Instruction

Activity & Escrow Funds

School activity and escrow funds may be expended only for purposes which may benefit the student body of the school. All rules, regulations, and procedures for the conduct, operation and maintenance of extracurricular accounts, and for the safeguarding, accounting and auditing of all monies received and derived from those accounts are to contribute to that objective.

The accounting system for managing student activity and escrow funds shall be designed to encourage the largest possible educational return to students without sacrificing the safety of funds or exposing students to undue responsibility or unnecessary routine.

(cf. 1314 - School/Program Based Fundraising and Contributions)
(cf. 1314.1 - All Other Fundraising and Contributions)
(cf. 3450 - Monies in School Buildings)

Legal Reference: Connecticut General Statutes

10-237 School activity funds.

Policy adopted: June 18, 2003
Revised: May 18, 2011
Instruction

Activity & Escrow Funds

Activity and escrow accounts are forms of agency funds whereby CREC acts a fiduciary on behalf of the student body of a school or program. These monies are utilized for the benefit of the student body.

Activity funds and escrow accounts are used to record (1) regular school based fundraising activities and (2) school club activities whereby CREC acts as the trustee or steward for student monies.

It should be noted that at no time would any disbursement from an activity fund or escrow account be construed as wages paid. Activity funds should not be used for temporary employee hiring, loans to staff or in violation of CREC’s purchasing policies.

Use of Escrow Accounts

Escrow accounts are maintained through Business Services at CREC Central. Escrow funds are used to record and transact larger sums of student money, outside the scope of an activity fund account.

All deposits are forwarded to Business Services using the Deposit Form maintained on the CREC intranet. Disbursements are requested through the use of a CREC requisition and purchase order.

Use of Activity Fund Accounts

An activity fund account is a checking account maintained at a school or program which records the fiscal activity of student and school club activities. Checks written from the activity fund account require two signatures.

Activity fund accounts, in general, should not maintain an account balance greater than $5,000. These accounts should be used for smaller fiscal transactions which (1) require the immediate writing of a check by the school or program or (2) to deposit small dollar amounts.

Any individual, corporate or private cash donation of $250 or more is required to be deposited into the CREC Foundation according to Policy 1314.1, All Other Fundraising and Contributions.

To open an activity fund account, a written request must be submitted to the General Director of Magnet Schools, or Division Director, and the Deputy Executive Director Finance and Operations demonstrating the need for an activity account at the school or program. Written approvals must be forwarded to the Comptroller for implementation.

Activity fund accounts must be maintained with a CREC approved banking institution. Please contact the Comptroller for approved banking institutions.
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Activity & Escrow Funds (continued)

Activity Account Procedures

1. Opening an Activity Fund Account - Contact the Comptroller for guidance on opening a new activity fund account. The Comptroller maintains banking relationships with CREC approved banking institutions and has the authority to open a new account. Each school and program must receive the written permission of the General Director of Magnet Schools, or appropriate Division Director, and the Deputy Executive Director Finance and Operations supported by a demonstrated need to open an activity fund account.

2. Monthly Bank Reconciliations - The activity fund account bank reconciliation must be completed monthly and a copy forwarded to Business Services at CREC Central.

3. Checks - Checks issued using the activity fund account should be limited in dollar amount, and generally should not exceed $1,000. All checks will require two signatures. One of those signatures must be the school Principal or Program Manager.

4. Deposits - All monies collected should be accounted for and deposited on a timely basis. No monies shall be left overnight in schools except in safes or other secure places. Refer to Policy 3450, Monies in School Buildings, for guidance on handling deposits.

5. Closing of an Activity Fund Account - Please contact the Comptroller for guidance on closing an activity fund account.

Procedures for Inactive Activity Accounts

Prior to known termination of a student activity, all funds remaining of that activity must be disposed of in one of the following ways:

1. These funds may be transferred to another student activity account, if so voted by the original club membership, or requested by the student teacher advisory if original club membership is no longer available.

2. These funds may be transferred to the school or program for a specific and designated purpose. When a student organization, or student teacher advisory, votes to dispose of funds in this manner, this procedure shall be followed.

   a. Such funds shall be transmitted to the schools Principal with a letter from the current student club president/treasurer or teacher advisor authorizing and instructing the Principal to use the funds in a stipulated manner.
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Activity & Escrow Funds (continued)

b. Whenever a balance remains after the proper expenditures have been made, this balance shall be carried on the books of the activity’s school for a minimum of three years.

If a student organization has been inactive for a period of three years, any funds remaining in its account should be transferred by the Principal to the general activity fund of the specific school and the account closed.

Legal Reference: Connecticut General Statutes
10-237 School activity funds.