

THE UNIVERSITY OF OKLAHOMA
GRADUATE COLLEGE

A PROPOSED PROGRAM OF ACCOUNTING FOR THE EXTRACURRICULAR
ACTIVITY FUNDS IN THE PUBLIC SECONDARY
SCHOOLS OF OKLAHOMA

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A PROPOSED PROGRAM OF ACCOUNTING FOR THE EXTRACURRICULAR
ACTIVITY FUNDS IN THE PUBLIC SECONDARY
SCHOOLS OF OKLAHOMA

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CHAPTER I

INTRODUCTION

History does not reveal to us the beginning of the extracurricular movement in our country. As the early settlers were busy clearing the land, establishing homes, and earning a living, they had little time for the establishment of schools. When the colonists did establish their schools, they followed the only plan they knew--the one they brought with them from Europe. The extracurricular activities in their schools came about because of tradition.

It was not long until attempts were made to include activities primarily because of their functional value to the school and to the community. For instance, teachers took a keen interest in their pupils as individuals and exercised many of the functions of guidance which are an integral part of good home room programs; they took field trips, organized and led literary societies for youth and adults in the community, gave instructions in singing after school and in the

evening, and at recess time and during the noon hour encouraged games in which the teachers often participated.

During the twentieth century the extracurricular program has had a rapid growth. With large numbers of students participating in extracurricular activities, it can be assumed that the interest was great. The students demonstrated their enthusiasm for the extracurricular program by their participation and efforts in raising funds for its support.

Background of the Problem

Some authors suggest the year 1920 as being the approximate beginning of a rapidly changing attitude toward and development of the extracurricular field. Anderson, Grimm, and Gruhn point out the changing philosophy toward the extracurricular field:

In the last twenty-five years a considerable change has taken place in our point of view concerning "extracurricular" activities. More and more we have come to see that these activities have a significant contribution to make in the educational growth of the child. For instance, the child may make far more growth in effective speech skills through participation in debate than in an English class; the school band may contribute more to growth in music appreciation than the more formal music class; the school paper may give much more opportunity to develop writing skills than the English class; and growth in certain citizenship qualities may result from school clubs as well as from social studies class.

The realization that these activities have significant educational values has encouraged educators to attach greater importance to them. It is now believed that these activities should not be considered as "extra," but that they should form a well-integrated part of the school curriculum. This principle is in harmony with the present thinking that the curriculum includes all the

educational activities provided under the supervision of the school. In harmony with this point of view we shall call these activities "extraclass" rather than "extracurricular," to distinguish them from those activities which form a part of the usual classroom program.¹

With the unusual growth of the extracurricular activities program in the secondary schools during the recent years, there has appeared a great increase in the number of different accounts and student funds that have no regular place in the accounting system of the public secondary schools. The aggregate of these funds is so great that school administrators must find adequate means of supervising and accounting for them.

These activity programs were first initiated by the students with very little, if any, supervision by the school authorities; each of the student activities had its own method of accounting for funds. In such cases, the accounting records, if any existed, were difficult to obtain when wanted. To audit these accounts was generally impossible. Through an indifferent attitude or lack of integrity, thousands of dollars of these extracurricular activity funds are lost each year. The students in these schools fail to receive the proper training in the accounting of public funds. Some of the activities receive more money than they need, while others are bankrupt. The great evil in this method

¹V. E. Anderson, P. R. Grimm, and W. T. Gruhn, Principles and Practices of Secondary Education (New York: The Ronald Press Company, 1951), p. 212.

of handling the extracurricular activity funds is that the students are subjected, and sometimes yield, to the temptation to misappropriate funds. From these and other situations there arise many problems in the financing and accounting for the extracurricular activity funds.

Since the extracurricular program has become such an integral part of school systems today, it is important that it be given sound administrative guidance and that every effort be made to have the best extracurricular program possible. Adequate financing of this program is necessary and often funds are limited. The administration must consider how funds can be secured for financing this aspect of the educational program. The sources of the extracurricular funds are many and varied, and every effort should be exerted to account reliably for all the moneys received. The administration should also set up policies concerning the methods used in raising and spending funds.

Statement of the Problem

The problem of this study is to propose a sound system of accounting for the extracurricular activity funds in the public secondary schools of Oklahoma.

In order to accomplish the purpose of this study a number of sub-problems needed to be investigated. It was deemed necessary to identify the laws and regulations pertaining to accounting for the extracurricular activity funds established by the various states. It also seemed that it

was essential to investigate current practices in Oklahoma, identified in relation to principles recommended in authoritative literature, so that a sound and applicable system of accounting for these funds could be developed for the schools of the state.

In addition it seemed that it would be significant to determine the degree of acceptance of financial responsibility for these funds by the Boards of Education and the amount of money devoted to the activity funds.

Need for the Study

Since large amounts of money are raised each year in secondary schools for extracurricular purposes, some kind of sound financial accounting becomes necessary. School administrators should not permit students to raise money through unsupervised procedures. The expenditure of these funds by students in any way they choose, without some policies, is not educationally sound.

Miller, Moyer, and Patrick point out the definite need for sound financial accounting of the extracurricular funds.

Sound financial administration is essential to the development of an educationally acceptable curricular program. One of the chief objectives should be the securing of the best curricular program possible within the limits of the financial resources available. Since in most high schools the sources from which the funds secured are many and varied, every possible effort should be made to reliably account for all the money received. Being, in most instances, voluntary contributions and limited in quantity, it is significantly

important that adequate controls be established over methods used in raising and spending funds.

By nature the program is intended to bring the maximum number of experiences to students. This means that, as far as possible, the controls and methods employed in administering the financial aspect of the program should be made the responsibilities of students. This sharing of responsibility results in many students exercising some control over activity funds. They also are required, by the nature of the task assigned, to employ some procedure in accounting. Unless some well defined and workable organization is established within the school, the financial affairs of the curricular program could and too often do become the principal's "nightmare." Indeed it can become the entire student body's "nightmare."

The type of organization needed to administer the financial affairs of the cocurricular program will best be determined by the local program of activities in the school, by the preparation of the student body to assume responsibilities, and by the extent to which the school administrator feels secure in instituting democratic procedures within the school.¹

The accounting of extracurricular activity funds is no little responsibility, and the administration of a school system, whether it be large or small, must accept this responsibility. The public and its representatives, the board of education, look to the administration for accurate accounting and reporting of the financial conditions of these funds. The school administrator must merit the confidence placed in him by the public through the board of education by honest and accurate accounting of all funds for the extracurricular activity program. These reports can be made only when complete and accurate records are kept.

¹Franklin A. Miller, James H. Moyer, and Robert B. Patrick, Planning Student Activities (Englewood Cliffs, N. J.: Prentice-Hall, Inc., 1956), pp. 121-122.

Sound financial accounting of the extracurricular activity funds, which is a prudential function, is absolutely necessary for good management of the business affairs of the school. The financial accounting of these funds depends upon sound policies set up by the board of education. To carry out good budgetary procedure, an adequate and accurate financial accounting system must be installed. To a certain degree, all phases of the extracurricular activity program depend upon the accurate accounting of the funds raised by the students.

Closely associated with the principle of prudence are the principles of adaptability and flexibility. The system used for accounting for the activity funds should be flexible enough to meet the needs of the school and should be so constructed that it would be able to adapt to the changes of the school and the community. The school administrator should always keep before him the fact that accounting for these funds involves making a complete and accurate record of all accounting transactions of the funds placed in his trust.

When authority is delegated to students for the raising of extracurricular funds, this authority carries certain responsibilities. These responsibilities should be defined by the school administrator.

The students who are given authority and responsibility should be held accountable for the exercise of that

authority and responsibility. When public funds belonging to student groups are not properly accounted for, this tends to demonstrate educational dishonesty.

The people who support the extracurricular program with their money have a right to know how the money is expended. They have a right to demand sound financial accounting of all funds. They have a right to help determine the policies and regulations for the management of the activity funds. The school administrator who carelessly handles or fails to safeguard these funds is guilty of gross neglect and is unworthy of the position he holds.

This study was needed because of the increasing concern of state and local school officials and the general public for safe and economical handling of the extracurricular activity funds which amount to millions of dollars annually. This study was also needed to call to the attention of the State Department of Education the necessity for providing forms for the accurate accounting, auditing, and reporting of the extracurricular activity funds of each school in the state of Oklahoma.

Definitions of Terms

In the administration of the secondary schools, the principal encounters many problems of accounting for the extracurricular activity funds. These problems are associated with student organizations, exchanges, cafeterias, athletic funds, and all the other activities that raise

money.

For purposes of this study terms are defined as follows:

Extracurricular Activity. The learning experiences that the students select where no academic credit acceptable to regional accrediting association is given for student participation.

Extracurricular Budget. A plan of financial operation embodying an estimate of proposed expenditures for a given period or purpose and the proposed means of financing them.

Accounting. The theory and system of setting up, maintaining, and auditing the books of the extracurricular funds.

School Administrator. The high school principal will be referred to as the school administrator.

Finances. All the funds received from any source for the support of the extracurricular program.

Co-Curricular. The term co-curricular when used will have the same meaning as extracurricular.

Delimitation of the Study

This study is limited by:

1. Investigation of only state laws and state department of education regulations in the various states;
2. Investigation of current practices only in the public secondary schools of Oklahoma; and

3. Consideration of source, disbursements, and accounting for extracurricular activity funds.

Sources of Data

The data for this study were received from the following:

1. A study of the research and literature in the field of school finance was made to discover the practices and forms used in accounting for extracurricular activity funds and to develop a set of best practices on which a plan was devised.

2. The State Departments of Education in all fifty states were contacted to secure the available information as to laws, board of education policies, attorney general opinions, and work that had been done in financial accounting of the extracurricular activity funds in each state.

3. A questionnaire was sent to all the public secondary schools in the state of Oklahoma to identify the practices in accounting for the extracurricular activity funds.

Procedure

In order to identify desirable practices, a survey of literature was undertaken. Those principles, practices, and procedures on which authorities were in consistent agreement were accepted as the bases from which a questionnaire was developed. During October, 1959, this questionnaire was distributed to the 602 public secondary schools of

Oklahoma in order to determine the current practices as compared with authoritative recommendations. Returns were received from 350, or 58 per cent, of the public secondary schools.

Information as to the regulations of extracurricular activity funds was obtained from a perusal of state laws and State Department of Education regulations as provided by the State Superintendent's office in all of the states except Nevada. A summation of the required practices in all states, when such practices were not prohibited by Oklahoma law, was used to furnish additional background for a proposed system for Oklahoma. It was thought that many worthwhile suggestions could be developed from the practices of other states, from which a consistent system of accounting might be proposed.

Forms used in various Oklahoma school districts and forms provided by other State Departments of Education were examined in order to secure suggestions for forms that might be applicable in Oklahoma.

The philosophy of school administrators, and the status of financing and accounting in Oklahoma were examined. From this information concerning the existing situation it was then possible to determine the accounting forms to be maintained and what deficiencies should be remedied.

From the information gleaned from the preceding investigations, and in keeping with Oklahoma law and State

Department of Education regulations, forms were then devised for an accounting system of the extracurricular activity funds for the public secondary schools.

Organization of the Study

The literature in the field of accounting for the extracurricular activity funds was examined and reviewed.

The status of accounting for the extracurricular activity funds of the various states was analyzed. The states were divided into three groups--those with definite laws defining the methods to be used for the accounting of the extracurricular funds; those with policies by the State Board of Education as to the methods of accounting for the extracurricular funds; and those states without laws or policies.

A questionnaire was used to determine how the public secondary schools of Oklahoma account for their extracurricular funds.

A program of accounting for the extracurricular activity funds has been proposed for the public secondary schools of Oklahoma. The program of accounting proposed for the public secondary schools of Oklahoma was developed from the practices described in the literature by the authorities on accounting for extracurricular activity funds.

A summary of the study, conclusions, and recommendations have been presented.

A selected bibliography listing some of the pertinent reference materials used in the study was prepared. Appendices which include copies of forms used in accounting and a copy of the questionnaire used in this study are attached.

Review of Selected Related Literature

From the literature, information was found dealing with all phases of the extracurricular program. Almost all of the authorities in the field discussed the accounting of extracurricular funds. As books and articles dealing with this subject were entirely too numerous to review in detail, only a selected few are discussed here.

Fretwell in his book, Extra-Curricular Activities in Secondary Schools, had the following to say about the finances of the extracurricular activities:

Instead of being annoyed by the difficulties of the extra-curricular finances in high schools, principals and teachers should welcome the opportunities these difficulties present for education of both teachers and pupils. It is the business of the school to organize these extra-curricular finances so that they may furnish favorable opportunities for the members of the school to practice with satisfaction now the earning, safe-keeping, and wise spending of money--Here they are: budgets to make, accounts to keep, banks to establish and operate, money to earn always and sometimes a surplus to invest, audits to make and financial statements, tickets to print and sell, change to make and gate receipts that must check up, secretarial service that can be supplied. Here is waiting a real laboratory of business experience. Some pupils wisely guided can learn real business by assuming definite responsibilities and putting their training to the test. The members of the whole school, by their personal interests in the financial problems of one or more activities, can get some actual training, and in all cases they have an opportunity to appreciate ideals of business procedure in operation. Fortunately,

an increasing number of schools are welcoming eagerly these opportunities for the school citizen to live intelligently financially here and now.

The earning, safe-keeping, and wise spending of money is for many people a source of irritation. This private grief is carried over into public affairs, with the result that many discussions of extracurricular finances in times not wholly gone by have been a chorus of lamentations.¹

Fretwell made the following claims for budgetary control:

1. It requires all extracurricular activities to organize or reorganize on a business basis and to follow definite well-understood business methods.

2. It requires activities to live within their income.

3. It tends to develop a better balanced extracurricular program.

4. It tends to encourage worthy but nonrevenue-producing activities by providing for them.

5. It conserves the time and energy of teachers and pupils by eliminating many drives, "entertainments" put on to raise money, and "pep" meetings.

6. It prevents the raiding of the financial sources of the school by those popular activities that come early in the year.²

A plan for handling extracurricular funds was proposed by Cox and Langfitt:

A plan is not difficult to work out, whereby activities with considerable expense and little income, such as the orchestra, share in the profits of every entertainment to which they contribute; in the same way the band frequently shares in the athletic income. Expenditures are then made only with the approval of designated faculty sponsors and all surpluses are turned over to the student council for general school purposes.

A further elaboration of this plan calls for a minimum and maximum budget, planned and approved in advance. The student council, if there is certain income assured,

¹Elbert K. Fretwell, Extra-Curricular Activities in Secondary Schools (Boston: Houghton-Mifflin, 1931), p. 469.

²Ibid., pp. 444-445.

then guarantees the group the amount of its minimum budget; the organization may spend the maximum if it can obtain the necessary funds, but funds in excess of the maximum budget must be turned over to the council. The expenditure of funds is then in the hands of the organization treasurers, who may be allowed a petty cash fund of ten dollars, or so, which is replenished on the presentation of vouchers approved by the faculty sponsor.

The school funds are, however, retained by a student-faculty committee, which pays by check all approved larger bills within the appropriation. A monthly statement is made, by the fund committee or "bank," to each organization showing the appropriation, the amount expended up to the first day of the preceding month; the amount expended during the month; and the balance on the first day of the new month. With increasing frequency, however, schools are merging all treasuries.¹

This procedure can prove valuable to pupils as a learning experience. In many secondary schools budgetary procedures are required. The pupils prepare the budget for their organization and make decisions concerning the raising and spending of funds. These budgets and decisions are submitted to the student council which acts upon it or refers it to its finance committee for examination and recommendation for approval to the council. The council then prepares a composite budget of all the student organizations in the school and supervises, through its central treasurer or its finance committee, the expenditures of the funds by the organizations included in the over-all budget. Such responsibility is an excellent preparation for democratic living.

For efficient business operation, a budget is essential. Chris A. De Young stated:

¹P. W. L. Cox and R. E. Langfitt, High School Administration and Supervision (New York: American Book Company, 1934), pp. 500-501.

Too often, extracurricular organizations "go into the red" because of poor initial planning of finances. Each group ought to prepare a budget consisting of its proposed program of activities, estimated expenditures, and proposed receipts. Furthermore, a central committee should draw up one consolidated budget for all the school activities. Aside from its function as a control, the budget has a definite education value if the students participate in planning and executing it.¹

The following is an account of some of the procedures used as a uniform system in all the secondary schools of the Long Beach Unified School District in California as described by E. L. Hendrix, the Chief Accounting Officer for that district:

A complete manual of accounting procedures should be prepared by the accounting division of the business department, showing complete chart of accounts, and describing the use and the method of handling the account for each activity. All forms approved for use should be shown and described in the manual accompanied by a full description of the application and use of each form. The manual should cover methods of handling and accounting every activity of the student body and auxiliary organization. It should be a complete guide and handbook for all who handle the finances or business in any degree, and all should be required to comply with its provisions. . . . There should be inaugurated a system of numbered purchase orders, and a plan of acknowledged receipt of goods and services, all clearing through the student body office. When activities are numerous, or involve considerable value, a budget control system should be properly maintained.

Admission tickets for all pay events should be properly designed and printed in conformity with legal requirements (if any). They should be prenumbered and be accounted for by numbers and amounts. All unsold tickets, together with printer's statement of printings, should be kept.

¹Chris A. DeYoung, An Introduction to American Public Education (New York: McGraw-Hill Book Company, 1950), p. 487.

All cash income should be receipted for at source, in full and the total banked--no disbursements of any kind should be permitted from unbanked income. Prenumbered receipt forms may be consigned to individuals acting as collectors for organizations or activities. Special ticket report forms should be used where tickets sales are involved. Complete control, as well as by consignments, should be maintained on the number and value of such numbered forms. The supervising accountant recognizes that proper handling of cash from source to bank is most important, and he is constantly on the alert to see that prescribed procedures are properly maintained. . . . Audits should be in reasonably sufficient detail to disclose the true facts. In all cases, cash should be tied together from one period to another; bank records reconciled with the books; tickets, receipt forms, and all other numbered documents accounted for; cash register readings checked and reconciled. Reasonable check should be made of minutes of meetings of the various organizations, and follow-up made on important matters. In auditing disbursements, care should be taken to see that authorizations for expenditures are in order; that settlements are made from invoices and purchase order documents and not from vendor's statements. Auditors must always be alert to see that expenditures have been made for the benefit of the students and not for the benefit of the district or the school employees, and that the actual business of the organization has been performed by students. Fidelity bonds and insurance policies should be checked, and inventories scrutinized. Surprise cash audits should be made occasionally.

. . . .
It is incumbent upon the supervising accountant to see that all these methods and processes are complied with; to audit all records of all organizations; and to report to higher authority such irregularities as may be out of the scope of his authority to handle.¹

Robert R. Halley, financial adviser to the student council of Avenal, California, High School, enumerated the following criteria for a good budget:

1. A good student-body budget should have a balance to carry forward approximately equal to the balance

¹E. R. Hendrix, "Supervision of Student Body Accounting," California Journal of Secondary Education, XXVI, No. 2 (February, 1951), pp. 110-112.

brought forward.

2. The budget should be made from September to September rather than September to June.

3. Each budget should contain an emergency fund to permit unanticipated expenditures.

4. A student-body budget outlines many of the student-body activities for the year. The work in developing a budget should come after the student council has established its goals for the year.

5. If the income on the budget is dependent in part on the sales of tickets to athletic events, the question of the price of tickets arises.

6. The student-body budget should, of course, be created by the students, with advice and help from their financial adviser.¹

Many schools have a central treasury into which all funds from all student organizations are paid and from which all disbursements are made for these organizations. C. W. Ehnes made the following observations as to why the school should have a central treasury and as to what duties a good central treasury should perform:

Every high school that has a considerable number of activities should have a central treasury because:

1. The principal of the school and many times the superintendent of schools and members of the school committee should know at any moment just what is happening concerning certain funds controlled by high-school organizations.

2. While most boys and girls in charge of separate activity treasuries would not think of misappropriating funds, there are a few large high schools in which it has happened. Laws regarding embezzlement of funds are much more severe than for theft.

3. The service charges on small bank accounts make it too expensive to run a separate account for each activity.

4. Standardization of procedures in financial matters is viewed favorably in the public's eye.

¹Robert R. Haley, "Criteria of a Good Student-Body Budget," The Clearing House, XXVI (September, 1951), pp. 28-29.

5. While teachers are invaluable as social guides for student groups, frequently as financial advisers, they are absolute failures.

A good central treasury should comply with the following:

1. The treasurer should handle no money except possibly to secure from a bank the small amount that is necessary from time to time for petty cash fund.
2. No large amounts of money should ever be accumulated and held at the school.
3. There must be a good system of internal check, making it impossible for the treasurer to misappropriate funds without detection within a short time.
4. Withdrawals from savings accounts should require the signatures of the treasurer and one other authorized person.¹

Ehnes further outlined the essential features of the central treasury system of the Brookline, Massachusetts, High School of which he was principal:

1. The head of the business department is the specially qualified and bonded adult member of the school staff to act as general treasurer.
2. A single activity bank account (checking) for all organizations of the school.
3. Monthly statement of affairs issued and distributed to the assistant treasurers of all organizations, the superintendent of schools, the school board, and the headmaster, which shows receipts, disbursements, cash balance of all organizations, saving account balances, and money invested in government bonds.
4. An annual report to the superintendent of schools and the school board from the athletic association showing a detailed analysis of expenditures and receipts.
5. A semiannual audit (February and June) of all the student treasurer's books by the senior bookkeeping teacher of the business department.
6. A yearly "on-the-spot" audit by a certified public accountant authorized by the school board.
7. A suitable system of organization, accounting, and routine of administration to which all student activity treasurers are specially trained, and this in turn conforming with the construction and supervision

¹C. W. Ehnes, "Central Treasury for All Activities," The Clearing House, XXVI (September, 1951), pp. 30-34.

of the central treasury organization.¹

Mort and Reusser recommended that the accounting be placed under the supervision of the principal, with opportunity for student participation because of the valuable training they will receive.

The rapid growth of school clubs and other extra-curricular activities--school lunchrooms, cafeteria service, and bookstores--have created the problem of the management of funds used within the school system. In some instances boards of education have included receipts and expenditures of such funds in the regular accounting system by providing for a revolving-fund account, whereas in others there is a complete separation of these funds from the school funds handled by the board and its officers. In schools that account for these funds separately, the internal accounts are usually placed under the supervision of the principal or a high school teacher, who makes reports to the superintendent and the board of education. Another way is to have all internal funds kept by a school book-keeper under the direction of the principal, with monthly reports to and an annual audit by the superintendent of schools or the board of education.

In addition to the purposes served by the usual internal accounting procedures, they offer an excellent opportunity for training students in business responsibilities and giving them practice in handling financial affairs. When all receipts from high school activities, such as clubs, student publications, plays, and operas, are deposited in the school account to the credit of the various organizations and expenditures are made by voucher drawn by the student treasurer and countersigned by the sponsor of the activity, a complete accounting is made of all receipts and expenditures and students have received valuable training in the business methods involved. One bank account is usually sufficient when receipts and expenditures are separated for the various organizations. The internal accounting budget should show the estimated receipts from and appropriations to each activity as well as the estimated expenditures. It is seldom that activities are self-supporting; some have greater receipts than others, but in the over-all budget,

¹Ibid.

a fair estimate should be made of the needs of each activity and funds to be collected or appropriated.¹

Reeder, in his statement of principles dealing with extracurricular activities, recognized the principle of supervision by the school of all extracurricular activity funds and accounts.

Most extracurricular organizations and activities receive and spend revenue. The amount of money which they annually take in and pay out varies from a few dollars in the small schools to several thousand dollars in the large schools. In most schools, athletic events are by far the chief source of revenue. This condition may be largely responsible for the overemphasis on winning teams.

Whether the amount of money be large or small, the schools must exercise supervision of it. No school organization can justly claim that, since it has earned its own money, it should be permitted to expend it in any manner that it chooses.

School supervision of the finances of all extracurricular activities is recommended for two reasons. In the first place, supervision begets a more economical expenditure of the funds. Under complete student control, there is the ever-lurking danger that the funds will be unintentionally, or sometimes criminally, wasted. To permit the waste of funds is not fair to the large group which furnishes the funds, nor does waste inculcate good habits in the students responsible for it. In the second place, supervision guarantees the financial integrity and protects the reputation of those persons who handle the funds. Without a proper system of audits and of public reports of funds, defalcation on the part of persons who keep the funds is risked, and what is more to be deplored, the reputation of honest persons are likely to be besmirched by scandalmongers. Even teachers and school officials, who often find it necessary to assume control of these funds, must take heed lest "whispering campaigns" be launched against their financial integrity. All accounts should be so kept that no one, at any time or at any place, could legitimately question

¹Paul R. Mort and Walter C. Reusser, Public School Finance (New York: McGraw-Hill Book Company, Inc., 1951), pp. 248-249.

the fidelity to their trust of the persons who keep the accounts.¹

Douglass, in dealing with the accounting of extra-curricular activity funds, placed on the principal the responsibility of safeguarding activity funds.

Even more important is it for the principal to see that every fund of any sort entrusted to any student officer or faculty adviser of any student activity be the subject of an adequate accounting system. Experience has definitely shown that the failure to do this constitutes an invitation to dishonesty or carelessness, which not only is distinctly harmful training for young people but reflects discredit on the administration of the school.

A plan suggested by specialists in extracurricular activities and employed in a large number of secondary schools involves the depositing of all funds with a school or student-body treasurer and the keeping of separate accounts of receipts and expenditures by the treasurer of each organization. This person, preferably a member of the high-school teaching staff, should be bonded. In this plan, as it is frequently administered, the organization treasurer deposits all receipts immediately with the school or student-body treasurer, taking a receipt therefor. All receipts are recorded as separate items in the account kept by the organization treasurer, and numbered and signed receipts showing amount, date, and person for each payment are given by him to all persons making payments, often in the form of entries in books similar to bank books and kept by the treasurer of each organization.

Pupils or officers are authorized to incur indebtedness only by means of requisitions signed by the president or the secretary (whichever has been designated by the charter or constitution) and the adviser for that organization. The requisition form should on its face advise the person or firms to whom it is issued to file it as the basis for statement rendered to the organization or student body. It should be issued in triplicate, one copy for the central treasurer and one being kept by the organization treasurer. Payments for goods or services are provided by means of requisitions upon the

¹Ward G. Reeder, The Fundamentals of Public School Administration (New York: The Macmillan Company, 1951), pp. 620-621.

central treasurer for warrants or checks. These are to be issued only for items for which, as shown by his records, authorization or requisitions have been issued by the officials authorized by the organization and the faculty adviser. At stated intervals (probably monthly) the central treasurer should send to each organization treasurer a statement of the account of his organization showing receipts, expenditures, and balance.¹

In order to implement the judicious allotment of funds for the different activities of the secondary school, a good system of accounting should be in effect. Gruber and Beatty recognized this.

A single system of accounting will facilitate the handling of school funds and reduce the amount of error. Such a system will include at least five procedures; namely, the sale of tickets, the making of deposits with the school treasury, the disbursement of funds, the keeping of individual accounts by each organization, and the compiling of a general monthly statement of the status of the activity fund.

Tickets should be numbered consecutively and clearly marked with the purchase price. Accurate records should be made of ticket distribution, and tickets should be accounted for.

The financial policy of the school will determine whether money received should be deposited into a general treasury from which all funds are drawn, or whether they should be credited to the organization making the deposit. In any event the individual making the deposit should receive a receipt, made out in duplicate. The original is kept by the depositor, the carbon copy is retained by the school treasurer. If a receipt book with permanent bound carbon copies is used, the school treasurer has a permanent and complete record of all deposits made with him.

When an organization wishes to draw funds from its budget the treasurer fills out a "pay order" which, when signed by the faculty sponsor, is presented to the school treasurer for payment. If the request is granted, the school treasurer makes out a check which is signed by the proper authorities. The pay order and the school

¹Harl R. Douglass, Modern Administration of Secondary Schools (Boston: Ginn and Company, 1954), pp. 409-410.

treasurer's canceled check become the permanent records of the transaction.

In order to keep a systematic record of deposits and disbursements for each activity, a ledger sheet or card should be kept for every organization. The card should contain the signature of the organization's treasurer and faculty sponsor, the budget allowance, and information with regard to special rulings (if any) which apply to it. Receipts, disbursements, and budget balance should be recorded with the date of each entry.

Each month the school treasurer should make a detailed report in triplicate of the financial standing of each activity and of the activities fund. This report should be filed as a part of the treasurer's permanent record. One carbon should be deposited in the office of the principal or of the school board, and the other should be made available for examination by school organizations. Sometimes individual monthly statements are sent to the treasurer of each organization.

The main purposes of these procedures are (1) to keep an accurate record of school activity finance, (2) to make it possible for newly elected or appointed student officers to know the exact status of the activity fund when they assume office, and (3) to help the student activity program to operate within its budget.¹

Miller, Moyer, and Patrick had this to say about a plan for financing the extracurricular program:

Any plan for financing the cocurricular activity program of the school will be limited by the resources available whenever schools are required to rely entirely upon the funds that can be raised through the activities of cocurricular groups. The program, no matter how desirable an extension might be, must be restricted within the fund raising possibilities of the school. Moreover, a planned program of educationally sound cocurricular experiences for students must either be limited at any time to the funds on hand or be preceded by a drive to raise the necessary money. When separate group accounts are maintained and the program for the activity group must be financed from this account only, it becomes at times very difficult to control the many requests to engage in money raising efforts. By precedent, years of

¹Frederick C. Gruber and Thomas Bayard Beatty, Secondary School Activities (New York: McGraw-Hill Book Company, Inc., 1954), pp. 56-58.

organized scheduling, and proper demand within the community certain activities have gained priorities that place them in a favorable position for raising funds. Thus, the principal and his cocurricular committee often find that unless they are willing to run the risks incidental to curtailment of these activities in order to provide opportunities for other groups to raise funds, new and worthwhile projects cannot be considered.

To remedy this situation a number of high schools have established one central treasury account for the cocurricular program of the school. All funds raised by cocurricular group activities are deposited in this account. In the accounting system used, the individual groups are credited with the deposit, but expenditures from the fund are controlled by the cocurricular committee. The total funds are held to be school funds, and as such are used to support the total cocurricular program. This system of financing the cocurricular activities from a common school fund has the advantage of making it possible to finance particular worthwhile activities without restricting the program of other groups. In addition, it has another educationally sound feature--the training that students receive in cooperative living. In a democratic society where the common welfare of the group is held to be above that of the individual or small groups of individuals, this type of training makes a valuable contribution in the life of the maturing citizen.¹

¹Miller, Moyer, and Patrick, op. cit., pp. 132-133.

CHAPTER II

A SURVEY OF EXTRACURRICULAR ACTIVITY ACCOUNTING IN THE VARIOUS STATES

In June, 1959, a letter requesting information relative to methods and procedures used in accounting for extracurricular activity funds was sent to the superintendents in Departments of Education or Instruction in each of the fifty states. The following questions were asked--(1) Does your state have legislation or authorize a uniform departmental policy, or both, that regulates accounting for extracurricular activity funds of public schools within the state?, and (2) Have there been any opinions by the attorney general pertaining to the accounting of extracurricular activity funds within the state? If so, please send copies of the attorney general opinions. It was also requested that the department send any published laws, statements of departmental policy, or other published materials that would assist in studying the accounting of the extracurricular activity funds in the state. Replies were received from forty-nine states.

It was apparent from the information received from the various states that there were three patterns of practice

in the states at the present time: (1) individual schools or school boards may account for these funds in whatever manner they chose without interference or control from either state law or regulatory policy of the department of education of the state concerned (A variant of this pattern gave the school or school board freedom, but provided for recommendation of desirable practices by the state department of education); (2) schools or school boards were required to conform to provisions of a state law that establishes procedures for accounting; and (3) schools or school boards were required to adhere to provisions of regulatory policies determined by state departments of education. In this pattern there was no specific state law pertinent to extracurricular activity funds accounting, but the laws establishing the state department of education and describing its authority, of course, have an indirect effect on control of accounting practices.

In addition to these three patterns, it was discovered that a few states had both specific laws and state department of education policies. However, additional information, received in letters from officials of departments of education in those states where specific laws were in force, indicated that in most of these states development of uniform state department regulatory policies was usually considered to be desirable but was also usually postponed in favor of more pressing problems.

The general practice of "laissez faire" was most common in the states where the individual school boards account for these funds in whatever manner they choose, without interference or control from either state law or regulatory policy of the state department of education. However, the recent dates of establishment for both laws and regulatory policies indicate that this condition may not last much longer. This speculation based on the fact that numerous officials in states where the "laissez faire" pattern is in force indicated that development of uniform practices for accounting was desirable or that the department involved was "studying the problem of developing either legislation or departmental policies." It was also indicated that there may be a rather close relationship between the policies of accrediting associations and practices of schools, at least where larger schools are involved. This was noticed in the states where schools belong to the Northwest Association of Secondary Schools and Colleges.

It seemed desirable to point out that uniform accounting procedures developed in states having laws for regulation of accounting closely parallel the uniform procedure developed in states where regulation is placed under control of the state department of education. This suggests that both groups of states were actually adhering to the same principles with respect to accounting. It points out that belief in the desirability of and necessity for uniform

accounting procedures was strong and that it was rapidly becoming stronger than belief in the desirability of a "laissez faire" pattern.

States with No Plan of Accounting

Twenty-two of the states reported that they did not have any state plan of accounting for the extracurricular activity funds. These states were: Alabama, Arkansas, Iowa, Louisiana, Michigan, Nebraska, Nevada, New Jersey, New Mexico, North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, Vermont, Washington, West Virginia, Wisconsin, Wyoming, Alaska, and Hawaii. The following letter from an administrative consultant in the office of the Superintendent of Public Instruction of the State of Washington was typical of letters received from states which had no state plan of accounting for extracurricular activity funds:

This in reply to your letter of the 16th requesting a copy of the laws or State Board of Education policies pertaining to the accounting of the extracurricular activity funds in the public schools of our states.

Student body funds, as they are termed in this state, are strictly student body funds and are not school district funds. As such, they are not subject to expenditure or control by either the board of directors or the school officials. They are subject to control and expenditure by the student body and their representatives.

Since student activities and the management and handling of student body funds are what we commonly refer to as extracurricular activities, they are subject to advice and counsel of school authorities, such as the board of directors and the administrators or teachers. It is well for the school officials to advise and guide the students in their activities and the handling of their funds, but the fact remains that these funds are subject to control and expenditure by the student body

and their representatives.¹

Enclosed with the letter was an opinion from the Attorney General dated February 27, 1953, which follows:

1. Student body funds derived from athletic contests, programs, and entertainments are not school district funds.

2. Football and basketball equipment, other than equipment required for school courses, may not be purchased with school district funds. The same rule has been applied to band uniforms and bus drivers' uniforms.

3. Student body funds should be kept in a separate bank account outside the county treasurer's office. Said funds are not in any way subject to the provisions of law relating to school district funds.

We are not unmindful that this office had held it to be the duty of the duly authorized officials of the state to audit and inspect the books of the Associated Students of the University of Washington, but it does not necessarily follow that the same rule applies to the student body funds in our public high schools. While it is true that the high school student associations bear approximately the same relation to their respective school districts as the ASUW bears to the University of Washington, there are significant differences which should be recognized. An undergraduate student at the University of Washington is required, by action of the Board of Regents, to pay a special fee which augments the ASUW fund. This is authorized by RCW 28.77.040, subsection (3). RCW 28.77.050 and requires that these funds shall be held by the Board of Regents as a revolving fund and expended for the purpose for which collected and be accounted for in accordance with existing law. There is no corresponding statute which applies to student body funds. Membership in a high school student association is on a voluntary rather than a compulsory basis.

RCW 43.09.230 provides that the expense of the examinations of books by the state authorities shall be paid by the respective taxing districts. Since the student body funds are employed to foster activities for which school district funds are not available, it would be inconsistent to require that the respective school districts should be compelled to pay for the audit of those funds.

¹Letter from Llewellyn O. Griffith, Administrative Consultant, Washington State Department of Education, June 24, 1959.

It is our conclusion that in the absence of legislation defining student body funds as a public account, that it is not incumbent upon the state auditor's office to examine these accounts, and that it may accept the audit of such funds made by a qualified individual or firm appointed by the school authorities. Any opinion of this office in conflict herewith is hereby overruled.¹

Responses from officials in the states of Alabama and Oregon revealed that some progress had been made in the direction of policy formation for their schools, but not enough to place them in the "policy" pattern.

Pattern in States Where Extracurricular
Accounting Is Regulated by
Specific Legislation

Fifteen of the states reported that extracurricular accounting was regulated by specific legislation. State department of education officials in all fifteen of them (Arizona, California, Colorado, Connecticut, Georgia, Idaho, Illinois, Indiana, Massachusetts, Mississippi, Missouri, Montana, North Carolina, Pennsylvania, and Tennessee) responded to the letter of inquiry and enclosed copies of the state laws concerning accounting of the extracurricular activity funds. It should be noted that recent laws were received from departments in the states of Colorado (1959), Connecticut (1959), Illinois (1951), Massachusetts (1954), Montana (1957), Mississippi (1953), Missouri (1955), Idaho (1959), Georgia (1955), and Tennessee (1959). This pointed

¹Opinion from Dan Eastvald, Attorney General, State of Washington, February 27, 1953.

out the fact that recent attention has been given to the problem of legislation. The laws of Colorado, Connecticut, Massachusetts, Idaho, Georgia, and Tennessee were very brief, but they did make specific provisions for the expenditure of and the accounting for public funds used in the extracurricular activity program. In order that a more complete record could be presented, the statutory provisions governing extracurricular activity accounting in Arizona, California, Indiana, North Carolina, and Pennsylvania, were incorporated in this study. The specific points of interest in the statutory provisions of the states of Illinois, Massachusetts, Missouri, and Montana were as follows.

Statutory Provisions in the State of Arizona
Pertaining to the Accounting
of Student Activity Money

A letter from the Finance Adviser in the Arizona State Department of Education listed the following laws on student activity funds:

Section 15-1271 Student activities money defined; school monies defined, use of school money.

A. All money raised with the approval of the board of trustees or board of education of a common or high school or junior college district by the efforts of students in pursuance of or in connection with all activities of student organizations, school book stores, clubs, athletic activities, school plays and other student entertainment shall be deemed student activities money.

B. Money received from rental of district property, tuition fees and other district receipts are school monies and shall be deposited with the county treasurer to the credit of the district, and shall be expended as provided by law for other school funds.

Section 15-1272 Student activities treasurer; administration of student activities money; audit.

A. The governing board of any district having student activities money shall appoint a student activities treasurer to whom all such money shall be paid. He shall deposit the money in a bank in an account designated the student activities fund. Disbursements from the fund shall be by check, signed by the student activities treasurer and one other person appointed by the board of trustees. If bank facilities are not available, an administrator in the school shall be designated by the board as student activities treasurer. The student activities treasurer shall give a bond in an amount determined by the board, and the cost of bond premiums shall be a charge against the district.

B. Accounts showing the balances due the respective student organizations set forth in subsection A. of 15-1271 shall be kept by the student activities treasurer, and shall be open to inspection by officers of the student bodies concerned. Every student activities fund shall be audited at least once each year by the state examiner or by a qualified accountant employed by the board of trustees, and the reports of such audit shall be a public record.

Section 15-1273 Record of deposits and expenditures; audit of deposits.

A. The student activities treasurer shall maintain an accurate detailed record of all deposits in and expenditures from the student activities fund. The record shall be made in such form as the board of education or board of trustees of the school district prescribes. Copies of the record shall be presented to the board of education of the board of trustees of the school district not less than once during each calendar month.

B. All activity monies deposited as provided by the board of education or board of trustees, and the cost of the audit shall be charged against the district. A copy of the audit shall be filed with the board of education or board of trustees of the school district.

Section 15-1274 Revolving fund.

The board of education or board of trustees of a school district may, by resolution entered upon its minutes, establish a revolving fund for the purpose of meeting necessary current expenses connected with student activities as defined by this article. The amount of the revolving fund shall be determined by the board which establishes the fund and provision for its establishment shall be included in the budget. The amount of money provided in the revolving fund shall, at the end of each fiscal year, be returned to the credit of the school district and the fund re-established as provided in this

section.¹

The following opinion of the Attorney General was received from the Arizona State Department of Education defining student activity.

- OPINION - The Attorney General; January 24, 1958
Opinion No. 58-13.
- QUESTIONS - 1. What is a "student activity" as mentioned in A.R.S. § 15-1271?
2. What is the dividing line between a "student activity" and a "school activity"?
3. For what purposes can "student activities moneys" be legally expended?
4. Does the board of trustees of the school district have the sole and exclusive authority to determine how "student activities moneys" shall be expended?
- CONCLUSIONS - 1. A student activity for the purpose of defining student activities money includes those activities specified under A.R.S. § 15-1271 and from which money is raised by student efforts with the approval of the school board. These activities include those of student organizations, school book stores, clubs, athletic activities, school plays and other entertainment.
2. Student activities as distinguished from school activities for the purpose of A.R.S. § 15-1271 include only those activities as outlined above; all other activities must be considered to be school activities.
3. Student activities moneys may be legally expended for those purposes reasonably necessary for the student organizations which have raised the funds subject to control and supervision by the school board.
4. No.

The determination of what is a student activity within the law governing student activities money must be made by reference to the statutes involved. But in any discussion it must be remembered that traditionally all activities within the scope and authority of a school are school activities. In 1951, however, legislation was passed dealing with student activities money, which

¹Letter from G. W. Harrell, Finance Adviser, Arizona State Department of Public Instruction, June 20, 1959.

constituted specific authority to set aside to another area what had previously been entirely school activities. Prior to the passage of this law, any question as to the character of any funds derived through school and student activities would be resolved in favor of the presumption that they were school district funds, and to be handled in accordance with all applicable budgetary provisions. After the enactment of the law in question, it was possible that certain activities in the school would be productive not of school or district money but funds to be known as student activities money, and to be handled in a manner different from ordinary school funds.

A.R.S. § 15-1271 specifies that all money raised (1) with the approval of the board, (2) by the efforts of students, and (3) in connection with all activities of student organizations, school book stores, clubs, athletic activities, school plays and other student entertainment shall be deemed student activities money. When these three elements occur, the activity, which would formerly have been a school activity and productive of school funds, becomes thereafter a student activity whose funds are to be handled and expended in accordance with A.R.S. § 15-1272.

The law concerning student activities money has not indicated the purposes for which student activities money may be expended. In a prior opinion of this office, No. 51-209, it was indicated that "there are no direct provisions as to who shall determine the amount to be paid out, to whom paid, or for what purpose." That statement was made shortly after passage of the law. The law has not since been changed and the statement holds as true today as it did then.

Reading the several sections of the law on student activities money, it seems apparent that a certain autonomy was intended to be granted student body organizations. It seems apparent, too, that the districts through their governing board were expected to maintain a certain guiding control by means of certain approvals and general regulations, and by the supervisory personnel to be appointed by the boards as provided in A.R.S. § 15-1272. Nevertheless it would appear that the student organizations are otherwise free to function and conduct activities on behalf of the students and their organizations. Any expenditure within this framework, therefore, would seem to be within the purposes contemplated by the statutes on this subject.

From our analysis of the nature of student activities money, it must be concluded that school boards or trustees do not have any direct authority to determine how student activities money shall be expended. That authority is

instead regulatory or supervisory in nature.¹

The statutes of the State of Arizona provided for the administration of student activities money and other receipts of the common schools, high schools, and junior colleges. These statutes defined student activities money as money which was raised with the approval of the board of trustees or board of education by the efforts of students in pursuance of or in connection with the activities of student organizations, school book stores, clubs, athletic activities, school plays, and other student entertainment. A board of education or board of trustees of a school district was permitted by the statutes to establish a revolving fund for the purpose of meeting the necessary current expenses connected with student activities. The amount of money provided in the revolving fund would, at the end of each fiscal year, be returned to the credit of the school district, and the fund re-established at the beginning of each fiscal year.

Statutory Provisions in the State of California
Pertaining to the Accounting of
Funds Raised by Students

A letter from the Chief of the Bureau of Administrative Services of the State of California gave the following provisions of the Education Code of California:

16141. The governing board of any school district may authorize any organization composed entirely of

¹Opinion from Robert Morrison, Attorney General, State of Arizona, January 24, 1958.

pupils attending the schools of the district to maintain such activities as may be approved by the governing board.

16142. Any group of students may organize a student body association within the public schools with the approval and subject to the control and regulations of the governing board of the school district. Any such organization shall have as its purpose the conduct of activities on behalf of the students approved by the school authorities and not in conflict with the authority and responsibility of the public school officials. Any student body organizations may be granted the use of school premises and properties without charge subject to such regulations as may be established by the governing board of the school district.

16143. The governing board of any school district shall provide for the supervision of all funds raised by any student body or student organization using the name of the school.

The cost of supervision may constitute a proper charge against the funds of the district.

The governing board of a school district may also provide for a continuing audit of student body funds with school district personnel.

16144. The funds of any student body organization shall be deposited in a bank approved by the governing board of the school district and shall be expended subject to such procedure as may be established by the student body organization subject to the approval of an employee or official of the school district designated by the governing board.¹

With the above School Code as a guide the California State Department of Education set up the following regulations for the management of the extracurricular activity finances.

The governing board of the school district must adopt rules and procedures that will be employed in the control of cash collections and disbursements, designate the school official or other school district employees responsible for supervising and auditing all funds of the student body organization, and name the auditing firm that will be employed to make the annual audit of the organization's funds.

¹Letter from M. B. Sloss, Chief Bureau of Administrative Services, California State Department of Education, June 24, 1959.

Cash Collections. To establish control of cash collections the governing board of the school district should make the following provisions:

1. Two or more persons will share responsibility for handling cash on hand, depositing cash in the bank, and recording transactions involving cash.

2. Prenumbered receipt forms will be used and a completed receipt given for each amount of cash received.

3. Prenumbered student body membership cards and tickets will be used and a strict accounting will be made of the numbers and the cash received.

4. The student store will be equipped with cash registers or other means to secure the necessary control of cash receipts.

5. A complete report of cash receipts for the students store will be given the cashier and bookkeeper each time any money is turned in for deposit.

6. Bank deposits of cash receipts from any source will be made as soon as possible after the money is received and in no instance will disbursements be made from the receipts.

7. Bookkeeping records of deposits and disbursements will be reconciled to the bank statement each month.

Expenditures. To establish control of expenditures the governing board should make the following provisions:

1. The student body organization will prepare an annual budget and operate within the budget unless it is authorized by the governing board of the school district to exceed the provisions for expenditures set forth in the budget.

2. All expenditures of the student body organization's funds will be made through the use of purchase orders or other expenditure documents that are approved and signed by the person or persons who are authorized to assume such responsibility.

3. Disbursements of the student body organization's funds will be made through the use of prenumbered checks except for a specified few that are made through an authorized petty cash fund.

4. All expenditures will be supported by invoices or other appropriate statements.

5. Supervision of expenditures of the student body organization's funds will be such as to secure the greatest possible benefits from the student body organization. Undesirable expenditures will thus be prevented.

Inventories. To establish control of property owned by the student body organization the governing board of the school district should make the following provisions:

1. All merchandise, equipment, and other property owned by the student body organization will be inventoried regularly and at set intervals.

2. Inventory control and records will be maintained.

Taxes. To be certain that appropriate tax collections are made on sales of merchandise and tickets of admission to events conducted by the student body organization and tax payments are made as required by the governing board of the school district should establish the following procedures:

1. The collection of State and Federal taxes will be made at the time any sale involving the payment of local, State or Federal taxes is consummated.

2. Monies collected for the payment of taxes will be properly recorded.

3. Taxes will be paid on prescribed dates and the payments properly recorded.

Financial Statements. To make certain that the governing board of the school district and the school's officials are correctly and fully informed at all times regarding the finances of the student body organization the governing board of the district should establish the following requirements:

1. The student body organization will prepare financial statements on prescribed dates, such statements to cover each phase of the organization's operations and its total operation.

2. The student body organization will submit one copy of each financial statement to the school principal, one to the central administrative office, and place one in its files.

3. An annual financial statement of the student body organization will be submitted to the governing board of the school district and one copy placed in its files.

4. The governing board will make the annual financial statement of the student body organization available to the public.¹

The Statutory Provisions in the State of Indiana
Pertaining to the Accounting System to be
Used for Student Activity Funds

General

The accounting system and procedure detailed herein are based upon Chapter 312, Acts of 1945, which on December 12, 1945, became the law governing the accounting by funds of the school extracurricular activity account.

Activity or activities as used herein have reference to conducting any athletic, social, class, or other

¹Bulletin of The California State Department of Education, XXVI, No. 5 (July, 1957), pp. 4-6.

school function and the collections, custody, and disbursement of any funds in connection therewith which are not paid from public funds. The collection, custody, and disbursements of any activity are represented by an account or fund; and the total of all activity accounts is designated as "School Extra-Curricular Account."

The law provides that forms and records used shall be prescribed or approved by the State Board of Accounts and that the State Board of Accounts is authorized to examine the records and affairs of the extra-curricular activities.

Custody and Control

The 1945 law provides that a treasurer shall be appointed for each public school in the state of Indiana, that such treasurer shall be the superintendent or principal or some clerk of the school corporation or member of the faculty appointed by the superintendent or principal. The designation of the treasurer must be made immediately upon the opening of a school term or upon the occurrence of vacancy in the office.

The treasurer is required to give a surety bond in an amount fixed by the superintendent and principal, approximating the total amount of anticipated funds which will come into the hands of the treasurer at any one time during the school year. Not later than ten days after the issuance or approval thereof, all surety bonds shall be filed and recorded in the office of county recorder. A new bond should be given at the beginning of each school year. Premium and recording fee on the official bond are payable from the Special School Fund of the corporation. The school treasurer pays for the recording fee and then files a claim with the school corporation for reimbursement. The requirement for giving bond and the requirement to deposit receipts in a separate bank account do not apply where the receipts, as estimated by the principal, will not exceed \$300 during the school year.

Cost of prescribed or approved forms and records shall be paid from the Special School Fund of the school corporation. The law does not support payment for records other than those prescribed or approved by the State Board of Accounts.

Funds, Records, Accounts, Reports

The treasurer will have charge of the collections, custody, and disbursements of all extra-curricular activities funds. Without unreasonable delay the treasurer shall deposit all receipts in one bank account to be known as "School Extra-Curricular Account." It follows that when funds are lawfully deposited, all disbursements must necessarily be made by check.

Payments may be made only upon approval by the principal or teacher in charge of the school. As a means of internal control, it is suggested that in addition to checks being signed by the treasurer, provision be made for the countersigning of all checks by the principal, superintendent, or another member of the faculty.

The treasurer is required to keep an accurate account of all money received and expended showing the source of all receipts, the purpose of all disbursements, and the balance on hand. This is the Control Fund of all the activity accounts or funds. A separate account must be kept of the fund transactions of each class, organization, or activity so that the balance in each account may be known at all times. There is no authority whereby an overdraft may be created in any account. The forms prescribed for use by school treasurers include a control "Activities Fund" showing all receipts, all disbursements, and the balance of all activities accounts combined. Posting to the control should be made each day from receipt and check register, individual or accumulated. There shall also be kept a record of each activity account showing each disbursement, and the balance of each particular account. Posting to each individual activity account should be made from the receipt and check registers.

Within two weeks after the close of the school year, a financial report must be made of all activity funds. Forms for making the report have been prescribed. The report made in detail on prescribed forms showing the source of all receipts and the purpose of all disbursements in each activity account shall be filed with the board of school trustees or board of school commissioners and superintendent of schools within two weeks after the close of each and every semester. The records and files should then be delivered to the proper officials at the time of filing the last financial report for the school year. The records and reports shall be kept at least five years and in no case shall be destroyed before being audited by the State Board of Accounts.¹

The Statutory Provisions in the State of North
Carolina Pertaining to the Accounting
of Student Activity Funds

Section 115-91 Treasurer of School Funds. (3) Special
Funds of Individual Schools. The county board of

¹Indiana State Board of Accounts, "Uniform Accounting for School Cities, School Towns and Consolidated School Units," A Handbook of Instruction (Indianapolis, 1951), pp. 54-55.

education of all county administrative units and the board of education of all city administrative units shall, by proper resolution duly recorded, appoint a treasurer of all special school funds for each school in the respective administrative unit. In all individual schools, a complete record shall be kept by the treasurer so appointed and reports made of all money received and from what source and of all money disbursed and for what purpose; provided, however, that nothing in this subsection (3) shall prevent the handling of these special school funds under subsection (1) or subsection (2) of this section. (Comment: Subsections 1 and 2 provided for a treasurer of the General School Funds who may also be required to handle the special activity funds.) The treasurer of all special funds and the principal of each school shall make a monthly report and such other reports as may be required to the superintendent of the administrative unit wherein such individual school is located, showing the status of each special school fund, upon forms to be supplied for that purpose.

Section 115-85. Fidelity Bonds. Boards of education in each county and city administrative unit shall cause all persons authorized to draw or approve school checks or vouchers drawn on school funds, whether county, district, or special, and all persons who, as employees of such administrative units, are authorized or permitted to receive any school funds from whatever source, and all persons responsible for, or authorized to handle school property to be bonded for the faithful discharge of their duties as to such school funds in such a manner as in the discretion of said county and city boards of education shall be deemed sufficient for the protection of said school funds or property with surety by some surety company authorized to do business in the State of North Carolina. The amount deemed necessary to cover the cost of such surety bond shall be included as an item in the current expense funds of the school budget of each school administrative unit and shall be paid for from the funds provided therein; but nothing in this section shall prevent the governing authorities of the respective administrative unit from prorating the cost of such bond between the funds protected.

Section 115-90. How School Funds Are Paid Out.

(4) Special Funds of Individual Schools. County and city boards of education shall, unless otherwise provided for by law, designate the bank, depository, or trust company authorized to do business in North Carolina, in which all special funds of each individual school shall be paid out only on checks signed by the principal of the school and the treasurer who has been selected by the respective boards of education; provided, that the schools handling

less than three hundred dollars (\$300.00) in any school year may not be required, in the discretion of the boards of the respective units, to follow this procedure for depositing and disbursing funds.

In all schools a complete record shall be kept by the treasurer and reports made of all money received and disbursed by him in handling funds of the school; provided that nothing in this section shall prevent the depositing of all these special funds with the treasurer of the county or city administrative units and the disbursing of said funds, upon the signatures of the chairman and secretary of the respective boards of education.

Section 115-97. Audit of School Funds. (3) Special Funds of Individual Schools. County and city boards of education shall cause to be made, at the same time the audit of the county or city funds is made, an audit of the special school funds of each school in the respective administrative units. Such annual audits shall be completed as near the close of the year as practicable and copies of each audit shall be filed with the chairman of the board of education and the superintendent of schools of the administrative unit in which the school is located and the State Board of Education not later than October the first after the close of the fiscal year on June the thirtieth.

(4) Payments of Audit Costs. County and city boards of education shall include in the school budgets of the respective administrative units funds for the payment of the cost of the audits of county, city, district, and special funds of individual schools as required under subsections (2) and (3) of this section; provided, that nothing in this section shall prevent the respective boards from prorating the cost of auditing of special funds to the special funds of each school.¹

From the preceding statutory provisions of the State of North Carolina it was evident that much thought had been given to the adequate safeguards for extracurricular activity funds and internal school funds in the state. These statutes accurately set forth provisions for prudential management of these funds. Yet no mention was made of the benefits that

¹"Public School Laws of North Carolina," Bulletin, Department of Education (Raleigh, 1958 Revised), pp. 84-85.

pupils receive from the handling of these funds. Consequently, the principles of adaptability and flexibility were completely ignored. If the pupils who participated in the raising of these funds benefited from fund raising activities, it was by the use of the materials and services purchased by the money. No provision was made for the handling of the funds by the pupils and any experience they gained would be purely coincidental.

Statutory Provisions in the State of Pennsylvania
Pertaining to the Accounting
of Student Activity Money

Section 511. School Athletics, Publications, and Organizations. (a) The board of school directors in every school district shall prescribe, adopt, and enforce such reasonable rules and regulations as it may deem proper, regarding (1) the management, supervision, control, or prohibition of exercises, athletics, or games of any kind, school publications, debating, forensic, dramatic, musical, and other activities related to the school program, including raising and disbursing funds for any or all of such purposes and for scholarships, and (2) the organization, management, supervision, control, financing, or prohibition of organizations, clubs, societies and groups of the members of any class or school, and may provide for the suspension, dismissal, or other reasonable penalty in the case of any appointee, professional or other employee, or pupil who violates any of such rules or regulations.

(b) Any school or class activity or organization thereof, with the approval of the board may affiliate with any local, district, regional, state, or national organization whose purposes and activities are appropriate to and related to the school program.

(c) The board of school directors may (1) permit the use of school property, real or personal, for the purpose of conducting any activity related to the school program, or by any school or class organizations, club, society, or groups, (2) authorize any school employee or employees to manage, supervise, and control the development and conduct of any of such activities, (3) employ or assign any school employee to serve in any capacity in connection

with any of such activities.

(d) Notwithstanding the use of school property or personnel, it shall be lawful for any school or any class or any organization, club, society, or group thereof, to raise, expend, or hold funds, including balances carried over from year to year, in its own management, under the supervision of the principal or other professional employee of the school district designated by the board. Such funds shall not be the funds of the school district but shall remain the property of the respective school, class, organization, club, society, or group. The treasurer or custodian of such funds shall furnish to the school district a proper bond, in such amount and with surety or sureties as the board shall approve, conditioned upon the faithful performance of his duties as treasurer or custodian. The premium of such bond, if any, shall be paid from the funds or fund secured thereby or from the funds of the school district, at the direction of the board. The treasurer or custodian shall be required to maintain an accounting system approved by the board, shall deposit the funds in a depository approved by the board, shall submit a financial statement to the board quarterly or oftener, at the direction of the board, and shall submit the accounts to be audited in like manner as the accounts of the school district.

(e) All purchases of materials or supplies made by any organization, club, society, or group, or by any school or class, in excess of three hundred dollars, shall be made upon solicitation of quotations or bids from three or more responsible manufacturers of or dealers in such materials or supplies, all such purchases shall be made from the lowest responsible bidder on the basis of price, quality, and service.¹

Statutory Provisions in Other States

A letter from the Legal Adviser in the Office of the Superintendent of Public Instruction, State of Illinois, gave the following provisions for the accounting of extracurricular activity funds in Illinois.

The board of education shall establish rules and regulations governing conditions under which school classes,

¹"School Laws of Pennsylvania," Bulletin 2, Section 511 (Harrisburg: 1949), pp. 64-65.

clubs, and associations may collect or acquire funds in the name of any school; and under such regulations as the State Superintendent of Public Instruction may prescribe, provide for the safeguarding of such funds for the educational, recreational, or cultural purposes they are designed to serve.¹

The Legislature of Montana in 1957 passed a law which required a system of bookkeeping and annual auditing.² The bookkeeping system was to be recommended by the state bank examiner. The audit could be made by the state bank examiner if so requested. The audit when made must be published by the superintendent of schools in a newspaper in the district or in the county.

The Massachusetts policy pertained to funds used in connection with the transportation of pupils and provided that such funds should be deposited with the treasurer of the town. South Dakota's departmental policy statement was almost entirely confined to a definition of the extracurricular activity fund. The accounting of the extracurricular activity fund was a responsibility of the local school board in South Dakota, and they can scarcely be credited with having policy comparable to other states. The New Hampshire departmental policy emphasized the financial procedure and ignored the responsibility of the officials doing the

¹Letter from Kenneth H. Lemmer, Legal Adviser, Office of the Superintendent of Public Instruction, State of Illinois, June 19, 1959.

²Letter from Harriet Miller, Superintendent of Public Instruction, State of Montana, June 24, 1959.

accounting of the extracurricular activity funds.

The statutory provisions of the State of Missouri were similar to those which were discussed in comments pertaining to extracurricular accounting in Arizona and California.

Features in states with statutory provisions

Within the states with statutory provisions the term most commonly applied to the funds was "extracurricular funds." The funds were also referred to as "student funds" or "special activity funds."

The central treasurer was provided for in all states with definite laws pertaining to the accounting of student funds. The laws all provided that a central treasurer should handle these funds after they were collected by the individual organizations or groups. Several methods of selecting this central treasurer were used, the most typical being appointment by the school board, the superintendent, or the principal. It was indicated that the central treasurer could be the principal, some member of the faculty appointed by the principal, an office clerk, or other employee of the school. The implications of the laws seemed to indicate that the person selected should be an adult. Little, if any, consideration seemed to have been given to possible values and appreciations of democratic principles that might come to pupils if they were allowed to help in the handling of these

funds and their records.

The treasurer in all states with laws must be bonded. All the states in this pattern specifically required bonding of the individual or individuals handling the funds, with the exception of Montana. Although Montana schools were not specifically bound by statutes on this point, any school that was a member of the Northwestern Association of Secondary Schools and Colleges was required by that Association to have the responsible person bonded. North Carolina required bonding of all persons authorized to sign checks drawn on these funds.

Although no specific amount was pre-determined by law for this bond, typically the amount of bond was fixed by the individual school boards as required by their particular situations. Indiana deviated from this practice somewhat by restricting the amount to be fixed at a sum approximating the total amount which it was anticipated would be handled by the treasurer at any one time and allowed any school system wherein the total receipts were estimated to be less than \$300 during the school year to be exempted from the bonding requirements. Further, only Indiana specifically required, by law, the recording of the surety bond with the county recorder.

All states with laws provided for a legally approved depository. Typically, the legally approved depository for extracurricular funds was a bank, although North Carolina

also allowed the use of any trust company or other depository authorized to do business in that state. Arizona, a state of widely scattered villages and towns, provided an exception in the event banking facilities were not readily available by allowing the administrator of the school to be appointed as treasurer and allowed to handle the funds in the most expedient and practical manner so long as they were adequately safeguarded.

The states with laws had an approved method of expending funds. In this pattern, the approved method of withdrawal was by checks. Many state laws required the pre-numbering of checks. Further safeguarding of the funds was indicated by the typical requirement of more than one signature on the check. Usually it was required that the check be countersigned by the principal or other person appointed by the school board. North Carolina did not require checks to be countersigned in schools handling less than \$300 annually or in schools where it had been previously determined by the school board that this was not necessary.

The states varied in the type of request required to authorize the drawing of a check, but tended towards a written request originating with the organization or group concerned. The laws usually required or recommended that such requests be signed by a student officer (treasurer) and approved by the faculty sponsor or other responsible person. Illinois and Indiana laws prohibited overdrafts of funds by

any group. Arizona laws permitted the establishment of a revolving fund to meet current expenses of student activities, with the amount used from the revolving fund to be credited to the school from the activities funds at the close of the fiscal year, so that public funds budgeted into revolving funds were not actually used for the support of extracurricular activities, only loaned for this purpose so long as the loan was repaid within the fiscal year.

Accurate and detailed records of accounts were kept in all states with laws. Most of the laws did not go into long or detailed descriptions of records to be kept of accounts, but all indicated that accurate and detailed accounts of all receipts and disbursements should be kept. Most of the states had taken advantage of this fact to prescribe various types of business forms to be used in keeping records. The fact that the forms prescribed were not specifically provided in the laws allowed for some variation in schools that make possible adaptation to their individual problems. Comparison of the forms described for use indicated that any good, standard system of bookkeeping forms could be adapted.

The laws in all the states pertaining to the extracurricular activity money made provisions for reports and reconciliation. Monthly reconciliations of bank statements were recommended by the laws. In the interest of sound bookkeeping practices, the laws demanded that records be kept in such manner that the individual transactions and balances of

all organizations and groups were readily available at any given time. This was specifically required in Arizona and Indiana.

Most of the laws required a report of the status of extracurricular activity funds in a monthly financial report to be presented to the school board. The Illinois law required that the report include a statement of financial position. This was also required in Indiana, although not on a monthly basis. Instead the reports were required at the close of each semester and following the close of the school year. Pennsylvania law required that the financial statement be presented to the board on a quarterly basis instead of monthly.

The laws in all the states required an annual audit of the extracurricular activity money. All of the laws required annual audits of extracurricular activity funds or provided for their audit with the regular school audit. The laws varied considerably with respect to designation of the auditing agency. In some states auditing must be done by a certified public accountant, in others by bank examiners or state auditors, and in still others by any qualified accountant. All of the laws indicated that a qualified person must be employed to perform the audit. Copies of the audit were required to be filed with the school boards. In Montana it was required that the audit be published in a local newspaper. The North Carolina law required a copy of the audit of the

extracurricular activity funds be filed in the Office of the State Board of Education by October 1, following the close of the June 30 fiscal year.

Some variations were shown in the laws of states with legislation pertaining to the accounting of activity funds. Indiana law provided that if any portion of any function was paid from public funds (the school lunch program is cited as an example), that portion must be handled as provided by law regarding the handling of public funds; and, if any function was handled by an outside agency, that agency was responsible for the accounting for the funds and they were not to be construed as school extracurricular activity funds. The Parent-Teacher Association was cited as an example of this sort of agency. Arizona statutes included common schools and junior colleges as well as secondary schools in the group of schools where the accounting for extracurricular activity funds is regulated. The laws of North Carolina provided for the establishment of a petty cash fund to cover small expenses arising from time to time, and recommended that accurate and detailed accounting procedures be applied to this fund as well as the main extracurricular activity fund, with all receipts and disbursements being accounted for. The Pennsylvania law provided that any organization of the school that raised funds could hold these funds over to the following school year in its own name and under its own management subject to the supervision of the

principal or other employees of the school as designated by the school board. The Illinois law provided that all organizations and groups must be approved by the school board and that the board must further approve their purposes and permit collection of funds.

Pattern in States Where Accounting
Is Regulated by Policies of the
Department of Education

Twelve of the states belonged in this pattern. State department of education officials in all twelve of them (Delaware, Florida, Kansas, Kentucky, Maine, Maryland, Minnesota, New Hampshire, New York, South Dakota, Texas, and Virginia), responded to the letter of inquiry and enclosed copies of the state policies concerning the accounting of the extracurricular activity fund. The policies governing the accounting of the extracurricular activity funds in New York and Virginia will be given.

Policies in New York

A bulletin from the state of New York presented two plans for the management and accounting of extracurricular activity funds. The regulations were formulated to safeguard the extracurricular activity funds, and to protect those responsible for the handling of the funds. Only plan two will be presented.

This plan describes an accounting system and accounting procedures in which only one set of records is kept by an adult designated by the board of education.

Essential safeguards obtained because pupils also keep records of receipts and expenditures and both the central records and pupils' records are under the direct supervision of an auditor designated by the board of education.

Appointment of Officers

It is suggested that the board of education appoint, on the recommendation of its chief executive officer, members of the regular faculty and clerical staff to fill the following positions:

1. Chief faculty counselor.
 2. Central treasurer.
 3. Faculty or financial auditor.
- The executive officer shall appoint
4. Faculty advisers for each extraclassroom activity.
- Each classroom activity shall elect
5. Activity treasurer.

Function and Duties of Officers

1. Chief faculty counselor (appointed by the board of education). It shall be the duty of this officer to co-ordinate the financial planning of all projects of the various pupil organizations; to consult with the advisers; to attend and represent the principal at all pupil organization meetings; to approve all pay orders drawn on the central treasurer; and finally, to countersign all checks drawn by the central treasurer. The faculty counselor shall determine that adequate financial support can be made available before projects are undertaken and shall function as a controller to insure that the various organizations live within their available budget allotments or sources of income.

2. Central treasurers (appointed by the board of education). It shall be the duty of the central treasurer to have custody of all of the funds. All disbursement of funds shall be by means of prenumbered check forms signed by the central treasurer and countersigned by the chief faculty counselor. The central treasurer shall issue a receipt in duplicate for all funds placed in his custody and shall disburse funds only on the presentation of properly signed pay orders in duplicate.

He shall deposit promptly all money he receives in a bank designated by the board of education.

The central treasurer shall keep an account listing the receipts and expenditures of each individual activity and post a register of all the receipts and disbursements of the complete pupil organization on ledger forms prescribed by the board of education.

Once each month, the central treasurer shall secure and verify his bank statements and prepare reports for presentation to the faculty auditor.

3. Faculty or financial auditor (appointed by the board of education). The functions of the auditor shall

be distinct and separate from the duties of the other officers. The person appointed as auditor shall have no part in the approval of payments or the planning of income, or in the keeping of records or forms. This policy prohibits the appointment of the principal or the superintendent as auditor inasmuch as he would have general supervision of the entire system and be responsible for the decisions of the faculty counselor and advisers.

In order to establish the responsibility of the auditor and to make available to this officer adequate evidence of all financial transactions, the auditor shall receive once each month from the central treasurer on a regular date designated by the chief faculty counselor, a complete statement of the accounts, showing the balance for each activity, the total balance for all accounts, the bank statement of account and evidence of the reconciliation of the accounts of the central treasurer with the accounts of the designated bank. In addition, on this date, the auditor shall call in the ledgers kept by the activity treasurers, and shall compare the balance as shown by the central treasurer's report with the balance recorded in the ledger of the activity treasurer and shall certify on these pages the accuracy of the entries posted and available balance listed.

It shall be the duty of the auditor to verify the accuracy of the reports prepared by the central treasurer and so certify to the chief executive officer for transmittal to the board of education.

In the event that the ledgers of the activity treasurers do not agree with the ledger kept by the central treasurer, the auditor shall base his investigation on the supporting evidence kept by the activity treasurers and the central treasurer in the form of audited receipt statements, signed deposit slips, original audited bills, signed pay orders, canceled checks and bank statements. In no case shall it be necessary to take the unsupported word of the central treasurer or the evidence of this officer's account books to discredit the posting in an activity treasurer's ledger. The entries in the central treasurer's books and activity treasurer's ledgers are in the final analysis based on forms bearing not only the signature of the activity treasurer, but the counter signatures of the faculty adviser and the chief faculty counselor.

At the end of the school year it shall be the duty of the auditor to assemble the monthly reports and prepare a composite report listing the financial condition of each activity for the full school year, for the guidance of the executive officer and the board of education.

4. Faculty adviser (appointed by executive officer). It shall be the duty of these officers to guide and advise with the pupil officers in planning extraclass group

activities. It shall be the responsibility of the faculty advisers to assist in the planning of financial budgets. The advisers shall assist the activity officers in the preparation of statements of income, shall audit these statements and sign them as acknowledgment of verification of the income statement to be attached to the deposit slips. The adviser shall guide the activity officers in posting their account ledgers and from time to time shall check the balancing of the activity treasurers' accounts and the completeness of their supporting evidence. The advisers supervise expenditures by approving all proposed purchases and signing all pay orders drawn on the central treasurer for the disbursement of these funds.

The advisers shall be responsible for determining and certifying the amount of the available balance to the chief faculty counselor. The faculty advisers shall function not as managers but as advisers for the purpose of insuring the largest educational return from the activities participated in by the pupils.

5. Activity treasurer (elected by the pupils of each group activity). The activity treasurer shall receive all moneys raised by his activity and shall immediately deposit such funds with the central treasurer. Signed deposit slips shall be made in duplicate, one to be retained by the central treasurer and one to be returned to the activity treasurer.

The activity treasurer shall pay all bills by issuing pay orders signed by himself, the faculty adviser and the chief faculty counselor. This form is made in duplicate, and is an order on the central treasurer to pay the invoice which shall be attached to the pay order.

The activity treasurer shall keep a ledger, showing all receipts and expenditures, and indicating a daily running balance, which shall be on a form prescribed by the board of education.¹

Policies in Virginia

Much progress has been made in public school fiscal accounting during recent years, not only from the standpoint of accuracy but also from the standpoint of uniformity in reports. All public funds in Virginia are, by operation of law, handled by the county, city, or town

¹"The Safeguarding Accounting and Auditing of Extra-classroom Activity Funds," Finance Pamphlet 2 (The University of the State of New York, The State Education Department: Revised, 1944).

treasurer. These funds are audited annually by the State Auditor of Public Accounts or by an outside firm performing such service under rules and regulations prescribed by the State Auditor.

However, the authority of the local fiscal officer or State Auditor does not extend to Activity or Cafeteria Funds (except in those instances in which the county, city, or town has by appropriate action declared such funds to be public monies). The rapid growth of extra-curricular activities in the public schools or Virginia, particularly on the secondary level, has presented new problems. The approach to these problems, therefore, has been on the basis of performing a service with a dual purpose--protection of funds entrusted to those in authority and protection of the integrity of the individuals so entrusted.

It appears advisable, therefore, to adopt rules and regulations governing such activity funds. The following regulations were adopted by the State Board of Education at its meeting on June 17, 1954.

Regulations Governing School Activity Funds
(Internal Accounts) In Public Free Schools In Virginia.

All funds derived from extra-curricular school activities, such as entertainments, athletic contest, cafeterias, club dues, etc., and from any and all activities of the school, involving school personnel, students, or property, are hereby classified as school activity funds (internal accounts). The local school boards shall be responsible for the administration of these regulations in the schools under their control, and may determine which specific funds in any school may be excluded from those subject to these regulations. (Funds defined by law as public funds are not subject to these regulations and are to be handled as provided by law).

Each school shall keep an accurate record of all receipts and disbursements so that a clear and concise statement of the condition of each fund may be determined at all times. It shall be the duty of each principal to see that such records are maintained in accordance with these regulations, and rules promulgated by the local school board. The principal or person designated by him shall perform the duties of the school finance officers or central treasurer. The school finance officers shall be bonded, and the local school board shall prescribe rules governing such bonds for employees who are responsible for these funds.

The use of specific forms prescribed by the State Board of Education is not mandatory, but the basic information required by the uniform system must be incorporated in such a system as may be substituted for the

system designed by the State Board of Education.

School activity funds (internal accounts) must be audited at least once a year by a person or persons approved by the local school board and a copy of the audit report filed in the office of the principal and division superintendent.

Nothing in these regulations or suggested forms shall be construed as superseding or modifying the Federal-State plan for operation of cafeterias under the National School Lunch Act.

These regulations shall become effective September 1, 1954, and supersede regulations governing this subject heretofore included in Bulletin, Volume XXXIII, Standards for Accrediting of Secondary Schools.

Local school boards are urged to adopt rules and regulations to supplement those adopted by the State Board. Local regulations would include such items as:

1. General rules for the conduct of organized student groups within the school.
2. Policy governing fund-raising activities, purposes, etc.
3. Budget planning for each Activity Fund under faculty supervision.
4. Forms of insurance coverage, fidelity, liability, theft. If motor vehicles are owned by any student body, insurance coverage including public liability should be required.¹

Features in states with policies

In the first ten or 85 per cent of the states with policies, the following common features were observed in the policies:

1. Each of the statements defined the funds. There was greater variety of usage in these definitions than in the "law" pattern. Phrases used included: extracurricular funds, internal organization funds, internal accounts, activity funds, pupil-activity funds, special auxiliary funds,

¹The Manual on System of Accounting for School Activity Fund, XXXVII, No. 3 (State Board of Education, Richmond, Virginia: August, 1954).

and special fund activities.

2. A central treasurer was provided for in the departmental policies, who was held responsible for the extracurricular activity funds. The New York statement provided for student activity treasurer, and a policy statement from Maryland implied that a pupil might serve as treasurer.

3. All the policy statements provided that the treasurer should be bonded. The amount of the bond varied and the payment for the bond was to be made out of the activity fund or by the board of education.

4. All the policies provided for a central bank account. The depository to be approved by the governing board.

5. All the policies provided for a uniform system for withdrawing and spending the extracurricular activity funds. This system was essentially the same as those described in the "law" pattern of accounting for the extracurricular activity funds.

6. A uniform system of records was recommended in each of the policy patterns. The policy statements provided for more detailed provisions for records and record forms than did the laws.

7. All of the policy patterns required periodic reports of accounts and statements of financial conditions.

8. All of the policy patterns required systematic audits.

Summary

The survey of the extracurricular activity accounting in the various states presented three patterns of accounting for extracurricular activity funds, (1) states with no plan of accounting, (2) states with statutory provisions, and (3) states where accounting is regulated by policies of the State Department of Education. From the literature in the field of school finance, the states with laws and State Board of Education policies were adequately accounting for their extracurricular activity funds.

The patterns of accounting in the states with laws and policies for their extracurricular activity funds and the recency of some of these laws and policies should point the way for the state with no provisions for accounting for its extracurricular activity funds.

The states with policies closely paralleled the pattern of states with laws. Some of the common features in the two patterns were: (1) definition of the funds, (2) provisions made for a central treasurer, (3) the treasurer is bonded, (4) the use of an approved depository for the fund, (5) the uniform procedure for withdrawing and spending the funds, (6) the requiring of periodic reports of accounts and financial condition, and (7) the requiring of systematic audits.

In the states with policies regulating the accounting of extracurricular activity funds, the policy statements

provided considerably more detailed provisions for records and record forms than did the states with laws.

From the information presented by the various states the accounting system used provided for the safeguard of the funds collected. The system provided for an accurate accounting of all funds. The system provided for the disbursement of the funds in a safe, efficient, and businesslike manner.

The patterns of accounting used in the states with laws and State Board of Education policies provided for the necessary forms to be used in accounting for the extracurricular activity funds. The forms that were recommended by the majority of these states were: (1) the budget, (2) the deposit envelope, (3) the receipts, (4) the check, (5) the purchase requisition and order, (6) the expenditure voucher, (7) the expense memorandum, (8) the cash payment voucher, (9) the fund ledger, (10) the cash receipts and disbursements record, (11) the transfer voucher, (12) the report of ticket sales, (13) the consolidated box office report, (14) the daily report of cash collections, (15) the cafeteria payroll, and (16) the payroll record and the monthly financial reports.

CHAPTER III

THE STATUS OF EXTRACURRICULAR ACTIVITY ACCOUNTING IN THE PUBLIC SECONDARY SCHOOLS OF OKLAHOMA

A questionnaire was designed to secure certain information from the 586 public secondary schools in Oklahoma. Of the 586 school districts, 533 were classified as independent districts and 53 as dependent districts. The 586 districts maintained 602 public secondary schools.

The tabulations were made when returns had been received from 350 or 58 per cent of the schools.

The questionnaire was designed to determine five things; namely:

1. The responsibility accepted by the public secondary schools for control and supervision of the extracurricular activity funds.

2. The system of accounting used by the public secondary schools in Oklahoma for the extracurricular activity funds.

3. The philosophy of the school administrators relative to the control, purpose, and financing of the extracurricular activities in the public secondary schools of Oklahoma.

4. The responsibility accepted by the boards of education in the public secondary schools to help finance the extracurricular activity program from regular school funds.

5. The total amount of money expended by the extracurricular activities in the public secondary schools of Oklahoma during the school year of 1958-59.

Accounting Practices in Schools with an
Average Daily Attendance of 18 to 74

Table 1 indicated the practices in accounting for extracurricular activity funds in the public secondary schools of Oklahoma with an average daily attendance of 18 to 74. There were 260 schools in the State of Oklahoma in this group in 1958-59. One hundred fifteen of the schools in this group responded to the questionnaire. This was a return from 44 per cent of the schools in the group. Eighty per cent of the replies showed that the respective boards of education had policies governing extracurricular activities. There were 20 per cent of the replies that indicated that the local boards of education had no policies governing their extracurricular activities.

Thirty-nine per cent answered by saying that the policies of the board of education specified the system of accounting to be used. Sixty-one per cent of the schools were permitted to use any system of accounting they chose.

TABLE 1

PRACTICES IN ACCOUNTING FOR EXTRACURRICULAR ACTIVITY FUNDS
IN SECONDARY SCHOOLS OF OKLAHOMA WITH AN
AVERAGE DAILY ATTENDANCE OF 18 TO 74

Practice	Response			
	Yes		No	
	Number	Per Cent	Number	Per Cent
Board of Education has established policies governing extracurricular activities.	93	80	22	20
The policies state the system of accounting to be used.	42	39	65	61
The policies state how new extracurricular activities become a part of the program.	28	26	76	74
The policies state the definite value to members of the activity group in handling the funds.	16	15	90	85
The funds are obligated in excess of money on hand by an activity.	24	22	83	78
The people who sell and take tickets are paid for their services from the extracurricular activity fund.	2	1	113	99
Funds are allocated to the activities regardless of the amount of revenue they bring in.	24	22	81	76
The sale of tickets is handled by the students.	40	34	75	66
The activity funds are handled through a central bank account.	113	98	2	2

TABLE 1--Continued

Practice	Response			
	Yes		No	
	Number	Per Cent	Number	Per Cent
Each activity has a student treasurer who is responsible for depositing receipts with the central treasurer.	51	62	35	38
The disbursements are made by the central treasurer on the authority from the sponsor and the activity treasurer.	74	89	9	11
The central treasurer is bonded.	40	48	43	52
The extracurricular funds are audited.	83	94	5	6
Each activity is required to keep a record of receipts and disbursements.	74	86	12	14
The central treasurer is required to make regular financial reports.	94	82	15	18
Each activity is required to have an approved budget.	7	6	106	94
The charges made by the Board of Education are kept separate from the activity fund.	81	72	31	28
Awards are given for participation in extracurricular activities.	78	71	31	29
The activity fund is supplemented from the regular school budget.	42	37	70	63

Twenty-six per cent of the schools indicated that the policies of the board of education state how new extracurricular activities may become a part of the school program. There were no requirements by boards of education in 74 per cent of the schools.

In 15 per cent of the schools the policies of the board of education contained a definite statement of the ultimate value the members of the activity group should receive from handling extracurricular activity funds. The replies from 85 per cent of the schools show that the boards of education were concerned primarily with prudent management of funds and the policies of these boards contained no statement of the values which should accrue to the pupils handling them.

Only 1 per cent of the schools paid for the services of the people who sold and took tickets while 99 per cent of the schools did not pay for these services. In this group of schools only 22 per cent allocated funds to the various activities regardless of the amount they brought in. Eighty-one schools or 76 per cent indicated the funds remained in the activity collecting the funds.

The sale of tickets was handled by students in 34 per cent of the schools. Seventy-five schools or 66 per cent reported that the students did not handle the sale of tickets.

In 98 per cent of the schools the funds were handled through a central bank account. There were only 2 per cent of the schools that handled their money in separate accounts

for each activity.

In 62 per cent of the schools each activity had a student treasurer who was responsible for depositing the receipts with the central treasurer. Only 38 per cent of the schools reported that they did not have a student treasurer for each activity.

The disbursements were made in 89 per cent of the schools by the central treasurer on authority from the sponsor and the activity treasurer. In 11 per cent of the schools the central treasurer made the disbursements without authority from the activity group.

The central treasurer was bonded in 48 per cent of the schools. Forty-three or 52 per cent of the schools reported that the central treasurer was not bonded.

Eighty-three or 94 per cent of the schools answered by saying that the extracurricular activity funds were audited. Only 6 per cent of the schools reported that they did not have their extracurricular activity funds audited.

In 82 per cent of the schools each activity was required to keep records of receipts and disbursements. Only 14 per cent of the schools in this group reported that the activity failed to keep any kind of record of receipts and disbursements.

The central treasurer was required to make regular financial reports in 82 per cent of the schools. Only fifteen or 18 per cent of the schools did not require the central

treasurer to make regular financial reports.

The extracurricular activity group was not required to have an approved budget in 94 per cent of the schools reporting. Only 6 per cent of the schools were required by the boards of education to prepare and have an approved budget of receipts and expenditures.

Out of the one hundred fifteen schools reporting only 72 per cent reported that charges made by the board of education were kept separated from the activity funds.

Awards were given for participation in extracurricular activities in 71 per cent of the schools. Almost all of these awards were given for participation in athletics. Thirty-one per cent of the schools reported that they did not give awards for participation in extracurricular activities.

The extracurricular activity fund was supplemented from the regular school budget in 37 per cent of the schools. The per cent ranged from 2 per cent to 50 per cent. Seventy schools or 63 per cent reported that the board of education did not supplement their extracurricular activity fund.

Budgeting, Auditing, Financing, and Reporting
in Schools with an Average Daily
Attendance of 18 to 74

Table 2 indicated the practices in the public secondary schools with an average daily attendance of 18 to 74 in budgeting, auditing, financing, and reporting of the extracurricular activity funds. The extracurricular activity

TABLE 2

BUDGETING, AUDITING, FINANCING, AND REPORTING OF THE EXTRA-CURRICULAR ACTIVITY FUNDS IN THE SECONDARY SCHOOLS OF OKLAHOMA WITH AN AVERAGE DAILY ATTENDANCE OF 18 TO 74

Practice	Response	
	Number	Per Cent
The extracurricular activity budget is approved by--		
Extracurricular finance committee	0	0
Principal	7	6
Other	0	0
The extracurricular activity budget is made by--		
Sponsor	2	2
Students	0	0
Sponsor-Students	5	4
Other	0	0
The extracurricular activity fund is audited by--		
Superintendent	44	48
Principal	9	8
Teacher	8	7
Certified Public Accountant	46	40
Other	13	11
The extracurricular activity fund is financed by--		
Activity tickets	13	11
Admissions	115	100
Dues	0	0
Donations	115	100
Other	0	0
The time for making financial report by the central treasurer--		
Weekly	1	0
Monthly	50	43
Quarterly	15	13
Annually	30	26

budget was approved in 6 per cent of the schools by the principal. In this group of schools 92 per cent reported that they had no approved budget.

The extracurricular activity budget was made by the sponsor in 2 per cent of the schools. In 4 per cent of the schools the budget was made by the students and sponsor working as a team. There were only 6 per cent of the schools reporting on this question. The students were not permitted to make the budget in a single school reporting.

In 48 per cent of the schools the extracurricular activity fund was audited by the superintendent. The principal audited the extracurricular activity funds in 8 per cent of the schools. The extracurricular activity funds were audited by a teacher in 7 per cent of the schools. In this group of schools 40 per cent reported that their extracurricular activity funds were audited by a certified public accountant. There were no schools reporting that their funds were not audited.

The extracurricular activity fund was financed by activity tickets and admissions. Only 11 per cent of the schools reported that they helped finance their extracurricular activity program with activity tickets. All the schools reporting indicated that they would accept donations.

The schools in this group reported that the central treasurer reported weekly in only one school, monthly in 43 per cent, quarterly in 13 per cent, and annually in 26 per

cent.

Expenditures in Schools with an Average
Daily Attendance of 18 to 74

The total amount of money reported expended by the schools in Table 3 for the school year of 1958-59 was \$407,154.79. Only 16 per cent of the schools failed to report the amount that they expended in their extracurricular activity fund.

TABLE 3

EXPENDITURES FOR EXTRACURRICULAR ACTIVITIES IN THE
SECONDARY SCHOOLS OF OKLAHOMA WITH AN AVERAGE
DAILY ATTENDANCE OF 18 TO 74

Practice	Response
The total amount expended by the extra-curricular activities during the school year of 1958-59	\$407,154.79
Average cost per student of schools reporting the amount expended during the school year of 1958-59	\$78.89
Average daily attendance of schools reporting amount expended during the school year of 1958-59	5,133
Average daily attendance of schools that failed to report the amount expended	1,066
Number of schools that reported the amount expended	96
Number of schools that failed to report the amount expended	19
Total average daily attendance of schools in this group in Oklahoma during the school year of 1958-59	13,321

The total average daily attendance of the 96 schools reporting the amount expended during the school year of 1958-59 was 5,133. This was an average expenditure of \$78.89 per pupil. The total average daily attendance for all the schools in the state of Oklahoma in this group for the school year of 1958-59 was 13,321. Using the average expenditure per pupil of \$78.79, it could be estimated that this group of schools had an expenditure of \$1,050,893.69 in their extracurricular activities for the school year of 1958-59.

Accounting Practices in Schools with an
Average Daily Attendance of 75 to 100

Table 4 indicated the practices in the public secondary schools in Oklahoma with an average daily attendance of 75 to 100. There were one hundred nine schools in the State of Oklahoma in this group in 1958-59. Fifty-seven of the schools in this group responded to the questionnaire. This was a return from 53 per cent of the schools in this group.

In comparing this group of schools with the schools in Table 1, it was noted that 89 per cent of these schools had board of education policies governing extracurricular activities compared to 80 per cent for those schools in Table 1.

In this group of schools 49 per cent reported that the policies state the system of accounting to be used as compared to 39 per cent of those schools in Table 1.

TABLE 4

PRACTICES IN ACCOUNTING FOR EXTRACURRICULAR ACTIVITY FUNDS
IN SECONDARY SCHOOLS OF OKLAHOMA WITH AN
AVERAGE DAILY ATTENDANCE OF 75 TO 100

Practice	Response			
	Yes		No	
	Number	Per Cent	Number	Per Cent
Board of Education has established policies governing extracurricular activities.	51	89	6	11
The policies state the system of accounting to be used.	28	49	29	51
The policies state how new extracurricular activities become a part of the program.	19	33	37	67
The policies state the definite value to members of the activity group in handling the funds.	6	10	5	10
The funds are obligated in excess of money on hand by an activity.	8	14	49	86
The people who sell and take tickets are paid for their services from the extracurricular activities fund.	3	5	53	95
Funds are allocated to the activities regardless of the amount of revenue they bring in.	8	14	48	86
The sale of tickets is handled by the students.	26	45	31	55
The activity funds are handled through a central bank account.	56	100	0	0

TABLE 4--Continued

Practice	Response			
	Yes		No	
	Number	Per Cent	Number	Per Cent
Each activity has a student treasurer who is responsible for depositing receipts with the central treasurer.	33	82	7	12
The disbursements are made by the central treasurer on the authority from the sponsor and the activity treasurer.	39	97	1	3
The central treasurer is bonded.	25	58	16	42
The extracurricular funds are audited.	41	97	1	3
Each activity is required to keep a record of receipts and disbursements.	40	92	3	8
The central treasurer is required to make regular financial reports.	48	87	7	13
Each activity is required to have an approved budget.	5	9	48	91
The charges made by the Board of Education are kept separate from the activity funds.	38	67	18	35
Awards are given for participation in extracurricular activities.	44	80	11	20
The activity fund is supplemented from the regular school budget.	23	41	32	59

In answer to the question pertaining to the obligation in excess of money on hand by an activity, it was noted that in this group of schools 14 per cent of them reported that they did not obligate in excess of money on hand as compared to 22 per cent of the schools reporting in Table 1.

It was noted in Table 4 that in 45 per cent of the schools the sale of tickets was handled by the students as compared to 34 per cent of the sale of tickets handled by the students in Table 1.

In Table 4, 82 per cent of the schools reported that each activity had a student treasurer who was responsible for depositing receipts with the central treasurer. In Table 1 only 62 per cent of the schools reported this duty performed by the students.

In Table 4 the question pertaining to the bonding of the central treasurer 58 per cent of the schools reported that they bonded the central treasurer as compared to 48 per cent reporting on the same question in Table 1.

In Table 4 in answer to the question pertaining to the giving of awards for participation in extracurricular activities, 80 per cent reported that they gave awards as compared to 71 per cent of the schools in Table 1 who gave awards for students who participated in their extracurricular activities.

Budgeting, Auditing, Financing, and Reporting
in Schools with an Average Daily
Attendance of 75 to 100

In Table 5 the question pertaining to the approval of the extracurricular budget was answered by only 9 per cent. These reported that the budget was approved by someone other than the principal or the extracurricular finance committee.

In the question of who audits the extracurricular activity fund, Table 5 showed that the fund was audited by the superintendent in 21 per cent of the schools reporting as compared to 48 per cent of the schools reporting on the same question in Table 2. Pertaining to the same question, 43 per cent of the schools in Table 5 reported that their funds were audited by a certified public accountant as compared to 40 per cent reporting on the same question in Table 2.

All fifty-seven of the schools reporting in Table 5 on the financing of the extracurricular activity fund indicated that they were financed by admissions; only 12 per cent reported that they collected dues from their students. All schools in this group indicated that they accepted donations.

Table 5 indicated that 46 per cent of the schools required the central treasurer to make monthly reports as compared to 58 per cent of the schools in Table 2 that required monthly reports by their central treasurer.

TABLE 5

BUDGETING, AUDITING, FINANCING, AND REPORTING OF THE
EXTRA-CURRICULAR ACTIVITY FUNDS IN THE SECONDARY
SCHOOLS OF OKLAHOMA WITH AN AVERAGE
DAILY ATTENDANCE OF 75 TO 100

Practice	Response	
	Number	Per Cent
The extracurricular activity budget is approved by--		
Extracurricular finance committee	0	0
Principal	0	0
Other	5	9
The extracurricular activity budget is made by--		
Sponsor	3	5
Students	0	0
Sponsor-Students	2	4
Other	0	0
The extracurricular activity fund is audited by--		
Superintendent	12	21
Principal	5	9
Teacher	2	4
Certified Public Accountant	25	43
Other	7	12
The extracurricular activity fund is financed by--		
Activity tickets	0	0
Admissions	57	100
Dues	3	12
Donations	57	100
Other	57	100
The time for making financial report by the central treasurer--		
Weekly	0	0
Monthly	23	46
Quarterly	12	21
Annually	14	24

Expenditures in Schools with an Average
Daily Attendance of 75 to 100

In Table 6, the forty-nine schools reporting on the total amount expended by the extracurricular activities during the school year had a total average daily attendance of 4,297. They reported an expenditure in their extracurricular activity fund of \$439,905.46. This was an average expenditure per pupil of \$102.37 as compared to \$78.89 per pupil in Table 2. Only eight schools failed to report the amount that they expended in their extracurricular activity fund. The total average daily attendance for all the schools in the state of Oklahoma in this group for the school year of 1958-59 was 9,648. Using the average expenditure of \$102.37 per student, it could be estimated that this group of schools had an expenditure of \$987,655.76 in their extracurricular activity for the school year of 1958-59.

Accounting Practices in Schools with an Average
Daily Attendance of 101 to 200

Table 7 indicated the practices in the public secondary schools of Oklahoma with an average daily attendance of 101 to 200. There were one hundred twenty-one schools in the state of Oklahoma in this group in 1958-59. Eighty-six of the schools in this group responded to the questionnaire. This was a return from 71 per cent of the schools in this group. In this group of schools, 58 per cent of the schools indicated that the policies of the board of education stated

TABLE 6

EXPENDITURES FOR EXTRACURRICULAR ACTIVITIES IN THE
SECONDARY SCHOOLS OF OKLAHOMA WITH AN AVERAGE
DAILY ATTENDANCE OF 75 TO 100

Practice	Response
The total amount expended by the extra-curricular activities during the school year of 1958-59	\$439,905.46
Average cost per student of schools reporting the amount expended during the school year of 1958-59	\$102.37
Average daily attendance of schools reporting amount expended during the school year of 1958-59	4,297
Average daily attendance of schools that failed to report the amount expended	685
Number of schools that reported the amount expended	49
Number of schools that failed to report the amount expended	8
Total average daily attendance of schools in this group in Oklahoma during the school year of 1958-59	9,648

the system of accounting to be used. This was 9 per cent higher than schools reporting in Table 1 on the same question.

Table 7 indicated that in 40 per cent of the schools the policies stated how new extracurricular activities become a part of the program as compared to 33 per cent of the schools in Table 6 and 26 per cent of the schools in Table 1.

TABLE 7

PRACTICES IN ACCOUNTING FOR EXTRACURRICULAR ACTIVITY FUNDS
IN SECONDARY SCHOOLS OF OKLAHOMA WITH AN AVERAGE
DAILY ATTENDANCE OF 101 TO 200

Practice	Response			
	Yes		No	
	Number	Per Cent	Number	Per Cent
Board of Education has established policies governing extracurricular activities.	76	88	10	12
The policies state the system of accounting to be used.	50	58	35	42
The policies state how new extracurricular activities become a part of the program.	34	40	51	60
The policies state the definite value to members of the activity group in handling the funds.	14	16	70	84
The funds are obligated in excess of money on hand by an activity.	19	22	67	78
The people who sell and take tickets are paid for their services from the extracurricular activity fund.	1	1	85	99
Funds are allocated to the activities regardless of the amount of revenue they bring in.	20	23	66	77
The sale of tickets is handled by the students.	50	60	23	40
The activity funds are handled through a central bank account.	79	94	6	6

TABLE 7--Continued

Practice	Response			
	Yes		No	
	Number	Per Cent	Number	Per Cent
Each activity has a student treasurer who is responsible for depositing receipts with the central treasurer.	51	76	16	24
The disbursements are made by the central treasurer on the authority from the sponsor and the activity treasurer.	61	92	5	8
The central treasurer is bonded.	56	83	11	17
The extracurricular funds are audited.	70	98	1	2
Each activity is required to keep a record of receipts and disbursements.	63	87	9	13
The central treasurer is required to make regular financial reports.	73	84	13	16
Each activity is required to have an approved budget.	10	12	71	88
The charges made by the Board of Education are kept separate from the activity fund.	57	70	24	30
Awards are given for participation in extracurricular activities.	69	84	13	16
The activity fund is supplemented from the regular school budget.	36	44	46	56

In Table 7, 23 per cent of the schools reporting indicated that they allocated funds to the activities regardless of the amount of revenue they brought in. This compared to 14 per cent of the schools in Table 4 and 22 per cent of the schools in Table 1 on the same question.

On the question of students handling the sale of tickets, 60 per cent of the schools reporting in Table 7 indicated that the students handled the sale of tickets; this was 15 per cent greater than that reported by schools in Table 1 on the same question.

In Table 7 only 94 per cent of the schools reporting handled their funds through a central bank account as compared to 100 per cent of the schools in Table 4 and 98 per cent of the schools in Table 1.

Table 7 indicated that 83 per cent of the schools in this group, that reported, had their central treasurer bonded, as compared to 58 per cent of the schools in Table 4 and 48 per cent of the schools in Table 1 that reported on the same question.

Budgeting, Auditing, Financing, and Reporting
in Schools with an Average Daily
Attendance of 101 to 200

In Table 8, with seventy-seven of the eighty-six schools reporting on the question of who audits the extra-curricular activity funds, 77 per cent reported that they were audited by a certified public accountant. This was 34 per cent greater than that reported by schools on the

TABLE 8

BUDGETING, AUDITING, FINANCING, AND REPORTING OF THE
EXTRACURRICULAR ACTIVITY FUNDS IN THE SECONDARY
SCHOOLS OF OKLAHOMA WITH AN AVERAGE
DAILY ATTENDANCE OF 101 TO 200

Practice	Response	
	Number	Per Cent
The extracurricular activity budget is approved by--		
Extracurricular finance committee	0	0
Principal	0	0
Other	10	11
The extracurricular activity budget is made by--		
Sponsor	0	0
Students	0	0
Sponsor-Students	8	9
Other	2	2
The extracurricular activity fund is audited by--		
Superintendent	5	6
Principal	0	0
Teacher	1	0
Certified Public Accountant	55	77
Other	8	9
The extracurricular activity fund is financed by--		
Activity tickets	5	6
Admissions	86	100
Dues	3	3
Donations	86	100
Other	86	100
The time for making financial report by the central treasurer--		
Weekly	0	0
Monthly	43	50
Quarterly	17	24
Annually	10	14

same question in Table 5, and 37 per cent greater than that reported by the schools in Table 2.

On the question of how the extracurricular activity funds are financed Table 8 indicated that they were financed by admissions, and other ways, with only 6 per cent of the schools reporting that they also have an activity ticket. All the schools indicated that they would accept donations.

Table 8 indicated that 61 per cent of the schools reporting required the central treasurer to make monthly reports as compared to 46 per cent of the schools in Table 5 that require monthly reports. The schools in this group required 14 per cent less than the schools in Table 2 that reported on the same question.

Expenditures in Schools with an Average
Daily Attendance of 101 to 200

In Table 9 the seventy-five schools reporting on the amount expended by the extracurricular activities during the school year of 1958-59 had a total average daily attendance of 10,346 for the school year and an expenditure of \$1,094,829.67. This would be an average of \$105.82 per student. This was \$3.45 higher than the average for the schools reporting in Table 5, and \$26.93 higher than the average per pupil for the schools reporting in Table 2. Only eleven schools failed to report the amount that they expended in their extracurricular activity fund.

TABLE 9

EXPENDITURES FOR EXTRACURRICULAR ACTIVITIES IN THE
SECONDARY SCHOOLS OF OKLAHOMA WITH AN AVERAGE
DAILY ATTENDANCE OF 101 TO 200

Practice	Response
The total amount expended by the extra-curricular activities during the school year of 1958-59	\$1,094,829.67
Average cost per student of schools reporting the amount expended during the school year of 1958-59	\$105.82
Average daily attendance of schools reporting amount expended during the school year of 1958-59	10,346
Average daily attendance of schools that failed to report the amount expended	1,618
Number of schools that reported the amount expended	75
Number of schools that failed to report the amount expended	11
Total average daily attendance of schools in this group in Oklahoma during the school year of 1958-59	16,334

The total average daily attendance for all the schools in the state of Oklahoma in this group for the school year of 1958-59 was 16,334. Using the average expenditure of \$105.82 per student, it could be estimated that this group of schools had an expenditure of \$1,728,463.88 for the school year of 1958-59.

Accounting Practices in Schools with an Average
Daily Attendance of 201 to 300

Table 10 indicated the practices of the public secondary schools of Oklahoma with an average daily attendance of 201 to 300 in accounting for their extracurricular activity funds. There were forty-two schools in the State of Oklahoma in this group in 1958-59. Thirty-seven of the schools in this group responded to the questionnaire. This was a return from 88 per cent of the schools in this group. In this group of schools 97 per cent reported that the board of education had policies governing the extracurricular activities. This was the highest per cent of all groups reporting on this question.

Table 10 indicated that in 25 per cent of the schools the policies stated the definite value to members of the activity group in handling the funds. This was 9 per cent higher than in Table 7, 15 per cent higher than in Table 4, and 10 per cent higher than in Table 1. This was the lowest per cent of all the groups on this question.

Table 10 indicated 11 per cent of schools paid for the services of the people who sell and take tickets. This was an increase of about 10 per cent over the schools reporting on the same question in Tables 7, 4, and 1.

Table 10 shows that 96 per cent of the schools answering the question on bonding of the central treasurer have their treasurers bonded. This was an increase of 13 per cent over the schools in Table 7, an increase of 38 per cent over

TABLE 10

PRACTICES IN ACCOUNTING FOR EXTRACURRICULAR ACTIVITY FUNDS
IN SECONDARY SCHOOLS OF OKLAHOMA WITH AN AVERAGE
DAILY ATTENDANCE OF 201 TO 300

Practice	Response			
	Yes		No	
	Number	Per Cent	Number	Per Cent
Board of Education has established policies governing extracurricular activities.	36	97	1	3
The policies state the system of accounting to be used.	23	63	13	37
The policies state how new extracurricular activities become a part of the program.	13	36	23	64
The policies state the definite value to members of the activity group in handling the funds.	9	25	27	75
The funds are obligated in excess of money on hand by an activity.	13	36	23	64
The people who sell and take tickets are paid for their services from the extracurricular activity fund.	4	11	32	89
Funds are allocated to the activities regardless of the amount of revenue they bring in.	8	22	29	78
The sale of tickets is handled by the students.	12	35	25	65
The activity funds are handled through a central bank account.	37	100	0	0

TABLE 10--Continued

Practice	Response			
	Yes		No	
	Number	Per Cent	Number	Per Cent
Each activity has a student treasurer who is responsible for depositing receipts with the central treasurer.	20	64	11	34
The disbursements are made by the central treasurer on the authority from the sponsor and the activity treasurer.	27	93	2	7
The central treasurer is bonded.	29	96	1	4
The extracurricular funds are audited.	31	100	0	0
Each activity is required to keep a record of receipts and disbursements.	26	86	4	14
The central treasurer is required to make regular financial reports.	34	94	2	6
Each activity is required to have an approved budget.	8	22	28	78
The charges made by the Board of Education are kept separate from the activity fund.	20	54	17	46
Awards are given for participation in extracurricular activities.	27	75	9	25
The activity fund is supplemented from the regular school budget.	20	54	17	46

the schools in Table 4, and an increase of 50 per cent over the schools in Table 1.

Table 10 shows that all the schools reporting have their funds audited. This was the first group to report 100 per cent on the auditing of the extracurricular activity funds.

Table 10 indicated that 94 per cent of the schools required the central treasurer to make regular financial reports. This was the greatest per cent reported by any group of schools on this question in this study.

Table 10 indicated that 54 per cent of the schools had their activity funds supplemented from the regular budget. This was higher than the other groups on this question in the study.

Budgeting, Auditing, Financing, and Reporting
in Schools with an Average Daily
Attendance of 201 to 300

Table 11 indicated that the extracurricular activity budget was approved by others in 21 per cent of the schools in this group. It also indicated that the extracurricular activity budget was made by the sponsor and students in 16 per cent of the schools. In this group of schools the extracurricular activity funds were audited in 70 per cent of the schools by a certified public accountant; this was 7 per cent lower than that reported in Table 8.

The extracurricular activity fund was financed by admission in all the schools in this group. They also collected

TABLE 11

BUDGETING, AUDITING, FINANCING, AND REPORTING OF THE
EXTRACURRICULAR ACTIVITY FUNDS IN THE SECONDARY
SCHOOLS OF OKLAHOMA WITH AN AVERAGE
DAILY ATTENDANCE OF 201 TO 300

Practice	Response	
	Number	Per Cent
The extracurricular activity budget is approved by--		
Extracurricular finance committee	0	0
Principal	0	0
Other	8	21
The extracurricular activity budget is made by--		
Sponsor	2	1
Students	0	0
Sponsor-Students	6	16
Other	0	0
The extracurricular activity fund is audited by--		
Superintendent	2	1
Principal	0	0
Teacher	0	0
Certified Public Accountant	26	70
Other	2	1
The extracurricular activity fund is financed by--		
Activity tickets	0	0
Admissions	37	100
Dues	37	100
Donations	37	100
Other	37	100
The time for making financial report by the central treasurer--		
Weekly	0	0
Monthly	22	73
Quarterly	8	26
Annually	4	1

dues in all the schools. Donations were accepted by all the schools. They also reported other methods of financing the activity fund.

Table 11 indicated that 73 per cent of the schools required monthly reporting by the central treasurer. This was 12 per cent higher than that reported by the group in Table 8. Table 11 also indicated that 26 per cent of the schools reported quarterly and about 1 per cent reported annually.

Expenditures in Schools with an Average
Daily Attendance of 201 to 300

Table 12 with thirty-four schools reporting amounts expended indicated \$830,107.12 expended by the extracurricular activities during the school year of 1958-59. Only three schools failed to report the amount expended by their extracurricular activity fund. The thirty-four schools reporting the amount expended had an average daily attendance of 8,368 for the school year of 1958-59. This would be an average expenditure per pupil of \$99.20.

The average daily attendance for all schools in this group for the school year of 1958-59 was 10,234. Using the average expenditure of \$99.20 per student, it could be estimated that the schools in this group had an expenditure of \$1,015,212.80 for the school year of 1958-59.

TABLE 12

EXPENDITURES FOR EXTRACURRICULAR ACTIVITIES IN THE
SECONDARY SCHOOLS OF OKLAHOMA WITH AN AVERAGE
DAILY ATTENDANCE OF 201 TO 300

Practice	Response
The total amount expended by the extra-curricular activities during the school year of 1958-59	\$830,107.12
Average cost per student of schools reporting the amount expended during the school year of 1958-59	\$99.20
Average daily attendance of schools reporting amount expended during the school year of 1958-59	8,368
Average daily attendance of schools that failed to report the amount expended	689
Number of schools that reported the amount expended	34
Number of schools that failed to report the amount expended	3
Total average daily attendance of schools in this group in Oklahoma during the school year of 1958-59	10,234

Accounting Practices in Schools with an Average
Daily Attendance of 301 to 500

Table 13 indicated the practices of the public secondary schools of Oklahoma with an average daily attendance of 301 to 500 in accounting for their extracurricular activity funds. There were twenty-five schools in the state of Oklahoma in this group in 1958-59. Twenty-one of the schools

TABLE 13

PRACTICES IN ACCOUNTING FOR EXTRACURRICULAR ACTIVITY FUNDS
IN SECONDARY SCHOOLS OF OKLAHOMA WITH AN AVERAGE
DAILY ATTENDANCE OF 301 TO 500

Practice	Response			
	Yes		No	
	Number	Per Cent	Number	Per Cent
Board of Education has established policies governing extracurricular activities.	17	80	4	20
The policies state the system of accounting to be used.	15	71	6	29
The policies state how new extracurricular activities become a part of the program.	10	47	11	53
The policies state the definite value to members of the activity group in handling the funds.	2	1	19	99
The funds are obligated in excess of money on hand by an activity.	3	1	18	99
The people who sell and take tickets are paid for their services from the extracurricular activity fund.	2	1	19	99
Funds are allocated to the activities regardless of the amount of revenue they bring in.	4	19	17	81
The sale of tickets is handled by the students.	10	47	11	53
The activity funds are handled through a central bank account.	21	100	0	0

TABLE 13--Continued

Practice	Response			
	Yes		No	
	Number	Per Cent	Number	Per Cent
Each activity has a student treasurer who is responsible for depositing receipts with the central treasurer.	8	61	5	39
The disbursements are made by the central treasurer on the authority from the sponsor and the activity treasurer.	14	100	0	0
The central treasurer is bonded.	15	100	0	0
The extracurricular funds are audited.	16	100	0	0
Each activity is required to keep a record of receipts and disbursements.	16	93	1	7
The central treasurer is required to make regular financial reports.	19	90	2	10
Each activity is required to have an approved budget.	3	10	17	90
The charges made by the Board of Education are kept separate from the activity fund.	16	84	3	16
Awards are given for participation in extracurricular activities.	18	90	2	10
The activity fund is supplemented from the regular school budget.	9	47	10	53

responded to the questionnaire. This was an 85 per cent return from this group of schools.

Table 13 indicated that the board of education had policies governing the extracurricular activity funds in 80 per cent of the schools reporting. This was 17 per cent lower than the schools in Table 10, 8 per cent lower than the schools in Table 7, 9 per cent lower than the schools in Table 4, and the same per cent as the schools in Table 1.

Table 13 indicated that in 71 per cent of the schools the board of education policies stated the system of accounting to be used. This was an increase of 8 per cent over the schools in Table 10. There was an increase in policies stating the system of accounting to be used as the size of the schools increased for all the groups in this study.

In this group of schools, all schools reporting on the method of disbursement reported that the disbursements were made by the central treasurer on the authority from the sponsor and the activity treasurer. This was the only group reporting 100 per cent on this method of disbursement.

Table 13 indicated that all the schools in this group required the central treasurer to be bonded. This was the only group of schools in this study that reported that all the central treasurers be bonded.

The schools reporting on the question of auditing the extracurricular activity funds reported 100 per cent that their funds were audited.

Table 13 with 84 per cent of the schools reporting indicated that the charges made by the board of education were kept separate from the activity funds. This was an increase of 30 per cent over the schools in Table 10, 14 per cent over the schools in Table 7, 17 per cent over the schools in Table 4, and 13 per cent over the schools in Table 1 reporting on the same question. It should be noted in Table 13 that the schools reporting on this question reported the same percentage as those schools in Table 16.

In this group of schools, the schools reporting on the question of giving awards for participation in extracurricular activities, reported that 90 per cent gave awards. This was the greatest percentage giving awards in any group of schools in this study.

Budgeting, Auditing, Financing, and Reporting
in Schools with an Average Daily
Attendance of 301 to 500

Table 14 indicated that only 14 per cent of the schools in this group had an extracurricular activity budget and that the budget was made by others in all the schools reporting. In this group of schools the audit was made by a certified public accountant in 66 per cent of the schools and by others in 9 per cent. Five of the schools reporting did not choose to answer this question.

The extracurricular activity fund was financed by admissions and dues. All the schools listed other means of

TABLE 14

BUDGETING, AUDITING, FINANCING, AND REPORTING OF THE
EXTRACURRICULAR ACTIVITY FUNDS IN THE SECONDARY
SCHOOLS OF OKLAHOMA WITH AN AVERAGE
DAILY ATTENDANCE OF 301 TO 500

Practice	Response	
	Number	Per Cent
The extracurricular activity budget is approved by--		
Extracurricular finance committee	0	0
Principal	0	0
Other	3	14
The extracurricular activity budget is made by--		
Sponsor	0	0
Students	0	0
Sponsor-Students	3	14
Other	0	0
The extracurricular activity fund is audited by--		
Superintendent	0	0
Principal	0	0
Teacher	0	0
Certified Public Accountant	14	66
Other	2	9
The extracurricular activity fund is financed by--		
Activity tickets	0	0
Admissions	21	100
Dues	21	100
Donations	21	100
Other	21	100
The time for making financial report by the central treasurer--		
Weekly	0	0
Monthly	16	76
Quarterly	1	4
Annually	2	9

financing their activity fund. They all indicated that they would accept donations, but they did not solicit donations.

Table 14 indicated that 76 per cent of the schools reported that they required monthly reports by their central treasurer. This was an increase of 3 per cent over the schools in Table 11. In this group of schools 4 per cent reported that they required quarterly reports by their central treasurer, and 9 per cent reported that they required annual reports by their treasurer. Two of the schools in this group did not choose to answer this question.

Expenditures in Schools with an Average
Daily Attendance of 301 to 500

Table 15 with 19 schools reporting the amounts expended, indicated \$682,414.90 expended by the extracurricular activities during the school year of 1958-59. Only two schools failed to report the amount expended by their extracurricular activity fund.

The nineteen schools reporting the amount expended had a total average daily attendance of 7,267 for the school year of 1958-59. This would be an average per pupil of \$93.90.

The average daily attendance for all schools in this group for the school year of 1958-59 was 9,685.

Using the average expenditure of \$93.90 per student it could be estimated that the schools in this group had an expenditure of \$909,421.50 for the school year of 1958-59.

TABLE 15

EXPENDITURES FOR EXTRACURRICULAR ACTIVITIES IN THE
SECONDARY SCHOOLS OF OKLAHOMA WITH AN AVERAGE
DAILY ATTENDANCE OF 301 TO 500

Practice	Response
The total amount expended by the extra-curricular activities during the school year of 1958-59	\$682,414.90
Average cost per student of schools reporting the amount expended during the school year of 1958-59	\$93.90
Average daily attendance of schools reporting amount expended during the school year of 1958-59	7,267
Average daily attendance of schools that failed to report the amount expended	716
Number of schools that reported the amount expended	19
Number of schools that failed to report the amount expended	2
Total average daily attendance of schools in this group in Oklahoma during the school year of 1958-59	9,685

Accounting Practices in Schools with an
Average Daily Attendance above 500

Table 16 indicated the practices of the public secondary schools of Oklahoma with an average daily attendance above 501 in accounting for these extracurricular activity funds. There were forty-five schools in the state of Oklahoma in this group in 1958-59. Thirty-four of the schools responded to the questionnaire. This was 75 per cent return from this group of schools.

TABLE 16

PRACTICES IN ACCOUNTING FOR EXTRACURRICULAR ACTIVITY FUNDS
IN SECONDARY SCHOOLS OF OKLAHOMA WITH AN
AVERAGE DAILY ATTENDANCE ABOVE 501

Practice	Response			
	Yes		No	
	Number	Per Cent	Number	Per Cent
Board of Education has established policies governing extracurricular activities.	32	96	1	4
The policies state the system of accounting to be used.	24	72	9	28
The policies state how new extracurricular activities become a part of the program.	11	35	20	65
The policies state the definite value to members of the activity group in handling the funds.	2	1	28	99
The funds are obligated in excess of money on hand by an activity.	6	18	26	82
The people who sell and take tickets are paid for their services from the extracurricular activity fund.	21	63	12	37
Funds are allocated to the activities regardless of the amount of revenue they bring in.	4	13	25	87
The sale of tickets is handled by the students.	23	69	10	31
The activity funds are handled through a central bank account	31	100	0	0

TABLE 16--Continued

Practice	Response			
	Yes		No	
	Number	Per Cent	Number	Per Cent
Each activity has a student treasurer who is responsible for depositing receipts with the central treasurer.	19	65	10	35
The disbursements are made by the central treasurer on the authority from the sponsor and the activity treasurer.	25	86	4	14
The central treasurer is bonded.	28	96	1	4
The extracurricular funds are audited.	30	100	0	0
Each activity is required to keep a record of receipts and disbursements.	25	83	5	17
The central treasurer is required to make regular financial reports.	28	84	5	16
Each activity is required to have an approved budget.	4	12	17	88
The charges made by the Board of Education are kept separate from the activity fund.	27	84	5	16
Awards are given for participation in extracurricular activities.	20	66	10	34
The activity fund is supplemented from the regular school budget.	7	21	25	79

In Table 16, thirty-three of the thirty-four schools responded to the question regarding board of education policies governing extracurricular activities. Of those schools reporting 16 per cent stated that they had board of education policies. On the question of belief in board of education policies determining what activities are to become a part of the school program, only 84 per cent of the school administrations held this belief.

Table 16 indicated that 63 per cent of the schools in this group paid for the services of the people who sold and took tickets. This was 40 per cent higher than any other group reporting.

The activity funds were handled through a central bank account in all the schools reporting on this question. Only two of the groups reported less than 100 per cent. The schools in Table 7 reported 94 per cent and the schools in Table 1 reported 98 per cent.

In Table 16 with twenty-nine of the thirty-four schools responding to the question of how disbursements are made by the central treasurer, twenty-five or 86 per cent reported that the disbursements were made by the central treasurer, on authority from the sponsor and the activity treasurer.

This was the lowest per cent on any of the groups answering "yes" to this question.

In this group of schools with thirty of the thirty-four responding to the question that concerns giving awards for participation in extracurricular activities, 66 per cent reported that they did not give awards. This was the lowest of all the groups reporting. The highest was the group of schools in Table 13 who reported that 90 per cent gave awards.

Table 16 indicated that only 21 per cent of the schools reporting had their activity fund supplemented from the regular school budget. The highest percentage being that group of schools in Table 10 who reported 54 per cent of the schools reporting had their activity fund supplemented from the regular school budget.

Budgeting, Auditing, Financing, and Reporting
in Schools with an Average Daily
Attendance above 500

Table 17 indicated the practices in the public secondary schools of Oklahoma with an average daily attendance of 501 and above in budgeting, auditing, financing, and reporting of the extracurricular activity funds.

Only four schools, or 11 per cent, reported that they had an extracurricular activity budget. The budget was made by the sponsor and students in three schools, or 8 per cent, of the schools reporting.

The extracurricular activity fund was audited by a certified public accountant in 93 per cent of the schools reporting. This was the greatest per cent of any of the groups in this study. The lowest were those schools in Table 2 who

TABLE 17

BUDGETING, AUDITING, FINANCING, AND REPORTING OF THE
EXTRACURRICULAR ACTIVITY FUNDS IN THE SECONDARY
SCHOOLS OF OKLAHOMA WITH AN AVERAGE
DAILY ATTENDANCE ABOVE 501

Practice	Response	
	Number	Per Cent
The extracurricular activity budget is approved by--		
Extracurricular finance committee	0	0
Principal	0	0
Other	4	11
The extracurricular activity budget is made by--		
Sponsor	1	0
Students	0	0
Sponsor-Students	3	8
Other	0	0
The extracurricular activity fund is audited by--		
Superintendent	0	0
Principal	0	0
Teacher	0	0
Certified Public Accountant	28	93
Other	2	6
The extracurricular activity fund is financed by--		
Activity tickets	34	100
Admissions	34	100
Dues	0	0
Donations	0	0
Other	34	100
The time for making financial report by the central treasurer--		
Weekly	0	0
Monthly	29	85
Quarterly	2	6
Annually	2	6

reported 40 per cent of the audits were made by a certified public accountant.

All the schools in this group reported that their activity funds were financed by some type of activity ticket. They all reported that they charged admissions to their activities. The schools in this group did not indicate that they would accept donations.

In this group of schools twenty-nine, or 85 per cent, reported that the central treasurer was required to report monthly. This was 9 per cent greater than any other group of schools reporting on this question.

Expenditures in Schools with an Average
Daily Attendance above 500

Table 18 with twenty-six schools reporting the amount expended indicated \$2,245,677.65 expended by the extracurricular activities during the school year of 1958-59. The average daily attendance for all the schools in this group for the school year 1958-59 was 41,037. Only eight schools failed to report the amount expended by their extracurricular activity fund. The twenty-six schools reporting the amount expended had a total average daily attendance of 25,587 for the school year of 1958-59. This would be an average per pupil of \$87.79. Using the average expenditure of \$87.79 per student, it could be estimated that the schools in this group had an expenditure of \$3,601,638.23 for the school year of 1958-59.

TABLE 18

EXPENDITURES FOR EXTRACURRICULAR ACTIVITIES IN THE
SECONDARY SCHOOLS OF OKLAHOMA WITH AN AVERAGE
DAILY ATTENDANCE ABOVE 501

Practice	Response
The total amount expended by the extra-curricular activities during the school year of 1958-59	\$2,245,677.65
Average cost per student of schools reporting the amount expended during the school year of 1958-59	\$87.79
Average daily attendance of schools reporting amount expended during the school year of 1958-59	25,587
Average daily attendance of schools that failed to report the amount expended	8,704
Number of schools that reported the amount expended	26
Number of schools that failed to report the amount expended	8
Total average daily attendance of schools in this group in Oklahoma during the school year of 1958-59	41,037

Accounting Practices in Secondary
Schools of Oklahoma

Table 19 indicated the practices in accounting found in the 350 public secondary schools of Oklahoma that responded to the questionnaire used in this study. This was a return from 58 per cent of the public secondary schools in Oklahoma. Ninety per cent of the schools stated that their respective boards of education had policies governing extracurricular

TABLE 19

PRACTICES IN ACCOUNTING FOR EXTRACURRICULAR
ACTIVITY FUNDS IN SECONDARY SCHOOLS
OF OKLAHOMA

Practice	Response			
	Yes		No	
	Number	Per Cent	Number	Per Cent
Board of Education has established policies governing extracurricular activities.	305	90	44	10
The policies state the system of accounting to be used.	182	53	161	47
The policies state how new extracurricular activities become a part of the program.	115	45	218	55
The policies state the definite value to members of the activity group in handling the funds.	49	17	239	83
The funds are obligated in excess of money on hand by an activity.	73	21	266	79
The people who sell and take tickets are paid for their services from the extracurricular activity fund.	33	9	314	91
Funds are allocated to the activities regardless of the amount of revenue they bring in.	68	20	266	80
The sale of tickets is handled by the students.	161	41	175	59
The activity funds are handled through a central bank account.	337	98	8	2

TABLE 19--Continued

Practice	Response			
	Yes		No	
	Number	Per Cent	Number	Per Cent
Each activity has a student treasurer who is responsible for depositing receipts with the central treasurer.	182	68	84	32
The disbursements are made by the central treasurer on the authority from the sponsor and the activity treasurer.	240	91	21	9
The central treasurer is bonded.	193	72	72	28
The extracurricular funds are audited.	271	97	7	3
Each activity is required to keep a record of receipts and disbursements.	244	87	34	13
The central treasurer is required to make regular financial reports.	296	87	44	13
Each activity is required to have an approved budget.	37	11	297	89
The charges made by the Board of Education are kept separate from the activity fund.	239	70	98	30
Awards are given for participation in extracurricular activities.	256	76	76	24
The activity fund is supplemented from the regular school budget.	137	40	200	60

activities.

Fifty-three per cent of the schools reported that the board of education policies stated the system of accounting to be used. The remaining 47 per cent were permitted to use any system of accounting they chose.

Only 45 per cent of the schools reporting indicated that the policies stated how new extracurricular activities could become a part of the program. Boards of education in 55 per cent of the schools reporting had failed to establish policies.

In only 17 per cent of the schools reporting the policies stated the ultimate value the members of the activity should receive in handling extracurricular activity funds.

Out of the 347 schools reporting on the question of pay for the services of the people who sell and take tickets, 91 per cent reported that they did not pay for that service. Only 20 per cent of the total schools reporting allocated funds to the various activities regardless of the amount they brought in.

The sale of tickets was handled by students in 41 per cent of the schools reporting. This indicated that 59 per cent of the schools failed to use their students in the sale of tickets.

The activity funds were handled through a central bank account in 97 per cent of all the schools reporting. There were only 3 per cent of the schools that handled their

activity funds in separate accounts for each activity.

In 68 per cent of the schools each activity had a student treasurer who was responsible for depositing the receipts with the central treasurer. Only 32 per cent reported that they did not have a student treasurer for each activity.

The disbursements were made by the central treasurer in 91 per cent of the schools reporting on authority from the sponsor and the activity treasurer. In only 9 per cent of the schools the central treasurer made the disbursements without authority from the activity group.

The central treasurer was bonded in 72 per cent of the schools reporting. This left 28 per cent of the schools reporting whose central treasurer was not bonded.

The extracurricular activity funds were audited in 97 per cent of the schools that replied to this question.

In 87 per cent of the schools reporting each activity was required to keep records of receipts and disbursements. Only 13 per cent of the schools reported that the activity failed to keep any kind of record of receipts and disbursements.

The central treasurer was required to make regular financial reports in 87 per cent of the schools reporting. In only 13 per cent of the schools the central treasurer was not required to make regular financial reports.

The extracurricular activity group was not required to have an approved budget in 89 per cent of the schools reporting.

Charges made by the board of education were kept separate in 70 per cent of the schools reporting.

Awards were given for participation in extracurricular activities in 76 per cent of the schools reporting.

The activity fund was supplemented from the regular school budget in 40 per cent of the schools. Sixty per cent of the schools reported that their budgets were not supplemented from the regular school budget.

Budgeting, Auditing, Financing, and Reporting
in Secondary Schools of Oklahoma

Table 20 indicated the practices in the public secondary schools of Oklahoma in budgeting, auditing, financing, and reporting of the extracurricular activity funds. Only 37 schools or 10 per cent replied to the question of who approved the budget. Less than 1 per cent reported the approval by the principal. The budget was approved by others in 9 per cent of the schools.

The extracurricular activity budget was made by the sponsor and students in only 1 per cent of the schools.

In 18 per cent of the schools reporting, the extracurricular activity fund was audited by the superintendent. The principal audited the extracurricular funds in 4 per cent of the schools. The extracurricular activity funds were

TABLE 20

BUDGETING, AUDITING, FINANCING, AND REPORTING
OF THE EXTRACURRICULAR ACTIVITY FUNDS
IN SECONDARY SCHOOLS OF OKLAHOMA

Practice	Response	
	Number	Per Cent
The extracurricular activity budget is approved by--		
Extracurricular finance committee	0	0
Principal	7	0
Other	30	9
The extracurricular activity budget is made by--		
Sponsor	8	0
Students	0	0
Sponsor-Students	27	1
Other	2	0
The extracurricular activity fund is audited by--		
Superintendent	63	18
Principal	14	4
Teacher	11	3
Certified Public Accountant	194	55
Other	34	10
The extracurricular activity fund is financed by--		
Activity tickets	47	13
Admissions	350	100
Dues	64	18
Donations	316	90
Other	350	100
The time for making financial report by the central treasurer--		
Weekly	1	0
Monthly	183	52
Quarterly	55	16
Annually	62	18

audited by a teacher in 3 per cent of the schools. Only 55 per cent reported that the extracurricular activity funds were audited by a certified public accountant, and 10 per cent by others.

The extracurricular activity fund was financed by activity tickets, admissions, dues, donations, and other ways. All the schools reported 100 per cent on admissions and others. Only 18 per cent reported that they used dues to finance their extracurricular activity fund, and 13 per cent used the activity ticket.

There was only one school in which the central treasurer reported weekly. The central treasurer reported monthly in 52 per cent of the schools, quarterly in 16 per cent, and annually in 18 per cent.

Expenditures in Public Secondary
Schools of Oklahoma

The total amount of money reported expended by all the schools in Table 21 for the school year of 1958-59 was \$5,700,089.57. Only 15 per cent of the schools failed to report the amount they expended in their extracurricular funds.

The total average daily attendance of the 299 schools reporting the amount expended during the school year of 1958-59 was 13,478. This was 85 per cent of the average daily attendance of the schools reporting. The average expenditure per pupil of the schools reporting amount expended

TABLE 21

EXPENDITURES FOR EXTRACURRICULAR ACTIVITIES
IN THE SECONDARY SCHOOLS OF OKLAHOMA
FOR THE SCHOOL YEAR 1958-59

Practice	Response
The total amount expended by the extracurricular activities during the school year of 1958-59	\$5,700,089.57
Average cost per student of schools reporting the amount expended during the school year of 1958-59	\$93.63
Average daily attendance of schools reporting amount expended during the school year of 1958-59	60,980
Average daily attendance of schools that failed to report the amount expended	13,478
Number of schools that reported the amount expended	299
Number of schools that failed to report the amount expended	51
Total average daily attendance of schools in this group in Oklahoma during the school year of 1958-59	100,559

was \$93.63. The total average daily attendance for all the public secondary schools in Oklahoma for the school year of 1958-59 was 100,559. Using the average expenditure per pupil of \$93.63, it could be estimated that all the schools had an expenditure of \$9,415,338.17 in their extracurricular activity funds.

Philosophy of School Administrators
Relative to Accounting

The assumption was made, when this questionnaire was prepared, that almost all of the questionnaires would be answered by the high school principal or superintendent. This proved to be correct. On this basis, two questions were devised for the purpose of determining the thinking of school officials with respect to controlling and financing the extracurricular activities. These elicited greater responses than any other questions.

The first of these was: Do you believe the board of education should adopt policies which determine what extracurricular activities are to be permitted to become a part of the school program?

There were three hundred forty-seven replies to this question. Two hundred seventy-two or 78 per cent of those answering believed that the board of education should adopt rules and regulations which would determine what extracurricular activities are to be permitted to become a part of the school program. Twenty-two per cent of those answering the questionnaire thought that the board of education should have no rules and regulations which would determine what extracurricular activities were to be permitted to become a part of the school program.

The second of these questions was: Do you believe the extracurricular activities should be considered as a definite function of the schools and be budgeted for as a

part of the regular budget of the board of education?

More attention was given to this question than any other in the questionnaire. Three hundred fifty or 100 per cent of the schools replied. Sixty-five per cent of those answering believed that extracurricular activities should be considered a definite part of the school program and be budgeted for as a part of the regular budget of the board of education. From the literature the authorities on school finance hold this belief.

Summary

From the responses to the questionnaire it was noted that as the size of the school increased, there was also an increase in policies stating the system of accounting to be used.

With 90 per cent of the schools reporting that boards of education had policies governing extracurricular activities, it was noted that the policies did not state the system of accounting to be used in 47 per cent of the schools. In only 45 per cent of the schools did the policies state how new extracurricular activities could become a part of the program. There were 83 per cent of the schools in which the policies failed to state the definite value to the members of the activity group in handling the extracurricular activity funds.

There does not appear to be a uniform system of accounting for the extracurricular funds in the public

secondary schools of Oklahoma. Only 11 per cent of the schools required an approved budget for each activity. The central treasurer was bonded in 72 per cent of the schools. Twenty-eight per cent of the schools did not bond their central treasurer. There were only 68 per cent of the schools with a student treasurer for each activity who was responsible for depositing the receipts with the central treasurer.

The accounting forms received from several secondary schools in Oklahoma indicated that each school can use any form or system of accounting they choose.

From the various methods of accounting for the extracurricular activity funds as reported by the schools responding to the questionnaire there appeared to be a definite need for a uniform system of accounting, auditing, and reporting in the public secondary schools of Oklahoma.

On the question pertaining to the belief in the board of education adopting rules and regulations which would determine what extracurricular activities are to become a part of the school program, 78 per cent of those reporting held to this belief. This thinking was in accord with the thinking of the authorities who have given much thought and study to this phase of the school program.

On the question pertaining to the belief that extracurricular activities be considered a definite function of the schools and be budgeted for as a part of the regular budget of the board of education, 68 per cent of the school

administrators in Oklahoma held to this belief. This would indicate that the trend is definitely toward the acceptance of extracurricular activities as a part of the total school program of financing the schools. The acceptance of this idea would not necessarily mean that athletics would cease to be revenue producing. It would simply mean that athletics and all other activities would assume their proper place in the school program and that the program would be stabilized regardless of the number of games won or lost.

CHAPTER IV

A PROPOSED PROGRAM OF ACCOUNTING FOR EXTRACURRICULAR ACTIVITY FUNDS IN THE PUBLIC SECONDARY SCHOOLS OF OKLAHOMA

From the practices reported by the various states in accounting for their extracurricular activity funds, and the practices reported by the public secondary schools of Oklahoma, a program of accounting for the extracurricular activity funds in the public secondary schools of Oklahoma will be proposed.

In any program of accounting which is proposed the high school principal is the responsible individual. By virtue of his position he is charged with the entire curricular and extracurricular program. In these programs he encounters his greatest financial responsibilities. The petty cash accounts that are found in the majority of all high schools are usually not large. In the field of extracurricular finances the funds soar to large amounts. It is for these funds that the high school principal must assume responsibility.

The school laws of Oklahoma, Section 70-4-33, state:

The board of education of each school district shall exercise complete control over all funds on hand or hereafter received or collected from all student activities conducted in such school including all funds received or collected from students and others as admission charges to athletic contests, school plays and any and all other school activities and from the sale of student activity tickets.

The board of education of each school district is hereby authorized and directed to adopt appropriate rules and regulations governing the handling and expenditures of such funds and shall require the custodian or custodians thereof to make a full and true accounting for all funds which may come into their possession or under their control and shall require such custodians to give a bond in such amount as the board may deem necessary. Provided, however, the cost of the bond shall be paid out of such activity funds.¹

In Section 70-4-34 pertaining to student activity funds it further states:

The board of education of each school district shall likewise provide for an annual audit of all such student activity funds, the cost to be paid out of such funds. The original report of such audit shall be delivered to the board of education and a copy thereof shall be furnished to the treasurer of the school district.²

The funds that are raised for the operation of extra-curricular activities in the schools of Oklahoma are frequently handled as if they are not public funds; there can be little doubt in the minds of the people that these funds are, by their very nature, of public interest. The laws of the State of Oklahoma have placed the responsibility for the proper management of these funds with the board of education. The laws in charging the boards of education with control of

¹"Public School Laws of Oklahoma," Bulletin, State Department of Public Instruction (Oklahoma City: 1959), p. 42.

²Ibid.

the extracurricular activity funds imply that they are public funds.

The laws of the State of Oklahoma place the responsibility for control and management of these funds in the hands of local boards of education; the only limitations being that the local boards of education operate within the bounds of the Statutes of Oklahoma.

The variety of school practices followed in accounting of non-public revenue is listed by Moehlman indicated a need for a sound system of accounting for these funds. In discussing the ways non-public funds are handled, Moehlman stated:

Non-public revenues are managed in three ways: The first is the "laissez faire" policy where lunch rooms may be rented to the highest bidders or operated by an organization such as the Parent-Teacher Association.

. . .

The second procedure is to put the building principal in control of non-public revenues. . . .

Under the third type, the board of education is responsible for all non-public revenue activities and control them through a subsidiary accounting procedure called internal or non-public revenue accounting. . . .¹

If special fees for the extracurricular activities could be abolished, then the financing of the activity program would become a part of the total financial and budgetary problem of the district. Since the lag between the conception of an idea and its adoption by schools in general covers several years, some plan of accounting must be devised for

¹Arthur B. Moehlman, School Administration (New York: Houghton Mifflin Company, 1951), pp. 248-249.

use during this period.

The thesis of the foregoing statement relative to the definition of the extracurricular activity funds is contrary to the definition used in this study; a system of accounting for the extracurricular activity funds will be proposed in this study which is a combination of the second and third type in the quotations from Moehlman.¹

The principal difference of accounting for the extracurricular activity funds in this proposed plan and many other plans is in the matter of emphasis. This plan of accounting proposes to provide learning experiences for pupils and retain all the requirements of other plans pertaining to the accounting of the extracurricular activity funds.

From the literature by leading authorities in school finance, and the system of accounting used in the various states, this suggested plan of accounting is based on the following fundamental principles:

Guiding Principles

1. The local board of education of each school district is responsible for adopting rules and regulations which determine what extracurricular activities are to be permitted to become a part of the school program.

2. The local board of education of each school district should provide an adequate system of accounting for the

¹Ibid.

extracurricular activity funds.

3. The system of accounting adopted by the local board should be such that it will yield the largest possible educational returns to students without sacrificing the safety of funds, or exposing students to undue responsibility or unnecessary routine.

4. The system of accounting should provide for a central treasurer with whom all extracurricular activity funds are deposited.

5. The central treasurer should be bonded by a surety company authorized to do business in Oklahoma.

6. Each extracurricular activity or council (student council, athletic council, etc.) should have officers, one of whom is the treasurer.

7. The records of the extracurricular activity fund should be audited every year.

8. A complete report of the extracurricular activity fund should be published each year.

9. The accounts of the control treasurer and the extracurricular activity treasurer should be reconciled each month.

10. There should be an extracurricular finance committee for the activity fund.

11. Each extracurricular activity should prepare a budget.

12. There should be a master budget for all the extracurricular activity funds.

System of Accounting Recommended

The cash basis of financial accounting is the most practical system of accounting for extracurricular activity funds. On the cash basis, only actual income and disbursements are considered. If purchases are permitted only when there is cash available to meet the obligation, no trouble will ever be encountered with the operation of this system of accounting. Perhaps the simplest way of determining the cash available for purchases is by the use of a file which contains duplicate copies of purchases for which payment has not been made. This is in effect a simple encumbrance system.

Procedure in Handling Funds

When providing opportunities for pupils to participate in the handling of money of student activities definite procedures must be established. The State of New York in a finance pamphlet has given detailed instructions:

Preaudit of receipts. Confusion and sometimes loss of funds can be traced more often to a lax checkup and recording of money taken in than to any other single cause. For this reason every possible precaution should be taken to protect the individual concerned and the money collected. Consequently the most important functions are the prompt checking, recording and depositing of receipts. Not all of the possible protective measures can be described here but a number of them are mentioned to show the type of procedure that should be incorporated in any accounting system.

Extraclassroom activities funds are derived from a number of sources such as (a) admissions, (b) membership dues, (c) sales and campaigns, (d) donations. The procedures used in collecting and preauditing (checking) these several types of receipts will naturally vary. So far as possible, devices should be used which will make it possible to determine in advance the amounts which should be received.

To facilitate the preaudit and recording of receipts, statements should be made by those collecting money. Such a statement should, on the face of it, give all of the essential data for a complete check and audit of the receipts. Such a statement should enable those collecting money to prepare a complete report and to verify the money turned over to the treasurer. In addition it will afford protection for those handling funds, facilitate a check and serve as documentary evidence which can be used for accounting purposes. A preaudit of receipts should make only reasonable allowances for errors in making change.

A. Admissions. Various methods may be employed to insure accurate preaudit (check) of admissions. Usually prenumbered tickets should be used so that the auditor may by reference to the beginning and ending numbers determine the amount which should be collected. In some cases as an added precaution the ticket collector should be required to deposit the tickets in a locked receptacle so that they may be counted and later destroyed. In other cases where tickets are purchased in a variety of colors a different color should be used for each occasion, thus making it difficult for anyone to use old tickets. Still another device used to avoid the reuse of tickets is to require the ticket collector to destroy each ticket by tearing it in two, giving one part to the customer and retaining one. Any of these devices or any combination, properly supervised, will insure reasonably honest and accurate results. None of them will guarantee accuracy, especially when adult supervision is lacking.

In summary:

1. Use prenumbered tickets, and take steps to prevent fraudulent reuse.
2. Charge each ticket seller with a definite number of tickets and a definite amount of change.
3. Provide a sufficient number of ticket sellers to avoid undue haste.
4. Do not ask the ticket seller to watch the gate.
5. Provide a responsible adult ticket taker.
6. Require each ticket seller to return all unused tickets, the full amount of change and the exact amount of receipts promptly.
7. Do not aid or abet temptation with careless supervision.

8. Analyze procedures carefully, particularly from the standpoint of accurate accounting.

9. Explain thoroughly each device used to safeguard money so those who have anything to do with it are thoroughly familiar with each process and understand its purpose. Consider these devices not merely as means of preventing fraud, but as instruments which have been set up so that each agent may clearly demonstrate the accuracy of his work and the fulfilment of his responsibility.

B. Membership dues. The preaudit of membership dues should be relatively easy if plans are carefully worked out in advance. A few simple rules are here suggested:

1. Provide prenumbered receipts or membership cards.

2. Charge each solicitor with a definite number of receipts or membership cards. (Make a record of the numbers issued to each solicitor.)

3. Require each solicitor to return all unused receipts or cards and the exact amount of money due for each membership sold.

4. Designate some one adult to supervise the membership campaign and to insist upon a complete and accurate report at the close of the campaign.

5. Do not permit solicitors to issue receipts or cards on credit. Require pupils wishing credit to make arrangements with the designated adult officer.

6. If memberships are given free, or on credit to any pupils have these issued by the designated adult officer after all the solicitors have turned in their reports, cash and unsold cards.

C. Receipts from Sales, Campaigns, Etc. Pupils collecting moneys should, whenever possible, issue prenumbered receipts in duplicate, the original to be given to the purchaser and the carbon to the pupil treasurer of the activity after the audit has been completed. In those cases where receipts are not practical, for example, a candy sale, the activity treasurer with the assistance of the advisor should devise a method whereby the exact amount to be realized by the sale is determined in advance. Each salesman should be given a statement showing the amount he is to receive. After the sale each salesman should then turn in that amount in cash and unsold goods.

D. Donations. Gifts or donations are usually made in lump sums and should be recorded in the minutes of the activity. The activity treasurer should issue a receipt and deposit the gift with the central treasurer.¹

¹Finance Pamphlet 2 (The University of the State of New York), op. cit., pp. 10-12.

Organization for Extracurricular Activities

The extracurricular activity program should be based on a sound educational philosophy in order to teach boys and girls how to live in a democracy. They should be intelligently prepared not only for learning about democratic living but also by having actual contact with and participation in it. Such underlying principles as will result in a progressive procedure and in the well-rounded development of boys and girls should be the basis or foundation of the extracurricular program.

Since the finances of extracurricular activities are only one phase of the total program of extracurricular activities in any school, the same fundamental principles governing the organization of extracurricular activities govern the handling of the extracurricular activity finances.

All students in the school will handle funds of their own, and some of them will go into positions of trust and confidence in which they will handle the money of employers, employees, and the general public. In preparation for such responsibilities they need good examples to follow, as well as opportunities for appropriate practice. And because the extracurricular activity program is so close to the students, it offers excellent settings for helpful illustrations and beneficial practice. Hence, the very best methods of financial organization and administration are the least that students should be expected to participate in or witness.

No program of accounting for the extracurricular activity finances can be expected to be sound when the philosophy of the organization is unsound. The system of accounting for the extracurricular activity finances proposed here is based on the assumption that all the extracurricular activities in the program were organized and approved as a part of the total school program. Its main purpose is that of meeting the needs of the boys and girls in such a way that they will receive the benefits necessary in the development of their personality and the development of citizenship in order that they may learn how to live in a democracy. Therefore, in setting up a program for the accounting of the extracurricular activity finances it is assumed that each activity will have:

1. A sponsor who is dependable, who is friendly, and who is helpful in guiding the activity without dominating it.
2. Officers for each extracurricular activity which include the president, vice-president, secretary-treasurer, or a secretary and a treasurer.

The Oklahoma school laws charge the board of education with complete control and responsibility for the extracurricular funds; the board of education in turn delegates this responsibility to the high school principal. Whether he personally assumes all responsibility or administratively provides that this responsibility be delegated will be a

matter of concern for each individual district. In either case the high school principal cannot escape the responsibility of insuring an organization and an accounting system that will provide a safeguard for the extracurricular activity funds and an administrative plan that will be in accord with fundamental principles pertaining to the purposes for which the activity was originally organized. The high school principal should establish an educationally sound organization and develop the major policies by which the fiscal affairs of the extracurricular programs are managed.

The modern concept derived from literature is to make school administration as truly democratic in operation as possible. To achieve this worthwhile objective the organizational plan for the extracurricular activity funds will involve the principal, the faculty, and the students. The plan to be truly democratic should contain the following features: (1) a discernible line of increasing and decreasing responsibility; (2) a definite assignment of specific responsibilities; (3) a plan for those that assume responsibility to share in the making of policy that will affect the discharge of that responsibility; (4) the cooperation of all involved to achieve their objectives; (5) organized so that those who are given responsibilities are also given the authority to carry out that responsibility; and (6) be kept simple in structure as the task to be done will permit. The organizational chart could be as follows:

 High School Principal

 Director of Extracurricular Activities

 Central Planning Committee

 Student Council

 Extracurricular
Finance Committee

 Activities Groups

Adviser	Adviser	Adviser	Adviser
Activity Treasurer	Activity Treasurer	Activity Treasurer	Activity Treasurer
Membership	Membership	Membership	Membership

In this organizational plan the high school principal, whose duties are generally too numerous to allow him to assume full responsibility for the extracurricular finances, could delegate this duty to the extracurricular finance committee. As high school principal he should have authority proportionate to his position and responsibilities. This authority should include veto power when he deems it necessary. He should exercise the veto power sparingly, and at

the right time. He should be a member of the extracurricular finance committee and, should the need arise, this is the level at which the veto power should be used.

The functions of the extracurricular finance committee as stated by Miller, Moyer, and Patrick are:

Its functions should be financial planning, budgeting, controlling and supervising the spending of cocurricular funds. In addition, it should serve in an advisory capacity to activity groups needing guidance of this nature. Whether it is a subcommittee of the central planning committee for the activities program as an independent organization, it probably would be wise to include in its membership the following:

1. The high school principal.
2. The director of activities.
3. The central cocurricular treasurer, who might effectively serve as chairman of the group.
4. Representatives from the student governing body.
5. School board representation.
6. Representation from advisers.
7. Community representation. Such a committee, being representative of all groups having an interest in the cocurricular program, should provide the greatest protection to all concerned. It should be possible to get the various viewpoints or attitudes on any phase of cocurricular financing before judgements are formulated and policy established.¹

Reeder recognized the need for an extracurricular finance committee when he stated:

It is a good plan to have the financial affairs of the extracurricular activities of the school directed by a committee composed of both student and faculty members. Under ideal conditions this committee would represent the financial affairs of all extracurricular organizations and activities of the school and not merely the affairs of one or a few. Such a committee is particularly advisable in schools which have centralized financing of all activities. Its general functions are: to prepare budgets for the activities, or to assist in preparing them; to assist in securing ample revenue for each

¹Miller, Moyer, and Patrick, op. cit., pp. 121-122.

activity; to aid in securing an economical expenditure of all revenue; and, in general, to serve as a clearing-house for all financial phases of the extracurricular activities.¹

The Budget

The budget is the responsibility of each activity and the extracurricular finance committee. Each approved activity which shares in the extracurricular activity fund should prepare a budget (see Appendix A-1). The budget will show the estimated receipts and the proposed expenditures for the school year. The budget should be made in the spring before the close of school. The school's fiscal year should run from September to September for the extracurricular activity budget, rather than from July 1 to June 30. Each activity should end its year of operation with a balance equal to the beginning balance which could be used until new funds became available. Each activity should submit its budget to the extracurricular finance committee who would prepare the master extracurricular activity budget for all the activities of the school.

Fretwell summarizes the advantages claimed for budgetary control as follows:

1. It requires all extracurricular activities to organize or reorganize on a business basis and to follow definite well-understood business methods.
2. It requires activities to live within their income.

¹Reeder, op. cit., p. 62.

3. It tends to develop a better balanced extracurricular program.

4. It tends to encourage worthy but non-revenue-producing activities by providing for them.

5. It conserves the time and energy of teachers and pupils by eliminating many drives, "entertainments" put on to raise money, and "pep" meetings.

6. It prevents the raiding of the financial resources of the school by those popular activities that come early in the financial year.¹

One of the functions of the extracurricular finance committee should be the preparation of the extracurricular activity budget. The various activities raise and spend money during the school year; these funds should be raised and expended according to an approved plan. Private business and government agencies have found that wise management can result only when operating costs and anticipated income are balanced in advance. The boards of education have been operating the various school systems on this procedure for many years. The need for a plan of operation to handle the income and expenditure for the extracurricular finances is no less than that of any other private business, government agency, or school. Each extracurricular activity organization should submit along with its budget specific proposals for securing the funds they propose to raise.

The budgets and the means of securing funds of each extracurricular activity should be examined and passed on by the extracurricular finance committee. After the budget has been adopted and approved, it should become the financial

¹Fretwell, op. cit., p. 469.

guide for the year. Any deviations would be approved only by the extracurricular finance committee and in accordance with policy formulated by the committee.

Robert R. Halley states that one may exhaust the literature and himself without finding much which will tell him what constitutes a well-made budget. He states a good student budget should contain the following:

1. A good student-body budget should have a balance to carry forward approximately equal to the balance brought forward. The amount of money taken in during the school year should be spent during that year. The student body is not a money-making enterprise, the profit motive is not there. The graduating class, the drop-outs, and the students who transfer constitute a third to a half of the student body. Money these students have helped contribute to the student body fund should be spent in benefiting them while they are in school.

2. The budget should be made from September to September, rather than from September to June; or, the size of the balance carried forward over the summer should be large enough to allow the student body to function for the few weeks in the fall before its revenue begins coming in. . . .

3. Each budget should contain an emergency fund, to permit unanticipated expenditures. . . .

4. A student-body budget outlines many of the student-body activities for the year. The work in developing a budget should come after the student council has established its goals for the year. . . .

5. If the income on the budget is dependent in part on sale of tickets to athletic events, the question of the price of tickets arises. The usual criteria for judging are (a) how much do we need, and (b) how much will the public pay? Another criterion, of equal importance, is (c) control of the crowd.

6. The student-body budget should, of course, be created by the students, with advice and help from their financial advisor. . . .¹

¹Halley, op. cit., pp. 28-29.

Functions of the Central Treasury

In the central treasury type of financial organization, all the extracurricular activity funds of the school are handled by a central treasurer. The extracurricular finance committee should supervise the work of the central treasurer. The central treasurer should be bonded for an amount equal to the maximum funds he is likely to have at any one time. The funds of each activity group are deposited with the central treasurer by the activity group treasurer, who will receive a receipt from the central treasurer when he deposits funds for his activity. The central treasurer will make the proper accounting entries in his account books. The activity groups should be authorized to incur indebtedness only by properly signed requisitions. These requisitions should be signed by the activity treasurer, the president, and the adviser.

The person chosen as Central Treasurer should be an adult. Since the principal is responsible for the entire school program, he should recommend the person to be appointed the central treasurer. The best person for this job would be the principal's secretary.

The sponsors and the extracurricular activity treasurer should meet with the principal and the central treasurer and work out a plan for the depositing of funds by the activity treasurers. In almost all schools, the time needed each day for the depositing of funds with the central treasurer

should not be over one hour. The deposits made by the activity treasurers should be so planned to enable the central treasurer to deposit the funds in the bank.

Forms and Their Use

In order for any plan of accounting for funds to function satisfactorily some method for keeping records must be established. These forms have been planned to simplify accounting practices; to help pupils share in the responsibility of keeping records; and to assure accurate accounting throughout the school year.

The Budget Form (Appendix A-1). Each extracurricular activity that shares in the extracurricular activity fund should prepare a budget showing the estimated receipts and the proposed expenditures for the coming year. This budget should be prepared in the spring. After the budgets are prepared and submitted by the various activities of the school, a master budget should be prepared by the extracurricular finance committee. The same form may be used by both the activity and the finance committee. The estimated receipts and disbursements of the extracurricular activity need not balance. After the master budget has been prepared the necessary adjustments can be made by each activity.

The Deposit Envelope (Appendix A-2). Each extracurricular activity should be provided with a supply of deposit envelopes. These deposit envelopes should be heavy manila

with full information on the face of the envelope pertaining to the money contained therein. All moneys collected should be carefully counted and separated in such a way that they will show the amount of silver, currency, and checks. This information should be placed on the envelope by the person in charge of collecting the money. The money should then be delivered to the extracurricular activity treasurer. The extracurricular activity treasurer and sponsor should count the money to see that the amount indicated on the face of the envelope is correct. The total amount should be verified by the extracurricular activity treasurer and the sponsor according to the general principles suggested for prudent management of ticket sales, and all other types of sales. The person delivering the money to the extracurricular activity treasurer and sponsor should then be given a receipt. This receipt should be made in triplicate. The original should go to the person delivering the money, the duplicate to the central treasurer, and the triplicate remain bound in the receipt book for audit purposes. The person delivering the money should sign or initial the receipt, which should then be entered in the ledger of the activity.

Receipts, Duplicates, and Triplicates (Appendix A-3-1 and A-3-2). Two receipt forms have been designed for use in this proposed system of accounting. Form A-3-1 is provided to be used by teachers or activity treasurer when money is collected from the student. Form A-3-2 is to be used by the

central treasurer.

Receipt Form to Be Used by Teacher or Activity Treasurer (Appendix A-3-1). This receipt form should be prepared each time money is collected by the teacher or activity treasurer. The activity, or fund for which the collection is made, should be indicated on the receipt as should also the date, person from whom received, and the amount and purpose for which collected. The receipt should be prepared in triplicate--the original to be given to the payer, the duplicate to be given to the central treasurer when the money is deposited with him, and the triplicate to remain in the book. As indicated above, the payer should sign or initial the receipt. As these receipt books are completed, they should be turned to the school central treasurer for audit and retention by him.

Receipt Form to Be Used by Central Treasurer (Appendix A-3-2). This receipt form should be prepared each time money is collected by the central treasurer. It is from this receipt that cash collections are posted to the Fund Ledger and the Cash Receipts and Disbursements Record Control Account, and, therefore, it is necessary that the name of the fund for which the collection is made be written on the face of the receipt. The receipt should be prepared in triplicate. The original should be given to the payer, the duplicate used as a posting copy to the Fund Ledger and to the Control Account, and the triplicate remain bound in the

receipt book for audit purposes. The payer should sign or initial the receipt. The duplicate copies of the receipts should be filed in date order by funds.

The Check (Appendix A-4). One check form may be used for the disbursement of funds by the central treasurer. This type check gives full information pertaining to the purpose for which it was written and the person to whom it is issued. The checks should be prenumbered and should have space available for two signatures to provide proper internal control. Generally these signatures should be those of the central treasurer and the high school principal. No check, however, should ever be written by the central treasurer without written authorization from the extracurricular activity treasurer and sponsor.

Purchase Requisition and Order (Appendix A-5). A Purchase Requisition and Order should be prepared in duplicate and approved by the faculty sponsor and central treasurer before any purchase is made or any funds obligated. A full description of the articles requested should be shown on the form, so should the quantity, unit, unit price, and amount. One copy should be filed with the central treasurer and remain an obligation of that particular activity until liquidated. The original should be sent to the vendor from whom the purchase is to be made. Each activity should carefully study its financial situation and make requests for purchases only when they have funds available.

When the article and the invoice, properly certified for receipt of merchandise or service, are received, an Expenditure Voucher (see Expenditure Voucher, Appendix A-6) should be prepared to which should be attached the invoice and the duplicate copy of the Purchase Requisition and Order which had been held on temporary file.

No posting should be made to the Fund Ledger (Appendix A-9) or to the Control Account (Appendix A-10) from these purchase forms.

Each purchase should become an encumbrance until liquidated. Consequently, any activity could simply find the total amount of these encumbrances and subtract from the ledger balance to determine funds available for new purchases.

Expenditure Voucher (Appendix A-6). All invoices should be properly receipted by the authorized student officer or teacher sponsor to signify that the merchandise or services have been received. Upon proper certification of an invoice, an Expenditure Voucher (original only) should be prepared by the central treasurer from the information found on the invoice, and the Expenditure Voucher should be approved for payment by the principal before payment is made (one Expenditure Voucher may be prepared for several invoices to the same vendor). When the voucher is paid, the date of payment and check number should be indicated on the Expenditure Voucher and on the supporting Purchase Requisition and

order. The vendor's invoice or invoices and the duplicate copy of the Purchase Requisition and Order should be attached to the Expenditure Voucher and filed in numerical order by voucher number.

Postings should be made to the Fund Ledger (Appendix A-9) and to the Control Account (Appendix A-10) from the Expenditure Voucher. Corresponding check numbers should be indicated on the vouchers before they are posted to provide proper cross-reference for the disbursements.

Expense Memorandum (Appendix A-7). There are times when it is desirable for an extracurricular activity group to advance money to persons in charge of school groups making trips at the expense of the activity group. Full and proper accounting is not only a proper procedure but is a certain protection to the persons spending the money. The Expense Memorandum should be accompanied by proper receipts or sales bills secured from those with whom the money is spent. This form should be prepared in duplicate. The original with supporting receipts and sales bills should be retained by the central treasurer for posting to the Fund Ledger (Appendix A-9) and the Control Account (Appendix A-10). The duplicate should be given to the activity treasurer or sponsor of the activity that expended the funds for the proper entrance on their records.

Cash Payment Voucher (Appendix A-8). The cash payment voucher should be used whenever it is necessary to

disburse funds in cash whether the payment is for purchases made or services received. The form should be prepared in duplicate by the central treasurer and should be signed by the person receiving the funds. Full description of the purchases or services, as well as the fund to be charged, should be made on the voucher. The duplicate should be given to the activity treasurer or sponsor for whom the commodity was purchased or the service was rendered, and the original should be retained by the central treasurer for posting in the Fund Ledger (Appendix A-9) and the Control Account (Appendix A-10).

It should be recognized that whenever possible the disbursement of funds should be made by check. Disbursement of funds in cash should be made only in those cases where it is absolutely necessary that cash be paid.

Fund Ledger (Appendix A-9). A separate sheet should be set up for each extracurricular activity fund. Each transaction of a particular fund should be detailed on this ledger. The form should be used for both receipts and disbursements.

Recording of Receipts (Each receipt should be detailed regardless of the time of deposit.)

Column 1 - Enter the date of receipt.

Column 2 - Enter the receipt number.

Column 3 - Leave blank.

Column 4 - Enter the name of the person from whom
the money was received.

Column 5 - Enter brief explanation of the receipt.

Column 6 - To be used only where receipts and disbursements have been classified by code numbers.

Column 7 - Enter the amount of the receipt.

Column 8 - Leave blank.

Column 9 - Add the amount of the receipt (Column 7) to the previous balance and enter the new balance in this column.

Recording of Disbursements

Column 1 - Enter the date of the disbursement.

Column 2 - Enter the check number. If payment is made in cash, simply write "cash."

Column 3 - Enter the number of the expenditure voucher.

Column 4 - Enter the name of the person or firm to whom payment is made.

Column 5 - Write brief explanation of the disbursement.

Column 6 - To be used only where receipts and disbursements have been classified by code numbers.

Column 7 - Leave blank.

Column 8 - Enter the amount of the disbursement.

Column 9 - Deduct the amount of the disbursement (Column 8) from the previous balance and

enter the new balance in this column.

Cash Receipts and Disbursements Record (Control Account, Appendix A-10). This is the Control Account over all funds and the receipts and disbursements entered on the several Fund Ledgers should likewise be detailed on this Control Account. The column headings should be the same as the Fund Ledger with the exception of Column 6. In this column should be entered the name of the fund to which the receipt was credited or disbursement was charged. The fund code numbers may be used if code numbers have been assigned to each extracurricular activity fund. At any time the total of the balances on each of the Fund Ledgers should agree with the balance on the Cash Receipts and Disbursements Record Control Account.

Transfer Voucher (Appendix A-11). There will be instances when it will be necessary to transfer funds from one extracurricular activity account to another. No check should be issued for this type transfer of funds if the proper entries are made in the central treasurer's account book and the account books of each activity concerned.

The authority to the central treasurer for transfer of funds from one activity to another should be the properly executed transfer voucher.

When transfer vouchers are used, they should be kept in a separate loose-leaf book and given their own number series.

Report of Ticket Sales (Appendix A-12). The report of ticket sales should be prepared in duplicate by each ticket seller whenever tickets are sold for the various school functions. The first and last numbers of each type of ticket issued to each ticket seller should be noted in the columns provided on the respective reports. At the completion of the ticket sales for each event the ticket seller should list the first and last numbers of each type of ticket unsold (returned to box office manager). The number sold can be computed by subtracting the first number of the tickets issued from the first number of the tickets returned. The number sold multiplied by the price of each type of ticket equals the total amount. The sum of the Total Amount column plus the change fund, if any, equals the amount for which the ticket seller is accountable. Upon completion of the report both copies should be certified by the ticket seller and the original should be turned over with the money to the box office manager or principal, who should sign his name in the spaces provided on both the original and duplicate of the report to indicate receipt of the money. The ticket seller should retain the duplicate as his evidence of remittance.

Consolidated Box Office Report (Appendix A-13).

When the box office manager or principal has received a Report of Ticket Sales (Appendix A-12) from each of the ticket sellers, he should prepare a Consolidated Box Office Report. On this report he should transcribe the names of

each ticket seller and the total sales, change fund, accountability, and remittances of each seller. The report should be totaled and certified by the box office manager or principal and submitted to the central treasurer with the money and supporting Report of Ticket Sales attached. The central treasurer should sign the Consolidated Box Office Report to signify receipt of the money and should issue a receipt (Appendix A-3-2) to the box office manager or principal for the amount of the remittance.

Daily Report of Cash Collections (Appendix A-14).

The Daily Report of Cash Collections should be prepared by the cashier in the school cafeteria each day when cash settlement is made. Columns for the separate settlement of each register operator as well as a total column should be provided on the form. The form should be prepared in duplicate and certified by the head cashier. The original should be turned to the central treasurer with the cash collected. Both copies of the report should be signed and dated in the space headed Received by: by the central treasurer. A receipt form (Appendix A-3-2) should also be prepared by the central treasurer for the amount of the cash received and given to the cafeteria cashier. The cashier should attach his copy of the receipt (original) to the duplicate of the Daily Report of Cash Collections and retain both in the file maintained by him.

Cafeteria Payroll (Appendix A-15). Each employee of the cafeteria whose salary is paid from the Cafeteria Fund should be listed on the cafeteria payroll at the end of each pay period. The cafeteria director should list the name of the employee, the capacity in which the employee worked, the hours worked (if the employee is on an hourly basis), and the rate of pay. From this the director should compute the gross amount earned for each employee. The amounts to be deducted for withholding taxes, F.I.C.A. taxes, etc., should be shown in the columns indicated and deducted from the amount earned in order to arrive at the net amount for which the employee's check is to be written. Before checks are prepared the payroll should bear the certification of the cafeteria director and the approval of the principal and should be audited by the central treasurer. A separate check should be prepared for each individual on the payroll in the amount appearing in the net check column opposite the respective employee's name. A bank in the locality is generally designated as a depository for tax money withheld from school board employees' salaries, and at the end of each month one check should be drawn to the bank designated for the income tax withheld from cafeteria employees. This check with appropriate report of taxable wages should be delivered to the clerk of the board of education. At the end of each quarter a check should be drawn to the designated depository for the total of the F.I.C.A. taxes withheld as well as the employer's

portion. This check and a report of covered wages should be delivered to the clerk of the board of education for inclusion in its social security report.

Payrolls should be given a voucher number in the same sequence as other expenditure vouchers (Appendix A-6) are numbered, and check numbers covering each payroll (00000 to 00000) should be recorded on the payroll.

There are two methods of posting the cafeteria payrolls to the Fund Ledger (Appendix A-9) and to the Control Account (Appendix A-10).

According to the first method, the total of the Net Check column should be posted to the Fund Ledger (Appendix A-9) and to the Control Account (Appendix A-10). Before checks are prepared at the end of each month and quarter for the income taxes and F.I.C.A. taxes withheld, Expenditure Vouchers (Appendix A-6) should be prepared for the amount of the respective taxes withheld. From these vouchers charges should be made to the Fund Ledger (Appendix A-9) and the Control Account (Appendix A-10) in the amount of the vouchers.

The second method is preferable since the liability for F.I.C.A. and income taxes withheld is set up at the time the payroll is posted. Under this method two additional Fund Ledger (Appendix A-9) sheets should be set up--one for F.I.C.A. taxes and one for income taxes withheld. After the payroll checks are drawn, the total of the Amount Earned column on the payroll should be posted as a disbursement to

the Cafeteria Fund Ledger Account (Appendix A-9). The total of the W.H. Tax column and the total of the F.I.C.A. Tax column should be posted in the Receipts column (7) on the respective Tax Fund Ledger Accounts. The total of the Net Check column on the payroll should be posted to the Control Account (Appendix A-10) as a disbursement. Before checks are prepared at the end of each month and quarter for the income and F.I.C.A. taxes withheld, Expenditure Vouchers (Appendix A-6) should be prepared for the amount of taxes withheld. These vouchers should be posted as disbursements to the respective tax Fund Ledger Accounts and to the Control Account (Appendix A-10).

Under either method an Expenditure Voucher (Appendix A-6) should be prepared for the employer's portion of the F.I.C.A. tax and charged to the Cafeteria Fund Ledger Account (Appendix A-9) and to the Control Account (Appendix A-10).

Payroll Record (Appendix A-16). The payroll record is provided to accumulate information on gross salary, F.I.C.A. tax, withholding tax, etc., on each employee for the purpose of preparing quarterly social security reports, quarterly withholding tax, and W-2 statements of employer earnings at the end of each year. A separate record should be maintained by the central treasurer on each employee of the cafeteria paid from extracurricular activity funds. Information should be transcribed from the payroll to the payroll record each pay period and quarterly the payroll record

should be totaled and proved to provide information for the preparation of quarterly and annual reports on payrolls.

W-2 statements can be prepared for each employee at the end of each calendar year from the totals on the payroll record.

Monthly Financial Report (Appendix A-17). All money collected should be deposited intact daily into a local bank account. Only one account is necessary for the deposit of money from all activities since balances of each activity are maintained on separate fund ledgers.

Financial reports should be prepared monthly by the central treasurer and should give the following information:

1. Month for which report is made.
2. Name of each extracurricular activity.
3. Balance on hand at beginning of month in each account.
4. Receipts during month for each account.
5. Disbursements of each account during month.
6. Balance on hand in each account at close of month.
7. Total of all balances at beginning of month.
8. Total receipts during month.
9. Total disbursements during month.
10. Total of all balances at the close of month.
11. Balance in bank at close of month.
12. Checks outstanding at close of month.
13. Bank balance less outstanding checks.

The bank balance at the close of the month should be verified by checking against the central treasurer Control Account (Appendix A-10). Each extracurricular activity treasurer should verify beginning and closing balances, receipts, and disbursements by checking reports against the extracurricular activity receipts and the disbursements.

The monthly financial report should be used by the central treasurer and each extracurricular activity group as a means of informing themselves and the community. The monthly financial report should be published in the school publication and in the local papers.

Summary

The responsibility for the control and management of the activity funds in the State of Oklahoma are in the hands of the local boards of education. The local boards of education delegate this authority and responsibility to the school administrator for the safekeeping and accounting of the activity funds.

To make school administration democratic, the organizational plan for the activity funds should involve the principal, the faculty, and the students. The proposed plan provides for an extracurricular finance committee, whose duties are to supervise the total financial program for the activities. It is the responsibility of this committee to prepare the school activity budget and approve the budgets for each activity.

The proposed accounting plan provides for a central treasurer for all the activities. The plan provides for the central treasurer to be bonded.

The proposed plan provides for the training of students in financial matters.

The proposed plan provides for the forms to be used in accounting for the activity funds and describes their use.

The proposed plan provides for accurate accounting of all activity funds from the source to the audit.

CHAPTER V

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

This study was designed to present information concerning the accounting of the extracurricular activity funds in the public secondary schools of Oklahoma, the patterns of accounting in the various states, and to propose a system of accounting for the extracurricular activity funds. This study was also designed to discover the existing accounting practices relative to (1) accounting practices in the various states; (2) responsibility accepted by boards of education; (3) systems of accounting used; (4) acceptance of financial responsibility by the boards of education; and (5) amounts of money expended. The information concerning the accounting of the extracurricular activity funds was compared as to size of the schools. The study also included a proposed system of accounting for the extracurricular activity funds and the forms to be used with the proposed system.

The data were secured by means of a questionnaire which was sent to the superintendents of all the public secondary schools of Oklahoma and a letter of inquiry sent

to the state departments of education in the various states requesting information on the accounting of their extracurricular activity funds. Responses were received from 350 of the public secondary schools in Oklahoma. This represents 58 per cent of the public secondary schools in the state. Information was received from 49 of the 50 states which represents 98 per cent of all the states.

From the literature in school finance, there was developed a set of best practices in accounting for the extracurricular activity funds. A questionnaire was developed from these practices to find out how the public secondary schools of Oklahoma accounted for their extracurricular activity funds.

From the literature in school finance, the practices reported by the various states, and the practices reported by the public secondary schools of Oklahoma, a proposed system of accounting was developed for the public secondary schools of Oklahoma.

Summary of Accounting Practices in the Various States

1. Twenty-two of the states reported that they do not have any plan of accounting for the extracurricular activity funds. The individual schools or boards of education account for these funds in whatever manner they choose without having to account to either state law or regulatory policies of the state departments of education.

2. Fifteen of the states reported that their extracurricular activity accounting was regulated by specific legislation. The statutes in these states defined student activities money as money which was raised with the approval of the board of education by the efforts of the students for their use in connection with the activities of the student body. From these statutory provisions it can be seen that much thought was given to the safeguarding of the extracurricular activity funds. These statutes set forth provisions for the accurate accounting of extracurricular funds.

The central treasurer was provided for in all the states with statutory provisions pertaining to the accounting of student funds. The central treasurer must be bonded in all the states having statutory provisions.

All the states with statutory provisions provided for a legally approved depository. Usually the legally approved depository was a bank.

All the states with statutory provisions had an approved method of expending their funds. The approved method of withdrawal was by check, with more than one signature on the check.

All the states with statutory provisions pertaining to the extracurricular activity funds made provisions for reports and reconciliation. Most of the statutory provisions required monthly financial reports to be presented to the board of education.

All the states with statutory provisions provided for an annual audit of the extracurricular activity funds.

3. Twelve of the states reported that the accounting of their extracurricular activity funds were regulated by policies of the state department of education. All of these states defined the funds.

The system of accounting in the states with policies was essentially the same as those described with statutory provisions. The main difference was that the states with policies recommended a uniform system of records, and they provided for more detailed provisions for records and record forms than the states with statutory provisions.

4. The results of the questionnaire revealed that the public secondary schools of Oklahoma did not follow the recommended basic principles found in the literature in accounting for their extracurricular activity funds.

5. The accounting forms found in Appendix A were the minimum forms recommended by the authorities and the various states in accounting for extracurricular activity funds.

Summary of Responsibilities Accepted by Boards of Education

1. Three hundred five schools of the three hundred forty-nine schools reporting on board of education policies governing extracurricular activity funds reported that their boards of education had policies. This was 90 per cent of

the schools reporting that had board of education policies governing extracurricular activities.

2. One hundred eighty-two schools of the three hundred forty-three schools reporting on policies of the board of education stating the system of accounting to be used reported that their boards of education had policies. This was 53 per cent of the schools reporting that had policies stating the system of accounting to be used in accounting for their extracurricular activity funds.

3. One hundred fifteen schools of the two hundred thirty-three schools reporting on board of education policies stating how new extracurricular activities are to become a part of the program reported that the policies of the board of education did contain a definite statement on how they could become a part of the program. This was 45 per cent of the schools reporting that had board of education policies stating how new extracurricular activities were to become a part of the program.

4. Only forty-nine schools of two hundred eighty-eight schools reporting on boards of education policies containing a definite statement on the values to members of the activity in handling the funds reported that the policies of the board of education did contain such a statement. This was only 17 per cent of the schools reporting with a statement in the board of education policies, stating the value to be derived by members of the activity in handling the

funds.

Summary of Systems of Accounting Used

1. Three hundred thirty-seven of three hundred forty-five schools reporting stated that they handled their extracurricular activity funds through a central bank account.

2. Sixty-eight schools of the three hundred thirty-four schools reporting stated that they allocated funds to the activities regardless of the amount of revenue they bring in. This was 20 per cent of the schools reporting that had this practice.

3. One hundred eighty-two of the two hundred sixty-six schools reporting stated that each activity had a student treasurer who was responsible for depositing receipts with the central treasurer. This was 68 per cent of the schools reporting that they had a student treasurer.

4. Two hundred forty of the two hundred sixty-one schools reporting stated that disbursements were made by the central treasurer on the authority from the sponsor and the activity treasurer. This was 91 per cent of the schools reporting this practice.

5. One hundred ninety-three of the two hundred sixty-five schools reporting, reported that the central treasurer was bonded. This was only 72 per cent of the schools reporting on the bonding of the central treasurer.

6. Two hundred seventy-one of the two hundred seventy-eight schools reporting reported that the extracurricular activity funds were audited. This was 97 per cent of the schools reporting. The audits were made by a certified public accountant in 71 per cent of the schools reporting. The audits were made in the other schools reporting by the superintendent, the principal, a teacher, and by others.

7. Two hundred forty-four of the two hundred seventy-eight schools reporting reported that each activity is required to keep a record of receipts and disbursements. This was 87 per cent of the schools reporting.

8. Two hundred ninety-six of the three hundred forty schools reporting reported that the central treasurer was required to make regular financial reports. This was 87 per cent of the schools reporting. The time for making these reports was weekly, monthly, quarterly, and annually. Sixty-one per cent of the schools require monthly reports by the central treasurer.

9. Thirty-seven of the three hundred thirty-four schools reporting reported that each activity was required to have a budget. This was only 11 per cent of the schools reporting that required each activity to have a budget. The extracurricular activity budget was made by the sponsor and students in 72 per cent of the schools reporting a budget. The extracurricular activity budget was approved by the principal in 18 per cent of the schools reporting. An

extracurricular activity committee was not reported by any of the schools reporting in this study.

10. The extracurricular activity funds were financed by activity tickets, admissions, dues, donations, and other methods.

11. Two hundred thirty-nine of the three hundred thirty-seven schools reporting reported that charges made by the board of education were kept in separate accounts from the activity fund. This was 70 per cent of the schools reporting.

Summary of Philosophy of School Administrators

1. All the three hundred fifty schools responded to the question on the belief in the board of education budgeting for the extracurricular activities from the regular budget. Two hundred twenty-nine, or 65 per cent, reported that they believed the board of education should budget for the extracurricular activities from the regular budget.

2. Two hundred seventy-two of the three hundred forty-seven schools reported that they believed in the board of education having policies determining what activities should become a part of the school program. This was 78 per cent of the schools reporting.

Summary of Responsibility Accepted by the Board of Education

The activity fund was supplemented by the board of education from the regular school budget in one hundred

thirty-seven of the three hundred thirty schools reporting. This was 40 per cent of the schools reporting. The per cent of support ranged from 1 to 50 per cent. The majority of the schools supplemented the activity fund budget by 5 to 10 per cent from the regular school budget.

Total Amount Expended for Extracurricular Activities

The total average daily attendance of the schools reporting amounts expended by their extracurricular activity funds for the school year of 1958-59 was 60,980. The total amount expended by the schools reporting was \$5,700,089.57. This was an average expenditure of \$93.63 per pupil. Using the average expenditure of \$93.63 per pupil and the total average daily attendance of 100,559 for the public secondary schools in Oklahoma for the school year of 1958-59, it could be estimated that \$9,415,339.17 was expended by the extracurricular activities in the public secondary schools of Oklahoma for the school year of 1958-59.

Conclusions

If the responses are representative of Oklahoma, it may be inferred that:

1. The public secondary schools of Oklahoma can account for their extracurricular activity funds in any way they choose. From the literature and the practices reported by the various states there is a definite need for a uniform system of accounting for extracurricular activity funds in Oklahoma.

2. A number of the public secondary schools in Oklahoma do not have necessary board of education policies needed for a sound system of accounting for their extracurricular activity funds.

3. The majority of the public secondary schools in Oklahoma do not pay for the services of the people who sell and take tickets for their extracurricular activities. Improvement in this phase of the activity program is needed.

4. A large per cent of the public secondary schools in Oklahoma handle their funds through a central bank account. This is an excellent practice and efforts should be exerted for all schools to follow this practice.

5. The report each month by the central treasurer is a practice that is established by a majority of the schools. The schools that do not follow this practice need to take the practice under advisement.

6. There are activities in every subject matter area that can best be carried out in some allied extracurricular activity. Some students will want to spend more time than is available in the regular class schedule. This extra time spent in clubs that supplement their learning is usually part of the extracurricular program.

Since the extracurricular activity program is a further means of learning, a satisfactory solution of financing the program would be for the school boards to provide

financial assistance in the same manner and from the same source as that provided for the curricular program.

7. A large majority of the public secondary schools in Oklahoma do not require each activity to have an approved budget. This is an area that needs immediate study.

8. It appears from the data that too many of the schools fail to adhere to the principle of bonding the treasurer. This is a safeguard that all the schools could use with justification.

9. The extracurricular activity treasurer's records should be submitted for audit at the close of each school year. The audit should be made by the regular school district auditor or by a certified public accountant. The majority of the public secondary schools in Oklahoma have their extracurricular account audited.

10. Awards are given in the majority of the public secondary schools of Oklahoma. The school administrator, whose activity fund is supplemented by the board of education from the regular school budget and gives awards, needs to realize that he is spending tax money for awards to special groups of students.

11. The extracurricular activity accounting system that requires each activity to keep records of receipts and expenditures is giving practical training to students. All schools should require their activities to keep records of receipts and expenditures.

12. The total amount of money expended by the extracurricular activity funds in the public secondary schools of Oklahoma is a staggering amount. More people need to realize this and become concerned about the accurate accounting of the funds.

13. The public secondary schools of Oklahoma in accounting for their extracurricular activity funds do not make provisions for the participation of students.

To further the education of the students, provisions should be made for participation of the students in accounting for the extracurricular activity funds.

14. The extracurricular finance committee is an area in the accounting of the extracurricular funds that is in need of more consideration. This practice was not reported by a single school in this study.

Recommendations

General Recommendations

1. The accounting of the extracurricular activities in the public secondary schools in Oklahoma should be considered a definite function in the education of the students. More opportunities for student participation are needed.

2. The legislature of the state of Oklahoma should enact statutes directing the state department of education to assume the responsibility for the supervision and auditing of the extracurricular activity funds.

3. It is recommended that a division of extracurricular activities be added to the state department of education. This division would be responsible for installing a uniform system of accounting, prescribing the forms to be used, and having supervisors who would inspect and audit the various accounts.

4. It is recommended that each school be required to have a financial administrative organization for the extracurricular activity program. In this organization there should be a central extracurricular finance committee.

5. It is recommended that each activity prepare a budget in the spring before school closes for the preceding year. From these the central finance committee should prepare a school activity budget for the year and approve the budget for each activity, making any necessary modifications.

6. To promote learning experiences for the students, each activity should keep an accurate and complete record of all receipts and disbursements.

7. All extracurricular activity funds should be handled by a central treasurer. The work of the central treasurer should be supervised by the central extracurricular finance committee. The central treasurer should be bonded for the maximum funds he is likely to have in his charge at any one time.

8. It is recommended that all charges made by the board of education be kept separate from the activity funds;

these charges are book store, lunch room, student fees, rents, etc.

9. No satisfactory solution to the problem of supporting the extracurricular activities is possible unless boards of education provide the financial assistance in the same manner and from the same source as that provided for the curricular programs. It is recommended that boards of education establish revolving funds from the regular budget for the support of the extracurricular activities. This would make it possible for students from every socio-economic level to have the same opportunity to participate in extracurricular activities.

10. It is recommended that boards of education have policies stating the system of accounting to be used, and how new extracurricular activities may become a part of the program.

11. Most of the activities that charge an admission are held after the regular school hours. It is recommended that people who sell or take tickets be paid for their services out of the proceeds collected for the activities.

12. The policies of the board of education should contain statements requiring the central treasurer to make monthly statements and an annual report. These reports should be approved by the boards of education and the annual report should be published.

13. It is recommended that awards for participation

in the extracurricular activity program be eliminated. These awards are paid for with money that should be used for all the students, and in some instances from money furnished by the board of education from the regular school budget.

14. If the recommendation of having a central treasurer is followed, then it will be necessary for the extracurricular activity funds to be handled through a central bank account.

15. It is recommended that the activities be allowed to obligate money in excess of the amount of money on hand. This would be possible if a budget is required and the funds handled through a central bank account.

16. It is recommended that only certified public accountants be used to audit the extracurricular activity accounts. In any other business they do not permit the people who work in the business to audit their own accounts. The boards of education should be the authority on the approval of all audits.

Recommendations Pertaining to the Need for Additional Research

1. The areas in which the practices of student participation in accounting for the activity funds have been discovered by this study, but no attempt was made to discover the specific practices which would create new learning experiences. A study to determine the specific practices which are conducive to the improved learning and participation by

the student body in accounting for the extracurricular activity funds should be made.

2. There is a need for a study that would propose a plan which would eliminate extracurricular activity accounting; a plan whereby the board of education would budget from the regular fund all extracurricular activities. The title might be "Revolving Funds or Advancements for the Financing of the Extracurricular Activities."

3. A study similar to this one to see what is being done in other states would be profitable.

4. There is a need for a study to be made pertaining to the funds raised through charges of the board of education for, by, or in the name of the school, such as book stores, lunch rooms, student fees, rents, etc.

5. There is need for a study to be made to determine to what extent the extracurricular activities are becoming curricular.

6. There is need for a study to determine the training in citizenship received by the students through various forms of student government.

7. There is a need for a study to determine the effect on mental health by participation in the extracurricular activity program, as to decision making, active participation, and success in a chosen task or occupation.

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APPENDIX A

**FORMS USED IN ACCOUNTING FOR EXTRA-
CURRICULAR ACTIVITY FUNDS**

APPENDIX A-1

BUDGET

STUDENT ACTIVITY BUDGET

School _____ Activity _____

For the period September 1, 19__ to August 31, 19__

- I. Cash Balance, September 1, 19__ \$ _____
- II. Estimated Receipts
(List)
- \$ _____
- \$ _____
- \$ _____
- Total Receipts \$ _____
- III. Total Cash Balance Plus Receipts \$ _____
- IV. Amount added or deducted
by Central Finance Committee \$ _____
- V. Total funds for the year \$ _____
- VI. Estimated Disbursements
(List)
- \$ _____
- \$ _____
- \$ _____
- Total Estimated Disbursements \$ _____
- VII. Estimated Balance, August 31, 19__ \$ _____

If more space is needed, use a sheet of journal paper
and attach to the Budget form.

APPENDIX A-2

THE DEPOSIT ENVELOPE

High School

Town

A C T I V I T Y F U N D S

Account _____

Function _____

Date

Collected by _____

Date

Silver \$ _____

Currency _____

Checks _____

Other _____

Total \$ _____

TREAS.

Receipt No. _____ Date _____

Remarks

APPENDIX A-3-1

RECEIPT FORMS

No. 0000

ACTIVITY RECEIPT

Name of School _____

Date _____ 19__

Received of _____

_____ Dollars

For _____

\$ _____

Home Room
or Student
Collector _____ Activity _____

Student Activity _____ By _____

APPENDIX A-3-2

No. 0000

OKLAHOMA PUBLIC SCHOOLS

Town _____ Date _____ 19__

Received of _____ \$ _____

_____ Dollars

For _____

Fund _____ School _____

To be Used by Central Treasurer By _____

No. _____

School Activity Fund

YOUR SENIOR HIGH SCHOOL

Your Town, Oklahoma _____ 19__

Pay to the order of _____ \$ _____

_____ DOLLARS

In Payment of _____

Out of _____ Fund

School Activity Fund

Treasurer

To YOUR TOWN
NATIONAL BANK
Your Town, Oklahoma

Principal or Superintendent

APPENDIX A-4
CHECK

PURCHASE REQUISITION AND ORDER

No. _____

Name of School _____

Address _____

Purchase From _____

Date _____

Account To
Be Charged _____

Please Furnish and
Deliver the Following to: _____

QUANTITY	ARTICLE AND DESCRIPTION	UNIT	UNIT PRICE	AMOUNT

APPROVED BY _____

DATE _____

REQUESTED BY _____

DATE OF PAYMENT _____

CHECK NO. _____

APPROVED BY _____

Teacher Sponsor

PURCHASE REQUISITION AND ORDER

APPENDIX A-5

EXPENDITURE VOUCHER

No. _____

Name of School

Purchased From _____ Date of Invoice _____
Date of _____ P.O.
Purchase Order _____ Number _____

QUANTITY	ARTICLE AND DESCRIPTION	UNIT	UNIT PRICE	AMOUNT

FUND TO BE CHARGED _____ AMOUNT \$ _____ APPROVED _____
DATE OF PAYMENT _____ CHECK NO. _____ Teacher Sponsor
POSTED _____ BY _____ APPROVED FOR PAYMENT _____
Principal

EXPENDITURE VOUCHER

APPENDIX A-6

APPENDIX A-7

EXPENSE MEMORANDUM

EXPENSE MONEY REPORT
YOUR SENIOR HIGH SCHOOL
ACTIVITY FUND

Function _____ Date _____

Expense money allowed and provided: \$ _____

Additional Expense: \$ _____

Total spent: \$ _____ Total returned: \$ _____

Detailed account of expenses: (Attach receipts or receipted bills for total amount)

_____ \$ _____

Total additional expenditures from reverse side of this sheet: _____

TOTAL OF EXPENSES LISTED ABOVE: \$ _____

Excess of expense money over amount spent, returned to Activity Fund: _____

Receipts in addition to expense money: (Money for guarantees etc., taken for Y.S.H.S.)

_____ \$ _____

Total additional receipts from reverse side of this sheet:

\$ _____

Money spent in excess of expense money allowed:

\$ _____

TOTAL OF RECEIPTS LISTED ABOVE:

\$ _____

Total receipts and excess expense money returned to Activity Fund: \$ _____

SIGNED (Sponsor of Function) _____

FUND LEDGER

School _____

Oklahoma Public Schools

Town _____

Fund Name _____ Page No. _____

Date (1)	Receipt or Check No. (2)	Voucher Number (3)	Received From Paid To (4)	Explanation (5)	Receipt Disbursement Code (6)	Cash		Balance (9)
						Receipts (7)	Disburse- ments (8)	

Bal. Brought Forward

Bal. Carried Forward

APPENDIX A-11

AUTHORIZATION FOR TRANSFER BETWEEN FUNDS

Name of School

AUTHORIZATION FOR TRANSFER BETWEEN FUNDS

Date

Fund (or Funds) To Be Increased

_____ \$ _____

Total Increase

\$ _____

Fund (or Funds) To Be Decreased

_____ \$ _____

Total Decrease

\$ _____

Reason for Transfer _____

Authorized by

Signatures of Committee
Members of Funds Affected

Approved by

Signature of Principal

Name of School _____

REPORT OF TICKET SALES

EVENT _____ DATE _____ 19__

TICKETS ISSUED		TICKETS RETURNED		Number Sold	Price of Tickets	Total Amount
First Number	Last Number	First Number	Last Number			
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
Total Value of Tickets Sold				_____	_____	_____
Change Fund				_____	_____	_____
Total Accountability				_____	_____	_____
Cash Remitted This Report				_____	_____	_____
Cash Over (Under)				_____	_____	_____

AMOUNT RECEIVED Sales _____ CERTIFIED CORRECT
Change Fund _____
Total _____

BOX OFFICE MANAGER _____ TICKET SELLER _____

REPORT OF TICKET SALES

APPENDIX A-12

DAILY REPORT OF CASH COLLECTIONS

CAFETERIA

DATE _____ 19____ NO. _____

REGISTER OPERATOR	REGISTER OPERATOR	REGISTER OPERATOR	TOTAL
_____	_____	_____	

Cash per count at close of business. _____

LESS: Charge Funds _____

CASH SALES PER COUNT _____

Collections per Register Readings .. _____

Cash over or under Register... Over. _____

Under. _____

CASH REMITTED TO OFFICE THIS REPORT.....\$ _____

Certified as Correct

Received by

_____ CASHIER

_____ Date _____

DAILY REPORT OF CASH COLLECTIONS

APPENDIX A-14

APPENDIX B

SCHOOLS TO WHICH QUESTIONNAIRES WERE SENT

SCHOOL SYSTEMS BY COUNTIES TO WHICH
QUESTIONNAIRES WERE SENT

Adair

I-4, Watts
I-11, Westville
I-25, Stilwell
I-30, Cave Springs

Alfalpa

I-1, Burlington
D-3, Lambert
I-4, Jet
D-6, Bryon-Driftwood
I-46, Cherokee
I-77, Carmen
D-86, Goltry
I-89, Helena
I-97, Aline

Atoka

I-1, Limestone Gap
I-7, Stringtown
I-15, Atoka
I-19, Tushka
I-26, Caney

Beaver

I-22, Beaver
D-38, Gate
I-75, Balko
I-123, Forgan
I-128, Turpin
D-144, Knowles

Beckham

I-1, Delhi
I-2, Merritt
I-6, Elk City
I-15, Sweetwater
I-31, Sayre
I-50, Carter
I-51, Erick

Blaine

I-2, Fay
I-9, Okeene
I-42, Watonga
I-80, Geary
I-97, Greenfield
I-105, Canton

Bryan

I-1, Cobb
I-3, Achille
I-4, Colbert
I-5, Caddo
I-6, Blue
I-7, Mead
D-10, Kemp
I-12, Yuba
I-23, Bokchito
I-40, Bennington
I-48, Calera
I-72, Durant

Caddo

I-1, Hydro
I-4, Alfalfa
I-6, Apache
I-7, Ft. Cobb
I-10, Oney
I-12, Sickles
I-A, Anadarko
I-15, Binger
I-33, Carnegie
I-64, Cyril
I-68, Broxton
I-86, Gracemont
I-131, Lookeba
I-132, Eakley
I-160, Cement
I-161, Hinton

Canadian

D-22, Piedmont
 I-27, Yukon
 I-34, El Reno
 I-57, Union City
 I-69, Mustang
 I-76, Calumet

Carter

I-19, Ardmore
 I-21, Springer
 I-27, Plainview
 I-32, Lone Grove
 I-43, Wilson
 I-46, Graham
 I-55, Healdton
 I-65, Dundee
 D-71, Gene Autry
 D-72, Zaneis
 D-73, Rexroat
 I-74, Fox
 I-77, Dickson

Cherokee

I-16, Hulbert
 I-35, Tahlequah

Choctaw

I-1, Boswell
 I-2, Ft. Towson
 I-3, Grant
 I-4, Soper
 I-13, Goodland
 I-39, Hugo

Cimarron

D-1, Plainview
 I-2, Boise City
 D-10, Felt
 I-11, Keyes

Cleveland

I-1, Moore
 I-29, Norman

Cleveland (Continued)

I-40, Noble
 I-57, Lexington

Coal

I-1, Coalgate
 I-2, Tupelo
 I-4, Olney
 I-5, Centrahoma

Comanche

I-1, Cache
 I-2, Indianhoma
 I-3, Sterling
 I-4, Geronimo
 I-8, Lawton
 I-9, Fletcher
 I-16, Elgin
 I-132, Chattanooga

Cotton

I-1, Walters
 I-101, Temple
 I-333, Big Pasture

Craig

I-1, White Oak
 D-2, Centralia
 I-6, Ketchum
 I-17, Welch
 I-20, Blue Jacket
 I-50, Big Cabin
 I-65, Vinita

Creek

I-1, Milfay
 I-2, Bristow
 I-3, Mannford
 I-5, Mounds
 I-12, Gypsy
 I-17, Olive
 I-18, Kiefer
 I-20, Oilton
 I-21, Depew

Creek (Continued)

I-31, Kellyville
 I-33, Sapulpa
 I-39, Drumright
 I-56, Shamrock
 D-75, Slick

Custer

I-1, Custer City
 I-3, Stafford
 I-5, Arapaho
 I-6, Thomas
 I-26, Weatherford
 I-46, Butler
 I-66, Hammon
 I-99, Clinton

Delaware

I-1, Jay
 I-2, Grove
 I-3, Kansas
 I-4, Colcord
 I-5, Oaks Mission

Dewey

I-1, Taloga
 I-3, Leedey
 I-4, Camargo
 I-5, Vici
 D-7, Putnam
 I-8, Seiling
 I-10, Oakwood

Ellis

I-2, Fargo
 I-3, Arnett
 I-39, Gage
 I-42, Shattuck

Garfield

I-1, Waukomis
 D-4, Pioneer
 I-4 $\frac{1}{2}$, Hunter
 I-5, Carrier

Garfield (Continued)

D-11, Hillsdale
 I-18, Kremlin
 I-47 $\frac{1}{2}$, Garber
 I-57, Enid
 D-61, Lahoma
 I-77, Covington
 I-85, Drummond
 D-94, Douglas

Garvin

I-1, Hughes
 I-2, Stratford
 I-4, Pernell
 I-5, Paoli
 I-7, Maysville
 I-9, Lindsay
 I-18, Pauls Valley
 I-38, Wynnewood
 I-72, Elmore City

Grady

I-1, Chickasha
 I-2, Minco
 I-28, Amber
 D-37, Friend
 I-51, Ninnekah
 I-56, Alex
 I-63, Bradley
 I-68, Rush Springs
 I-97, Tuttle
 I-99, Verden
 I-100, Pocasset

Grant

I-3, Jefferson
 D-11, Manchester
 I-33, Wakita
 I-50, Deer Creek
 I-54, Medford
 I-90, Pond Creek
 I-95, Lamont
 I-107, Nash

Greer

I-1, Mangum
 I-3, Granite
 I-7, City View
 D-11, Centralvue
 D-15, Reed

Harmon

I-5, Vinson
 I-6, Gould
 I-11, Arnett
 I-12, Ron
 I-66, Hollis

Harper

I-1, Laverne
 I-2, Rosston
 I-4, Buffalo
 D-5, Selman

Haskell

I-13, Kinta
 I-20, Stigler
 I-37, McCurtain
 I-43, Keota

Hughes

I-1, Moss
 I-5, Wetumka
 I-6, Atwood
 I-7, Spaulding
 I-9, Dustin
 I-10, Gerty
 I-35, Holdenville
 I-48, Calvin
 I-54, Stuart

Jackson

I-4, Warren
 I-5, Friendship
 I-9, Martha
 I-14, Duke
 I-18, Altus
 I-25, El Dorado

Jackson (Continued)

I-35, Olustee
 I-54, Blair
 I-212, Southside

Jefferson

I-1, Ryan
 I-3, Terral
 I-14, Ringling
 I-22, Addington
 I-23, Waurika

Johnston

I-2, Mill Creek
 I-7, Mannsville
 D-8, Russett
 I-10, Ravia
 I-20, Tishomingo
 I-29, Milburn
 I-35, Coleman
 I-37, Wapanucka
 D-43, Pontotoc
 D-50, Bromide

Kay

I-18, Braman
 I-29, Newkirk
 I-45, Blackwell
 I-71, Ponca City
 I-84, Kaw City
 I-87, Tonkawa

Kingfisher

I-2, Dover
 I-3, Omega
 D-4, Big Four
 D-5, Lacy
 I-7, Kingfisher
 I-16, Hennessey
 I-56, Loyal
 I-89, Cashion
 D-105, Okarche

Kiowa

I-1, Hobart
 I-2, Lone Wolf
 I-3, Gotebo
 I-4, Snyder
 I-6, Mt. Park
 I-7, Roosevelt
 I-9, Sedan
 I-10, Cooperton
 I-39, Mt. View

Latimer

I-1, Wilburton
 I-2, Red Oak
 I-3, Buffalo Valley
 I-4, Panola

LeFlore

I-2, Spiro
 I-3, Heavener
 I-7, Pocola
 I-11, Monroe
 I-16, LeFlore
 I-17, Cameron
 I-20, Panama
 I-26, Bokoshe
 I-29, Poteau
 I-39, Fanshawe
 I-49, Wister
 I-52, Talihina
 I-62, Whitesboro
 I-67, Howe

Lincoln

I-1, Chandler
 I-3, Davenport
 I-4, Wellston
 I-54, Stroud
 I-95, Meeker
 I-103, Prague
 I-105, Carney
 I-107, Kendrick
 I-125, Tryon
 I-134, Agra

Logan

I-1, Guthrie
 I-2, Crescent
 I-3, Mulhall
 I-4, Coyle
 I-5, Marshall
 I-6, Langston

Love

D-3, Greenville
 I-4, Thackerville
 I-5, Meadowbrook
 I-8, Leon
 I-16, Marietta

McClain

I-1, Newcastle
 I-2, Dibble
 I-5, Washington
 I-10, Wayne
 I-15, Purcell
 I-29, Blanchard

McCurtain

I-5, Idabel
 I-6, Haworth
 I-11, Valliant
 I-13, Eagletown
 I-14, Smithville
 I-24, Tom
 I-39, Wright City
 D-47, Riverside
 I-71, Battiest
 I-74, Broken Bow

McIntosh

I-1, Eufaula
 I-3, Stidham
 I-10, Pierce
 D-14, Rentiesville
 I-19, Checotah
 I-25, Onapa
 I-27, Hitchita
 I-64, Hanna

Major

I-1, Ringwood
 D-2, Cheyenne Valley
 I-3, Ames
 I-4, Cleo Springs
 I-84, Fairview

Marshall

I-2, Madill
 I-3, Kingston

Maves

I-1, Pryor
 I-2, Adair
 I-6, Choteau
 I-16, Salina
 I-17, Locust Grove
 I-18, Strang

Murray

I-1, Sulphur
 I-2, Dougherty
 D-4, Woodland
 I-10, Davis

Muskogee

I-2, Haskell
 I-3, Ft. Gibson
 I-4, Boynton
 I-6, Webbers Falls
 I-8, Oktaha
 I-9, Wainwright
 I-10, Council Hill
 I-17, Moton
 I-20, Muskogee
 I-46, Braggs
 I-74, Warner
 I-88, Porum

Noble

I-1, Perry
 I-2, Billings
 I-3, Red Rock
 I-4, Orlando

Noble (Continued)

I-5, Marland
 I-6, Morrison
 D-7, Sumner

Nowata

I-1, Lenapah
 I-2, Wann
 I-30, Delaware
 I-36, Childers
 I-40, Nowata
 I-50, Alluwe

Okfuskee

I-2, Mason
 I-13, Boley
 I-14, Paden
 I-26, Okemah
 I-29, Bearden
 I-31, Weleetka
 I-32, Graham
 I-37, Clearview
 I-53, Spring Hill

Oklahoma

I-1, Putnam City
 I-3, Luther
 I-4, Choctaw
 I-5, Arcadia
 I-6, Deer Creek
 I-7, Harrah
 I-9, Jones
 I-12, Edmond
 D-46, Star-Spencer
 I-52, Midwest City
 Del City
 I-53, Crooked Oak
 I-88, Bethany
 I-89, Oklahoma City
 Capitol Hill
 Douglas
 N. W. Classen
 Central
 Classen
 U. S. Grant
 Harding

Oklahoma (Continued)

John Marshall
Northeast
Southeast

Okmulgee

I-1, Okmulgee
I-2, Henryetta
I-3, Morris
I-4, Beggs
I-5, Preston
I-6, Schullter
I-7, Wilson
I-8, Dewar
I-9, Liberty
D-10, Nuyaka
D-15, Hoffman (Grayson)

Osage

I-2, Pawhuska
D-7, Bowering
I-7, Skiatook
I-11, Shidler
I-20, Burbank
D-22, Nelagoney
I-25, Fairfax
I-29, Barnsdall
I-30, Wynona
I-35, Avant
I-38, Hominy
D-39, Mound Valley
D-49, Osage
D-50, Prue

Ottawa

I-1, Wyandotte
I-14, Quapaw
I-15, Picher
I-18, Commerce
I-23, Miami
I-26, Afton
I-31, Fairland

Pawnee

I-1, Pawnee

Pawnee (Continued)

D-5, Terlton
I-6, Cleveland
I-8, Quay
I-69, Ralston
D-72, Blackburn

Payne

I-3, Ripley
I-16, Stillwater
I-56, Perkins
I-67, Cushing
I-101, Glencoe
I-103, Yale

Pittsburg

I-1, Hartshorne
I-2, Canadian
I-11, Haileyville
I-14, Kiowa
I-17, Quinton
I-25, Indianola
I-28, Crowder
I-30, Savanna
I-63, Pittsburg
I-77, Ashland
I-80, McAlester
I-88, Haywood

Pontotoc

I-1, Allen
I-4, Fitzhugh
I-9, Vanoss
I-16, Byng
I-19, Ada
I-22, McLish
I-24, Latta
I-30, Stonewall
I-37, Roff

Pottawatomie

I-1, McLoud
I-2, Dale
I-3, Bethel
I-4, Macomb

Pottawatomie (Continued)

I-5, Harjo
 D-6, Tribbey
 I-7, Centerview
 I-34, Earlsboro
 I-66, St. Louis
 I-92, Tecumseh
 I-93, Shawnee
 I-112, Asher
 I-115, Wanette
 I-117, Maud

Pushmataha

I-A, Antlers
 I-1, Rattan
 I-4, Tuskahoma
 I-10, Clayton
 I-15, Nashoba
 I-22, Moyers

Roger Mills

I-6, Reydon
 I-7, Cheyenne
 I-9, Berlin
 D-11, Crawford

Rogers

I-2, Chelsea
 I-9, Foyil
 I-11, Sequoyah
 I-14, Claremore
 I-22, Inola
 I-27, Catoosa
 I-33, Oologah

Seminole

I-1, Seminole
 I-2, Wewoka
 I-3, Bowlegs
 I-4, Konawa
 I-5, Pleasant Grove
 I-6, New Lima
 I-7, Varnum
 I-8, Vamoosa
 I-9, Excelsior

Seminole (Continued)

I-10, Sasakwa
 I-12, Prairie Valley
 I-14, Strother
 I-15, Butner

Sequoyah

I-1, Sallisaw
 I-2, Vian
 I-3, Muldrow
 I-4, Gans
 I-5, Roland
 I-6, Gore
 I-7, Central Hi

Stephens

I-1, Duncan
 I-2, Comanche
 I-3, Marlow
 I-15, Velma-Alma
 I-21, Empire
 I-27, Loco
 I-34, Central Hi
 I-42, Bray
 I-47, Doyle

Texas

D-1, Yarbrough
 I-8, Guymon
 D-12, Eureka
 I-15, Hardesty
 I-23, Hooker
 I-53, Tryone
 D-60, Goodwell
 I-61, Texhoma
 I-88, Adams

Tillman

I-8, Tipton
 I-9, Davidson
 I-10, Hollister
 D-13, Weaver
 I-158, Frederick
 I-187, Manitou
 I-249, Grandfield

Tulsa

I-1, Tulsa
 Central
 Nathan Hale
 McLain
 Will Rogers
 B. T. Washington
 Webster
 Edison
 I-2, Sand Springs
 I-3, Broken Arrow
 I-4, Bixby
 I-5, Jenks
 I-6, Collinsville
 I-8, Sperry
 I-9, Union
 I-10, Berryhill
 I-11, Owasso
 I-12, East Central
 I-13, Glenpool
 I-14, Liberty

Wagoner

I-1, Okay
 I-3, Porter
 I-17, Coweta
 I-19, Wagoner
 D-65, Tullahassee

Washington

I-4, Copan
 I-7, Dewey
 I-15, Ochelata
 I-16, Ramona
 I-30, Bartlesville

Washita

I-1, Sentinel
 I-3, Dill City
 I-4, Lake Valley
 I-5, Port
 I-6, Rocky
 I-7, Burns Flat
 I-9, Colony
 I-11, Canute

Washita (Continued)

I-78, Cordell
 I-107, Corn

Woods

I-1, Alva
 I-3, Waynoka
 I-6, Freedom
 I-25, Dacoma
 D-31, Capron

Woodward

I-1, Woodward
 I-2, Mooreland
 I-3, Mutual
 I-4, Sharon
 I-5, Ft. Supply

APPENDIX C

LETTERS TO SUPERINTENDENTS

501 North Oliver
Elk City, Oklahoma
October 12, 1959

Dear Superintendent:

I am making a study of the practices of the Oklahoma public secondary schools in the accounting of extracurricular activity funds. I intend to develop recommendations by which secondary schools in the state might improve their accounting of the extracurricular activity funds. These improvements should result in a system of accounting that will safeguard the activity funds and protect the school administrator.

I have talked with a large number of school administrators about making a study of the accounting practices of the extracurricular activity funds, and they thought that such a study would be valuable to the administrators of the state. One of the persons who felt that such a study would be of considerable value to the secondary schools of Oklahoma was Dr. Oliver Hodge, State Superintendent of Public Instruction. I am enclosing a copy of Dr. Hodge's letter to me, in which he states that he thinks that the study will be valuable to the State Department of Education, the State Legislature, school administrators, boards of education and lay people interested in better schools. When completed, the results of the study will comprise a doctoral dissertation at the University of Oklahoma.

The questionnaire is short and will take only a small amount of time to answer. I believe that it will be worth while to complete it for the reason that it will give a quick review of the accounting practices used in your school system. All school administrators who have helped in the development of this questionnaire have stated that they felt that any school administrator would benefit himself in answering it.

Will you please fill in the enclosed questionnaire as accurately and completely as possible and return it promptly? If you do not handle the accounting of the extracurricular activity fund in your school, will you please pass this questionnaire on to the proper person, asking him to fill it out and return it to me?

Superintendent
Page 2
October 12, 1959

I wish to thank you in advance for your prompt attention to this request.

Yours truly,

Richard Burch

STATE DEPARTMENT OF EDUCATION

Oliver Hodge, Superintendent

Oklahoma City, Oklahoma

October 8, 1959

Mr. Richard Burch
Superintendent of Schools
Elk City, Oklahoma

Dear Richard:

I enjoyed my visit with you recently regarding your plans for your doctoral dissertation. I think you have a very good idea and one that would be of much value to the school administrators in Oklahoma. I am sure you will find that the school administrators will cooperate with you in returning the questionnaire that you told me you are going to send to them.

Not only would a study of this kind be of great interest to the school administrators, but I think it would be welcomed by the members of the boards of education, the members of the State Legislature, and everyone interested in a better school program.

You may feel free to reproduce this letter in any way you desire.

Sincerely yours,

Oliver Hodge
State Superintendent

OH:Y

501 North Oliver
Elk City, Oklahoma
November 9, 1959

Dear Administrator:

All the public secondary schools of Oklahoma were selected to participate in a study of accounting for the extracurricular activity funds. On October 12, 1959, you were sent a questionnaire with a request that you assist in this study.

Your response is needed in this important study, and we will be grateful if you will return the completed questionnaire at your earliest convenience. The questionnaire should be given to the person responsible for the accounting of the extracurricular activity funds.

We greatly appreciate your kind assistance.

Sincerely yours,

Richard Burch

P. S. If you have already returned the questionnaire, please disregard this letter.

APPENDIX D

THE QUESTIONNAIRE SENT TO SUPERINTENDENTS

QUESTIONNAIRE

The items contained in this questionnaire relate to the accounting of extracurricular funds. Please answer each question that applies to your school. If space allowed for the answers is not sufficient, please write the answers on a separate sheet.

School Activity Fund Questionnaire
of the
Oklahoma Public Secondary Schools

Name of School _____ District No. _____

Principal _____ Address _____

1. Does the Board of Education in your district have policies governing extracurricular activities in your schools? Yes _____ No _____
2. Do these policies state what system of accounting shall be used by the activities? Yes _____ No _____
3. Do these policies state how new extracurricular activities may become a part of the extracurricular activity of your school? Yes _____ No _____
4. Do the policies of the Board of Education contain any definite statement of the additional values that the members of the activity group may receive in handling the funds of the activity? Yes _____ No _____
5. Do the policies of the Board of Education permit an activity to obligate funds in excess of the money on hand? Yes _____ No _____
6. Do you believe the Board of Education should adopt policies which determine what extracurricular activities are to be permitted to become a part of the school program? Yes _____ No _____
7. Do you believe the extracurricular activities should be considered as a definite function of the schools, and be budgeted for as a part of the regular budget of the Board of Education? Yes _____ No _____

- 8. Do you pay for the services of the people who sell and take tickets at your activities? Yes _____ No _____
- 9. Do you allocate anticipated funds to the various activities, regardless of the amount of revenue they bring in? Yes _____ No _____
- 10. Are extracurricular activity tickets' sales handled by students? Yes _____ No _____
- 11. Are the extracurricular activity funds in your school handled through a central bank account? Yes _____ No _____

A. If your answer is "yes," are there any exceptions? Yes _____ No _____

(Please list exceptions, if any.) _____

(If your answer to No. 11 is "no," you will not answer questions Nos. B, C, D, E, and F.)

B. Does each extracurricular activity have a student treasurer who is responsible for depositing activity receipts with the central treasurer? Yes _____ No _____

C. Are disbursements made by the central treasurer only on authority from the activity sponsor and the activity treasurer? Yes _____ No _____

D. If the extracurricular activity funds are handled by a central treasurer, is the treasurer bonded? Yes _____ No _____

E. Are the extracurricular activity funds audited? Yes _____ No _____

1. If they are audited, who does the auditing?

- _____ Superintendent
- _____ Principal
- _____ Teacher
- _____ Certified Public Accountant
- _____ Other

F. If the central treasurer system is used, does each activity keep a record of receipts and disbursements? Yes _____ No _____

12. Does the central treasurer make regular financial reports of receipts and disbursements to each activity? Yes _____ No _____

- A. How often?
 - _____ Weekly
 - _____ Monthly
 - _____ Quarterly
 - _____ Annually

13. Do the policies require each activity to have an approved budget of the anticipated receipts and expenditures? Yes _____ No _____

A. If "yes," who is responsible for making the budget? _____

B. Who approves the budget? _____

14. Does your school distinguish between funds raised through charges of the Board of Education for, by, or in the name of the school, and funds that are strictly activity funds? Yes _____ No _____

Examples: First Group -- Book store, lunch room, student fees, rents, etc.
 Second Group -- Class activity, athletics, debate, dramatics, etc.

15. Give a brief description of the manner in which the receipts from ticket and other sales are safeguarded. _____

16. Please indicate how your extracurricular program is financed. Include such aspects as: sources of income, manner of receiving and disbursing funds, records and forms used, etc. (Copies of all forms used would be appreciated.) _____

17. Do you give awards for participation in extracurricular activities? Yes _____ No _____

18. Does your Board of Education supplement your activity fund from the regular school budget? Yes _____ No _____

A. If yes, " what per cent was contributed by the Board of Education during the 1958-59 school year? _____%

19. How much money was expended by the extracurricular activities in your school during the 1958-59 school year?

\$ _____

Upon completion please return questionnaire in self-addressed, stamped envelope to:

Richard Burch
501 North Oliver
Elk City, Oklahoma