

Title 70 § 20-B(5)

A. The board of education of each school district shall exercise control over all funds and revenues on hand or hereafter received or collected, as herein provided, from student or other extracurricular activities or other revenue generating sources listed in subsection B of this section that are conducted in the school district. Such funds shall be deposited to the credit of the account maintained for the benefit of the particular activity within the school activity fund. Deposits of funds subject to the requirements of this section shall be made by the end of the next business day; however, if the deposit for a day totals less than One Hundred Dollars (\$100.00), a school district may accumulate monies required to be deposited into the fund on a daily basis until the total accumulated balance of deposits equals or exceeds One Hundred Dollars (\$100.00). Provided a school district shall deposit accumulated monies into the fund not less than one (1) time per week, regardless of whether the monies total One Hundred Dollars (\$100.00). Disbursements from each of the activity accounts shall be by check countersigned by the school activity fund custodian and shall not be used for any purpose other than that for which the account was originally created. The board of education, at the beginning of each fiscal year and as needed during each fiscal year, shall approve all school activity fund subaccounts, all subaccount fund-raising activities and all purposes for which the monies collected in each subaccount can be expended. Provided, the board of education may direct by written resolution that any balance in excess of the amount needed to fulfill the function or purpose for which an account was established may be transferred to another account by the custodian.

B. The board of education of each school district may designate that any of the following revenue be deposited for the use of specific school activity accounts, or to a general activity fund within the school activity fund:

1. Admissions to athletic contests, school or class plays, carnivals, parties, dances and promenades;
2. Sale of student activity tickets;
3. Concession sales, including funds received from vending concession contracts and school picture contracts approved by the district board of education, and cafeteria or luncheon collections;
4. Dues, fees and donations to student clubs or other organizations, provided that membership in such clubs or organizations shall not be mandatory;
5. Income or revenue resulting from the operation of student organizations or club

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projects, provided, such revenue is not derived from the lease, rental or sale of property, supplies, products or other assets belonging to the school district. When approved by the board of education, student organizations or club projects may include fund-raising activities, the revenues from which may be used for the purpose of purchasing goods or services otherwise considered to be general fund expenditures;

6. Deposits for or collections for the purchase of class pictures, rings, pins, announcements, calling cards, annuals, banquets, student insurance and other such personal items; provided the cost of such items shall not be charged against other school funds; and

7. Other income collected for use by school personnel and other school-related adult functions.

C. The board of education of each district may establish petty cash accounts to be used only for the purpose of making small cash expenditures, such as postage, freight or express charges; provided, no single expenditure from a petty cash account shall be made in excess of Seventy-five Dollars (\$75.00), and the total expenditures during any one (1) fiscal year shall not exceed Two Thousand Five Hundred Dollars (\$2,500.00) per school building. The school activity fund custodian shall initiate petty cash accounts by filing a claim against the general fund of the school district for the authorized amount of each petty cash account which shall not exceed Two Hundred Dollars (\$200.00) per school building. The general fund warrants issued in payment of said claim shall be deposited in a "Petty Cash Account" in the school activity fund.

All disbursements from the petty cash accounts shall be made in the same manner as other disbursements from the school activity fund, except no disbursement shall be made from a petty cash account unless a pre-numbered, dated receipt be obtained and signed by the person receiving payment. A school board may designate a petty cash custodian to countersign petty cash checks in place of the activity fund custodian. The school activity fund custodian shall file claims against the general fund of the school district for reimbursement of a petty cash account whenever the need shall arise. Such claims shall be itemized in the same manner as other claims filed against the general fund and shall have attached thereto the receipts covering each of the expenditures claimed for reimbursement. The total of a petty cash account balance and the receipts on hand awaiting reimbursement should equal at all times the authorized amount of a petty cash account.

None of the provisions pertaining to a petty cash account shall be construed to authorize the use of one (1) fiscal year's fund to pay obligations of another fiscal year. Any remaining balance in each petty cash account shall be transferred to the general fund on or before June 30 of each year.

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D. The State Board of Education shall adopt appropriate rules and regulations and design standard forms for the proper conduct of the various school activity accounts.

E. The school activity fund custodian and the petty cash custodian shall be appointed by the board of education of the school district. The school activity fund custodian and the petty cash custodian shall give a surety bond in an amount determined by the board of education, but not less than One Thousand Dollars (\$1,000.00). The premium of the surety bond shall be paid from the school activity fund or the general fund.

F. The local board of education is hereby authorized to invest activity funds as it determines appropriate. Upon direction of the local board of education, the custodian of the activity fund shall invest activity funds in any or all of the investments permitted and listed in Section 5-115 of this title.

G. The board of education of a school district may establish, by board resolution, a general fund refund subaccount within the school activity fund. The balance in the subaccount shall be determined by need, and it shall be funded by refunds and reimbursements received, including but not limited to, rental income, reimbursements for lost and damaged textbooks, summer school and adult tuition, overpayments and tax refunds, as well as transfers, by treasurer's check, from the school district general fund. The subaccount may be expended only for the refund of revenues previously received and deposited either into the subaccount or directly into the general fund. Any remaining balance in the refund subaccount shall be transferred to the school district general fund on or before June 30 of each year.

H. The board of education of a school district may authorize the custodian of the school activity funds to provide cash advances to the sponsors for travel expenses on behalf of school district students and sponsors of certain school activities. The cash advances may only come from the school activity fund subaccount directly involved in the travel of such students or sponsor and only if the travel is one of the stated functions or purposes for the establishment of the subaccount. Receipts for all expenditures of the cash advances shall be kept and turned in to the custodian of the school activity fund following said trip.

I. Any invoice submitted to a school district which is to be paid from a school activity fund and is for payment of an authorized expenditure in an amount equal to or greater than the threshold amount stated in Section 310.9 of Title 62 of the Oklahoma Statutes shall conform to the requirements set forth in that section. (70-5-129)

Money received by school districts from vendors pursuant to vending concession contracts and school picture contracts is school district money. Fact that money from these sources is deposited in a school activity fund does not change its character. Public money in a school activity fund may only be disbursed to private persons or organizations for a valid public purpose. The determination of what constitutes a

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valid public purpose is a matter for the governing body to decide. Absent a showing of fraud or arbitrariness, a finding by a governing body that a project serves a public purpose will not be disturbed by the courts. *May 15, 2003 (AG Op. No. 03 21)*

A school district may use its school activity fund account to deposit and disperse monies raised for the purpose of making charitable and/or benevolent gifts or contributions to individuals or organizations if the board of education has approved the fund-raising activity and the disbursement. The monies deposited in the school activity fund which are raised by student fund raising activities are not public funds subject to the constitutional restrictions. *June 12, 1997 (AG Op. No. 97-6)*

A school district may not use tax-generated funds to purchase awards for student activities, but may pay expenses for awards for student activities if the board of education has established a student activity fund subaccount for such purpose. *November 28, 1995 (AG Op. No. 95-33)*

A qualified organization to raise funds by issuing numbered tickets in conjunction with voluntary contributions to the qualified organization, the corresponding stub or stubs of one or more of the tickets to be drawn by lot under the supervision of an official of the qualified organization, the stub or stubs so drawn entitling the ticket holder to a prize. As used in this paragraph, "qualified organization" means: (1) a church, (2) a public or private school accredited by the State Department of Education or registered by the State Board of Education for purposes of participating in federal programs, (3) a student group or organization affiliated with a public or private school qualified pursuant to division (2) of this subparagraph, (4) a parent-teacher association or organization affiliated with a public or private school qualified pursuant to division (2) of this subparagraph, (5) fire departments, (6) police departments, (7) organizations that are exempt from taxation pursuant to the provisions of subsection (c) of Section 501 of the United States Internal Revenue Code, as amended, 26 U.S.C., Section 501(c) et seq., or (8) an "organization" as such term is defined in paragraph 20 of Section 402 of Title 3A of the Oklahoma Statutes. Any raffle conducted by a qualified organization shall be conducted by members of the qualified organization without compensation to any member. The organization shall not hire or contract with any person or business association, corporation, partnership, limited partnership or limited liability company to conduct a raffle, to sell raffle tickets or to solicit contributions in connection with a raffle on behalf of the organization. *November 2004 (OSCN Title 21 Chapter 41 Section 1051)*

Student Activity Fund can be used to defray expense of transporting students to and from student activities, or to reimburse teacher for expenses or otherwise compensate teacher for transporting students. *January 17, 1980 (AG Op. No. 79-338)*