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Activity Finances and Accounting
Lansing Eastern High School
Lansing, Michigan
August, 1941
~~F. D. Manz~~
Adviser - L. J. Luker



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ACTIVITY FINANCES AND ACCOUNTING
LANSING EASTERN HIGH SCHOOL
LANSING, MICHIGAN

by

F. D. Manz

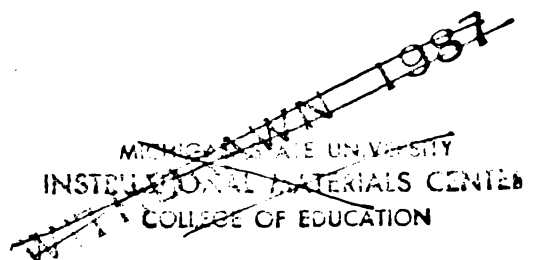
A PROBLEM

Submitted to the Department of Education of
Michigan State College in partial fulfillment
of the requirements of the degree

MASTER OF ARTS

Department of Education

1941



THESIS

45739

ACKNOWLEDGEMENTS

Dr. L. J. Luker - Adviser

Dr. F. W. Stemple - Techniques

Dr. C. V. Millard - Encouragement

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CHAPTER I

THE PROBLEM AND DEFINITIONS OF TERMS USED

The purpose of this investigation has been two fold. On the one hand, the purpose has been to analyze the central accounting systems used in large senior high schools to record systematically incomes and expenditures of school activity funds; and on the other hand, the purpose has been to select from the accounting systems studied the best techniques and apply them to the central accounting system for activity finances of Lansing Eastern High School, with necessary procedures and forms.

The Problem

Statement of the problem. To prepare a record and outline a plan for collections from the sale of activity tickets to be sold on the installment plan; to ascertain the best central accounting system to record activity finances of Lansing Eastern High School, to set up an accounting system, with necessary procedures and forms; and to prepare a uniform accounting record for each extra-curricular activity.

Importance of the study. All extra-curricular activities and many curricular activities involve money transactions. A large high school has more diversified and pretentious activities, which require more handling of money and more bookkeeping records. The management of the monetary affairs for the maintenance of the regular courses of instruction are properly the business of the board of education and the superintendent of schools. The providing of money for the maintenance of extra-curricular activities becomes the burden of the principal with the help of the teaching staff. This study of activity finances and accounting gives the best method of keeping accurate records for all transactions that take place at Eastern High School, with a proper control of these transactions. The study has suggested safeguards for funds. There should be no more muddled accounts to embarrass teachers who claim they have no money sense, and who use this excuse as a reason to be excused from club and other extra-curricular activities, so essential for the maintenance of a good school progress.

Definitions of Terms Used

Curricular activity. Curricular activity is any activity within the high school program for which credit toward graduation is granted.

Extra-curricular activity. Extra-curricular activity is any activity, directly or indirectly connected with the high school program, for which no credit toward graduation is granted.

Activity ticket. An activity ticket is one which entitles the pupil to attend many or all, or participate in many of the school's activities.

Activity finances. Activity finances refers to all finances, including incomes and expenditures, of a high school, contributed in whole or in part by the pupils of the school. Activity finances in this report refers to all finances for which no direct appropriation has been made by the board of education for the operation of activities.

Central accounting system. A central accounting system is a system whereby a member of the faculty, who is especially qualified is chosen to act as a general school treasurer. It is the duty of the treasurer to set up a suitable system of accounts, and to record all money collected and disbursed, and disburse on proper authorization.

Lansing Eastern High School. Lansing Eastern High School is a senior high school of the "A" class, located in Lansing, Michigan with an enrollment of 1880 pupils.

General Organization Ticket. This is the name of the activity ticket used at Eastern High School. General organization ticket is synonymous with the term activity ticket.

High school. The term high school is used in this report to mean a secondary school with an enrollment of not less than seven hundred pupils.

Installment plan. An installment plan refers to a method of payment whereby a pupil is given an opportunity to pay for an activity ticket with a nominal payment each week for a period of weeks or months.

Limitations of the Study

A comprehensive study has been made of materials found in books in local libraries. All references to activity finances published in magazines in recent years have been listed. Whenever the magazines were available the articles were studied for information needed in making the study. Bulletins published by educational organizations were helpful, especially, Intramural and Interscholastic Athletics,¹ and the Student Council Handbook.² The writer has drawn heavily upon his experiences of more than twenty years in handling activity finances in a large and a small high school. For nine years he had charge of the activity finances of a township high school in Illinois with an

¹P. Roy Brammell, Intramural and Interscholastic Athletics. (Washington, The United States Government Printing Office, 1933), pp. 81-99.

²Ellen Boothroyd Brogue and Paul B. Jacobson, Student Council Handbook. (Berrien Springs, Michigan The National Association of Secondary School Principals, 1940), pp. 134-159.

enrollment of four hundred pupils. For the last twelve years he has been the treasurer of a high school that has grown from 1200 to 1880 pupils during the same period.

The writer prepared a questionnaire during the fall of 1940 on activity finances, which was to be mailed to all large high schools of this and bordering states. The information was to be used in the preparation of a thesis on activity finances. The questionnaire was barely finished when a similar one was received from a high school teacher in Grand Rapids, asking for practically the same information. He was going to use the material for the preparation of a thesis toward the requirements for a Master's Degree at the University of Michigan. Since a similar study was being made, and the requirements for a Master's Degree in Education at Michigan State College had been changed, permitting the substitution of a problem for a thesis, this study has been limited to published materials.

Later, it is possible, the high schools of Michigan may profit by the Grand Rapids teacher's study, by the introduction of improved methods of accounting for activity finances. Activity finances do not wait for studies to be made. From the information and records available, the methods of accounting for funds at Eastern High School will be based on the best practices of the high schools of the nation.

Organization of Remainder of the Problem

The adoption of various plans for the sale of activity tickets by many administrators is probably an indication of the value of the ticket to the extra-curricular program. Information gathered from 371 schools showed that 154 or forty-two per cent employed an activity ticket.¹ Fifty-four letters were sent out to schools in all sections of the North Central Association by a faculty committee of the Bloom Township High School, Chicago Heights, Illinois. Fifty-three schools responded and thirteen indicated that the installment sale of tickets had proven satisfactory. It may readily be seen that approximately twenty-five per cent replying were using a definite installment plan of payment. While articles have been written describing the advantages of the installment plan of payment, very little has been written to describe the actual methods for making and recording the collections. Paying for the activity ticket on the installment plan has usually been conducted by the sale of stamps. Later in this study, the stamp method will be described and compared with the method used at Eastern High School. The actual forms used for collections and the methods of recording the payments are described and illustrated.

¹Ibid., p. 141.

A copy of a model activity budget has been included in the study and has been described briefly. Less emphasis has been placed on the budget than other phases of this study.

The duties and responsibilities of the school treasurer have been given prominence. Records used by the treasurer to reduce his work to a minimum have been described. Duties and responsibilities of the pupils who assist the treasurer have been discussed with their educational implications. Reports and forms used, and the methods of recording transactions are described in detail. The advantages of the central accounting system from the standpoint of the administrator and the classroom teachers are listed.

A uniform record has been prepared for the use of all extra-curricular advisers and treasurers of their activities when the funds are small. The athletic program usually involves funds in excess of the total of all others. For this reason the recording of transactions and the method of distribution of incomes and expenditures are described in detail.

Forms illustrated are many of those used at Eastern High School; others are forms that should be included in a good activity program, but this does not imply that all are used. No attempt will be made to distinguish

between forms now in use at Eastern High School, and those that should be included to improve activity finances and accounting.

The activity ticket or the general organization ticket as it is called at Eastern, and its collection on the installment plan will be discussed in the next chapter. The educational value of pupil participation in the collection will be described.

CHAPTER II

THE ACTIVITY TICKET

In recent years many schools have sponsored the sale of activity tickets which entitle pupils to attend many or all, or participate in many of the school's activities. The activity ticket at Eastern High School (general organization ticket) admits the pupil to all athletic contests, and practically all other activities of the school. Eligibility for school awards is contingent upon the ownership of an activity ticket. The activities included in the purchase of the ticket and the allocation of funds are discussed later. It is not the purpose at this time to discuss the advantages of the activity ticket, but rather to describe methods for the collections of funds on the installment plan.

The activity ticket at Hanover Center.¹

The account of a project of the Hanover High School, Hanover Center, Massachusetts, is taken from the December, 1939, Student Life. The student council sponsors an activity ticket which may be purchased any time before the first of November for three dollars, or on the installment plan of ten cents a week for thirty-three weeks, beginning the first week of school in September. This ticket providing it is paid up to date, admits to all athletic contests and to three dances, supported by the council as invitation affairs, to which graduates of the school and their friends are admitted, as

¹Ibid., p. 147.

well as students. The ticket also admits to one play, all special assemblies, covers donations and class dues, and provides each holder with a copy of the school annual. Student ticket salesmen in each home room cooperate with the council in selling seals each Tuesday to those who are buying on the weekly payment plan. The past year about seventy per cent participation was claimed for the support of a completely paid up student ticket.

The Stamp Plan at Schenectady, New York.¹

The stamp plan, originated in 1935 by the student council of Nott Terrace High School, Schenectady, New York, is a variation of the activity-ticket plan. Stamp books are issued to all clubs and organizations that receive money from the budget. These stamp books are purchased by the individual members of each club. The stamps are used as currency for all the extra-curricular activities of the school. For example, a subscription to the school newspaper, *Terrace Tribune*, costs four stamps, and admission to the night football games cost four stamps. The sponsor of each club is required to submit an up-to-date list of members to the stamp committee of the student council. Each home room treasurer receives the money for the stamp books and hands in a list of the paid-up members each week.

The Installment Plan

No seals or stamps are used in selling activity tickets at Eastern High School. The home room solicitor records the payments made on the home room card and the only record of payment held by the pupil is the ticket issued at the beginning of each month until final payment

¹Ibid., p. 149.

is made. During the first year activity tickets were sold, payments were made to the home room teacher or a representative appointed by the home room membership. This plan proved very unsatisfactory from the accounting stand point as it usually required two or three days to receive final reports for the week from the home room teachers. Plans for the sale of the activity ticket on the installment plan were changed in 1931 and the present method is only a slight modification of the original.

Pupils are chosen by the school treasurer, usually members of his classes, the second day of school in September. All pupils participating in the collection and sale of tickets are appointed by the school treasurer. Pupils report to the home rooms to which they have been assigned, for the first collection, at the beginning of the home room period on Friday of the first week of school. The collections for the remainder of the collection period are made during the home room period on Tuesday of each week. Each home room teacher is asked to cooperate with the pupil assigned by the treasurer, and is urged to appoint other pupils from his home room to assist with the work is necessary.

Three monthly tickets and a coupon book are issued by the time the last payment is made. The September ticket admits the pupil to all football games and other activities

during the month, and is issued when the initial payment is made. The October ticket, good for all activities during the month will be issued the first week of the month, if all September payments and the first October payment have been made. The November ticket, good for all activities during the month will be issued the first week of the month, providing all September, October and the first November payments have been made. A coupon book, admitting the pupil to the remaining activities for the school for the current year, will be issued on the fourteenth period, usually the first week in December, providing fourteen payments have been made. A list of the dates for collections and the names of all collectors is mimeographed and sent to all home room teachers, to inform the teachers of the collection dates and to indicate the names of the pupils to be excused to assist with the work.

A pupil purchasing an activity ticket agrees to make an initial payment of twenty-five cents and to pay twenty-five cents per week, until the purchase price of three dollars and fifty cents has been paid. No pupil is required to sign a pledge to make a payment each week, and he is permitted to discontinue payments at any time. If he makes one payment he is entitled to all the activities for the month of September. Unless five payments have been made the October ticket will not be issued. Providing nine payments

are made by the first week in November he is entitled to all the benefits of the November ticket. The coupon book will be issued when fourteen payments have been made.

Figure 1 illustrates the form used for the collection on the installment plan. The pupil assigned to a home room takes one of these cards with him. He records the names of the pupils purchasing activity tickets. Each payment is indicated by placing a numeral "1" in each square opposite the name of the purchaser for as many quarter dollars as he may make in payment on the first payment day. The following week a numeral "2" will be used and so on until the last payment period when the numeral "14" will be used. If a pupil paid one quarter of a dollar each week for fourteen weeks, opposite his name would appear numbers from one to fourteen in each of the squares. The September ticket is issued when the first payment is made. The October ticket is issued during the fifth collection period, and to indicate that the October ticket has been delivered, a circle is placed around the numeral in the fifth square. To indicate that the November ticket has been delivered, a circle is placed around the numeral in the ninth square. The coupon book is issued when the fourteenth payment is made, and the number of the coupon book will be recorded on the margin of the card, (1) to indicate that book has been delivered, and (2) for future reference in case the book is lost.

Home Room No.		Cashier's Name		Card No.													
Name of Purchaser		1	2	3	4	5	6	7	8	9	10	11	12	13	14		
1																	
2																	
3																	
4																	
5																	
...																	
26																	
27																	
28																	
29																	
30																	
Use the spaces below to record total collections each payment period																	
1	3	5	7	9	11	13											
2	4	6	8	10	12	14											

Figure 1. Installment Payment Collections by Home Rooms.

All collectors report after making their collections to a room centrally located, and check in their collections. Figure 2 illustrates the form used for recording the collections. At the bottom of the home room card, (see figure 1), are spaces numbered from one to fourteen, in which the collector records the amount received each week. The amount checked in must correspond with the number of numeral "1's" on the card for the first collection; the number of numeral "2's" the second collection period, etc. The amount collected by home rooms is recorded on the summary sheet, (see figure 2), and the total is added to ascertain the total receipts for the day. It is possible, at any time, to report to the pupil, the week in which payments were made and the number of payments made during any week.

This method of installment payment collections permits a pupil to make up back payments, at other times than during the home room period on Tuesday. As an example, a pupil may not have made five payments by the first Tuesday in October, and has not received his October ticket. A football game is scheduled for the following Friday night and he wishes to attend. The home room cards, (see figure 1), are indexed numerically by the home room numbers. The pupil making a back payment gives his home room number, his record is easily found, the payment is recorded, and the necessary ticket is issued. This work is handled by trustworthy pupils or the

Activity Ticket Summary - Payment No. _____			
Home Room	Cashier's Name	Home Room Teacher	Receipts
Senior			
243	Betty Blume	Mr. Van Liere	_____
267	Marjorie Bottom	Miss Smith	_____
288	Lorraine Carr	Miss Gambell	_____
362	Phyllis Jones	Miss Yinger	_____
Junior			
242	Betty Meissner	Miss Reynolds	_____
196	Ann Polihonki	Mr. Keeping	_____

310	Norma Andrews	Mr. Edgerton	_____
Sophomore			
311	Evelyn Barnes	Mr. Leyrer	_____
191	Joyce Sass	Mr. Feeman	_____
Total receipts page 2 -			_____
Total forwarded from page 1 -			_____
Total Collection			_____
Checkers		Substitutes	
Arlington Forist		Betty Jane Mann	
Eileen Oehler		June Barnes	
Vivian Taylor		Bettymae Wood	
Maxine Merritt		Jeanette Smith	
Gladys Hopkins		Ardis Austin	
Doris Janetski		Betty Wilson	

Figure 2. Checking Installment Payments by Home Rooms

school treasurer. The "numerals" are made with a colored pencil to avoid confusing them with those recorded during the regular collection period.

About sixty people are required to make the collections from over forty home rooms. Several of the home rooms are large and require more than one collector, and substitutes are needed to replace those pupils who may be absent. On the payment periods when tickets are issued, six people are needed to check in the receipts, and check in tickets returned.

The installment payment plan used at Eastern High School has definite educational value.

1. Training pupils to handle money.
2. Teaching pupils to keep accurate records.
3. Training pupils to do a job that is practical.
4. Developing desirable traits of character.
 - a. Accuracy
 - b. Responsibility
 - c. Cooperation

Over thirty thousand dollars has been collected during the last ten years by the installment plan described. No serious arguments have developed over payments that have not been recorded. This same plan is used for the collection of payments for the school annual (Lantern). The number of payments is smaller. These payments, likewise are restricted

to twenty-five cents or a multiple of twenty-five (see figure 3).

The stamp and seal plans may have advantages in as much as the pupil receives a tangible record of payment each time a payment is made. A pupil at Eastern receives a ticket at the beginning of each month until payment in full is made. During the intervening time he is paying on account. From the stand point of ease of collection, speed of collection, and the limited number of records, the installment plan would probably prove superior.

Allocation of Funds

All funds received from the sale of the general organization tickets are distributed by the athletic board of control. The membership of the board consists of the principal, the athletic director, the head coach, the treasurer, and three members of the student body. The members of the student body are chosen by petition, with a primary and final election. One member chosen from the student body must be a girl and she is expected to act as secretary of the board. The principal is in a position to cast the deciding vote whenever a tie vote may develop. During the school year 1940-41, the money received from the sale of the general organization ticket was distributed as follows.

Lantern (school annual)	200.00
Opera Fund	170.00
Forensic Fund	170.00
Class Play (fall)	170.00
Class Play (spring)	170.00
Class of January 1941	57.75
Class of June 1941	60.75
Class of January 1942	28.75
Class of June 1942	59.50
Class of January 1943	34.50
Class of June 1943	68.00
Easterner (school newspaper)	500.00
Athletics	1900.00
Class Dues	5.00
Special Assemblies	100.00
General Organization Fund	306.75

All allocations are made in a lump sum, except the school annual and the classes. The amounts distributed to the annual and classes are made according to actual sales. Each purchaser of an activity ticket in full is allowed credit for class dues for the current year. Each purchaser is entitled to a twenty-five cent payment on his school annual. The allocation to these groups is contingent upon the payment of an activity ticket in full.

A list of all pupils who have paid for activity tickets in full is prepared by the school treasurer in triplicate. One copy the list is given to the home room teacher for his record in distributing the school paper. Home room lists are combined according to classes membership and each class adviser receives a list to indicate which members are to receive credit for payment of class dues. The third copy is given to the manager of the school annual to indicate those pupils entitled to credit for one payment on their annuals.

The method of allocation of activity funds is placed to a great extent in the hands of the principal and those associated with the athletic department. Probably it would be better if each organization was represented by a pupil and the adviser of the activity. Two representatives from each group would make a larger committee. Greater representation would have this advantage; that more pupils would have a voice in the distribution of the funds. This plan would prove a more democratic procedure.

Activity Budget

Each activity should find it a wise policy to estimate and balance its revenues and expenditures for the year. In preparing a budget, each organization should take care that the estimated revenues and expenditures are nearly equal. A conservative policy would seem to require that there should be at least a small surplus of estimated revenues over estimated expenditures. Activities are not run for profit and are liable to lack the close supervision that is ordinarily given to private enterprises. Individual and business organizations are beginning to learn from governmental bodies the advantages of an annual budget. A well organized student body of a large school will find it advantageous to control its financial problems with a budget. Figure 4 illustrates a model budget for all activities.

Budget Sheet

Anticipated Income

Treasury balance or deficit	XX.XX
Gate receipts	XX.XX
Activity tickets	XX.XX
Season tickets	XX.XX
Contracts	XX.XX
Dues	XX.XX
Candy Sales	XX.XX
Special assessments	XX.XX
Special projects	XX.XX
Miscellaneous	<u>XX.XX</u>

Total anticipated income XXX.XX

Anticipated Expenditures

Trips	XX.XX
Equipment	XX.XX
Equipment upkeep	XX.XX
Medical services	XX.XX
Medical supplies	XX.XX
Officials	XX.XX
Contracts	XX.XX
Janitor services	XX.XX
Gate expenses	XX.XX
Field expenses	XX.XX
Scouting	XX.XX
Printing	XX.XX
Awards and trophies	XX.XX
Banquets	XX.XX
Parties and roasts	XX.XX
Prizes and gifts	XX.XX
Programs	XX.XX
Welfare and flowers	XX.XX
Miscellaneous	<u>XX.XX</u>

Total anticipated expenditures XXX.XX

Figure 4. Activity Budget

Advantages of a Student Body Budget¹

1. Estimated revenues and expenditures will be balanced
2. A more intelligent distribution of income will result
3. Departments will plan activities more intelligently
4. Income-producing events will be scheduled in advance

The budget form requires a minimum of effort to prepare, (see figure 4). All organizations are required to submit an estimated budget, and it is essential that it be available the first week of school. Without a budget, organizations are encouraged to spend money freely, and are confronted with the danger of having all of their funds spent before the end of the year. The governing body of the organizations, must of necessity look into the future, and estimate future earnings and expenses.

The duties of the high school treasurer will be discussed in Chapter III. Accounting records and how the central accounting system functions in a large high school will be described with necessary forms to illustrate procedures.

¹Noble L. Scott, Student Body Finances and Accounting, (Cincinnati, South-Western Publishing Company, 1931), p. 9.

CHAPTER III

CENTRAL ACCOUNTING SYSTEM

It is important in a secondary school for the principal to see that every fund of any sort intrusted to any student officer, or faculty adviser of any student activity, is subject to an adequate accounting system. Experience has definitely shown that the failure to provide a definite accounting system is an invitation to dishonesty or carelessness, which is harmful training to pupils and reflects discredit on the administration of the school. A plan employed in a large number of secondary schools requires the depositing of all funds with a school treasurer and the keeping of a separate account of receipts and expenditures by the treasurer of each organization. Activity funds can be protected without the requirement that all funds be handled by the faculty treasurer or other members of the faculty. Such a practice may protect the reputation of the principal, but it also deprives the pupils of responsibilities from which they can obtain valuable training. The class, club, and other activity treasurers collect all monies, keep proper records and turn the funds over to the central treasurer who deposits them in the bank in one large school account. No matter how small the sum for which an activity treasurer has

responsibility, it is essential that it should be accounted for accurately and regularly. With the coming of the realization that the extra-curricular activities are a legitimate and vital part of the curriculum, has come the professionally trained administrator; the accounting for extra-curricular funds has been placed on a basis which can be compared to the accounting of funds of the board of education.

The High School Treasurer

Of 367 which answered the question,¹ "Do you have a bonded treasurer," 135 or thirty-seven per cent said, "Yes." The sums for which treasurers were bonded ranged from \$500 to \$25,000. The median for 111 schools which answered the question was \$3394. The person who handles the funds is usually an adult. For all of the schools which replied the person responsible was: Adult--179; Pupil--66; Both Pupil and Adult--114; Neither--6; Secretary Board of Education--4. The adult treasurer was almost universal practice in the schools in which (student) council had legislative control of extra-curriculum funds. It is not infrequent practice to have an adult bonded treasurer; perhaps the principal's secretary, who actually disburses the money, and to have pupil treasurers for each organization, who deposit money with the school treasurer, learn to keep accounts and reconcile their memorandum accounts with the school treasurer periodically. Certainly the practice of having a bonded adult treasurer of extra-curriculum moneys cannot be too highly recommended. The small sum required to bond the treasurer is a legitimate charge against the council, or extra-curriculum fund. Almost two-thirds of the schools which answered the question do not employ this method.

¹Op. cit., I, 154.

Eastern High School uses the central treasurer plan for accounting for activity funds. The central treasurer is an instructor in office practice and bookkeeping, appointed by the principal and bonded by the Board of Education. He is really in charge of a school bank where over one hundred activity treasurers or organizations make their deposits, using the same procedure that is employed in any regular banking institution. Records used in the accounting system:

1. A record for each organization, showing deposits and withdrawals with the central treasurer.
2. Withdrawal orders authorizing checks to be drawn upon the central treasurer.
3. A ledger for the central treasurer with its entries for each separate organization.
4. A check register and book of original entry.
5. Deposit slips from the central treasurer to the local treasurer.
6. Receipts issued by the local treasurer for money paid into the organization.
7. Voucher checks in triplicate for withdrawals from the local bank.

The local treasurer wishing to withdraw money from the school bank must present an itemized account of materials or services to be purchased; in case the charge has already been made, and invoice or statement of the charge. The treasurer and adviser of the activity must sign the requisition which authorized the central treasurer to issue the check.

How the Accounting System Functions

Every operation of the central accounting system is closely patterned after the procedures of an actual banking institution. However, it is obvious that modifications are made in adapting these procedures to the practical needs of Eastern High School. For purposes of illustration, a treasurer of an activity wishes to deposit money with the school treasurer. A deposit slip is made out in duplicate on a form similar to figures 5 and 6. Figure 5, the original copy, is retained by the school treasurer for his record. Figure 6, the duplicate copy, is given to the organization treasurer as a receipt, and the copy is used to record the transaction on the books of the activity he represents. The name of the person making the deposit is indicated on the deposit slip. The school treasurer retains the original copy with the money until a deposit is made at the local banking institution. Figure 7, illustrates the form on which a record is made of all deposits stored in the vault until the deposit for the bank is prepared. This record is only temporary, and is destroyed after making the bank deposit. Deposits are made at the local bank at least once each week. A duplicate deposit slip is prepared for the total of all monies received since the last deposit was made. Figure 8 is the original, and figure 9 is the duplicate copy of the deposit slip used in preparing the bank

Deposited with Eastern High School Treasurer		
Date _____		
<u>Activity</u> _____		
<u>Currency</u>		
<u>Silver</u>		
<u>Checks</u>		
<u>Total deposited</u>		
<u>Deposited by</u> _____		
<u>Treasurer</u>		

Figure 5. Treasurer's Deposit Slip, Original Copy

Deposited with Eastern High School Treasurer		
Date _____		
<u>Activity</u> _____		
<u>Currency</u>		
<u>Silver</u>		
<u>Checks</u>		
<u>Total deposited</u>		
<u>Deposited by</u> _____		

Treasurer		

Figure 6. Treasurer's Deposit Slip, Duplicate Copy in Color

Deposited with BANK OF LANSING Lansing, Mich.		
By _____		
		194
	Dollars	Cents
Currency		
Silver		
Checks as follows:		
ORIGINAL	Total	

Figure 8. Bank Deposit Slip, Original Copy

Deposited with BANK OF LANSING Lansing, Mich.		
By _____		
		194
	Dollars	Cents
Currency		
Silver		
Checks as follows:		
DUPLICATE	Total	

Figure 9. Bank Deposit Slip, Duplicate Copy

deposit. After the deposit slip has been made out for all money on hand, and the deposit has actually been made, the central treasurer has a deposit slip corresponding with the amount recorded in the passbook by the teller of the bank. The duplicate copy of the bank deposit slip, retained by the central treasurer, corresponds with the total of all activity deposit slips given to organization treasurers for that particular bank deposit. The general bookkeeper, who assists the central treasurer, verifies the amounts of the deposit slips with the total of the passbook entry, before recording the activity deposit slips in the check register. The duplicate copy of the bank deposit slip is attached to the activity deposit slips for any bank deposit, and the attached slips are filed permanently for future reference should the need arise. At all times any entry in the passbook will correspond with the total activity deposits comprising that entry.

Then an organization deposits money with the school treasurer, the deposit is the first step in the administration and control of school finances. Authority for all payments must be recorded and placed in a permanent record to protect the central treasurer, the adviser and the treasurer of the activity. The activity treasurer and adviser will fill out a form similar to figure 10, properly signed, which is presented to the central treasurer. The check is issued and the

Eastern High School Treasurer Lansing, Michigan		Voucher No. _____
You are authorized to issue a check to _____		Date _____
Address _____	_____	\$ _____
Charge to the account of _____		
For _____	Adviser _____	
Your No. _____	Treasurer _____	

Figure 10. Activity Withdrawal Slip

order is filed by the school treasurer as proof of authority for issuing the check.

All checks are issued in triplicate. The original copy, or the actual check is printed on safety paper (see figure 11). The first carbon copy (see figure 12) is a non-negotiable check form printed on a colored paper. The first carbon copy of the check is used to record the transaction in the book of original entry of the school bank. The book of original entry and check register serve a dual purpose. The second carbon copy of the check is also a non-negotiable instrument (see figure 13) printed upon a paper of contrasting color. The second carbon copy is issued to the activity treasurer for whom the check has been issued, to record the transaction on his books. If each activity treasurer retains copies of all receipts for money deposited with the central treasurer, and keeps the carbon copies of the checks issued, he has a complete record of all receipts and disbursements made by the central treasurer for his account. The carbon copies of the central treasurer's records issued to activity treasurers make it very easy for those advisers and activity treasurers who have little or no knowledge of accounting to keep accurate records. A report is mimeographed each month by the central treasurer showing the balances of all accounts. The monthly report gives each organization treasurer the information needed to reconcile his account.

EASTERN HIGH SCHOOL		No. 11111
PAY	Date	
	Dollars \$	
	Eastern High School	
To The Order Of	Treasurer	
BANK OF LANSING, Lansing, Michigan		

Detach This Statement Before Depositing		
The above check is in		
payment of the following		
EASTERN HIGH SCHOOL		
Lansing, Michigan		
Account to be charged		

Figure 11. The Voucher Check

EASTERN HIGH SCHOOL		No. 11111
PAY	Date	
	Dollars \$	
To	COPY	
BANK OF LANSING, Lansing, Michigan		NON NEGOTIABLE
EASTERN HIGH SCHOOL Lansing, Michigan Account to be charged		The above check is in payment of the following

Figure 12. Voucher Check, First Carbon

EASTERN HIGH SCHOOL		No. 11111
PAY	Date	
	Dollars \$	
To	BANK OF LANSING, Lansing, Michigan	
	COPY	
	NON NEGOTIABLE	
EASTERN HIGH SCHOOL Lansing, Michigan Account to be charged		
The above check is in payment of the following		

Figure 13. Voucher Check, Second Carbon

Figure 14 is a copy of a part of a page taken from the check register and book of original entry, and it covers actual transactions for a short period of time during the month of June, 1941. A few of the transactions recorded in the book of original entry are used to describe how the accounting system functions at Eastern High School.

On June 10, 1941, the manager of the Easterner, authorized the school treasurer to issue a check to the Lansing Postmaster. The school treasurer received a copy of an activity withdrawal slip, (see figure 10), properly filled out. The withdrawal slip authorized the treasurer to issue a check to the Lansing Postmaster for \$16.50. The original entry (see figure 14) did not give the reason for payment, but this information was recorded on the voucher section of the check. Check No. 11111 was issued to the Postmaster. The original copy of the check (see figure 11) was mailed to the Postmaster. The first carbon copy (see figure 12) was retained by the school treasurer. The entry in the check register was made from the first carbon copy. After the check was issued the first carbon copy was punched and the copy was filed numerically on a Shannon file. The second carbon copy (see figure 13) was delivered to the manager of the Easterner, who authorized the check to be issued.

On June 12, 1941, the conductor of the Madrigal Choir authorized the central treasurer to issue a check to the

1941 Month	Day	Check Payable to Deposit	Charge Check to Deposited by	Check Number	Total Deposit	Individual Deposits	Checks
June	10	Mary McBroon	English Department	11110	286.98	1.70 85.10 12.50 17.00 32.15 4.90 26.51 4.00 103.12	7.00
	10	Lansing Postmaster	Easterner Account	11111			16.50
	11	Deposit	Honor Society				
			Travel Club				
			Lantern Account				
			Teacher's Welfare				
			Band Concert				
			Cap & Gown Account				
			General Fund				
		Madrigal Choir					
			Individual Pictures				
	12	H. V. Church	Honor Society	11116			4.00
	12	Foster Bus Line	Piano Fund	11117			11.00
			Madrigal Choir	11117			108.00
	14	Vandervoort Hdw.	Class of June 1941	11118			3.25
	14	Weissinger Paper	Class of June 1941	11119			.94

Figure 14. Check Register and Book of Original Entry

Foster Bus Line for transportation. There was not sufficient funds in the Madrigal Choir account to settle the bill. The conductor of the Choir is also responsible for the Piano Fund account. Check No. 11117 (see figure 14) illustrates how a check may be issued and charged to two or more accounts. When a check is issued and the charge is made to two or more accounts for which two or more advisers are responsible, the second carbon copy is issued to one of the advisers and the other advisers are sent notices of the payments and the amounts of the charges to their respective accounts, to complete their records.

The deposit made with the Bank of Lansing on June 11, 1941 (see figure 14) illustrates the method for making the entry. The organizations making the deposits with a record of the amount each had deposited had already been listed (see figure 7). Each activity had been issued a receipt (see figure 5) and the original copy was placed with the money. The sum of all the receipts equaled the amount of the bank deposit. A duplicate copy of the Bank of Lansing deposit slip was made out (see figures 8 and 9). The bank deposit slip shows a total of \$286.98, which corresponds with the entry in the passbook of the Bank of Lansing. The duplicate copy of the bank deposit slip is attached to the original copies of the receipts issued to the nine organizations credited with deposits with the central treasurer. All deposit slips are filed chronologically for reference.

The entries (see figure 14) are posted to cards, (see figure 15) on a small Burroughs Bookkeeping machine. The ledger cards are of a standard form and may be purchased at almost any office supply company selling bookkeeping materials.

The central treasurer has many responsibilities that cannot be shifted to others. Fortunately, a great deal of the work can be done by pupils. Two girls usually operate the bookkeeping machine at Eastern. A pupil is chosen for this work in her sophomore year and becomes an assistant to a senior pupil operating the machine. Each bookkeeping machine operator serves an apprenticeship on the machine of not less than one year. The choice of the pupil to operate the machine is probably one of the most important factors in easing the work of the central treasurer.

Practically all of the checks are issued by pupils in office practice classes. Ten to twenty pupils learn to write checks with accuracy during the first semester. More pupils are available and as many as forty or fifty pupils write checks some time during the second semester. The original entries are made by pupils in office practice classes and several pupils may record entries on the same day. Almost all of the members of the office practice classes are given an opportunity, some time during the semester, to help prepare the deposits for the Bank of

Lansing. None of the pupils are permitted to take deposits to the bank as this is considered the responsibility of the treasurer.

In the course of a year, more than one hundred pupils assist the school treasurer with the collection of funds from the sale of the general organization tickets and the school annual sale. About one hundred twenty-five pupils in office practice are given an opportunity to assist the treasurer in some way. Not all pupils are given opportunities to handle all details, for the treasurer is inclined to use those most capable of assisting him with his work. The treasurer's work is more difficult during the first part of each semester. As the work of the treasurer becomes better organized, those pupils trained to do certain parts of the work assist and often actually teach others during the latter part of the semester.

On the first of each month the central treasurer prepares a mimeographed report of the balances of all activity accounts (see figure 16). A copy of this report is delivered to all the advisers and activity treasurers. Advisers or treasurers check their accounts against the balances with the central treasurer, and any discrepancies are reported immediately.

Methods for financing extra-curricular activities and an uniform accounting record will be described in the

Advertising Board		XX.XX
Athletics	XXX.XX	
Astronomy Club		X.XX
Auditorium Club		XX.XX
Auditorium Equipment Fund		XX.XX
Auditorium Fund		XX.XX
Auditorium Tickets		XX.XX
Badminton Club		.XX
Band Concert Account		XX.XX
Bank of Lansing	XXXX.XX	
Basketball Tournament		XXX.XX
Bible Club		X.XX
Boosters Club		XX.XX
Boxing Club		X.XX
Boys' League		X.XX
Cap & Gown Account		XX.XX
Capital National Bank	XXX.XX	
Chemistry Club		XX.XX
Chemistry Department		XX.XX
Class Dues		XX.XX
Class of January 1941		XX.XX
Class of January 1942		XX.XX
Class of January 1943		XX.XX
Class of January 1944		X.XX
Class of June 1936		X.XX
Class of June 1940		XX.XX
Class of June 1941		XXX.XX
Class of June 1942		XXX.XX
Class of June 1943		XX.XX
Class Plays		XXX.XX
Club Council		X.XX
Concessions Account		XXX.XX
Dads' of Eastern	XX.XX	
Dancing Club		X.XX
Debt Fund		XXX.XX
Dishonored Checks	XX.XX	
Drama Club		X.XX
Eastern Alumni Association		XXX.XX
Eastern Individual Pictures		XX.XX
Easterner		XXX.XX
English Department		XXX.XX
Forensic Fund	.XX	
French Club	X.XX	
Fur, Feather, and Fin Club		XX.XX
Girls' Athletic Association		XX.XX
General Fund	XX.XX	
General Organization Tickets		XXX.XX

Figure 16. Account Balances, Treasurer's Monthly Report

Girl Reserves		xx.xx
Girls' League		xx.xx
Girls' Discussion Club		x.xx
Girls' Tumbling Club		x.xx
Girls' Golf Club		x.xx
Hall Locker Fund		xxx.xx
History Club		xx.xx
Hi-Y Club		xx.xx
Home Economics Department		.xx
Honor Society		xx.xx
Knitting Club		xx.xx
Lantern Account		xxxx.xx
Latin Club		x.xx
Madrigal Choir		xx.xx
Magazine Campaign		x.xx
Mixmasters' Club		x.xx
Needlecraft Club		x.xx
Office Practice Account		x.xx
Opera Account	x.xx	
Paint Splashers		x.xx
P. T. Association		x.xx
Quaker Business Club		xx.xx
Quill and Scroll Club		x.xx
Radio Club		x.xx
Science Club		x.xx
Science Department		xxx.xx
Spanish Club		x.xx
Stage Club		x.xx
Student Council		xx.xx
Student Loan Fund	xxx.xx	
Subscription Campaign		xxx.xx
Teachers' Welfare Fund		xxx.xx
Tennis Club		x.xx
Travel Club		.xx
Ukulele Club		.xx
Varsity Club		.xx
Woodshop Account		<u>xxx.xx</u>
	<u>xxxx.xx</u>	<u>xxxx.xx</u>

Figure 16. Account Balances, continued

next chapter. The financial requirements of the department of athletics are usually greater than those of all other activities combined. The method of accounting for athletic department finances differs somewhat from the method employed in the other smaller accounts. Records and method of handling athletic finances are described in some detail in Chapter IV.

CHAPTER IV

EXTRA-CURRICULAR ACTIVITIES

The Board of Education pays the supervisory and housing bills, thus the major cost of an activities program is borne by the school district. While the Board of Education employs the teachers, and makes appropriations for equipment and materials for the regular curriculum, it seldom makes appropriations for extra-curricular activities. The Board of Education has on a few occasions appropriated money for sending musical organizations to special contests, and has assisted in purchasing band uniforms. As a general rule funds from taxpaying sources have not been used directly to finance extra-curricular activities.

Methods of Financing Activities

The majority of the clubs at Eastern High School collect dues. The club dues seldom exceed twenty-five cents per member. No formal regulations have been made to restrict the dues, but the dues usually collected do not exceed the amount spent for refreshments at their parties. All club advisers are given an opportunity at the beginning of a semester to ask permission to assist with one candy sale during the semester. The profits from the sale of candy is credited at the end of the semester to the accounts of

the clubs participating. The sale of candy is permitted after school and only one day each week. The profits average three dollars per sale. Each club or activity is required to pay the Lantern (annual) not less than three dollars for each picture published. The profits from the candy sales usually meet the charges for the pictures.

The manager of the candy sale is responsible to the principal and the club council. The manager and his assistants supervise the candy purchases and sales, collect and deposit the receipts with the school treasurer. The school treasurer pays all the bills, when properly authorized to do so by the manager of the concession. The selling is done by members of the clubs. Each club participating in the profits volunteers to work for one week. The actual profits from the sale is credited to the club which has done the work for that week. A better policy would probably be to pro-rate the profits, but this would sacrifice the incentive on the part of the club members to promote sales.

The major portion of all activity receipts are obtained from the sale of the general organization ticket. About sixty per cent of the student body purchase activity tickets (1090 in 1940) making the total receipts from this source over four thousand dollars. Pupils are urged to work for activity tickets if they are unable to buy them, and a few tickets are given outright to deserving pupils.

The staffs of the annual and the school paper solicit advertising from business firms. Several hundred dollars are realized from this source each year. The athletic department usually sells advertising space in football programs. The advertising receipts do not amount to more than the cost of printing and materials. However, one way to realize a profit on football programs is to sell them at the more important contests.

Athletic contests, the fall and winter class plays, and the opera bring in additional funds from adults and pupils who have no activity tickets. The amount of money varies each year for the different activities. Budgeting experience and the ease with which funds may be allocated by the central treasurer, makes it possible for the more profitable projects to carry the load. Profits of several hundred dollars each year from a magazine subscription sales campaign are usually restricted to some special project.

The money received from all activities amounts to twenty to twenty-five thousand dollars each year, and must be accounted for by the administrator and his assistants. The funds of most of the activities can be accounted for by a standardized form (see figure 17). The funds of the athletic association are so much larger than other activities that special forms and methods of handling are required.

Accounting for Athletic Funds

The school treasurer of Eastern High School is responsible for all athletic funds. At the beginning of the school year a check for one hundred dollars is issued to the treasurer. The check is cashed and the hundred dollars (the amount is kept intact by frequent reimbursing from the treasury) is available at all times in cash for the financing of trips out of town by athletic teams. Money to pay for meals and incidentals on the trip is advanced by the treasurer from the cash fund to the person in charge of the team. After the trip an itemized statement of the expenses incurred is presented to the treasurer. A check for the cost of the trip is made payable to the athletic director, who in turn endorses the check and returns it to the treasurer. The check is cashed and the money is returned to the cash fund. This method of financing the trip makes it possible for the treasurer to have on file the endorsement of the athletic director for cash expenditures. The endorsement of the athletic director facilitates auditing and protects the treasurer. Bus transportation is paid by check on receipt of the bill for the trip.

All athletic receipts are deposited and all expenditures are made by the school treasurer. The athletic director authorizes in writing all payments from the

athletic account. The treasurer maintains a columnar record in which all receipts and expenditures are distributed. The cash balance of the athletic account is brought forward at the opening of school in September. A running total of the distribution of all receipts and expenditures is maintained during the year. At any time during the year the total receipts and their sources and the total of all expenditures and their classifications may be ascertained. At the close of each month a report is made to the principal and athletic director showing the distribution of all receipts and disbursements for the school year to date (see figure 18). The items listed on the athletic report (see figure 18) are the same as the headings of the columnar record.

After each athletic contest held at home, a financial report is made to the principal and athletic director (see figure 19). After visiting another school for an athletic contest, a report is made to the principal and athletic director of the cost of the trip (see figure 20), which indicates whether the trip was made at a profit or loss. Figures 19 and 20 indicate to the athletic director and principal the current financial status of athletic events. The financial status of the athletic department may be obtained during the month from the columnar distribution record without waiting for the report at the end of the month (see figure 18).

Athletic Receipts and Disbursements Report
September 5, 1940 - June 30, 1941

Balance, September 5, 1940	xxx.xx
----------------------------	--------

Receipts

Gate	xxxx.xx	
Activity Tickets	xxxx.xx	
Central High School	xxx.xx	
Miscellaneous	<u>xxx.xx</u>	<u>xxxx.xx</u>

Old Balance and Total Receipts	xxxx.xx
--------------------------------	---------

Disbursements

Football Contracts	xxx.xx	
Basketball Contracts	xxx.xx	
Miscellaneous Contracts	xx.xx	
Basketball Officials	xxx.xx	
Football Officials	xxx.xx	
Miscellaneous Officials	xx.xx	
X-Country Trips	xx.xx	
Football Trips	xxx.xx	
Basketball Trips	xxx.xx	
Swimming Trips	xx.xx	
Tennis Trips	xx.xx	
Golf Trips	xx.xx	
Track Trips	xxx.xx	
Baseball Trips	xx.xx	
Athletic Awards	xxx.xx	
Medical Services	xxx.xx	
Medical Supplies	xx.xx	
Insurance	xxx.xx	
General Equipment	xxxx.xx	
Equipment Upkeep	xxx.xx	
Janitor Services	xx.xx	
Gate and Field Expense	xxx.xx	
Field Lighting	xxx.xx	
Miscellaneous Expenses	xxx.xx	
Scouting Expenses	xx.xx	
Central High School	xxx.xx	
Printing Supplies and Expenses	xxx.xx	
Change	<u>xx.xx</u>	

Total Disbursements	<u>xxxx.xx</u>
---------------------	----------------

Balance June 30, 1941	xxx.xx
-----------------------	--------

Figure 18. Athletic Receipts and Disbursements Report

Sport	Date
Visitor	Score Eastern Score
Receipts	
Advance Sale, Adult	No. _____ \$ _____
Advance Sale, Pupil	No. _____ \$ _____
Gate, Reserve Seats	No. _____ \$ _____
Gate, Adult @ 50 cents	No. _____ \$ _____
Gate, Pupil @ 25 cents	No. _____ \$ _____
Season Activity Tickets	No. _____
Season Junior High Tickets	No. _____
Season Adult Tickets	No. _____
Guest Tickets	No. _____
Total Attendance and Total Receipts	No. _____ \$ _____
Expenditures	
Contract, School _____	\$ _____
Official, Name _____	\$ _____
Official, Name _____	\$ _____
Official, Name _____	\$ _____
Gate and Miscellaneous	\$ _____
Janitor Services	\$ _____
Total Expenditures	\$ _____
Net Profit or Loss	\$ _____

Figure 19. "Home" Athletic Contest Report

Sport	Date
School Visited	Score Eastern Score
Receipts	
Contract with School Visited	\$ _____
Expenditures	
Meals - Number _____	\$ _____
Transportation	\$ _____
Miscellaneous Expenditures	\$ _____
Total Expenditures	\$ _____
Net Profit or Loss from Trip	\$ _____

Figure 20. "Visiting" Athletic Contest Report

Probably the best way to close this chapter will be to quote from a book written on this subject by Charles E. Forsythe, State Director of High School Athletics, of the Michigan High School Athletic Association.¹

As far as athletic finances are concerned, it seems immaterial whether there is a separate athletic treasurer in a school, or there is a central internal accounting system in effect, with a general school treasurer. In order that each activity may be considered as a part of the entire school program, it is recommended that the latter plan be followed. A central accounting system for all high school activities presents the following advantages over the scheme of having separate systems for each activity:

1. Responsibility for disbursements of all school funds may be delegated to one individual.
2. It is in harmony with the plan of having all school activities under the general supervision of an all-school committee.
3. It enables the school administrator to have a composite picture of the general condition, financial and otherwise, of all the school activities.
4. It provides the possibility for a much more accurate audit of school activities funds than otherwise might be the case.
5. The purposes for which expenditures are made may be more easily checked to ascertain if they are in accordance with authorization.
6. Local banking institutions usually will

¹Charles E. Forsythe, The Administration of High School Athletics. (New York: Prentice-Hall, Inc., 1939), pp. 234-277.

prefer a single school deposit account rather than separate ones for each school activity fund.

7. By the nature of it, the plan appeals to students and school patrons as being more business like.

CHAPTER V

SUMMARY AND CONCLUSIONS

Summary

The curricular and extra-curricular programs offer exceptional educational opportunities to the commercial departments of secondary schools. Almost every pupil is of necessity concerned with activity finances, but the leadership in directing and handling finances, can and should be a responsibility of the commercial department. The activity program involves the preparation of budgets; there are accounting records to keep, checks to write, and deposits to make. Financial reports must be prepared, tickets must be sold, gate receipts must be checked and secretarial services are needed. Here is waiting a real laboratory for business experiences. With a spirit of cooperation on the part of faculty and pupils has come the development and successful operation of a scheme of correlated activities finances.

Many schools are selling activity tickets on the installment plan, and others are investigating plans for financing activity programs in this way. During the past year the writer has had nine inquiries requesting information about the method and records used for the sale of activity

tickets on the deferred payment plan. The requests for information have come from large and medium sized secondary schools.

Nearly all authors agree that tickets should be sold on the installment plan, but not all agree on the amount to be charged each week. The collections vary from ten to twenty-five cents per week, and the total amount charged for activity tickets range from one dollar and fifty cents to five dollars or more. The total price of an activity ticket should be low enough to encourage the greatest number of participants. Generally it has been found more desirable to arrange the payment schedule so that the ticket is paid for in full not long after the close of the football season. A weekly payment of twenty-five cents would pay for a three to four dollar ticket by the early part of the basketball season. Payments are likely to lag if payments are extended over too long a period of time.

Athletics usually appeal to many pupils and it is quite proper to capitalize on this interest to aid in the support of other phases of the activities program. The sale of the activity ticket makes it possible to subsidize other activities which share in the distribution of the funds. Such a subsidy can be justified in as much as some activities have a high educational value, yet are seldom self-supporting.

A general organization ticket should be sold on the deferred payment plan, and should include as a minimum, all of the following activities: Admission to all home athletic contests (occasionally a reduction in price at visiting schools through reciprocal agreement on presentation of the ticket); admission to special assemblies (pupils not holding tickets should be admitted without charge); the payment of yearly class dues; subscription to the school paper; allowance of one or more twenty-five cent payments on the school annual; admission to school plays, concerts and operettas; admission to debates and other forensic contests, and admission to certain parties. It is not advisable from a standpoint of accommodating the crowds and for financial considerations to include all social events.

A committee composed of representatives (faculty and pupil) of all activities concerned should determine the actual allocation of funds from the sale of the organization tickets. The fact that some income-producing activities are only partly dependent upon the activity fund should be taken into consideration when making apportionments. After the total amount to be received has been estimated as nearly as possible and the budgets for the year have been approved, it is a simple matter to apportion the percentages. The actual transfer of funds does not require the issuing of checks. After authorization all transfers are made by entries on the books of the treasurer.

Most of the accounting work and the maintenance of necessary records is done by pupils. Pupil participation should be encouraged in handling all financial activities. The training is desirable and is one of the most important considerations; another is the help that pupils can render to the school treasurer. No pupil is paid for his services, but every saving that can be made pays dividends to the pupils by reducing the cost of financing activities.

The principal should choose for his treasurer a person whose training and experience make him capable of conducting the work. The treasurer will relieve himself of many responsibilities by directing the pupils in doing a large share of the work. Any treasurer who does not permit the pupils to assume the greatest possible degree of responsibility, overlooks an opportunity of inestimable educational value.

The twenty figures in this report illustrating how finances are, or could be handled at Eastern High School are given in this report to indicate that the keeping of records is comparatively simple and does not entail the work that many people believe.

Conclusions

After years of experience in a small and a large high school system, and after a careful examination of numerous methods of internal accounting in secondary schools, the writer wishes to conclude this study with recommendations which he believes are sound administrative practices.

1. The principal should be responsible for the supervision of all internal financial transactions. The principal or his designated representative should be responsible for all debts or obligations incurred. He should require regular financial reports from the central treasurer, and yearly reports from all activity treasurers.
2. The central treasury system has been accepted as the most desirable method and the best business practice. The treasurer should be bonded. He must provide a system for making deposits without delay. Checks should be used in payment of all obligations. The treasurer's records should be simple, easily interpreted, and readily audited.

3. Pupil participation should be encouraged in every phase of the treasurer's work. A sense of responsibility in pupil assistants should be developed because of its educational value. The degree of pupil participation must of necessity depend upon the sense of responsibility the commercial department is able to develop.

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