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A PROPOSED PLAN FOR HANDLING THE ACTIVITIES FUND

IN THE HIGH SCHOOLS OF KANSAS

A Thesis Submitted to the Graduate Division in Partial
Fulfillment of the Requirements for the Degree
of Master of Science

By

Carl Frederick Gump

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KANSAS STATE TEACHERS COLLEGE

Pittsburg, Kansas

July, 1948

WITHDRAWN

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ABSTRACT

The problem was (1) to make a comparative study of the systems used for handling the activities fund in a selected group of high schools of Kansas; (2) to discover who handles the activities fund, the forms used and records kept by the activities fund treasurer, and what method of checking is used between the activities fund treasurer and the organization treasurers; (3) to establish criteria for evaluating the systems of record keeping and forms used; (4) to propose and recommend a system which will fulfill the requirements of the evaluative criteria.

A questionnaire was used to secure data to be used for the study. The experience of the writer as an activities fund treasurer together with the reading of literature relative to the handling of activities funds and the data from the questionnaires completed the necessary information for the study.

The results of the questionnaires used for the study are shown by tables. Some of the important facts revealed are: the activities fund is kept by the office secretary in the greater number of cases, over one-half of the activities fund treasurers are not under bond, slightly over 80 per cent of the schools require the treasurer to prepare a monthly financial statement of the activities fund, an accurate record of receipts and expenditures is not kept by the

student treasurer for the organization he represents in over 20 per cent of the schools, and over one-third of the schools do not require an annual audit of their activities fund.

In his plan the researcher recommends that the school administrator should assist the activities fund treasurer in arranging the handling of the activities fund. Recommended forms shown which may be used by the activities treasurer are: turn-in slip, activities fund receipt, cash journal sheet, ledger sheet, columnar journal sheet, purchase requisition, payment order, check, transfer voucher, and tax report. Other suggestions include an annual audit of the activities fund and a plan for making necessary "change" available for the different school activities.

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CHAPTER I

INTRODUCTION

Introduction to the Problem

The writer believes that the records of school activities in many high schools of Kansas are not being kept in a satisfactory manner because of the many systems of record keeping in use in the schools of the state. The systems used are almost as many and as varied as there are high schools in the state. From the writer's experience it is clearly evident that a uniform system for keeping activities records would be highly desirable. Since there appears to be such a definite need for a more efficient system of record keeping for the activities fund, this study is undertaken with the hope of (1) determining the exact needs, and (2) suggesting the means of meeting those needs.

Statement of the Problem

The problem is (1) to make a comparative study of the systems which are being used for handling the activities fund in a selected group of high schools of Kansas; (2) to discover who handles the activities fund, the forms used and records kept by the activities fund treasurer, and what method of checking is used between the activities fund

treasurer and the organization treasurers; (3) to establish criteria for evaluating the systems of record keeping and forms used; (4) to propose and recommend a system which will fulfill the requirements of the evaluative criteria.

Limitations of the Study

This study is limited to data from sixty-eight selected high schools in Kansas. The high schools used in compiling the data were determined by class, size, and geographic location; the researcher attempting to get a representative cross section of the record systems used in the state. No attempt is made to study the systems of extracurricular record keeping on the basis of any one class of school alone, for it is the belief of the researcher that the class of school itself does not alter the probable necessity for a change in the system of record keeping.

No attempt was made to verify the validity of the information gathered from the schools to which the questionnaires were sent.

Need for the Study

In industry one of the first and foremost questions of an organization revolves around its finances. In fact, no business enterprise would be planned without including a sound system of record keeping. This is especially true

during the past few years since the government has become interested in business through its various tax laws. Yet, in direct contrast we find many schools lacking an efficient system of record keeping, despite the fact that the number of extracurricular activities has grown during the past two decades.

Jones has expressed the fact in this manner:

Doubtless thousands of dollars are lost every year to the schools of the country through carelessness, haphazard methods, and the yielding to temptations which are thoughtlessly placed in the way of irresponsible youths.¹

There is need for a simple, efficient, and more uniform system which can be used and understood by all activities fund treasurers and others concerned. Such a system could profitably be adopted by high schools of Kansas with possible modifications which might be necessary to satisfy local requirements. A system of this type would enable an incoming activities fund treasurer to ascertain the condition of any account in the activities fund as recorded by his predecessor. It would also make it easier for the incoming treasurer to take over and assume the duties as treasurer of extracurricular activities.

Many times it is difficult to know who is responsible for funds received or obligations incurred. Some means

¹ Gertrude Jones, "Internal Accounting in High Schools," American School Board Journal, LXVI (April, 1923), 68.

whereby responsibility can be definitely assigned to a student, a teacher, or an administrator should be provided.

From the examination of literature written about the administration of the high school activities fund, from personal observation and interviews, and from practical experience, three conclusions have been reached concerning the apparent need for this study. (1) The system of records kept for the activities fund in some schools is too elaborate and too technical. This involves too much unnecessary time being spent in record keeping. (2) Some schools have no system at all or at least one which is very poor and incomprehensible. (3) The average activities program has been expanded and the activities fund has grown so large it is imperative that some system be used to keep an accurate record, especially for state and federal tax purposes.

Purpose of the Study

The researcher had the following things in mind in preparing this study:

(1) To gather and compare information concerning the different systems of record keeping used in a selected group of high schools in Kansas.

(2) To determine, if possible, guiding principles and criteria which might be used in evaluating the systems of record keeping.

(3) To examine and study the record forms obtained from the activities fund treasurers of a selected group of high schools in Kansas.

(4) To propose a system of record keeping which would be of value to administrators and activities fund treasurers in any high school in the state of Kansas, and at the same time, satisfy the evaluative criteria as set up.

Review of Related Literature

In the search for related literature it was found that a limited number of studies have been made pertaining to the actual handling of the funds of the various high school organizations.

The earliest study and perhaps one of the foremost was a report of a committee investigation of organization funds in the Lincoln High School, Lincoln, Nebraska, where Jones² found the following situation: Four of the twenty-six organizations investigated had recorded their business transactions on slips of paper which had been misplaced. Several books which were audited did not balance. Only a few of the organizations banked their funds and the monthly statements were seldom called for by the treasurer. One club kept its money in a baking powder can. None of the treasurers could state,

²Gertrude Jones, "Systematizing the Financial Affairs of High School Student Organizations," School and Society, XV (June, 1922), 611-612.

even approximately, the resources of the activity he represented.

In a later study by Moran³ entitled, "A High School Activities Finance Plan," it was stated that the chief aim of the plan was to substitute central banking and unified accounting for scattered accounts and records. However, it was apparent from the beginning that the plan would also operate to supervise collections and expenditures more closely.

Considerably more emphasis has been placed upon the selection of the person who should act as a trustee or central treasurer of all pupil-activity funds. Marshall⁴ found that the superintendents and principals usually agreed that a faculty member should serve in this capacity. Likewise, he found that some of the faculty members serving as the activities fund treasurer were released from some teaching duties, so that they could handle the fund in a satisfactory manner. It was considered proper for the treasurer to be under bond in an amount high enough to cover the amount of money that will probably be in his possession at any one time.

Cratty,⁵ in a related study found that the time, the place, and the tools for the work of the school central

³W. A. Moran, "A High School Activities Finance Plan," American School Board Journal, LXXX (May, 1930), 66 and 132.

⁴J. J. Marshall, "Administration of the Funds of School Organizations," The School Review, XXXVI (April, 1929), 251-252.

⁵Myrtle L. Cratty, "A System of Handling Funds of Pupil Activities," Business Education World, XXVIII (June, 1948), 587-589.

treasurer are important. It is her belief that the treasurer should have a central office or headquarters and be given at least one period a day for his duties. In addition, sufficient and good equipment are essential if the central treasurer is to be expected to keep up with the constant stream of funds that flow into his office.

A further study on organization funds was made by Cyril L. Elsdon.⁶ This study pertains particularly to the auditing of the accounts. A distinction is made between the terms bookkeeping and auditing. It is shown that auditing is so important that probably it would have prevented several schools from finding themselves in embarrassing situations. He further reveals that the belief existing among many superintendents and principals that the submitting of a periodic financial statement by the central treasurer constitutes an audit is a fallacy.

It can easily be seen there is a need for additional study in this field if a simple and efficient system of record keeping is to be devised.

⁶C. L. Elsdon, "Internal Audit of Student Fund Accounts," School Activities, XVI (March, 1945), 255-256.

CHAPTER II

METHODS USED IN INVESTIGATION

Some time was spent in the reading of available literature pertaining to extracurricular activities in the high school and the handling of their funds. During the reading of literature the researcher decided that the collecting of the necessary data should be done in the following manner. Through the very nature of the study it was decided that the best possible method of obtaining the desired information was by questionnaire.

The book of Leonard V. Koos,⁷ "The Questionnaire in Education" was referred to and his suggestions that certain items of importance be included were considered in formulating the questionnaire.

The questionnaire was originally constructed during a class in seminar in the summer of 1947. Questions to be used were derived from suggestions of the class, from personal experience in handling an activities fund by the researcher, and from a wide reading of literature concerning such funds. Each question was thoroughly discussed by the class before deciding that it should be included in the questionnaire.

⁷L. V. Koos, The Questionnaire in Education (New York: The Macmillan Co., 1928), p. 178.

A copy of the questionnaire was tried on four high school principals who were responsible for activities funds. Their response seemed favorable and copies were prepared for mailing. A copy of the questionnaire will be found in Appendix A.

Questionnaires were mailed to the principals of the previously selected group of eighty high schools in Kansas, with the feeling that he, being the administrator of school activities, would be able to give pertinent information. A good response was made by the principals of the selected schools and within a very short time 85 per cent of those sent out were returned. Since the percentage of returns was so high it was considered unnecessary to send follow-up letters but to rely upon the information of the sixty-eight reporting schools.

Of the sixty-eight schools reporting, thirty-three sent record forms. Some schools indicated it was impossible to send forms because of the possibility of an auditor asking for an explanation of the disappearance of the form. Evidently, others do not use forms or did not desire to send them. Forms received were varied in nature and will be very helpful in the completion of the study. Copies of the forms received are to be found in Appendix B.

Table I provides information on the number of forms received from the schools replying to the questionnaire.

TABLE I

CITIES---RECORD FORMS RECEIVED

| Cities | Number of Forms Received | Cities | Number of Forms Received |
|----------------|--------------------------------|--------------|--------------------------------|
| Augusta | 4 | Abilene | 5 |
| Blue Rapids | 1 | Bucklin | 2 |
| Bonner Springs | 3 | Beloit | 2 |
| Concordia | 10 | Chanute | 1 |
| Cherryvale | 4 | Caney | 2 |
| Dodge City | 10 | Ellinwood | 4 |
| El Dorado | 10 | Emporia | 5 |
| Fort Scott | 4 | Great Bend | 2 |
| Garden City | 1 | Hill City | 2 |
| Howard | 3 | Holton | 4 |
| Humboldt | 1 | Independence | 6 |
| Kingman | 2 | Leavenworth | 3 |
| Mankato | 2 | McPherson | 2 |
| Minneapolis | 4 | Marion | 8 |
| Marysville | 3 | Ottawa | 1 |
| Pittsburg | 6 | Wellington | 5 |
| Wamego | 6 | | |

Criteria for Evaluation of Record Forms

Every efficient record system must be built around some definite plan. This plan will include certain outstanding rules which must be followed in order for it to function properly. The researcher believes that possibly the study by Osborn⁸ reveals the criteria which will best fulfill the

⁸B. N. Osborn, "Business Management of an Industrial Arts Shops," Industrial Arts Magazine, X (October, 1921), 386-388.

requirements for a good system of record keeping.

In his explanation of a successful system of record keeping Osborn says, that the system must include the following necessary items:

- (1) The system must be clearly comprehensible.
- (2) A minimum of clerical work must be required.
- (3) Useless data must be eliminated.
- (4) The system must be easy of access.
- (5) Forms of practical size and arrangement must be used.
- (6) Satisfaction must be assured to all, including teachers and pupils.
- (7) Operation of the system must not be dependent upon the memory of teachers and pupils.
- (8) Responsibility for all transactions must be fixed.
- (9) It must be adaptable to various sized schools and activities.

These items are accepted as valid criteria, hence they will be used in evaluating the record forms which are now used by the treasurers of the activities fund in the selected group of high schools used for this study.

CHAPTER III

FINDINGS OF THE STUDY

Person Responsible for Keeping the Activities Fund

The table below reveals that the office secretary keeps the activities fund in the greatest percentage of schools reporting. However, in several instances it was reported that the office secretary was assisted by the principal.

TABLE II

WHO KEEPS THE ACTIVITIES FUND?

| Item | Replies | Percentage |
|------------------|----------|-------------|
| Commerce teacher | 17 | 25.00 |
| Principal | 17 | 25.00 |
| Office Secretary | 28 | 41.18 |
| Others | <u>6</u> | <u>8.82</u> |
| Total | 68 | 100.00 |

It is noted that the principal keeps the activities fund in 25 per cent of the schools reporting. This is in direct conflict with the study of Marshall⁹ in which he found that the principals and superintendents usually agreed that a

⁹Op. cit., p. 251.

faculty member should keep the activities fund.

The questionnaires for this study further revealed that the activities fund is kept by superintendents, mathematics instructors, social science instructors, and in one case a full time treasurer is employed for this purpose.

Is the Activities Treasurer Under Bond?

A rather startling fact is revealed in Table III. Of the sixty-eight schools reporting 57.35 per cent of the activities fund treasurers are not under bond.

TABLE III

IS THE ACTIVITIES TREASURER UNDER BOND?

| Item | Replies | Percentage |
|-------|-----------|--------------|
| Yes | 29 | 42.65 |
| No | <u>32</u> | <u>57.35</u> |
| Total | 68 | 100.00 |

In 1942 a special committee of Kansas High School Principals proposed a plan for the accounting of student activity funds in their booklet, "Bookkeeping and Accounting System of Student Activity Funds for Kansas High Schools."¹⁰

¹⁰Kansas. Department of Education (Topeka: State Department of Education, September, 1942).

Their first recommendation was that the activities fund treasurer of any high school should be bonded by a surety bond equal to the largest anticipated amount of money on hand at any time during the year.

Yet, in direct contrast, we find that 57.35 per cent of the activities fund treasurers of the high schools reporting to this study are not under bond.

Status of Activities Treasurer's Teaching Load

The results of Table IV do not compare favorably with the statement made by Marshall¹¹ in his study. He found that the teaching duties of the activities fund treasurer were reduced, in order that the activities fund might be kept in a satisfactory manner.

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TABLE IV

IS THE TEACHING LOAD REDUCED?

| Item | Replies | Percentage |
|----------|-----------|--------------|
| Yes | 16 | 23.53 |
| No | 29 | 42.65 |
| No reply | <u>23</u> | <u>33.82</u> |
| Total | 68 | 100.00 |

¹¹Op cit., p. 252.

The researcher found that in only 23.53 per cent of the schools reporting the activities fund treasurer actually has his teaching load reduced.

In fact, over 50 per cent of the commerce teachers and principals who handle the activities fund do not have their teaching loads reduced.

Hours of School Time Required Weekly for Record Keeping

It can be seen from Table V that the record keeping by the activities fund treasurer is a greater time consuming duty than is perhaps necessary.

TABLE V

SCHOOL TIME ALLOTTED TO TREASURER PER WEEK

| Item | Replies | Percentage |
|-------------------------|-----------|--------------|
| None | 9 | 13.23 |
| One to five hours | 21 | 30.88 |
| Six to ten hours | 8 | 11.78 |
| Eleven to fifteen hours | 3 | 4.41 |
| Sixteen hours and over | 3 | 4.41 |
| As needed | 4 | 5.88 |
| Few each day | 2 | 2.94 |
| No record | 3 | 4.41 |
| Part of regular duties | 3 | 4.41 |
| No reply | <u>12</u> | <u>17.65</u> |
| Total | 68 | 100.00 |

Probably many hours are spent at this duty which are never recorded. Also, it is possible that many hours could be eliminated by a more efficient system of record keeping.

It is to be noted that Table V refers to the number of hours of school time allotted to the activities fund treasurer for record keeping.

Hours Spent Weekly in Addition to School Time

As shown in Table VI below, the activities fund treasurer spends a considerable number of hours each week, in addition to school time, for record keeping.

TABLE VI

TIME SPENT BY TREASURER

| Item | Replies | Percentage |
|--------------------------------|-----------|--------------|
| None | 8 | 11.78 |
| One to five hours | 28 | 41.17 |
| Six to ten hours | 6 | 8.82 |
| As needed | 2 | 2.94 |
| No record | 6 | 8.82 |
| Study and typing practice hour | 1 | 1.47 |
| Plenty | 1 | 1.47 |
| No reply | <u>16</u> | <u>23.53</u> |
| Total | 68 | 100.00 |

The fact that additional time is needed may be due to one of the following reasons: (1) the system used may be too elaborate and require additional time; (2) there may be a greater amount of record keeping to be done in a larger system; (3) furthermore, if the activities fund treasurer is a faculty member, and if he is to do a good job of teaching, probably the only time left for record keeping is in addition to his school time.

One response indicated that the records were kept during "study time" and "typing practice hour". This does not seem to be a fair treatment for any faculty member.

Another response stated that it was a guess as to the number of hours spent in addition to school time but assured the researcher that it was plenty.

Does the Activities Treasurer Receive Added Pay?

As Table VII indicates below, in 75 per cent of the schools reporting, the activities fund treasurer does not receive additional pay for this duty. Probably, in the

TABLE VII

DOES THE TREASURER RECEIVE ADDED PAY?

| Item | Replies | Percentage |
|----------|----------|--------------|
| Yes | 10 | 14.71 |
| No | 51 | 75.00 |
| No reply | <u>7</u> | <u>10.29</u> |
| Total | 68 | 100.00 |

cases where the office secretary acts as the activities fund treasurer, the duty is accepted as a part of the regular office activities. However, in all cases where the principal or a classroom teacher acts as the activities fund treasurer it is probably done in addition to his teaching duties. It is probable that remuneration should be made for the extra hours spent in fulfilling this duty if it is in addition to his regular teaching duties.

Where is the Activities Fund Kept?

In answer to the question concerning the place where the activities fund is kept 100 per cent of the schools reporting indicated that their activities fund is kept in the bank.

Assuming that there is a bank in each of the towns reporting, this is probably an ideal situation. However, several schools indicated a small amount is kept in the school vault. Perhaps this will immediately bring to our attention the many reports of thieves entering school buildings and stealing money or school property. Without doubt the leaving of money in the school vault could lead to an embarrassing situation for some school administrators.

Frequency of Reports of the Fund

Table VIII indicates that 83.82 per cent of the reporting schools require a monthly financial report from the activities fund treasurer.

TABLE VIII

REPORTS MADE OF FUND

| Item | Replies | Percentage |
|---------------|----------|-------------|
| Monthly | 57 | 83.82 |
| Quarterly | 3 | 4.41 |
| Semi-annually | 2 | 2.94 |
| Annually | <u>6</u> | <u>8.83</u> |
| Total | 68 | 100.00 |

Customarily the treasurer of any fund makes a monthly report of the financial condition of the organization which he represents. Likewise, the activities fund treasurer should report monthly the condition of all the funds to a responsible party. This complies with the suggestion made by the Committee of Principals in their booklet, "Bookkeeping and Accounting System of Student Activity Funds for Kansas High Schools."¹²

Several schools reported that they also require the activities fund treasurer to make an annual report of the activities fund in addition to the report each month.

Methods Used in Paying Bills

It is revealed in Table IX that 79.41 per cent of the

¹²Op. cit., p. 7.

schools answering the questionnaire for this study pay their bills by check. This is in accordance with the suggestions made by the Committee of Principals in their booklet.

TABLE IX

HOW ARE BILLS PAID?

| Item | Replies | Percentage |
|---------------------|-----------|--------------|
| Cash | 1 | 1.47 |
| Check | 54 | 79.41 |
| Both cash and check | <u>13</u> | <u>19.12</u> |
| Total | 68 | 100.00 |

Methods of Paying Bills by Cash

As indicated in Table IX, fifty-four of the sixty-eight schools used for this study pay all bills by check.

Several different methods are used by the schools reporting in paying part of their bills by cash.

The most common method of paying by cash and incidentally, one which the Committee of Principals in their study discouraged using, is the petty cash fund.

Some reporting schools had bills marked "paid" when the cash was delivered, and others had a receipt signed by the receiver of the cash.

The receipts for cash payment were in some cases called cash out receipts, others called them cash paid out certificates, and in one school they are called cash withdrawal statements.

In most cases the cash account was replenished by a check against some other account but it was not stated from what account the money was usually taken.

Several schools indicated that bills are paid both by checks and cash. If this plan is to be followed some cash must be kept on hand at all times and a system of receipts showing all cash payments must be maintained.

Do Organizations Turn Money Directly to Treasurer?

In 89.71 per cent of the reporting schools the organizations turn all money directly to the activities fund treasurer as is indicated in Table X. The activities fund treasurer in

TABLE X

MONEY TURNED DIRECTLY TO TREASURER

| Item | Replies | Percentage |
|----------|----------|-------------|
| Yes | 61 | 89.71 |
| No | 6 | 8.82 |
| No reply | <u>1</u> | <u>1.47</u> |
| Total | 68 | 100.00 |

turn deposits the money at the bank. The use of this plan should eliminate errors which are caused by an organization making a deposit and then forgetting to notify the activities fund treasurer.

Some schools reported that they used the plan of permitting the student treasurer of the organizations within the school to deposit their money and the activities fund treasurer merely kept a controlling account. This appears to be an excellent method for students to gain some practical experience.

How Organizations Get Money from Activities Treasurer

It is indicated by Table XI that in almost all the schools reporting some type of written order must be presented to the activities fund treasurer before money can be withdrawn from the activities fund.

TABLE XI

ORGANIZATIONS GET MONEY FROM TREASURER

| Item | Replies | Percentage |
|-------------------------------|----------|-------------|
| Written order | 30 | 44.12 |
| Asking orally | 8 | 11.78 |
| Purchase order and voucher | 22 | 32.34 |
| Other methods | 7 | 10.29 |
| No reply | <u>1</u> | <u>1.47</u> |
| Total | 68 | 100.00 |

Several of the reports stated that the order asking for money from the activities fund must be signed by both the principal and the sponsor of the organization desiring the money.

Various other methods reported were: an order signed by the sponsor of the organization, an order signed by the activities fund treasurer; and the presentation to the activities fund treasurer of the bill incurred by the organization.

Methods Used to Transfer Funds

The use of a transfer voucher to transfer money from one account to another is reported in only 23.53 per cent of the schools represented in this study as indicated by Table XII. The practice of transferring funds by methods other than the

TABLE XII

HOW FUNDS ARE TRANSFERRED

| Item | Replies | Percentage |
|--------------------|----------|--------------|
| Check | 17 | 25.00 |
| Transfer voucher | 16 | 23.53 |
| Transfer on ledger | 28 | 41.18 |
| Combination | <u>7</u> | <u>10.29</u> |
| Total | 68 | 100.00 |

use of the transfer voucher is contrary to the suggestions offered by the Committee of Principals in their booklet previously mentioned.

This would indicate that the schools are not familiar with the transfer voucher and its uses, or that they do not desire to use it. However, it was found by the above mentioned committee that the transfer voucher is perhaps the simplest and most easily understood method of transferring funds from one account to another.

Type of Receipt Used

The information in Table XIII below indicates that 75 per cent of the schools reporting for this study use duplicate type receipts. This type is perhaps the best since it

TABLE XIII

RECEIPT USED

| Item | Replies | Percentage |
|------------------|----------|-------------|
| Single with stub | 9 | 13.24 |
| Duplicate | 51 | 75.00 |
| Triplicate | 5 | 7.35 |
| None | 2 | 2.94 |
| No reply | <u>1</u> | <u>1.47</u> |
| Total | 68 | 100.00 |

eliminates the possibility of the activities fund treasurer writing different amounts as is easily done on the single with stub type receipt.

The schools which reported that they did not use receipts were those in which the organization treasurers deposited the money of their own organization and in which the activities fund treasurer kept a controlling account. We are not to assume that these two schools do not use a receipt of any kind since the question asked was what type of receipt is used by the activities fund treasurer.

Accuracy of Records Kept by Organizations

It is shown by Table XIV that approximately twenty per cent of the schools reporting do not have an accurate record of receipts and expenditures kept by the student treasurer of the organization which he represents.

TABLE XIV **PORTER LIBRARY**

DO ORGANIZATIONS KEEP ACCURATE RECORDS?

| Item | Replies | Percentage |
|-------|-----------|--------------|
| Yes | 55 | 80.88 |
| No | <u>13</u> | <u>19.12</u> |
| Total | 68 | 100.00 |

This is evidence of a probable laxity on the part of the sponsor of the organization as well as the administrator of the school. Jones has pointed out the apparent need for accurate organization records in her study.¹³ It was found by Jones that the emphasis had been placed upon the social side of the organization and the financial side had been slighted. Furthermore, she has stated, that if the student is to benefit from student organizations socially, and if he is to learn cooperation in group activities, it is just as important that he learn to conduct the financial affairs of the group in a systematic manner.

Methods of Dividing Receipts from Activity Tickets

It is shown by Table XV that thirty-six of the sixty-eight schools studied sell activity tickets. Almost 75 per

TABLE XV

DIVISION OF RECEIPTS FROM ACTIVITY TICKETS

| Item | Replies | Percentage |
|------------------|-----------|--------------|
| Percentage basis | 24 | 35.29 |
| Stated amount | 11 | 16.18 |
| Is not divided | 1 | 1.47 |
| Do not sell | <u>32</u> | <u>47.06</u> |
| Total | 68 | 100.00 |

¹³"Systematizing the Financial Affairs of High School Student Organizations," p. 612.

cent of those schools who sell activity tickets divide the receipts among the organizations represented on the activity ticket on a percentage basis.

It is noted that 47.06 per cent of those schools reporting do not sell activity tickets. Probably more schools could afford the student body an opportunity to attend school activities through the sale of a student activity ticket.

Do Students Assist the Activities Treasurer?

Students are not permitted to assist the activities fund treasurer in 70.59 per cent of the schools reporting as shown by Table XVI.

TABLE XVI

ACTIVITIES TREASURER ASSISTANTS

| Item | Replies | Percentage |
|----------|----------|-------------|
| Yes | 19 | 27.94 |
| No | 48 | 70.59 |
| No reply | <u>1</u> | <u>1.47</u> |
| Total | 68 | 100.00 |

The fact that assistance by students is not permitted probably eliminates the possibility of the activities fund treasurer having to check the students work for errors. However, several schools reported satisfactory work on the

part of student assistants and recommended the plan. One school gave high school credit for time spent as assistant to the activities fund treasurer.

Are Serially Numbered Checks Used?

In response to the question pertaining to serially numbered checks it was indicated that 100 per cent of the schools reporting use checks of this type. This is in line with the recommendations made by the Committee of Principals in their previously mentioned booklet. The fact that 100 per cent of the schools use serially numbered checks indicates that perhaps this is the easiest manner of keeping a record of all payments made by the activities fund treasurer.

The Use of Purchase Requisitions

Following what is an excellent practice in any city, Table XVII shows that 60.29 per cent of the schools reporting

TABLE XVII

ARE PURCHASE REQUISITIONS USED?

| Item | Replies | Percentage |
|-------|-----------|--------------|
| Yes | 41 | 60.29 |
| No | <u>27</u> | <u>39.71</u> |
| Total | 68 | 100.00 |

use printed requisition forms. If this plan is followed it probably will eventually eliminate the unauthorized purchasing of goods by students of the high school. Also, the possibility of there being any outstanding bills following the close of school will be eliminated.

Persons Issuing Purchase Requisitions

It is quite evident from the results of Table XVIII shown below that there is no definite rule among the schools reporting for this study as to who issues the purchase requisitions. Several responses indicated that the requisition is issued by the organization sponsor and approved by the principal.

TABLE XVIII

WHO ISSUES PURCHASE REQUISITIONS?

| Item | Replies | Percentage |
|----------------------|-----------|--------------|
| Organization sponsor | 20 | 29.41 |
| Principal | 13 | 19.12 |
| Office secretary | 7 | 10.29 |
| Others | 2 | 2.94 |
| No reply | <u>26</u> | <u>38.24</u> |
| Total | 68 | 100.00 |

Others who were reported as authorized to issue purchase requisitions were the superintendent of schools and the activities fund treasurer.

Is a Change Account Included in the Activities Fund?

Almost three-fourths of the schools included in this study, as shown in Table XIX, do not include a change account in their list of accounts.¹⁴

TABLE XIX

CHANGE ACCOUNT IN FUND

| Item | Replies | Percentage |
|-------|-----------|--------------|
| Yes | 20 | 29.41 |
| No | <u>48</u> | <u>70.59</u> |
| Total | 68 | 100.00 |

From the information in the above table it is evident that an amount of cash must be kept on hand, or each time change is needed a check be written against the organization or activity desiring the money.

¹⁴By a change account we mean an account included in their record keeping system headed "change". The use of such an account eliminates the withdrawal of money from an organizational account for change and then the replacing of the money following the activity for which it was withdrawn. If a change account is not used the monthly statement will show an amount of cash paid out and an amount of cash received which, technically speaking, is not correct. If a change account is used a check is drawn against that account for the amount needed, and then the same amount deposited back to the change account from the receipts of the activity.

Method of Supplying Change When No Change Account is Used

The information supplied by the reporting schools for Table XX indicates that the methods of supplying needed "change" for an organizational activity are varied.

TABLE XX

METHOD OF SUPPLYING CHANGE

| Item | Replies | Percentage |
|------------------------------|-----------|--------------|
| By check on organization | 18 | 26.48 |
| Advanced from office | 5 | 7.35 |
| General fund | 2 | 2.94 |
| Usually cash on hand | 6 | 8.82 |
| Up to sponsor of activity | 2 | 2.94 |
| Revolving fund in safe | 1 | 1.47 |
| Requisition to treasurer | 2 | 2.94 |
| Each organization petty cash | 1 | 1.47 |
| Borrow from athletic fund | 2 | 2.94 |
| School petty cash | 5 | 7.35 |
| No reply | <u>24</u> | <u>35.29</u> |
| Total | 68 | 100.00 |

It is evident that the greatest percentage of the schools studied supply change by a check against the account of the organization needing the change. When the monthly

financial statement is prepared for the school using the previously stated method, the organization account, against which the check was drawn, will not show the correct amount of receipts and expenditures. Consequently, there should be a method used whereby this situation will be remedied.

Further investigation of the responses made to this question by the schools, indicates that there is not much being done on the part of some school administrators toward making needed change available for organizational activities.

In some of the schools each organization has its own petty cash fund, in others the securing of change is up to the sponsor of the organization, while in one school small amounts are held out when depositing funds at the bank. Probably some school administrators could keep themselves out of a "ticklish situation" by supplying a proper method of securing change for the organizations within their schools.

Amount and Source of Money When Change Account is Used

Only one school indicated the use of an account headed "change" in its record keeping system. Other sources of money for change and the amounts usually carried in the fund are shown in Table XXI.

From this table it is to be understood that the amounts of money are not transferred from the accounts indicated into an account headed "change", and that the account in

TABLE XXI

AMOUNT AND SOURCE OF CHANGE

| Item | Replies | Percentage |
|---------------------------------|-----------|--------------|
| General fund, \$100 to \$200 | 4 | 5.88 |
| Petty cash, \$10 to \$100 | 6 | 8.83 |
| Cash on hand, about \$50 | 3 | 4.41 |
| Athletic fund | 2 | 2.94 |
| Student council account | 1 | 1.47 |
| Change account | 1 | 1.47 |
| No reply | <u>51</u> | <u>75.00</u> |
| Total | 68 | 100.00 |

turn used only for change. Instead, the money remains in the account indicated and a check is drawn against that fund whenever change is needed.

This brings us back to the same situation regarding the monthly financial statement. The general fund account or petty cash account, whichever is used, will not show the correct receipts and expenditures during the month for which the statement is made.

Again, the use of cash on hand brings up the possibility of the money being stolen, which would put the administrator "on the spot" for allowing amounts of money to be left in the building.

Since the number of school activities has increased and the necessity of change being available to carry out the program of these activities, it is evident that some plan should be devised so that change can be easily obtained when needed by the organizations within the school.

Ability of Present System to Meet Needs of School

As indicated in Table XXII, slightly over 90 per cent of the schools reporting for this study feel they are satisfactorily meeting the needs of their schools with their present systems of record keeping.

TABLE XXII

RECORDS MEET NEEDS OF SCHOOL

| Items | Replies | Percentage |
|-------|----------|-------------|
| Yes | 62 | 91.17 |
| No | <u>6</u> | <u>8.83</u> |
| Total | 68 | 100.00 |

If the information received is reliable, and if the record keeping system of one out of every ten high schools is not satisfactorily meeting the needs of that school, it would seem that some system should be devised which will fit their needs.

One report stated that their system met the needs of their school but it was a "lot of work". Another stated that their system met the needs of their school in part while another reported that minor changes were needed in their system of record keeping. All these combined reports indicate that there is a need for a system of record keeping which, with necessary modifications, could meet the needs of all the high schools in Kansas.

Personal Satisfaction of Present Record Keeping System

In studying the replies to the question pertaining to the personal satisfaction of the present record keeping system it was found that 13.24 per cent of the persons completing the questionnaires for this study are not satisfied with their present system.

Auditing of Funds by an Outsider

Table XXIII reveals some pertinent information regarding activities funds in the schools reporting for this study.

TABLE XXIII

AUDITING OF FUNDS

| Item | Replies | Percentage |
|-------|-----------|--------------|
| Yes | 43 | 63.23 |
| No | <u>25</u> | <u>36.77</u> |
| Total | 68 | 100.00 |

It is shown by this table that 36.77 per cent of these schools do not have their activities funds audited by an outsider.

Marshall¹⁵ found in his study that it is assumed many times that accounting and auditing are synonymous terms and for that reason the auditing of these accounts is often neglected. The same assumption may be true in the schools being studied which do not have an annual audit.

Whatever the reason may be, this is in direct contrast to the recommendations of the Committee of Principals mentioned previously in this study.

Parts of System Used Functioning Exceptionally Well

Only seventeen replies were received regarding any major activity of the system used, which in the opinion of the person reporting, functions exceptionally well.

Four of the seventeen replies report the periodic check between the activities fund treasurer and the student treasurer of the organizations has been beneficial. In one of the four above mentioned schools the organization treasurers are under the supervision of the commercial teacher and receive practical training.

Another report stated that one student bookkeeper is trained to do the record keeping. She is responsible for making and posting all entries, writing receipts, depositing money, and making monthly statements. School credit is given

¹⁵Op. cit., p. 252.

the student for doing this work. It was stated that during the past year the student had handled over \$20,000 without error.

A school bank for all funds seemed to be functioning well in one school. An organization may borrow any time it becomes necessary, with the understanding that the money should be returned as soon as possible.

A monthly balance sheet works well in one system. It was stated that errors are easily found through the use of the balance sheet.

Most schools reporting have all the activities money in one fund at the bank and require that a disbursement order or voucher be presented before any money can be withdrawn from the fund.

Probably, other schools could adopt some of the suggestions listed above and profit by their use.

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CHAPTER IV

SUMMARY AND RECOMMENDATIONS

Summary

After compiling the data secured from the sixty-eight reporting high schools in the State of Kansas the following summary indicates what the researcher believes are the important points of this study:

1. The high school activities fund is kept by the office secretary in the greater number of cases.
2. In 25 per cent of the schools studied the high school activities fund is kept by the principal.
3. Well over one-half of the activities fund treasurers are not under bond.
4. It was found that the handling of the activities fund by the activities fund treasurer is a greater time consuming duty than is perhaps necessary.
5. The teaching load of the activities fund treasurer is reduced in only 23.53 per cent of the schools reporting.
6. The activities fund treasurer receives added pay for handling the activities fund in only ten of the sixty-eight schools studied.
7. Over 80 per cent of the schools reporting require the activities fund treasurer to prepare a monthly financial

statement of the high school activities fund. Several schools also require an annual report in addition to the monthly statement.

8. The most common method of withdrawing money from the activities fund is by presenting a written order to the activities fund treasurer asking that a check be written on a certain fund and for a stated amount.

9. An accurate record of receipts and expenditures is not kept by the student treasurer of the organization he represents in approximately 20 per cent of the schools studied.

10. Almost one-half of the schools reporting do not sell activity tickets.

11. In 70.59 per cent of the schools studied students are not allowed to assist the activities fund treasurer.

12. Slightly over 60 per cent of the reporting schools require the use of a printed purchase requisition form when an organization desires to make a purchase.

13. Only one school out of the sixty-eight has an account headed "change" in its record keeping system. Other than that, no plan was reported whereby needed change could be made available by a simple, systematic procedure.

14. Despite the fact that over 90 per cent of the schools studied felt that their present systems were meeting the needs of the school, 13.24 per cent of the persons answering the questionnaire admitted they are not satisfied with this system of record keeping.

15. It was revealed by the study that 36.77 per cent of the schools reporting do not have their activities fund audited by an outsider.

Recommendations

Upon studying the data furnished for this study by the sixty-eight Kansas high schools, and the reading relative to extracurricular activities, together with the experience of the researcher in the handling of an activities fund, the following recommendations are made:

1. School administrators should study their system of record keeping and assist the activities fund treasurer in arranging the handling of the activities fund in the simplest, most efficient, and least time consuming manner possible.

2. The school administrator should initiate and put into effect a planned program, whereby the student treasurer of the organizations within the school, will receive training in the handling of the financial records of the organization he represents.

3. The researcher feels that an essential of an efficient system of record keeping is having proper forms for recording all transactions. Recommended forms will be included in Chapter V. Criteria for evaluating these forms has been proposed by Osborn¹⁶ and may be found in Chapter II.

¹⁶Op. cit., p. 386.

Each form that will be recommended is meant to be an essential part of an efficient record keeping system.

4. A plan for making necessary "change" available for the different school activities should be incorporated into the record keeping system used.

5. An annual audit of the activities fund records should be made by someone, preferably an auditor. If an auditor cannot be secured it should be someone who is not connected with the school system.

6. The teacher training institutions should include some training in the handling of extracurricular activities funds. Most prospective teachers are astounded when confronted with the responsibility of keeping a record of organizational activities funds.

7. Finally, I would like to recommend a simple, efficient, and more uniform system of record keeping which can be used and understood by all activities fund treasurers and any others concerned with the activities fund. Chapter V includes a recommended system as set up by the researcher. It is felt, that by necessary modifications to fit local requirements, it will fulfill the needs of any high school in Kansas. Likewise, it is hoped that it will meet the personal satisfaction of all those who might desire to put it into operation.

CHAPTER V

A SUGGESTED PLAN FOR HANDLING THE ACTIVITIES FUND

One of the important problems confronting any organization involves the proper handling of its finances. Furthermore, no business enterprise should be planned without including an efficient system of record keeping. These factors should be considered in planning and organizing procedure for handling an activities fund.

Person Responsible for the Activities Fund

The administrator of any school is faced with the problem of preparing a plan for handling the activities fund. To whom will he assign the title of Activities Fund Treasurer?" In many instances this duty has been placed in the hands of the commercial instructor, with the idea in mind, that if he can teach bookkeeping he can surely keep a few simple books. Undoubtedly, the commercial instructor is qualified to handle the activities fund. However, there is one person in the school system who should have some information concerning what is taking place, both socially and financially, within all the extracurricular organizations of the school system-- he is the principal.

In order that he may obtain this information and because of the fact that 25 per cent of the schools reporting

for this study indicate that he now carries this responsibility, the writer believes that the high school principal is the logical person to act as the activities fund treasurer.

The writer realizes that this will mean an extra duty in many cases. This can probably be minimized, in some instances, through the help of the office secretary. Likewise, one or two well trained students can be of assistance in journalizing and posting entries, counting money and making deposits at the bank, and typing financial statements.

Surety Bond for the Activities Fund Treasurer

It is the belief of the writer that any person who accepts the responsibility of handling funds of considerable amount other than his own should be under bond. There is no sound reason why we should risk the possibility of funds being misappropriated when protection can be obtained for a small amount.

Since the person responsible for the activities fund acts for the Board of Education, a surety bond should be made in favor of that governing body. The bond should be in an amount equivalent to the largest anticipated amount of money on hand in the fund at any one time during the year.

Forms and Books Needed for Keeping Records

The number and kind of forms and books required to keep an efficient record of all transactions will depend upon the

size of the school. Naturally, the larger the school the greater the probability of more accounts which in turn would require more records.

To follow a logical sequence in the handling of money will probably be the easiest manner of recommending desired forms and books to be used by the activities fund treasurer. Some of these forms may be mimeographed and for others, the researcher recommends that they be printed.

Handling Cash Receipts

Money must be received by the activities fund treasurer before any business can be transacted. When the money is delivered it should be contained in a specially designed coin envelope or a money bag. No matter which is used there should be enclosed a form listing the amount of money in the container. A form similar to the one shown is recommended.

| | | |
|--------------------|--------|-------|
| _____ | 1¢ | _____ |
| _____ | 5¢ | _____ |
| _____ | 10¢ | _____ |
| _____ | 25¢ | _____ |
| _____ | 50¢ | _____ |
| _____ | \$ 1 | _____ |
| _____ | 5 | _____ |
| _____ | 10 | _____ |
| _____ | 20 | _____ |
| _____ | checks | _____ |
| _____ | total | _____ |
| Credit to _____ | | |
| _____ | | |
| for _____ | | |
| Turned in by _____ | | |

Figure 1.
Turn-in Slip

This form may be called a "Turn-in" slip and may easily be mimeographed. It should include the amount of each denomination of coin and currency, as well as, the number and amount of checks.

The researcher recommends that the activities fund should be kept in one account at the bank and that all money come directly to the activities fund treasurer and he in turn deposit it at the bank. Errors are sometimes made at the bank when several persons are depositing money the same fund and they are also made when the activities money is kept in several accounts instead of one.

When the money is received by the treasurer he should immediately count the money and give a receipt to the person from whom it was received and a duplicate copy kept on file by the treasurer. It is a good plan for all receipts to be serially numbered. A recommended form of receipt is shown below.

| | |
|-----------------------------|-----------|
| Your City _____ | No. _____ |
| High School Activities Fund | |
| Date _____ 19 _____ | |
| Received of _____ | |
| For _____ | |
| Fund _____ | |
| \$ _____ | |
| _____ Activities Treasurer | |

Figure 2.

Activities Fund Receipt

The receipt is an important form and it is the belief of the writer that a printed form is better than one which has been mimeographed because he feels that the recipient will place more value upon a printed form than a mimeographed one. It is recommended that the duplicate type be used and they may be purchased from school supply stores.

If the amount of money on hand warrants such action, the treasurer should make deposits at the bank daily. In fact, every treasurer should make it a practice to deposit all money on hand daily. It is further recommended that all organizations turn in their money before a certain time each day. Of course, there will be exceptions to the above statements but the fact that no money should be left in desks or file cabinets over night cannot be stressed enough. When money is taken to the bank, duplicate copies should be prepared of all deposit tickets, one for the bank and one for the treasurer's file. Books of deposit tickets will be furnished by the bank upon request. Students can be trained to handle the depositing of money very efficiently.

A record must be kept by the treasurer of the amounts deposited to each account so that entries may be made in a journal and later posted to a ledger. This procedure is recommended if the number of accounts in the fund exceeds ten. If there are ten or fewer accounts a columnar journal could be used, reserving a separate column for each account.

Ten is used as an approximate number, however, the writer believes that it is not feasible to have more than ten accounts in a columnar journal. If more than ten are used the possibility of entering an amount in the wrong column becomes too great.

Below is illustrated a cash journal sheet which might be used if both the journal and ledger are kept. Also, a columnar journal which might be used if the fund includes ten or fewer accounts.

| Date | | Fund and explanation | F | Receipts | | Payments | | Balance | |
|------|--|----------------------|---|----------|--|----------|--|---------|--|
| | | | | | | | | | |
| | | | | | | | | | |

Figure 3.
Cash Journal Sheet

| Date | | Explanation | Band | | Class of 1949 | | Class of 1950 | | Class of 1951 | |
|------|--|-------------|------|-----|---------------|-----|---------------|-----|---------------|-----|
| | | | Dr. | Cr. | Dr. | Cr. | Dr. | Cr. | Dr. | Cr. |
| | | | | | | | | | | |

Figure 4.
Columnar Journal Sheet

Pages to be used for these journals should not be mimeographed, therefore, printed ones are recommended.

This type of journal paper has thirty lines, the pages are approximately fifteen inches in length, and have holes punched in the end so that they may be inserted into a book similar to a loose leaf notebook. Loose sheets can be obtained from most school supply firms. The sheets should be enclosed by heavy covers on the front and back and held together by heavy screws. The screws can be removed and the book taken apart so that new pages are easily inserted.

The page illustrated for the cash journal in addition to having a record of all receipts and expenditures has a continuous or running balance which is especially helpful in catching errors that might be made on the check stubs.

Ledger paper should be purchased in the same size sheets as the journal paper if a ledger is to be used. If this is done it is recommended that the journal and ledger be kept in the same book. The form for ledger paper illustrated below is used in many schools.

| Date | | Explanation | | | Date | | Explanation | | |
|------|--|-------------|--|--|------|--|-------------|--|--|
| | | | | | | | | | |

Figure 5.
Ledger Sheet

When the journal and ledger are kept in the same book, the writer recommends that the journal be placed in the front of the book. It should be separated from the ledger by a sheet of heavy paper to which a tab reading "ledger" is attached at the right hand edge. Following this page should appear an index of the accounts listed in alphabetical order along with the page numbers on which they may be found. Instead of an index some may prefer the use of an alphabetical tab system on the edge of the book. If this is used all accounts beginning with "A" are entered under "A", and the process is repeated for each letter through the alphabet.

Handling Cash Payments

Usually the money withdrawn from the activities fund will be used to pay for purchases made by an organization within the school. It is recommended that no organization be allowed to make a purchase without first securing a completed purchase requisition form from the office of the principal. A printed form is recommended and should be made out in triplicate. The first copy (white) should become the record for the activities fund treasurer, the second (blue) could be kept by the seller if he so desires, and the third (yellow) should be retained by the purchasing organization.

A recommended purchase requisition would include the date, the name of the organization to be charged, the name

of the person buying, and the name of the authorizing party which should be the principal or superintendent. It is recommended that the requisition forms be serially numbered. The illustration below shows a recommended form.

| PURCHASE REQUISITION | | | No. _____ | |
|--|-------------|---------------------|-----------------|--|
| Your City Schools Activities | | | | |
| Your City, Kansas | | | | |
| | | | Date _____ 19__ | |
| To _____ | | | | |
| Address _____ | | | | |
| Post Office _____ | | | | |
| Gentlemen: | | | | |
| <p>Please deliver the following merchandise. Make necessary price extensions and acknowledge this requisition in the indicated space below. THEN SUBMIT WHITE COPY WITH YOUR INVOICE. Payment cannot be made until <u>white</u> copy of this order has been certified and filed as indicated. <u>Blue</u> copy is for your record if desired. DO NOT CHARGE TO THE BOARD OF EDUCATION.</p> | | | | |
| Yours cordially, | | | | |
| _____, Prin. | | | | |
| Your High School | | | | |
| Amount | Description | Unit | Total | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Purchased by _____ | | Fund _____ | | |
| Approved by _____ | | Authorized by _____ | | |
| <p>No student has the authority to open a charge account for any high school organization unless he presents this requisition properly signed by the Principal or Supt.</p> | | | | |
| Firm _____ | | Check No. _____ | | |
| By _____ Date _____ | | Paid _____ | | |

Figure 6.
Purchase Requisition

It should be stated on the form that the purchase is not to be charged to the Board of Education and that it cannot be paid until the white copy together with the bill for the goods has been received by the High School Principal.

The writer recommends that the first two copies be presented to the seller and after necessary extensions are made that the first copy together with the bill or invoice be returned to the Principal of the High School. The writer believes that the Principal should then forward the first copy to the sponsor of the organization who may desire information for his records.

Following the approval of the first copy of the requisition by the organization sponsor it is recommended that he take immediate steps toward the payment of the bill.

It is the belief of the writer that a "hard and fast" rule should be made within the school stating that no money will be paid from the activities fund except by check. In addition to this it is recommended that no checks be written against any account until an order, prepared by the treasurer of the organization desiring the money, signed by the sponsor of that organization, and countersigned by the Principal, is presented to the activities fund treasurer.

Copies of the form to be recommended may be obtained from school supply stores made up in books of approximately seventy-five pages. The treasurer of each organization within the school should be furnished a book of these forms

to be used whenever needed. The form illustrated below would be difficult to mimeograph, therefore, a printed one is recommended.

| | | | | |
|--------------------|-----------|------------------------------|----------------|----------------|
| No. _____ \$ _____ | Check No. | Your High School | | No. _____ |
| _____ 19 _____ | | Activities Payment Order | | _____ 19 _____ |
| To _____ | A. Treas. | Pay To _____ | _____ Dollars | |
| For _____ | | Out of _____ | Fund for _____ | |
| Bal. Fwd. _____ | | Sponsor _____ | | |
| Dep. _____ | | Principal _____ | | |
| Total _____ | | Organization Treasurer _____ | | |
| This Order _____ | Paid | | | |
| Bal. Fwd. _____ | | | | |

Figure 7.
Payment Order

The use of the above form should be of real value to the treasurer of any organization. In addition to the payment order there is included on the form, a stub which is to be used in the same manner and for the same purpose as a check stub.

After the payment order has been completed and presented to the activities fund treasurer it then becomes his duty to prepare a check.

A required book of any activities fund treasurer will be a checkbook, unless all bills are paid by cash and this practice is not recommended. Most banks are willing to furnish checkbooks designed to fit the needs of the school.

A recommended style of checkbook is one with three checks to the page and containing approximately eighty pages. Each check should be attached to a stub upon which is placed pertinent information concerning the transaction. A recommended form is shown below.

| | | | |
|------------------|---|------------------|-----------------|
| No. _____ 19 | YOUR CITY SCHOOLS ACTIVITIES Your City, Kansas | | No. _____ 19 |
| To _____ | Pay to _____ | | |
| For _____ | the order of _____ | | \$ _____ |
| | | | Dollars |
| Acct. Chg. _____ | Endorsement of this check is receipt for | | |
| Balance _____ | payment of items below or invoices shown | | |
| Deposit _____ | | | |
| Total _____ | | | |
| This Check _____ | To _____ Bank | Acct. Chg. _____ | |
| Balance _____ | Your City, Kansas | By _____ | |
| | | Act. Treasurer | |

Figure 8.

Check

It is further recommended that all checks and check stubs be serially numbered either by a printed number or by the activities fund treasurer when the check is written. This is important because many times questions will arise regarding the payment of a bill. If the check and stub are properly numbered, and if the same number has been recorded on the payment order, it is a simple matter to find the information desired.

Method of Transferring Funds

There may be instances arise when it will be necessary to transfer funds from one account to another. A number of methods could be used, however, the writer would recommend the use of a transfer voucher. When money is transferred on the ledger without some written authorization there is no record to show the transfer. If a check is written to transfer the funds it requires more time for the process. A recommended form for a transfer voucher is illustrated below.

| TRANSFER VOUCHER | | | | | |
|---------------------------------------|---|---------------------|---------|-----------------|--------|
| Tour City Activities Fund | | | | No. _____ | |
| Date _____ | | | | 19____ | |
| The following transfer is authorized: | | | | | |
| Charge To | | | Credit | | |
| Account | F | Amount | Account | F | Amount |
| | | | | | |
| Reason for transfer: | | | | | |
| | | | | | |
| Recorded by _____ | | Authorized by _____ | | Principal _____ | |

Figure 9.
Transfer Voucher

If the transfer voucher is used it serves as a record and also bears the signature of the person authorizing the transfer.

When money is transferred from one account to another the monthly totals of the receipts and payments on the financial statement would be incorrect because they would show greater receipts and payments than were actually received or disbursed. To correct this situation two extra columns may be used in the statement, one for transfer receipts and the other for transfer payments. The total of the transfer receipt column is subtracted from the total receipts as taken from the ledger accounts, thus giving the actual cash receipts for the month. The same process is followed for the cash payments. Another method, and the one recommended by the writer, is to total the amounts shown on the transfer vouchers and subtract from the total receipts and total payments in the same manner as indicated above.

Frequency of Statements

It is recommended by the writer that a statement showing the previous balance, the monthly receipts and payments, and the present balance for each account, be prepared by the activities fund treasurer and presented to the Board of Education at the end of each month.

To avoid an audit by the activities fund treasurer of the books of all organizations a small form may be prepared

and sent to the sponsor of each organization at the end of each month. On the form should be entered the previous balance, the receipts and payments for the month as taken from the ledger account, and the present balance in the account. The form should be sent to the organization with the understanding that if there is a discrepancy between the amount shown on the form and the amount shown by the books of the organization that the activities fund treasurer should be notified and a check-up made. It is the belief of the writer, however, that the only sure way of knowing that the books of the organizations are correct is by an annual audit. Therefore, an annual audit by the activities fund treasurer of the organization records is recommended.

A report to the Board of Education at the end of the fiscal year showing the total receipts and payments for the year and the present balance in the accounts is also recommended.

Annual Audit

It is the belief of the writer that the books of the activities fund treasurer should be audited annually by an outsider. If the school cannot afford the hiring of an auditor probably some person would be available within the community who would be capable of performing this duty.

The writer further believes that many schools are neglecting the audit because of the belief of their

administrators that a yearly financial report by the activities fund treasurer constitutes an audit. The filing of this report is not an audit, therefore, it is recommended that one be made.

Method of Supplying Change

It is recommended by the writer that an account headed "change" should appear in the records kept by the activities fund treasurer. It is a further recommendation that money for this account, in an amount equivalent to what is ordinarily needed for a school activity, be transferred temporarily from another account in the fund into the "change" account. This amount would be carried in a "change" account with an indication on the statement that it belongs in the account from which it had been transferred.

After this is done, needed change can be made available by writing a check against the change account. Following the activity the amount which was withdrawn is returned by deposit to the change account. Prior to the annual audit the money should be transferred back to the account from which it was originally taken.

Handling of Federal and State Taxes

The amounts which have to be paid for federal and state tax have grown quite large during the past few years. It is recommended by the writer that there be included

among the records kept by the activities fund treasurer separate accounts for federal and state tax. Following each activity there should be filled out by the principal, a form stating the number of tickets sold, the amount collected, and the amount of federal and state tax to be paid.

| YOUR CITY SCHOOLS Federal Activities Admissions and State Sales Tax Report | | | | | | | |
|---|-----------------------------|---------------|----------------------|----------------------|-------|--------------|-------|
| Event _____ | | | | Date _____ 19 _____ | | | |
| ADMISSIONS | SERIAL NO. OF TICKETS | ADM. PRICE | NUMBER OF ADM. | TAX PER ADMISSION | | TOTAL TAX | |
| | | | | FED | STATE | FED | STATE |
| ADULT | | | | | | | |
| ADULT (free but taxable) | | Free | | | | | |
| HIGH SCHOOL STUDENTS | | | | | | | |
| CHILDREN | | | | | | | |
| CHILDREN under 12 and less than 10¢ tax exempt | | | | None | None | --- | --- |
| TOTAL ATTENDANCE AND TAX | | | | | | | |

The above report is correct.

Princ.

Federal tax rate is 1 cent on each 5 cents or major fraction thereof. Tax is calculated on each admission. There is no tax on an admission of less than 10 cents if paid by a child who is under twelve years of age. Kansas Sales Tax is 2 per cent, but the bracket system is used. No tax for admissions under 15 cents. One cent tax on admissions of 15 to 64 cents inclusive.

Figure 10.
Tax Report

These forms should be forwarded to the activities fund treasurer together with a transfer voucher authorizing the amounts of tax shown on the form to be transferred to the federal and state tax accounts.

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BIBLIOGRAPHY

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APPENDIX

KANSAS STATE TEACHERS COLLEGE
Pittsburg, Kansas

A Study of the Systems used in Handling the Activities
Fund in the High Schools of Kansas

Please underscore or write in the item in each case which
most nearly applies to your school and return this form in the
enclosed envelope.

1. Who keeps the activities fund records
in your school?
Commercial teacher
Principal
Office secretary
Others
2. Is your activities fund treasurer un-
der bond? Yes No
3. As custodian of the activities fund
is his teaching load reduced? Yes No
4. How many hours each week of school
time are allotted to the activities
fund treasurer for keeping these
records? Hrs.
5. How many hours each week, in addition
to school time, are actually spent in
the performance of this duty? Hrs.
6. Does your activities fund treasurer
receive an added amount of pay for
this duty? Yes No
7. Where is your activities fund kept?
Bank
School vault
Other places
8. How often are reports made of the
fund by the activities fund treasurer?
Monthly
Quarterly
Semiannually
Annually
9. How are bills paid? Cash
Check
10. If any bills are paid by cash please
explain fully the method used.

11. Is all money from the various organizations turned directly to the activities fund treasurer?
Yes No
12. How do organizations get money from the activities fund treasurer?
By written order for the amount needed
By asking for it orally
By presenting a purchase order and a voucher signed by the principal
Other methods (please list and explain)
13. How are funds transferred from one account to another?
By check
By transfer voucher
By transfer on ledger
14. What type receipt is made out when money is received by the activities fund treasurer?
Single with stub
Duplicate
Triplicate
15. Do the various organizations keep an accurate record of all their receipts and expenditures?
Yes No
16. What method is used to divide the receipts from the sale of student activity tickets?
Percentage
Stated amount
Is not divided
Do not sell
17. Are students permitted to assist the activities fund treasurer?
Yes No
18. Are all checks issued numbered serially?
Yes No
19. Are printed purchase requisition forms used in making purchases?
Yes No
20. If purchase requisitions are used, by whom are they issued?
Organization sponsor
Principal
Office secretary
Others
21. Is there a change account included in your list of accounts?
Yes No

22. If you have no change account please explain the method used in making needed change available.

23. If you do have a change account please explain from what source the money is derived and how much is set aside for the account.

24. Does your system of record keeping satisfactorily meet the needs of your school?

| | |
|-----|----|
| Yes | No |
|-----|----|

25. Are you personally satisfied with the system of record keeping you are using?

| | |
|-----|----|
| Yes | No |
|-----|----|

26. Are your activities fund records audited by an outsider?

| | |
|-----|----|
| Yes | No |
|-----|----|

27. Please explain any major activity of the system you use, which in your opinion, functions exceptionally well.

28. Please enclose one copy of each form used by the activities fund treasurer in the process of record keeping.

29. Do you desire a copy of the results of this study?

Yes

No

This report returned by:

Name of school:

City: