

INACTIVE ACCOUNTS

Excerpt from [AP 2225 Administration of Student Body Funds](#):

Trust account balances. All balances remaining in the trust account of any club or organization one year after the club or organization has been disbanded or has been inactive for one year shall be reviewed by the principal or designee and the student council, and subject to extenuating circumstances, shall be transferred to the Student Body General Fund. Such action shall be recorded in the minutes of a student council meeting.

According to Administrative Procedure 2225 as noted above, trust account balances are to be transferred only when the club has been "disbanded" or "inactive" for a year.

"Disbanded" or "inactive" clubs are clubs that have not submitted paperwork and are not approved to operate. The criteria is not related to whether there has been no financial activity for more than one year. A club can be active and not have activity in its trust account for over a year but that does not warrant a transfer of funds to an ASB account.

For best practices, before a club is deemed as "disbanded" or "inactive", there should be a diligent process (listed below) in engaging the ASB advisor, club advisor, principal, and financial clerk to determine the status. Once there is a consensus, the request should be taken to the ASB council meeting and the action to close the fund and the remaining fund balance should be noted in the meeting minutes. Transfer the funds as follows:

Transfer from applicable Club Category - Account 2###

Transfer to Inactive/Dormant Accounts Category - Account 3999

Suggested Process:

1. Identify the best time for your site to evaluate inactive accounts (in the fall after most of the club paperwork has been submitted, end of the year, etc.)
2. ASB requests a list of inactive accounts from the financial clerk (accounts that have not had activity for a year or more)
3. ASB compares the provided list to the club paperwork on file
4. For any inactive accounts without club paperwork on file, ASB notifies the club advisor in writing ([sample memo](#)) that their account has been marked inactive and if club paperwork is not submitted by a designated date, their account will be closed down and any remaining funds in their account will be moved to the ASB
5. Once that deadline occurs, ASB prepares a memo ([sample memo](#)) to the principal that proposes closure of the listed inactive accounts

6. The principal advises the financial clerk to close down the inactive accounts and transfer any funds in those accounts to Account 3999 Inactive/Dormant Accounts for Secondary Schools and Account 3000 ASB General for Elementary Schools.
7. For year-end close procedures, Secondary Schools close out Account 3999 Inactive/Dormant Accounts balance to Account 3000 ASB General.