

The background is a dark teal color with various financial symbols and numbers scattered throughout. Symbols include the dollar sign (\$), yen sign (¥), euro sign (€), and pound sign (£). Numbers range from 0 to 9. There are also arrows pointing up and down, and a large number 6 on the left side.

REDBOOK 101

Accounting Procedures for Kentucky School Activity Funds

What is the “Redbook”?

The Accounting Procedures for Kentucky School Activity funds, more commonly known as the “Redbook”, is a mandate from the Kentucky Department of Education to uniformly report monies received and expended by school activities.



What are school activities?

- All student fundraisers, if the students or parents are involved by selling or soliciting
- Field trips, class trips, athletic trip monies
- Club dues or money designated for a student group/team/class or club to support their activity

Funds generated by students or parents FOR a student/group/club/team activity, SHALL stay in the school activity fund and spent for the purpose it was raised for - and benefit the group that raised the funds.

*see BOE policy 04.312 - School Activity Funds



2019 Redbook Changes

- Added detail on how to account for funds raised by non-students (District Activity Fund only)
 - Funds eligible for transfer into the DAF must be initiated within 60-days of receipt of funds.
 - Funds that SHALL be sent to the district are: locker/parking fees, class fees, textbook fees, lab fees, technology fees, any other board approved fee, donations specific for instructional materials of operating expenses, staff generated fundraiser for operating expenses
 - Funds that CAN be sent to the district are: gate receipts, picture profits, advertising revenue in gym or fields (not solicited by students or parents), any other funds that are not generated by students or parents



2019 Redbook Changes

- Change to Multiple Receipt Form
 - Only 6th grade and up are required to sign
 - Now includes: check number, grade level, “coins” in the “totals” section
- Added language “No dues, fees, or charges are allowed by external account/booster organizations.” Only the BOE can set dues/fees/charges.
- External account/booster organizations CANNOT reimburse district employees
- Added definition for “fundraising”. Fundraising is defined as an organized activity of soliciting and collecting money for school or student organization.



2019 Redbook Changes

- Change to Requisition and Report of Ticket Sales
 - Form overhaul to provide clarity on many of the required inputs
 - Added a statement that non-paying customers do not receive a ticket (assists in reconciling tickets to money received)
- Added a \$250 floor for issuing a Donation Acceptance Form
- Added Donated Gift Card Log form to provide transparency when receiving and disbursing gift cards obtained from community merchants and others.
- Added to the approved/disallowed expenditures list



Allowable Expenditures (not all inclusive)

1. Membership emblems for student organizations
2. Awards such as certificates, trophies, plaques, etc.
3. Student incentives for scholarship, athletics, school spirit, etc.
4. Equipment and supplies used by a student organization
5. Expenditures for approved student activities



Disallowed Expenditures (not all inclusive)

1. Cash awards, gift cards, or prepaid credit cards
2. Personal purchases for staff - even with a reimbursement agreement
3. Renovation or maintenance of school facilities of buildings; regular care and upkeep of school property
4. Attendance incentives (unless instructional)
5. Gifts, services, or donations to district employees or external support/booster organizations (unless staff generated funds)
6. Fundraising or crowdfunding for an individual's or families personal benefit



Fundraising 101

- ALL fundraisers must be approved in advance by the BOE and funds must be expended in accordance with the purpose intended.
 - Remember “peanut aware” rules
- Fundraisers must only benefit students, fundraising for operating expenses or staff accounts is not permissible.
- NO fundraising monies shall be applied to individual student accounts; efforts must benefit the group as a whole.

* see BOE Policy 09.33 - Fund-Raising Activities



EXTERNAL SUPPORT/BOOSTER ORGANIZATIONS

Thank you!

- Groups created by parents, external support/booster organizations provide support for school programs.
- Must receive local board approval to establish, lend support, seek assistance, or fundraise in the name of the district, school, students, or a district or school program.
- External support/booster organizations work closely with the district BUT they are a separate legal entity and are responsible for adherence to IRS guidelines and Title IX regulations.



External Support/Booster Requirements

- Obtain its own Federal Employer Identification Number
- Obtain its own bank account
- Obtain its own state tax exempt number
- Develop by-laws, which include offices and their terms
- Must obtain its own liability insurance - NOT COVERED UNDER THE DISTRICT POLICY
- Must submit annual budget worksheets and annual financial reports
- Failure to comply may result in loss of recognition from the local board of education



General Guidelines

- All funds expended SHALL be from fundraising activities and donations.
- Officers are solely responsible for ensuring their group is in compliance with district and Redbook policies, and state and federal regulations.
- District employees may serve as a member or officer of the organization but may not serve as treasurer or an officer with check signing authority. A local board member may only serve as a general member.
- Shall NOT directly pay the fee for referees or officials of athletic events (with the exception of fundraising events). They may donate to the district/school for these purposes.



General Guidelines

- Shall NOT pay or enhance salaries or stipends for any district employee. They may donate to the district/school for these purposes.
- If the organization donates funds to the school for an expenditure, the organization will write a check to the school and the school is responsible for depositing the funds into the student activity account. All accounting and safeguarding of the funds now become the responsibility of the school.
- Does not have the authority to create paid positions.
- Shall not reimburse district employees for booster club purchases.
- Purchases for the school or in the name of the school or athletic group becomes the property of the school district.



Thank you!

Any questions?

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