

By: Representatives Bennett, Paden, Foster,
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To: Education

HOUSE BILL NO. 888

1 AN ACT TO AMEND SECTION 37-7-301, MISSISSIPPI CODE OF 1972,
2 TO CLARIFY THE USE AND ACCOUNTING PRACTICES RELATING TO STUDENT
3 CLUB FUNDS; TO SPECIFY THE ROLE OF THE LOCAL SCHOOL BOARD IN
4 DESIGNATING AN OFFICER OR EMPLOYEE OF THE SCHOOL DISTRICT TO
5 RECEIVE DEPOSIT OF FUNDS RECEIVED FROM THE OPERATIONS, CONDUCT OR
6 MAINTENANCE OF STUDENT CLUBS; TO SPECIFY THE MINIMUM RULES AND
7 REGULATIONS TO BE ADOPTED BY LOCAL SCHOOL BOARDS FOR THE
8 MANAGEMENT AND GOVERNANCE OF STUDENT CLUB FUNDS; AND FOR RELATED
9 PURPOSES.

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

11 **SECTION 1.** Section 37-7-301, Mississippi Code of 1972, is
12 amended as follows:

13 37-7-301. The school boards of all school districts shall
14 have the following powers, authority and duties in addition to all
15 others imposed or granted by law, to wit:

16 (a) To organize and operate the schools of the district
17 and to make such division between the high school grades and
18 elementary grades as, in their judgment, will serve the best
19 interests of the school;



20 (b) To introduce public school music, art, manual
21 training and other special subjects into either the elementary or
22 high school grades, as the board shall deem proper;

23 (c) To be the custodians of real and personal school
24 property and to manage, control and care for same, both during the
25 school term and during vacation;

26 (d) To have responsibility for the erection, repairing
27 and equipping of school facilities and the making of necessary
28 school improvements;

29 (e) To suspend or to expel a pupil or to change the
30 placement of a pupil to the school district's alternative school
31 or homebound program for misconduct in the school or on school
32 property, as defined in Section 37-11-29, on the road to and from
33 school, or at any school-related activity or event, or for conduct
34 occurring on property other than school property or other than at
35 a school-related activity or event when such conduct by a pupil,
36 in the determination of the school superintendent or principal,
37 renders that pupil's presence in the classroom a disruption to the
38 educational environment of the school or a detriment to the best
39 interest and welfare of the pupils and teacher of such class as a
40 whole, and to delegate such authority to the appropriate officials
41 of the school district;

42 (f) To visit schools in the district, in their
43 discretion, in a body for the purpose of determining what can be
44 done for the improvement of the school in a general way;



45 (g) To support, within reasonable limits, the
46 superintendent, principal and teachers where necessary for the
47 proper discipline of the school;

48 (h) To exclude from the schools students with what
49 appears to be infectious or contagious diseases; provided,
50 however, such student may be allowed to return to school upon
51 presenting a certificate from a public health officer, duly
52 licensed physician or nurse practitioner that the student is free
53 from such disease;

54 (i) To require those vaccinations specified by the
55 State Health Officer as provided in Section 41-23-37;

56 (j) To see that all necessary utilities and services
57 are provided in the schools at all times when same are needed;

58 (k) To authorize the use of the school buildings and
59 grounds for the holding of public meetings and gatherings of the
60 people under such regulations as may be prescribed by said board;

61 (l) To prescribe and enforce rules and regulations not
62 inconsistent with law or with the regulations of the State Board
63 of Education for their own government and for the government of
64 the schools, and to transact their business at regular and special
65 meetings called and held in the manner provided by law;

66 (m) To maintain and operate all of the schools under
67 their control for such length of time during the year as may be
68 required;



69 (n) To enforce in the schools the courses of study and
70 the use of the textbooks prescribed by the proper authorities;

71 (o) To make orders directed to the superintendent of
72 schools for the issuance of pay certificates for lawful purposes
73 on any available funds of the district and to have full control of
74 the receipt, distribution, allotment and disbursement of all funds
75 provided for the support and operation of the schools of such
76 school district whether such funds be derived from state
77 appropriations, local ad valorem tax collections, or otherwise.
78 The local school board shall be authorized and empowered to
79 promulgate rules and regulations that specify the types of claims
80 and set limits of the dollar amount for payment of claims by the
81 superintendent of schools to be ratified by the board at the next
82 regularly scheduled meeting after payment has been made;

83 (p) To select all school district personnel in the
84 manner provided by law, and to provide for such employee fringe
85 benefit programs, including accident reimbursement plans, as may
86 be deemed necessary and appropriate by the board;

87 (q) To provide athletic programs and other school
88 activities and to regulate the establishment and operation of such
89 programs and activities;

90 (r) To join, in their discretion, any association of
91 school boards and other public school-related organizations, and
92 to pay from local funds other than minimum foundation funds, any
93 membership dues;



94 (s) To expend local school activity funds, or other
95 available school district funds, other than minimum education
96 program funds, for the purposes prescribed under this paragraph.
97 "Activity funds" shall mean all funds received by school officials
98 in all school districts paid or collected to participate in any
99 school activity, such activity being part of the school program
100 and partially financed with public funds or supplemented by public
101 funds. The term "activity funds" shall not include any funds
102 raised and/or expended by any organization unless commingled in a
103 bank account with existing activity funds, regardless of whether
104 the funds were raised by school employees or received by school
105 employees during school hours or using school facilities, and
106 regardless of whether a school employee exercises influence over
107 the expenditure or disposition of such funds. Organizations shall
108 not be required to make any payment to any school for the use of
109 any school facility if, in the discretion of the local school
110 governing board, the organization's function shall be deemed to be
111 beneficial to the official or extracurricular programs of the
112 school. For the purposes of this provision, the term
113 "organization" shall not include any organization subject to the
114 control of the local school governing board. Activity funds may
115 only be expended for any necessary expenses or travel costs,
116 including advances, incurred by students and their chaperons in
117 attending any in-state or out-of-state school-related programs,
118 conventions or seminars and/or any commodities, equipment, travel



119 expenses, purchased services or school supplies which the local
120 school governing board, in its discretion, shall deem beneficial
121 to the official or extracurricular programs of the district,
122 including items which may subsequently become the personal
123 property of individuals, including yearbooks, athletic apparel,
124 book covers and trophies. Activity funds may be used to pay
125 travel expenses of school district personnel. The local school
126 governing board shall be authorized and empowered to promulgate
127 rules and regulations specifically designating for what purposes
128 school activity funds may be expended. The local school governing
129 board shall provide (i) that such school activity funds shall be
130 maintained and expended by the principal of the school generating
131 the funds in individual bank accounts, or (ii) that such school
132 activity funds shall be maintained and expended by the
133 superintendent of schools in a central depository approved by the
134 board. The local school governing board shall provide that such
135 school activity funds be audited as part of the annual audit
136 required in Section 37-9-18. The State Department of Education
137 shall prescribe a uniform system of accounting and financial
138 reporting for all school activity fund transactions;

139 (t) To enter into an energy performance contract,
140 energy services contract, on a shared_savings, lease or
141 lease-purchase basis, for energy efficiency services and/or
142 equipment as provided for in Section 31-7-14;



143 (u) To maintain accounts and issue pay certificates on
144 school food service bank accounts;

145 (v) (i) To lease a school building from an individual,
146 partnership, nonprofit corporation or a private for-profit
147 corporation for the use of such school district, and to expend
148 funds therefor as may be available from any * * * program sources,
149 except adequate education program funds. The school board of the
150 school district desiring to lease a school building shall declare
151 by resolution that a need exists for a school building and that
152 the school district cannot provide the necessary funds to pay the
153 cost or its proportionate share of the cost of a school building
154 required to meet the present needs. The resolution so adopted by
155 the school board shall be published once each week for three (3)
156 consecutive weeks in a newspaper having a general circulation in
157 the school district involved, with the first publication thereof
158 to be made not less than thirty (30) days prior to the date upon
159 which the school board is to act on the question of leasing a
160 school building. If no petition requesting an election is filed
161 prior to such meeting as hereinafter provided, then the school
162 board may, by resolution spread upon its minutes, proceed to lease
163 a school building. If at any time prior to said meeting a
164 petition signed by not less than twenty percent (20%) or fifteen
165 hundred (1500), whichever is less, of the qualified electors of
166 the school district involved shall be filed with the school board
167 requesting that an election be called on the question, then the



168 school board shall, not later than the next regular meeting, adopt
169 a resolution calling an election to be held within such school
170 district upon the question of authorizing the school board to
171 lease a school building. Such election shall be called and held,
172 and notice thereof shall be given, in the same manner for
173 elections upon the questions of the issuance of the bonds of
174 school districts, and the results thereof shall be certified to
175 the school board. If at least three-fifths (3/5) of the qualified
176 electors of the school district who voted in such election shall
177 vote in favor of the leasing of a school building, then the school
178 board shall proceed to lease a school building. The term of the
179 lease contract shall not exceed twenty (20) years, and the total
180 cost of such lease shall be either the amount of the lowest and
181 best bid accepted by the school board after advertisement for bids
182 or an amount not to exceed the current fair market value of the
183 lease as determined by the averaging of at least two (2)
184 appraisals by certified general appraisers licensed by the State
185 of Mississippi. The term "school building" as used in this
186 paragraph (v) (i) shall be construed to mean any building or
187 buildings used for classroom purposes in connection with the
188 operation of schools and shall include the site therefor,
189 necessary support facilities, and the equipment thereof and
190 appurtenances thereto such as heating facilities, water supply,
191 sewage disposal, landscaping, walks, drives and playgrounds. The



192 term "lease" as used in this paragraph (v) (i) may include a
193 lease-purchase contract;

194 (ii) If two (2) or more school districts propose
195 to enter into a lease contract jointly, then joint meetings of the
196 school boards having control may be held but no action taken shall
197 be binding on any such school district unless the question of
198 leasing a school building is approved in each participating school
199 district under the procedure hereinabove set forth in paragraph
200 (v) (i). All of the provisions of paragraph (v) (i) regarding the
201 term and amount of the lease contract shall apply to the school
202 boards of school districts acting jointly. Any lease contract
203 executed by two (2) or more school districts as joint lessees
204 shall set out the amount of the aggregate lease rental to be paid
205 by each, which may be agreed upon, but there shall be no right of
206 occupancy by any lessee unless the aggregate rental is paid as
207 stipulated in the lease contract. All rights of joint lessees
208 under the lease contract shall be in proportion to the amount of
209 lease rental paid by each;

210 (w) To employ all noninstructional and * * *
211 nonlicensed employees and fix the duties and compensation of such
212 personnel deemed necessary pursuant to the recommendation of the
213 superintendent of schools;

214 (x) To employ and fix the duties and compensation of
215 such legal counsel as deemed necessary;



216 (y) Subject to rules and regulations of the State Board
217 of Education, to purchase, own and operate trucks, vans and other
218 motor vehicles, which shall bear the proper identification
219 required by law;

220 (z) To expend funds for the payment of substitute
221 teachers and to adopt reasonable regulations for the employment
222 and compensation of such substitute teachers;

223 (aa) To acquire in its own name by purchase all real
224 property which shall be necessary and desirable in connection with
225 the construction, renovation or improvement of any public school
226 building or structure. Whenever the purchase price for such real
227 property is greater than Fifty Thousand Dollars (\$50,000.00), the
228 school board shall not purchase the property for an amount
229 exceeding the fair market value of such property as determined by
230 the average of at least two (2) independent appraisals by
231 certified general appraisers licensed by the State of Mississippi.
232 If the board shall be unable to agree with the owner of any such
233 real property in connection with any such project, the board shall
234 have the power and authority to acquire any such real property by
235 condemnation proceedings pursuant to Section 11-27-1 et seq.,
236 Mississippi Code of 1972, and for such purpose, the right of
237 eminent domain is hereby conferred upon and vested in said board.
238 Provided further, that the local school board is authorized to
239 grant an easement for ingress and egress over sixteenth section
240 land or lieu land in exchange for a similar easement upon



241 adjoining land where the exchange of easements affords substantial
242 benefit to the sixteenth section land; provided, however, the
243 exchange must be based upon values as determined by a competent
244 appraiser, with any differential in value to be adjusted by cash
245 payment. Any easement rights granted over sixteenth section land
246 under such authority shall terminate when the easement ceases to
247 be used for its stated purpose. No sixteenth section or lieu land
248 which is subject to an existing lease shall be burdened by any
249 such easement except by consent of the lessee or unless the school
250 district shall acquire the unexpired leasehold interest affected
251 by the easement;

252 (bb) To charge reasonable fees related to the
253 educational programs of the district, in the manner prescribed in
254 Section 37-7-335;

255 (cc) Subject to rules and regulations of the State
256 Board of Education, to purchase relocatable classrooms for the use
257 of such school district, in the manner prescribed in Section
258 37-1-13;

259 (dd) Enter into contracts or agreements with other
260 school districts, political subdivisions or governmental entities
261 to carry out one or more of the powers or duties of the school
262 board, or to allow more efficient utilization of limited resources
263 for providing services to the public;

264 (ee) To provide for in-service training for employees
265 of the district;



266 (ff) As part of their duties to prescribe the use of
267 textbooks, to provide that parents and legal guardians shall be
268 responsible for the textbooks and for the compensation to the
269 school district for any books which are not returned to the proper
270 schools upon the withdrawal of their dependent child. If a
271 textbook is lost or not returned by any student who drops out of
272 the public school district, the parent or legal guardian shall
273 also compensate the school district for the fair market value of
274 the textbooks;

275 (gg) To conduct fund-raising activities on behalf of
276 the school district that the local school board, in its
277 discretion, deems appropriate or beneficial to the official or
278 extracurricular programs of the district; provided that:

279 (i) Any proceeds of the fund-raising activities
280 shall be treated as "activity funds" and shall be accounted for as
281 are other activity funds under this section; and

282 (ii) Fund-raising activities conducted or
283 authorized by the board for the sale of school pictures, the
284 rental of caps and gowns or the sale of graduation invitations for
285 which the school board receives a commission, rebate or fee shall
286 contain a disclosure statement advising that a portion of the
287 proceeds of the sales or rentals shall be contributed to the
288 student activity fund;

289 (hh) To allow individual lessons for music, art and
290 other curriculum-related activities for academic credit or



291 nonacademic credit during school hours and using school equipment
292 and facilities, subject to uniform rules and regulations adopted
293 by the school board;

294 (ii) To charge reasonable fees for participating in an
295 extracurricular activity for academic or nonacademic credit for
296 necessary and required equipment such as safety equipment, band
297 instruments and uniforms;

298 (jj) To conduct or participate in any fund-raising
299 activities on behalf of or in connection with a tax-exempt
300 charitable organization;

301 (kk) To exercise such powers as may be reasonably
302 necessary to carry out the provisions of this section;

303 (ll) To expend funds for the services of nonprofit arts
304 organizations or other such nonprofit organizations who provide
305 performances or other services for the students of the school
306 district;

307 (mm) To expend federal * * * Every Student Succeeds Act
308 (ESSA) funds, or any other available funds that are expressly
309 designated and authorized for that use, to pay training,
310 educational expenses, salary incentives and salary supplements to
311 employees of local school districts; except that incentives shall
312 not be considered part of the local supplement as defined in
313 Section 37-151-5(o), nor shall incentives be considered part of
314 the local supplement paid to an individual teacher for the
315 purposes of Section 37-19-7(1). Mississippi Adequate Education



316 Program funds or any other state funds may not be used for salary
317 incentives or salary supplements as provided in this paragraph
318 (mm) ;

319 (nn) To use any available funds, not appropriated or
320 designated for any other purpose, for reimbursement to the
321 state-licensed employees from both in state and out of state, who
322 enter into a contract for employment in a school district, for the
323 expense of moving when the employment necessitates the relocation
324 of the licensed employee to a different geographical area than
325 that in which the licensed employee resides before entering into
326 the contract. The reimbursement shall not exceed One Thousand
327 Dollars (\$1,000.00) for the documented actual expenses incurred in
328 the course of relocating, including the expense of any
329 professional moving company or persons employed to assist with the
330 move, rented moving vehicles or equipment, mileage in the amount
331 authorized for county and municipal employees under Section
332 25-3-41 if the licensed employee used his personal vehicle or
333 vehicles for the move, meals and such other expenses associated
334 with the relocation. No licensed employee may be reimbursed for
335 moving expenses under this section on more than one (1) occasion
336 by the same school district. Nothing in this section shall be
337 construed to require the actual residence to which the licensed
338 employee relocates to be within the boundaries of the school
339 district that has executed a contract for employment in order for
340 the licensed employee to be eligible for reimbursement for the



341 moving expenses. However, the licensed employee must relocate
342 within the boundaries of the State of Mississippi. Any individual
343 receiving relocation assistance through the Critical Teacher
344 Shortage Act as provided in Section 37-159-5 shall not be eligible
345 to receive additional relocation funds as authorized in this
346 paragraph;

347 (oo) To use any available funds, not appropriated or
348 designated for any other purpose, to reimburse persons who
349 interview for employment as a licensed employee with the district
350 for the mileage and other actual expenses incurred in the course
351 of travel to and from the interview at the rate authorized for
352 county and municipal employees under Section 25-3-41;

353 (pp) Consistent with the report of the Task Force to
354 Conduct a Best Financial Management Practices Review, to improve
355 school district management and use of resources and identify cost
356 savings as established in Section 8 of Chapter 610, Laws of 2002,
357 local school boards are encouraged to conduct independent reviews
358 of the management and efficiency of schools and school districts.
359 Such management and efficiency reviews shall provide state and
360 local officials and the public with the following:

361 (i) An assessment of a school district's
362 governance and organizational structure;

363 (ii) An assessment of the school district's
364 financial and personnel management;

365 (iii) An assessment of revenue levels and sources;



366 (iv) An assessment of facilities utilization,
367 planning and maintenance;

368 (v) An assessment of food services, transportation
369 and safety/security systems;

370 (vi) An assessment of instructional and
371 administrative technology;

372 (vii) A review of the instructional management and
373 the efficiency and effectiveness of existing instructional
374 programs; and

375 (viii) Recommended methods for increasing
376 efficiency and effectiveness in providing educational services to
377 the public;

378 (qq) To enter into agreements with other local school
379 boards for the establishment of an educational service agency
380 (ESA) to provide for the cooperative needs of the region in which
381 the school district is located, as provided in Section 37-7-345;

382 (rr) To implement a financial literacy program for
383 students in Grades 10 and 11. The board may review the national
384 programs and obtain free literature from various nationally
385 recognized programs. After review of the different programs, the
386 board may certify a program that is most appropriate for the
387 school districts' needs. If a district implements a financial
388 literacy program, then any student in Grade 10 or 11 may
389 participate in the program. The financial literacy program shall
390 include, but is not limited to, instruction in the same areas of



391 personal business and finance as required under Section
392 37-1-3(2) (b). The school board may coordinate with volunteer
393 teachers from local community organizations, including, but not
394 limited to, the following: United States Department of
395 Agriculture Rural Development, United States Department of Housing
396 and Urban Development, Junior Achievement, bankers and other
397 nonprofit organizations. Nothing in this paragraph shall be
398 construed as to require school boards to implement a financial
399 literacy program;

400 (ss) To collaborate with the State Board of Education,
401 Community Action Agencies or the Department of Human Services to
402 develop and implement a voluntary program to provide services for
403 a prekindergarten program that addresses the cognitive, social,
404 and emotional needs of four-year-old and three-year-old children.
405 The school board may utilize any source of available revenue to
406 fund the voluntary program. Effective with the 2013-2014 school
407 year, to implement voluntary prekindergarten programs under the
408 Early Learning Collaborative Act of 2013 pursuant to state funds
409 awarded by the State Department of Education on a matching basis;

410 (tt) With respect to any lawful, written obligation of
411 a school district, including, but not limited to, leases
412 (excluding leases of sixteenth section public school trust land),
413 bonds, notes, or other agreement, to agree in writing with the
414 obligee that the Department of Revenue or any state agency,
415 department or commission created under state law may:



416 (i) Withhold all or any part (as agreed by the
417 school board) of any monies which such local school board is
418 entitled to receive from time to time under any law and which is
419 in the possession of the Department of Revenue, or any state
420 agency, department or commission created under state law; and

421 (ii) Pay the same over to any financial
422 institution, trustee or other obligee, as directed in writing by
423 the school board, to satisfy all or part of such obligation of the
424 school district.

425 The school board may make such written agreement to withhold
426 and transfer funds irrevocable for the term of the written
427 obligation and may include in the written agreement any other
428 terms and provisions acceptable to the school board. If the
429 school board files a copy of such written agreement with the
430 Department of Revenue, or any state agency, department or
431 commission created under state law then the Department of Revenue
432 or any state agency, department or commission created under state
433 law shall immediately make the withholdings provided in such
434 agreement from the amounts due the local school board and shall
435 continue to pay the same over to such financial institution,
436 trustee or obligee for the term of the agreement.

437 This paragraph (tt) shall not grant any extra authority to a
438 school board to issue debt in any amount exceeding statutory
439 limitations on assessed value of taxable property within such
440 school district or the statutory limitations on debt maturities,



441 and shall not grant any extra authority to impose, levy or collect
442 a tax which is not otherwise expressly provided for, and shall not
443 be construed to apply to sixteenth section public school trust
444 land;

445 (uu) With respect to any matter or transaction that is
446 competitively bid by a school district, to accept from any bidder
447 as a good-faith deposit or bid bond or bid surety, the same type
448 of good-faith deposit or bid bond or bid surety that may be
449 accepted by the state or any other political subdivision on
450 similar competitively bid matters or transactions. This paragraph
451 (uu) shall not be construed to apply to sixteenth section public
452 school trust land. The school board may authorize the investment
453 of any school district funds in the same kind and manner of
454 investments, including pooled investments, as any other political
455 subdivision, including community hospitals;

456 (vv) To utilize the alternate method for the conveyance
457 or exchange of unused school buildings and/or land, reserving a
458 partial or other undivided interest in the property, as
459 specifically authorized and provided in Section 37-7-485;

460 (ww) To delegate, privatize or otherwise enter into a
461 contract with private entities for the operation of any and all
462 functions of nonacademic school process, procedures and operations
463 including, but not limited to, cafeteria workers, janitorial
464 services, transportation, professional development, achievement
465 and instructional consulting services materials and products,



466 purchasing cooperatives, insurance, business manager services,
467 auditing and accounting services, school safety/risk prevention,
468 data processing and student records, and other staff services;
469 however, the authority under this paragraph does not apply to the
470 leasing, management or operation of sixteenth section lands.

471 Local school districts, working through their regional education
472 service agency, are encouraged to enter into buying consortia with
473 other member districts for the purposes of more efficient use of
474 state resources as described in Section 37-7-345;

475 (xx) To partner with entities, organizations and
476 corporations for the purpose of benefiting the school district;

477 (yy) To borrow funds from the Rural Economic
478 Development Authority for the maintenance of school buildings;

479 (zz) To fund and operate voluntary early childhood
480 education programs, defined as programs for children less than
481 five (5) years of age on or before September 1, and to use any
482 source of revenue for such early childhood education programs.

483 Such programs shall not conflict with the Early Learning
484 Collaborative Act of 2013;

485 (aaa) To issue and provide for the use of procurement
486 cards by school board members, superintendents and licensed school
487 personnel consistent with the rules and regulations of the
488 Mississippi Department of Finance and Administration under Section
489 31-7-9; * * *



490 (bbb) To conduct an annual comprehensive evaluation of
491 the superintendent of schools consistent with the assessment
492 components of paragraph (pp) of this section and the assessment
493 benchmarks established by the Mississippi School Board Association
494 to evaluate the success the superintendent has attained in meeting
495 district goals and objectives, the superintendent's leadership
496 skill and whether or not the superintendent has established
497 appropriate standards for performance, is monitoring success and
498 is using data for improvement * * *; and

499 (ccc) To expend local school student club funds, or
500 other available school district funds, other than minimum
501 education program funds, for the purposes prescribed under this
502 paragraph. "Student club funds" means student generated funds
503 raised by means other than taxation or through charges of a board
504 of education, for, by or in the name of a school, student body or
505 any subdivision thereof. The term "student club funds" shall not
506 include any funds characterized as "activity funds" as defined in
507 paragraph (s) of this section, or used in for any purposes
508 associated therewith. The local school board shall adopt rules
509 and regulations for the establishment, conduct, operation and
510 maintenance of student club funds, and for the safeguarding,
511 accounting and audit of all funds received, provided that at
512 minimum the rules and regulations require:

513 (i) The method to be followed in establishing a
514 student club organization;



515 (ii) The records of receipts and expenditures to
516 be maintained and the reports to be made at least quarterly to the
517 local school board;

518 (iii) That authority to expend funds shall be
519 distinct and separate from the custody of those funds, and limited
520 only to use by the student club organization for which the account
521 was funded and created, and for purposes of necessary expenses
522 directly associated with furthering the aim and mission of such
523 organization;

524 (iv) That an independent and impartial audit of
525 the accounts shall be made at least annually in conjunction with
526 the annual audit of the district records as required in Section
527 37-9-18;

528 (v) The methods of disbursing the funds of
529 dissolved student club organizations; and

530 (vi) That the Generally Accepted Accounting
531 Principles (GAAP) are used for procedural guidance in its
532 accounting practices.

533 The local school board shall require all funds received from
534 the conduct, operation or maintenance of any student club to be
535 deposited with an official designated by the school board, who in
536 such event shall be the treasurer of such student club fund. The
537 school board may assign any of its officers or employees to
538 perform such duties as it may prescribe in connection with any
539 student club organization, and shall designate such of its



540 officers and employees, from whom an official undertaking shall be
541 required. The local school governing board shall provide that
542 such student club funds shall be maintained and expended by the
543 principal of the school of which the student club organization is
544 affiliated in a district bank account approved by the board, which
545 shall be accounted for separately for each student club
546 organization making deposits into the account through the use of
547 unique accounting codes or identifiers. The State Department of
548 Education shall prescribe a uniform system of accounting and
549 financial reporting for all student club fund transactions.

550 **SECTION 2.** This act shall take effect and be in force from
551 and after July 1, 2020.

