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**Kern Community College District  
Administrative Procedure  
Chapter 5 – Student Services**

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**AP 5420 Student Body Association Finances**

**References:**

Education Code Section 76063-76065

**Note: This procedure is legally required**

Student Body Association funds shall be deposited in the College business office and disbursed by the College President or designee. The funds shall be deposited, loaned, or invested in one or more of the ways authorized by law:

- Deposits in trust accounts of the centralized State Treasury System pursuant to Government Code Sections 16305 - 16305.7 or in a bank(s) whose accounts are insured by the Federal Deposit Insurance Corporation.
- Investment certificates or withdrawable shares in state-chartered savings and loan associations and savings accounts of federal savings and loan associations if: 1) the associations are doing business in this state and have their accounts insured by the Federal Savings and Loan Insurance Corporation; and 2) any money so invested or deposited is invested or deposited in certificates, shares, or accounts fully covered by the insurance.
- Purchase of any of the securities authorized for investment by Government Code Section 16430 or investment by the Treasurer in those securities.
- Participation in funds that are exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code and that are open exclusively to nonprofit colleges, universities, and independent schools.
- Investment certificates or withdrawable shares in federal or state credit unions if: 1) the credit unions are doing business in this state and have their accounts insured by the National Credit Union Administration; and 2) any money so invested or deposited is invested or deposited in certificates, shares, or accounts fully covered by the insurance.
- Loans, with or without interest, to any student body organization established in another college of the District for a period not to exceed three (3) years.
- Investment of money in permanent improvements to any college or District property including, but not limited to, buildings, automobile parking facilities, gymnasiums, swimming pools, stadia and playing fields, where those

facilities, or portions thereof, are used for conducting student extracurricular activities or student spectator sports, or when those improvements are for the benefit of the student body.

The funds of the Student Body Associations shall be subject to an annual audit. All funds shall be expended according to procedures established by the Student Body Associations, subject to the approval of each of the following three persons, which shall be obtained each time before any funds may be expended:

1. The College President or designee
2. The employee who is the designated advisor of the particular student body organization
3. A representative of the student body organization (Education Code Sections 76063-76065)

Student organization activities shall be self-supporting. Student Body Association funds should serve the student body as a whole.

Student organizations, including the student body association, shall be granted the use of District facilities in accordance with Policy 6700 and the Guidelines for Use of District/College Property/Facilities, of this Manual. (See Facilities Use Manual at BP 6700)

Student organizations shall prepare budgets of anticipated income and expenditures for each academic year to see as operating guides for the year's activities. Activities will be limited by the actual funds available, not by the budget.

The annual operating budget for each student body association shall be submitted to the Board of Trustees for information only by May 1 of each year.

Student Body Association funds shall be audited annually by a firm selected by the Board of Trustees.

No dues are to be levied or money collected by any class, club, or any other organization without first securing permission from the College President or designee.

All business and employment contracts entered into on behalf of student organizations, including Student Body Associations, must be approved in accordance with District procedures.

Each student organization shall adopt procedures for expenditure of student organization funds. Each expenditure must be approved by a representative of the student organization, the advisor of the student organization, and the College President or designee prior to expending student funds.

The advisor of each student organization shall provide guidance and information to students to make decisions and ensure that expenditures of funds benefit the entire student organization and are not contrary to law or public policy.

A student organization may appeal a decision not to authorize an activity or expenditure.