

	State of Hawaii Department of Education Standard Practice (SP) Document	Office of Fiscal Services
Document No. SP 1910	Distribution: CASs, Principals, SASAs, School Office Personnel, CABMs, ASAs	Release Date: 3/14/2017
SUBJECT	Non-Appropriated Student Activity Fund; School Clubs	

1. Purpose

To provide an overview of the rules governing financial procedures for school clubs

2. Effective

Immediately.

3. Applies to

All schools

4. Establishing School Clubs

- (a) All school clubs must apply annually by completing the Application for School Club Charter (SAF-IC2) to be officially recognized by the school. See Forms (a). Clubs are open to any student. Clubs elect officers, have a constitution, and may collect dues, with support from a faculty advisor. In contrast, school or student activities, which are overseen by a teacher, do not elect officers and are not chartered clubs.
- (b) When the school club application is approved by the Principal, all school rules applicable to school clubs will apply.
- (c) School Clubs shall maintain a complete set of financial records in Category Series 4000 (Club).
 - (1) A copy of the Application for School Club Charter (SAF-IC2) must be provided to the school office so a Category can be established in SAF if needed.
 - (2) After the Category is established, the Advisor's name should be input into SAF by using the Modify tab in the Category (Chart of Accounts) menu (Last Name, First Name). This will help ensure good communication with the Club Advisor regarding the financial status of the club.

- (3) Student initiated, noncurriculum related student groups do not have a faculty advisor, such as clubs permitted under the federal Equal Access Act (20 U.S. Code § 4071). Examples often found in secondary schools include, but are not limited to, religious clubs and political clubs.
 - (A) If the club does not have a faculty advisor, and will require an account in SAF because club members will be collecting money and expending funds, input the name of the school employee assigned for custodial purposes in the Advisor field. For example, the teacher who unlocks/locks the classroom where the club meets, insures the proper use of school facilities and equipment, and the health and safety of persons. This teacher is assigned purely for custodial purposes and is not a sponsor or advisor to the club.
 - (B) In this situation, to communicate that the employee is not a sponsor or advisor, in the field for the Advisor's name input "(Custodial purposes)" prior to the employee's name. For example:
(Custodial purposes) Jane Doe
- (4) The Principal may require the school office to print a Detailed Category Summary (Report #1 or #2) from SAF for the club's Category each quarter for the Advisor (or employee assigned for custodial purposes) to review.
- (d) Schools must keep a list of all school clubs that have been approved by the Principal.

5. Procedures

- (a) All school clubs must prepare and submit a School Club or Sports Team Annual Financial Report (SAF-IC3) to the Principal within 10 calendar days following the close of the fiscal year. All obligations and receivables must be settled before the final report is prepared. If Report #2 Detailed Category Summary is attached with dates that include July 1 through the end of the school year, the school club can write "See Attached SAF Report #2" instead of completing the amounts on the form. The form must be signed by the club officer and the Advisor/Sponsor to acknowledge they have reviewed the SAF report.
- (b) All school clubs must turn in financial records to the school's office for safekeeping during the summer months.
- (c) Clubs that bank with the Non-Appropriated Student Activity Fund do not have any tax obligations.
- (d) Clubs may choose to conduct their financial transactions either within the Non-Appropriated Student Activity Fund bank account, or in an external bank account. Clubs who choose to use an external bank account must notify the Principal of this decision in the "Comments" section of the Application for School Club Charter (SAF-IC2). Although the funds are kept outside the Non-Appropriated Student Activity Fund bank account, the Principal of the school shall be directly responsible for the conduct of the student financial activities in accordance with the rules, policies and procedures set forth by the Department. All school clubs are required to maintain a complete set of financial records.

6. Fiscal Requirements for Clubs with External Bank Accounts

Clubs with external bank accounts (i.e. not accounted for in the SAF System) must:

- (a) Establish a non-interest bearing checking account in a federally insured institution in the name of the school sponsored club.
- (b) Obtain Federal and State Identification numbers and be responsible for all tax obligations. These clubs are not exempted from the provisions of the General Excise Tax Law for all money raising activities and are required to pay general excise tax for all this type of activity.
- (c) Use all DOE forms, for example Purchase Orders (Form A-3-C), Receipt (Form 239), and Money-Raising Activity (Form 422). (See Forms below) The Principal may delegate approval of purchase orders to the club Advisor.
- (d) Establish an external bank account with two signatories, one of whom shall be the Advisor. For example, the signatories might be the Club Treasurer and Advisor, or the Club President and Advisor.
- (e) Collect monies and pay obligations related to the school club.
- (f) Submit a School Club or Sports Team Annual Financial Report (SAF-IC3) to the Principal within 10 days following the close of the school year. All outstanding obligations and receivables must be settled before the final report is prepared. See Forms (e) and (f). The last bank statement of the school year must be attached to this report.

7. SP Maintenance Responsibility

The Accounting Services Branch is responsible for maintenance, administration, and questions regarding this SP.

8. References, Resources, and Forms

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

- (a) Application for School Club Charter (SAF-IC2)
<https://intranet.hawaiipublicschools.org/offices/ofs/saf/Forms/APPLICATION%20FOR%20SCHOOL%20CLUB%20CHARTER.pdf>
- (b) Log of Club Charter Applications (SAF-IC2A)
<https://intranet.hawaiipublicschools.org/offices/ofs/saf/Forms/LOG%20OF%20CLUB%20CHARTER%20APPLICATIONS.xlsx>
- (c) Purchase Order (Form A-3-C)
- (d) <https://intranet.hawaiipublicschools.org/offices/ofs/saf/Forms/PURCHASE%20ORDER%20picture.pdf>
- (e) Receipt (Form 239)
<https://intranet.hawaiipublicschools.org/offices/ofs/saf/Forms/RECEIPT%20picture.pdf>
- (f) Money-Raising Activity (Form 422)
<https://intranet.hawaiipublicschools.org/offices/ofs/saf/Forms/MONEY-RAISING%20ACTIVITY.pdf>
- (g) School Club or Sports Team Annual Financial Report (SAF-IC3)
<https://intranet.hawaiipublicschools.org/offices/ofs/saf/Forms/SCHOOL%20CLUB%20OR%20SPORTS%20TEAM%20ANNUAL%20FINANCIAL%20REPORT.pdf>

- (h) School Club or Sports Team Annual Financial Report Continuation Sheet (SAF-IC3 Cont)
<https://intranet.hawaiipublicschools.org/offices/ofs/saf/Forms/SCHOOL%20CLUB%20OR%20SPORTS%20TEAM%20ANNUAL%20FINANCIAL%20REPORT%20CONTINUATION%20SHEET.pdf>