



# DoDEA ADMINISTRATIVE INSTRUCTION 1015.01

## STUDENT ACTIVITY FUNDS MANAGEMENT AND ADMINISTRATION

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**Originating Division:** Resource Management Division

**Effective:** August 10, 2017

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**Incorporates and Cancels:** DoDEA Regulation, 7240.1, Administration of Student Activity Funds, October 28, 1999

**Approved by:** Thomas M. Brady, Director

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**Purpose:** This Issuance establishes policy, procedures, and responsibilities for the management and administration of the DoDEA Student Activity Fund (SAF). DoDEA uses SAFs to direct and account for monies used to support extra-curricular student activities. Extra-curricular activities generally are any kinds of school-related activities outside the regular classroom that directly add value to the formal or stated curriculum. Activities involve a wide range of student clubs, organizations, organized sports and academic and non-academic interscholastic competitions.

## TABLE OF CONTENTS

SECTION 1: GENERAL ISSUANCE INFORMATION .....	4
1.1. Applicability. ....	4
1.2. Policy. ....	4
1.3. Information Collection. ....	4
SECTION 2: RESPONSIBILITIES .....	5
2.1. DoDEA Director .....	5
2.2. Associate Director for Financial and Business Operations DoDEA. ....	5
2.3. DoDEA Headquarters, Resource Management Division (RMD). ....	5
2.4. DoDEA District Superintendents. ....	5
2.5. District Superintendent Office (DSO) RMDs. ....	6
2.6. School Principals. ....	6
2.7. Fund Council. ....	7
2.8. SAF Custodian. ....	9
2.9. SAF Bookkeeper. ....	10
2.10. Activity Sponsor. ....	10
SECTION 3: PROCEDURES .....	11
3.1. Student Activity Fund Management. ....	11
3.2. Establishing a Student Activity Fund. ....	11
3.3. Fund Raising and Collections. ....	12
3.4. Disposition of Encumbered (Activity) Funds. ....	12
3.5. Disposition of Unencumbered (General) Funds. ....	13
3.6. Expenditures and Obligations Require a Written Authorization. ....	13
3.7. Approval for Purchases. ....	13
3.8. Appropriated Fund Items. ....	13
3.9. Collection Restrictions for the SAF. ....	14
3.10. Approval for Disbursements. ....	14
3.11. Maintenance and Auditing of SAF Accounting Records. ....	15
3.12. Financial Reports. ....	16
3.13. Bank Accounts. ....	16
3.14. Receipt and Deposit of Funds. ....	16
3.15. Signatures on Checks and Withdrawal of Funds. ....	18
3.16. Bank Statement Reconciliation. ....	18
3.17. Shortages and Discrepancies. ....	18
3.18. Removal of Records from School Premises. ....	18
3.19. Protection of Funds in the School. ....	18
3.20. Transfers Between Student Activity Groups. ....	18
3.21. Designations, Delegations, Authorizations, and Dissolution. ....	19
3.22. Dissolution of the SAF. ....	19
GLOSSARY .....	20
G.1. Acronyms. ....	20
G.2. Definitions. ....	20
REFERENCES .....	22
APPENDIX .....	23

Appendix 1: Sample Student Activity Fund Charter Constitution and Bylaws ..... 23

## **SECTION 1: GENERAL ISSUANCE INFORMATION**

**1.1. APPLICABILITY.** This Issuance applies to the Office of the Director, DoDEA; the Principal Deputy Director and Associate Director for Academics, DoDEA; the Associate Director for Financial and Business Operations, DoDEA; the Chief of Staff, DoDEA; the Director for Student Excellence, DoDEA Americas/Associate Director for Performance and Accountability (formerly the Director, Domestic Dependent Elementary and Secondary Schools, and Department of Defense Dependents Schools, Cuba (DDESS/DoDDS-Cuba)); the Director for Student Excellence, DoDEA Europe (formerly the Director, Department of Defense Dependents Schools, Europe (DoDDS-E)); the Director for Student Excellence, DoDEA Pacific (formerly the Director, Department of Defense Dependents Schools, Pacific and Domestic Dependent Elementary and Secondary Schools, Guam (DoDDS-P/DDESS-Guam)); and all other DoDEA region, district, community, and school leaders and support staff.

### **1.2. POLICY.**

a. Manage the non-appropriated funds (NAF) that constitute SAF in accordance with DoD Instruction 1015.15.

b. Use a SAF to direct and account for monies used to support extra-curricular student activities. Extra-curricular activities generally are any kinds of school-related activities outside the regular classroom that directly add value to the formal or stated curriculum. Activities involve a wide range of student clubs, organizations, organized sports, and non-academic interscholastic competitions.

**1.3. INFORMATION COLLECTION.** This Issuance may result in the collection of information due to its policy and procedures. Any collection of information must follow all applicable Federal, DoD, and DoDEA regulations, policies, and guidance.

## SECTION 2: RESPONSIBILITIES

### **2.1. DODEA DIRECTOR.** The Director, DoDEA:

- a. Ensures that the SAF Program is in compliance with this Issuance.
- b. Provides policy, standards, guidance, technical assistance, and resources to operate the SAF Program.
- c. Directs and ensures regular program monitoring and policy review to maintain the integrity and effectiveness of the SAF Program.

### **2.2. ASSOCIATE DIRECTOR FOR FINANCIAL AND BUSINESS OPERATIONS**

**DODEA.** The Associate Director for Financial and Business Operations (ADF&BO) under the direction and control of the Director, DoDEA will:

- a. Issue guidance in accordance with DoD Instruction 1015.15.
- b. Provide episodic and recurring training to align SAF management with DoDEA policy and guidance.

**2.3. DODEA HEADQUARTERS, RESOURCE MANAGEMENT DIVISION (RMD).** The DoDEA HQ, Resource Management Division (RMD), under the authority, direction and control of the DoDEA ADF&BO will:

- a. Establish and maintain this Issuance.
- b. Ensure that all parties involved adhere to the policies and procedures for the management of NAF in accordance with this Issuance.
- c. Provide consistent communication regarding programmatic and oversight policies.
- d. Develop and publish reporting and auditing requirements.
- e. Provide information to the Deputy Assistant Secretary of Defense (Military Community and Family Policy) (DASD(MC&FP)) regarding SAF activities including total revenues and expenses, appropriated fund support of the SAF Non-Appropriated Funds Instrumentality (NAFI) and audit information as required by DoD Instruction 1015.15.
- f. Develop SAF training for use by participating entities and provide consistent communication regarding training and training requirements.

**2.4. DODEA DISTRICT SUPERINTENDENTS.** The DoDEA District Superintendents will:

- a. Under the authority, direction, and control of the Director ensure that District and school procedures are in accordance with this Issuance.

b. Review and approve or disapprove, in writing, District school requests to establish or abolish SAF accounts.

c. Review and approve or disapprove, in writing, District school requests to carry a balance of more than \$1,000 from one school year to the next in a SAF General Fund. Any requests to carry a balance above \$5,000 in the SAF General Fund from one school year to the next require additional approval from ADF&BO.

d. Ensure that SAF management in the Districts aligns with this Issuance.

e. Submit reports and audit findings to DoDEA HQ, RMD as required.

**2.5. DISTRICT SUPERINTENDENT OFFICE (DSO) RMDs.** The District Superintendent Office (DSO) RMDs will:

a. Enforce the policies and procedures in this Issuance.

b. Compile and review school audits and/or reporting requirements to ensure the schools and the DSO appropriately address any findings when necessary.

c. Provide required reports to the District Superintendent for submission to DoDEA HQ, RMD.

d. Ensure that staff involved in SAF management and administration receives training as needed. Coordinated with the local Automation Technician for access to SAF training located on Schoology. Review SAF operations annually to determine if additional or updated training is necessary. Notify DoDEA HQ, RMD regarding training changes.

e. Provide assistance to District schools concerning SAF procedural or policy questions.

f. Maintain “read only” access to the DoDEA automated accounting system used to manage SAF accounts, and to report budget and auditing information to DoDEA HQ, RMD. DoDEA employees performing SAF duties ensure all procedures are followed in accordance with this Issuance.

**2.6. SCHOOL PRINCIPALS.** The School Principals, under the authority, direction, and control of the DoDEA District Superintendent and the DSO RMD will:

a. Comply with the policies and procedures of this Issuance.

b. Submit a written request to establish or terminate a SAF account to the DSO RMD.

c. Ensure school SAF management and administration aligns with this Issuance.

d. Assume ultimate responsibility for the operation and accountability of the SAF, maintaining authority to override the decisions of the Fund Council when necessary.

e. Ensure that funds raised for the SAF are managed as NAF and in compliance with this Issuance.

f. Approve class organizations, activities, clubs, and associations, and the purposes of each.

g. Appoint, in writing, a Fund Council in accordance with this Issuance and the approved SAF Charter. Membership discrimination based on race, age, color, religion, sex, or national origin in the student activities and organizations is not permitted. This prohibition, however, does not preclude the establishment of cultural or ethnic student activities and organizations, providing membership is not restricted on the above discriminatory basis.

h. Review applications for extra-duty compensation and appoint faculty members or other individuals to supervise approved class organizations, activities, clubs and associations in the school that will use this Issuance to manage funds. Appoint an Activity Sponsor to fulfill extra-duty assignments for compensation in accordance DoDEA Procedural Guide 14-PGRMD-020.

i. Appoint the Fund SAF Custodian and SAF Bookkeeper to fulfill extra-duty assignments for compensation to include specific tasks and “pre - and post assignment duties which are important to the success of the assignment.” such as training, as stated in page 3, Paragraph E.3.b, Chapter 2 of Dependent School Regulation 5550.9. Appoint an Acting SAF Custodian to serve during any absence of the SAF Custodian.

j. Authorize collections for the SAF in accordance with this Issuance.

k. Approve acceptance of monetary donations, student travel and lodging expenses, and personal property for the explicit support of students associated with one of the approved activities or clubs managed within the SAF and that will directly benefit that group of students, in accordance with this Issuance. Principals may accept donations if the value is \$2,500 or less. If the donation is between \$2,501 and \$5,000, the District Superintendent must authorize acceptance of the donation. Finally, if the donation is more than \$5,000, DoDEA HQ, RMD after seeking advisement from DoDEA HQ, Office of General Counsel (OGC), must authorize acceptance of the donation.

l. Review and approve monthly and end-of-year accounting reports and audits.

m. Maintain signature rights as one of the required signatures on any SAF check written by the SAF Bookkeeper.

n. Maintain “read only” rights to the DoDEA automated online accounting system used DoDEA wide to manage SAF accounts, and to report budget and auditing information to the DSO.

## **2.7. FUND COUNCIL.** The Fund Council will:

a. Provide SAF oversight and guidance in accordance with provisions established by this Issuance and the approved SAF Charter.

b. Ensure that SAF accounting and financial documentation is managed using the DoDEA online-automated accounting system and reported to DoDEA HQ, RMD for auditing and reporting.

c. The Fund Council will consist of at least three school staff members who are authorized to vote on decisions concerning the management of funds. The Fund Council may include a parent or disinterested third party and another individual deemed appropriate by the School Principal for the purpose of input. The non-DoDEA employees who are part of the Fund Council will not be voting members. The Fund Council may also include a non-voting student member nominated by the student council to provide student input. All Fund Council members must be affiliated with the DoD as either civilian employees or family members of military service members. The School Principal must submit a request for approval to the DSO Superintendent (who may approve after consultation with Regional OGC) prior to appointing anyone to the Fund Council who does not fall within those two categories.

d. Meet at least quarterly with additional meetings as necessary.

e. Maintain minutes for each Fund Council meeting to include the date, place, and names of those present, action(s) taken by the Fund Council on old and new business, approval of monthly financial statements, and any other matters deemed appropriate by the Fund Council. There is a quorum when two-thirds of the Fund Council members are present at a meeting. A majority vote by a quorum of the Fund Council membership will constitute official action on matters brought before the Fund Council. Amendment of the SAF Charter requires an affirmative vote of two-thirds of the voting Fund Council members.

f. Approve purchases of goods or services with a value of \$301 or more from unencumbered funds.

g. Approve the selection of the banking institution.

h. Designate persons in writing via informal memorandum authorized to sign checks.

i. Approve monthly financial statements presented by the SAF Custodian.

j. Annually, or when the School Principal appoints new members to the Fund Council, each member will acknowledge that they have reviewed and understand this Issuance and the approved SAF Charter.

k. Submit an informal written request to the District Superintendent for approval to carry a balance of more than \$1,000 in the SAF General Fund from one school year to the next.

l. Approve in writing individual Activity/Club requests to carry a balance of over \$100 in their activity account from one school year to the next.

m. In the event of dissolution of a SAF, inform the District Superintendent of the necessity of abolishing the fund and request written approval in writing.



**2.8. SAF CUSTODIAN.** The Fund SAF Custodian will:

- a. Apply and be appointed by the School Principal as the SAF Custodian to fulfill extra-duty assignments for compensation to include specific tasks and “pre – and post - assignment duties which are important to the success of the assignment” such as training, as stated in DS Regulation 5550.9.
- b. Receive compensation for extra-duty assignment of SAF management in accordance with DoDEA 14-PGRMD-020.
- c. Manage the SAF in accordance with this Issuance and the approved SAF Charter ensuring that the assets of the SAF are used and safeguarded properly.
- d. Receive money collected and deposit it the same day when possible. Funds not deposited the same day must be stored in a locked safe or other secure container or delivered to the Principal until they can be deposited.
- e. Be accountable for disbursements and deposits of funds and ensure that records accurately account for receipts and expenditures of the Fund.
- f. Review and approve financial statements including monthly reconciliation of the bank statement performed by the SAF Bookkeeper.
- g. Conduct Fund Council meetings and participate as a non-voting member in accordance with this Issuance and the approved SAF Charter. Ensure that meeting minutes and other records are maintained in good order.
- h. Manage collections, bank deposits, and purchase requests.
- i. Maintain signature rights as one of the required signatures on any SAF check written by the SAF Bookkeeper.
- j. Ensure records are maintained in accordance with this Issuance and applicable DoDEA HQ, RMD guidance.
- k. Correspond in the name of the SAF on matters pertaining to it.
- l. Approve purchases of goods or services with a value of \$300 or less from unencumbered funds and approve purchases from encumbered funds.
- m. Prepare monthly financial statements for presentation to the Fund Council for approval.
- n. Meet DoDEA training requirements for the management of the SAF; to include training in the DoDEA automated online accounting system used DoDEA wide to manage SAF accounts, and to report budget and auditing information to the DSO.
- o. Ensure reports are prepared and submitted annually to meet DoDEA HQ, RMD auditing requirements.

**2.9. SAF BOOKKEEPER.** The SAF Bookkeeper will:

- a. Apply and be appointed by the School Principal as the SAF Bookkeeper to fulfill extra-duty assignments for compensation to include specific tasks and “pre – and post - assignment duties which are important to the success of the assignment.” such as training, as stated in DS Regulation 5550.9.
- b. Receive compensation for extra-duty assignment of SAF management in accordance with DoDEA 14-PGRMD-020.
- c. Manage the SAF in accordance with this issuance and the approved SAF Charter.
- d. Meet DoDEA training requirements for the management of the SAF; to include training in the DoDEA automated online accounting system used DoDEA-wide to manage SAF accounts, and to report budget and auditing information to the DSO.
- e. Maintain and submit up-to-date and accurate financial statements monthly to the Principal, SAF Custodian, and Fund Council.
- f. Participate as a non-voting member in Fund Council meetings in accordance to the procedures in this Issuance.
- g. Prepare checks for SAF accounts and activities, which must be signed by two of the authorized SAF signature designees.

**2.10. ACTIVITY SPONSOR.** The Activity Sponsor will:

- a. Apply and be appointed by the School Principal as the Activity Sponsor for extra-duty compensation in accordance with DoDEA 14-PGRMD-020.
- b. Determine the need for SAF fundraising and ensure that responsible parties manage SAF activities in accordance with this Issuance.
- c. Coordinate with the SAF Bookkeeper, SAF Custodian, Fund Council, and School Principal, as appropriate.
- d. Supervise students during authorized extra-curricular activities, managing all aspects pertaining to a SAF in accordance with this Issuance.
- e. May be assigned by the School Principal as a voting Fund Council member.

## SECTION 3: PROCEDURES

### 3.1. STUDENT ACTIVITY FUND MANAGEMENT.

a. The SAF consist of NAF and is subject to policy provided in this Issuance and in compliance with references DoD Instruction 1015.15. SAF are managed by DoDEA HQ, RMD, District Offices, and Schools. They are managed according to the standards, practices, and reporting procedures prescribed in this Issuance. SAF include funds obtained from nongovernment sources, student generated funds, and funds donated for student use as described in this Issuance.

b. DoDEA HQ, RMD will provide copies of their annual report regarding DoDEA SAF activities and audits to DASD (MC&FP).

### 3.2. ESTABLISHING A STUDENT ACTIVITY FUND.

a. The SAF exists for the student body that consists of the pupils currently in school. The School Principal must request that the DSO establish a SAF by submitting a SAF Charter. (Appendix 1). The DSO will forward written approval to the School Principal.

b. The SAF will be managed in accordance with DoD Instruction 1015.15 and this Issuance.

c. Under no circumstances will a SAF be authorized for an elementary school or an above school level District or Office.

d. In order for a middle school to establish and maintain a SAF, the school must provide written justification to the District Superintendent. The District Superintendent may approve or disapprove the SAF based on the written justification.

e. Under no circumstances will the District Superintendent grant a school the authority to operate more than one SAF simultaneously.

f. Non-school approved clubs and activities that meet off-campus (not on the school grounds) will not carry accounts on the SAF accounting records. Approved school clubs and activities that meet on school grounds are eligible to carry SAF accounts.

g. The SAF maintains funds raised and collected by student groups and/or from student activities in accordance with this Issuance. Funds collected by, from or for teachers and administrative staff (e.g. Coffee Fund, Sunshine Fund) are excluded from the SAF.

h. The Fund Council will be organized in accordance with provisions of this Issuance and the approved SAF Charter.

i. The School Principal will select and appoint the SAF Custodian and SAF Bookkeeper.

j. The School Advisory Committee or Parent Teacher Student Association may nominate the parent member and alternate.

k. All personnel will manage SAF accounts using a common automated online accounting system mandated by DoDEA worldwide.

### **3.3. FUND RAISING AND COLLECTIONS.**

a. The School Principal will approve fund raising for SAF accounts and activities. This includes sale of fund raising items and charging of admission fees to spectators (excluding participants and administrative or athletic officiators) at extra-curricular athletic events and other approved student activities (e.g., prom, talent show, or field trip). Projects for raising funds for SAFs should contribute to the educational experience of students; adding to the instructional program. The School Principal may not approve charging of late fees, penalty or usage fees for the use of school library or student curriculum laboratories (science labs or workshops).

b. The School Principal will approve raising funds and donations only when the funds are for a specific purpose and to be used for an active extra-curricular activity that is part of the SAF. The students benefiting from the funds raised and collected are the same students who are working to raise and collect the funds.

c. The Principal must approve collections for the SAF. The School Principal will approve collecting funds only when the funds are for a specific purpose and are for a current extra-curricular activity that is part of the SAF. Collections must benefit the purpose for which the students raised the money.

d. The School Principal may approve donations in the form of money, student travel and lodging expenses, and personal property to support a particular group of students actively involved in a SAF activity. Donations managed in the SAF account must be used for a specific purpose and may not remain in a SAF account from one school year to the next without approval from the District Superintendent. These donations are NAF once they are accepted by the School Principal, and must be accounted for in SAF audits and reports. SAF donations are not gifts regulated by DoDEA Administrative Issuance 7241.01.

e. The School Principal may accept these donations if their value is \$2,500 or less. If the donation is between \$2,501 and \$5,000, the District Superintendent must authorize the donation. Finally, if the donation is more than \$5,000, DoDEA HQ, RMD, with OGC coordination, must authorize the donation.

### **3.4. DISPOSITION OF ENCUMBERED (ACTIVITY) FUNDS.**

a. Funds raised, collected, or donated and approved by the School Principal for a specific purpose or activity are NAF and will be deposited in the SAF on behalf of that designated activity.

b. When costs of the designated activity are less than funds collected, the excess will be returned to the contributors, when they can be identified, located, and notified. When contributors cannot be identified and/or cannot be located or notified within a reasonable time, the excess funds will be transferred to the SAF General Fund for the benefit of students and used at the discretion of the Fund Council.

c. No funds in excess of \$100 in any activity account may be carried over from one school year to another unless the funds are for a specific activity that will take place in the subsequent school year and will benefit the group of students who will continue to be a part of that activity. The Fund Council must approve the carry over.

d. Any balance in the account of a graduating class at the end of the school year will be transferred to the SAF General Fund for the benefit of students and will be managed by the Fund Council. Similarly, if an inactive club or class has unused funds, the club or class has one year to determine, in compliance with law and this regulation, the disposition of the funds. After that time, the funds will be transferred to SAF General Fund for the benefit of students.

### **3.5. DISPOSITION OF UNENCUMBERED (GENERAL) FUNDS.**

a. Funds collected or received from any undesignated source are unencumbered and will be deposited in the SAF General Fund on behalf of students and managed by the Fund Council in accordance with this Issuance.

b. The SAF General Fund must not maintain a balance greater than \$1,000 from one school year to the next unless the balance exceeding \$1,000 is approved by the District Superintendent. Any requests to carry a balance above \$5,000 in the SAF General Fund from one school year to the next require additional approval from ADF&BO.

### **3.6. EXPENDITURES AND OBLIGATIONS REQUIRE A WRITTEN**

**AUTHORIZATION.** Neither a school nor a school SAF will be held responsible for an expenditure made or an obligation incurred by a pupil, teacher, or any other school employee who has not first received a written authorization from the SAF Custodian.

**3.7. APPROVAL FOR PURCHASES.** Purchases must be approved in advance. The Fund Council approves purchases of items or services with a value of \$301 or more from unencumbered funds. The Fund Council minutes must reflect the approval. The SAF Custodian approves purchase of items or services of any value from encumbered funds, and items or services with a value of \$300 or less from unencumbered funds.

**3.8. APPROPRIATED FUND ITEMS.** Sale of items procured with appropriated funds is prohibited.

**3.9. COLLECTION RESTRICTIONS FOR THE SAF.** Collection of registration fees and/or solicitation of donations from students and/or parents for the general use of SAF are prohibited.

**3.10. APPROVAL FOR DISBURSEMENTS.**

a. The Fund Council or the SAF Custodian, if applicable, may authorize any disbursement from available funds, within the limits described in this Issuance and consistent with the SAF purpose. The Fund Council will identify authorized expenditures from encumbered or unencumbered funds, as appropriate.

b. The Fund Council will develop and document internal controls that provide for the safeguarding of funds. For example, there should be separation of duties such that a single individual does not control funds or purchases.

c. Payments will be authorized only for goods and personal services that are in direct support of those student activities approved by the Fund Council. Persons receiving payments for personal services, including DoDEA employees and students, will be assumed independent contractors. All payments for goods and service must be made by check and recorded in the automated online accounting system.

d. The Fund Council may authorize a petty cash fund, not to exceed \$150, to be used only for authorized student activities. The procedures for establishing and operating a petty cash fund are as follow:

(1) The SAF Bookkeeper will draw a check, made payable to the SAF Custodian, to establish the "Petty Cash Fund" and record the amount against an account in the automated online accounting system.

(2) The SAF Custodian will cash the check and safeguard the funds in a locked and secure location, such as a safe or locked drawer or container as determined by the school Principal. The SAF Custodian may make minor disbursements of \$20 or less from these funds. The SAF Custodian will obtain a sales receipt for each expenditure and a signed receipt from the Activity Sponsor. The SAF Custodian will ensure that the value of the receipts and the cash receipts on hand equals the total amount authorized for the fund.

(3) Replenish the petty cash fund, as necessary, by drawing a check made payable to the SAF Custodian, in the exact amount of the total petty cash expenditures. In addition, a voucher will be prepared which summarizes the petty cash expenditures covered by the reimbursement check. Use this voucher for posting to the appropriate subsidiary and SAF General Fund ledger. Attach sales receipts to the voucher to support the expenditures. Number the vouchers beginning with "1" at the start of each school year.

(4) Petty cash may be used to establish a change fund for single-day athletic events, etc. Support all transactions with receipts and return the cash to the petty cash fund the next working day.

(5) Do not comingle the petty cash with other funds.

(6) Store petty cash in a locked and secure, such as a safe or a locked drawer or container at all times.

(7) Close petty cash funds at the end of the year and deposit the cash in the SAF bank account. The automated online accounting system will provide a record of petty cash funds from start to finish each year.

e. SAF disbursements may not be used to purchase supplies, equipment, or services that are properly chargeable to appropriated funds. Other prohibited disbursements include:

(1) Purchases that benefit person(s) other than the students, such as for personal gifts, meals, retirement functions, or other staff social activities.

(2) Payment for entertainment of official guests except when a part of a student-sponsored function.

(3) Donations to organizations, charities, or individuals.

(4) Any activity prohibited by law, regulation, directive, or policy.

f. SAF disbursements may not be made for contracted services or goods without the review of contract terms and conditions by the DoDEA Regional OGC and the Regional Procurement Division.

**3.11. MAINTENANCE AND AUDITING OF SAF ACCOUNTING RECORDS.** DoDEA HQ, RMD will determine requirements for auditing and reporting. All schools must maintain and manage their SAF accounts using the automated online accounting system prescribed by DoDEA. Schools will maintain records and submit financial reports in accordance with DoDEA HQ, RMD Issuances. Schools will maintain SAF accounting records for auditing and review purposes for at least four years. Personnel will maintain these records in the online accounting system in accordance with the standards, practices, and reporting procedures prescribed in this Issuance and will include the following:

a. Auditing. DoDEA HQ, RMD will be responsible for meeting the requirements of auditing SAF accounts and will provide copies to the DASD (MC&FP), as required.

b. Receipts. School SAF accounts will record funds received for deposit to the SAF and identify the student activity group responsible for the collection of those funds. The receipt journal must cross-reference each bank deposit to the applicable pre-numbered receipt.

c. Disbursements. School SAF accounts will record funds disbursed by check number, amount, payee or vendor, and identify the student group responsible for the costs incurred.

d. General Ledger. The purpose of this ledger is to record SAF transactions and provide a basis for preparation of financial statements. The General Ledger will be supported by the records identified above.

### **3.12. FINANCIAL REPORTS.**

a. As of the last day of each month, the SAF Bookkeeper will prepare the online-automated report of SAF receipts and disbursements, by student group, reflecting the account records maintained in the online-automated accounting system. The SAF Bookkeeper will post the report in a public area at the school no later than the 20th day following the close of the month. Each student activity group will receive a copy of the monthly report. The SAF Bookkeeper will also prepare a school SAF financial report including a statement of income and expenses and a balance sheet by the 20th day following the close of the month. This report will be prepared using the online-automated accounting system and sent to the Fund Council for review and approval.

b. At the end of the school year, the SAF Bookkeeper will prepare and submit the automated reports to meet requirements of the DoDEA HQ, RMD for NAFI auditing and/or reporting. Annually, DoDEA HQ, RMD will communicate requirements via the District offices.

### **3.13. BANK ACCOUNTS.**

a. Schools will establish SAF accounts in accordance with this Issuance and the approved SAF Charter.

b. SAF will be held in financial institutions (banks/credit unions) and when feasible, in financial institutions with their principal headquarters in the United States. Both dollar accounts and local currency accounts are authorized.

c. All bank/credit union accounts must be in the name of the school SAF. When the checking or saving account earns interest, the interest will be retained in the SAF General Fund for the benefit of students.

d. The school SAF will maintain a checking account in financial institutions that provide monthly bank statements. Schools may reconcile bank statements with online-automated SAF accounting records using hard copy bank statements or online bank statements, if online banking is available.

e. The Activity Sponsor and SAF Custodian must approve withdrawal of encumbered funds.

f. The Fund Council or SAF Custodian must approve withdrawal of unencumbered funds by the SAF Custodian. Requests to withdraw such funds must include a justification for the expenditure. Funds should be spent in a way to serve the majority of the student body and not just a group of students.

### **3.14. RECEIPT AND DEPOSIT OF FUNDS.**

a. Schools will manage SAF accounts and maintain records and receipts in the automated online accounting system. All receipts should be reported and accounted for by the SAF Custodian and kept in the school online record for at least four years. The SAF Custodian and



SAF Bookkeeper must have access to online reports on demand for receipt transactions and SAF related activity.

b. The SAF Custodian will deposit cash and checks daily, when possible, at the financial institution. The SAF Bookkeeper will not make deposits unless the SAF Custodian, or designee, originates the deposit slip.

c. The SAF Custodian will count cash collections, in the presence of the person turning in the funds and complete a receipt (in the online system or hand receipt), sign the original receipt and provide it to the person who turned in the funds. The receipt will contain the name of the person turning in the funds, the student activity group responsible for the funds, the source of the funds, designation of encumbrance if applicable, and the date of the receipt. The receipt provides a written record of the source of the funds for accounting purposes.

d. Once a receipt has been written, it will not be destroyed. If an error is discovered, the receipt will be voided and initialed by the preparer. All copies will be retained in the SAF records and documented in the online-automated SAF accounting system.

e. All checks received will be payable to the SAF and immediately endorsed with a restrictive endorsement containing the words "For Deposit Only" and the name of the school SAF. Receipts will be provided for checks received.

f. The SAF Bookkeeper will record receipts in the online-automated accounting system daily, when possible, but within 3 working days, from the date of receipt.

g. The SAF Custodian will deposit cash receipts intact. The SAF Bookkeeper will cross-reference receipts to each deposit for reconciliation purposes.

h. Disbursements must never be made from cash receipts. All disbursements must be made by check, except for cash from the petty cash fund. Checks will not be made payable to "cash", nor to the (SAF Custodian), except for replenishment of petty cash.

i. Cashing of personal checks is prohibited. Personal checks may not be cashed from cash receipts, change funds, petty cash funds, or any other SAF funds.

j. All checks will be supported by an invoice or receipt and will be properly authorized.

k. Students are not to be authorized or designated to deposit or transport funds between the school and the financial institution or to deliver payments to creditors or vendors.

l. An individual designated by the SAF Custodian will control serially numbered tickets as well as receipts from sales and donations for admission to school events. This person will manage tickets and cash. Students under the supervision of this individual may make collections at such events.

### **3.15. SIGNATURES ON CHECKS AND WITHDRAWAL OF FUNDS.**

- a. The Fund Council will designate, in writing, those individuals authorized to sign checks and withdraw funds. The designees will include, not exclusively, the SAF Custodian and the School Principal.
- b. All checks must bear two signatures, one of which must be the SAF Custodian, or designee.
- c. The SAF Bookkeeper is not authorized to sign checks.
- d. Checks are not to be signed until both the payee and amount spaces are completed.

**3.16. BANK STATEMENT RECONCILIATION.** The SAF Bookkeeper will obtain monthly bank/credit union statements electronically or via mail. The SAF Bookkeeper will review the monthly bank/credit union statements, the canceled checks, and other statement documents, and reconcile the online SAF accounting system within 3 working days of the receipt of the statement. The SAF Bookkeeper will present the monthly reconciliation to the Fund Council for review and approval. The Principal, DSO and DoDEA HQ, RMD may review reports, records and reconciliations via the DoDEA online-automated accounting system at any time.

**3.17. SHORTAGES AND DISCREPANCIES.** Any shortage or discrepancy in the SAF assets, cash receipts, or accounts, will be reported promptly to the SAF Custodian, the Fund Council, the School Principal, DSO, and DoDEA HQ, RMD by the individual discovering the shortage or discrepancy.

**3.18. REMOVAL OF RECORDS FROM SCHOOL PREMISES.** SAF records will be kept using the automated-online system prescribed by DoDEA. Written and printed financial records should be limited and may not be removed from school premises. This applies both to formal records, such as journals and ledgers, and supporting documents, such as bank statements, canceled checks, paid invoices, check stubs, and receipt books. In the event that unusual circumstances require an exception to this rule, the SAF Custodian must authorize such removal, in for the form of a copy of the original documentation, in advance and in writing, specifying the dates to which the authorization applies. Under no circumstances should the original accounting records be removed from school premises. The copies of records must be returned to the school at the start of the next workday so that they are available during working hours.

**3.19. PROTECTION OF FUNDS IN THE SCHOOL.** The Fund Council is responsible for ensuring that the SAF complies with this Issuance and the approved SAF Charter.

**3.20. TRANSFERS BETWEEN STUDENT ACTIVITY GROUPS.** Transfer of fund balances between Activity Funds and/or to the SAF General Fund must be approved by the

Activity Sponsor and Fund Council. Supporting documentation of this authorization must be retained in SAF records, and/or Fund Council minutes.

**3.21. DESIGNATIONS, DELEGATIONS, AUTHORIZATIONS, AND DISSOLUTION.**

All written designations, delegations, authorizations, and dissolution concerning the SAF will be kept with SAF records, filed and kept for at least four years, available for examination, at any time, by DoDEA or external auditors.

**3.22. DISSOLUTION OF THE SAF.**

a. In the event a SAF is to be dissolved, the Fund Council will comply with DoDEA HQ, RMD requirements concerning the accounting records and management of funds.

b. If it becomes necessary to dissolve the SAF, unexpended balances will be returned to the donors. Unexpended balances of student revenue producing activities will be distributed or used for the benefit of the student body in a manner decided by the Fund Council.

c. Fund Council members will be informed that financial liability incurred by their association may ultimately result in individual personal financial responsibility if the SAF fails to discharge obligations, even though the fund may have been redesignated or dissolved. The Fund Council will be responsible to inform the District Superintendent of the necessity of abolishing the fund and request approval in writing. The Fund Council should inform the Superintendent as timely as possible so that the Superintendent may inform DoDEA HQ, RMD.

## GLOSSARY

### G.1. ACRONYMS.

ADF&BO	Associate Director of Financial and Business Operations
DASD	Deputy Assistant Secretary of Defense
DSO	District Superintendent Office
F&BO	Financial and Business Operations
HQ	Headquarters
MC&FP	Military Community and Family Policy
NAF	Nonappropriated Funds
NAFI	Nonappropriated Funds Instrumentality
OGC	Office of General Council
RMD	Resource Management Division
SAF	Student Activity Fund

### G.2. DEFINITIONS.

**Appropriated Funds.** Government monies that have been designated and recorded by the Congress of the United States for a particular use, to the exclusion of other uses.

**Encumbered Funds.** Funds obtained for a particular activity to be used for that activity alone. Withdrawals may be made from encumbered funds only with the approval of the Activity Sponsor of the student activity group and the Fund Council. The Fund will be the depository for encumbered funds. Also called the Activity Fund.

**Nonappropriated Funds.** Government monies and assets from sources other than monies appropriated by the Congress of the United States. NAF are separate and apart from funds recorded in the books of the Treasurer of the United States. NAF will be administered only through the auspices of a NAFI. NAF are designated for the collective benefit of authorized patrons and the purpose of the NAFI and will be managed in accordance to the NAFI and DoDEA guidance. Individuals, units, organizations, installations, or commands will have no proprietary interests in NAF or other NAFI assets.

**Nonappropriated Funds Instrumentality.** A DoD organizational and fiscal entity supported in whole or in part by NAF. A NAFI, as an instrumentality of the U.S. Government, enjoys the

same immunities and privileges as the U.S. Government in the absence of specific Federal statute. It is not incorporated under the law of any State, but has the legal status of an instrumentality of the United States in accordance with DoD Instruction 1015.15.

**Unencumbered Funds.** Funds not reserved for one particular purpose. These funds may be acquired from such agencies as the Parent/Student/Teacher Association, and Military Organizations, derived from the interest of the SAF bank account, or derived from the sale of tickets from football games, basketball games, dances, etc. Funds may be used for a variety of school-sponsored student activities. The Fund's general account will be the depository for unencumbered funds. Also called the SAF General Fund.

## **REFERENCES**

- Dependent Schools Regulation, 5550.9, “Department of Defense Dependents Schools Compensation for Extra-Duty Assignments,” October 7, 1988
- DoD Instruction 1015.15, “Establishment, Management, and Control of Nonappropriated Fund Instrumentalities and Financial Management of Supporting Resources,” March 20, 2008
- DoDEA Administrative Instruction 7241.01, “Acceptance of Gifts for Schools Operated by the Department of Defense Education Activity,” August 15, 2012
- DoDEA Procedural Guide 14-PGRMD-020, “DoDEA Processes for Extra Duty Compensation and Extracurricular Duty Assignment,” August 27, 2014

## APPENDIX

### APPENDIX 1: SAMPLE STUDENT ACTIVITY FUND CHARTER CONSTITUTION AND BYLAWS

#### PART I – CONSTITUTION

##### ARTICLE I – NAME

The name of this association is the *(name of school)* Student Activity Fund, hereinafter referred to as “The Fund.”

##### ARTICLE II – AUTHORITY

The Fund is a nonappropriated fund activity under the approving authority of the District Superintendent. The Fund operates in accordance with DoDEA Administrative Instruction 1015.01 and this Charter.

The Fund Council manages the Fund under the administrative control of the Principal and SAF Custodian.

##### ARTICLE III – PURPOSE

This Fund will maintain nonappropriated funds used by the school for the promotion of worthwhile student extracurricular activities and managed in the SAF account in accordance with the DoDEA Administrative Issuance 1015.01.

##### ARTICLE IV – ORGANIZATION

The Fund Council will consist of *(insert the number)* members selected based on *(insert the school-specific rationale for selecting Council members)*. There is a quorum when *(insert the number equal to two thirds of the members)* are present.

##### ARTICLE V - AMENDMENT TO CONSTITUTION AND BYLAWS

Subject to final approval by the District Superintendent or his/her designee, the Constitution and the By-Laws of The Fund may be amended by an affirmative vote of two-thirds of the voting members of the Fund Council.

##### ARTICLE VI - EFFECTIVE DATE OF CONSTITUTION AND BYLAWS

Following adoption by an affirmative vote of two-thirds of the members of the Fund Council, this Constitution and By-Laws will become effective on the day that it is approved by the District Superintendent. This Constitution and Bylaws supersedes previous Constitutions and Bylaws of the *(name of school)* Student Activity Fund.

## PART II – BY-LAWS

### ARTICLE I – MEETINGS

SECTION I. The Fund Council will meet at least once a quarter or more frequently with no less than two thirds of voting members present. The SAF Custodian, unless specified otherwise, will preside at the Fund Council meetings.

SECTION II. Except for amendments to the Constitution and By-Laws, decisions of the Fund Council will be by majority vote of a quorum of members present.

SECTION III. The SAF Custodian will sign Fund Council Meeting Minutes and retain them with SAF records and documentation for four years following the close of the school year. SAF records and documentation will be available for examination when and if required by the DSO or DoDEA HQ, RMD.

### ARTICLE II - FUND COUNCIL

The Fund Council is responsible for the operation and administration of the Fund in accordance with the Administrative Issuance 1015.01 (Student Activity Funds Management and Administration) and this Charter. In addition, *(insert any school-specific responsibilities not included in the AI).*

### ARTICLE III - SAF CUSTODIAN

The SAF Custodian is accountable for disbursements and deposits of funds. The SAF Custodian will follow the processes and procedures of the Administrative Issuance 1015.01 (Student Activity Funds Management and Administration) and this Charter. In addition, *(insert any school-specific responsibilities not included in the Administrative Instruction).*

### ARTICLE IV - BANKING AND DISBURSEMENT

Banking and disbursement will be consistent with the DoDEA Administrative Issuance 1015.01 (Student Activity Funds Management and Administration) and the approved SAF Charter. *(Insert any school-specific information.)*

### ARTICLE V – AUDITING

Auditing and reporting will be performed consistent with the DoDEA Administrative Issuance 1015.01 (Student Activity Funds Management and Administration) and this Charter. *(Insert any school-specific requirements.)*



We, the members of the (*Name of School*) SAF Fund Council, hereby affix our signatures in approval of the Constitution and By-laws.

(Fund Council Member) Parent Name, Title: \_\_\_\_\_

(Fund Council Member) Faculty Name, Title: \_\_\_\_\_

(Fund Council Member) Student Name, Title: \_\_\_\_\_

Recommend Approval/Disapproval:

Principal Name, Date: \_\_\_\_\_

APPROVED/DISAPPROVED:

District Superintendent Name, Date: \_\_\_\_\_