

CASH IN SCHOOL BUILDINGS

Teachers and other school personnel who come into possession of cash in connection with school activities will not leave the money unattended. As soon as is possible, and no later than the end of the school day, personnel in possession of cash shall turn it over to the principal's office for safe-keeping and proper accounting.

Adopted: April 8, 2019

Legal Ref.: Code of Virginia, 1950, as amended, §§ 22.1-68, 22.1-78.

Cross Ref.: DGC School Activity Funds

BUSINESS AND NONINSTRUCTIONAL OPERATIONS

School Activity Funds/Internal Accounts

Regulations for Individual Schools

A. General Rules

1. Student activity funds are to be used solely in accordance with the purpose for which such funds are collected.
2. Projects for the raising of student body funds shall, in general, contribute to the educational experience of students and shall not conflict with the instructional program.
3. Funds derived from the student body as a whole shall be so expended as to benefit the student body as a whole either directly or indirectly.
4. Student body funds shall, in general, be expended in such a way as to benefit those students currently in school who have contributed to the accumulation of such funds.
5. Student body representation shall be required in the management of funds raised by the student body and expended for its benefit subject to faculty supervision.
6. The management of student body funds shall be in accordance with the best business practices, including sound budgetary and accounting procedures.
7. Student body business shall be conducted in such a manner as to offer minimum competition to commercial concerns.
8. Principals, through their representatives, shall participate in the preparation, modification, and interpretation of policies, regulation, and procedures affecting student body affairs.
9. Each student activity fund shall develop bylaws for its operation and shall state the purpose of the activity fund.
10. Budget planning shall be accomplished for each activity fund and shall be under the supervision of the faculty as designated by the principal.

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BUSINESS AND NONINSTRUCTIONAL OPERATIONS

School Activity Funds/Internal Accounts (continued)

Regulations for Individual Schools (continued)

A. General Rules (continued)

11. Inventories shall be taken regularly of all merchandise, equipment, and other property of the student body and inventory control records maintained for each account.
12. Rules shall be established by each principal governing approval of expenditures, approval of purchases, investment of surplus (if any) and disposition of funds as the students graduate.
13. Each school may carry on projects for raising money to support its program of student activities, provided such projects are approved by the principal and superintendent and do not conflict with the objectives of the school program.
14. The principal shall require that all funds in the school (organizations, activities, athletic, library, teachers, collection, entertainments, etc.) be deposited in one central fund. One bank account shall be established as a depository for all of these funds. This bank account shall be reconciled monthly by the principal and treasurer with the school financial records. The principal will designate one member of the faculty or clerical staff as treasurer of the central fund to keep the financial records of the fund under the supervision of the principal.
15. The central fund treasurer shall have a bound, prenumbered, duplicate receipt book, furnished by the central office. The treasurer shall issue receipts of all funds received, and such funds shall be deposited intact in the bank account. The duplicate copy of all receipts shall be preserved as a part of the permanent records of the fund.
16. All expenditures shall be approved in advance by the principal. The check shall bear the signature of the central fund treasurer and be countersigned by the principal. No check shall be made payable to cash. In addition to the records mentioned above, a cash receipts and disbursements journal and fund ledger shall be maintained. All expenditures shall be made by check, supported by a properly approved invoice or expenditure voucher. All requests paid for by the central office funds shall be submitted on purchase requisitions and approved before purchases are made.

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BUSINESS AND NONINSTRUCTIONAL OPERATIONS

School Activity Funds/Internal Accounts (continued)

Regulations for Individual Schools (continued)

A. General Rules (continued)

Editor's Note

See regulation DM-R.1 following.

Regulatory Authority: (1980)

Virginia State Board of Education Regulations, "School Activity Funds (Internal Accounts)".
(1980)

Department of Taxation, Commonwealth of Virginia, "Sales and Use Tax Regulations" 1-96.

BUSINESS AND NONINSTRUCTIONAL OPERATIONS

School Activity Funds: Virginia Sales and Use Tax

All schools are expected to abide by the "Rules and Regulations - Virginia Retail Sales and Use Tax" as issued and administered by the Commonwealth of Virginia.

House Bill 149, enacted by the 1986 General Assembly and signed by the Governor (effective July 1, 1986) provides an additional sales and use tax exemption to Section 58.1-608 of the Code of Virginia for the following items:

Tangible personal property purchased for use, consumption, or sale at retail by a Parent-Teacher Association or other group associated with an elementary or secondary school conducted not for profit for use in fund-raising activities, the net proceeds (gross receipts less direct expenses) of which are contributed directly to the school or used to purchase certified school equipment; and certified school equipment purchases by such groups for contribution directly to the school. For the purpose of this paragraph, "certified school equipment" shall mean that equipment for which the Parent-Teacher Association or other group has received certification from the school that it will accept a donation of the equipment. The certification provided by the school shall be in accordance with the regulations promulgated by the Tax Commissioner.

Under the above statute, a sale to a PTA or other school organization (including student clubs and organizations) for fund-raising purposes will be exempt only if the following conditions are met:

- (1) the organization must be affiliated with a nonprofit elementary or secondary school;
- (2) the property purchased must be used in fund-raising activities on behalf of the school; and
- (3) the net proceeds from the fund-raising activities must be contributed directly to the school or used to purchase certified school equipment.

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BUSINESS AND NONINSTRUCTIONAL OPERATIONS

School Activity Funds: Virginia Sales and Use Tax (continued)

The provisions of House Bill 149 will also apply to purchases made by schools themselves. Thus, a nonprofit elementary or secondary school (including band directors, choir directors, teachers, principals, etc., acting on behalf of the school or a school organization) may purchase exclusive of the tax any items that will be used in qualifying fund-raising activities. This includes the purchase of such items as yearbooks, class rings, graduation gowns and caps, photographs, school supplies, etc. when the previously stated conditions are met. As with organizations affiliated with schools, the net proceeds of the fund-raising sales must be retained by the school or used to purchase certified school equipment.

The school or organization will need to furnish the vendor with an exemption certification, Form ST-13. These forms are available at the school board office.

Regulatory Authority:

Code of Va., § 58.1-608, House Bill 149 (effective July 1, 1986.)

Approved by School Board: June 9, 1986
Amended by School Board: June 13, 1994

DM-R.2

DM-R.2

BUSINESS AND NONINSTRUCTIONAL OPERATIONS

Personal Loans

No personal loans of any description shall be made from school funds.