

EHB 2020

1 THE STATE SENATE  
2 Monday, April 8, 2002

3 ENGROSSED

4 House Bill No. 2020

5 ENGROSSED HOUSE BILL NO. 2020 - By: PIATT of the House and MORGAN of  
6 the Senate.

7 An Act relating to schools; amending 70 O.S. 2001, Section  
8 5-129, which relates to school activity fund; deleting  
9 specific investment options; providing for permitted  
10 investment options; providing an effective date; and  
11 declaring an emergency.

12 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

13 SECTION 1. AMENDATORY 70 O.S. 2001, Section 5-129, is  
14 amended to read as follows:

15 Section 5-129. A. The board of education of each school  
16 district shall exercise control over all funds and revenues on hand  
17 or hereafter received or collected, as herein provided, from student  
18 or other extracurricular activities or other revenue-generating  
19 sources listed in subsection B of this section that are conducted in  
20 the school district. Such funds shall be deposited to the credit of  
21 the account maintained for the benefit of the particular activity  
22 within the school activity fund. Deposits of funds subject to the  
23 requirements of this section shall be made daily; however, if the  
24 deposit for a day totals less than One Hundred Dollars (\$100.00), a  
25 school district may accumulate monies required to be deposited into  
26 the fund on a daily basis until the total accumulated balance of

1 deposits equals or exceeds One Hundred Dollars (\$100.00). Provided,  
2 a school district shall deposit accumulated monies into the fund not  
3 less than one (1) time per week, regardless of whether the monies  
4 total One Hundred Dollars (\$100.00). Disbursements from each of the  
5 activity accounts shall be by check countersigned by the school  
6 activity fund custodian and shall not be used for any purpose other  
7 than that for which the account was originally created. The board  
8 of education, at the beginning of each fiscal year and as needed  
9 during each fiscal year, shall approve all school activity fund  
10 subaccounts, all subaccount fund raising activities and all purposes  
11 for which the monies collected in each subaccount can be expended.  
12 Provided, the board of education may direct by written resolution  
13 that any balance in excess of the amount needed to fulfill the  
14 function or purpose for which an account was established may be  
15 transferred to another account by the custodian.

16 B. The board of education of each school district may designate  
17 that any of the following revenue be deposited for the use of  
18 specific school activity accounts, or to a general activity fund  
19 within the school activity fund:

- 20 1. Admissions to athletic contests, school or class plays,  
21 carnivals, parties, dances and promenades;
- 22 2. Sale of student activity tickets;

1           3. Concession sales, including funds received from vending  
2 concession contracts and school picture contracts approved by the  
3 district board of education, and cafeteria or luncheon collections;

4           4. Dues, fees and donations to student clubs or other  
5 organizations, provided that membership in such clubs or  
6 organizations shall not be mandatory;

7           5. Income or revenue resulting from the operation of student  
8 organizations or club projects, provided, such revenue is not  
9 derived from the sale of property, supplies, products or other  
10 assets belonging to the school district. When approved by the board  
11 of education, student organizations or club projects may include  
12 fund raising activities, the revenues from which may be used for the  
13 purpose of purchasing goods or services otherwise considered to be  
14 general fund expenditures;

15           6. Deposits for or collections for the purchase of class  
16 pictures, rings, pins, announcements, calling cards, annuals,  
17 banquets, student insurance and other such personal items; provided  
18 the cost of such items shall not be charged against other school  
19 funds; and

20           7. Other income collected for use by school personnel and other  
21 school related adult functions.

22           All other income, revenue, deposits or collections of any  
23 nature, including, but not limited to, Indian education support

1 funds, laboratory fees, fees for the use of equipment owned or  
2 rented by the school district, deposits or assessments for breakage  
3 or supplies used in instructional courses, sale, exchange, lease, or  
4 rent of property, supplies or products originally acquired from  
5 funds belonging to the school district or through the management,  
6 use or production of property belonging to the school district,  
7 shall be deposited in accordance with the provisions of Section 335  
8 of Title 62 of the Oklahoma Statutes.

9 C. The board of education of such district may establish petty  
10 cash accounts to be used only for the purpose of making small cash  
11 expenditures, such as postage, freight or express charges; provided,  
12 no single expenditure from a petty cash account shall be made in  
13 excess of Seventy-five Dollars (\$75.00), and the total expenditures  
14 during any one (1) fiscal year shall not exceed Two Thousand Five  
15 Hundred Dollars (\$2,500.00) per school building. The school  
16 activity fund custodian shall initiate petty cash accounts by filing  
17 a claim against the general fund of the school district for the  
18 authorized amount of each petty cash account which shall not exceed  
19 Two Hundred Dollars (\$200.00) per school building. The general fund  
20 warrants issued in payment of said claim shall be deposited in a  
21 "Petty Cash Account" in the school activity fund.

22 All disbursements from the petty cash accounts shall be made in  
23 the same manner as other disbursements from the school activity

1 fund, except no disbursement shall be made from a petty cash account  
2 unless a prenumbered, dated receipt be obtained and signed by the  
3 person receiving payment. A school board may designate a petty cash  
4 custodian to countersign petty cash checks in place of the activity  
5 fund custodian. The school activity fund custodian shall file  
6 claims against the general fund of the school district for  
7 reimbursement of a petty cash account whenever the need shall arise.  
8 Such claims shall be itemized in the same manner as other claims  
9 filed against the general fund and shall have attached thereto the  
10 receipts covering each of the expenditures claimed for  
11 reimbursement. The total of a petty cash account balance and the  
12 receipts on hand awaiting reimbursement should equal at all times  
13 the authorized amount of a petty cash account.

14 None of the provisions pertaining to a petty cash account shall  
15 be construed to authorize the use of one (1) fiscal year's fund to  
16 pay obligations of another fiscal year. Any remaining balance in  
17 each petty cash account shall be transferred to the general fund on  
18 or before June 30 of each year.

19 D. The State Board of Education shall adopt appropriate rules  
20 and regulations and design standard forms for the proper conduct of  
21 the various school activity accounts.

22 E. The school activity fund custodian and the petty cash  
23 custodian shall be appointed by the board of education of the school

1 district. The school activity fund custodian and the petty cash  
2 custodian shall give a surety bond in an amount determined by the  
3 board of education, but not less than One Thousand Dollars  
4 (\$1,000.00). The premium of the surety bond shall be paid from the  
5 school activity fund.

6 F. The local board of education is hereby authorized to invest  
7 activity funds as it determines appropriate. Upon direction of the  
8 local board of education, the custodian of the activity fund shall  
9 invest activity funds in:

10 ~~1. Direct obligations of the United States Government to the~~  
11 ~~payment of which the full faith and credit of the Government of the~~  
12 ~~United States or of the State of Oklahoma is pledged;~~

13 ~~2. Certificates of deposits of banks when such certificates of~~  
14 ~~deposits are secured by acceptable collateral as in the deposit of~~  
15 ~~other public monies;~~

16 ~~3. In savings accounts or savings certificates of savings and~~  
17 ~~loan associations to the extent that such accounts or certificates~~  
18 ~~are fully insured by the Federal Savings and Loan Insurance~~  
19 ~~Corporation. Provided, that the income received from said~~  
20 ~~investments may be placed in the general fund of the governmental~~  
21 ~~subdivision to be used for general governmental operations; or~~

22 ~~4. Interest-bearing checking accounts~~ any or all of the  
23 investments permitted and listed in Section 5-115 of this title.

1 G. The board of education of a school district may establish,  
2 by board resolution, a general fund refund subaccount within the  
3 school activity fund. The balance in the subaccount shall be  
4 determined by need, and it shall be funded by refunds and  
5 reimbursements received, including but not limited to, rental  
6 income, reimbursements for lost and damaged textbooks, summer school  
7 and adult tuition, overpayments and tax refunds, as well as  
8 transfers, by treasurer's check, from the school district general  
9 fund. The subaccount may be expended only for the refund of  
10 revenues previously received and deposited either into the  
11 subaccount or directly into the general fund. Any remaining balance  
12 in the refund subaccount shall be transferred to the school district  
13 general fund on or before June 30 of each year.

14 H. The board of education of a school district may authorize  
15 the custodian of the school activity funds to provide cash advances  
16 to the sponsors for travel expenses on behalf of school district  
17 students and sponsors of certain school activities. The cash  
18 advances may only come from the school activity fund subaccount  
19 directly involved in the travel of such students or sponsor and only  
20 if the travel is one of the stated functions or purposes for the  
21 establishment of the subaccount. Receipts for all expenditures of  
22 the cash advances shall be kept and turned in to the custodian of  
23 the school activity fund following said trip.

1 I. Any invoice submitted to a school district which is to be  
2 paid from a school activity fund and is for payment of an authorized  
3 expenditure of Two Thousand Dollars (\$2,000.00) or less, shall not  
4 be required to have on the invoice the sworn statement requirements  
5 set forth in Section 310.9 of Title 62 and Section 3109 of Title 74  
6 of the Oklahoma Statutes.

7 SECTION 2. This act shall become effective July 1, 2002.

8 SECTION 3. It being immediately necessary for the preservation  
9 of the public peace, health and safety, an emergency is hereby  
10 declared to exist, by reason whereof this act shall take effect and  
11 be in full force from and after its passage and approval.

12 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 4-3-02 - DO  
13 PASS.