

REDBOOK, Effective July 1, 2013
SIGNIFICANT CHANGES from the 2008 Redbook

1. The school treasurer shall not collect money directly from a student or parent: school treasurer shall not open the mail.
2. Students third grade and above must sign the Multiple Receipt Form themselves.
3. Indicate receipt numbers on the deposit slip.
4. Money collected outside regular school hours must be deposited in a night drop or night deposit at a bank or locked in the school safe until the next business day when the funds can be processed.
5. Grants, day care fees, adult education fees, and tuition fees must be deposited at the district level.
6. Fundraisers to cover staff payroll and other operating costs are not permitted; fundraisers to supplement the staff account are not permitted.
7. Fundraising proceeds must benefit the entire group of students involved, regardless of participation in the fundraising activity. There shall be no fundraisers tracked by individual students. (IRS regulation)
8. The school treasurer shall not sell tickets.
9. Donation Acceptance Form shall be completed upon receiving a donation; donations may be accounted for at the school level only with local board policy.
10. To reimburse or refund monies to students, use the Student Refund/Reimbursement Form.
11. Signature stamps are not permitted to be used for indicating approval of school activity fund checks or any other financial documents.
12. District and school administrators may be reimbursed for travel with school activity funds only if students participated in the trip.
13. The Payment for Services section has been renovated to align with IRS guidance:
 - a. Determine worker status (independent contractor or employee) on a job-by-job basis.
 - b. It is possible for an individual to receive both a W-2 and 1099.
14. A W-9 must be on file at the school prior to making a payment to an independent contractor.
15. The fixed asset section was aligned with the changes in the KDE Capital Asset Guide.
(Workstations/laptops are not required to be capitalized, but should be approved by DTC/CIO)

16. A list of examples of allowable and disallowable expenditures is included.
 - a. Charitable contributions and donations are allowed if funds were raised specifically for that purpose.
 - b. Training required to be a coach/sponsor of a student group is allowed.
 - c. Cash awards, gift cards or prepaid credit cards are not allowed.
 - d. Expenditures related to professional development or staff development are not allowed.
17. Expanded information about Title IX is included.
18. There is new guidance on how to handle inactive account balances.
19. There is new guidance on using electronic receipts and payments.
20. No transfers or reimbursements are allowed from the school activity fund:
 - a. To external support/booster organizations
 - b. To staff accounts
21. All guidance relating to reporting is in one section; includes a listing of reports to submit to the central office each month.
22. Excessive balances are discouraged; may prohibit fundraising until the balance is reasonable.
23. Fees are collected for a specific purpose and should be used for that purpose for the students that pay the fees.
24. Included specific directions on how to handle activity accounts with a negative balance at the end of the year and how to handle an activity fund with a negative balance at the end of the year.
25. The section on external support/booster organizations has been clarified and strengthened.
 - a. Boosters are solely responsible for ensuring compliance with IRS, Title IX, Redbook, etc.
 - b. Submit FEIN when list of officers is submitted
 - c. District employees may serve as members or hold executive board positions, except for treasurer or other officer with signing authority on bank account
 - d. Local board members may serve only as general members of an external booster group
 - e. School activity fund shall not reimburse these organizations for any purchases
 - f. These groups shall not pay or enhance district employee's salaries or stipends directly
 - g. Clarifies possible remedies when support groups do not comply with the Redbook
 - h. Must carry insurance for general liability
 - i. Fundraising proceeds must benefit the entire group of students involved, regardless of participation in the fundraising activity. There shall be no fundraisers tracked by individual students (IRS regulation)

- j. The IRS prohibits tax-exempt organizations from **requiring** participation in fundraisers. Likewise, support/booster organizations **shall not** require an amount be “donated” in lieu of participating in a fundraiser.
 - k. Individuals choosing not to participate in a fundraiser cannot be excluded from benefitting from the fundraiser and cannot be penalized in any way.
 - l. Restrictions on district employee involvement with external booster funds
 - m. Annual financial report is due **July 15**
 - n. Clarifies that local boards may impose additional requirements on boosters
26. The section on school banks has been clarified and strengthened.
- a. Guidance to set up the school bank and who can be the financial supporter
 - b. Any dividends or interest for school bank accounts shall be reported on 1099
 - c. An agreement is mandated between financial institution and board
 - d. Parents must sign permission slip for students to participate in school bank
27. The definitions section has been expanded. Some key definitions include:
- a. Professional development
 - b. Maintenance
 - c. Secure location
 - d. Support/booster organization
28. There are two new forms:
- a. Student Refund/Disbursement Form
 - b. Donation Acceptance Form
29. Appendix A – Segregation of Duties has been expanded with many more suggestions.
30. Added an Appendix B – Fundraiser Types and Corresponding Forms Needed to detail which forms to use for each type of fundraiser.
31. Added Appendix C – External Support/Booster Organization Resources with references to the IRS website.
32. Added Appendix D –Recommended Report Review Procedures to give detailed suggestions on how to review financial records of the school activity fund.

DDS/SB

11/12/13

significant redbook changes KASBO handout