

# **Student Activity Funds and Camps/Clinics Questions and Answers**

**Originally prepared by the Iowa State Auditor's Office and updated by the Iowa Department of Education in 2013. The questions and answers have been reviewed by both the State Auditor's Office and the Department of Education.**

Student Activity funds are "public funds". As such, these funds are subject to the statutory requirements for all public funds of the District. Public funds are governed by Article III, Section 31 of the Constitution of the State of Iowa. That is, public funds may only be spent for the public benefit.

Student Activity funds are under the fiduciary control and responsibility of the District's Board of Education (Board). The Board establishes policies and then procedures are put into place by the District's Administration/Business Office to establish internal control over these funds and to ensure compliance with Board policies and other statutory requirements including Dillon's Rule; Chapter 298A of the Code of Iowa; Iowa Department of Education Administrative Code Section 281-12.6(1); court cases; and opinions of the Iowa Attorney General.

The following questions and answers are designed to address issues pertaining to internal control and/or statutory compliance requirements, primarily pertaining to school activities. Also, Click on the "Student Activity Fund" in the Department of Education's website A to Z Index for Appendix A, a document with references and definitions that may be helpful in using this document.

**QUESTION 1:** The District charges admission to its athletic events. What is the best way to account for this?

**ANSWER 1:** The District should have internal control procedures established for handling cash for all activity events, including athletic events. The Board would of course, approve any policies and the District's business office should be involved in developing the detailed procedures. At a minimum these procedures should include:

- a. Cash or change boxes should be established with a specified amount.
- b. The District should use pre-numbered tickets.
- c. Two or more individuals should be involved in the cash collection/ticket sales process. In addition to cash collection/ticket sales procedures, the individuals should be instructed to not leave the cash/change boxes unattended under any circumstances.
- d. At the end of the event, cash should be counted and reconciled (by two or more individuals) to sales/pre-numbered tickets sold including the amount of the beginning cash.
- e. To reconcile, the next unsold ticket number less the beginning ticket number determines the number of tickets sold. Multiple the number of tickets sold by the price per ticket to calculate total sales. Total sales compared to total collected should reconcile. Variances, if any should be minimal.

- f. A reconciliation form should be completed and signed off by the individuals responsible for counting and reconciling the cash. Click on the “School Finance Tools” in the Department of Education’s website A to Z Index for a reconciliation form that can be used.
- g. The cash and change box should be turned in to the administrative personnel responsible for the “accounting” function at the event.
- h. The administrative personnel should be required to take the cash collections to the night depository at the bank or at a minimum, lock the cash collections in the District’s vault or other secure location at the District’s office for deposit on the next working day. District procedures should prohibit individuals from taking cash collections home.
- i. A pre-numbered receipt should be issued by the Business Office the next working day in the amount of the confirmed deposit.
- j. Administrative personnel should periodically review/test the process to ensure procedures are working as prescribed.

Remember: Districts won’t be able to know they have accounted for everything, if they don’t know how much should have been collected.

**QUESTION 2:** Are there any special requirements for High School tournament events?

**ANSWER 2:** The Iowa High School Athletic Association (IHSAA) and Iowa Girls’ High School Athletic Union (IGHSAU) issued a joint communication dated January 20, 2005 regarding the ticket sales procedures to be used by member schools during IHSAA and IGHSAU sponsored tournament events. Click on the “Student Activity Fund” in the Department of Education’s website A to Z Index for a copy of that letter. The Boards of these organizations adopted a policy required to be used by schools serving as IHSAA and IGHSAU tournament hosts. Specifically, the procedures required include:

- 1) Collect the money for the ticket(s) sold.
- 2) Tear ticket(s) off the roll in consecutive order and then tear the ticket(s) in half or have the person at the entrance door tear the ticket(s) in half and deposit them in a receptacle, there upon the spectator may enter the tournament venue.

**QUESTION 3:** Where should the District record revenue from the state organizations for hosting athletic tournaments, leading to, and including, the state tournaments, and where should the District record the revenue from the state organizations for travel expense reimbursement?

**ANSWER 3:** Districts should record revenue from the state organizations for hosting athletic tournaments in the General Fund. Under Iowa Code and Uniform Financial Accounting, the revenue is not otherwise required to be recorded in another fund. Also, the maintenance fees and other overhead costs are paid from the General Fund, therefore, the related revenue should be recorded in the General Fund to match and offset the expense. The travel expense reimbursements would be recorded in the District’s Student Activity Fund because the travel expense would have been paid from that fund.

**QUESTION 4:** Are exclusive vendor contracts allowable, and if so, can the revenue from exclusive vendor contracts be recorded directly in the Student Activity Fund?

**ANSWER 4:** In accordance with an opinion of the Iowa Attorney General dated February 15, 2000, exclusive vendor contracts are allowable. The opinion states in part:

- a. “The Board of Directors of a public School District may enter into exclusive contracts with vendors for the purchase of products sold on school premises or at school functions.
- b. Vendor contracts for non-educational goods are proprietary in nature and may extend beyond the term of current board members.
- c. A marketing firm may be employed to assist with the negotiation and oversight of vendor contracts.
- d. While statutory public bidding requirements are not applicable to District contracts for the purchase of goods and services, public policy supports use of competitive bidding procedures for such contracts.”

Revenue from exclusive vendor contracts must be recorded directly in the District’s General Fund and not in the Student Activity Fund. There is no statutory requirement or authority to record the revenue in another fund.

According to guidance provided by the Iowa Department of Education and Auditor of State, Districts must record the revenue from exclusive vendor contracts in the General Fund. It may then be expended for General Fund purposes, including some athletics or other extracurricular activities, to the extent the expenditure would be allowable and appropriate from the General Fund.

**QUESTION 5:** The District’s Athletic (or Band, Vocal Music, PTA, etc) Booster Club, a separate nonprofit organization, received permission from the Board of Education to construct a concession stand on District property. They have asked the District to share in the cost. Can the District make a contribution from the General Fund or Capital Projects, PPEL Fund to the District’s Athletic Booster Club for this specific purpose?

**ANSWER 5:** Pursuant to a Chapter 28E contractual agreement, the District may contribute towards the cost of the District’s concession stand. However, the District may not contribute to the District’s Athletic Booster Club. The District may make payments to a contractor or other vendor pursuant to Chapter 279.29 of the Code of Iowa for a portion (or percentage share) of the cost of the concession stand. The District must also comply with the bidding requirements for public construction in Chapter 26 of the Code of Iowa.

The District should manage the project in order to ensure compliance with these statutory requirements, as well as to ensure that adequate insurance coverage is in place. The Athletic Booster Club should donate its share to the District and the District account for the entire project.

The District’s share of the cost may be paid from the Physical Plant and Equipment Levy (PPEL) Fund but not from the General Fund or the Student Activity Fund, because the General Fund and the Student Activity Fund may not be used for construction.

**QUESTION 6:** Can salaries for coaches be paid from the Student Activity Fund?

**ANSWER 6:** Yes, salaries for coaches or other student activity type wages can be paid from the appropriate account in the Student Activity Fund provided the District processes the payments through the District's regular payroll process subject to proper payroll withholdings and reporting.

**QUESTION 7:** Do employees of the District that officiate have to be paid with regular payroll or may they be treated as an independent contractor?

**ANSWER 7:** This question is addressed in Chapter 16 of the Uniform Administrative Procedures for Iowa School District and AEA Officials manual. Anyone who performs services is an employee if the employer can control what will be done and how it will be done. This is so even when the employee has considerable freedom of action. It only matters that the employer has the legal right to control the method, result, or other key elements of the services. The employer will be liable for income tax and employee social security and Medicare taxes if these taxes are not deducted and withheld because the employer considered an employee to be a nonemployee (**IRS Publication 15**). Athletic Officials are employees (**Revenue Ruling 57-119, CB 1957-1,331**). Even though athletic officials are not controlled as to their officiating, the employer determines which games, the pay per game, the scheduling of the games, and even the pairing of officials if they want, etc.

In addition, the Auditor of State has a Technical Update "School Districts – Independent Contractor vs. Employee" dated January 2011 located on their website at:  
[http://auditor.iowa.gov/tech\\_updates/TecIndependentContractorVsEmployee.pdf](http://auditor.iowa.gov/tech_updates/TecIndependentContractorVsEmployee.pdf)

IPERS has determined that even though the individual may otherwise be a covered employee, the income received as a result of performing referee services for varsity and junior varsity athletic events for which a license is needed from the Iowa High School Athletic Association, is excluded from IPERS coverage.

Without regard to IPERS decision on coverage, additional payments to employees of a District who provide additional services to the District shall be handled through the District's regular payroll process and reported as wages on the employee's W-2.

**QUESTION 8:** Can Districts pay athletic officials immediately following the game?

**ANSWER 8:** This question was answered in a School Business Alert dated May 1996. Chapter 279.30 of the Code of Iowa states that "The board of directors of a school district or an area education agency may by resolution authorize the secretary, upon approval of the superintendent or designee, or administrator, in the case of an area education agency, to issue payments when the board of directors is not in session in payment of reasonable and necessary expenses, but only upon verified bills filed with the secretary or administrator, and for the payment of salaries pursuant to the terms of a written contract..."

This chapter goes on to state, "Each payment must be made payable only to the person performing the service or presenting the verified bill, and must state the purpose for which the payment is issued. All bills and salaries for which payments are issued prior to audit and

allowance by the board must be passed upon by the board of directors at the next meeting and be entered in the regular minutes of the secretary.”

Pursuant to a valid contractual agreement between the school board and the officials, which includes terms and conditions for payment and compliance with Chapters 279.29 and 279.30 of the Code of Iowa, officials could be paid the night of the game, after the service has been rendered. For non-contract officials or substitute officials, payment should be made after services have been rendered and audited and allowed similar to other vendor payments. The District should have a policy and (athletic) officials should be informed that payment will be made in this manner unless a valid contract exists.

**QUESTION 9:** Can Districts give a gift certificate to volunteers that have assisted the athletic department during the year?

**ANSWER 9:** Article III, Section 31 of the Constitution of Iowa provides that public funds may only be spent for the public benefit. This concept is also addressed in various court cases and opinions of the Iowa Attorney General, including an opinion dated April 25, 1979. Because this establishes a precedent, this decision should be made by the District’s Board of Education, rather than District officials, department heads or employees.

Expenditures in this “gray” area should be evaluated and determined through the criteria of “public purpose” and the Board should document the public purpose served including how the public benefits through the expenditure of public funds for the particular purpose such as gift certificates. Documentation should be in the Board minutes and/or through established Board policy. The decision and documentation should be in place prior to spending the public funds. Keep in mind, this decision and related documentation may not eliminate the shadow of doubt surrounding this type of expenditure. It simply establishes the District’s consideration and justification for the expenditure.

If the volunteer is also an employee of the District, the value of the gift certificate would be compensation and must be accounted for through the District’s regular payroll process subject to withholdings pursuant to Chapter 422.16 of the Code of Iowa. If the volunteer is not an employee of the District, the gift certificate, if provided for services performed, should be reported on a 1099, if applicable.

Better alternatives would be to ask the Athletic Booster Club to provide the gift certificates to the volunteers in lieu of using public funds or for the District to provide a “certificate” for free admission to a district event. It would be best if the District found a way to honor the volunteers that did not involve giving cash or cash equivalents. A banquet might be easier to document as having a public purpose than cash/cash equivalents when the person is an unpaid volunteer.

**QUESTION 10:** When the District orders merchandise, the vendors sometimes “throw in” some extra items for the coaching staff. Is this allowable?

**ANSWER 10:** Chapter 68B of the Code of Iowa establishes the ethical requirements for state and local government for Iowa’s “gift law”. According to a document prepared by the Iowa’s

Ethics and Campaign Disclosure Board, the gift law “prohibits officials and employees or their immediate family members from receiving or soliciting gifts from a “restricted donor.” The School District Board of Education should have a policy regarding compliance with Iowa’s gift law.

Chapter 68B.2 (24) includes four definitions for restricted donor including “a person seeking to be a party to a sale, purchase, lease or contract with the agency (includes School Districts) the state official or employee is employed.” Exceptions to the receipt or solicitation of gifts are detailed at Chapter 68B.22 (4) including an exception for nonmonetary items with a value of three dollars or less received from any one donor during one calendar day. Restricted donors may not “pool” resources to give a gift greater than three dollars. Chapter 68B.22 (3) of the Code of Iowa requires that items received from restricted donors must be turned over to the School District for official use within 30 days.

Referring again to the Iowa Ethics and Campaign Disclosure Board document, “a good rule of thumb is for state (and local) officials and employees to avoid receiving or soliciting gifts from anyone who would have an interest in the actions of the official or employee’s agency.”

Pursuant to Chapters 68B.25 and 903.1, violating the gift law could result in imprisonment and/or fines and can also be grounds for dismissal or other employee discipline.

**QUESTION 11:** Do Districts have to approve and account for all fundraising activity including fundraising activities of affiliated organizations as well as Board-sponsored fundraising activities?

**ANSWER 11:** According to an opinion of the Iowa Attorney General dated September 1, 1983, “Iowa law does not require school district to maintain funds raised by outside organizations in the school activity account. A school district board may regulate fund-raising activity during school and school sponsored events, and it may regulate the use of funds derived from those sources.”

Districts should have policies and/or procedures in place to address fund-raising activity including:

- a. The Board or its designee should approve all District-sponsored fundraising activity.
- b. The Board may also adopt a policy that requires Board approval of all fundraising activity, including fundraising activities of affiliated organizations such as Booster Clubs and the PTO.
- c. Boards should establish procedures for fund-raising activity for District sponsored fund-raisers as well as fund-raisers sponsored by outside groups and organizations to help ensure consistency and accountability over fund-raising activities.
- d. The Board should determine the extent, if any, of administrative support to be provided for District-sponsored and affiliated organization fundraising activity, including the cost and/or expense associated with staff time used in collecting payments; preparing, printing and/or assembling mailings; postage; etc.

- e. Fund-raising activity should be clearly designated as District-sponsored or as sponsored by an outside group or affiliated organization to clearly establish responsibility and accountability.
- f. If District-sponsored, the District should account for the fund-raising activity.

**QUESTION 12:** May Athletic Directors, coaching staff, or other activity sponsors or staff establish separate checking accounts for fundraising or other activities related to athletics and, if so, is it okay to use the District's taxpayer ID number?

**ANSWER 12:** No. Athletic Directors, coaching staff, or other activity sponsors or staff should not establish separate checking accounts for fundraising or any other purpose using the District's taxpayer identification number or their own personal taxpayer identification number. Athletic Directors, coaching staff, or other activity sponsors or staff should comply with the accounting procedures established by the District. If a separate checking account is deemed necessary and appropriate, it should be opened and accounted for through the District's business office.

This allows the District to comply with Chapter 291.6 of the Code of Iowa regarding the duties of the District Secretary to "keep an accurate account of all expenses incurred by the corporation, and present the same to the board for audit and payment" pursuant to Chapter 279.29 of the Code of Iowa. This also ensures that proper internal control procedures are in place for compliance and accountability and allows legitimate use of the District's taxpayer identification number and sales tax exemption on purchases made from this account.

**QUESTION 13:** How should Districts handle sports camps/clinics?

**ANSWER 13:** Sports Camps/clinics may be handled differently depending on whether the sports camp/clinic is sponsored by the District (Community Education Program) or privately sponsored using District facilities.

The rules established pursuant to Iowa Administrative Code Section 281-36.15(6) must also be addressed and complied with. These rules address summer camps and clinics and coaching contacts out of season. This Q&A is intended to address sports camps/clinics held in compliance with these rules.

Advertisements and other materials related to the sports camp/clinic should clearly identify or distinguish whether it is a District-sponsored sports camp/clinic or a privately sponsored sports camp/clinic using District facilities.

**District-sponsored sports camp/clinic:** The Board should approve the salaries/wages along with approval to hold the sports camp/clinic (if not otherwise established as a school activity or part of the Community Education program). Revenue for fees collected should be deposited and recorded in the Student Activity Fund. All sports camp/clinic related expenses would require prior approval (purchase order) and payments would be processed through the normal disbursement process. Salaries for District personnel should be negotiated in advance and salary payments should be processed through the District's normal payroll process, subject to withholdings etc. Wages would be reported on the District employee's W-2 at year-end. Non-

employees (sports camp/clinic staff not otherwise employed by the District would become employees for the sports camp/clinic and will be paid through payroll.

Sports camp/clinic fees should be based on actual costs anticipated and fees should be established to at least break-even. Excess funds (profit), if any, should be retained by the District in an Enterprise Fund if it is a regular event or in the General Fund if it is not a regular event. Excess funds should not be remitted or retained by the sports camp/clinic coaching staff.

**Privately-sponsored sports camp/clinic using District facilities:** The contract between the sports camp/clinic facilitator and the District should address facility and equipment use and rental fees; insurance; and other costs of conducting the sports camp/clinic. The sports camp/clinic facilitator would need to rent the equipment and facility at fair rental value for the sports camp/clinic pursuant to Chapter 297.9 and 297.10 of the Code of Iowa and the District's policy. The sports camp/clinic facilitator would need to provide a certificate of insurance for liability coverage. If the District is collecting registration fees or paying any expenses from fees collected for a privately-sponsored sports camp/clinic, it would be accounted for in the Agency Fund. The District may not pay any expenses prior to having cash on hand from fees collected for the organizer. Rental fees and reimbursement of other District costs are receipted into the General Fund.

**QUESTION 14:** What are some guiding principles regarding camps and clinics?

**ANSWER 14:** General Principles:

- There may be no out-of-season contact between coaches/students during the school year.
- Summertime out-of-season contact between coaches/students is allowed, but only if the student voluntarily engages in the activity.
- The fact that some colleges call their camps "team camps" does not change the fact that such a camp is subject to all the same rules as any other camp attended by a secondary student.
- NO district funds can be used for any student to pay for a student's participation, either in whole or in part, in any out-of-season camp or clinic.
  - Booster clubs who are independent of the district may offer financial assistance.
  - If a student wants to use school equipment, including school apparel (e.g., a jersey), the district must charge fair rental value.
- When a coach employed by a school district sponsors a summertime, out-of-season camp or clinic, student participation must be voluntary and there can be no use of district funds. The camp or clinic may be operated under either of the following models:
  - The camp/clinic is NOT a district activity.
    - If the district's facilities or equipment is used, the district charges rent at fair rental value to the coach.
    - All accounting and bookkeeping is done apart from district funds.
    - This is the model favored by the DE, IHSAA and IGHS AU.
  - The camp/clinic is sponsored by the district as a community service.
    - The camp/clinic is NOT considered to be either a cocurricular or extracurricular activity. Therefore, any funds associated with it are not to be run through the

student activity fund. If the camp/clinic is a regular event, use the enterprise fund; if the camp/clinic is not a regular event, use the general fund.

- Public funds cannot be used to help students with registration fees.
- Any remuneration to the district's coaches that work the camp/clinic is not part of the coach's chapter 279 contract. Have a separate contract for payment to the coaches. Again, this is because the camp/clinic is NOT a cocurricular or an extracurricular activity of the district.

**QUESTION 15:** Can the District purchase shirts, jackets or other clothing for District employees from the Student Activity Funds?

**ANSWER 15:** Article III, Section 31 requires that public funds may only be spent for the public benefit. Student Activity Funds are public funds, therefore, the District must determine the propriety and document the public purpose and public benefit to be derived. Districts should establish a policy to preclude purchases of personal clothing from public funds, and/or define the exceptions, if any, including the requirement for Board consideration, documentation of public purpose and approval.

In addition, based on IRS guidelines the value of the apparel (also applies to other property; award; prize; etc.) must be of "nominal value" and provided "infrequently" to be excludable from an employee's wages, and it may not be cash or cash equivalent (IE: gift card or certificate; savings bond etc.). Examples of excludable de minimis awards include holiday turkey and hams, plaques, and coffee mugs.

Districts may wish to refrain from allowing public funds to be used to purchase personal items of clothing under any circumstances since this establishes a precedent which may be difficult to justify and/or administer fairly and consistently among employees and student groups.

A better alternative would be to ask the Booster Club or other affiliated organization to provide clothing such as team jackets for District coaches and employees in lieu of using public funds or to have employees pay for the cost of the apparel. The payments from the employees would be collected by the District and accounted for in the General Fund. The District would order the apparel when sufficient funds have been collected.

**QUESTION 16:** The Athletic Booster Club is a separate nonprofit organization not established by the District pursuant to Chapter 279.60 of the Code of Iowa but independently established to benefit the District's athletic program. Does it have to be included in the District's audit?

**ANSWER 16:** In accordance with criteria established by Governmental Accounting Standards Board (GASB), in GASB statements 14, as amended by statements 39 and 61, auditors must review the organization and financial information of these potential component units (PCU) to determine if they are part of the District's financial reporting entity. The financial reporting entity consists of the District and organizations for which the District is financially accountable. In addition, the District may determine, through exercise of management's professional judgment, that the inclusion of an organization that doesn't meet the financial accountability criteria is necessary in order to prevent the District's financial statements from being misleading.

This determination should be based on the nature and significance of the organization's relationship with the District. If the PCU is deemed to be part of the District's financial reporting entity, the auditors will include the activity in the District's audit report.

Some Districts perform the accounting and record-keeping functions for the Booster Club. In this case, the financial information is reported in the District's audit in the Agency Fund since the District has fiduciary responsibility over the Booster Club's financial activity. Whether or not the District performs the accounting and record-keeping function for the organization, inclusion in the audit report is for reporting purposes only. It does not change or affect the legal status or operating activities or requirements of the Booster Club.

# **Student Activity Fund and Camps/Clinics Questions and Answers**

## **APPENDIX A – Statutory References and Definitions**

### Article III, Section 31, Constitution of the State of Iowa

“No extra compensation shall be made to any officer, public agent, or contractor, after the service shall have been rendered, or the contract entered into; nor, shall any money be paid on any claim, the subject matter of which shall not have been provided for by pre-existing laws, and no public money or property shall be appropriated for local, or private purposes, (emphasis added), unless such appropriation, compensation or claim be allowed by two-thirds of the members elected to each branch of the General Assembly.”

### Chapter 279.62 of the Code of Iowa

New section effective July 1, 2005. “The board of directors of a school district may take action to adopt a resolution to establish, and authorize expenditures for the operational support of, an entity or organization for the sole benefit of the school district and its students that is exempt from federal income taxation under section 501(c) (3) of the Internal Revenue Code. The entity or organization shall reimburse the school district for expenditures made by the school district on behalf of the entity or organization. Prior to establishing such an entity or organization, the board of directors shall hold a public hearing on the proposal to establish such an entity or organization. Such an entity or organization shall maintain its records in accordance with Chapter 22 (of the Code of Iowa), except that the entity or organization shall provide for the anonymity of a donor at the written request of the donor. The board of directors of a school district shall annually report to the department of education and to the local community the administrative expenditures, revenues, and activities of the entity or organization established by the school district pursuant to this section. The department shall include in its annual condition of education report a statewide summary of the expenditures and revenues submitted in accordance with this section.”

Note: Chapter 11.6 (1) (a) was also amended to require an audit of “the revenues and expenditures of any nonprofit school organization established pursuant to section 279.62.”

### Chapter 298A.8 of the Code of Iowa

Student Activity Fund. “The student activity fund is a special revenue fund. A student activity fund must be established in any school corporation receiving money from student- related activities such as admissions, activity fees, student dues, student fund-raising events, or other student-related cocurricular or extra curricular activities. Moneys in this fund shall be used to support only the cocurricular program defined in department of education administrative rules.”

### Component Unit

“Legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, a component unit can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading.” (GASB Statement 14, as amended by GASB Statements 39 and 61)

### Dillon’s Rule

School Districts operate under Dillon’s Rule. This means school districts “possess and can exercise the following powers and no others: First, those granted in express words; second, those necessarily implied or necessarily incident to the powers expressly granted; third, those absolutely essential to the declared objects and purposes of the (school) corporation – not

simply convenient or desired, but indispensable” (Black, H.C. *Black’s Law Dictionary*, 6th ed. 1990: West Publishing, St. Paul.)

### Financial Reporting Entity

“A primary government and organizations for which the primary government is financially accountable. In addition, the primary government may determine, through exercise of management’s professional judgment, that the inclusion of an organization that doesn’t meet the financial accountability criteria is necessary in order to prevent the reporting entity’s financial statements from being misleading. This determination should be based on the nature and significance of the organization’s relationship with the district.” (GASB Statement 14, as amended by GASB Statement 61)

### GASB

Governmental Accounting Standards Board (GASB) establishes the basic principles applicable to governmental accounting and reporting.

### Gift

Chapter 68B.2 (9) of the Code of Iowa. “Gift means a rendering or anything of value in return for which legal consideration of equal or greater value is not given or received.”

Iowa Administrative Code Section 281-12.6(1)

“Each board shall sponsor a pupil activity program sufficiently broad and balanced to offer opportunities for all pupils to participate. The program shall be supervised by qualified professional staff and shall be designed to meet the needs and interests and challenge the abilities of all pupils consistent with their individual stages of development; contribute to the physical, mental, athletic, civic, social, moral, and emotional growth of all pupils; offer opportunities for both individual and group activities; be integrated with the instructional program; and provide balance so a limited number of activities will not be perpetuated at the expense of others.”

### Internal Control

“A process, effected by an entity’s governing body, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (1) reliability of financial reporting, (2) compliance with applicable laws and regulations and (3) effectiveness and efficiency of operations.”

Internal control is the responsibility of all officials and employees of the School District and is designed to protect both the District and its employees.

Recommended governmental internal control procedures are detailed in the Iowa Auditor of State’s Internal Control Questionnaire located at [www.auditor.iowa.gov](http://www.auditor.iowa.gov) then click on “audit practice aids” and page down to “internal control questionnaire”.

### Primary Government

“A state government or general purpose local government. Also, a special-purpose government that has a separately elected governing body, is legally separate and is fiscally independent of other state and local governments.” (GASB Statement 14)

### Restricted Donor

Chapter 68B (2)(24)(a) of the Code of Iowa “Restricted donor includes a person who “is seeking to be a party to any one or any combination of sales, purchases, leases, or contracts to, from or with the agency in which the donee holds office or is employed.

### Iowa Administrative Code 281-98.70

“The student activity fund must be established in any school district receiving moneys from student-related activities such as admissions, activity fees, student dues, student fund-raising events, or other student-related cocurricular or extracurricular activities. Moneys collected through school activities are public funds that are the property of the school district and are

under the financial control of the school board. Upon dissolution of an activity, such as a graduating class or student club, the surplus must be used to support other student activities in the student activity fund. Prudent and proper accounting of all receipts and expenditures in these accounts is the responsibility of the board. School districts may maintain subsidiary records for student activities if those records are reconciled to the official records on a monthly basis; however, all official accounting records of the student activity fund shall be maintained within the school district's chart of account pursuant to Uniform Financial Accounting for Iowa School Districts and Area Education Agencies.”

98.70(1) Sources of revenue in the student activity fund. Sources of revenue in the student activity fund include income derived from student activities such as gate receipts, ticket sales, admissions, student club dues, donations, fund-raising events, and any other receipts derived from student body cocurricular or extracurricular activities, contests, and exhibitions as well as interest on the investment of those moneys.

98.70(2) Appropriate uses of the student activity fund. Appropriate expenditures in the student activity fund include ordinary and necessary expenses of operating school district-sponsored and district-supervised student cocurricular and extracurricular activities, including purchasing services from another school district to provide for the eligibility of enrolled students in interscholastic activities provided by the other school district when that school district does not provide an interscholastic activity for its students.

98.70(3) Inappropriate uses of the student activity fund. Inappropriate expenditures in the student activity fund include the following:

- a. Maintenance of funds raised by outside organizations.
- b. The cost of bonds for employees having custody of funds derived from cocurricular and extracurricular activities in the conduct of their duties. These are costs to the general fund.
- c. Expenditures that lack public purpose.
- d. Payments to any private organization unless a fundraiser was held expressly for that purpose and the purpose of the fundraiser was specifically identified.
- e. Transfers to any other fund of any surplus within the fund.
- f. Payments more properly accounted for in another fund such as public tax funds, trust funds, state and federal grants, textbook/library book fines, fees, rents, purchases or sales, sales of school supplies, or curricular activities.
- g. Use of the student activity fund as a clearing account for any other fund.
- h. Cash payments to student members of activity groups.
- i. The cost of optional equipment or customizing uniforms.
- j. The cost of uniforms when the following two tests are not met:
  - (1) The activity is a part of the school's educational program, and
  - (2) The wearing of the uniform or equipment is necessary in order to participate.
- k. Hospital or medical claims for student injuries or procurement of student medical insurance.
- l. Optional costs related to activities that are not necessary to the cocurricular and extracurricular program such as promotional costs.
- m. Membership fees in student activity-related associations if the fees are optional, i.e., nonmember schools may participate in sponsored events.
- n. Costs to participate in or to allow students to participate in any cocurricular and extracurricular interscholastic athletic contest or competition not sponsored or administered by either the Iowa High School Athletic Association or the Iowa Girls High School Athletic Union.

Iowa Administrative Code 281—12.6

The following standards shall apply to the activity program of accredited schools and school districts.

**12.6(1) General guidelines.** Each board shall sponsor a pupil activity program sufficiently broad and balanced to offer opportunities for all pupils to participate. The program shall be

supervised by qualified professional staff and shall be designed to meet the needs and interests and challenge the abilities of all pupils consistent with their individual stages of development; contribute to the physical, mental, athletic, civic, social, moral, and emotional growth of all pupils; offer opportunities for both individual and group activities; be integrated with the instructional program; and provide balance so a limited number of activities will not be perpetuated at the expense of others.

**12.6(2)** *Supervised intramural sports.* If the board sponsors a voluntary program of supervised intramural sports for pupils in grades seven through twelve, qualified personnel and adequate facilities, equipment, and supplies shall be provided. Middle school grades below grade seven may also participate.

Iowa Administrative Code 281—36.15(6)

*Summer camps and clinics and coaching contacts out of season.*

*a.* School personnel, whether employed or volunteers, of a member or associate member school shall not coach that school's student athletes during the school year in a sport for which the school personnel are currently under contract or are volunteers, outside the period from the official first day of practice through the finals of tournament play. Provided, however, school personnel may coach a senior student from the coach's school in an all-star contest once the senior student's interscholastic athletic season for that sport has concluded. In addition, volunteer or compensated coaching personnel shall not require students to participate in any activities outside the season of that coach's sport as a condition of participation in the coach's sport during its season.

*b.* A summer team or individual camp or clinic held at a member or associate member school facility shall not conflict with sports in season. Summertime coaching activities shall not conflict with sports in season.

*c.* Rescinded IAB 4/20/11, effective 5/25/11.

*d.* Penalty. A school whose volunteer or compensated coaching personnel violate this rule is ineligible to participate in a governing organization-sponsored event in that sport for one year with the violator(s) coaching.