, summer school programs and programs designated by prior vote of said committee as community school programs, and in connection with the use of school property under section seventy-one, shall be deposited with the treasurer of the town or city and held as separate accounts. The receipts held in such a separate account may be expended by said school committee without further appropriation for the purposes of the program or programs from which the receipts held in such account were derived or, in the case of the use of school property account, for expenses incurred in making school property available for such use, notwithstanding the provisions of section fifty-three of chapter forty-four of the General Laws. A city or town may appropriate funds for the conduct of any such program or for expenses incurred in making school property available for such use, which funds shall be expended by the school committee in addition to funds provided from other sources. Three years from the date a city or town accepts the provisions of this paragraph, and every third year thereafter, said city or town may act to rescind its original acceptance.

**M.G.L CHAPTER 71**  
**Section 71C**  
**Community School Programs; Receipts; Deposit and Expenditure**

All moneys received by the school committee in connection with the conduct of community school programs, so designated by prior vote of said committee, shall be deposited with the treasurer of the town or city. The school committee may expend, from such receipts and without further appropriation, any sums not in excess of three thousand dollars within any fiscal year for the purpose of materials and equipment for such programs.

**M.G.L. CHAPTER 74  
Section 14B  
Vocational Education**

**14B Culinary Arts; Revolving Fund**

In any city or town which accepts the provisions of this section, any income received in a fiscal year not exceeding, in the aggregate, fifteen thousand dollars derived from the purchase and sale of products produced in the culinary arts subject area of the home economics program, or any other vocation-technical program conducted in any public vocational-technical high school shall be deposited in a special fund by the school committee in any banking institution in the commonwealth. Expenditures may be made from said fund by the school committee for purposes needed for the culinary arts subject area or in the case of a fund established for any other program, such funds may be expended for the purposes of such program area without further appropriation, notwithstanding the provisions of section fifty-three of chapter forty-four; provided, however, that said special funds shall not be used to pay the salary of any employee, and in any fiscal year no more than five thousand dollars from said funds shall be used in the purchase of equipment. Three years from the year a city or town accepts the provisions of this section, and every third year thereafter, said city or town may act to rescind its original acceptance. The superintendent of a school district with such a fund shall submit annually a report of said fund to the mayor, city council, city manager, board of selectmen or town manager of each city and town in said district and a copy of said report shall be submitted to the director of the bureau of accounts. The provisions of this section shall be effective in any regional school district upon its acceptance by the school committee of said district and a majority of the towns and cities district by vote of the board of selectmen or city council of said cities and towns.

**M.G.L CHAPTER 44**  
**Section 53A**  
**Grants and Gifts; Acceptance and Expenditure**

An officer or department of any city or town, or of any regional school or other district, may accept grants or gifts of funds from the federal government and from a charitable foundation, a private corporation, or an individual, or from the commonwealth, a county or municipality or an agency thereof, and in the case of any grant or gift given for educational purposes may expend said funds for the purposes of such grant or gift with the approval of the school committee, and in the case of any other grant or gift may expend such funds for the purposes of such grant or gift in cities having a Plan D or Plan E form of government with the approval of the city manager and city council, in all other cities with the approval of the major and city council, in towns with the approval of the board of selectmen, and in districts with the approval of the prudential committee, if any, other wise the commissioners. Notwithstanding the provisions of section fifty-three, any amounts so received by an officer or department of a city, town or district shall be deposited with the treasurer of such city, town or district and held as a separate account and may be expended as aforesaid by such officer or department receiving the grant or gift without further appropriation. If the express written terms or conditions of the grant agreement so stipulate, interest on the grant funds may remain with and become a part of the grant account and may be expended as part of the grant or gift without further appropriation. Any grant, subvention or subsidy for education purposes received by an officer or department of a city, town or school district from the federal government may be expended by the school committee of such city, town or district without including the purpose of such expenditure in, or applying such amount to, the annual or any supplemental budget or appropriation request of such committee; provided, however, that this sentence shall not apply to amounts so received to which section twenty-six C of chapter seventy-one of the General Laws, and chapter six hundred and twenty-one of the acts of nineteen hundred and fifty-three, as amended, and chapter six hundred and sixty-four of the acts of nineteen hundred and fifty-eight, as amended, apply; and, provided further, that notwithstanding the foregoing provision, this sentence shall apply to amounts so received as grants under the Elementary and Secondary Education Act of 1965, (Public Law 89-10). 1 After receipt of a written commitment from the federal government approving a grant for education purposes and in anticipation of receipt of such funds from the federal government, the treasurer, upon the request o the school committee, shall pay from the General Fund of such municipality compensation for services rendered and goods supplied to such federal grant programs, such payments to be made no later than ten days after the rendition of such services or the supplying of such goods; provided, however, that the provisions of such federal grant would allow the treasurer to reimburse the General Fund for the amounts so advanced.

## C O M M O N W E A L T H    O F    M A S S A C H U S E T T S

*In the Year One Thousand Nine Hundred and Ninety-six*

AN ACT RELATIVE TO CERTAIN STUDENT ACTIVITY ACCOUNTS.

Be it enacted by the Senate and House of Representatives- in General    Court assembled,  
and by the authority of the same, as follows:

Section 47 of chapter 71 of the General Laws is hereby amended by adding the following three paragraphs:-

Notwithstanding the provisions of the preceding paragraph or section fifty-three of chapter forty-four, the school committee of a city, town or district may authorize a school principal to receive money in connection with the conduct of certain student activities and to deposit such money, within the municipal or regional school district treasurer, into an interest bearing bank account, hereinafter referred to as the Student Activity Agency Account, duly established by vote of the school committee to be used for the express purpose of conducting student activities. Interest earned by such Student Activity Agency Account shall be retained by the fund and the school committee shall determine for what purpose such earnings may be used. In addition to such Student Activity Agency Account, the school committee may authorize the municipal or regional school district treasurer to establish a checking account, hereinafter referred to as the Student Activity Checking Account, to be operated and controlled by a school principal and from which funds may be expended exclusively for student activity purposes for the student activities authorized by the school committee. Such account shall be used for expenditures only and funds received for student activities may not be deposited directly into such account.

The school committee shall vote to set the maximum balance that *may* be on deposit in such Student Activity Checking Account. The principal designated to operate and control such Student Activity Checking Account shall give bond to the municipality or district in such amount as the treasurer shall determine to secure the principal's faithful performance of his duties in connection with such account. To the extent that the funds are available in such Student Activity Agency Account, funds up to the maximum balance set by the

school committee shall be transferred from the Student Activity Agency Account through the warrant process to initially fund such Student Activity Checking Account.

Periodically, to the extent that funds are available in such Student Activity Agency Account, the municipal or regional school district treasurer shall reimburse such Student Activity Checking Account, through the warrant process, to restore the limit set by the school committee. The principal shall adhere to such administrative procedures as the municipal or regional school district treasurer or accountant may prescribe. There shall be an annual audit of the student activity funds which shall be conducted in accordance with procedures as agreed upon between the school committee and the auditor based upon guidelines issued by the department of education.

House of Representatives, February 27, 1996.

Passed to be enacted,  
In Senate, April 8, 1996

Approved,  
1:04 PM  
William F. Weld, Governor

Original Document on File