

	<p align="center">State of Hawaii Department of Education Standard Practice (SP) Document</p>	<p align="center">Office of Fiscal Services</p>
<p>Document No. SP 1905</p>	<p>Distribution: CASs, Principals, SASAs, School Office Personnel, CABMs, ASAs</p>	<p>Release Date: 3/14/2017</p>
<p>SUBJECT</p>	<p>Non-Appropriated Student Activity Fund; Collections, Receipts, and Deposits</p>	

1. Purpose

To provide an overview on collection procedures for the Non-Appropriated Student Activity Fund, both in the school office and outside the school office.

2. Effective

Immediately.

3. Applies to

Anyone collecting non-appropriated money on behalf of a school.

4. Overview of Collections, Receipts, and Deposits

The reasons non-appropriated funds might be collected could include registration, field trips, excursions, fundraising, club dues, sport team concession revenue, athletic activity books, yearbooks, uniforms, student association or student government dues, class dues, other authorized fees, donations, gifts, and grants.

Documentation is required for monies collected. Receipts must be entered into SAF. Deposits must be prepared daily and transmitted to the bank at least weekly (as provided by the armored car courier schedule). Bad checks returned due to non-sufficient funds must be accounted for.

5. Restrictions Regarding Handling Cash at Schools

The policies in Exhibit 1 apply when handling cash for SAF or appropriated funds.

<p align="center">Exhibit 1</p> <p align="center">POLICIES WHEN HANDLING CASH FOR SAF OR APPROPRIATED FUNDS</p>	
<p>1.</p>	<p>Student Activity Funds shall not be commingled with personal funds.</p>
<p>2.</p>	<p>Cashing of checks from current receipts is prohibited.</p>
<p>3.</p>	<p>Making loans or advancing funds from Student Activity Funds is prohibited. The only exception is for field trips, as approved on Field Trip Cash Advance Request</p>

Exhibit 1	
POLICIES WHEN HANDLING CASH FOR SAF OR APPROPRIATED FUNDS	
	(SAF-IC5) and Field Trip Cash Expense Report-Deposit Request (SAF-IC6).

6. Permissible Student Fees

- (a) §302A-1130, Hawaii Revised Statutes, states special fees and charges may be collected from students for co-curricular activities.
- (b) Fees may also be collected for athletic books, yearbooks, newspapers, and caps and gowns. Schools are limited to a maximum amount a student can be charged for fees and other authorized charges. The most current memo regarding maximum allowable student activity fees is listed in the References section at the end of this SP.
- (c) §8-32-1, Hawaii Administrative Rules, states: "co-curricular activities" means student activities which are authorized by the school principal and which complement classroom instruction by providing learning experiences which meet individual needs and develop citizenship skills and positive attitudes in less formal settings.
- (d) There is no authorization in Hawaii state law to charge fees to students for curricular activities, such as science or art lab fees or technology use fees.
- (e) Other fees such as parking, Student IDs, student planners and other items listed in italics in Exhibit 2, may be assessed only to the extent needed to recapture costs, if approved by the School Community Council (SCC) and documented in the SCC meeting minutes. No new fees can be added until the approval has been documented in SCC meeting minutes. BOE Policy 500-19 includes approval of school-level policies and rules, within compliance of higher level policies and rules, among the many functions of the SCC.

Exhibit 2	
STUDENT FEES AND AUTHORIZATION FOR COLLECTION	
Description of Fee or Charge	Authority
Student Association/Government	HRS §302A-1130 HAR Chapter 32 Collection of Authorized Fees and Charges
School Club Dues	
Class Dues	
Yearbook	
Activity Ticket/Athletic Book/Pass	
Caps and Gowns	
Newspaper	
Student ID	BOE Policy 500-19 (if approval of the fee by the School Community Council is documented in SCC meeting minutes)
Locker Fee	
Towel Fee	
Student Planner	
Graduation Fees	
Parking Pass or Parking Fine (amount to	

Exhibit 2	
STUDENT FEES AND AUTHORIZATION FOR COLLECTION	
be recommended by the Principal and approved by the SCC)	

Refer also to SP 1915 Non-Appropriated Student Activity Fund; School Stores, Sale of PE/School Uniforms for information regarding items for sale.

7. Collection Records

A record must be kept of all collections received. Collection records must include:

- (a) Name of the payer or Student ID;
- (b) Purpose of the funds;
- (c) Amount;
- (d) Method of payment; and
- (e) Date received.

If this information is not on the official receipt, it must be available on a collection record that supports the receipt.

Exhibit 3	
EXAMPLES OF ACCEPTABLE COLLECTION RECORDS	
SAF Receipt (printed from SAF)	Official receipt
Receipt (Form 239)	Official receipt
Record of Collection by Individuals (SAF-R1)	Collection record only, not official receipt
Cash register batch receipt (e.g. registration)	Collection record only, not official receipt
Student obligation worksheet	Collection record only, not official receipt
Pre-numbered student registration fee receipt (school-specific)	Collection record only, not official receipt
Payment receipt printed from a Lotus Notes application	Collection record only, not official receipt

8. Collections made Outside the School Office

- (a) Collections made outside the school office must have a collection record and must be transmitted daily to the school business office. The monies must be counted together by the person bringing the money to the office and by an employee in the school office to confirm amounts being turned in.
- (b) Examples of collections outside the school office include, but are not limited to:
 - (1) Field trips, collected by teacher (see SP1912 Non-Appropriated Student Activity Fund; Field Trips)
 - (2) School clubs, collected by sponsor or advisor (see SP1910 Non-Appropriated Student Activity Fund; School Clubs)

- (3) Fundraisers, collected by sponsor (see SP1914 Non-Appropriated Student Activity Fund; Fundraising Activities and SP 1911 Non-Appropriated Student Activity Fund; Sports Teams)
- (4) Registration, collected by employees using cash registers
- (c) The school business office will record the receipt in SAF and issue an SAF Receipt no later than the next business day to acknowledge receipt of the monies from the individual in charge of the activities. The SAF Receipt must include the name of the person who brought the monies to the school office.

9. Collections made at the School Office Counter

A manual Receipt (Form 239) will be issued if the school business office cannot record the receipt in SAF at the time the money is given to the office staff. The school business office will record the receipt in SAF and reference the Receipt (Form 239) number in SAF not later than the next business day. The SAF Receipt must include the name of the person who brought the monies to the school office.

10. Official Receipts

An official Receipt must be issued for all monies received.

- (a) When a collection is input into SAF, a Receipt shall be printed and issued. Three copies print on one page, labeled:
 - (1) Receipt Copy, for the payer; if the person who brought the money to the school office has been given a manual Receipt (Form 239) the SAF Receipt is filed with the deposit documents;
 - (2) Category Copy (for the advisor, sponsor, teacher, or coach or other contact person)
 - (3) Office Copy (for the deposit file)
- (b) When it cannot be immediately determined as to which account monies should be credited, use Category 1001.99 Pending Journal Entry and notify the Complex Area Business Manager after the Category is known or established using Request for Journal Entry or Modification (SAF-R4).
 - (1) Do not use the Transfer process in SAF to move the money to the correct Category because the revenue/income will not be displayed in the proper Category on SAF reports that break out revenues and transfers (e.g. Category Umbrella Overview Report (Report #5).
 - (2) The school should review Category 1001.99 Pending Journal Entry monthly to ensure a form has been submitted to the CABM and the revenue has been cleared out.
 - (3) Do not use Category 1001.99 Pending Journal Entry for issuing checks.
- (c) When a collection is received in the office but not immediately recorded in SAF a manual Receipt (Form 239) shall be issued. This form is ordered from a DOE price list. When the pre-numbered Receipt (Form 239) is used, the receipts must be used in numerical order. The original is given to the payer, the yellow copy is kept for the office file, and the pink copy is left in the receipt book.
- (d) When entering the receipt details in SAF, the name of the person who brought the money to the office must be recorded (e.g. the teacher or advisor). If the receipt is for only one payer, the name of the person who is paying the money (e.g. the student's parent) must be input.

- (e) The Receipt must indicate the Category (or Categories) to which the receipt should be posted in the ledger.
- (f) It is recommended, but not required, to input the detail of all check payments into SAF.
- (g) A receipt can include a combination of cash and checks.
- (h) The receipt must be properly completed including information as shown on Exhibit 4.

Exhibit 4	
INFORMATION REQUIRED ON A RECEIPT	
Receipt (Form 239)	SAF Receipt
Name of payer	Received from
Purpose of collection	Reason
Amount	Amount
Method of payment (cash or check, with a breakout if the payment was a combination of cash and checks)	Method of payment (Bills, Rolled Coins, Loose Coins, Checks)
Category and Sub-Category Number and Name (in the Credit Account field)	Category Name and Category #
Date of the Receipt	Date Received On
Received by (signed by the deliverer and receiver of the collection)	Verified By (initial of receiver of the collection)

Exhibit 5

SUMMARY OF COLLECTION AND RECEIPT PROCEDURES

#1 Class Collection	#2 Non-Class Collection	#3 Cash Registers	#4 Collection at Office Counter
Teacher collects money from students (e.g. field trip, club dues)	Parent or student makes payment	Payment is taken in through cash register	Parent or student makes payment
Teacher maintains a collection record	Staff issues Receipt (Form 239) to parent or student	Register generates one total batch receipt broken down by Categories	Office issues Receipt (Form 239) if SAF receipt not immediately created
Money is turned in to school business office and counted by the office and the payer	Money is turned in to school business office and counted by the office and the payer	Money is turned in to school business office and counted by the office and the payer	Money is counted by the office and the payer
Office enters receipt into SAF and generates 3-part receipt: (1) Receipt Copy goes to teacher (2) Category Copy goes to Grade/Dept Head or Sponsor (3) Office Copy is filed with supporting collection record	Office enters receipt into SAF and generates 3-part receipt: (1) Receipt Copy goes to teacher (2) Category Copy goes to Grade/Dept Head or Sponsor (3) Office Copy is filed with supporting Receipt (Form 239), yellow copy	Office enters receipt into SAF and generates 3-part receipt: (1) Receipt Copy goes to teacher, if applicable (2) Category Copy goes to Grade/Dept Head or Sponsor (3) Office Copy is filed with supporting cash register batch receipt	Office enters receipt into SAF and generates 3-part receipt: (1) Receipt Copy goes to parent or student if they did not get a Form 239 (2) Category Copy may be destroyed or held with Office (3) Office Copy is filed with supporting Receipt (Form 239), yellow copy (if applicable)

11. Control over pre-numbered receipts

Books of pre-numbered official Receipts (Form 239) and/or school-specific student registration fee receipts must be secured in a locked safe or locked drawer so the receipts

are inaccessible to unauthorized personnel. If a receipt book is no longer needed outside the school office it must be immediately returned to the school office so it can be accounted for on the Inventory Record of Pre-Numbered Forms (Form 439).

12. Errors

Erasures shall not be made on the Receipt (Form 239). If an error is made, the receipt should be voided by writing "VOID" on the face of the receipt, or line out to correct, initial, and replicate on all receipt copies. All 3 copies (white, yellow, and pink) of voided pre-numbered official Receipts must be retained for review by auditors. The SAF System does not allow voiding receipts. If an error is found after a receipt has been printed, the school would need to issue a refund then reissue a correct receipt.

13. Checks Received

Exhibit 6 INSTRUCTIONS FOR RECEIVING CHECKS	
1.	All checks received must have the check maker's name and address.
2.	It is recommended, but not required, that the check maker's phone number be on the check, and that the receipt number or reason for the receipt be written on the check.
3.	School staff who receive checks should verify the date is current, the written and numeric dollar amounts match, and that the check is signed.
4.	All checks and other legal tender (i.e. money orders) must be made payable to the school.
5.	Payment by check or money order shall be for the exact amount.
6.	Post- dated checks shall not be accepted.
7.	Cashing of any checks at the school level is prohibited, including payroll checks.
8.	Foreign personal checks are not accepted.
9.	Endorse all checks immediately upon receipt, using a restrictive endorsement such as: Deposit to the credit of "XYS School" XX-XXXXXXXX (bank account number)

14. Deposit Policies

Internal control requires that someone other than the person executing the cashing and depositing function perform the reconciling.

Prepare a bank deposit slip each day money is received even if the courier service does not come daily. During breaks and summers, monies must be deposited at least once per week. Collections received must be recorded in the Student Activity Fund system and deposited in the bank by the next business day or the next scheduled courier service pick up.

Collections awaiting deposit must be safeguarded and kept in a locked safe or a locked drawer. All cash and checks received when the school business office is closed must be

turned in to the school business office on the next working day. In the meantime, the person responsible for the activity must keep the collection in a safe place.

15. Procedures for Depositing Cash/Check Collections

- (a) Count and take the total of all cash/checks received daily. When preparing the deposit, monies shall be counted in the presence of two employees.
- (b) Before printing the deposit reports, review the information entered to ensure the correct names and Category codes have been entered. Print the deposit reports and add the deposit information to the SAF ledger.

16. Deposit Made to Wrong Account

Because SAF deposit slips are printed from SAF on special stock, it is not likely that SAF funds will be deposited to the wrong bank account, or collections for other accounts deposited into SAF.

- (a) If Appropriated collections (e.g. A-Plus, Bus, Lunch, Use of School Facilities, Lost Textbooks, etc.) are mistakenly deposited into the Non-Appropriated SAF checking account, do the following:
 - (1) Receipt the funds in SAF to Category 1001.97 Cash Overage/Shortage.
 - (2) Issue a check from SAF Category 1001.97 Cash Overage/Shortage, making the check payable to the "State of Hawaii, Department of Education".
 - (3) Deposit this check into the correct Appropriated checking account.
- (b) If Non-Appropriated SAF collections are mistakenly deposited into the Appropriated - Central Checking account, do the following:
 - (1) In FMS, code the erroneous deposit to Program ID 99000: Erroneous Deposit Temp Holding Account, Source Code 1651: Temporary Deposits. Print and release the CAR.
 - (2) Prepare a Revenue Refund Form (FMS-C1). The "Pay To" section must indicate the school's Vendor Number and the Vendor Name. The FMS accounting code information should be Program ID 99000 and Source Code 1651.
 - (3) Enter the revenue refund transaction in FMS and print the Approval to Pay (ATP).
 - (4) Submit the approved Approval to Pay (ATP) with the completed Revenue Refund Form (FMS-C1) and Collection Activity Report (CAR) to the OFS-Accounting Services Branch, Operations Section, Vendor Payment Unit.
 - (5) The OFS-Vendor Payment Unit will prepare a check to the school for deposit to the school's Non-Appropriated SAF checking account.
- (c) If Non-Appropriated SAF collections are mistakenly deposited into the Appropriated - A-Plus, Bus, or Lunch checking accounts, call Accounting Section at 586-3371 for assistance.

Exhibit 7

PROCESSING OF DEPOSIT SLIPS

1.	Prepare deposit slips in triplicate (SAF prints 3 copies on one page).
2.	Place the money collected (cash and checks) and two of the three deposit slips in a bank deposit bag, seal it, and deliver the deposit to the bank via armored car.
3.	Retain the third copy of deposit slip in a suspense file.
4.	After validated bank deposit slip is received and verified, the suspense file deposit slip shall be destroyed. If the validated deposit slip is not returned to the school within two weeks, inquire with the bank. Reference SP 1901 Non-Appropriated Student Activity Fund Bank Accounts for instructions about bank statements and communications.
5.	Staple the validated deposit slip with the yellow copies of the related batch of pre-numbered official Receipts (Form 239), the printed SAF receipts, collection records, and the Deposit Statement report and file in a separate folder by fiscal year.

17. Deposit Amount Discrepancy

- (a) If the amount received by the bank does not match the deposit slip:
Inform the two individuals named on the Deposit Statement report of the discrepancy.
- (b) Use the Add Record tab during the monthly bank reconciliation to adjust the SAF deposit to match the bank's deposit amount, putting the discrepancy amount into Category 1001.97 Cash Overage/Shortage if the correct Category cannot be determined immediately. If the correct Category can be determined after further research, submit a Request for Journal Entry or Modification (SAF-R4) to adjust the discrepancy amount from Category 1001.97 Cash Overage/Shortage to the correct Category. If the overage/shortage Sub-Category has a negative amount at the end of the year, the deficit must be cleared before the annual rollover.
- (c) If the shortage or overage amount is over \$100, it should be brought to the attention of both:
 - (1) The Complex Area Business Manager; and
 - (2) The Assistant Superintendent of the Office of Fiscal Services and Chief Financial Officer.

18. Bad Checks

The commercial bank will issue a form, "Return Item: Advice of Charge" ("Debit Memo") whenever a deposited check is not honored, which includes the reason. This debit memo information includes the maker of the check and the amount.

It is recommended that the school make a notation on the deposit documentation that the check was returned. This helps to prevent inadvertently issuing a refund for this receipt.

Schools should have a sign posted to notify the public that a service charge of \$25.00 is required for any dishonored (bad) check.

19. Recording the Bad Check and Service Fee

- (a) Record the NSF check in SAF. If the check was not already entered in SAF, look up the Category to which the receipt was applied. The NSF check transaction will appear on the monthly bank reconciliation as an item to be cleared.
- (b) Print an NSF Notice from SAF and give or mail it to the check maker. Give one copy to the teacher or staff sponsor for the Category so they are aware the funds were not received. The school can also call the check maker. Request that the bad check amount and the mandatory \$25.00 DAGS service fee be satisfied with cash, or two cashier's checks or money orders (one for the amount of the bad check and one for the mandatory \$25.00 DAGS service fee) (§40-35.5, HRS).
- (c) Collect a mandatory DAGS service fee of \$25.00 for each bad check from the maker. The service fee is classified as State Treasury receipt and is to be deposited into the DOE Central Checking account in FMS, using Program ID 00001 and Source 0795 (Service Fee Processing Bad Checks).'
- (d) If the cashier's check or money order to satisfy the bad check includes the \$25.00 service fee, split the receipt into multiple Categories. Use Category 1001.98 Fees Due to State and issue a check from SAF to the DOE the same day. The SAF check is to be deposited into the DOE Central Checking account as noted above.
- (e) Official receipts should be issued for both the bad check service fee (appropriated account) and for the replaced amount (Student Activity Funds).
- (f) When a parent/guardian does not satisfy the amount of one or more bad checks, the school may determine whether all future payments from that individual must be made in cash or by cashier's check. The school should put its policy in writing regarding the number of bad checks that will require cash payments and how long the requirement will be enforced, and apply it consistently.
- (g) Schools shall monitor and follow up on Outstanding NSF Transactions monthly, using SAF report of the same name.
- (h) Maintain a separate file (hard copy or electronic) for NSF checks. The file shall include the printed Outstanding NSF Transaction report, a copy of the debit memo from the bank, the copy of the returned check, a copy of the NSF Notice printed from SAF, and copies of the receipts for the replaced amount.

20. SP Maintenance Responsibility

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

21. References, Resources, and Forms

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

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

- (a) §302A-1130, Hawaii Revised Statutes, Public schools special fees and charges
http://www.capitol.hawaii.gov/hrscurrent/Vol05_Ch0261-0319/HRS0302A/HRS_0302A-1130.htm
- (b) §40-35.5, Hawaii Revised Statutes, Assessment and collection of service charges for dishonored payments

- http://www.capitol.hawaii.gov/hrscurrent/Vol01_Ch0001-0042F/HRS0040/HRS_0040-0035_0005.htm
- (c) Hawaii Administrative Rules, Title 8 Department of Education, Chapter 32 Collection of Authorized Fees and Charges
<http://www.hawaiibo.net/AdminRules/Pages/AdminRule32.aspx>
 - (d) BOE Policy 303-10 Fee for Service Policy
<http://boe.hawaii.gov/policies/Board%20Policies/Fee%20for%20Service.pdf>
 - (e) BOE Policy 500-19 School Community Councils Policy
<http://boe.hawaii.gov/policies/Board%20Policies/School%20Community%20Councils.pdf>
 - (f) Maximum Allowable Student Activity Fees, 9/6/2011 memorandum from Superintendent Kathryn S. Matayoshi
https://intranet.hawaiipublicschools.org/offices/ofs/saf/SAF_resources/Shared%20Documents/Maximum%20Allowable%20Student%20%20Activity%20Fees%20-%20memo%20%209-6-11.pdf
 - (g) Distribution of Notification Signs Regarding the Assessment and Collection of Service Charges for Dishonored Payments, 1/15/15 memorandum from Senior Assistant Superintendent Amy S. Kunz
https://intranet.hawaiipublicschools.org/offices/ofs/saf/SAF_resources/Shared%20Documents/MEMO_Dishonored_Payments_1-15-15.pdf

Forms

- (h) Field Trip Cash Advance Request (SAF-IC5)
<https://intranet.hawaiipublicschools.org/offices/ofs/saf/Forms/FIELD%20TRIP%20CASH%20ADVANCE%20REQUEST.xlsx>
- (i) Field Trip Cash Expense Report-Deposit Request (SAF-IC6)
<https://intranet.hawaiipublicschools.org/offices/ofs/saf/Forms/FIELD%20TRIP%20CASH%20EXPENSE%20REPORT-DEPOSIT%20REQUEST.xlsx>
- (j) Inventory Record of Pre-numbered Forms (Form 439)
<https://intranet.hawaiipublicschools.org/offices/ofs/accounting/Documents/Form-439.pdf>
- (k) Request for Journal Entry or Modification (SAF-R4)
<https://intranet.hawaiipublicschools.org/offices/ofs/saf/Forms/REQUEST%20FOR%20JOURNAL%20ENTRY%20OR%20MODIFICATION.pdf>
- (l) Receipt (Form 239)
<https://intranet.hawaiipublicschools.org/offices/ofs/saf/Forms/RECEIPT%20picture.pdf>
- (m) Record of Collection by Individuals (SAF-R1)
<https://intranet.hawaiipublicschools.org/offices/ofs/saf/Forms/RECORD%20OF%20COLLECTION%20BY%20INDIVIDUALS.docx>