A. PURPOSE AND SCOPE

1. To outline administrative procedures governing the action of student body governing boards in dividing student body funds to aid a new school, dividing student body funds of schools that are being closed, providing a scale for ASB gifts to a new school, negotiating loans between ASB governing boards of two schools (secondary schools only), and crediting subsidies of district funds to a principal or to an associated student body (secondary schools only).

2. Related Procedures:
   Administration of student body funds ........................................ 2225
   Student body budget ............................................................... 2227

B. LEGAL AND POLICY BASIS

1. Reference: Board policy: D-4019, D-5000; Education Code Section 48936.

C. GENERAL

1. Originating Office. Suggestions or questions concerning this procedure should be directed to the Institute for Learning.

2. Student body funds subject to division include all funds unexpended and/or unencumbered at the end of a school year, including invested portions of the general fund, but excluding earmarked scholarship or trust funds that are not for the benefit of the entire student body.

3. Student body membership of a school includes all enrolled students. A student is a member from, and including, date of completed enrollment to date of transfer, drop, graduation, or other completion. Total membership shall be the approved enrollment as of the preceding October report.

4. Division of Funds

   a. A student body governing board that anticipates the need to act under this procedure is encouraged to make a division of funds prior to, or concurrently with, the transfer of students, or as soon thereafter as possible.
b. **General funds** accumulated by a student body are the property of, and shall be used for, the benefit of all members.

c. **When a new school is opened**, the sum apportioned to the departing segment of a student body shall not exceed that segment's prorated share of the student body's general fund, computed as follows:

\[
\text{Total general fund} \times \frac{\text{No. departing students}}{\text{total membership ASB}} = \text{Prorated Amount}
\]

d. **When a school is closed** and all the student body is transferred to one school, entire balance of the general fund at time of closing shall be transferred to the students' new school. If a student body is transferred to more than one school, the general fund shall be divided among new schools as outlined in C.4.c.

5. **Gifts.** Financial gifts may be given by student bodies of established schools to students of a new school in order to assist in establishing a student body organization with a sound financial structure. Principals may recommend to their student body governing boards that gifts be made to student bodies of new schools on the following basis:

a. **Schools contribute** only at their own level: i.e., elementary to elementary, junior high to junior high, and senior high schools to senior high schools.

b. **A standard gift** may be considered to be $25 for a small school (Class I) and $50 for a larger school; however, the student body governing board of a large school may make gifts of up to 5 cents per member of its student body.

c. **A school** that has participated in a division of its general student body fund will not be expected to make a gift to the school that has been a recipient of such funds.

6. **Loans** (secondary schools only). Temporary loans may be secured from established schools to provide operating funds for administration of an ASB program in new schools. Interschool ASB loans shall be renewed annually until repaid in full.

7. **Subsidies** (secondary schools only). Subsidies are granted to assist an associated student body to secure basic equipment, supplies, and services needed to establish and maintain a desirable cocurricular program. Expenditure of such funds is governed by law and district regulations.
D. IMPLEMENTATION

E. FORMS AND AUXILIARY REFERENCES

F. REPORTS AND RECORDS

G. APPROVED BY

[Signature]
Chief of Staff, Terrance L. Smith
For the Superintendent of Public Education