

AN ABSTRACT OF THE THESIS OF

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Title A Study of the Financial Methods of Extra-Curricular
Activities in the Secondary Schools of Oregon

Abstract Approved: 

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The study is based on a survey of two hundred and eighteen secondary schools in the state of Oregon. These two hundred and eighteen schools were divided into division A schools consisting of one hundred and thirty-five schools with an enrollment of one hundred or less and division B schools consisting of eighty-three schools with an enrollment of one hundred and one or more.

The study is limited to the financial organization of the extra-curricular field in the secondary schools of Oregon, and deals with the following divisions of the program: (1) plan or organization; (2) budget; (3) income; (4) expenditure; and (5) accounting.

In the organization of the extra-curricular program in the Oregon secondary schools the data show that the schools need to reorganize their systems in many cases. Finances for conducting the activities are not centralized; many of the activities have bank accounts separate from the accounts of the student body treasurer; and the student body treasurer in the majority of cases is a student whose accounts are not properly audited. Financial statements are not made at regular periods to the principal, and adequate records are not kept of activity trans-

actions.

The practice of budget making is not in use in a majority of the secondary schools of Oregon. A small number of schools have provisions for a budget which includes all the activities in the school, and other schools provide for a budget in a few activities. Approval of budgets is not necessary in many schools and activities frequently exceed their budgets.

In raising money for the support of the extra-curricular program, the majority of the schools use an activity ticket, but many still resort to ticket selling contests. The Oregon schools need to reorganize the management of ticket sales and provide an adequate system of handling tickets, and checking ticket sales and receipts. In many schools students manage ticket sales and no method of checking is used.

In making expenditures many of the schools do not use requisition blanks or require approval from the principal before making expenditures. Many of the schools have a provision that approval is unnecessary under certain amounts. A large number of schools use cash in paying their bills and many of those using checks do not require the signature of the principal or a designated faculty member on their checks.

A large number of schools have adequate provisions for the disposal of money left at the end of the year. In some schools this money is still wasted on gifts, parties, and picnics.

The data show that uniform accounting systems are lacking in the majority of schools. Few schools have complete systems and a need for

reorganization is apparent.

From the study of the extra-curricular financial programs in Oregon the following recommendations are made:

1. All schools should adopt a centralized system of handling extra-curricular finances, with funds of all activities and organizations in the custody of a general treasurer.

2. The general treasurer should be a faculty member, and should make a financial statement to the principal, and each activity and organization in the school.

3. An audit of the books of the general treasurer should be made by a certified public accountant, but when a certified public accountant is not available a faculty committee should make the audit.

4. A budget for the year should be made to include all activities and organizations in the school. A competent committee consisting of students and faculty members should make the yearly budget subject to the approval of the principal.

5. Activities unable to support themselves should have provisions made for them in the budget and all activities and organizations should remain within their allotted budgets. When it is absolutely essential that an activity exceed its budget, it should receive the approval of a finance committee and the principal before funds are transferred to its account.

6. All extra-curricular programs should be financed through activity tickets and general admission tickets to the public. The activity ticket should admit the pupil to all activity programs of the school.

7. A method of checking ticket sales and receipts should be

adopted by every school. A faculty member should be manager of all ticket sales and should deposit all receipts with the general treasurer before any expenses incurred by the activity are paid.

8. All expenditures should be paid for by check. All checks should be signed by at least two members of the faculty.

9. All expenditures should be made by requisition and each requisition should be approved by the faculty adviser, general treasurer and the principal.

10. Funds left at the end of the year by each activity should be held over in a general fund and be available to the centralized organization for conducting the school program the following year.

11. A uniform system of accounting should be in use in every school, and the principles of sound business should be strictly adhered to in all transactions.

A STUDY OF THE FINANCIAL METHODS OF EXTRA-
CURRICULAR ACTIVITIES IN THE SECONDARY
SCHOOLS OF OREGON

by

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CHAPTER I
INTRODUCTION

The financial administration of the extra-curricular activities in secondary schools has been a problem which has confronted progressive school men since the beginnings of the program. In comparison with the complex problem of today, the financing of the program was formerly relatively simple. In the first programs undertaken by the schools, the activities were few, and the finances required for their support were small. Now the programs are extensive in scope, and the finances needed for their support amount to large sums of money.

As the modern extra-curricular program develops, school men are giving more time and attention to the financial phase of the program. This is necessitated, in part, by the expansion of programs and to the benefits derived by the pupils from the proper handling of the activities themselves. As all individuals are concerned with the earning, safekeeping, and spending of money, it is the function of extra-curricular financial organizations to teach the pupils business-like methods and actual practice for after school living.

The values of a sound financial program in extra-curricular activities, both to pupils and faculty members, pay large dividends for the time and effort expended in its proper organization and conduct. Every precaution should be taken to give the boys and girls in the schools the correct procedures of handling finances. Every pupil in the school does or will handle funds of his own. The actual experience gained in handling the finances of the extra-curricular activities should be the best business practice possible, and concern individual and organi-

zational procedures. Many of the pupils will enter positions of trust in the business world; and careless haphazard practices learned in connection with handling school money could be very easily transferred to vocational life. The correct and supervised training the pupil acquires and carries over into his after-school life will make his life happier and more prosperous, thereby benefitting society as a whole. It is the duty of every school administrator to demand that pupils practice and witness only the best methods of handling finances.

With the limited funds available to the school for all activities, great care must be exercised in the expenditure of funds. In most communities, when curtailment of school activities becomes necessary, the extra-curricular program receives the severest cuts. In order that these vital activities may be preserved and advanced, careful supervision and handling of the funds apportioned to the extra-curricular program are essential. The program can be kept intact and even expanded through the use of sound methods based on correct business practices. A thoroughly-considered and well-organized budget and a uniform method of accounting eliminates confusion, waste, and misapplication of funds. Through these means a surplus may be obtained, and existing activities may be developed further or new ones, added. Pupils concerned with administration of the activities and even those participating in them can be made to realize the cost of the program and will make effort to eliminate waste and make the greatest possible use of means available.

Purpose of the Study

The purpose of this study is to survey the actual conditions exist-

ing in the handling of extra-curricular finances in the secondary schools of Oregon. It is not the purpose of the writer to study any one school or type of school, but to treat the schools of the state as a group. By this study the writer hopes that any haphazard, unbusiness-like practices that may exist can be corrected, if called to the attention of the administrators in the field, and that recently graduated teachers charged with administering extra-curricular programs may receive suggestions which will aid them in successful conduct of extra-curricular programs.

Limitations of the Study

The study is limited to the financial organization of the extra-curricular field in the secondary schools of Oregon. Conditions existing in the various divisions of the financial organization are shown.

Statement of the Problem

The writer has assembled data on the following divisions of the extra-curricular finance programs found in the secondary schools of Oregon, (1) plan of organization; (2) budget; (3) income; (4) expenditure; and (5) accounting. The problem is to treat these data to show the actual conditions existing in the secondary schools of the state.

Selection of the Schools

In making a survey concerning the financial methods pertaining to the extra-curricular activities, the writer felt that the selection of one or two classes of schools would not give a representative study of

the actual conditions in the schools of the state. The selection of first-class districts only, might show a condition different from that which exists generally. In order that the study might be representative first class, second class, third class and union high schools in Oregon are included.

Questionnaire and Letter to the Schools

The survey was accomplished by means of a questionnaire and accompanying letter sent to every standardized high school in Oregon. A copy of the questionnaire and letter is included in appendix.

Number of Returns

A total of two hundred and seventy-two questionnaires and letters were sent out. Two hundred and eighteen were answered and returned. Thus the study covers 80.4 per cent of the high schools in the state of Oregon.

Completeness of the Data

The data as answered on the returned questionnaires were in a relatively complete and satisfactory form. A few isolated questions were not answered. There were not a sufficient number of incomplete questionnaires to affect seriously the considerations.

CHAPTER II
HISTORICAL STUDIES

Extra-curricular finances in the past were in a very serious condition. System and organization were entirely lacking. Administrators in the secondary schools were not concerned to any extent with extra-curricular activities or their financing. At least not enough concerned to work out a constructive organization for handling them.

Stamper says,

Stamper, A. W. "Financial Administration of Student Organizations",
Sch. R., 19: 25-32, Jan., 1911.

"The extra-curricular program first started with baseball on the physical side and the debating society on the intellectual side." From this very simple beginning, the extra-curricular program has developed into a complex structure, with many activities involving large sums of money.

When extra-curricular activity finances were called to the attention of the administrators, it was usually through the misconduct of a student, to the misfortune of the student and to the disgrace of the administrator. The literature on extra-curricular finances contains evidence on the serious conditions that existed in schools in regard to the careless handling of money. The finances were in the custody of students, who lacked the knowledge for the proper handling and use of money. Books and records for recording activity transactions were the exception and not the rule. The treasurers could not tell the financial

standing of their activities. Expenditures were made with funds lacking for payment, and waste and carelessness was the common practice.

Wilds says,

Wilds, E. H. Extra-Curricular Activities ; P. 188.

"The loosest business practices have generally characterized the handling of school funds in the past. Very often students have been allowed to handle funds, without supervision or restriction, whom their own fathers would not trust with any large sums of money."

Johnson makes this remark,

Johnson, R. W. The Administration and Supervision of the High School, pp., 159-60.

"The raising and disbursing of funds frequently results in waste through extravagance, carelessness, and even dishonesty. Cases are on record of misappropriation of funds by teachers."

Fretwell says,

Fretwell, E. R. Extra-Curricular Activities in Secondary Schools, P. 446.

"The school that provides a favorable situation for loose practices in handling money is little short of criminal. The crime is not so much that some pupils, teachers, or board members have an easy chance to be dishonest. It is rather that, as a result of the muddling along, pupils

come to think that public business should be handled in that way."

From the disorganized system prevailing in the schools, a better system developed which tended to overcome many of the serious abuses that these early practices contained. It had many disadvantages, but was an improvement over what had been found in the schools. This system is known under various names, such as the decentralized plan, and the individual adviser plan. The plan was decentralized, but had faculty supervision. Each activity had the custody of the funds in its organization, usually in the hands of a student with a faculty adviser. There were as many bank accounts as there were activities, some in prosperous circumstances and others barely able to exist. This system is still in existence today, even though it has many faults and a better system is available.

Terry says,

Terry, P. W. Extra-Curricular Activities, P. 333.

The individual adviser plan was followed in practically all schools until a few years ago and it is in vogue in many at the present time. Each organization has a treasurer or business manager to whom its funds are intrusted. Each decides for itself how much money shall be raised, how it shall be collected, cared for and spent. The only contribution made by administrative authorities of the school is the requirement - in some cases merely a tacit understanding - that the treasurer shall work under the supervision of the adviser.

In recent years the progressive schools have become less tolerant of the loose handling of money, and have adopted variations of the centralized plan or the general treasurer plan. In this general treasurer plan all funds are centralized in one fund. There are many varia-

tions of this plan, but the general scheme is the same in all of them. The funds are kept in one account for all activities under the supervision and custody of a central treasurer, who may be the principal, a faculty member or an employee for that purpose. This central treasurer keeps records for all of the funds, of all the activities in the school. He makes a monthly statement of all accounts to the school student body and the principal. He makes a regular audit of all funds available to the organizations and the principal, and he uses a uniform system of accounting for all activity transactions. Under the supervision of the general treasurer and the activity adviser each organization has a student treasurer who collects the funds of his activity and deposits them with the general treasurer. The student treasurer keeps uniform records for his organization, and balances them with the monthly statements of the general treasurer.

Terry says,

Terry, P. W. Extra Curricular Activities, p. 334.

Within the last few years large numbers of schools have discarded the individual adviser plan and in its stead have adopted some form of the general treasurer plan. The most striking characteristics of the newer system is its high degree of centralization. No two plans are precisely alike but most of them include the following features.

1. A specially qualified and bonded member of the faculty who acts as general treasurer. It is his duty to keep the money collected by all pupil treasurers and to disburse it on proper authorization.
2. A single book account for the entire school subject only to the order of the general treasurer.
3. Monthly statements rendered by the general treasurer

to all organizations showing the status of their accounts on his books.

4. Periodical publication of the audits of the books of the general treasurer.

5. A suitable system of accounting to which all who participate are trained to conform under the supervision of the general treasurer.

6. A pupil treasurer for each organization whose duties include collecting funds, depositing the same with the general treasurer, presenting properly signed requisitions, and keeping the books prescribed for his organization.

The care of the finances of extra-curricular activities has not been given as careful consideration in the past as it is receiving today. The custody of the funds in the early systems was in the hands of students in the various activities. Now the custody of the funds is in a qualified faculty member's care in the system endorsed by authorities in the extra-curricular finance field.

Roemer says,

Roemer, J., and Allen, C. F. Extra-Curricular Activities, p. 193.

"A school treasurer for each school shall be appointed by the principal or elected by the faculty."

Terry has this to say,

Terry, P. W. Extra Curricular Activities, p. 334.

"..... a specially qualified and bonded member of the faculty who acts as general treasurer."

Wilds makes this statement,

Wilds, E. H. Extra Curricular Activities, p. 197.

" a faculty treasurer, who is custodian of all funds and signs all checks for payments."

When the treasurer was a faculty member, he did not always have custody of all funds, in a large number of schools. In fact many schools today have activities whose funds are kept in separate accounts. This condition is one that may lead to abuses and a lack of harmony in the schools. The best practice is to have all funds for all activities in a general fund in the custody of the faculty treasurer.

In speaking of the general treasurer Terry says,

Terry, P. W. Extra-Curricular Activities, p. 334.

"It is his duty to keep the money collected by all pupil treasurers and to disburse it on proper authorization."

Meyer and Eddleman say,

Meyer, H. D., and Eddleman, S. M. Financing Extra-Curricular Activities, p. 44.

"All the funds from all the extra-curricular activities are placed in one general fund; the amount contributed by each activity is recorded in a general account book; and each activity draws upon this fund as needs arise."

Roemer and Allen say,

Roemer, J., and Allen, C. F. Extra-Curricular Activities, p. 193.

"All funds collected by the various organizations of each individual school shall be turned over to the school treasurer."

The making of statements of the financial conditions existing in the schools has not been practiced to any extent by the treasurers in the past. This lack of statements has been a source of criticism and misunderstanding of the treasurer and the school. As a means of safeguarding the treasurers and the schools frequent financial statements, preferably monthly, should be made, and they should be made to the principal and each organization in the school.

McKown says,

McKown, H. C. "Financial Administration of Extra-Curricular Activities," 25th Year Book, N.S.S.E., 1926, p.122.

"Monthly reports of all funds of the school can and should be made to the high school principal. In case an organization should make a request for the expenditure of any large sum of money, a wise and intelligent decision may be given after consideration of the monthly reports of all organizations."

Roemer and Allen say on this point,

Roemer, J. and Allen, C. F. Extra-Curricular Activities, p. 195.

"Financial statements shall be made by the school treasurer and the

local organization treasurer to their respective organizations monthly!"

With the adoption of a centralized system of finances in the school the activity treasurer often feels that it is unnecessary for him to keep an accurate record of receipts and expenditures. This is not the correct attitude. All activity treasurers should keep an accurate and uniform record of all activity finances.

Jordan says,

Jordan, R. H. Extra Classroom Activities, p. 231.

"The presence of a central accounting system does not relieve each organization of the necessity of keeping its own records properly, and so the faculty sponsor must see that the organization treasurer keeps his affairs in such order as to check with the central office."

Any system of accounting that does not provide for an audit of the accounts of the treasurer is not adequate or business-like. An audit is essential to safeguard the interests of students and the treasurer. The audit should never be made by the treasurer himself, but by some capable person preferably a certified public accountant. If a certified public accountant is not available, a trained bank clerk or a committee of members of the faculty could make the audit.

Fretwell says,

Fretwell, E. K. Extra-Curricular Activities in Secondary Schools, p. 472.

"Regardless of whether funds are kept in the principal's office,

by a faculty member or pupil treasurer all accounts should be audited. Such a plan not only insures veracity of records and, in an older school, shows trends of business, but at the same time insures an adequate method of accounting."

Wilds says,

Wilds, E. H. Extra-Curricular Activities, p. 211.

"Regardless of the plan or scheme of financial procedure used, there should be made annually a complete audit of all books. This could be made by a faculty committee appointed by the principal, or better still by a professional public accountant."

The making of a budget is one of the phases of good business that the schools have neglected after they have corrected other faults in the organization of extra-curricular finances. School men have seemed to hold in awe budget making. The budget system is employed in practically all modern enterprises that use substantial sums of money. It is simply an interpretation of an organization's program in terms of the resources which it can command, in the coming year. It places a premium upon foresight, tends to make less corrective measures necessary later in the year, and guards against costly errors. All high school students should be taught the essentials of a good budget and those who plan to be leaders in financial affairs should be taught how to make one.

Fretwell says,

Fretwell, E. R. Extra-Curricular Activities in Secondary Schools, p.468

"The aim of the school is to arrange the situation so that the pupil, by living consciously in a scheme of budgeted finances, will form the habits and develop the skills necessary for such living, and do this with such satisfaction that he will be intelligent financially so far as budgets are concerned now and in later life."

The making of the budget is simple and yet many points take careful planning in accordance with the specific school situation. The plan most used is one in the centralized plan of finances which is the most desirable plan according to the authorities in the extra-curricular field. In this plan each activity, with the aid of the faculty adviser, makes a budget on a form for that purpose and submits it to a budget board under the supervision of the general treasurer. This budget board known under various names in different schools, combines these separate budgets into a budget covering the whole system of extra-curricular activities. With an adequate accounting system and business training, this is not such a hopeless task but takes patience.

McKown says,

McKown, H. C. "Financial Administration of Extra-Curricular Activities", 25th Year Book, N.S.S.E., 1926, p. 126.

"It goes without saying that the council, finance committee or other competent body, should make a budget for the year, which should include all the recognized activities of the school. Each activity should prepare its own budget, and the committee should then base its

budget on these smaller budgets."

In their discussion of budgets, Roemer and Allen say,

Roemer, J. and Allen, C. F. Extra-Curricular Activities, p. 189.

"The heads of departments were called together and, with the principal as chairman, organized the schools financial committee. The duty of this committee was to examine and adjust the budgets requested by various departments and activities of the school (including athletics, clubs, and the like), to prepare a budget for the school, and to suggest a means of raising this budget."

The budget committee in various schools have students and faculty members on it, and in other schools only faculty members. The best organization is a budget committee made up of both faculty and students, with the approval of budgets being made by the principal and the school council.

Terry says,

Terry, P. W. Extra Curricular Activities, p. 338.

"The budget committee operates as a division of the student council; ordinarily its membership includes teachers as well as students, and its recommendations are subject to the approval of the council and the principal."

Roemer and Allen have this to say,

Roemer and Allen, C. F. Extra-Curricular Activities, p. 192.

"The budget of each organization shall be adopted by that organization, subject to the approval of the principal and faculty."

Activities that have not been self-supporting have had a hard time existing in the past under the decentralized systems. Even now in many schools these non-supporting activities are more or less dependent on other activities for their support. In the more progressive schools, plans are made in the budget for these activities and they have a definite fund to work with. The best plan and the one approved by authorities in the extra-curricular field is the one where a general fund is made from a percentage of the profits of self-supporting activities.

Terry says,

Terry, P. W. Extra Curricular Activities, p. 336.

The income of the general fund is derived from sources on which it is legitimate to levy in the interest of services of this kind. The Central High School, Omaha, Neb., for example imposes a tax of 10 per cent upon the receipts of all large revenue-producing activities, such as concerts, dramatic performances, and interscholastic games. The theory is that receipts of this kind represent contributions made by the entire student body and their friends and that it is nothing but fair to reserve a reasonable proportion of such receipts for the use of the school as a whole. In some schools the constitution of the student government provides that any money remaining to the credit of any organization at the end of the year shall revert to the general fund.

In many schools, activities are apt to exceed their budgets unless definite rules are adopted to correct this tendency. Occasionally the need arises when circumstances make it impossible for an

activity to stay within its budget, but these times should be few and discouraged by the school administration. Definite rules should be in force in every school in regard to the exceeding of budgets and the transfer of funds from one activity to another. A satisfactory method is the handling of this problem by the financial committee. The organization should apply to the financial committee and receive approval before exceeding its budget.

Roemer and Allen say,

Roemer, J. and Allen, C. F. Extra-Curricular Activities, p. 190.

"No bills are left over, no budgets overdrawn without the consent and approval of the finance committee, consequently no bills remain for dispute the following term."

The raising of finances to support the extra-curricular program in the school has been a problem of each school from the origin of the program. A great many schemes and sources have been utilized in obtaining the necessary funds, and are still being used.

McKown lists the following as the most important:

McKown, H. C. Extra-Curricular Activities, pp. 549-50.

Athletics; dramatics; musical programs, and concerts; fairs, circuses, and bazaars; picture shows, lyceums, and lectures; fees, dues, and assessments; sales of candy, pennants, books, and supplies; activity tickets; profits on various activities, publications, etc.; subscriptions, donations, and collections; fines: book and violation; interest on funds; tag days; profits from cafeteria; sale of junk, scrap iron, papers and rags; locker fees; and grants from the board of education.

The most successful method in use today and the one endorsed by the authorities in the extra-curricular finance field is the assessment of a fee on every student in the school. An activity ticket is issued to the student upon paying his fee and admits him to the functions sponsored by the activities in the school. This fee is a distinct saving to the student over what he would pay for general admission tickets to the activity functions. Another advantage is the better support of all activities by the students giving larger financial returns and a means of financing activities that are not self-supporting.

Wilds says,

Wilds, E. H. Extra-Curricular Activities, p. 187.

"There seems to be a growing tendency for the schools to support all the activities by means of a general student fee, assessed against every student."

Meyer and Eddleman say,

Meyer, H. D. and Eddleman, S. M. Financing Extra-Curricular Activities, p. 7.

"For \$3.60 a year, paid at the rate of ten cents a week, a student is admitted to activities which would cost him over \$12.00 if paid for by simple admission. This ticket admits the student to all student activities, football, basketball, school plays, choruses, gymnasium exhibitions, track meets, band and orchestra concerts."

Meyer and Eddleman also have this to say,

Meyer, H. D. and Eddleman, S. M. Financing Extra-Curricular Activities, p. 9.

"We find that this plan gives us larger attendance at school activities, makes an easy payment plan for students, gives us better financial support for school activities, and that it also gives us funds for activities such as debate, declamatory work, etc., which we have always had difficulty in financing previously."

In conducting activity functions where the general public is admitted and a price charged for admittance another perplexing problem faces the school principal. The most business-like and the safest way of handling this problem from the standpoint of the school is through a ticket method. The handling of ticket sales should always be in the hands of a faculty member and every precaution taken to insure against chance of careless and dishonest practices. Some means should be used of checking ticket sales and cash receipts. This can easily be done by numbering of all tickets, and the serial method of numbering is an efficient way.

Roemer and Allen say,

Roemer, J. and Allen, C. F. Extra Curricular Activities, p. 196.

"In each school a faculty member should be appointed as sales manager. No tickets should be issued or disposed of by any other person."

Jordan says,

Jordan, R. H. Extra Classroom Activities, p. 231.

In addition, where the organization sells tickets, there must be kept a most careful check whereby every ticket is accounted for and checked back against the ticket taker at the door or gate. Record must be kept of the number of tickets given out and received; and where tickets are sold at the door the familiar numbered reel of tickets should be used, and a record kept of the serial number at the beginning and end of the sale, to balance the cash received.

One of the annoying practices in regard to ticket sales has been the conducting of ticket sale contests. About the only advantage it has is the advertising value, but this is more than balanced by the criticism received from the public. This practice should not be used by our schools. The activities should endeavor to have their programs so attractive that it would be unnecessary to resort to this charity means of support, to attract the public support.

Fretwell says,

Fretwell, E. K. Extra-Curricular Activities in Secondary Schools, p. 446.

"The pupil going from house to house trying to sell school tickets is at once a hold-up man and a beggar."

The matter of expenditure of student funds in the past was often a source of trouble for pupils and faculty. Lack of system was customary and many abuses were present. Today we find schools that still use haphazard methods of making expenditures and paying of bills. Authorities in the extra-curricular finance field endorse a system of requisitions for all expenditures and payment by check of all bills. In

making expenditures the organization first gets the approval of its faculty adviser, principal and the general treasurer and the requisition is made out in triplicate, one copy being retained by the general treasurer, one retained by the organization, and the third one being sent to the merchant selling the goods. The checks for payment are made out as voucher checks in duplicate, one being retained by the general treasurer and the other sent to the merchant or the individual who rendered the service.

Roemer and Allen say,

Roemer, J. and Allen, C. F. Extra Curricular Activities, p. 190.

Under this plan no bills are made without the approval of the principal and without being in accordance with the budget allowed. Likewise, after bills have been approved by the department concerned and have been signed by the principal, they are paid by check issued by the school's treasurer who is bonded in a business-like manner as are other custodians of public funds."

Barnhart says,

Barnhart, E. W. "Student Finances", Proceedings, N.E.A., pp. 908-10.

No student can go down town and simply order this or that sent up to the high school by having it charged to the school. We use a requisition blank which is the authority for the purchase by a student. This order blank is signed by the principal because he is the legal trustee of all school money. It is also signed by the individual teacher in charge and then turned over to the faculty advisory. The requisition is made out in triplicate. One copy goes to the merchant, one is signed

by the teacher and put in the box of the school auditor and the third is retained by the teacher.

In making expenditures the approval of the principal, faculty adviser and the treasurer should be necessary. All progressive school men are agreed that this is a wise procedure, that eliminates unbusiness-like practices.

Roemer and Allen say,

Roemer, J. and Allen, C. F. Extra Curricular Activities, p. 193.

"Local school funds shall be disbursed by the school treasurer in payment of bills or vouchers for school accounts when approved by the principal or his assistant.

Lewis says,

Lewis, G. T. "Centralizing Student Activities in the High School"; Sch. R., 31: 610-626. 1923. p. 615.

"The General Organization has one treasury, and into it is paid every cent of income from every school activity, and from it is paid every bill incurred by any activity. Each expenditure is approved by the Executive Council of the school."

In the matter of payment of bills, all should be paid by check and these checks should be initiated or endorsed by the principal or a faculty member. The best practice is to have the checks presented with at least two signatures.

Wilds says,

Wilds, E. H. Extra-Curricular Activities, p. 204.

"All monies should be deposited in the bank and properly drawn voucher checks used for all payments no matter how small."

New York has the rule,

"New York's New Rules on Students and School Funds," Am. Sch. Ed. Jr., 69: 119. Nov. 1924.

"That two signatures be required on all checks for disbursements."

Jordan says,

Jordan, R. H. Extra-Classroom Activities, p. 227.

"All bills are paid by check on presentation of properly vouchered statements."

A practice that was in vogue in the schools in the early development of extra-curricular activities was the unwise spending of the money left at the end of the year. This money was spent in different ways. The common practice was the buying of a gift for the school. In other cases the treasurer left school and the funds were not accounted for at all. This practice is still found in the schools today. The care of this money is important and should be handled in a business like way. The more progressive schools are not allowing money to be wasted, but are holding it over for the next year's program. The money should be invested to draw interest over the summer months.

McKown says,

McKown, H. C. "Financial Administration of Extra-Curricular Activities,"
25th Year Book, N.S.S.E., 1926. pp. 211-12.

"In the second place, various organizations of the school frequently have money left over at the end of the year, and in consequence, hasty and foolish disbursements are not at all uncommon. The pupil himself rarely sees the weakness of the statement that "we raised it and we can spend it as we please" ".

Wilds says,

Wilds, E. H. Extra-Curricular Activities, pp. 211-12.

Usually there are amounts left to the credit of various organizations at the close of the school year. This often has been a problem. Under the old, loose system, treasurers graduated or left school and the balances were left unaccounted for. Some schools have adopted a plan of having all funds left at the close of the year turned in to the principal, to be held for the new treasurer. Some have pooled all funds and purchased a gift for the school. Under the newer systems of school banks, centralized treasuries and single bank deposits, these funds are being invested to draw interest over the summer months.

Accounting systems for extra-curricular activities finances have developed from the inadequate method used under the old, loose system to one that is efficient and business-like in the centralized systems in use by progressive schools today. Systems vary in different schools, but authorities agree that a uniform system is absolutely necessary.

Roemer and Allen say on this point,

Roemer, J. and Allen, C. F. Extra-Curricular Activities. p. 194.

"The school treasurer shall keep a ledger and a cash book".

In discussing accounting systems in use in extra-curricular finance Terry summarizes the materials that are found in most of them.

Terry, P. W. Extra-Curricular Activities, pp. 334-35.

1. A cash journal kept by the general treasurer to show all receipts and disbursements and the status of the school's account at any time.

2. A ledger book kept by the general treasurer with (a) a separate page for every organization from which the status of its account may be determined at any time and (b) a separate page for every merchant, with whom the school does business, on which are recorded all bills as authorized and all payments as made.

3. A receipt book kept by the general treasurer. Receipts are made out in duplicate, the original being given to the pupil treasurer making the deposit and the copy kept by the general treasurer.

4. Voucher checks used by the general treasurer for all disbursements on which appear the specifications as to goods purchased and the signatures of all responsible parties.

5. Requisitions to be used by all organizations when purchases are to be made. Space is provided for the name of the firm, specifications as to goods, and the signatures of all responsible persons. The requisitions are made out in triplicate, one each for the general treasurer, the organization and the vending firm.

6. Organization books to be kept by the pupil treasurers. Each book records all receipts and disbursements and it should balance with the organization's account with the general treasurer.

CHAPTER III

THE DATA OF THIS STUDY

In treating the data assembled for the study of financial practices existing in the handling of extra-curricular activities in the secondary schools of Oregon, the writer has divided the schools into two divisions according to the number of pupils enrolled in the schools. Division A, consists of those schools having an enrollment between 1 - 100, and division B, consists of those schools with an enrollment of 101 or more. The writer believes that this division will give a more representative view of the actual practices existing. The better practices should be found in the larger schools and the poorer practices in the smaller schools. At least the writer believes that the larger schools with better facilities and a greater amount of finances would have a better system of handling the financing of the activities. With the above division for comparison a correct view of actual conditions will be shown.

The number of schools in division A is 135, and in division B, the number is 83. In treating the data concerning these schools, the writer is dividing the problem into these phases of the extra-curricular financial program: (1) plan of organization; (2) budget; (3) income; (4) expenditure; and (5) accounting, and will show the actual conditions that exist in division A and division B schools in these phases of the problem.

Plan of Organization

In answering the first question in the questionnaire relative to whether the schools had a student body organization, division A schools indicated that 133 or 98.6 per cent of that division had student body organizations, while division B schools indicated 100 per cent student body organizations.

Division A schools have 133 or 98.6 per cent student body treasurers, and division B schools have 82 or 98.7 per cent student body treasurers. The student body treasurers in the division A schools number 13 or 6.7 per cent faculty members and 122 or 90.3 per cent of the treasurers were students. In the division B schools 22 or 26.3 per cent of the treasurers are faculty members and 61 or 73.5 per cent student treasurers.

The student treasurers have the custody of all the funds for all activities in 89 or 65.9 per cent of the division A schools, while the division B schools have all the funds in the custody of 57 or 68.6 per cent of the student body treasurers. The funds in the remaining number of schools, 46 or 34.1 per cent in division A schools and 26 or 31.4 per cent in the division B schools, are in the hands of the activity organizations.

The activities and the number of schools in division A and B having separate accounts from that of the student body treasurers are shown in Table I.

TABLE I

Activities with Accounts Separate from Student Body Treasurer

Division A Schools	Activities	Division B Schools
9	Dramatics	8
2	Debate	3
17	Letterman's Club	15
37	Classes	15
2	Declamatory	1
13	Music Club	4
1	Literary Club	3
6	Honor Society	7
11	Athletics	6
7	School Paper	0

In the matter of making financial statements to the principal, the schools in divisions A and B indicated the procedure used as shown by Table II on page 29.

TABLE II

Procedure in Making Financial Statements to the Principal

Division A	Per cent	Time of Statement	Division B	Per cent
64	47.4	Monthly	48	55.4
17	12.5	Semi-Annually	15	18.0
25	18.5	Annually	6	7.4
24	17.7	Upon Request	8	9.6
5	3.9	No Statement	8	9.6

The division A schools had 99 or 73.3 per cent of their organization treasurers keep accurate records of receipts and expenditures and the division B schools had 56 or 67.8 per cent of their organization treasurers keep accurate records of receipts and expenditures.

From the data on the question pertaining to the auditing of accounts, Table III shows what the practices are in the division A and B schools.

TABLE III

Showing Who Audits the Accounts in Division A and B Schools

Division A	Per cent	Maker of Audit	Division B	Per cent
106	75.5	Principal	44	53.0
0	0	C.P.A.	11	13.2
5	3.9	Student Body Treasurer	3	3.6
14	10.3	Faculty Member	16	19.2
4	2.9	Faculty Adviser	6	7.4
0	0	Clerk of District	2	2.4
6	4.4	No One	1	1.2

The data show that the principals in division A schools consider their financial organizations centralized in 111 or 82.2 per cent of the schools, while the principals in division B schools answered that 61 or 73.5 per cent of their schools have a centralized organization.

Budget Practices in the Schools

The making of a budget to include all activities and organizations is practiced by 41 or 30.3 per cent of the division A schools and in division B schools 40 or 48.1 per cent make budgets including all activities and organizations.

The individuals having a part in making the budget in the 30.3 division A schools, and in the 48.1 per cent division B schools, which are the per cents making budgets to include all activities and organizations, are shown in Table IV.

TABLE IV

Showing Those Who Make the Budgets in Division A
and B Schools

A Schools No.	Individuals	B Schools No.
41	Principal	40
14	Athletic Director	31
19	Student Body Treasurer	29
22	Student Body President	24
5	Student Managers	16
0	Faculty Advisers	31
30	Student Council	33
4	Class President	9
2	Organization President	8

In division A schools 47 or 34.8 per cent require the budget ap-

proved before it is adopted and 35 or 42.1 per cent of the division B schools require their budgets approved before adoption. The approval of the budgets in division A and B schools is given by the principal, council, or student body vote and is shown by Table V.

TABLE V
Showing Those Who Must Approve the Budgets

Division A Schools	Approver	Division B Schools
18	Principal	18
20	Council	14
9	Student Body	5

Those activities that are unable to support themselves have provisions made for them in 90 or 66.6 per cent of the division A schools, and the division B schools have 65 or 78.3 per cent of their number that provide financial support for activities unable to support themselves.

Activities that exceed their budgets in division A and B schools are shown in Table VI on page 32.

TABLE VI
Showing Activities that Exceed their Budgets

Division A Schools	Activities	Division B Schools
16	Basketball	10
11	Football	22
15	Track	20
33	Baseball	14
0	Annual	6
3	Dramatics	6
7	Debate	19
4	Declamation	5
9	Musical Productions	3
3	Class Organizations	3

In the transger of funds from one organization to another, approval is given in the division A and B schools as shown by Table VII.

TABLE VII
Individuals Who Approve Transfer of Funds

Division A Schools	Individuals	Division B Schools
68	Principal	53
6	Adviser	12
11	Finance Committee	6
8	Treasurer	4
16	Student Body President	2
17	Student Committee	8

Division A schools have 97 or 71.8 per cent of their number that have student body tickets, and division B schools have 75 or 90.3 per cent of their number that have student body tickets. The cost of the student body ticket ranges from a price under fifty cents to five dollars. The price of the activity ticket in division A and B schools is shown in Table VIII.

TABLE VIII

Price of Activity Tickets

Division A Schools	Price of Tickets	Division B Schools
29	\$.00 - .50	11
54	.51 - 1.00	28
7	1.01 - 1.50	13
8	1.51 - 2.00	15
0	2.01 - 2.50	3
0	2.51 - 3.00	2
0	3.01 - 3.50	0
0	3.51 - 4.00	1
0	4.01 - 4.50	0
0	4.51 - 5.00	1

The activities to which the student body ticket entitles the student in division A and B schools are shown in Table IX on page 34.

TABLE IX
Activities to Which Student Body Ticket Entitles Pupil

Division A Schools	Activities	Division B Schools
46	Plays	17
99	Athletic Contests	62
45	School Paper	46
10	Dances	27
80	Vote in Student Affairs	54
32	Musical Programs	26
17	Debate	33

The managers of the ticket sales for the student body activities in division A and B schools are shown in Table X.

TABLE X
Managers of Ticket Sales

Division A Schools	Managers	Division B Schools
27	Principals	17
1	Financial Committee	0
59	Student Body Treasurer	34
22	Student Managers	21
7	Faculty Member	13
37	Selected Students	20
0	Student Council	5

In the division A schools 53 or 39.2 per cent have ticket contests in which the students canvass the community for sales. The division B schools have 52 or 62.6 per cent of their schools that have ticket contests in which the students canvass the community for sales.

Division A schools have 102 or 75.5 per cent of their number that have a method of checking receipts and ticket sales. In the division B schools 78 or 93.9 per cent have methods through which they check the ticket sales with receipts.

Expenditure of Extra-Curricular Finances

The answers received on the question relative to the practice of checking in all receipts to the student body treasurer before any of the expenses of the activities were paid indicate that 99 or 73.3 per cent of the division A schools checked in their receipts to the treasurers before paying expenses, and 72 or 86.7 per cent of the division B schools followed this practice.

Division A schools have 78 or 57.8 per cent of their number that require the principal's signature or initials on checks before the check is valid for the payment of student body expenditures. In the division B schools 68 or 81.9 per cent have the rule that the principal sign or initials the check before it is issued in payment of expenditures.

Approval of expenditures is necessary in 129 or 95.5 per cent of the division A schools, and is necessary in 83 or 100 per cent of the division B schools. The approval is given in the division A and B schools as shown in Table XI.

TABLE XI
Approval of Student Body Expenditures

Division A Schools	Approval By	Division B Schools
19	Faculty Adviser	39
2	Activity Manager	9
14	Treasurer	9
33	Student Committee	12
86	Principal	51
10	Council	7
10	Student Body Vote	0

The approval of expenditures must be on a requisition blank in 21 or 16.3 per cent of the division A schools, and 47 or 56.7 per cent of the division B schools require requisition blanks for all expenditures. Requisition blanks for expenditures are not used in 114 or 83.7 per cent of the division A schools, and they are not used by 36 or 43.3 per cent of the division B schools.

In answer to the question relative to whether approval was unnecessary under certain amounts, 82 or 60.7 per cent of the schools in division A required approval for all amounts of expenditures, and 17 or 12.7 per cent had the rule, but allowed expenditures without approval in emergency situations. Division A schools had 36 or 26.6 per cent of their number that allowed expenditures without approval under certain amounts. The division B schools indicated that 57 or 68.4 per cent of their number required approval for all expenditures and 12 or 14.8 per cent had

the rule, but allowed expenditures in emergency occasions. The remaining number 14 or 16.8 per cent allow expenditures without approval under certain amounts. The number of schools in division A and B with the amounts under which approval is unnecessary is shown in Table XII.

TABLE XII

Number of Schools and Amounts That Need not be Approved
before Expenditure

Division A Schools	Amounts	Division B Schools
2	0 - .50	1
10	.51 - 1.00	1
2	1.01 - 2.00	1
2	2.01 - 3.00	0
1	3.01 - 4.00	0
4	4.01 - 5.00	2
1	10.00	2
0	40.00	1
10	Amount not Stated	10

Those who can exercise the privilege of expending money without approval at the designated amounts in the division A and B schools are shown in Table XIII.

TABLE XIII

Individuals Who can Expend Money without Approval

Division A		Individuals	Division B	
In Emergency	Any Time		In Emergency	Any Time
23	23	Principal	6	12
4	6	Faculty Adviser	3	6
0	10	Student Manager	2	5
2	11	Coach	1	2

The method used in paying the expenditures in the division A schools is that 42 or 31.1 per cent pay by check, 65 or 44.8 per cent pay by cash, and 28 or 24.1 per cent pay both by check or cash. In the division B schools 59 or 71.2 per cent pay by check, 8 or 9.6 per cent by cash, and 16 or 19.2 per cent pay both by check or cash.

Funds that are left over at the end of the year are many times an annoying problem. The methods used for the disposal of such funds in division A and B schools are shown in Table XIV.

TABLE XIV.

Disposal of Funds Left over at the End of the Year

Division A Schools	Disposal By	Division B Schools
1	Yearbook	0
1	Books	0
0	Goes to Board	1
1	Picnic	0
0	Benefit of School	1
3	Not checked	2

In the division A schools 93 or 68.8 per cent pay the expenses of students and faculty members when they make trips on student body business, and in division B schools 57 or 68.4 per cent pay the expenses

of students and faculty members on student body business. Division A schools indicated that 32 or 23.8 per cent did not pay the expenses of students or faculty members on such trips, while 10 or 7.4 per cent did not answer the question. The division B schools answered that 22 or 26.5 per cent did not pay expenses of students or faculty members while on school business and 4 or 5.1 per cent did not answer the question.

Accounting

In answering the question relative to the materials used by the student treasurers, division A and B schools answered as shown by Table XV.

TABLE XV

Materials Used by Student Treasurers

Division A Schools	Per Cent	Materials	Division B Schools	Per Cent
103	76.2	Check Book	74	89.1
62	45.9	Receipt Book	57	68.6
67	49.6	Columnar Cash Book	52	62.6
49	36.2	Ledger	58	69.8
19	13.3	Pad of Requisition	49	59.0

In division A schools, 18 or 13.3 per cent gave additional information relative to their bookkeeping systems from that furnished by answers to the questions in the questionnaires.

In this additional information it is apparent that little attention is being given to pupil training in handling finances in the division A schools. Some mention is made of requisitions, ledger, receipt books, check books and cash books but in no case are all of these mentioned in use in any one school. Several principals state that no accounting system is in use in their schools, that they write checks on requisitions from the organization treasurers.

The only concern, apparent by these comments from the division A schools, is that they have enough money to pay their bills. A uniform accounting system with the valuable training available to the students seems to be lacking in those schools that furnished material on their accounting systems.

In all of the comments on the student body treasurer in this additional information, mention is made only of student treasurers. In no case is mention made of a faculty member as treasurer. Several principals stated that they exercised care in having a reliable student elected treasurer and they supervised this student's handling of the funds very carefully.

Additional information on their accounting systems was furnished by 23 or 27.7 per cent of the division B schools.

Several principals stated that their schools were using a combination set of books, printed for use in the accounting of student funds. These books have all of the required materials for a uniform

accounting system.

Mention is made by several principals that they require all students handling finances to be commercial majors with approval of the head of the commercial department necessary before they are eligible to hold any office requiring the handling of finances.

In one school all funds are handled through a school bank with all funds being deposited in a town bank in one general account. The school bank is under the supervision of the commercial department. Requisitions are drawn for all expenditures, and are approved by the principal, faculty adviser and head of the commercial department.

Several principals stated that they had student treasurers, but the student was supervised by a faculty member. Most of the division B schools furnishing this material state that their treasurers are faculty members, but that each activity has a student treasurer who deposits all money collected with the faculty treasurer.

The statements made by the principals of division B schools indicate that uniform accounting systems are in use in a large percentage of the schools which gave this additional information. Provisions are made for student participation and business-like methods are in use.

CHAPTER IV

DISCUSSION AND RECOMMENDATIONS

In division A and B schools the data show that there are two schools in division A that do not have student body organizations, while in division B there are no schools without student body organizations. Organization is essential to efficiency, and should be present in every enterprise. Student bodies in the secondary schools should be organized to teach the pupils the benefits derived from efficient organization, and as a means of conducting the business of the school.

Division A schools in Oregon have 98.6 per cent of their number that have student body treasurers, while the division B schools have 98.7 per cent of their number that have student body treasurers. The existing condition in the two divisions is practically the same. Any organization that handles finances should have a treasurer who handles the funds. Schools should not be an exception in this respect, all schools should have a treasurer who has the custody of the funds of its organizations.

There is not complete agreement among school men pertaining to the question of whether the student body treasurer should be a student or a faculty member, but the authorities in the field of extra-curricular finance are agreed that the treasurer should be a faculty member. In respect to the opinion of the authorities in the field, the secondary schools of Oregon are to be classes as backward in this regard as only 6.7 per cent of division A schools, and 26.5 per cent of division B

schools have faculty treasurers. The division B schools show a greater tendency toward the correct practice in this matter than the division A schools, but even they show that unsatisfactory conditions exist in their organizations when only 26.5 per cent of their number have faculty treasurers.

Custody of all organization and activity finances should be in the hands of a general treasurer in a central fund. This is the approved procedure endorsed by the authorities in the extra-curricular finance field. In the division A and B schools, the treasurer has custody of the finances in 65.9 per cent of their number in the former and 68.6 per cent of their number in the latter. The division B schools have a slight advantage, but both show a decentralization of finances and an unsatisfactory system of handling funds. The funds in those schools with decentralized systems show that in many cases each activity and organization has complete custody of its funds, while in others most of the funds are in a central fund with the exception of a few activities; classes and lettermans club being most often mentioned.

All authorities agree that financial statements should be made at regular periods, and this period should be monthly. The monthly period is best as it corresponds to the statement made by the bank and gives a convenient and efficient means of checking the school accounts with the balance in the bank. In the making of statements one should be made to the principal and one should be made to each activity. Division A school treasurers make statements to their principal in 47.4 per cent of their numbers and division B schools in 55.4 per cent of their numbers showing an advantage for the division B schools, but division B

fails to make any statement in 9.8 per cent of their numbers and division A in only 3.9 per cent of their numbers so that the advantage is with the division A schools in this respect. The remaining number of schools in both divisions make statements semi-annually, annually or upon request.

In respect to the practice of each activity and organization keeping an accurate record of receipts and expenditures, the division A schools have 73.3 per cent of their number that keep such records, and division B schools have 67.4 per cent of their number that keep activity and organization records. The advantage in this respect is with the division A schools. Authorities are of the opinion that records should be kept by each activity and organization regardless of the fact that a general treasurer keeps the account of each activity and organization. As many students as possible should take part in the business practices pertaining to the keeping of accounts and receive the benefits derived from actual participation.

There is an unanimous agreement among all individuals in the extra-curricular financial field that an audit is essential to any organization handling finances no matter how small the amount, and that this audit should not be made by the treasurer himself. A certified public accountant should make the audit when possible, but in case a certified public accountant is not available, a trained bank clerk, a faculty committee, or a student and faculty committee could make the audit. The principal or other faculty member might well serve in making the audit, although a committee is the better practice. The division B schools have an advantage over the division A schools in the number making audits of ac-

counts. In division B schools 1.2 per cent do not make an audit, while 4.4 per cent of division A schools do not make an audit. The division B schools have their audits made by a certified public accountant in 13.2 per cent of their number while the division A schools have no audits made by a certified public accountant. The division B schools have their audits made by the treasurer in 3.6 per cent of their numbers and the division A schools in 3.9 per cent of their numbers which is a slight advantage for division B schools. The principal makes the audits in 53 per cent of the division B schools and in 78.5 per cent of the number in division A schools. The rest of the audits are made by a faculty member, faculty adviser or the clerk of the district.

The division A and B schools classify their financial systems as 82.2 per cent and 95.2 per cent respectively as centralized. The advantage being with division B schools. The centralized system of financing is the one approved by the authorities in the extra-curricular financial field as it makes possible a uniform system of accounting, a more equitable distribution of finances, and the support of worthy activities that are not self-supporting. All schools should have a centralized form of financing their extra-curricular program.

The division A and B schools make budgets to include all activities and organizations in their schools in 30.3 per cent, and 48.1 per cent of their numbers respectively. This comparison favors the division B schools, but shows that both divisions need to revise their organizations to include budget making. Budget making should be practiced by every school. It is a check to show an adequate accounting system and

the only equitable method of distributing finances. Authorities agree that budget making should be practiced by every school. In the business world, all organizations handling money consider a budget essential. Schools should adopt this practice so that pupils can learn and practice this important procedure and carry it over into their after-school life.

In making a budget to include all activities and organizations, authorities approve the method in which the activities and organizations each make a budget and submit it to a budget committee which combines these separate budgets into a general budget for the whole school. The budget committee suggested by the authorities is a committee from the student council with faculty representation. The division A and B schools have 30 and 33 respectively of their numbers that state that their student councils help in making out the budget which shows an advantage for the division B schools in this respect. The division B schools have 31 of their number that have the faculty adviser help in making the budget while the division A schools do not have the faculty adviser mentioned in a single school. The principal helps make the budget in 41 of the division A schools and in 40 of the division B schools. Others mentioned that help in making the budgets are the athletic director, student managers, student body president, student body treasurer and class and organization presidents.

Provision should always be made for the approval of the budget by the principal and the faculty before it is adopted. The data show that division A schools require approval of their budget in 34.8 per cent of their numbers and division B in 42.1 per cent of their numbers. Division B schools show the better practice in this matter, but both

divisions have an unsatisfactory condition in their schools in this respect. Both division A and B schools have approval of budgets required by the principal, council or by the vote of the student body in those schools that have this rule.

In the approved centralized systems in use by the progressive schools, provisions are made for all worthy activities that are unable to support themselves. In the division A and B schools provisions are made in 66.6 per cent of the former and 78.3 per cent of the latter for those activities that are unable to support themselves. All schools should provide for these activities as the value derived from many of them is as great or even greater than the value derived from the self-supporting activities.

There has been a great deal of trouble with activities exceeding their budgets, but this is unnecessary and is not approved by authorities in the extra-curricular field. The authorities agree that activities should not exceed their budgets, but that in a few cases it might be unavoidable and in these cases the consent of the financial committee should be secured. Activities in division A and B schools exceed their budgets frequently, showing a very unsatisfactory condition in both divisions. Baseball and basketball exceed their budgets the greatest number of times in the division A schools and football and track the greatest number of times in the division B school. Others exceeding their budgets are debate, dramatics, musical productions, declamation and class organizations.

Division A and B schools have their principals approve the transfer of funds from one organization to another by 68 of their number in

the former and by 53 of their number in the latter. The finance committee approves such transfers in 11 division A and B schools by a designated individual or committee. The schools in both divisions follow closely the approved practice endorsed by authorities in the extra-curricular financial field, which is that all transfer of funds should be approved by the principal and a financial committee made up of both students and faculty members.

An activity ticket is considered by the authorities in the extra-curricular financial field as the most satisfactory method of raising finances to conduct the extra-curricular program. Division B schools have 90.3 per cent of their number that have activity tickets, and 71.8 per cent of division A schools have activity tickets showing that division B schools have a decided advantage in this practice. The price of the activity ticket ranges from less than fifty cents to two dollars in the division A schools and from less than fifty cents to five dollars in the division B schools. This variation in price between the schools is probably due to enrollment and the variation in the number of activities in the extra-curricular programs and also to the fact that the activity ticket does not include all activities in a large number of schools.

The activity ticket should admit to all activities in the extra-curricular program. This is the opinion of authorities in the extra-curricular financial field. When the activity ticket admits pupils to all activities, it assures a larger attendance and a distinct saving in the price of admission to the pupils. Division B schools have more of their number that use an activity ticket that includes all activities

than the division A schools. The division A schools have a large number of schools that have an activity ticket for the athletic contests only, but this practice is also found in the division B schools. The schools in both divisions should adopt an activity ticket including all activities in the extra-curricular program, thereby assuring better financial support of the entire program and a reduction of price to the pupils.

The manager of ticket sales for extra-curricular activities should always be a faculty member. This is the opinion of the authorities in the field. Many students have learned dishonest habits, and waste and carelessness has been practiced by student managers in managing ticket sales. In the division A and B schools a very unsatisfactory condition exists in the managing of ticket sales. In the division A schools, the principal is manager in 27 schools and a faculty member in 7 schools, and in the division B schools the principal is manager in 17 schools and a faculty member in 13 schools, and in all other schools a student or a committee of students act as managers. The division B schools have an advantage, but both divisions are careless and are not using the best procedure in selecting managers for their ticket sales.

Authorities are agreed that a method of checking ticket sales and receipts should always be used and that the method should be simple and efficient in accounting for all tickets. Division B schools state that 93.9 per cent of their number have a method of checking ticket sales and receipts and the division A schools have 75.5 per cent of their number that have a method of checking ticket sales and receipts. The division B schools have a decided advantage in the matter of having a

method of checking ticket sales and receipts. Tickets sold should check with receipts and all unsold tickets should be returned or paid for. The schools should exercise extreme care that an opportunity for dishonesty does not exist and that careless and unbusiness-like practices are eliminated in regard to ticket sales.

Ticket selling contests where the students canvass the community for sales is nothing more than begging, and the putting of extra-curricular activities on a charity basis. About the only good feature the practice possesses is that of advertising, and better methods of advertising exist. Division A schools have 39.2 per cent of their number and division B schools have 62.6 per cent of their number that have ticket selling contests where the students canvass the community for sales. The division B schools are the worst offenders in this practice. All such contests should be eliminated and the extra-curricular activities program improved so that this practice would be unnecessary.

The data show that 73.3 per cent of the division A schools and 86.7 per cent of the division B schools follow the procedure of checking in all receipts to the treasurer before the expenses of the activities are paid. This is the procedure approved by the authorities in the extra-curricular financial field. Division B schools show a greater percentage of their number following the approved procedure. Every school should check in all receipts to the general treasurer before any of the expenses are paid, so that a complete record can be made of all business transacted by the activities, and business-like practices used in conducting these transactions.

There is unanimous agreement by authorities in the extra-curric-

ular financial field that all checks drawn against the student body account should bear the initials or signature of the principal or a faculty member designated by the principal before such checks are valid. Division A schools have 57.8 per cent of their number that have this rule. Division B schools have more of their number that have this rule, 81.9 per cent stating that they observe this practice. All schools should observe this rule and prevent any abuse of the check writing privilege. It is an easy matter to have an agreement with the bank that all checks bear the signature or initials of a designated faculty member before they are cashed.

Payment of all expenditures incurred by the activities in the extra-curricular program should be by check and the check should bear the initials or signature of the principal or a designated faculty member. The better practice is to have the check bear at least two signatures before it is honored. Officials for athletic games many times demand cash payment for their services, and this argument is offered by school men in the defense of making cash payments. This matter can easily be adjusted by payment with voucher checks to such officials that can be paid out of the receipts when the voucher check is endorsed by the official. This then gives an accurate record from which the treasurer can make his entries. Division B schools pay by check in 71.2 per cent of their number, and division A pay by check in 31.2 per cent of their number, which shows that the division B schools have a greater number observing the approved practice in this matter.

Authorities in the extra-curricular financial field say that all expenditures should be approved, and that requisition blanks should be

used. They suggest that the best practice is to have each requisition signed by the faculty adviser, general treasurer and the principal. The faculty adviser should sign to show that the expenditure is approved by the organization. The general treasurer should sign to indicate that the funds are available for payment and the principal should sign so that he may keep in contact with the activities and organizations. Division A and B schools indicate that 95.8 per cent of the former and 100 per cent of the latter require approval of expenditures, but the former use requisitions in only 16.3 per cent of their numbers and the latter in 56.7 per cent of their numbers. The approval of expenditures is made by 86 principals, 19 faculty advisers and 14 treasurers in the division A schools, and in the division B schools the principals approve expenditures in 51, faculty advisers in 39 and the treasurers in 9 of their numbers. Others that give approval for expenditures are the activity managers, the council, a student committee and student body by vote. With the exception of requisitions the division A and B schools handle expenditures in a satisfactory manner with the division B schools using the approved procedure in the greater number of cases.

Authorities agree that expenditures should always be approved regardless of the amount of money involved. Division A and B schools make exception to the approved practice by allowing expenditures under certain amounts without approval in 37.3 per cent of the former and in 31.8 per cent of the latter. The amounts range from less than fifty cents to ten dollars in the two divisions, with the exception of one division B school which states the amount at forty dollars. This unbus-

iness-like practice should be eliminated in all schools. The principal, faculty adviser, coach and student managers can exercise the privilege of expenditure without approval in both division A and B schools, with the principal named the most frequently. Faculty members should not be exempted from this rule. Business practices should be used in all transactions.

The matter of disposing of funds left over by the activities and organizations at the end of the year has been a problem that has caused abuses and waste of funds in many schools. Authorities in the extra-curricular field agree that all funds left over at the end of the year should be held over to the credit of the activities or be placed in a general fund, and that this money should be invested to draw interest during the summer months. In the division A schools 125 of their number retain this money for the following year, and 78 of the division B schools follow the practice of retaining the money for the following year. In one division B school this money is turned over to the school board. In the remaining number of division A and B schools the money is spent on gifts, parties, picnics or for the benefit of the school. All money left over at the end of the year should be saved, and used to expand the extra-curricular program the following year.

Division A and B schools have approximately the same percentage of their numbers that pay the expenses of students and faculty members when they are transacting student body business. In the division A schools 68.8 per cent and in the division B schools 68.4 per cent of their number pay such expenses. All schools should pay the expenses,

of students and faculty members, incurred in transacting student body business. This should be considered as legitimate expense in the conducting of the extra-curricular program.

The data show that the division B schools use more of the approved materials in their accounting systems than the division A schools, but that uniform accounting systems are not in use to any extent. Authorities agree that a ledger, cash book or a combination ledger and cash book are essential to a uniform accounting system. The size of the school should not be a determining factor in the use of an accounting system as it is just as necessary to teach the proper business methods in the small school as in the large school. The object of an accounting system should be to teach the best business procedures of accounting for funds, and the pupil in the small school is as much entitled to this knowledge as the pupil in the large school. All schools should have a uniform accounting system which uses the best business practices. In the division B schools 62.6 per cent of their number use a cash book, and 69.6 per cent use a ledger, while in the division A schools 49.6 per cent use a cash book and 36.2 per cent use a ledger. The remaining number of schools do not indicate any such materials and show the lack of a uniform system. The schools in both divisions indicate by the data that a reorganization and the adoption of uniform accounting systems are necessary before the schools can conform to the best approved procedures. Division B schools show that more of their number have uniform accounting systems than are found in the division A schools, but a great many lack such systems.

Recommendations for this study:

1. All schools should adopt a centralized system of handling extra-curricular finances, with funds of all activities and organizations in the custody of the general treasurer.

2. The general treasurer should be a faculty member, and should make a financial statement each month to the principal and each activity and organization in the school.

3. An audit of the books of the general treasurer should be made by a certified public accountant, but when a certified public accountant is not available a faculty committee should make the audit.

4. A budget for the year should be made to include all activities and organizations in the school. A competent committee consisting of students and faculty members should make the yearly budget subject to the approval of the principal.

5. Activities unable to support themselves should have provisions made for them in the budget and all activities and organizations should remain within their allotted budgets. When it is absolutely essential that an activity exceed its budget, it should receive the approval of a finance committee and the principal before funds are transferred to its account.

6. All extra-curricular programs should be financed through activity tickets and general admission tickets to the public. The activity ticket should admit the pupil to all activity programs.

7. A method of checking ticket sales and receipts should be adopted by every school. A faculty member should be manager of all ticket sales and should deposit all receipts with the general treasurer before

any expenses incurred by the activity are paid.

8. All expenditures should be paid for by check. All checks should be signed by at least two members of the faculty.

9. All expenditures should be made by requisition and each requisition should be approved by the faculty adviser, general treasurer and the principal.

10. Funds left at the end of the year by each activity should be held over in a general fund and be available to the centralized organization for conducting the school program the following year.

11. A uniform system of accounting should be in use in every school and the principles of sound business should be strictly adhered to in all transactions.

Further Suggested Studies

1. A survey to determine the per pupil cost of extra-curricular activity programs.

2. A study of method of budget making and a recommended procedure for secondary schools.

3. A study of the accounting systems of extra-curricular activities and a recommended accounting system.

4. A study of the system of raising money to finance extra-curricular activity programs.

5. A study of methods of conducting, and materials used in handling ticket sales.

6. A study of school administrators' responsibilities in extra-curricular activity programs.

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OREGON STATE AGRICULTURAL COLLEGE
SCHOOL OF EDUCATION
CORVALLIS, OREGON

March 8, 1934

To the Superintendent

Or Principal Addressed

This study is being written under the direction of Dr. R. J. Clinton, Professor of Education, and we believe the results will prove to be both interesting and beneficial to school people of the State. May we ask your indulgence in filling out the questionnaire promptly?

The questionnaire has been put in short and concise form so that a minimum of time will be required to fill it out. Such a study should have representative data in it, and I am anxious to include as near 100% of the Oregon high schools as is possible. Will you please turn the questionnaire over to the proper person with the suggestion that it be completed as soon as possible?

The data will be grouped and treated without reference to any particular school. I shall make an effort to make the results of the study available, probably through the Oregon Education Journal.

Yours very truly,

R. A. Nixon

RAN:CR

A STUDY OF THE FINANCIAL METHODS

OF EXTRA-CURRICULAR ACTIVITIES IN THE SECONDARY SCHOOLS OF OREGON

High School.....City.....Enrollment.....

Superintendent or Principal.....

Underscore or write in the answer that fits your situation

1. Do you have a student body organization?.....Yes - No
2. Do you have a student body treasurer?.....Yes - No
3. Does the student body treasurer have the custody of the funds of all student activities and organizations?.....Yes - No
4. Which organizations keep their bank accounts independently of the student body treasurer? Dramatics - Debate - Letterman's Club - Classes - Declamatory - Music Club - Literary Society - Honor Society - Athletics.....
5. Does the treasurer make a financial statement to the principal?.....
Monthly - Semi-annually - Annually.....
6. Is each organization required to keep an accurate record of receipts and expenditures available for inspection?.....Yes - No
7. Who audits the accounts of the student body and other organizations? - Principal - Faculty Member - Certified Public Accountant - Student Body Treasurer - Board Treasurer - Faculty Adviser - No one
8. Is the treasurer a student or a faculty member?.....
9. How would you classify your financing system?.....
Centralized? - Decentralized?.....
10. Do you make out a budget to include all activities and organizations?.....Yes-No
11. Who of the following help in making out the budget? - Principal - Athletic Director - Student Body Treasurer - Student Body President - Student Managers - Faculty Advisers - Student Council - Class Presidents - Organization Presidents - Others.....
12. Must the budget be approved before adopted?.....Yes - No
By whom?.....
13. Are provisions made for activities that are not self-supporting?.....
.....

14. Which, if any, of the following activities exceed their budgets?
Basketball - Baseball - Football - Track - Annual - Dramatics -
Debate - Declamation - Musical productions - Class Organizations.....
15. Who approves the transfer of funds from one organization to another?
Principal - Adviser - Financial Committee - Treasurer - Student Body
President - Activity Managers - Coach.....
16. Do you have a student body ticket?.....Yes - No
17. How much does this card cost each student?.....\$ _____
18. Who manages the ticket sales for the student body activities?.....
Principal - Student Body Treasurer - Student Manager - Faculty Mem-
ber - Selected Students.....
19. Do you have ticket selling contests in which the students canvass
the community for sales?.....Yes - No
20. Have you a method of checking receipts and ticket sales?....Yes - No
21. To which of the following activities does the student body card en-
title the holder? Plays - Athletic Contests - School Paper - Dances-
Vote in student affairs - Musical Programs - Debates.....
22. Are all gate receipts checked into the student body treasurer before
any of the expenses of the activities are paid?.....Yes - No
23. Must all checks drawn against the student body account be initialed
by the principal or a faculty member designated by him?.....Yes - No
24. Must approval for each expenditure be given by someone?.....Yes - No
Faculty Adviser - Treasurer - Student Committee - Activity Manager -
Principal?.....
25. Must this be on a regular requisition form?.....Yes - No
26. Is approval unnecessary under certain amounts?.....Yes - No
What is the amount?.....\$ _____
27. Who can exercise the privilege under question 26? - Principal -
Faculty Adviser - Student Manager - Coach - Any Student.....
28. How are officials for athletic games, debate, etc., paid by student
body? By check - By cash?.....
29. What happens to funds each activity has at end of year? Held over -
Spent on gifts - Spent for party - Goes to Board?.....
30. Do you pay the expenses of faculty members or students who make trips
on student body business?.....
31. Which of the following materials does your student body treasurer use
in his accounting system? Check book - Receipt book - Columnar Cash
Book - Ledger - A Pad of Requisitions.....
32. Give additional information on your bookkeeping system (Use back of
this page)