

# **Louisiana Revised Statutes 414.3 School fund; management, expenditure, and accounting; duties of school principal**

§414.3. School fund; management, expenditure, and accounting; duties of school principal

A. The principal of every public elementary and secondary school shall maintain a school fund as provided for in this Section for the management of any money which accrues to benefit his school. The money provided by the state or the city or parish school system for support of the regular instructional program or the school facility shall not be included in the school fund provided for in this Section; such money shall be managed as directed by the agency from which it is received.

B.(1) The monies in the school fund shall be deposited in a single bank account, preferably interest-bearing, on which checks may be drawn. The bank shall be selected in the manner required by the policy or direction of the school board or, if there is no policy or direction, at the discretion of the principal.

(2) Separate records or ledgers shall be maintained by the principal, or his designee from among the school staff, for each of the following sources of deposits into the school fund account:

(a) Each club, organization, association, class, athletic team, or other organizational unit within the school, the existence of which complies with school and school board policy; the membership of which is either students, faculty, or employees of the school; and which generates money by collecting dues, conducting fundraisers, charging admission, or some other money generating activity for a purpose which the entity intends to control.

(b) Each donation made to the school by an entity outside the school, whether it be a parents club, community, business, or civic organization, or other donor, when such donation is made for a specific or restricted use or purpose.

(c) All donations made by any entity referred to in Subparagraphs (a) and (b) of this Paragraph as well as all monies raised by the school population generally which are unrestricted and which are intended for discretionary use to benefit the school, its students, faculty, employees, programs, or facilities.

(d) All monies raised in a school-wide effort for a specific use or purpose.

(e) Any other money source, temporary or permanent, which is identifiable, approved by the principal, and has a need to maintain a record or ledger.

(3)(a) No money shall be drawn on the school fund account without a request therefor; no withdrawal shall occur unless the check carries the signature of the principal, or the administrator who assumes his duties during his absence.

(b) No monies shall be drawn on the school fund account unless the request for withdrawal of funds carries two signatures, one of which shall always be the principal's.

(c) The other signature shall be:

(i) In the case of a request for withdrawal by an entity which has deposited pursuant to the status described in R.S. 17:414.3(B)(2)(a) and (e), an officer, member, or sponsor of the entity, designated by the entity.

(ii) In the case of a request for withdrawal for the pursuit of a restricted use or purpose as described in R.S. 17:414.3(B)(2)(b), another school administrator, faculty member, or employee who is approved by the donor and is familiar with the purpose of the donation.

(iii) In the case of a request for withdrawal of money deposited pursuant to R.S. 17:414.3(B)(2)(c) or (d), any other school administrator, faculty member, or employee.

(d) Withdrawals may be made for estimated amounts of anticipated need, but in such cases shall be accounted for with receipts, which accounting shall be reflected in the school fund records and which receipts shall be retained with the record until the report provided for in R.S. 17:414.3(C) is approved by the superintendent.

(e)(i) Money deposited in the school fund pursuant to R.S. 17:414.3(B)(2)(a), (b), (d), and (e) shall be used according to the purpose for which it was generated or for the purposes selected by the depositing entities, provided such expenditures are approved by the principal as indicated by his signature on checks for withdrawals.

(ii) Money deposited in the school fund pursuant to R.S. 17:414.3(B)(2)(c) may be expended at the discretion of the principal provided such expenditures are for the benefit of all or any of the school's students, faculty, staff, facility, or program and provided the ledger reflects the expenditure.

(4) Deposits in the school fund account shall be made by the principal, or his designee from among the school staff.

(5) Every deposit or withdrawal from the school fund account shall be entered in the separately maintained record as provided in Paragraph (2) of this Subsection.

(6) The records of the school fund shall be reconciled monthly with the school fund account statement of the bank regarding activity in the school fund account. Bank statements shall be signed by the principal, once reconciled with the records, and retained with the school fund record. The school fund records shall be reviewed annually by the principal and one other member of his administrative

staff. Such review shall be reflected in the record by the signature of both reviewers.

(7)(a) Any amount of money in the school fund account in excess of that needed to permit the access described in this Section may be invested by the principal in accordance with R.S. 33:2955. However, balances in the school fund account shall include all monies deposited pursuant to R.S. 17:414.3(2)(a), (b), and (e) unless the depositing entity approves the investment of any portion of its deposits as provided in this Paragraph, which approval shall be in writing and maintained with the school fund record.

(b) Any investments made pursuant to this Paragraph shall be recorded in the records of the school fund, shall be reported as required in Subsection C of this Section, and shall be accounted for in any review or reconciliation of the school fund.

(c) Earnings on any investment made pursuant to this Paragraph shall be considered the same as, and may be expended as, provided in R.S. 17:413.2(B)(3)(e)(ii).

C. Each school principal shall report on his school's fund annually to the superintendent or a member of his staff designated by him, at a regular time designated by the superintendent. The report shall be sufficiently detailed to notify the superintendent of account balances, significant deposits, significant expenditures, and any unresolved errors or discrepancies. The superintendent shall approve such reports in writing to the school within two months of receiving the report or shall notify the principal of any further information needed or examination required. The superintendent shall be responsible for notifying the school board of the apparent need for further examination, supervision, or intervention. The school board may require and provide for an audit of the school fund of any school within its jurisdiction at any time.

D. No agency of state government, or any of its branches, shall supervise, regulate, or audit the school funds provided for in this Section, except upon request of a city or parish school board.

E. Nothing in this Section shall be construed to permit an expenditure that is otherwise prohibited by law.

Acts 1990, No. 1066, § 1, eff. July 27, 1990.



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