



OFFICE OF AUDITOR OF STATE  
STATE OF IOWA

State Capitol Building  
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834 Facsimile (515) 281-6518

Rob Sand  
Auditor of State

**STATE AUDITOR ROB SAND ISSUES ADVISORY ON STUDENT ACTIVITY FUNDS**

FOR IMMEDIATE RELEASE

State Auditor Rob Sand today urged community school districts (CSDs) and employees to put their attention on the collection, handling, and disbursement of student activity funds. These funds are collected through student-related activities such as admissions, fundraising events, or other co-curricular or extracurricular activities.

“We are issuing this advisory because we have seen a substantial amount of misuse of student activity funds, as well as a general misunderstanding of how these funds should be collected and disbursed in accordance with Iowa law,” said Auditor of State Rob Sand. “This serves to remind school district boards of directors, faculty, and staff that student activity funds are public funds, are the property of the school district, and must be used to benefit the public.”

Student activity funds are governed by Iowa Administrative Code, chapters 281 and 282. In addition, the Iowa Department of Education (DOE) updated its guidance on student activity funds in a [Student Activity Fund Handbook of Frequently Asked Questions](#) released on March 21, 2022. The DOE guidance was reviewed by the Auditor of State Office and the Iowa Attorney General’s Office.

In the last decade, the Iowa Auditor of State Office has conducted special investigations on the use of student activity funds in 15 CSDs. The special investigations identified \$268,539.16 of student activity funds that were not deposited, or were improperly deposited, collected, or disbursed. The special investigations also identified improper use of CSD property, and in some instances, the organizations supported by student activity funds were not affiliated with the CSD (Table 1).

**Table 1**

**Misused Student Activity Funds**

Improper Disbursements	\$ 65,041.74
Unsupported Disbursements	22,470.83
Undeposited Collections	68,649.95
Estimated Undeposited Collections	2,831.00
Uncollected Facility Usage Fees	50,400.00
Improper Deposits	48,541.78
Improperly Handled	496.00
Other Losses	10,107.86

**Total Misused Funds**

**\$ 268,539.16**

The investigations also identified bank accounts held outside of the CSD which were administered by employees for student activities such as wrestling, basketball, and other sports. In some instances, the account was operated as a separate entity to provide camps not associated with the CSD. The CSD should ensure it has policies and procedures in place which protect the CSD from any liability if the CSD allows these organizations to use CSD facilities. The policies should also include fee schedules for the use of CSD facilities and equipment if deemed appropriate by the Board.

The Auditor of State Office recommends CSD boards of directors review the DOE guidance with their faculty and staff on an annual basis. The Auditor of State Office is also sharing the guidance with the associations and agencies that represent or routinely advise school boards and educators in Iowa.