



ADMINISTRATIVE PROCEDURE

SAN DIEGO UNIFIED SCHOOL DISTRICT

NO: 2317

PAGE: 1 OF 3

CATEGORY: **Fiscal Management, Accounting**

EFFECTIVE: **1-29-62**

SUBJECT: **Emergency Loans to Students**

REVISED: **11-08-2002**

A. PURPOSE AND SCOPE

1. To outline administrative procedures for establishing and maintaining an emergency loan fund for students.
2. **Related Procedures:**

ASB deposits, authorized bank	2245
Deposit of district funds by schools	2205
Revolving cash funds	2310

B. LEGAL AND POLICY BASIS

1. **Reference:** Board Policy D-5000.

C. GENERAL

1. **Originating Office.** Suggestions or questions concerning this procedure should be directed to the Accounting Department, Finance Division, Business Operations Branch.
2. Student body funds *shall not* be used for any purpose which represents an accommodation, loan, or credit to anyone other than a student.
3. Emergency loans for meals, carfare, and such items may be made to students at the discretion of the principal. This procedure clarifies a districtwide system for handling emergency loans.
4. Funds for emergency loans to students may be provided by gifts to the student body organization, by transferring funds from the ASB general fund, or by site funds.

D. IMPLEMENTATION

1. **Loans Funded by Donations or ASB**
 - a. **When a gift of money for student loans is accepted,** the funds are deposited in the student body bank account and a student loan trust account is established.
 - b. **If funds for a student loan account are to be provided by ASB,** a “Student Loan and Welfare funds” trust account must be established with funds being transferred from the ASB General fund. Total ASB funds transferred shall not exceed \$100 per year.

- c. **To provide cash fund for loans**
 - (1) After a student loan trust account has been established (1.a. and 1.b.), a student body check must be drawn to provide cash for making loans. The account, "Cash on Hand, Emergency Loan," is established to record the amount of cash drawn.
 - (2) At the close of school year, cash on hand at the site must be deposited in the ASB bank account. The amount deposited is credited to the "Cash on Hand, Emergency Loan" account.
 - (3) If, because of uncollectible loans, the amount deposited in the ASB bank account is less than the cash amount initially established, an amount sufficient to zero out the "Cash on Hand, Emergency Loan" account must be transferred from the student loan trust account.
 - d. **To purchase meal loan cards with student loan funds**
 - (1) After a student loan trust account has been established (1.a. and 1.b.), a student body check payable to Food Services is to be prepared to purchase student meal loan card(s). The student body check is recorded by charging the student meal loan trust account for the amount of the purchase.
 - (2) If funds are collected from students, they are to be deposited in the student meal loan trust account to replenish the fund for a subsequent meal loan card purchase.
2. **Meal Loan Purchased with Funds from District Budget Account(s).** A Revolving Cash Fund (RCF) check is written payable to Food Services to purchase emergency meal loan card(s) that may be needed for full-pay or reduced-price meals.
- a. **An RCF reimbursement claim form** should be submitted for the purchase of emergency meal loan cards (Procedure 2310). Budget account number to be charged must be indicated. The meal card stub(s) should be attached as the supporting documentation.
 - b. **Upon collection of funds from students**, a Student Body Funds Receipt must be prepared. A district deposit is to be made (Procedure 2205).
3. **Making Emergency Loans to Students**
- a. **At the time of meal/loan**, the student receives an "Emergency Loan Notice" (E.1, Attachment) addressed to the parent/guardian,

requesting payment by the next school day. School sends original copy (white) home with student for parent/guardian signature. The signed notice should be returned with the loan payment the next school day. A phone call may also be initiated.

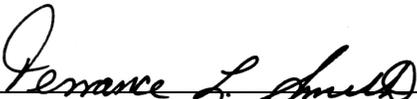
- b. **The third copy (blue)** is to be sent to the cafeteria with the student requesting the meal loan. The cafeteria serves the student a meal and records it on the appropriate "Emergency Loan" meal card kept on file in the cafeteria. The meal is rung up on the cash register as pre-paid, reduced- or full price. The blue copy will then be attached to the "Emergency Loan" meal card for audit purposes. When the card is void, it should be returned to the school office, indicating a new "Emergency Loan" card should be purchased at that time.
- c. **When the white copy is returned** to the school with loan payment, it is to be date-stamped and initialed and then attached to the second copy (yellow) kept on file in the school office.
- d. **A second notice** is sent if there is no response to the first request for payment of the loan.
- e. **If a second loan is made** before the first is paid back, another "Emergency Loan Notice" is mailed to the student's home requesting payment of the loan(s) and indicating no further loans can be made until the outstanding loan(s) have been paid.
- f. **If there is no response** to requests for payment of the loan(s), the situation may then be referred to the school guidance counselor or school nurse. On recommendation from the school counselor or nurse, the administrator will take appropriate action in the best interest of the child (e.g., referral to Child Protection Service to identify and address the root of the problem).

E FORMS AND AUXILIARY REFERENCES

1. Emergency Loan Notice Form, Sample, Attachment

F. REPORTS AND RECORDS

G. APPROVED BY



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