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Applies To: Colleges
Procedure Responsibility: Student Affairs and System Office of Business Services

Student Organization Finance

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Section 7.11.1 – Student Organizations Defined

Student organizations are defined by KCTCS Board of Regents Policy 6.1, "Code of Student Conduct, Article V" (Code of Student Conduct) and must comply with that policy to be recognized. Student organizations are further defined as affiliated, unaffiliated, and non-recognized for purposes of student organization finance and this business procedure.

A. Affiliated student organizations are generally defined as a chapter or unit of a recognized national or state organization and are also recognized as an affiliated student organization by the college chief executive officer (CEO). Examples of such organizations include, but are not limited to, the following: Vocational Industrial Clubs of American (VICA), Health Occupations Students of America (HOSA), Phi Theta Kappa, Student Government Association (SGA), or any student organization that receives college funding.

B. Unaffiliated student organizations are generally defined as a local club (not being associated with a national or state organization) and recognized as an unaffiliated student organization by the college CEO. Examples of such organizations are: Math Club, Drama Club, Nursing Class, Tennis Club, etc.

C. Non - recognized organizations are defined as organizations falling outside the KCTCS Board of Regents Policy 6.1, "Code of Student Conduct, Article V." Members of these organizations are generally composed of faculty, staff, students, or individuals in the community. Membership may include any combination of these persons. These organizations may not use the KCTCS name, a KCTCS college name, facilities, equipment, etc., or receive actual or implied support of KCTCS without express written approval from the college CEO as prescribed in KCTCS Business Procedures 2.4 Use of Facilities by Outside Agencies and 2.5 Off Site Use of Equipment by Employees and Administrative Policy 3.3.16 Kentucky Community and Technical College System Policy and Procedural Guidelines for Management and Use of Facilities. The college CEO may also establish additional requirements for non – recognized organizations regarding organization finance as described in this procedure.

Section 7.11.2 – Affiliated Student Organizations

A. The student organization must establish and maintain a separate bank account. The account should clearly reflect the fact that the funds are for the use of the club or organization and not the college. There must be two signatures on each check. The college advisor assigned to the organization shall have joint signature authority on this bank account with one student officer from the organization.

B. Funding sources for affiliated student organizations may be from dues, donations, student fundraising activities and/or college funding.

C. All donations must comply with Business Procedure 3.14 Gifts and with the procedures of both the college institutional advancement office and the KCTCS Office of Institutional Advancement.

D. College funding, if any, to these organizations must be budgeted and a check request used to provide funds to the student organization. The student organization can provide its banking information to facilitate an ACH (automated clearing house) payment versus a paper check. KCTCS will not provide support for conferences, competitions, and other activities other than through the budget process.

E. Each organization must obtain its own Tax Identification Number (TIN) and Kentucky Sales Tax Exemption certificate. The KCTCS TIN and sales tax exemption cannot be used by the student organization.

Note: Kentucky Revised Statue (KRS) 139.495 speaks to application of sales tax for nonprofit organizations. The Kentucky Department of Revenue should be contacted as to whether the student organization qualifies for a sales tax exemption per Form 51A125 Purchase Exemption Certificate. The telephone number of the Kentucky Department of Revenue Division of Sales and Use Tax is 502-564-5170.

F. Students who travel on organization related activities must provide KCTCS with a letter or statement of liability waiver.

G. Organizations using the facilities or equipment of KCTCS must comply with KCTCS Business Procedures 2.4 Use of Facilities by Outside Agencies and 2.5 Off Site Use of Equipment by Employees and Administrative Policy 3.3.16 Kentucky Community and Technical College System Policy and Procedural Guidelines for Management and Use of Facilities, and college procedures or practices.

Section 7.11.3 – Unaffiliated and Non-Recognized Student Organizations

A. The student organization must establish and maintain a separate bank account. The account should clearly reflect the fact that the funds are for the use of the club or organization and not the college. There must be two signatures of officers of the organization on each check. The college advisor assigned to the organization cannot have signature authority on this bank account.

B. Funding sources for unaffiliated and non-recognized student organizations include dues, donations and/or student fundraising activities.

C. All donations must comply with Business Procedure 3.14 Gifts and with the procedures of both the college institutional advancement office and the KCTCS Office of Institutional Advancement.

D. KCTCS does not provide any funding for non-recognized organizations.

E. Each organization must obtain its own Tax Identification Number (TIN) and Kentucky Sales Tax Exemption certificate. The KCTCS TIN and sales tax exemption cannot be used by the student organization.

Note: Kentucky Revised Statue (KRS) 139.495 speaks to application of sales tax for nonprofit organizations. The Kentucky Department of Revenue should be contacted as to whether the student organization qualifies for a sales tax exemption per Form 51A125 Purchase Exemption

Certificate. The telephone number of the Kentucky Department of Revenue Division of Sales and Use Tax is 502-564-5170.

F. Students who travel on organization related activities must provide KCTCS with a letter or statement of liability waiver.

G. Organizations using the facilities or equipment of KCTCS must comply with KCTCS Business Procedures 2.4 Use of Facilities by Outside Agencies and 2.5 Off Site Use of Equipment by Employees and Administrative Policy 3.3.16 Kentucky Community and Technical College System Policy and Procedural Guidelines for Management and Use of Facilities, and college procedures or practices.

Section 7.11.4 – Guidelines for Managing Financial Activities (All Student Organizations)

The following guidelines, which are consistent with Generally Accepted Accounting Principles (GAAP), are applicable for both affiliated and unaffiliated student organizations.

A. Pre-numbered receipt books should be used to record all money collected. Receipts should equal deposits made. (Exceptions can be allowed for bake sales, car washes, etc.)

B. Dues deposited should equal dues paid by members listed on the membership list. A separate list should be maintained for all nonpaying or delinquent members.

C. All checks written must have a matching invoice or receipt. The check number and date paid should be written on each.

D. All expenditures must have prior approval by the club or organization and be noted in the minutes.

E. Bank statements must be reconciled monthly and documentation maintained.

F. A year-end financial report should be prepared and presented to the club or organization.

Section 7.11.5– Financial Reporting (All Student Organizations)

A. Each affiliated and unaffiliated student organization must provide an annual report of the financial activities of the organization to the college chief student affairs officer by not later than October 1st for the preceding year fiscal year ending June 30th. The college office of student affairs must in turn file a summary report to the KCTCS System Office of Business Services for all its student organizations by October 15th.

The report shall include the following information:

1. Name, account number, and address of bank.
2. Names of individuals with signature authority -- KCTCS employees having signature authority must be noted as employees.
3. Balance on hand at the beginning of the year.
4. Receipts by source.
5. Expenses by source.
6. Balance on hand at the end of the year.

B. A listing by amount, source, and depository or location of any other assets or liabilities of the organization.

C. See attached form for details.

Section 7.11.6 – Organizations created for Scholarships and Loans

Funds raised for scholarships or loans must be on deposit with KCTCS or one of its recognized college foundations. Please contact the college's office of institutional advancement for assistance in establishing student scholarship or a student loan account. Note: scholarship and loan accounts, if housed within KCTCS, must me coded correctly within KCTCS' chart of accounts, funds 11 and/or 40.

Section 7.11.7 – Compliance

Failure to comply with this procedure may result in possible sanctions being imposed on the organization.

Section 7.11.8 – Reporting Form

Student Organization Financial Report

College Name _____

As of Fiscal Year Ending June 30, _____

Organization Name	Employer Identification Number (EIN) *	Recognized (Affiliated/Unaffiliated) or Non-recognized	Funding Source	Cash Balance

NOTE: * If an employer identification number does not exist, please submit documentation of an application to obtain an EIN.

END OF PROCEDURE