

AN EVALUATION OF AN ADEQUATE FINANCE SYSTEM  
FOR EXTRACURRICULAR ACTIVITIES

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AN EVALUATION OF AN ADEQUATE FINANCE SYSTEM  
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## TABLE OF CONTENTS

|  | Page |
|--|------|
| LIST OF TABLES . . . . .   | v    |
| Chapter  |      |
| I. INTRODUCTION . . . . .  | 1    |
| Purpose of the Study   |      |
| Definition of Activity Financing and Administration  |      |
| Scope of the Study   |      |
| Method of Procedure  |      |
| Related Studies  |      |
| II. EVALUATIVE CRITERIA . . . . .  | 14   |
| Socializing the Pupil through Extra-curricular Activities  |      |
| Necessary Requirements for Sound Finance   |      |
| Should the Method of Accounting be Centralized or Decentralized?   |      |
| Criteria for Evaluating a Finance System for School Activities outside the Regular School Finance System |      |
| III. PRACTICES IN FINANCING THE EXTRA-CURRICULAR ACTIVITY . . . . .                                      | 27   |
| IV. APPLICATION OF CRITERIA TO PRACTICE . . . . .  | 50   |
| Methods of Raising and Distributing Activity Money   |      |
| Evaluation of Methods  |      |
| V. SUMMARY AND RECOMMENDATIONS . . . . .   | 70   |
| Plans for Raising Money  |      |
| Plans for Spending Money   |      |
| Pupil Participation in Financing and Accounting for Activity Funds                                       |      |
| Types of Plans Used in School Activity Financing and Accounting  |      |
| Recommendations, with a Suggested Type of Plan for Raising Money, Spending Money, and Accounting         |      |

|                    | Page |
|--------------------|------|
| APPENDICES .....   | 80   |
| BIBLIOGRAPHY ..... | 95   |

## LIST OF TABLES

| Table   | Page |
|---|------|
| 1. Per Student Cost of Extracurricular Activities in More Than Four Hundred High Schools, together with the Number and Per Cent of Schools Indicating Each.....                             | 11   |
| 2. Responses of Superintendents of More Than Four Hundred High Schools to a Questionnaire on General Organization for Financial Control.  | 12   |
| 3. The Number and Per Cent of Each of the Types of Systems Used by Sixty-Eight School Superintendents.....  | 37   |
| 4. Who Serves as Treasurer of Extracurricular Finances, and Extent of Supervision of the Treasurer, as Indicated by Sixty-Eight Superintendents.....  | 38   |
| 5. Who Serves as Central Treasurer in the Centralized Plan of Extracurricular Financing, as Indicated by Sixty-Eight Superintendents, together with the Number and Per Cent Using Each..... | 38   |
| 6. Ways in Which Activity Funds Are Collected in Extracurricular Financing, as Indicated by Sixty-Eight Superintendents, gathered with the Number and Per Cent of Each.....                 | 39   |
| 7. How Receipts Are Accounted for in Extracurricular Finance, as Indicated by Sixty-eight Superintendents, together with the Number Using Each Method.....                                  | 40   |
| 8. Methods of Accounting for Disbursements in Extracurricular Financing, as Indicated by Sixty-eight superintendents, with the Number and Per Cent Indicating Each Method.....              | 40   |

| Table  | Page |
|--|------|
| 9. Forms Used as Records in Extracurricular Financing, as Indicated by Sixty-eight Superintendents, together with the Number and Per Cent of Superintendents Indicating Each Form.....                         | 41   |
| 10. Ways in Which Students Participate in Handling of Finance, as Indicated by Sixty-eight Superintendents, and the Number and Per Cent Using Each Method.....   | 42   |
| 11. Bases on Which Membership Dues Are Levied, as Indicated by Sixty-eight Superintendents, with the Number and Per Cent Indicating Each Basis.....  | 42   |
| 12. How Authorization and Sale of Printing and Sale of Tickets Are Handled in Extracurricular Financing, as Indicated by Sixty-eight Superintendents, with the Number and Per Cent Indicating Each Method..... | 43   |
| 13. How Money Derived from Extracurricular Activities is Spent, as Indicated by Sixty-eight Superintendents, together with the Number and Per Cent Indicating Each Method.....                                 | 44   |
| 14. Extent of Student Democracy in Extracurricular Financing, as Indicated by Sixty-eight Superintendents, and the Number and Per Cent Indicating Each Method.....   | 45   |
| 15. How the Books Are Audited in Extracurricular Finances, as Indicated by Sixty-eight Superintendents, together with the Number and Per Cent Indicating Each Method.....                                      | 46   |
| 16. Bases on Which Leaders of Various Organizations Are Chosen, as Indicated by Sixty-eight School Superintendents, with the Number and Per Cent Indicating Each Basis.....                                    | 46   |

| Table  | Page |
|--|------|
| 17. The Attitudes of Sixty-eight School Superintendents and Twenty School Patrons Regarding Extracurricular Financing, as Indicated by Their Responses to Questions Concerning Methods of Financing..... | 47   |
| 18. The Most Popular Ways of Raising Money for Extracurricular Finance, as Indicated by Sixty-eight Superintendents, and the Frequency of Each.....  | 51   |
| 19. The Most Popular Accounting Forms in Extracurricular Finance, as Indicated by Sixty-eight Superintendents, and the Frequency of Each Form.....   | 52   |
| 20. Decentralized Financial Plans of Handling Money for Extracurricular Activities, as Indicated by Sixty-eight Superintendents, together with the Number and Per Cent Answering Yes and No.....         | 62   |
| 21. Centralized Financial Plan of Handling Money for Extracurricular Activities, as Indicated by Sixty-eight Superintendents, together with the Number and Per Cent Answering Yes and No.....            | 65   |
| 22. Why the Decentralized Type of Plan in Extracurricular Financing was Used, as Indicated by the Superintendents Using the Decentralized Plan, with the Frequency of Each Reason.....                   | 67   |
| 23. Who Serves as Central Treasurer in Schools Where the Centralized Plan is Used, as Indicated by Sixty-eight Superintendents, with the Number and Per Cent of Each Item...                             | 67   |

## CHAPTER I

### INTRODUCTION

#### Purpose of the Study

It is the purpose of this study to discover and report educationally sound practices of activity financing and administration, with special emphasis placed on accounting. This investigation will attempt to disclose present-day common practices in financing the activities and accounting in regard to activity finances, and where advisable to make recommendations to secure more adequate procedures.

#### Definition of Activity Financing and Administration

The terms "activity" and "extracurricular activity" as related to this study will be used interchangeably. For the purpose of this investigation, the terms will apply to such activities as are not financed directly by the school board.

The term "financing" as related to this subject should be interpreted as meaning the securing of funds to carry on the activities of the various organizations within the school.



The term "accounting" refers to the recording of financial transactions taking place by the various organizations.

#### Scope of the Study

This study will be limited to Texas high schools with an enrollment between one hundred and three hundred students. Also, it is limited to financing and accounting of extra-curricular activities of the sixty-eight schools from which questionnaires were received.

In regard to this problem, the following questions arise as outstanding ones which, if answered, will fulfill the purpose of this study:

1. Are the methods of financing activities democratic?
2. Do the methods used possess educational values?
3. Do the methods used possess sociological values?
4. Do the methods used conform to sound business principles?

#### Method of Procedure

Efforts have been made to obtain such data as would give a cross-sectional view of the types of plans now in use in small Texas high schools in order that a comparison could be made of these types of plans with other plans recommended by others that have made similar studies. Although the study has been limited to small high schools,

plans of larger schools have been investigated in order that a system could be devised that would be practicable in any school, regardless of size.

Questionnaires were sent to eighty-one superintendents of schools, the latter being selected at random from schools having an enrollment between one hundred and three hundred. Questionnaires were returned from sixty-eight schools.

#### Related Studies

Although much has been written on activities, and a number of objective investigations have been made in various fields of both curricular and extracurricular activities, little has been written in regard to the financing and accounting as a separate unit. The larger part of what has been written on financing and financial accounting has been based on and written for the larger high schools.

Elbert K. Fretwell, a man of long experience in the extracurriculum work, and for some years the instructor of an extracurricular course at Teachers College, Columbia University, presents a comprehensive resume of the field of extracurricular activities in his book entitled Extracurricular Activities in Secondary Schools.<sup>1</sup> This book is

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<sup>1</sup>Elbert K. Fretwell, Extracurricular Activities in Secondary Schools, p. 522.

a result of a study of several hundred schools together with the findings of a round-table discussion of student teachers, many of them men and women who had been in the work for many years. He came to the following conclusions:

Extra-curricular activities should grow out of curricular activities and return to enrich them.<sup>2</sup>

Situations must be so organized that youth may do that which youth conceives to be worthwhile.<sup>3</sup>

Extracurricular activities open untold opportunity to present work in initiative and leadership, a spirit of respect and cooperation.<sup>4</sup>

Extracurricular finances furnish a splendid opportunity to present sound business methods.<sup>5</sup>

Meyer and Eddleman<sup>6</sup> in 1929 published the result of a nation-wide survey on the financing of extracurricular activities. They tried to obtain such data as would give a cross-section of the types of plans then in use throughout the country. They selected outstanding schools, regardless of size, type, or location, as subjects of this questionnaire study. They concluded that the general methods now in use for raising finances are as follows:<sup>7</sup>

1. Special grants from the Board of Education

<sup>2</sup>Ibid., p. 18.

<sup>3</sup>Ibid., p. 57.

<sup>4</sup>Ibid., p. 157.

<sup>5</sup>Ibid., p. 444.

<sup>6</sup>Harold D. Meyer and Samuel M. Eddleman, Financing Extracurricular Activities, pp. 5-42.

<sup>7</sup>Ibid., pp. 5-6.

2. Weekly or annual fees pupils vote upon themselves
3. Dances
4. Operettas
5. Moving pictures
6. Concerts: band, victrola, old fiddlers' convention
7. Lectures
8. Taking magazine subscriptions
9. Carnivals
10. Rummage sales
11. Sale of candy, jelly, marmalade, etc. by the Home  
Economics Club
12. Ice cream suppers
13. Oyster suppers
14. Minstrel shows
15. Sale of peanuts, candy and soft drinks at athletic  
games
16. School store
17. Fees charged by Library Club for repairing books
18. Musical comedies put on by students in a local  
theater
19. Class socials
20. Musical entertainments
21. Festivals; such as May Day, Valentine parties, and  
other festival days for which admission may be  
charged

22. Community Christmas tree
23. Field days
24. Community picnics, fairs, circuses
25. Debates
26. Plays
27. Pageants
28. Community songs, spelling matches, and parties
29. Popular girl contests
30. Exhibits of school work

The general methods of distributing finances are listed below.<sup>8</sup>

1. Use the budget system
2. Each activity raises and spends its own funds
3. Funds are under the absolute control of a faculty representative
4. Funds are distributed according to the needs of activities as they arise
5. Each activity spends its own funds and may draw upon the general treasury if necessary
6. Each activity gets a definite percentage of funds
7. Funds are handled by a finance committee or an activities council
8. Moneys are raised as needed

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<sup>8</sup>Ibid., pp. 25-26.

9. Money made from activities that pay is used to finance those that do not pay.
10. The Athletic Council decides how money is to be spent.
11. The Parent-Teacher Association furnishes funds for each activity.
12. The school votes on expenditures of funds.
13. All moneys are deposited in a general activity fund. Activities that do not carry themselves draw from this fund.
14. Keep a balance large enough to get what is really needed.

The two systems of control of moneys found in this study were (1) the centralized, and (2) the decentralized.<sup>9</sup>

The centralized system of control was found to:

1. Be more business-like
2. Offer better business training
3. Be more democratic
4. Offer more and better socialization value
5. Be simpler to operate and audit
6. Discourage reckless spending<sup>10</sup>

Riverda Harding Jordan found in his study that

<sup>9</sup>Ibid., pp. 39-42.

<sup>10</sup>Ibid.

Where entire control is left with the pupils, waste, extravagance, and actual dishonesty frequently result. Where the principal takes entire personal charge, his administration of the funds is often open to criticism, and if he is not extremely careful, to whispered charges of misappropriation and worse.<sup>11</sup>

It was found that many principals and superintendents have expressed a desire to change to better practices, but have not been able to do so because they do not know of any better plan.<sup>12</sup>

Joseph Roemer and Charles Forrest Allen traced the solution of internal accounting in the Little Rock, Arkansas, school system. They found that under the old plan no uniformity existed either in raising funds or in disbursing them, but that

1. In some cases parent-teacher associations controlled the school funds.
2. In some cases a teacher was appointed or the principal acted as the school's treasurer.
3. In many cases each teacher or activity was a unit unto itself.<sup>13</sup>

Under the above method of handling funds it was found that

1. Programs, ticket sales, collections, and various ways of securing money became a school nuisance.

<sup>11</sup>Riverda Harding Jordan, Extra-Classroom Activities in Elementary and Secondary Schools, p. 225.

<sup>12</sup>Ibid., p. 226.

<sup>13</sup>Joseph Roemer and Charles Forrest Allen, Extra-curricular Activities in Junior and Senior High Schools, pp. 188-189.

2. Some departments, such as music, by nature suited to raising funds, were soon comparatively well equipped.
3. Other departments not so well suited to raising money were handicapped.
4. Certain departments were monopolizing the time and places for programs and the ticket sales of the school.
5. There was no means of telling just how much money had been collected nor in whose possession it was.
6. Jealousies and complaints crept in, causing criticisms of the school in general.
7. Bills were being received which had been carried over from the previous term, and for which no one seemed responsible.
8. No one could tell who had ordered or whether the account had been paid.
9. In many instances the one responsible was no longer connected with the school.<sup>14</sup>

A study of the methods of accounting used in connection with the extracurricular activities in more than four hundred high schools was made recently by McKown.<sup>15</sup> Some

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<sup>14</sup>Ibid., p. 189.

<sup>15</sup>Harry C. McKown, Extracurricular Activities, pp. 555-556.



schools are, of course, represented in some items and not in others. The total number of schools represented in the various items in the tables below is usually about 275-300. The enrollment of these schools varies from thirty to 4,700 students. Thirty-six per cent of these schools enroll fewer than 500 students; twenty-eight per cent enroll from 500 to 1000; and thirty-six per cent enroll more than 1000 students. In other words, each classification contains about one-third of the cases.

Figures on per student costs of extracurricular activities in this study are not accurate. The data found in Table 1 do, however, give a general idea of this cost.

The amounts of money handled through the extracurricular organizations as scheduled by the 268 schools ranged from \$300.00 to \$12,500.00, the median amount being about \$4,000.00.

From the figures it will be seen that the median cost per student of extracurricular activities in these schools is between six and seven dollars.<sup>16</sup>

Table 1 shows the per student cost of extracurricular activities in more than four hundred high schools included in the study by McKown, together with the number of schools and the per cent of schools indicating each range of cost shown in the table.

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<sup>16</sup>Ibid.

TABLE 1

PER STUDENT COST OF EXTRACURRICULAR ACTIVITIES IN  
MORE THAN FOUR HUNDRED HIGH SCHOOLS, TOGETHER  
WITH THE NUMBER AND PER CENT OF SCHOOLS  
INDICATING EACH

| Per Student Cost | Number of Schools | Per Cent of Schools |
|------------------|-------------------|---------------------|
| Less than \$1.00 | 5                 | 1.9                 |
| \$1.01 - \$2.00  | 28                | 10.4                |
| 2.01 - 3.00      | 20                | 7.4                 |
| 3.01 - 4.00      | 29                | 10.7                |
| 4.01 - 5.00      | 19                | 7.1                 |
| 5.01 - 6.00      | 19                | 7.1                 |
| 6.01 - 7.00      | 31                | 11.6                |
| 7.01 - 8.00      | 21                | 7.6                 |
| 8.01 - 9.00      | 9                 | 3.3                 |
| 9.01 - 10.00     | 17                | 6.3                 |
| 10.01 - 11.00    | 11                | 4                   |
| 11.01 - 12.00    | 8                 | 3.6                 |
| Over \$12.00     | 51                | 19                  |
| Total            | 268               | 100.0               |

Dement,<sup>17</sup> in her study of ten schools, found the per student cost to be slightly higher than the six- or seven-dollar median cost found by McKown.

McKown,<sup>18</sup> in order to get data on the general organization for financial control, sent out a questionnaire. The data found in Table 2, giving the responses of superintendents of more than four hundred high schools, show his findings.

<sup>17</sup>Alice L. Dement, "Values in Extracurricular Organizations in High School," School Review, XXXII (Jan., 1924), 45.

<sup>18</sup>McKown, op. cit., pp. 556-557.

TABLE 2

RESPONSES OF SUPERINTENDENTS OF 292 HIGH SCHOOLS TO  
A QUESTIONNAIRE ON GENERAL ORGANIZATION  
FOR FINANCIAL CONTROL

| Question  | Response |     |             |
|---|----------|-----|-------------|
|   | Yes      | No  | No Response |
| Is the treasurer bonded? .....  | 42       | 240 | 10          |
| Do you have a school bank? .....  | 47       | 245 | ..          |
| Do you have a central treasurer?  | 169      | 103 | 20          |
| Is all money deposited in one fund? .....   | 140      | 148 | 4           |
| Do you include finances of cafeteria in extracurricular accounts? .....   | 29       | 222 | 41          |
| Do you include supplies, book sales, etc. in extracurricular accounts? .....  | 25       | 258 | 9           |
| Do you include locker fees in extracurricular accounts? .....   | 21       | 230 | 41          |
| Are deficits paid by the board of education? .....  | 38       | 222 | 32          |
| Is the central office of your financial organization in the principal's or superintendent's office? .....               | 218      | 49  | 25          |
| Is the financing of extracurricular activities and the accounting thereof in charge of the commercial department? ..... | 78       | 188 | 26          |
| Does a committee, board of finance, or the like pass on requisitions or requests for money? .....                       | 132      | 115 | 45          |

Of the schools included in this study, it was found that in 237 schools the principal, teacher, or secretary served as active treasurer; in twenty-five schools a student served as active treasurer; and in twenty schools both teachers and students served as active treasurers. In the schools where the treasurer was bonded, the bond ranged from \$1,000 to \$15,000, with a median bond of \$5,000. In fifty-six of the schools included in the study, the school depositors (such as organizations and activities) were allowed to withdraw as much as needed, irrespective of the amounts deposited. In 222 schools where deficits were not paid by the board of education, it was found that the deficit was either carried over, paid out of the general fund, or paid out of the entertainments fund. From this study it was found that there was a need for an accurate system of caring for the funds created by and for extracurricular activities.<sup>19</sup>

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<sup>19</sup>Ibid.

## CHAPTER II

### EVALUATIVE CRITERIA

There are certain principles underlying extracurricular activities that must be given careful consideration if these activities are to function at their best. This chapter is to build a set of criteria for measuring extracurricular work. This set of criteria is to be based upon the soundness of present accounting practices, educational philosophy and democratic principles.

#### Socializing the Pupil through Extracurricular Activities

Thomas M. Dean and Olive M. Bear express the belief that

The central treasurer should receive all the money of pupil organizations, pupil publications, athletics, school plays, and whatever sums, large or small, that, in the business of the school, pass through the hands of pupils or teachers. He should keep accurate records of all financial accounts and transactions, make required reports, and supervise pupils in regard to their organization finances. He knows exactly the financial standing of each organization; he knows its assets and its liabilities. From these data, with the cooperation of the treasurer of each organization, he should work out a budget, stating the approximate sum that may be spent during the year. Tickets should be numbered

serially so as to make checking easy and responsibilities definitely placed.<sup>1</sup>

John Guy Fowlkes, in his book Principles and Practices of Financial Accounting for Schools, declares:

It is essential that the financial control of extracurricular activities be organized in a centralized fashion and carefully controlled by the principal. This central fund should be the clearing house for funds of all the major extracurricular activities, such as athletics, class-funds, dramatics, publications, music, and speech.<sup>2</sup>

Harold D. Meyer<sup>3</sup> has listed thirty different ways of raising money. These range from special grants of the board of education to the activities carried on by the students, such as dances, operettas, moving pictures, and so on. The complete list is given below.<sup>4</sup>

1. Special grant from board of education
2. Weekly or annual fees pupils vote upon themselves
3. Dances
4. Operettas
5. Moving pictures
6. Concerts, etc.

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<sup>1</sup>Thomas M. Dean and Olive M. Bear, Socializing the Pupil through Extracurricular Activities, pp. 54-55.

<sup>2</sup>John Guy Fowlkes, Principles and Practices of Financial Accounting for Schools, p. 70.

<sup>3</sup>Harold D. Meyer, The Extracurricular Library; Financing, pp. 28-30.

<sup>4</sup>Ibid.

7. Lectures
8. Taking magazine subscriptions
9. Carnival
10. Rummage sales
11. Sales of miscellaneous
12. Ice cream suppers
13. Oyster suppers
14. Minstrel shows
15. Sale of peanuts, etc.
16. School store
17. Fees charged by Library Club for repairing books
18. Musical comedies
19. Class socials
20. Musical entertainments
21. Festivals
22. Community Christmas tree
23. Field day
24. Community picnics
25. Debates
26. Pageants
27. Community songs; spelling matches
28. Popular girl contest
29. Exhibits of school work
30. Cake walks

### Necessary Requirements for Sound Finance

Poling,<sup>5</sup> after investigating thirty small high schools of Ohio, declared that school administrators fully realize the importance of the proper handling of school activity funds but that few had put into operation a satisfactory system. From the information he received in this study, and with the assistance of twelve professional experts at Ohio State University, the conclusion was reached that a good internal activity financial system should meet the following requirements:

1. Control and record all receipts and disbursements and liabilities.
2. Provide for the activities yearly budget.
3. Provide for transferring funds from one activity to another.
4. Make provisions for regular standing financial reports.
5. Provide for regular auditing.
6. Be able to handle a widely varying number of accounts.
7. Use one form of record books.
8. Keep an organized file of information.

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<sup>5</sup>Conwell Poling, "International Activity Accounting in Small High School Systems," High School Teachers' Journal, VIII (March, 1932), 232-233.



9. Show the financial standing of any activity at any time.
10. Require a minimum number of recordings of each entry.

They further recommended: that a capable student be used for a central treasurer; that a capable student be used as treasurer of each organization; that a budget be prepared at the beginning of each year; that the budget be discussed by a committee designated by the administration for that purpose; that copies of this budget be sent to each activity head, the central treasurer, and the principal; that all receipts and disbursements be made in duplicate, one for the treasurer and the other for the special activity treasurer; and that the accounts be audited at the end of each month and at the close of each school year.<sup>6</sup>

The philosophy that "school is life as well as a place for preparation for life" directs or orients attention toward finding educational activities which have the greatest number of elements common to real life situations. Then it becomes the duty of the school to provide activities that will create these situations. Curriculum builders have failed to include many educational features that would tend to make a broader, more cultured life. Then the

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<sup>6</sup>Ibid., 233-234.

extracurricular, formulated by the individual schools, must say how, how much, and of what importance the extracurricular activities should be. Many truths are learned vicariously through an adequate plan of financing school activities; that is, the student has learned, through the direction of the teacher, how to make money, how to account well for what is made, and certainly with the contact of the public, develops personality. Many values of sound financing might be mentioned.

All of the students in the school will handle funds of their own. Moreover, many of them will go into positions of trust and confidence in which they will handle funds of employers or of the public. The very best methods of handling money are the least we should expect our students to participate in or to witness. Good business organization teachers can instruct the student to use good methods in his own financial matters.

It is true that there are many opportunities for criticism of careless handling of funds; and there is much educational value in rightly handled school finances.

The financing of any business costs money, and it is naturally supposed that a program of extracurricular work costs money. This part of the program involves both raising and spending money. Schools have increased in number, enrollment, and curricular offerings as well as in number and complexity of extracurricular opportunities, organizations,

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<sup>7</sup>McKown, op. cit., pp. 546-547.

and activities. So far these activities have not been sufficiently recognized officially, and school administration has made little provision for conducting them along reasonable and business-like lines. The present demand for efficiency in these affairs, together with the necessity for a closer and more effective organization of extra-curricular activities, has brought with it a most sensible demand that these activities and their finances be handled in accordance with sound business principles.

A number of reasons have been advanced in support of such a practice. In the first place, all of the pupils in the school will handle funds of their own and many will go into positions of trust in which they will handle funds of employers or of the public. The practice of handling money is the least we should expect students to participate in or to witness. The habit of careless handling of public or organization money may lead to careless handling of individual money, or a contempt for the school allowing such carelessness. In the second place, various organizations have money left over at the end of the year, and, in consequence, hasty and foolish spending occurs. The head of the school is responsible for all that goes on, which makes supervision imperative. The supervisor's duties are so numerous that he hardly has any time to read reports that are not uniform.

Should the Method of Accounting be Centralized  
or Decentralized?

In many schools no uniform plan of caring for activity funds exists. In some cases parent-teachers associations control the funds; in other cases a teacher is appointed or the principal acts as the activity treasurer; and in many cases each teacher or activity is a unit of its own. In such cases programs, ticket sales, collections, and various ways of securing money become a nuisance. Some departments which are suited by nature to raise funds fare very well, while other departments, oftentimes of more educational value, are unable to exist long because of being unable to finance themselves. Also, certain organizations monopolize the times and places for programs and the ticket sales of the school. There is no means of telling just how much money is collected nor in whose possession it is; as a result, jealousies and complaints often creep in, causing criticisms which are embarrassing to the school.

Moreover, a more serious problem presents itself. Bills are presented which have been carried over from the previous term, and for which no one seems responsible. No one can tell who ordered nor whether the account has been paid. In many instances, the ones responsible are no longer connected with the school.

In schools where each organization handles its finances in any way it chooses, the results are scattered accounts, books, records, and duplication of function and work. There is no correlation of finance or of activities. Desirable results in the financing of activities are possible only where the type of plan of financing has uniformity.

Reckless spending often takes place in the school where no uniform system is used. Organizations that have a balance at the end of the year devise plans to get rid of the money, disregarding entirely the value to be derived from the money. Due to the fact that the money was raised by the organization, they assume that it is its privilege and right to spend the money as it pleases.

Without proper guidance or system, organizations are likely to take very unethical means of <sup>handling</sup> raising money. (Often-<sup>LO</sup> times, disguised forms of begging are resorted to.) Also, many other means with no educational value whatsoever are used. Furthermore, the purpose for which the money is spent is often of doubtful value. In many cases only a few of the students take the initiative and the majority of the students derive no benefits from the participations in good business practices. In other words, an unsystematic method of finances in school activities develops into a very undemocratic state of being.

Democracy carries with it a purpose. Cooperation is

one of the principles of democracy. Knowledge alone about a thing does not make a thing as it should be, nor does it enable one to participate in a desirable manner. If we are to get students to see the value of democracy, we must let them live it. For students to select class and organization officers, to have a part in budget making, planning how to raise and spend money ethically and wisely and the actual participation in the raising and spending of money is an active method of permitting students to acquire a democratic way of life. Also, participation in the ~~financing and~~ accounting of activity finances teaches one that democracy or freedom carries with it responsibilities.

7 An accurate, sound, complete, and adequate type of plan does not necessarily carry with it the use of complicated and complex procedure. On the other hand, the exact reverse is true. The plan must be simple in order that most of it will be carried on by students with no previous training in either financing or accounting. Also, the plan must take into consideration the time element, that is, the time necessary to handle ~~the raising of money~~ and accounting in proportion to the educational value to be derived from such participation.

In the light of intensive study of the opinions of others, the following evaluative criteria have been formulated.

Criteria for Evaluating a Finance System for School  
Activities outside the Regular School  
Finance System

1. Pupils should participate to the fullest extent possible in sound business practice.
  - a. A student treasurer for each individual activity.
  - b. A central treasurer chosen by the various organizations.
  - c. Membership dues low enough to permit practically all pupils to belong to some organization and attend school games and entertainments to which admission is charged.
2. The system or plans of raising and disbursing the money should be democratic.
  - a. All members of each organization encouraged to participate.
  - b. All members of each organization encouraged to help in financing the activities.
  - c. Organizations of such nature that surplus funds accumulated should be used to help less fortunate organizations.
  - d. Provision made by the administration, cooperating with pupil representatives, for equitable apportionment of funds to the various organizations on basis of educational values and justifiable needs.

- e. Such undemocratic methods of raising money as by popularity queens, beauty queens, etc., charging a certain sum per vote, have no place in a democratic plan.
3. The means of raising and spending money should be educationally justifiable.
    - a. The customer should receive full value for the money he spends.
    - b. Camouflaged begging and stealing such as exhibited by tag days, etc. should never be condoned.
    - c. The purpose for which money is spent should be justifiable from an educational standpoint.
  4. The financial accounting should be based on sound business and educational methods.
    - a. Centralized treasurer should be under direct control of superintendent or principal.
    - b. Treasurer for each organization should be responsible to each organization and to the central treasurer, thus serving as a check on the central treasurer and being checked by the organization.
    - c. The records and forms used should comply with good business practice.
    - d. The forms used should be complete yet simple.
    - e. Ample office space and filing space should be provided.



- f. Complete audit of books or record should be made periodically.
- g. Budgeting of funds should be made at the beginning of each school term.
- h. Books should be available for inspection at all times.
- i. Treasurers should be adequately bonded.
- j. Tickets should be so designed as to be difficult to duplicate.
- k. Each person should be held responsible for tickets and money entrusted to his care.
- l. All requests for money should be accompanied by itemized statements signed by vendor.
- m. All requests to purchase should be accompanied by order blanks completely filled out.
- n. A receipt should be given for all money received.
- o. Each organization treasurer should keep an accurate record of all financial transactions taking place by his organization.
- p. Treasurers of individual organizations should periodically check their books with those of the central treasurer.

## CHAPTER III

### PRACTICES IN FINANCING THE EXTRACURRICULAR ACTIVITY

The time has come when the extracurricular activities of the school must be justified. With all their faults and shortcomings, they fulfill many needs of the high school period--social pleasure, social training, practice in principles and spirit of democracy, effective control of individual differences by social recognition, opportunity to follow pursuits for similar tastes, and the encouragement of personal responsibility.<sup>1</sup>

Perhaps there is no place in this extracurricular program in which this last objective is so possible as in the question of finances--acquiring funds, disbursing funds, and keeping an orderly account of them.

Alice Langford<sup>2</sup> says that she represents a comprehensive school of about 3,200 students, and that it has a centralizing agency for all student affairs--a Student Activity Association.

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<sup>1</sup>Alice Langford, "Student Activities Finances," School Activities, X (November, 1938), 113.

<sup>2</sup>Ibid.

Furthermore, she declares that, according to the ruling of the board of education, each group must have a faculty member as treasurer. This official treasurer is very often assisted by a student who does the field work and is known as the financial secretary. Just before the school year is ended, a very strict audit is made. For every penny expended a voucher must be presented. The auditor is the head of the commercial department. Two statements are filed, one with the principal and the other with the board of education. Miss Langford also says that the council of the Students Activities Association has each year certain fixed financial obligations which must be met--S. A. A. membership pins, an honor roll, the officers' banquet, the guide for new students, attendance at the state and sectional meetings, deltas, gavel charms for members of the varsity debating team, and the picture for the year book, for example.<sup>3</sup>

There are widely divergent opinions on the part of administrators in regard to the problem of raising and accounting for activity funds.

Some of them contend that it is not proper to allow students to raise moneys for any purpose. If the purpose

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<sup>3</sup>Ibid.

for which the money is to be raised is of value to the school, they believe that it is worth spending more, and that the money should come from the taxpayers of the school.

The majority of administrators feel that the value of allowing students to raise money for financing their activities is well worth while. Their aim is the one discussed by Fretwell when he says:

It is the business of the school to organize these extracurricular finances so that they may furnish favorable opportunities for the members of the school to practice with satisfaction now the earning, the safe-keeping, and wise spending of money.

In a great majority of schools of average size and above, the problem of raising finances is assumed without question by the administrators. Many of them see the shortcomings in the methods they have been using, but for one reason or another have not changed.

Again Fretwell declares:

All members of the school are of necessity concerned with extracurricular finances, but the leadership in directing these finances can, and should be, a part of, and grow out of, the department of business education in the school. Departments of business education have been constantly wanting actual business opportunities for practice. Here they are: budget to make, accounts to keep, banks to establish and operate, money to earn always and sometimes a surplus to invest, audits to make and financial statements, tickets to print

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<sup>4</sup>Fretwell, op. cit., p. 444.

and sell, change to make and gate receipts that must check up, secretarial service that can be supplied. Here is waiting a real laboratory of business experience. Some pupils wisely guided can learn business in its reality by assuming definite responsibilities and putting their training to the test.<sup>5</sup>

It is easily understood that it would be foolish to assume that all methods now used by schools in raising money for activities are desirable. There are, in fact, many plans in use which violate the very fundamentals which they ought to foster, and thus defeat the very purpose of their existence.

The tag day, for instance, is another name for 'begging' day. Rather than get to work and really earn their money, pupils are turned loose to prey upon a generous public. The practice of requiring heavy dues from every student is not to be defended. It is undemocratic, breeds snobbishness and tends to discourage those pupils whose parents cannot easily meet the demands for such dues.<sup>6</sup>

Many schools raise money for their activities by exploitation, such as promoting a beauty contest, a popularity contest, or the selection of an athletic queen or a carnival queen. Practically every administrator has witnessed time and again the situation where one of the least popular girls in the school became the so-called most popular girl in the

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<sup>5</sup>Ibid., p. 445.

<sup>6</sup>Harold D. Meyer and Samuel McKee Eddleman, Financing Extracurricular Activities, pp. 2-3.

entire school overnight because her dad or uncle happened to be a banker with his hands in control of the purse strings of the majority of the people of the community. According to the response of questionnaires received from sixty-eight school superintendents, the most popular method of choosing the athletic queen or carnival queen was by a vote from the student body. This body favored the most popular girl, and not the one with the best financial standing.

When tag day or "begging day" comes around, the best-looking girls and the ones that can dress the most attractively are placed on the street corner or sent into the offices to extract money from helpless victims. Helpless they are, indeed, because they feel that if they don't patronize the school the parents of the children will not patronize them. Students are punished and labeled as criminal for rolling dice for money, yet when carnival time rolls around, they are placed in charge of booths such as "Wheel of Fortune," "Bingo," "Cake Walk," etc., where they gamble with the money which rightfully belongs to the public. True, most administrators do not believe these practices to be honest or to contribute to character building or to good social training. All must agree that they are undemocratic. Yet, because it is an easy way to raise money, it is labeled as entirely ethical and year after year the general public is preyed upon by these

ruthless, dishonest, undemocratic, demoralizing, degrading, and unsocial procedures.

It seems plausible that a school-sponsored extracurricular activity would avoid all such measures as the ones just mentioned. Thirty of the most common practices were stated in Chapter I.

In many schools the chief source of revenue is the membership drive which is usually conducted the latter part of October. This subscription is carried on through the English class, and usually sells for about fifteen cents. Each year officers' banquets, including school officials and their wives and the officers of student clubs and classes, will help finance the extracurricular activity program.

One school finances the extracurricular activities through clubs. The Varsity Club, composed of lettermen of all sports, relies upon Sport Night to fill its treasury. Many times this fund will enable the members to buy jackets for its members. The Girls Numeral Club, including those girls who have received their numerals in basketball, volley ball, tennis, etc., find a source of revenue in the sale of candy at all the games.

The commercial club of many places holds annual Valentine parties. Through the funds raised by this affair,

Thanksgiving Cheer, Christmas Cheer, and food donations for the needy are sponsored.

Another service that a council may render is that of loaning money to organizations temporarily embarrassed. The request should be in writing, stating the amount, the purpose, and the length of time the money is needed. If the request is reasonable, and the outlook for meeting the obligation is bright, the loan is made through the treasurer.

Some other means of raising money which various groups have tried successfully are: an auction of lost and found articles (especially fountain pens), sale of red feathers during football games, sale of magic writing pads, and a circus by the girls and for the girls only.

The plan of having a fixed sum levied each week for general student activity expenses has not been favored in most schools, though some schools still propose to finance activities in this way.

On the whole, the necessity of securing finances to carry on the work of various student organizations seems to furnish the greatest incentive to team work, to the invention of effective schemes, and to an appreciation of the vital need of wise expenditure.

A review of the studies made by Starr of 243 California high schools and by Belting of 258 Illinois high schools will give some idea of the wide divergences in the way



finances are handled by various schools. These studies are reported by Elbert K. Fretwell in his book, Extracurricular Activities in Secondary Schools.<sup>7</sup>

In Starr's study of 243 California high schools, all of the schools had a central treasurer, while in Belting's study of 258 Illinois high schools, ninety-two schools did not have such an officer. In Starr's study, 127 schools had accounts audited, while seventy-five did not. The comparable figures in Belting's study are 104 and 108. In Starr's study, 220 schools say all checks drawn against the student-body account must be initialed by the principal or person designated by him, while thirty-six do not require such action. In Belting's study, all the schools that replied on this question, 194, say that all finances are controlled by the principal or faculty. There is a wide difference in the date of the two studies in respect to requisitions and purchasing. In reply to Starr's question --"Is a properly signed requisition necessary before merchandise or other bills can be contracted against the funds of the student body or any student organization?"-- 162 replied "Yes," and eighty-one schools, "No." Belting's replies to essentially the same question were: "Yes"

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<sup>7</sup>Elbert K. Fretwell, Extracurricular Activities in Secondary Schools, pp. 453-454.

forty-four, and "No" 234. There is more agreement, however, in the matter of the treasurer's making financial reports to the principal. Starr finds that financial reports are made to the principal by 176 schools, while fifty-nine schools do not make such reports; the corresponding figures from Belting's report are 198 and seventy.<sup>8</sup>

It is found in many schools that little or no system of handling the finances exists. Two examples taken from Elbert K. Fretwell's book,<sup>9</sup> Extracurricular Activities in Secondary Schools, will illustrate this fact. The first true and painful tale is quoted by Fretwell from Starr.<sup>10</sup>

Scene: Office of the principal's secretary.

Dramatis personae: Principal's secretary and basketball manager.

Manager: "Here's \$2.50 from the basketball game last night."

Secretary: "\$2.50! Is that all we took in? I thought we had a pretty good crowd out."

Manager: "Well, this is all that's left of what was taken in. I had to pay a lot of bills to different people. There's always a lot of expense, you know."

<sup>8</sup>Ibid.

<sup>9</sup>Ibid., pp. 445-446.

<sup>10</sup>Ibid., 446-447.

Secretary: "Yes, I know."

The secretary took the \$2.50, placed it in an envelope on which she scribbled some notation, and carried it to the safe. The boy on leaving called back from the door: "There will be a bill for some advertising yet." It was not until after school the day following the game that this enterprising manager could find time to deposit the money. He submitted no statement of what the bills were that he had paid or what the total income from the game was.

The second example is reported by a teacher in writing an account of a self-survey in the high school of which she was a faculty member.

On investigating the financial methods employed by various activities, it was found that a few of them did not possess a treasurer's book. Several books did not balance. Only a few of the treasurers banked their funds, and these seldom balanced for their monthly statements. One treasurer kept his money in a baking powder can. None of the treasurers could state even approximately the resources of the activity which he represented.<sup>11</sup>

#### Common Practices in Financing Extracurricular Activities

It seems plausible at this point to investigate some of the practices in use at the present time in the financing and record-keeping of activity finance. The following tables will give a clearer conception of what is being done. These

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<sup>11</sup>Ibid.

data were collected by sending out questionnaires to eighty-one superintendents of schools having an enrollment of from one hundred to three hundred students. The tables were formulated from the responses of the sixty-eight superintendents returning the questionnaires.

Table 3 shows the number and per cent of each of the types of systems used by the sixty-eight superintendents responding to the questionnaire.

TABLE 3  
THE NUMBER AND PER CENT OF EACH OF THE TYPES OF  
SYSTEMS USED BY SIXTY-EIGHT SCHOOL  
SUPERINTENDENTS

| Type of System                                  | Number | Per Cent |
|---|--------|----------|
| A central treasurer only.....                   | 3      | 4.4      |
| Treasurer for each organization<br>only.....    | 24     | 35.3     |
| Central treasurer and organization<br>both..... | 41     | 60.3     |

Table 3 indicates that, of the sixty-eight school superintendents responding to the questionnaire, forty-one, or 60.3 per cent, preferred the type of system using a central treasurer and an organization treasurer both.

Table 4 shows who serves as treasurer and whether or not the treasurer is supervised, as indicated by the superintendents responding.

TABLE 4

WHO SERVES AS TREASURER OF EXTRACURRICULAR FINANCES,  
AND EXTENT OF SUPERVISION OF THE TREASURER, AS  
INDICATED BY SIXTY-EIGHT SUPERINTENDENTS

| Items   | Number | Per Cent |
|---|--------|----------|
| If only one treasurer is used, who serves as treasurer?<br>Superintendent or treasurer..... | 3      | 100      |
| If the decentralized type of plan is used, who serves as treasurer?<br>Faculty member.....  | 6      | 25       |
| Student.....  | 18     | 75       |
| Is student supervised by the superintendent or principal?<br>Yes.....                       | 6      | 33.3     |
| No.....   | 12     | 66.7     |

Table 5 shows who serves as central treasurer in the centralized plan of extracurricular financing, as indicated by sixty-eight superintendents, together with the number and per cent using each.

TABLE 5

WHO SERVES AS CENTRAL TREASURER IN THE CENTRALIZED PLAN  
OF EXTRACURRICULAR FINANCING, AS INDICATED BY  
SIXTY-EIGHT SUPERINTENDENTS, TOGETHER WITH  
THE NUMBER AND PER CENT USING EACH

| Person                  | Number | Per Cent |
|-------------------------|--------|----------|
| Superintendent.....     | 6      | 14.63    |
| Principal.....          | 24     | 58.53    |
| Faculty member.....     | 6      | 14.63    |
| Student.....            | 3      | 7.37     |
| Board member.....       | 1      | 2.46     |
| P. T. A. secretary..... | 1      | 2.46     |

Table 6 shows ways in which activity funds are collected in extracurricular financing, as indicated by sixty-eight superintendents, together with the number and per cent of each.

TABLE 6

WAYS IN WHICH ACTIVITY FUNDS ARE COLLECTED IN EXTRACURRICULAR FINANCING, AS INDICATED BY SIXTY-EIGHT SUPERINTENDENTS, TOGETHER WITH THE NUMBER AND PER CENT OF EACH

| Item   | Number | Per Cent |
|--|--------|----------|
| Collected directly by central treasurer.....   | 3      | 4.4      |
| Collected by individual treasurer and turned over to central treasurer.....                                      | 41     | 60.3     |
| Collected by individual treasurer and deposited to the account of the organization of which he is treasurer..... | 24     | 35.3     |
| Collected by sponsor of organization.....  | 0      | 0        |

It will be noted from the above table that more than sixty per cent of the superintendents responding to the questionnaire favor the type of plan whereby the funds are collected by an individual treasurer and turned over to the central treasurer.

Table 7 shows how receipts are accounted for in extracurricular finance, as indicated by the sixty-eight school

superintendents responding to the questionnaire, together with the number using each method.

TABLE 7

HOW RECEIPTS ARE ACCOUNTED FOR IN EXTRACURRICULAR FINANCE,  
AS INDICATED BY SIXTY-EIGHT SUPERINTENDENTS,  
TOGETHER WITH THE NUMBER USING EACH METHOD

| Method                              | Number |
|-------------------------------------|--------|
| Central treasurer: <sup>a</sup>     |        |
| Duplicate receipts.....             | 26     |
| Oral reports.....                   | 6      |
| Written reports.....                | 6      |
| No reports.....                     | 6      |
| Individual treasurers: <sup>b</sup> |        |
| Duplicate receipts.....             | 30     |
| Oral reports.....                   | 15     |
| Written reports.....                | 10     |
| No reports.....                     | 10     |

<sup>a</sup>This includes both types of centralized plans used

<sup>b</sup>This includes both centralized and decentralized plans. In the three cases no individual treasurers were used, therefore, this does not apply.

Table 8 shows how disbursements are accounted for, as indicated by the sixty-eight superintendents.

TABLE 8

METHODS OF ACCOUNTING FOR DISBURSEMENTS IN EXTRA-  
CURRICULAR FINANCING, AS INDICATED BY SIXTY-  
EIGHT SUPERINTENDENTS, WITH THE NUMBER AND  
PER CENT INDICATING EACH METHOD

| Method                               | Number | Per Cent |
|--------------------------------------|--------|----------|
| Stubbed or duplicate check books.... | 58     | 85.3     |
| Written reports.....                 | 6      | 8.8      |
| Oral reports.....                    | 2      | 2.9      |
| Unaccounted.....                     | 1      | 1.45     |
| Invoices marked paid.....            | 1      | 1.45     |
| Receipts marked paid.....            | 1      | 1.45     |

Table 9 shows the different forms used as records in extracurricular financing, as indicated by the sixty-eight superintendents, together with the number and per cent of superintendents indicating each form.

TABLE 9

FORMS USED AS RECORDS IN EXTRACURRICULAR FINANCING, AS INDICATED BY SIXTY-EIGHT SUPERINTENDENTS, TOGETHER WITH THE NUMBER AND PER CENT OF SUPERINTENDENTS INDICATING EACH FORM

| Form   | Number | Per Cent |
|--|--------|----------|
| Check book stubs or duplicate checks.          | 48     | 70.4     |
| Receipt books stubs or duplicate receipts..... | 41     | 60.3     |
| Requisition sheets or blanks.....              | 20     | 14.5     |
| Journal.....                                   | 12     | 17.6     |
| Numbered tickets.....                          | 9      | 13.2     |
| Journal and ledger combined.....               | 40     | 58.8     |
| Ledger (not combined with journal)...          | 21     | 30.9     |
| Deposit slips.....                             | 53     | 76.5     |
| Bank sheets or statements.....                 | 53     | 76.5     |
| Budget forms.....                              | 6      | 8.8      |
| Invoices.....                                  | 18     | 26.4     |
| Statements.....                                | 9      | 13.2     |

It will be noted from Table 9 that the most popular forms used as records in extracurricular financing, as indicated by the sixty-eight superintendents returning questionnaires, were deposit slips and bank sheets or statements.

Table 10 shows the ways in which students participate in handling of finance, as indicated by the sixty-eight superintendents returning questionnaires.



TABLE 10

WAYS IN WHICH STUDENTS PARTICIPATE IN HANDLING OF FINANCE,  
AS INDICATED BY SIXTY-EIGHT SUPERINTENDENTS, AND THE  
NUMBER AND PER CENT USING EACH METHOD

| Method                                     | Number | Per Cent |
|--|--------|----------|
| Plan a budget.....                         | 1      | 1.4      |
| Help plan a budget (sponsor advising)..... | 6      | 8.5      |
| Plan ways of raising money.....            | 64     | 94.1     |
| Aid in collecting money.....               | 64     | 94.1     |
| Aid or plan in spending money.....         | 65     | 95.7     |

Table 11 shows bases on which membership dues are levied, as indicated by the sixty-eight superintendents, with the number and per cent indicating each basis.

TABLE 11

BASES ON WHICH MEMBERSHIP DUES ARE LEVIED, AS INDICATED  
BY SIXTY-EIGHT SUPERINTENDENTS, WITH THE NUMBER AND  
PER CENT INDICATING EACH BASIS

| Basis                                       | Number | Per Cent |
|---|--------|----------|
| Flat rate to all students.....              | 9      | 13.2     |
| Special rates for different activities..... | 55     | 80.9     |
| Cost or profit basis.....                   | 4      | 5.9      |

Table 12 shows how authorization of printing and sale of tickets are handled in extracurricular financing, as indicated by the sixty-eight superintendents.

TABLE 12

HOW AUTHORIZATION OF PRINTING AND SALE OF TICKETS ARE HANDLED IN EXTRACURRICULAR FINANCING, AS INDICATED BY SIXTY-EIGHT SUPERINTENDENTS, WITH THE NUMBER AND PER CENT INDICATING EACH METHOD

| Item  | Number | Per Cent |
|---|--------|----------|
| Tickets are printed by authorization of:  |        |          |
| Central treasurer.....  | 21     | 30.9     |
| Superintendent or principal (where principal is not treasurer).....   | 20     | 29.4     |
| No tickets printed.....   | 18     | 26.4     |
| Sale of tickets by students is handled by:  |        |          |
| Students receiving tickets through central treasurer.....   | 14     | 20.6     |
| Treasurer of each organization receiving tickets from central treasurer and then distributing them to students..... | 11     | 16.2     |
| Students receiving tickets direct from superintendent or principal.....   | 6      | 8.8      |
| Individual organization receiving tickets from vendor and distributing to students.....                             | 3      | 4.4      |
| Students receiving tickets from organization sponsors.....  | 16     | 23.5     |

Table 13 shows how money derived from extracurricular activities is spent, as indicated by the sixty-eight superintendents returning the questionnaire, together with the number and per cent of superintendents indicating each method of spending. On the basis of these data, the spending seems to be determined largely by needs.

TABLE 13

HOW MONEY DERIVED FROM EXTRACURRICULAR ACTIVITIES IS SPENT,  
AS INDICATED BY SIXTY-EIGHT SUPERINTENDENTS, TOGETHER  
WITH THE NUMBER AND PER CENT INDICATING EACH METHOD

| Method   | Number | Per Cent |
|--|--------|----------|
| Each organization spends its own money as it sees fit.....         | 12     | 17.7     |
| Organizations working together determine the most basic needs..... | 4      | 5.9      |
| Weaker organizations receive help from more prosperous ones.....   | 9      | 13.2     |
| Superintendent determines how the money shall be spent.....        | 6      | 8.8      |
| Faculty determines how the money shall be spent.....               | 6      | 8.8      |
| Spending is determined by needs such as diplomas, rings, etc.....  | 31     | 44.8     |

Table 14 shows the extent of student democracy in financing extracurricular activities, as indicated by the sixty-eight superintendents returning questionnaires, together with the number and per cent indicating each method of encouraging such democracy. On the basis of the data found in Table 14, it seems that in Texas high schools with enrollments between one hundred and three hundred, student democracy procedure is carried on through the guidance from some sponsor or faculty member on procedures of raising or spending money.

TABLE 14

EXTENT OF STUDENT DEMOCRACY IN EXTRACURRICULAR FINANCING,  
AS INDICATED BY SIXTY-EIGHT SUPERINTENDENTS, AND THE  
NUMBER AND PER CENT INDICATING EACH METHOD

| Method  | Number | Per Cent |
|---|--------|----------|
| Organizations decide entirely and alone on the procedure of raising money and of spending it.....   | 23     | 33.8     |
| Students of organization with guidance from sponsor or some faculty member decide on the procedure of raising and spending the money..... | 29     | 42.6     |
| Faculty decides on how the money is to be raised and spent.....   | 4      | 5.9      |
| Administration of school decides on how the money is to be raised and spent.....  | 4      | 5.9      |
| Outside organizations such as P. T. A. decide.....  | 1      | 1.45     |
| Combination of two or more of the above methods.....  | 7      | 10.3     |

Table 15 shows how the books are audited in extra-curricular financing, as indicated by the sixty-eight superintendents returning questionnaires, together with the number and per cent of superintendents indicating each method of auditing. The data in Table 15 indicate that in the schools included in this study, either the books were audited by the superintendent or principal, or they were not audited at all.

TABLE 15

HOW THE BOOKS ARE AUDITED IN EXTRACURRICULAR FINANCING, AS INDICATED BY SIXTY-EIGHT SUPERINTENDENTS, TOGETHER WITH THE NUMBER AND PER CENT INDICATING EACH METHOD

| Method   | Number | Per Cent |
|--|--------|----------|
| By superintendent or principal.....  | 16     | 23.5     |
| By faculty members.....  | 3      | 4.4      |
| By a committee of representatives of organization and faculty members..... | 6      | 8.8      |
| By school board.....   | 3      | 4.4      |
| By P. T. A. secretary.....   | 1      | 1.45     |
| By C. P. A.....  | 3      | 4.4      |
| By school board and superintendent or principal.....                       | 1      | 1.45     |
| By commercial department.....  | 1      | 1.45     |
| By sponsor of organization.....  | 4      | 5.9      |
| By athletic council.....   | 1      | 1.45     |
| No audition made.....  | 29     | 42.6     |

Table 15 shows that no audition is made in many schools.

Table 16 shows the bases on which leaders of various organizations are chosen, with the number and per cent of superintendents indicating each basis.

TABLE 16

BASES ON WHICH LEADERS OF VARIOUS ORGANIZATIONS ARE CHOSEN, AS INDICATED BY SIXTY-EIGHT SCHOOL SUPERINTENDENTS, WITH THE NUMBER AND PER CENT INDICATING EACH BASIS

| Basis                | Number | Per Cent |
|----------------------|--------|----------|
| Social prestige..... | 24     | 35.3     |
| Popularity.....      | 28     | 41.2     |
| Ability.....         | 16     | 23.5     |

Table 17 was derived from a survey made of the same sixty-eight superintendents and a survey made of twenty school patrons picked at random from as many different districts as possible.

TABLE 17

THE ATTITUDES OF SIXTY-EIGHT SCHOOL SUPERINTENDENTS AND TWENTY SCHOOL PATRONS REGARDING EXTRACURRICULAR FINANCING, AS INDICATED BY THEIR RESPONSES TO QUESTIONS CONCERNING METHODS OF FINANCING

| Question  | Response        |          |         |          |         |          |         |          |
|---|-----------------|----------|---------|----------|---------|----------|---------|----------|
|   | Superintendents |          |         |          | Patrons |          |         |          |
|   | Yes             |          | No      |          | Yes     |          | No      |          |
|   | Num-ber         | Per-Cent | Num-ber | Per-Cent | Num-ber | Per-Cent | Num-ber | Per-Cent |
| Are beauty and popularity contests desirable from the standpoint of educational values?...                            | 3               | 4.4      | 65      | 95.6     | 9       | 4.5      | 11      | 55       |
| Should activities be free to the students?.....   | 42              | 61.8     | 26      | 38.2     | 16      | 80       | 4       | 20       |
| Should productions put on by various organizations such as plays, basketball games, etc., be free to the public?..... | 31              | 45.6     | 37      | 54.4     | 13      | 65       | 7       | 35       |

On the basis of the data found in this chapter, the following practices seem to prevail in the field of extracurricular activities financing in Texas high schools having an enrollment between 100 and 300 students.

1. A greater per cent of the school superintendents preferred a central treasurer and organization combined.
2. If the decentralized plan is used, the principal is preferred as treasurer.
3. Funds are collected preferably by the individual treasurer and turned over to the central treasurer.
4. Receipts are accounted for best by duplicate receipts.
5. Disbursements are accounted for best by stubbed or duplicate check books.
6. Forms used as records are kept best by receipt books or stubs or duplicates.
7. Students participate more in handling of finance through spending money.
8. Membership dues are levied preferably by special rates for different activities.
9. Tickets are printed by authorization of the central treasurer.
10. Money is spent through each organization as it sees fit.
11. Student democracy procedure is carried on through the guidance from some sponsor or faculty member on procedures of raising or spending money.
12. Leaders of various organizations are chosen by popularity.

13. Both superintendents and parents failed to realize any educational value derived from beauty contests.



## CHAPTER IV

### APPLICATION OF CRITERIA TO PRACTICE

It is the purpose of this chapter to report findings in regard to: (1) methods of raising and distributing activity money; (2) the necessary requirements for sound finances; (3) a simple yet complete system of recording financial transactions; (4) educational opportunities offered through student participation in financing; and (5) democratic values derived by students through the student body finances.

#### Methods of Raising and Distributing Activity Money

A questionnaire was sent to eighty-one superintendents of high schools with an enrollment between one hundred and three hundred; sixty-eight replied. In answer to the question, "What means are used in your school to raise money to carry on your activity program not financed by the regular school funds?" the means listed in Table 18 were given. The frequency with which they were mentioned by the superintendents are given as they were tabulated. Athletic contests were the most popular means by which to raise money for extracurricular financing.

TABLE 18

THE MOST POPULAR WAYS OF RAISING MONEY FOR EXTRACURRICULAR FINANCE, AS INDICATED BY SIXTY-EIGHT SUPERINTENDENTS, AND THE FREQUENCY OF EACH

| Method                                       | Frequency |
|--|-----------|
| Athletic contests.....                       | 68        |
| Plays.....                                   | 59        |
| Sales of various kinds.....                  | 54        |
| Popularity contests.....                     | 54        |
| Dues.....                                    | 42        |
| Benefit suppers.....                         | 24        |
| Picture shows.....                           | 12        |
| Taking magazine orders or subscriptions..... | 12        |
| Operettas.....                               | 11        |
| Band concerts.....                           | 6         |
| Dances.....                                  | 5         |
| Lectures.....                                | 4         |

Physical activities have always been an important part of the education of the child. Athletic contests offer many opportunities for the development of the boy or girl. Frequently the slow student has "found" himself, or the hot-headed one has discovered that it does not pay to "lose one's head" when in the game.

Plays, sales, and popularity contests conducted in the school are the best social features of the extracurricular program. Here the child meets his classmates in real-life situations outside the regular classwork routine.

Dues, benefit suppers, picture shows, and other means of raising money not only help the child socially, but they afford him a chance to broaden his personality and to extend his business ability. Further, they develop school

spirit. Discussion in the various extracurricular activities should help the student to see what is especially good in school. Informational talks about its most attractive features will be found profitable.

School operettas, band concerts, dances and lectures in which all of the school participate are good for increasing morale. Feeling himself a part of a large group in concerted activity helps to increase pride and spirit.

Students as well as adults believe that all business must be carried on systematically, so the following forms, indicated in Table 19, proved the most popular ones in use at the present time.

TABLE 19

THE MOST POPULAR ACCOUNTING FORMS IN EXTRACURRICULAR FINANCE, AS INDICATED BY SIXTY-EIGHT SUPERINTENDENTS, AND THE FREQUENCY OF EACH FORM

| Form  | Frequency |
|---|-----------|
| Check book.....   | 60        |
| Receipt book.....   | 54        |
| Requisition blank.....  | 28        |
| Ledger (central control only).....  | 24        |
| Ledger (central ledger supplemented by<br>separate ledger for each activity)..... | 12        |
| Ledger (separate organizations only).....   | 14        |
| Requisition blank.....  | 28        |
| Signed request for money on non-uniform<br>blank.....                             | 5         |
| No records of any kind.....   | 8         |

All agreed that a systematic account of all financial transactions should be on file, but, through negligence, procrastination, and lack of simple yet adequate forms, many failed to demand that an adequate system of books be kept.

Upon personal interview with twelve superintendents and principals of various size high schools that do have a systematic and adequate record-keeping system for the activity finances, it was found that all agreed that there should be simplicity, minimum of recording yet completeness, and that forms should be used that would conform to good bookkeeping practices.

It was believed that an account of every penny received or disbursed should be recorded, and that in as far as possible the receipts and expenditures should be determined in advance. Upon investigation of the same twelve persons, it was agreed that all internal accounts may be divided into the following three groups: (1) those activities for the operation of which the board of education advances money; (2) the internal activities for which the board of education pays periodic bills and then receives refunds in the form of fees and service charges; (3) the student activities under whose operation the various group or class organizations contribute funds or raise money as a result of these activities.

The school cafeteria is an example of the first type of accounts. For the sake of simplicity, this account should be allowed to continue until the end of the year, when the deficit may be charged against the regular school fund, or the balance from the cafeteria may be added to the fund.

The second type of account is illustrated by telephone charges and fees for damaged or lost library books and textbooks. The board advances money for these charges and any funds collected for telephone calls and lost books should be turned over to the general fund.

The student athletic fund, the class organizations, and the various clubs are examples of the third type of account. Usually, the secretary to the board of education attends to the first two accounts listed. Eventually they must necessarily be handled through the activity fund or account. The third group of internal accounts is the one in which the administrators of the secondary schools are almost wholly responsible and vitally interested.

Many schools have permitted each class or group to handle all funds pertaining to its organization. These accounts are usually so small that it does not seem essential to deposit money in a bank; consequently, payments are made by each without providing an adequate permanent record. This procedure leads to two fundamental conclusions: first,

that all accounts should be centralized into one fund; and second, that all payments should be made by check.

From the questionnaires sent out, sixty of sixty-eight replies indicated that participation in record-keeping, budget-making, and raising and disbursing money for activities within the school is a practical and logical method of teaching students business principles. Four of the sixty-eight believed that it was more bother than value to permit students to participate in financing and record-keeping, and four believed that it offers valuable training but that it is easier for the principal or superintendent to handle the whole procedure than it is to permit students.

One of the important questions which immediately presents itself is whether or not students should be permitted to participate in the financial transactions. By all means, they should be allowed to have a part in the finance activities. However, it is not advisable to make the children wholly responsible, nor is it wise to take the responsibility entirely out of their hands. The students should be permitted to participate in the transactions under the guidance of certain members of the faculty. Students will gain educational value from such activities only if they have a definite responsibility in the scheme of things and if they are closely supervised and assisted

in performing their duties. Through such participation, the students are able to develop the qualities of accuracy, efficiency, and honesty. The following question was asked of ten bank clerks working in banks that had experience in keeping accounts of activity funds by both the centralized plan and the decentralized plan: "Which plan, the centralized or decentralized, in your opinion is the better for the school to adopt? Give your reason why."

The following answers to this question were received.

It is just as unbusiness-like for the various organizations of the school to keep a separate account in the bank as it is for any other business concern that has different departments. The work for the bank is multiplied by as many fold as there are organizations in the school handling money. I can see no possible advantage of the decentralized system over the centralized plan.

It appears to me that if there is to be an accurate check on receipts and expenditures that the centralized plan is by far the more practical and it more nearly conforms to actual business practice.

The centralized plan is by far more business-like. It seems as though it would facilitate the matter for the officials of the school to keep close and accurate tab on the receipts and spendings of the various organizations. It saves the bank a lot of work.

Bookkeeping for the various organizations is a job for the school officials and not for the bank. When the decentralized plan used in the school here was in operation, about the only records that were kept were those kept by the bank. Many times the secretaries would deposit money in the bank and forget the amount and there have been numerous times that accounts were overdrawn. Oftentimes small accounts have been

forgotten about and carried by the bank for a number of months. Also, students have been accused of collecting money and not depositing it at all. I can see no more reason for students being permitted to deposit money directly in the bank to various organizations than I can see for department stores permitting such departments to deposit the receipts from each department to a separate account.

We favor the centralized plan. The only advantage there could possibly be for the decentralized plan is that we can get acquainted with the pupils better, but from a business standpoint it is not sound practice.

The school here has used both plans. We believe that there is actually more money deposited by the centralized plan and we know that our work here is made much easier by all the money being deposited in one account. Instead of having twelve or more accounts for school organizations we now have only one.

Under either plan the student will receive experience in handling money, but in the case of the centralized plan he is gaining experience in sound business training while under the decentralized plan he is being permitted to gain experience that he will never be able to use when he gets out of school unless it would be a very exceptional case, as business firms just don't carry on business by such loose methods.

The centralized plan is by far the more practical from the standpoint of facilitating the school officials in keeping up with the money. It seems to me that the centralized plan is an excellent way to teach sound business practice.

It is the school's job to keep its own books. When the decentralized method was used, it was our belief that the school officials would have had a hard time of keeping up with the money regardless of how hard they would try. It became our job to keep books of the various organizations of the school and it certainly was some job. Under the plan the school now uses we have only one account to keep up with, and it is no more trouble than an individual's account.



There is no question in my mind as to which of the two plans is the better. The centralized plan is sound business; the decentralized plan has no system; therefore, it could not be good business.

The study to discover the type of plan used to account for activity finances disclosed that three of the sixty-eight, or 4.4 per cent, of the schools reporting have only a central treasurer, and in every case the superintendent or principal acts as the secretary. This plan is to be deplored, as it is undemocratic in that the students have no voice in the manner in which finances are to be raised or spent. It is undemocratic in that the pupils have no part in the accounting for such funds.

Such a plan fails to meet the social needs of the pupils. Also, it is to be deplored in that it offers no sound educational values to the pupils. It fails to meet the standards of sound business. Harold D. Meyer states:

If pupils are really gaining an education in and for a democracy, they must have an opportunity, and a favorable opportunity, to participate in organizing and guiding their own immediate affairs. Such an opportunity is necessary for the good of the pupils, of the school, and of the community.<sup>1</sup>

Twenty-four of the sixty-eight schools reporting, or 35.3 per cent, use the decentralized plan of accounting for funds. In using this type of plan, each organization has

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<sup>1</sup>Harold D. Meyer, A Handbook of Extracurricular Activities in the High School, p. iv.

its own treasurer who is accountable to its organization only. There is no central treasurer.

Six of these schools, or 2.5 per cent, use faculty members or sponsors of the various organizations as treasurers. Eighteen, or seventy-five per cent, use students elected by the various organizations as treasurers. Each organization handles its finances as it sees fit. They are independent of any other unit of the school. They raise money as best they can and spend it as need or desire demands.

On the surface it appears that this type of plan offers an opportunity for student participation, and truly it does; but the question is, Does it offer a desirable type of participation? Under this type of plan it is difficult at best and well-nigh impossible under most circumstances to conform to business practice that is accepted as the best. In most cases the students are very careless in keeping records of receipts and expenditures when they are not held responsible for seeing that their books agree with the books of a central treasurer. In not one of the twenty-four schools using this type of plan was a budget used. In only three of such schools was any kind of report requested by the administrators of the school. None of the other such schools required a periodical audit of the records. Under this type of plan, where the money

is deposited in a bank, the bank is compelled to account for and carry as many accounts for activities as there are organizations within the school, which multiplies the burden of the bank as many fold as there are activity organizations. In many cases the money is entrusted to the treasurer, who keeps the money with his own, or puts it in a cigar box, sack, or can. When this procedure is used, the money is usually received without giving a receipt for it, and the money is disbursed by paying cash, which does not provide for receiving a receipt for the money spent.

Experienced principals are not unfamiliar with cases of irresponsibility, incompetence, and dishonesty on the part of pupils and occasionally of teachers in the handling of these funds.<sup>2</sup>

Such a system can scarcely be condoned, since it fails to offer the child participation in sound business practices. It opens the gate to careless accounting practices. It offers temptations to pupils and teachers alike to be dishonest and careless. It opens the way for dissatisfaction and complainings to creep in and is very likely to cause a mistrust on the part of the other students. It fails to gain the desired cooperation of the other organizations of the school. It is impossible for the school administrators to know the financial status of the various organizations. It encourages reckless spending on the part

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<sup>2</sup>Paul W. Terry, Supervising Extracurricular Activities, p. 331.

of the organizations. No system of accounting can be deemed efficient in the school that does not give priority to educational considerations.

Forty-one, or 60.3 per cent of the schools reporting make use of the centralized type of plan, where there is a central treasurer and also a treasurer for each of the various organizations. Under this type of plan there are many variations. In too many cases the system is only partly centralized in that it provides for the centralization of the accounting of moneys but not for the raising of money. In other words, it too often provides for an accurate check on the amount of money received and expended but not on the manner in which the money is raised and on the purpose for which it is spent. In only three of the forty-one schools using this type of plan was the budget used. Three of such schools used a student for central treasurer; nine used a faculty member as treasurer of the organization she sponsored; thirty-two used a student as the treasurer of the various organizations; thirty-six used the principal, superintendent, or faculty member as the central treasurer; one used the secretary of the P. T. A.; and one used a board member as the central treasurer.

Fundamentally the centralized type of plan is sound. The evil with the centralized type of plan is not with the plan itself, but with the administration of the plan. The

plan can make available to students training in the correct usage and handling of money. It is democratic in that it is a plan whereby all members of each organization may participate in raising and disbursing and handling the funds. It is democratic in that it provides that the weaker organizations may, with the consent of all, receive help from the stronger or more fortunate organizations. It makes it possible for the money to be spent for those things educationally justifiable in that the various organizations are compelled to study their needs and to make out a budget based on their needs. It prevents the stronger organizations from monopolizing the time and place and plans for raising money. It calls for closer supervision from the administrators of the school, thus preventing waste, misappropriation, and dishonesty.

Table 20 shows the decentralized financial plans of handling money for extracurricular activities, as indicated by the sixty-eight superintendents returning questionnaires.

TABLE 20

DECENTRALIZED FINANCIAL PLANS OF HANDLING MONEY FOR EXTRACURRICULAR ACTIVITIES, AS INDICATED BY SIXTY-EIGHT SUPERINTENDENTS, TOGETHER WITH THE NUMBER AND PER CENT ANSWERING YES AND NO

| Question  | Response |          |        |          |
|---|----------|----------|--------|----------|
|   | Yes      |          | No     |          |
|   | Number   | Per Cent | Number | Per Cent |
| Is a central treasurer used for all organizations?... | 3        | 100      | ...    | ...      |

TABLE 20--Continued

| Question   | Response |          |        |          |
|--|----------|----------|--------|----------|
|  | Yes      |          | No     |          |
|  | Number   | Per Cent | Number | Per Cent |
| Does the superintendent or principal serve as treasurer?.....  | 3        | 100      | ...    | ...      |
| Do you make use of a budget?.....  |          |          | 3      | 100      |
| Is the treasurer required to give receipts for all money received?.....  | 4        | 16.7     | 20     | 83.3     |
| Is the decentralized plan used (no central treasurer)?.....  | 24       | 35.3     | 44     | 64.7     |
| In case the student acts as treasurer, are they supervised by a faculty member?.....   | 6        | 33.3     | 12     | 66.7     |
| Do you require the treasurer to deposit the money in the bank?.....  | 12       | 50       | 12     | 50       |
| In case you do not require the money to be deposited in the bank, do you require the treasurer to get a receipt for all money paid out?.....   | 3        | 25       | 9      | 75       |
| In case you use the decentralized type of plan, are the treasurers of the various organizations required to make any kind of written report to the superintendent or principal?..... | 3        | 12.5     | 21     | 87.5     |
| Do you provide for an audit of the treasurer's books? .  | 3        | 12.5     | 21     | 87.5     |

TABLE 20--Continued

| Question  | Response |          |        |          |
|---|----------|----------|--------|----------|
|   | Yes      |          | No     |          |
|   | Number   | Per Cent | Number | Per Cent |
| Are the organizations re-<br>quired to get permission<br>from the superintendent<br>or principal to raise<br>money?.....  | 11       | 45.85    | 13     | 54.15    |
| Are the organizations re-<br>quired to get permission<br>from the superintendent<br>or principal to spend<br>money?.....  | 7        | 29.17    | 17     | 70.83    |
| Are the treasurers ever<br>accused of misappropria-<br>tion, dishonesty, or<br>carelessness?.....                         | 8        | 33.3     | 16     | 66.7     |
| Do you believe this type of<br>plan to be desirable?....  | 5        | 20.8     | 19     | 79.2     |
| In case the student is used<br>as central treasurer, is<br>he supervised by the<br>superintendent or prin-<br>cipal?..... | 3        | 100      | ...    | ...      |
| In case the faculty member<br>is used as treasurer, is<br>he supervised by the<br>superintendent or prin-<br>cipal?.....  | 3        | 50       | 3      | 50       |

Table 21 shows the centralized financial plan of handling money for extracurricular activities, as indicated by the sixty-eight superintendents returning questionnaires.

TABLE 21

CENTRALIZED FINANCIAL PLAN OF HANDLING MONEY FOR EXTRA-CURRICULAR ACTIVITIES, AS INDICATED BY SIXTY-EIGHT SUPERINTENDENTS, TOGETHER WITH THE NUMBER AND PER CENT ANSWERING YES AND NO

| Question  | Response |          |        |          |
|---|----------|----------|--------|----------|
|   | Yes      |          | No     |          |
|   | Number   | Per Cent | Number | Per Cent |
| In case the student is used as central treasurer, is he supervised by the superintendent or principal?.....   | 3        | 100      | ...    | ...      |
| In case the faculty member is used as treasurer is he supervised by the superintendent or principal?.....   | 3        | 50       | 3      | 50       |
| Do you make use of the budget?.....   | 6        | 13.66    | 35     | 86.34    |
| Is the central treasurer required to give receipts for all money received?..  | 26       | 63.4     | 15     | 36.6     |
| Is the central treasurer required to deposit the money in the bank?.....  | 36       | 87.8     | 5      | 12.2     |
| Is the individual treasurer required to give receipts for all money received?.....  | 24       | 58.5     | 17     | 41.5     |
| In case you do not require the central treasurer to deposit all the money in the bank, do you require him to secure a receipt for all money disbursed?. | 4        | 80       | 1      | 20       |



TABLE 21--Continued

| Question  | Response |          |        |          |
|---|----------|----------|--------|----------|
|   | Yes      |          | No     |          |
|   | Number   | Per Cent | Number | Per Cent |
| Is a periodic audit made of the individual treasurers' books?.....                                | 36       | 87.8     | 5      | 12.2     |
| Are the individual treasurers ever accused of misappropriation, dishonesty, or carelessness?..... | 7        | 17.1     | 34     | 82.9     |
| Are the central treasurers ever accused of misappropriation, dishonesty, or carelessness?.....    | 3        | 7.32     | 38     | 92.68    |
| Do you believe this type of plan to be desirable?....   | 36       | 87.8     | 5      | 12.2     |

Six of the superintendents reported that a faculty member served as treasurer, while eighteen reported that a student served in this capacity. When the treasurer was required to deposit all money in the bank, nine of the superintendents reported that the treasurer was required to write a separate check for each disbursement, while three reported that the treasurer was permitted to withdraw sufficient money by one check to cover a group of bills. All of the superintendents reported that the individual treasurer was required to deposit the money through the central treasurer rather than directly with the bank.

Table 22 shows reasons why the decentralized type of plan in extracurricular financing was used, as indicated by the superintendents using the decentralized plan, together with the frequency of each reason.

TABLE 22

WHY THE DECENTRALIZED TYPE OF PLAN IN EXTRACURRICULAR FINANCING WAS USED, AS INDICATED BY THE SUPERINTENDENTS USING THE DECENTRALIZED PLAN, WITH THE FREQUENCY OF EACH REASON

| Reason                                       | Frequency |
|--|-----------|
| Custom.....                                  | 16        |
| Gives pupil valuable experience.....         | 4         |
| Not familiar with a more desirable plan..... | 8         |
| Takes less time.....                         | 1         |
| Serves the purpose adequately.....           | 5         |

Table 23 shows who serves as central treasurer in the schools included in the study where the centralized plan is used.

TABLE 23

WHO SERVES AS CENTRAL TREASURER IN SCHOOLS WHERE THE CENTRALIZED PLAN IS USED, AS INDICATED BY SIXTY-EIGHT SUPERINTENDENTS, WITH THE NUMBER AND PER CENT OF EACH ITEM

| Person                  | Number | Per Cent |
|-------------------------|--------|----------|
| Superintendent.....     | 6      | 14.63    |
| Principal.....          | 24     | 58.53    |
| Faculty member.....     | 6      | 14.63    |
| Student.....            | 3      | 7.37     |
| Board member.....       | 1      | 2.46     |
| P. T. A. secretary..... | 1      | 2.46     |

When the criteria of sound activity financing and accounting are applied to the practices now in use in the sixty-eight schools under study, it is found that the majority of schools fall far short of what should be acceptable as a desirable type or plan of financing and accounting. Many of the schools have no plan whatsoever for the cooperative raising of money to meet the needs of the various organizations. It evolves into the game of "root or die," and in many of the cases the organizations that attempt to promote educationally beneficial activities are unable to root; therefore, they die. In the majority of cases there is no provision made to aid or assist the organizations, which, by their very nature, are not adapted to raising money; yet in many cases of more value to the school socially, educationally and democratically than the "hillbilly band" type of organization. In many cases the very lowest and most unethical forms of preying upon the general public is used in raising money. Tag days, popular girl contests, and many other forms of exploiting the public are used.

In the majority of the cases the most popular girl is not chosen on the basis of popularity, but on the size of the father's purse and the ease with which it can be opened and the money extracted. Money is extracted from the

business men, not on the basis of good reasons being propounded by the organizations, but by a much easier method. The bolder of the pretty girls are placed on the street corners or sent into the offices to do this job. Yes, entirely too many resort to this "beer tavern" type of thing to raise money.

## CHAPTER V

### SUMMARY AND RECOMMENDATIONS

Detailed summaries of the findings with which this study has been concerned have been made as a part of the respective chapters. It is the purpose of this chapter to relate these data in a comprehensive summary, as well as to consider some of the more salient implications of the financing of the extracurricular program. The data have dealt in the main with information furnished by sixty-eight public high school superintendents. An attempt has also been made to capitalize on the opinions and experiences reported in a wide array of recent literature appearing for the most part in educational periodicals and books. The opinions are largely of men and women in positions of administrative responsibility in junior or senior high schools. To the writer, it seems proper to assume that the literature analyzed is representative of the best recent opinions in the field.

This inquiry has been directed to the answering of several questions, chief among which are the following:

1. Do the plans of raising money conform to the criteria?

2. Do the plans of spending money conform to the criteria?
3. Do the plans of accounting for money conform to the criteria?
4. What recommendations and suggested type of plan for raising money, spending, and accounting are offered?

#### Plans for Raising Money

In the school of the present day there is found an average of not less than twelve organizations being sponsored by each school. Each organization needs money to carry on its activities; therefore, the question of raising money becomes of paramount importance. Because of the fact that so many organizations have sprung up without any planning or supervising by the school as a whole, the question of financing activities has evolved into a contest between the various organizations within the school. Because of lack of cooperation between the various organizations, it is the organization that can raise the money that grows and prospers. Values of the activities carried on by the organizations are crowded entirely out of the picture. Fortunate indeed is the school that takes into confidence all of the organizations, considers the needs and values of each, and cooperates or leads the various organizations to cooperate for the benefit of all.

### Plans for Spending Money

Methods of spending money parallel that of raising money. Unwise expenditures of money are to be seen on every hand in the spending of activity funds. Like the raising of funds, the spending is done on the whims and fancies of the various organizations without reason or plan. It seems to be a common idea among the various schools that each organization raises its own money; therefore, it must spend its own money. It is very unusual indeed to find an organization that has enough confidence in its successors to permit a balance of funds to remain. Again, it appears that this lack of ethical and sound spending is due to a lack of organization, systematizing, and cooperation on the part of the school system as a whole.

### Pupil Participation in Financing and Accounting for Activity Funds

In the majority of schools the various organizations not only permit the members to participate in the raising of funds, but conscripts them into having a part. In many cases the raising of funds places such heavy burdens on the members that the whole plan of raising funds becomes undemocratic for the very reason that the organization becomes a distinct class affair with only the better-to-do being able to participate. However, in the majority of small schools this is not the case.

In the majority of the organizations the members are permitted to have a voice in the spending of the funds of its organization, but is not encouraged to do so. In the majority of cases the money is spent before it is raised. As far as the student participation in the accounting and record-keeping of the finances, the per cent is necessarily small; however, in the majority of schools, students are encouraged to participate in accounting for school activity funds.

#### Types of Plans Used in School Activity Accounting

There are two main types of plans used for activity finance accounting. These are the centralized and the decentralized plans.

The centralized type of plan requires that all the funds be carried through a central treasurer. In a few of the schools the centralized type of plan was carried to extremes. A few schools provided for a central treasurer who did all of the handling of the funds and even the keeping of records. The various organizations turned in all of the money to the central treasurer without even as much as making record of where the money came from or whence it went. This "Hitlerized" type of centralization cannot be condoned.

The centralized type of plan when carried on as it should be is the more desirable type of plan. It provides



for each organization having a treasurer of its own. This treasurer keeps record of all money received and disbursed. The organization has a voice in determining how the money shall be raised and in what manner the money shall be spent. Arrangements are made whereby, with all of the organizations cooperating, the weaker organizations may receive financial aid from the stronger organizations. The centralized plan provides a systematic and business-like way for the school administrators to know how the money is being raised and for what purposes it is being spent. Also, it provides a means of making possible the auditing of all books. It shows at a glance where the money came from, where it went, and for what purpose it was spent. The central treasurer has the exact financial standing at all times of each organization.

The decentralized type of plan provides for student participation; but aside from this phase, according to the criteria, it cannot be recommended. It provides that each organization is separate and distinct and apart from the school. It provides for the minimum of cooperation between the various organizations. It makes no provision for a systematic plan of raising money or a business-like plan of disbursing money. It makes it a difficult matter for the school administrators to know the standing of the various accounts and makes auditing of the books very

difficult. Because of lack of system, lack of organization, lack of good business principles, non-conformity to democratic ideals, and lack of cooperation or encouraging cooperation, the decentralized type of plan should be discarded in favor of the centralized plan.

Recommendations, with a Suggested Type of Plan  
for Raising Money, Spending Money,  
and Accounting

As previously stated, the various organizations should work under a centralized type of plan. The various organizations should cooperate with one another in raising and spending the money necessary for carrying on the activities of the organizations. This calls for careful planning and budgeting. The organizations should be careful to analyze the means suggested to see that undemocratic principles, unsocial methods, and unethical practices do not creep in. All organizations should work together in the belief that what is good for one is good for all.

The means used to account for the finances may vary, but whatever method is used, it must be simple, easy to use, complete, and accurate.

The following bookkeeping system is believed to meet all requirements of a sound extracurricular finance system. The system is easily adaptable to any size system. The only difference in the size of the system will be in the number

of accounts found in the ledger. In fact, the number of accounts will vary in school systems of the same size or in the same school system from time to time. The central treasurer should be a capable student that knows the fundamentals of bookkeeping. He should be closely supervised by a faculty member, preferably a commercial teacher.

The central treasurer will need combination columnar journal and ledger or a separate journal and ledger. Most bookkeepers of such funds prefer the combination ledger and journal.

Each organization elects its officers--president, vice-president, secretary, and treasurer. The treasurer is responsible to his class for collecting or for all bills paid. When he collects some money, he makes out a receipt in triplicate, giving the person from whom he collected the money the original. The second copy of the receipt is given to the central treasurer with the money when it is deposited with the central treasurer. On the second copy is marked the denomination of each coin, piece of currency, or check for convenience in checking with the central treasurer. The third copy is kept in the treasurer's own bound receipt book. The central treasurer makes out a receipt to the treasurer of the individual organization in duplicate. The original is given to the treasurer and the copy is left in the bound receipt book of the central treasurer. From the copy left

in the bound receipt book the central treasurer makes the necessary entries on the combination journal and ledger. In this case he will put the amount of receipts under "receipts" in the cash column and under "receipts" under the name of the organization. In each case the amount is added to the last balance of the account to obtain the new balance. When the central treasurer deposits the money in the bank he records the amount of deposit under the column headed "deposits" and adds to the previous bank balance in order to obtain the new bank balance.

When class or organization treasurers wish to pay a bill, their first step is to make out a pay order or money requisition. This is signed by the treasurer and the organization sponsor, then given to the central treasurer. The central treasurer writes the check in duplicate. The original check is handled in this way until it reaches the organization treasurer, and is then taken to the principal or superintendent for his signature. The pay order should be accompanied by a statement or else a full explanation should be made in regard to the reason for the disbursement. After the check is written, the central treasurer will record it by placing the amount of the check under the disbursement column of the cash account, the organization account, and the bank account. In each case the amount will be subtracted to obtain the new balance.

In the case of the deposit to the central treasurer, the organization treasurer needs to make but one simple entry. He will place under the "explanation" column the source of receipt and under the "receipts" column the amount of receipts. To obtain the new balance for the organization, the amount of the entry will be added to the previous balance. In the case of the disbursement, the treasurer of the organization will make but one simple entry. Under the "explanation" column will be an explanation demanding the expenditure, under the "disbursement" column will be the amount, and the new balance will be acquired by deducting the amount from the previous balance. The money which is deposited by each organization is, in turn, deposited into one general fund in the local bank. All checks are drawn against this fund. One of the accounts in the ledger is kept with the bank; this might be called a control account. Every three months the cash book is totaled; the total of the receipts is posted as a debit to the bank account, and the total of the disbursements is posted as a credit to the same account. If there are no errors, the balance of the account should equal the sum of all the separate accounts found in the ledger. The balance of the check book should also equal this amount.

Every year the activity books are audited by a firm of accountants. The accountants make a written report to

the board of education. All bills, deposit slips, canceled checks, and financial reports are filed for each year.

While there are many efficient ways of keeping books for extracurricular activities, school officials feel that this is an accurate and complete plan. Yet it is a plan that is so simple that any school, regardless of its size, may use it efficiently. This method seems more business-like than having the treasurer of each organization open an account in the local bank. The school, as well as the bank, finds this plan more satisfactory from this standpoint. There are two good results which come from a systematic plan of internal accounting: (1) it provides permanent records of income and payments of all activities; (2) it gives the students educational opportunities to learn the simple mechanics of good business administration and accounting, as well as the benefits of systematic and careful handling of public funds.

**APPENDICES**

APPENDIX A

LETTER SENT WITH QUESTIONNAIRE

January 1, 1941

Dear Fellow Superintendent:

I realize that you are very busy and that your time is very valuable; nevertheless I am going to ask you for 15½ minutes of your time.

I am making a study of the various methods used in securing, spending, and keeping record of funds used which do not come through the regular school finance plan, such as athletic organizations, pep clubs, etc. The findings of this study will be used in a thesis which I am preparing at this time. Without your help it will be impossible to prepare such a thesis.

Won't you please sit down at once and answer the questions? Neither your name nor the name of your school will be mentioned in the thesis. All information received will be held as strictly confidential.

A summary of the findings will be sent you upon request.

I will be greatly indebted to you, and want to thank you in advance for your invaluable assistance. If at any time I can be of assistance to you, please feel free to call upon me.

Very sincerely yours,

James C. Alvis  
Superintendent  
Byers Public Schools



## QUESTIONNAIRE

1. How do you take care of finances derived from activities outside the regular finance system? Through:
  - A. One central treasurer
  - B. Individual treasurers
  - C. First one student and then another
 (Explain briefly your method)
 

A. \_\_\_\_\_  
B. \_\_\_\_\_  
C. \_\_\_\_\_
  
2. Does each organization have its own treasurer? If so, who serves as treasurer?
  - A. Member of faculty
  - B. Elected student from organization
  - C. Student at random
 (Explain briefly how chosen)
 

A. \_\_\_\_\_  
B. \_\_\_\_\_  
C. \_\_\_\_\_
  
3. In which way do you keep activity funds?
  - A. Collected by the treasurer of each organization and then deposited with the central treasurer
  - B. Collected by individual treasurers and kept for indefinite periods
  - C. Collected directly by central treasurer
 (Explain briefly)
 

A. \_\_\_\_\_  
B. \_\_\_\_\_  
C. \_\_\_\_\_
  
4. How are the funds accounted for? Through:
  - A. Officially approved forms and procedures
  - B. Ordinary written reports
  - C. Oral reports
 (Explain briefly)
 

A. \_\_\_\_\_  
B. \_\_\_\_\_  
C. \_\_\_\_\_
  
5. List all forms used, such as checks, receipts, requisitions, etc., and tell briefly how each is used, i. e., who signs each and who approves each, etc.
  
6. In what ways do students participate in handling finance funds of organizations?
  - A. Students help plan a budget
  - B. They help plan ways of raising money
  - C. They aid in collecting money
 (Describe briefly)
 

A. \_\_\_\_\_  
B. \_\_\_\_\_  
C. \_\_\_\_\_

7. On what basis are membership dues levied?  
 A. Flat rate to all students A. \_\_\_\_\_  
 B. Special rates for different activities B. \_\_\_\_\_  
 C. Cost or profit basis C. \_\_\_\_\_  
 (Describe briefly)
8. How are tickets made out for pupil activities?  
 A. Printed by authorization of central treasurer A. \_\_\_\_\_  
 B. Printed by individual organizations B. \_\_\_\_\_  
 C. Printed by authorization of principal C. \_\_\_\_\_  
 (Explain briefly)
9. How is the sale of tickets by students handled?  
 A. Students receive tickets through central treasurer A. \_\_\_\_\_  
 B. Treasurer of each organization receives tickets from central treasurer and then distributes them to students B. \_\_\_\_\_  
 Are students made responsible for tickets allotted for sale? (Describe briefly)
10. How are funds apportioned when they are spent?  
 A. Each organization spends own funds A. \_\_\_\_\_  
 B. Organizations, working together, determine most basic needs B. \_\_\_\_\_  
 C. Weaker organizations receive help from more prosperous organizations C. \_\_\_\_\_  
 Are funds spent for projects educationally valuable? \_\_\_\_\_  
 In case there is a balance at the end of the school year, how is it carried forward? (Describe briefly)
11. What means are used in raising money?  
 A. Beauty contests A. \_\_\_\_\_  
 B. Queen races B. \_\_\_\_\_  
 C. Carnivals C. \_\_\_\_\_  
 D. Sales of various kinds D. \_\_\_\_\_  
 (List other means used by your school)

12. Is the means of raising money democratic in the following respects?
- A. All students participate in money-raising A. \_\_\_\_\_
- B. Leaders are chosen for special social prestige B. \_\_\_\_\_
- C. Leaders are chosen for ability C. \_\_\_\_\_
- (Describe briefly)
13. Is the system of disbursing money democratic in the following respects?
- A. A few students decide how the money is spent A. \_\_\_\_\_
- B. All students have a voice B. \_\_\_\_\_
- (Describe briefly the method used for the determination of how the funds are spent)
14. What is the attitude of the merchants toward aiding in financing school activities in the following respects?
- A. Do your merchants favor beauty contests, etc.? A. \_\_\_\_\_
- B. Would the merchants favor a small blanket tax to take care of activity needs? B. \_\_\_\_\_
- C. Do your merchants think school activities should be free? C. \_\_\_\_\_
- (Discuss briefly)
15. Are the books audited regularly? If so, by whom? \_\_\_\_\_
- (Describe briefly the method used for keeping record of various transactions, i. e., what records you keep, where you deposit your activity funds, whether or not your treasurer is bonded, etc.)

## APPENDIX B

RECOMMENDED FORMS FOR USE IN EXTRACURRICULAR  
FINANCING

## Check

|   |                                    |
|---|------------------------------------|
|   | Date _____                         |
| _____ School Activity Fund                      |                                    |
| _____ Bank                                      |                                    |
| _____, Texas                                    |                                    |
| Pay to the order of _____                       | \$ _____                           |
|   | _____ Dollars                      |
| For _____                                       |                                    |
| _____ Order No. _____                           |                                    |
| Posted _____ Date _____                         | (Central treasurer's<br>signature) |
| Folio page _____<br>(Printed on duplicate only) |                                    |
| Balance _____                                   | (Principal's signature)            |

(Checks should either be stubbed or made out in duplicate. Making checks in duplicate saves a great deal of time and lessens possibilities of errors. If made in duplicate, the duplicate checks should be plainly marked as such.)





## Individual Organization Treasurer's Receipt

|                            |   |
|----------------------------|---|
| _____ School Activity Fund |   |
| Receipt No. _____          | Date _____                                  |
| Received of _____          | \$ _____                                    |
| _____ Dollars              |   |
| For _____                  |   |
| Pennies _____              | Currency _____                              |
| Nickles _____              |   |
| Dimes _____                | Checks _____                                |
| Quarters _____             | (Name of organization<br>receiving money)   |
| Halves _____               |   |
| Dollars _____              | Total                                       |
| (On second receipt only)   | (Signature of treasurer<br>receiving money) |

(Individual activity receipts should be made out in triplicate. The original copy should be given to the person from which the money is received. The second copy should be given to the central treasurer at the time the money is deposited with him and the third copy should be kept in the bound receipt book of the individual treasurer of the organization for which he is treasurer.)

## Central Treasurer's Receipt

|  |                |
|--|----------------|
| Receipt No. _____                                | Date _____     |
| _____ ACTIVITY FUND                              |                |
| The Central Treasurer of the _____ Activity Fund |                |
| received _____                                   | \$ _____       |
| _____ Dollars                                    |                |
| from _____, treasurer of _____                   | (Organization) |
| For _____  |                |
| Posted _____                                     | Date _____     |
| Folio _____                                      | _____          |
| (Signature of central treasurer)                 |                |

(The receipt from the central treasurer should be made out in duplicate. The duplicate should remain in the bound receipt book. The original should be given over to the treasurer of the organization from which the money was received.)



## Pay Order or Requisition

|   |
|---|
| Date _____  |
| To Central Treasurer of _____ School Activity Funds.                                      |
| Write check to: _____ \$ _____  |
| _____ Dollars   |
| Explanation:  |
| Charge to _____ account, whose bal-<br>ance at this time is \$ _____. Pay order no. _____ |
| When check is paid, the balance will be \$ _____  |
| Treasurer's signature: _____  |
| Sponsor's signature _____   |
| Paid by check no. _____ Date _____  |
| Signature of central treasurer _____  |

(Pay orders are to be made in duplicate. One copy for the central treasurer and one copy for the organization treasurer should be provided.)

## Deposit Slip

| Deposit Slip                     |        |
|----------------------------------|--------|
| ----- School Activity Fund ----- |        |
| Date _____                       |        |
|                                  | Amount |
| Currency                         |        |
| Silver                           |        |
| Checks:                          |        |
|                                  |        |
|                                  |        |
|                                  |        |
|                                  |        |
| Deposited by _____               |        |
| Received by _____                |        |

(Deposit slips are to be made out in duplicate. One copy should be kept by the central treasurer and one by the bank.)

Ticket Record Card

| Name _____   |            |          |            |          |
|--|------------|----------|------------|----------|
| Tickets Checked Out  |            |          |            |          |
| Date   | Adult      |          | Student    |          |
|  | Serial No. | Quantity | Serial No. | Quantity |
|  |            |          |            |          |
| Tickets Checked In   |            |          |            |          |
|  |            |          |            |          |
| <p style="text-align: right;">Amount received _____</p> <p>Remarks:</p><br><br><p style="text-align: center;">_____<br/>         (Signature of student after re-<br/>         turning unsold tickets and<br/>         turning in money to organization<br/>         secretary)</p><br><br><p style="text-align: center;">_____<br/>         (Signature of Central Treasurer)</p> |            |          |            |          |

Financial Statement of Activity Fund

| FINANCIAL STATEMENT OF<br>_____ ACTIVITY FUND<br>of the<br>_____ High School<br>For the period from _____ 19__ to _____ 19__ |          |               |         |
|--|----------|---------------|---------|
| Name of account  | Receipts | Disbursements | Balance |
|  |          |               |         |
|  |          |               |         |
|  |          |               |         |
|  |          |               |         |
|  |          |               |         |
|  |          |               |         |
|  |          |               |         |
|  |          |               |         |
| <b>Total</b>   |          |               |         |

(If any account should show a debit balance or over-draft it should be shown in red ink and subtracted instead of added to arrive at the total balance.)

Requisition

| Number _____ Requisition                      |          | Date _____                      |       |        |
|---|----------|---------------------------------|-------|--------|
| _____ SCHOOL ACTIVITY FUND<br>Order No. _____ |          |                                 |       |        |
| Quantity                                      | Cat. No. | Description of items            | Price | Amount |
|   |          |                                 |       |        |
| Total   |          |                                 |       |        |
| (Name of organization) _____                  |          | (Sponsor of organization) _____ |       |        |
| APPROVED: _____                               |          |                                 |       |        |
| (Superintendent or principal)                 |          |                                 |       |        |

(To be made out in duplicate by secretary of organization. The original is to be sent to the superintendent or principal, and the duplicate is to be retained by the secretary of the individual organization.)

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