

	<p align="center"><b>State of Hawaii Department of Education Standard Practice (SP) Document</b></p>	<p align="center">Office of Fiscal Services</p>
<p>Document No. <b>SP 1903</b></p>	<p>Distribution: CASs, Principals, SASAs, School Office Personnel, CABMs, ASAs</p>	<p>Release Date: 3/14/2017</p>
<p><b>SUBJECT</b></p>	<p>Non-Appropriated Student Activity Fund; Chart of Accounts</p>	

## 1. Purpose

To explain the data elements and structure of the Chart of Accounts for Student Activity Funds.

## 2. Effective

Immediately.

## 3. Applies to

All schools.

## 4. Overview of the Student Activity Fund Chart Of Accounts

The Chart of Accounts systematically categorizes the listing for all accounts. The SAF chart of accounts is designed to fit the SAF System, and has the following fields:

- (a) Category Name
- (b) Category Number
- (c) Category Umbrella

## 5. Category Name

The SAF System has a Category Name which uses text to describe the funds being held in the category. The SAF System currently does not restrict the number of characters in the Category Name, but a maximum of 40 characters (including spaces) is suggested as some system screens and reports will not display the entire Category Name if it is too long. The Category Name describes the purpose of the different funds being held at the school.

## 6. Category Number

The SAF System uses the term Category Number for what is commonly known as an account number in most accounting systems. The Category Number is the key accounting code in the SAF System. Category Numbers are assigned using a standard “series” convention that identifies the individual (or group of individuals) within the school who manages the funds. The Category Number corresponds to the given Category Name(s).

- (a) Main Categories: Main Category Numbers are whole numbers, four digits followed by “.00” at the end.
- (b) Sub-Categories: Main Category Numbers can have “sub” categories that exist under the Main.
- (1) Sub-Categories are four digit Main Category Numbers followed by two digits separated by a decimal (i.e., “.01”, “.02”).
  - (2) Sub-Categories should be used to track SAF that need to be accounted for separately but are associated with a Main Category Name and Number.
  - (3) The Sub-Category allows schools to separately track and report the revenues and expenditures of a specific activity while still linking the funds with the individual or group that manages the funds.
  - (4) For fundraising activities, after activities recorded in a Sub-Category are complete, funds in the Sub-Category can be manually “rolled up” into the main 4-digit Category by using the transfer function in the SAF System. Schools must perform this consolidation of funds by the end of each school year. The Sub-Category Number may then be re-used for the same activity in the following school year.

Exhibit 1 CHART OF ACCOUNTS STRUCTURE		
Category Series Number	Category Series Name	Category Series Description and Examples of Specific Category Names
1000s	Administration	To account for SAF funds for administrator or general school use at the discretion of the principal. Examples: General School Account, Principal’s Discretionary Funds, General School Fundraisers, General School Donations, Investments-CD, Investments-Savings.
2000s	Grade / Graduating Class	To account for SAF funds of a grade level or graduating year (class of xxxx) and its related activities. Examples: Preschool, Kindergarten, Grade 1...Class of 2014, Class of 2026.
3000s	Student Activity	To account for SAF funds for a student activity that benefits one or more students, but is not specifically associated with a grade/graduating class, club, or sport team. Examples: Library Fund, Student Council, Yearbook, Robotics.
4000s	Club	To account for SAF of school sponsored chartered clubs as authorized by the Principal (approved annual applications on file) and their related activities. Examples: Art Club, Book Club, Chess Club, Drama Club.
5000s	Sport Team	To account for monies related to SAF funds of official school-recognized sport teams which exist under the

Exhibit 1 CHART OF ACCOUNTS STRUCTURE		
		DOE Athletics Program and not otherwise required to be routed through the State accounts. Examples: Donation for Baseball Equipment, Donation for Basketball Team, Soccer Fundraiser, Volleyball Scholarship Donation.

Exhibit 2 is a sample of how Main and Sub Category Numbers and Category Names are assigned based on the chart of accounts structure.

Exhibit 2 EXAMPLES OF MAIN CATEGORIES AND SUB-CATEGORIES			
CATEGORY SERIES		Main/Sub-Category Number	Example MAIN Category Name and SUB-CATEGORY NAME
1000s	Administration	1001.00 1001.02 1001.97 1998.00 1998.01 1998.02 1999.00 1999.01 1999.06	General School Investment Income Deposit Overage/Shortage School Food Services Refunds SFS Refunds FY 2014 SFS Refunds FY 2015 Investments Bank CD Bank Savings
2000s	Grade / Graduating Class	2014.00 2014.01 2014.02 2014.03	Class of 2014 Class of 2014-Fundraising Class of 2014-Field Trips Class of 2014-Senior Prom
3000s	Student Activity	3001.00 3001.01 3001.02	Student Government Student Government-Fundraising Student Government-Donation
4000s	Club	4001.00 4001.01	Chess Club Chess Club-Fundraising
5000s	Sport Team	5001.00 5001.01 5002.00 5002.01	Baseball Team Donation for Baseball Equipment Volleyball Team Volleyball Scholarship Donation

These Category and Sub-Category numbers are standard across all schools:

1001 General School

1001.97 Cash Overage/Shortage

1001.98 Fees Due to State

1001.99 Pending Journal Entry

1998 School Food Services Revenue Refund

1999 Investments (only used if the school has investments). Suggested ranges for Sub-Category numbers are:

1999.01 - 1999.05 Certificate of Deposit (CD)

1999.06 - 1999.10 Savings Account

1999.11 – 1999.15 Bonds – U.S. Government

## 7. Category Umbrella

Category Umbrellas further classify the various Category and Sub-Category Names and Numbers into related groups for administration and reporting purposes. Each Category and Sub-Category is established under a Category Umbrella that describes the nature of the funds. A Sub-Category can be established under a different Category Umbrella than its Main Category. Exhibits 3, 4, and 5 list and define the available Category Umbrellas.

Exhibit 3 CATEGORY UMBRELLA OPTIONS FOR EACH CATEGORY SERIES						
	CATEGORY SERIES	1000	2000	3000	4000	5000
		Administration	Grade / Graduating Class	Student Activity	Club	Sport Team
Category Umbrella Options	For Regular Activities	Administration	Grade / Grad Class	Student Activity	Club	Sport Team
	For Special Activities	Field Trips Fundraisers Donations Grants	Field Trips Fundraisers Donations Grants	Field Trips Fundraisers Donations Grants	Field Trips Fundraisers Donations Grants	Field Trips Fundraisers Donations Grants

Exhibit 4 CATEGORY UMBRELLA OPTIONS FOR SPECIAL ACTIVITIES	
Category Umbrella	Description
Field Trips	A field trip is an excursion taken by students for the purpose of studying, observing, or experiencing something outside of the classroom. Refer to SP 1912 Non-Appropriated Student Activity Fund; Field Trips for more details.

Exhibit 4 CATEGORY UMBRELLA OPTIONS FOR SPECIAL ACTIVITIES	
Category Umbrella	Description
Fundraisers	<p>Fundraising is a pre-approved money-raising activity conducted by students for the benefit of a school-recognized or school-sponsored group, such as: grade/graduating class, club, sports team, or the school-wide student body. All fundraising activity must be approved by the Principal. Fundraising activities generally involve providing a good or service in exchange for monies from other students, school faculty, or the community. The monies raised are for purposes of the school or a specific group (i.e., Art Club or Basketball) and cannot be used for non-approved activities, a specific student or teacher, or to benefit individual students or teachers.</p> <p>The proceeds (or deficits) from each of the money-raising activities must be transferred to the appropriate organization's sub-account at the end of the money raising activity or by year-end, whichever occurs first.</p> <p>Refer to SP 1914 Non-Appropriated Student Activity Fund; Fundraising Activities for more details.</p>
Donations	<p>A donation is a voluntary and generally unsolicited gift received from a donor who expects nothing of significant value in return, other than recognition and disposition of the gift in accordance with the donor's wishes.</p> <p>Refer to SP 1913 Non-Appropriated Student Activity Fund; Gifts, Grants and Bequests (Donations) for more details.</p>
Grants	<p>A grant or contract is an externally funded activity where there is a written or formal agreement representing the transfer of money from a sponsor/grantor in exchange for specific services or actions. This written agreement is enforceable by law, and performance is usually accomplished in a specific time frame, with support being revocable for cause.</p> <p>Refer to SP 1913 Non-Appropriated Student Activity Fund; Gifts, Grants and Bequests (Donations) for more details.</p>

Exhibit 5 CATEGORY UMBRELLAS FOR REGULAR ACTIVITIES	
Administrator Funds	Any funds in the 1000 series that are not for special activities (as defined in Exhibit 4) needing separate accounting records.
Grade / Grad Class Funds	Any funds in the 2000 series that are not for special activities (as defined in Exhibit 4) needing separate accounting records.
Student Activity Funds	Any funds in the 3000 series that are not for special activities (as defined in Exhibit 4) needing separate accounting records.
Club Funds	Any funds in the 4000 series that are not for special activities (as

Exhibit 5 CATEGORY UMBRELLAS FOR REGULAR ACTIVITIES	
	defined in Exhibit 4) needing separate accounting records.
Sport Team Funds	Any funds in the 5000 series that are not for special activities (as defined in Exhibit 4) needing separate accounting records.

## 8. Establishing a New Category or Sub-Category

- (a) To establish a new Category or Sub-Category, first determine the Category Series taking into consideration who is in charge of the funds.
- (b) Second, determine if it is a special activity or regular activity.
  - (1) If you choose special activity, there are four choices for umbrella.
  - (2) If it is not a special activity, it is a regular activity.
  - (3) To ensure consistent naming when applicable, or the appropriate new Category/Sub-Category Numbers, review the current Category Numbers and Names. Select "Chart of Accounts" on the SAF Main Menu screen under "My School Information." Then sort by "Category Name" and/or "Cat. #" column headers to review the current Category names.
- (c) Third, use the School Category/Chart of Accounts Change Request form (SAF-M2) to request the setup of new Categories or Sub-Categories. This pdf-fillable form may be submitted electronically once proper signatures have been obtained.
- (d) Fourth, after the Category or Sub-Category has been established in SAF, the school user should add the name of a contact person in SAF, such as the teacher, advisor, sponsor, or coach. SAF has reports that can be printed and given to the contact person to communicate the status of the funds. Transfers of funds between Categories and/or Sub-Categories need to be approved by the contact person. If the name is in SAF it is easier to give the approval form to the right person.

## 9. Closing an Inactive Category

Categories with no activity (deposits or expenditures) for at least two complete fiscal years after the last transaction on record may be closed via submission of completed form School Category/Chart of Accounts Change Request (SAF-M2); however no activity for five complete fiscal years after the last transaction on record requires closure of the Category. Categories should be reviewed for this purpose each year in June, prior to the close of the Fiscal Year. For example, if the last activity occurred during fiscal year 2014-2015, the Category could be closed at the end of fiscal year 2016-2017, but must be closed at the end of fiscal year 2019-2020. SAF report Categories With No Activity (Report #7) can be useful in determining Categories which have had no activity during the current Fiscal Year, to be used as a starting point for review purposes.

A Category's balance must be \$0 before it can be closed. Balances in inactive categories should be transferred to the General School Category.

A Category or Sub-Category Number may be used again (recycled and used for another purpose) after it has been closed for five years.

Balances in Grade/Graduating Class Categories and Sub-Categories in Category Series 2000 for graduated classes can only be kept for up to five complete fiscal years beyond graduation, per §302A-1305, Hawaii Revised Statutes. After five years, school offices shall

transfer any remaining funds to the General School Category. Start counting the number of years at the end of the fiscal year that began after the grade or class left the school. For example, the Category for the graduating class of 2015 must be closed by the end of fiscal year 2019-2020.

- (a) During the last school year before the grade or class graduates from the school, the school office should notify the class officers of the class's SAF balance.
- (b) Class officers should also be informed at that time that any balance remaining five complete fiscal years after the grade or class leaves the school will be transferred to the General School Category.
- (c) See the References section below for best practices regarding the disposition of the balance of class funds after a class has graduated and form Graduating Class SAF Balance (SAF-IC4) for the senior class to consider prior to graduation.

To close or delete an inactive Category, submit form School Category/ Chart of Accounts Change Request (SAF-M2) after it has been approved by the Principal.

## 10. Category Umbrella Type

This field is used by DOE to designate the Complex Area to which a school belongs.

## 11. Description of Asset Accounts

Asset accounts of a school are generally cash held in either a bank checking account or an investment account.

- (a) Cash-in-Bank – Checking Account: The checking account is for the deposits of monies and disbursements of the school's non-appropriated Student Activity Fund for all Categories except Investments. All checks issued shall be properly executed and documented. The unexpended balance in the account is reconciled monthly to the balance shown on the bank statement.
- (b) Investments: Categories in the 1999 series are for recording investments in savings and government securities. These investments are to be recorded individually, using separate Sub-Category Numbers for each and including the last four digits of the Investment Account in the Category Name, to provide accountability and control. Schools are authorized to use idle funds for investment to earn additional income for use by the school for the general welfare of the school. Refer to SP 1908 Non-Appropriated Funds, Investing Idle Cash for more details.

## 12. Description of Fund Accounts

A fund is defined as "a sum of money or other resources set aside for the purpose of carrying on specific activities or to attain certain objectives." The financial operations of the school are therefore, classified by funds, including Appropriated funds (State funds) and Non-Appropriated Student Activity Funds. These funds are broken down into groups of Categories, or accounts, to show in detail the operations of each fund.

Two Categories have specific statewide restrictions:

- (a) General School Category: Category 1001 in the Administration Series is specifically established for uses directly related to school-wide operations. The sources of revenue for this category are limited to:
  - (1) interest income from investments,

- (2) closure of inactive accounts of school sponsored organizations,
- (3) fundraising and donations specifically designated for the benefit of the entire school, and
- (4) other sources of revenue designated specifically for the benefit of the entire school.

Allowable expenditures for General School Categories and related Sub-Categories are listed in Exhibit 6.

Exhibit 6 ALLOWABLE EXPENDITURES FOR GENERAL SCHOOL CATEGORIES AND RELATED SUB-CATEGORIES	
1	Purchasing materials, supplies, equipment and services that benefit students and the school.
2	Providing staff and students the opportunity to attend workshops.

- (b) School Food Services Revenue Refunds: Category 1998 in the Administration series is an account to track the refund checks issued to the school by the School Food Services Branch for refunds to students with balances on their meal cards at the end of the school year. The refunds are only for students who are leaving the DOE system (e.g. graduating, moving to a private school, moving out of state). A separate Sub-Category must be established for each school year, because after one year any unclaimed balance must be returned to the School Food Services Branch. The balance is NOT transferred to the General School Account. Reference SP 1918 Non-Appropriated Student Activity Fund Refunds.

### 13. SP Maintenance Responsibility

The Accounting Services Branch in the Office of Fiscal Services is responsible for maintenance, administration, and questions regarding this SP.

### 14. References, Resources, and Forms

The following resources may provide access to statutory, policy, and contractual authorities; and closely related SPs, procedures, and forms.

- (a) Section 302A-1305, Hawaii Revised Statutes, Inactive student activity accounts  
[http://www.capitol.hawaii.gov/hrscurrent/Vol05\\_Ch0261-0319/HRS0302A/HRS\\_0302A-1305.htm](http://www.capitol.hawaii.gov/hrscurrent/Vol05_Ch0261-0319/HRS0302A/HRS_0302A-1305.htm)
- (b) SAF Chart of Accounts (handout provided to schools when converting old accounts to SAF)
- (c) SP 1900-1921 series, various topics about Non-appropriated Student Activity Fund
- (d) Graduated Class SAF Balances – Best Practices  
[https://intranet.hawaiipublicschools.org/offices/ofs/saf/SAF\\_resources/Shared%20Documents/Graduated%20Class%20SAF%20Balances%20-%20Best%20Practices.pdf](https://intranet.hawaiipublicschools.org/offices/ofs/saf/SAF_resources/Shared%20Documents/Graduated%20Class%20SAF%20Balances%20-%20Best%20Practices.pdf)

#### Forms

- (e) Graduating Class SAF Balance (SAF-IC4)  
<https://intranet.hawaiipublicschools.org/offices/ofs/saf/Forms/GRADUATING%20CLASS%20SAF%20BALANCE.pdf>



- (f) School Category/Chart of Accounts Change Request (SAF-M2)  
<https://intranet.hawaiipublicschools.org/offices/ofs/saf/Forms/SCHOOL%20CATEGORY%20CHART%20OF%20ACCOUNTS%20CHANGE%20REQUEST.pdf>