

Alief Independent School District Activity Funds Policy and Procedures Manual

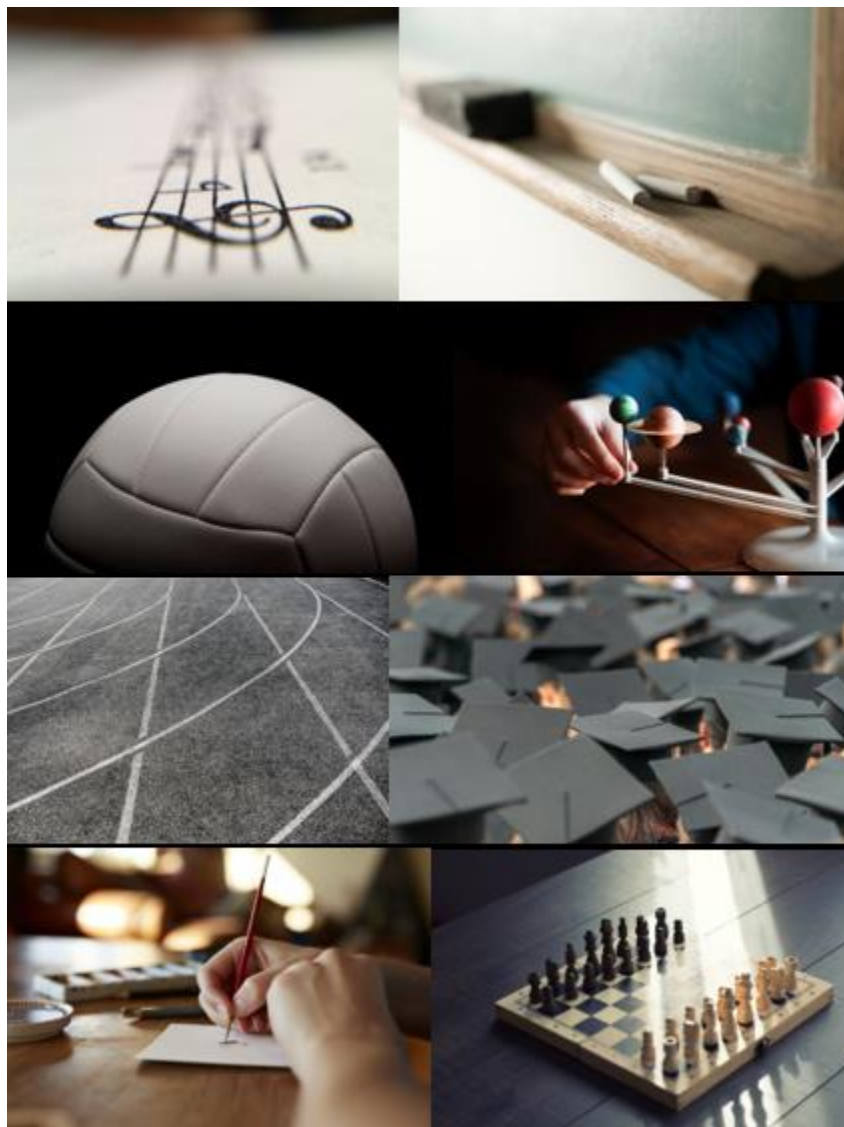


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1. General Information

This Activity Funds Policy and Procedures Manual has been prepared to provide general information to Principals, Bookkeepers/Secretaries, Sponsors, and Student Club Officers about managing activity accounts. For the few departments that have Activity Accounts, Principal refers to the Director/Supervisor for that department. The procedures set forth in this Activity Fund Manual provide both administrative and accounting controls to safeguard assets and ensure reliability of financial records. By adhering to these internal controls, persons responsible for Activity Funds can help prevent the misappropriation of funds, violations of federal, state and local regulations, and acts of fraud or negligence.

A. Board Policy

The district has two board policies that specifically address financial management and financial ethics:

[Board Policy CAA Local](#) states: *All Trustees, employees, vendors, contractors, agents, consultants, volunteers, and any other parties who are involved in the District's financial transactions shall act with integrity and diligence in duties involving the District's fiscal resources. The District prohibits fraud and financial impropriety, as defined in Policy CAA Local, in the actions of its employees.*

[Board Policy DH Exhibit](#) [Educator's Code of Ethics] states: *An educator shall not intentionally, knowingly, or recklessly misappropriate, divert, or use monies, personnel, property, or equipment committed to his or her charge for personal gain or advantage.*

Other Policies, Regulations and Authoritative Guidance were used and are referenced throughout this manual. Additional information may be available within the District's Board Policies, Administrative Procedures, or other web resources. The Texas Education Agency's Financial Accountability System Resource Guide (FASRG) has also been used as a resource to compile this Activity Fund Manual.

B. Determining Types of Activities/Groups

The first classification that must be made is whether the activity/group is curriculum-related and will be school sponsored or if it is a noncurriculum-related student group. [FM Local](#) and [FNAB Legal](#) states that to be recognized as authorized school organizations the following guidelines must be met:

1. One of the following 4 criteria must be true:
 - a. The subject matter of the group is actually taught in a regularly offered course.
 - b. The subject matter of the group concerns the body of courses as a whole.
 - c. Participation in the group is required for a particular course.
 - d. Participation in the group results in academic credit.
2. Organized by the school system.
3. Sponsored by school personnel.
4. Composed completely of current student body members.
5. Hold the majority of their meetings at school.
6. Have an approved plan for the selection of members.
7. Have established aims that are educational, of school interest, or of community interest.
8. Meet all those conditions set forth for recognized school-sponsored organizations.

The above criteria in the **Activity Account Classification Form** shall be used to determine whether an organization qualifies to be a curriculum-related school sponsored activity.

If the activity/group does not meet these criteria and are not school sponsored, they may still use District facilities ([FNAB](#)), however a District employee may not serve as a Sponsor for the group or collect cash from the students (no activity account). A District employee may be needed to act in a supervisory role to ensure the safety and security of the students and District property while using the facilities, but they may not serve as a leader of the group or participate in the group's activities.

If a group will be school sponsored, a District staff will need to be assigned as the Sponsor. All monies collected by that group are to be accounted for in a District Activity account. All Sponsors must sign an **Activity Account Sponsor Responsibilities Form** and submit it to the Bookkeeper/Secretary to be saved in the Activity Accounts shared folder.

School sponsored activities are then further segregated into three different types.

- Campus Activity Accounts, accounted for in fund 461 as special revenue funds,
- Student Activity Accounts, accounted for in fund 865 as custodial funds, and
- Hospitality or Courtesy Club Accounts, accounted for in fund 865 as custodial funds, but do not fall under the District's umbrella of serving the educational purposes of the school district, and therefore are not treated as a tax-exempt organization.

C. Campus Activity Accounts (Fund 461)

Campus Activity Accounts are considered by TEA to be special revenue funds of the District. The expenditure of these funds must comply with State and Board Policy and with the Districts regulations. [CFD Local](#) states that these funds must be expended for the benefit of the District or its students and shall be related to the District's educational purpose.

Campus Activity Accounts are for funds raised from/for the student population *as a whole* or for some subset of the campus that the District continues to have administrative controls over, and are spent as much as possible in ways that benefit the student population *as a whole* or for that specific group. It is comprised of revenue collected through school-wide fundraisers, student pictures, student-earmarked vending commissions, book fairs, yearbook sales, lost/damaged textbook fees, high school parking fees, PSAT testing fees, and Advanced Placement testing fees, athletic team spirit wear sales, etc.

Accounts should be used to separate the activities of differing groups, such as General Students, General Staff, Library, Art, Athletic teams, etc. Separate accounts should be used for fundraisers that will be allocated to various groups such as General Student and General Staff, so that all of the revenues and expenses of the fundraiser are identified and included on the **Fundraising Recap Form** and taken into account before transferring the net proceeds of the fundraiser.

Funds accumulated in the General Staff account may be used to benefit either staff or students, at the discretion of the Principal/Staff, but funds accumulated in the General Student account may not be used specifically for staff. They may be used for students or the campus as a whole.

D. Student Activity Accounts (Fund 865)

Student Activity Accounts are funds generated by specific student groups, not by the district or campus. Decisions about the expenditure of student activity funds are made by the students with the assistance of a school district employee Sponsor. Student Activity Funds may include, but are not limited to Student Council, High School Class Accounts, FFA, and Faculty Accounts. These funds are accounted for as custodial funds not owned by the District.

Although these funds are not the District's, the District has a direct custodial role over these accounts. It is extremely important that adequate controls are in place at the campus level, especially regarding accounts which contain student money or funds raised by students.

According to [CFD Regulation](#), Student Activity Accounts shall be used only for purposes authorized by the student organization and supported by a copy of the meeting minutes. Therefore, it is important to maintain separate accounts for each student organization because money held for groups of students or for any specified purpose must be spent to benefit that same student group or for that intended purpose.

E. Hospitality Accounts (Fund 865)

Hospitality/sunshine/courtesy club accounts consist of funds collected by staff members for use according to the **Hospitality Committee Policies & Procedures**. These funds belong to the staff and are held by the school as a custodian for safeguard, proper bookkeeping and convenience.

The school, as represented by the Principal, is responsible for ensuring that the funds are protected and that expenditures do not exceed the balance in the account. Deficit balances are not allowed in this account.

This account does not qualify for tax free treatment. The District's **Texas Sales and Use Tax Exemption Certificate** should not be used for purchases from this account. Sales tax should be paid on all taxable purchases.

F. Parent/Booster Organizations

External group funds such as Parent-Teacher Organizations (PTO) and Boosters are separate legal entities from the school district. These organizations must maintain separate federal tax identification numbers and bank accounts. District personnel, including Campus Principals, Campus Secretaries, Sponsors and Administrative Staff are not responsible for assets held by Parent-Teacher or Booster groups. District employees should not collect money for, or perform duties for, external groups during working hours. Additionally, district employees should not handle external group financial affairs such as a treasurer position.

In accordance with [GE Local](#), district-affiliated school-support organizations and booster organizations, and other parent groups, shall organize, fundraise or solicit donations, and function in a way that is consistent with the District's philosophy and objectives, Board policies, District administrative regulations, applicable UIL or other governing association guidelines, and financial and audit regulations.

Before engaging in fundraising or soliciting gifts, an organization or group shall notify the Principal or other appropriate administrator identified in administrative regulations.

District-affiliated school-support or booster organizations may use District facilities with prior approval of the appropriate administrator. Other parent groups may use District facilities in accordance with [GKD](#).

2. Responsibility

A. Principal

The Principal is responsible for the overall administration of the Student and Campus Activity Accounts and compliance with policies and procedures manuals. This responsibility includes:

- Ensuring club Sponsors are meeting with their organizations at the start of the school year to plan activities for the year. The students should have an active role in governing the organization and directing the expenditures of 865 student activities.
- Providing for the safekeeping of monies and timely depositing of funds.
- Approving **Money Collection Request Forms** in advance of fundraising activities and the **Fundraising Recap Form** at the conclusion of those activities.
- Proper accounting and administration of fund transactions
- Maintenance of accounting records
- Expenditure of funds in compliance with applicable state laws, Board of Trustees policies and the District's regulations
- Monitoring balances in activity fund accounts and guiding the resolution of any deficit
- Reporting accurate and timely information to the Accounting Department
- Ensuring adequate training and supervision of all personnel designated by the Principal to administer activity funds
- Notifying the Accounting Department if he/she is aware of any significant problems with regard to their school's activity funds

B. Sponsors

The Sponsor of each school club is responsible for managing his/her activity account. This responsibility can include:

- Developing fundraising plans
- Submitting **Money Collection Request Forms** in advance of fundraising activities and the **Fundraising Recap Form** at the conclusion of those activities.
- Maintaining adequate financial records of all cash received by the club for fees, dues, and fundraising, etc.
- Reviewing the activity fund financial statements and reconciling their records to amounts deposited with and paid out of the account
- Monitoring the financial position of the account

Sponsors are responsible for safekeeping of activity funds until they are accepted for deposit by the Bookkeeper/Secretary. All collections must be deposited into the activity account.

C. Bookkeeper/Secretary

At middle schools and high schools this is a Bookkeeper position; in elementary and intermediate schools this is the Principal's Secretary. The Bookkeeper/Secretary is responsible for maintaining the accounting records as required in this procedures manual. The Bookkeeper/Secretary is responsible for:

- Maintaining the **Master Account Listing** on the Activity Accounts shared folder
- Collecting and saving **Activity Account Sponsor Responsibilities Forms**
- Receiving and preparing funds for deposit
- Making bank deposits
- Maintaining bank account records
- Reconciling the bank account
- Recording accounting transactions
- Maintaining accounting files
- Preparing and sending checks
- Forwarding payments to the District's Accounting Department
- Preparing monthly accounting and **Sales Tax Reports**
- Issuing cash receipt books as needed to teachers and other individuals authorized by the Principal
- Keeping a distribution record of all receipt books issued
- Reviewing **Fundraising Recap Forms** to ensure that figures reconcile to the accounting records for the fundraiser
- Keeping a copy of form W9 on each vendor
- Advising the Principal of situations where Staff Sponsors continue to disregard the required procedures.

An alternate staff member is to be designated to receive funds when the Bookkeeper/Secretary is unavailable. That person's duties are to receive these funds and secure them for the Bookkeeper/Secretary.

D. Parent and Booster Organizations

Funds raised by outside groups such as PTA, band boosters, and so forth are the responsibility of the officers of the organization. The Principal is not responsible for funds collected, disbursed and controlled by parent or booster organizations. These parent and booster organizations funds are not to be accounted for in the school's activity fund because PTO, PTA, and booster clubs are required to have their own tax identification numbers. The UIL publishes guidelines for booster clubs, as do the national umbrella organizations for parent-teacher groups. Also, separately published Parent Organization Guidelines can be found on the Alief ISD Accounting website.

3. Audit

A. Periodic Audits

The Activity Accounting Specialist will conduct periodic audits of activity funds. The scope of the audit will be based upon the quality of internal controls present at the time of the audit and the situation requiring the audit. The purpose of these audits is to determine if the policies and procedures established for activity funds are followed and appropriate records are maintained. In addition, the external auditors as a part of the year-end audit will review the activity funds as they deem necessary. Audit reports will be provided and communicated to the Principal and appropriate central office administrators upon completion of the audit. The Activity Accounting Specialist will continue to monitor to determine compliance.

B. Change in Principal/Bookkeeper/Secretary

All activity fund records should be audited when a change of school Principal or Bookkeeper/Secretary occurs to ensure that new personnel assume no pre-existing discrepancies. It is the responsibility of the incoming Principal/Bookkeeper/Secretary to request an audit before assuming financial responsibility. At the conclusion of an audit, the Activity Accounting Specialist will discuss the results with the school Principal and a report will be issued.

C. Retention of Records

Bank statements must be kept for seven years after the end of the fiscal year. All other activity fund records should be kept current and in good order for a period of four years past the current fiscal year and available for audit at any time.

4. Activity Fund Accounts

The **Activity Account Classification Form** is to be completed for setting up new clubs or groups or if changing the classification of activity between student and campus. It may also be used to reassess the classification of current clubs/groups.

Each Bookkeeper/Secretary can individualize accounts based on their particular campus requirements. Refer to the **Activity Accounting Software User Manual (User Manual)** for instructions on setting up organizations in the accounting system. However, you may **NOT** delete accounts. You may mark them as inactive on the **Master Account Listing** but deleting them will cause major software issues.

Each campus has a folder in the Activity Accounts shared folder to store documents that need to be accessible to the Accounting Department. One of the files on the folder is the **Master Activity Account Listing**. This spreadsheet lists all of the campus's activity accounts, which fund they are classified under, the type of account, the Sponsor's name, student officers' names, and documents the tax-free sales days for the school year.

The following account types are presented as general guidelines for proper accounting and accumulation of proceeds from different activities. There may be some crossovers, depending on the unique circumstances and intentions.

A. Campus Activity Accounts

Campus activity accounts are used to separate funding that has been identified to certain activities or groups of the campus but are not bona fide student activity groups. These include General Student, General Staff, Donations, Library, Lost Book fines, certain classes or athletic teams, etc.

a. Donation Accounts

Donations to the school or to a student organization are governed by [CDC](#).

Items donated with a cost or market value of less than \$500 may be accepted on an individual basis by the administration with Superintendent approval prior to acceptance of the donated items. Donated items with a cost or market value of \$500 or more must have Board approval prior to acceptance.

Expenditures from the donations are permitted only for those items specified by the donor. In some cases, money will be donated for the general benefit of the school with no intended use in mind. The donor's letter should state this clearly. In these cases, the Principal may use the donated monies at his or her discretion to benefit the largest possible number of students or help the most needy students at their school. A copy of the donation letter, if provided by the donor, and the Donation Form should be attached to the deposit support documentation.

All donations should be reported to the Communications and Public Relations Department on the **Donation Form**. Donations over \$500 must have Board approval prior to acceptance. Communications and Public Relations Department prepares the Board document based on the forms received and submits for approval. Once approved, Communications and Public Relations Department will e-mail schools and Accounting Department.

When the donation is recorded on the activity accounting system, it is suggested:

- Include “CPR” as part of the description to identify that this donation has been reported
- Use a description that would identify the donor’s intended use
- Record the deposit directly into a specific account if it is donated to a student organization or for a purpose already separated in an account (e.g. library donation recorded in the library account.)

For example: Use “DNT/CPR/Exxon” for description if Exxon makes a donation to the Student Council. When the cash donation is for the general benefit of the school and is \$5,000 and over, the fund must be deposited into the Campus’s Local Budget DNT accounts in BusinessPLUS. The school should provide appropriate budget codes based on intended use on the Donation Form and submit the check, and a copy of the donation form to Accounting for deposit and budget amendment.

For donations of equipment or furniture, where the individual item donated has a fair market value of \$500 or more, a **Fixed Asset Notification Form** is also required in order to get the item tagged and entered into the District’s fixed assets system. Contact the Accounting Department to get a **Fixed Asset Notification Form**.

b. Clearing Accounts

Clearing accounts can be used for various reasons to track activities that may later transfer the net proceeds to other accounts. These could be for fundraisers, inventory type sales, or other fees that do not relate to a specific club or other activity. Using a clearing account for these allows you to track the deposits and expenses in an account and either at the end of the fundraiser, or annually for ongoing sales and fees, you could transfer excess proceeds from the clearing account to other accounts as allowed according to the **Money Collection Determination** form.

Revenues and expenditures for related activities should be accounted for in the same account.

Fundraiser Clearing Account

These accounts are used to accumulate profits from merchandise or other sales on a school-wide basis; i.e. profits not belonging to specific clubs. Examples are picture sales, T-shirt order sales, etc.

The net amount of receipts less all expenditures applicable to the specific activity should tie to the **Fundraiser Recap Form** and may be transferred to General Student and/or General Staff accounts, according to the **Money Collection Request Form** and the allowable benefiting organization as noted on the **Money Collection Determination** form.

Inventory Type Sale Account

Inventory/supply accounts consist of inventories and proceeds from the sale of inventories, such as art supplies, band supplies, or shop materials if they are NOT sold by a club.

Purchase of inventory may cause a deficit in the account. However, as the inventory is sold, the deficit should be reduced. A deficit must not be allowed to persist and grow due to inattention and unwise product pricing. An accurate inventory of school store supplies must be maintained at all times.

Inventory should be priced slightly above cost and should be counted yearly and compared with proceeds to ascertain that there are no shortages. At the end of the inventory sale or annually (for ongoing inventory sales) the Fundraising Recap Form should be used to report the profitability of the fundraiser. An explanation is required for quantities of unsold inventory or any unaccounted for/lost inventory. If pre-numbered receipts are not used for minor items (e.g. pencils), a list of money collected with each student's name, a class roster, or other types of cash collection forms should be used to support the deposit and to reconcile any related inventory.

Fee Clearing Account

There are five required fee clearing accounts, as applicable:

Sales Tax – this account should be cleared monthly with the submission of the **Sales Tax Report**.

Student Technology Fee – *

Lost/Broken Technology Fee - *

Band Instrument Insurance Fee - *

Orchestra Instrument Insurance Fee - *

*These Central Administrative Revenue Clearing Accounts will be cleared twice per year. Once in November and once at the end of the school year, by sending one check per account to the Central Office.

Other fee clearing accounts you may have are ID Badges, Folders, AVID, Parking Permits, etc. Proceeds from these accounts should be receipted first into a separate subsidiary receipt book. For example, all parking permit payments should be receipted into a pre-numbered receipt book used only for that purpose. For these accounts you should make sure that all costs of the activity are also charged to the account. For example, purchase of the supplies to print replacement badges or permits should be recorded in those accounts. Over time, if the fees charged exceed the cost of supplies, these accounts may grow a balance. Excess balance may be transferred to allowable activity accounts, but some funds should be left in the accounts so that supplies may be replenished.

B. Student Club Accounts

Student club accounts consist of funds collected by student organizations for the purpose of financing legitimate beneficial activities and projects. These funds belong to the clubs and are held by the school as a custodian for safeguard, proper bookkeeping and convenience.

The school, as represented by the Principal, is responsible for ensuring that the funds are protected and that clubs do not expend funds they do not have. Deficit balances are not allowed, except for very limited circumstances where receipts are expected in the near future. A Principal must be made aware of and approve or deny any deficit spending in advance. If a deficit exists, a decision should be made by the Principal, with assistance from the Accounting Department, to have the fund work its way out of the deficit as soon as possible, or to cover the deficit from allowable accounts.

All expenditures of club monies must be approved by the organization's members and its Sponsor. An organization should have rules that help define the allowed spending of its funds. If the membership of a group specifically votes or gives approval for a fundraiser or to make an expenditure, this should be documented in minutes for the groups meeting and turned in with the **Money Collection Request Form** or the **Activity Purchase Request Form** and saved with those forms in the activity fund records.

Any funds received by the school for any purpose from any person or group must be deposited first into an activity account before it is expended, so that there are adequate records of transactions. Payments must never be made from cash collected. This would result in inadequate records of receipts and expenditures.

C. Hospitality/Sunshine Accounts

If your campus has a Hospitality group that will be collecting dues it should have its own account separate from the General Staff account in the Activity Accounting System.

5. Money Collections

A. Money Collection Determination

There are various circumstances that will involve money collecting activities. Refer to the **Money Collection Determination** form for guidelines on what forms are required for different types of money collections. This tool also gives information about whether the money collection is considered a sale and if it is a taxable sale. It also indicates which activity accounts can benefit from that type of activity.

Fundraising is governed by District's policy and regulation [FJ](#).

Donations are governed by [CDC](#).

Schools must not hold Raffles ([CDC Legal](#)). The Texas Charitable Raffle Enabling Act does not list public schools among the types of organizations that are "Qualified" to hold raffles. Parent organizations (PTO, PTA, booster clubs, etc.) **may** be qualified to hold raffles if they meet the requirements of the Act. For further information, please refer to the following website:

<https://www.texasattorneygeneral.gov/divisions/financial-litigation/charitable-trusts/charitable-raffles-and-casinopoker-nights>

The Texas Comptroller defines a raffle as "the award of one or more prizes by chance at a single occasion among a single pool or group of persons who have paid or promised a thing of value for a ticket that represents a chance to win a prize." Based on this definition Bingo, cake walks, and other games of chance are the same as buying a raffle ticket for the chance to win a prize and therefore are not allowed.

B. Money Collection Request

In order to provide administrative control over the extensive money collection activities promoted by various school organizations, a **Money Collection Request Form** must be completed by the person in charge (Teacher, Sponsor, or Administrator) of the project. The money collection activity may not begin without or before the approval of the Principal and Area Superintendent.

Vendors used for these activities must be registered with the District. Registration process is handled by the Purchasing Department. The Alief ISD Master Vendor List found in Schoology > Groups > Purchasing > Resources.

Amounts raised by individual students are counted toward a group fundraising goal and cannot be used to offset the individual expenses of students.

The District does not allow cash incentives for fundraising be given to students.

There is a **Fundraising Planning Calculators** document on the Accounting website that may be used to help the Sponsor plan for the fundraiser by determining the pricing required to cover the costs, including any associated sales tax or My School Bucks fees. It will also help them determine pricing or quantities to be sold to meet a specific fundraising goal.

C. Accounting for Money Collections

The Sponsor should refer to the **Money Collection Determination** and consult with the Bookkeeper/Secretary before beginning the activity to determine appropriate support documentation.

The Sponsor may need to complete an accounting of the actual revenues, expenses, and net profit to assess the effectiveness of the money collection. The Sponsor of the activity is responsible for completing a **Fundraising Recap Form** after the completion of a fundraiser and turning it into the Bookkeeper/Secretary. The Bookkeeper/Secretary is responsible for verifying that total sales and total expenses on the recap form match the deposits and disbursements posted to the system for the fundraiser and notifying the Sponsor if they do not match. There are **Fundraising Recap Calculator** tools available on the Accounting website to assist in consolidating the fundraising transaction information and filling out the **Fundraising Recap Form**.

The **Fundraising Recap Form** is submitted to the Principal once verified by the Bookkeeper/Secretary. Campus staff should use the information to evaluate the success of the fundraiser, investigate any unusual or unexpected results and help determine whether the fundraiser should be repeated, discontinued, or improved in any way.

All collections must be receipted and all payments must be made in accordance with the policies and procedures set forth in this manual. Various examples of supporting documents can be found on the Accounting website. (**Event Ticket Tally Sheet, Field Trip Money and Permission Slip Log, Inventory Control Sheet, Uniform Sales Form**)

All collections and disbursements associated with any fundraising activity coordinated by the school or a student group must be transacted through the activity account. All bills should be paid in a timely manner to avoid having the account balance seeming to be higher than it actually is.

It is very important to track unsold inventories and return items. In the absence of inventory accountability, Sponsors are vulnerable to questions about the possibility of undeposited sales proceeds. Club Sponsors are responsible for returning unsold items and for getting a credit from the vendor, if applicable.

If the funds were raised from catalog sales, the Sponsor should attach support from the vendor indicating the total sales amount to the recap form. The total sales amount should equal the total amounts deposited from the fundraiser.

D. My School Bucks (MSB)

The District uses My School Bucks for electronically collecting funds from parents/students/staff/community members. Principals or Sponsors who would like to have their money collection activity available for payment online (by credit card) can use the **My School Bucks Product Build Form** to document the requirements of the sale/money collection. The form is submitted to Accounting@AliefISD.net and Accounting will work with the Sponsor and Bookkeeper/Secretary to get the item added to the campus's MSB store.

There is a fee of 4.85% charged by MSB for these collections, so it is suggested that the Sponsor use the **Fundraising Planning Calculator** to ensure that the pricing is set to cover the cost of the MSB fee and sales tax if applicable.

E. Fundraising Activities by Independent OUTSIDE GROUPS

Parent teacher organizations and booster clubs shall manage their own finances when conducting fundraising activities and make donations to the school or club as they elect. Such contributions may be designated either for a specific purpose or for expenditures at the discretion of the Principal.

The Principal, Bookkeeper/Secretary, or other staff members may not be involved in receipting, depositing, or accounting for activities for any parental group or outside organization during school hours in order to comply with the Texas Constitution.

F. General Student vs General Staff

The profit generated from certain money collection activities may be split between the General Student and General Staff accounts as noted on the **Money Collection Determination** form. In all circumstances, Principals have the option of allocating a larger portion of proceeds to the General Student account. However, the percentages specified for General Staff are the maximum allowed.

6. Receipt of Cash

A. General Operating Procedures

To maintain control over cash received, at least two persons must be involved in the functions of collecting, documenting, and depositing cash. This is accomplished by having Sponsors collect from students, prepare the Deposit Recap Form and other supporting documents, and submit the cash to Bookkeeper/Secretary for receipt and deposit. All funds received by clubs or school organizations must be documented by pre-numbered cash receipts, class rosters, or cash collection forms provided by fundraising vendors. Various examples of supporting documents can be found on the Accounting website. **(Event Ticket Tally Sheet, Field Trip Money and Permission Slip Log, Inventory Control Sheet, Uniform Sales Form)**

Any person receiving money and writing receipts must count the funds in the presence of the person paying the money.

When issuing receipts, Alief ISD three-part pre-numbered receipts are to be used:

- The top (white) copy goes to the payee
- The second (yellow) copy is turned in to the Bookkeeper/Secretary to accompany the entry into the accounting system
- The bottom (pink) copy is retained in the receipt book

When issuing receipts, the receipt must be completed in its entirety, including:

- Month, date, and year
- Amount received
- The name of the person submitting the money
- An explanation of the purpose for which the money was received
- The Activity Account's name and number
- The manual signature of the person receiving the money (no signature stamp)

When issuing receipts, under no circumstances should a cash receipt be altered. If an error occurs, VOID the original receipt and all duplicates and issue a new receipt. The original of the voided receipt must be attached to the copies and retained for audit purposes.

Postdated checks cannot be accepted.

B. Control of Receipt Books

The Bookkeeper/Secretary is responsible for maintaining an adequate supply of receipt books obtained from the District warehouse. All receipt books should be secured in a locked drawer, cabinet, or vault at all times.

A distribution record must be kept of all cash receipt books issued to teachers, Sponsors, and other individuals approved by the Principal to collect funds.

At the end of the school year, all outstanding receipt books should be returned to the Bookkeeper/Secretary so that all books issued during the school year can be accounted for.

C. Receipt of Money by the Bookkeeper/Secretary

Undeposited money must be kept in the school vault until it can be prepared for deposit and taken to the bank. If the money cannot be counted when it is turned in by the Sponsor, it should be placed in the vault, in a locked bag, until the Bookkeeper/Secretary can verify it. Use the **Locked Money Bag Log** to track the ins and outs of the money bags. An actual cash count should be made by the Bookkeeper/Secretary in the presence of the person turning in the money.

If there is a discrepancy between the actual cash count, the total of the cash receipts or class rosters, and the **Deposit Recap Form**, the teacher or Sponsor should indicate the reason for the discrepancy on the **Deposit Recap Form**.

The Bookkeeper/Secretary should give a copy of the signed **Deposit Recap Form** to the person turning in the money to serve as a receipt. If cash is received by mail, it is necessary that the original receipt be mailed to comply with this procedure. If a check is received by mail from an outside source, it is not necessary that the original receipts be mailed since that person or vendor will have their cancelled check to serve as their receipt. In these cases, the original receipt should be kept on file for review.

All money collected must be submitted in the same form as collected. The staff member's personal check may not be submitted for cash collections.

D. Event Ticket Sales

Schools should purchase several different-colored rolls of sequentially-numbered tickets to be used for such events. The Sponsor issues out a roll (or more if different ticket prices are used for the event) and the starting numbers are recorded on an **Event Ticket Tally Sheet** which the Sponsor will then use to record actual sales and turn into the Bookkeeper/Secretary for depositing the money collected. The form has a reconciliation section which shows how much should be collected based on the actual tickets consumed, and the actual money collected.

7. Deposit of Funds

A. General Operating Procedures

Deposits must be made promptly and all funds must be kept securely in the vault until deposited.

Undeposited funds at the close of the school week should be kept to a minimum. Money posted on the last day of the month may sometimes be deposited at the bank after the last day of the month and will be considered an “outstanding deposit” when reconciling your bank statement.

B. Deposit Procedures

Procedures for making deposits are as follows:

- Count all monies and checks.
- All checks must be endorsed “For Deposit Only” with School Name and Bank Account Number (use endorsement stamp, if available).
- Record monies/checks on the Deposit Tally Form.
- Write the Money Bag # on the Deposit Tally Form.
- Organize the Deposit Recap Forms by activity account number.
- Enter deposits into the Activity Account System.
- Print a Deposit Register for the current day.
- The balance from the Deposit Register must match the Total Deposit on the Deposit Tally Form.
- Prepare a Bank Deposit Slip in duplicate for each deposit (include Bookkeeper/Secretary name, and deposit bag #).
- Place the white copy of the Bank Deposit Slip, a copy of the Deposit Tally Form, and all funds to be deposited into a deposit bag and seal the bag.
- Record the deposit bag # and date and time on the Deposit Pick-Up Log.
- The District Police Department will pick-up deposits based on your scheduled pick-up day. Contact the District Police Department (281-498-8110, Ext. 22110) if you need to make special arrangements outside of your scheduled pick-up. The officer should sign the Deposit Pick-Up Log.
- The yellow copy of the Bank Deposit Slip must be attached to a copy of the Deposit Tally Form, a copy of the Deposit Register, and other supporting documents (e.g. copy of all checks deposited).
- The bank will retain the original deposit slip.
- Login to Cash Manager to verify the posted deposit amount with your Bank Deposit Slip. If the amounts do not agree, you will need to make the appropriate adjustments in the Activity Accounting System or call the bank to discuss the discrepancy.

Note: All funds on hand as of August 31 must be deposited prior to closing the books for the year.

C. Cashing of Checks

Personal and/or payroll checks cannot be cashed using cash received for other purposes.

D. Returned Checks/Re-Deposits

Occasionally a check which was previously deposited is returned unpaid by the bank due to insufficient funds, account closed, improper signature, or other reasons. When a check is returned, an adjustment is recorded in the books to reduce the cash account and the account to which the check was originally receipted. A bank fee, if any, is also recorded.

Record all adjustments in the system and retain all bank memoranda in the files.

Procedures for collection of returned checks are as follows:

- Send a letter to the maker of the check requesting payment in cash or by cashier's check within a two-week period. The letter should be sent to the last known mailing address and should contain the check number, date, and amount of the check.
- The letter should be sent Certified Mail – Return Receipt Requested.
- At the Principal's discretion, a service charge not to exceed \$15.00 may be assessed. A sign describing this policy should be posted in a visible place near the Bookkeeper/Secretary's office.
- A record of all returned checks and the disposition of each should be maintained in a separate file folder with the activity accounting records.
- No checks should be accepted from a party who has not redeemed a previously returned check.
- If N.S.F. checks are a problem, a Principal may want to consider a "cash only" policy.
- Below is an example of a collection letter:

Dear Ms. Smith,

Your check dated March 20, 20xx in the amount of \$100.00 has been returned to this office for non-payment. A copy of the check is attached.

Please remit funds to cover this check, including service charge of \$15.00 in either cash or money order to this office within two weeks.

The school will accept no additional checks until this matter has been cleared.

Your prompt attention will be greatly appreciated.

- The receipt for the cash or money order will be marked as a "redeposit".

E. My School Bucks (MSB)

For money collections that utilize My School Bucks (MSB) to accept electronic payments, the receipt of funds from MSB should be recorded as a deposit in the Activity Accounting System.

The **How to Run Reports from My School Bucks** document provides step by step instructions for running the reports needed as back up for the deposits, refund requests, and monthly reconciliation.

8. Expenditures

A. General Operating Procedures

Income received from a specific group should be expended for that group. No expenditure of funds should be approved by the Principal unless sufficient funds are available in the appropriate activity account.

All expenditures from activity funds will be made by check. Checks may not be made out to "CASH". **No blank checks may be pre-signed.**

All checks must be generated from the accounting system. Checks cannot be typewritten or handwritten.

Purchases must be approved in advance. Sponsors or others with authority to initiate purchases should be prepared to pay for purchases personally if the proper level of approval has not been obtained in advance.

All requests must have proper documentation attached. Proper documentation includes:

- **Activity Fund Purchase Request Form**
- The vendor's original invoice or itemized receipts. Periodic statements do not constitute acceptable support.
- Other documentation (letters, application forms, renewal notices, sales slips, etc.) when the vendor does not issue invoices.

Purchases should be made from District approved vendors. Refer to the Alief ISD Master Vendor List found in Schoology > Groups > Purchasing > Resources for a listing of vendors. If you cannot find the vendor you want to use or have any other questions about vendors or how to get vendors added to the list, contact the Purchasing Department.

The following items should be purchased or processed in accordance with [CFD Regulation](#). The appropriate amount of activity fund dollars should be transferred to the District by issuing a check from the activity account to Alief ISD General Fund. An appropriate General Fund budget code ending with "DNT" should accompany the check for the Accounting Department to amend the budget. The school will input check requests or purchase orders once the budget amendment is complete. The Accounting Department will process the extra duty pays through payroll transactions for payments to employees.

- Registration fees and associated travel costs for conferences or seminars for staff.
- Furniture, equipment, or classroom items costing \$500 and above **per unit**.
- Payment to individuals for contracted services. The **Independent Contractor Agreement** (Existing or New) should be filled out to determine if a Form 1099 needs to be issued by Accounts Payable.
- Payment to employees for extra duties and awards. (Tangible goods to recognize staff achievement could be purchased directly from the General Staff Account.) A Request for Extra Duty Pay Form should be filled out and sent along with the check from activity account payable to Alief ISD.
- Purchases from the warehouse, print shop, and transportation charges.
- Purchases made from any District employee or employee's direct relative (i.e., husband, wife, mother, father, brother, sister, son, daughter) with approval from the appropriate central office administrator using the **Approval of Purchases Made from District Employee or Relative Form**. The form should be attached to the purchase/check request.

B. Allowable Expenditures

The following expenditures are Allowable as purchases from activity funds with the Principal's approval.

- The cost of field trips, including such items as admission fees, snacks, and other costs.
- Expenses for snacks, favors, and other incidentals used in seasonal or holiday parties and programs.
- Costs of school assemblies and special programs, class picnics, student dances, organizational dinners and programs, and the like.
- Awards for student achievement and student scholarships.
- Payment for items, supplies, and goods sold through approved fundraising activities.
- Payment for school (not individual) memberships in professional organizations.
- School supplies, school pictures, T-shirts, and other school-related items for students who are unable to afford them.
- Items designed to beautify the school, the classrooms, and playgrounds or other school property.
- Special luncheons for community volunteers, secretaries, nurses, or other group recognitions.
- Contributions to charitable groups by clubs or organizations that have been agreed upon by the organization membership. Such contributions should be supported by a copy of the minutes of the meeting in which the contribution was authorized.
- Items for classroom use or for school operations costing less than \$500 per unit.
- The primary purpose of General Student account is to provide additional rewards, incentives, and programs for the students and should be used to benefit the student body as a whole. The following are examples of expenditures from the General Student account:
 - Perfect attendance party supplies
 - Instructional supplies
 - Items for graduation
 - Items for cultural awareness activities
 - Booklets for Parent Night
 - Gifts for volunteers
 - Field day supplies
 - Check and deposit slip processing and other bank fees
 - Sam's/Costco membership fee
- The following expenditures are proper examples from the General Staff account:
 - Teacher in-service lunches and snacks
 - New staff luncheons
 - First Day breakfasts
 - Principals' breakfasts for staff
 - Secretary week and nurse week snacks and lunches
 - End of year luncheon
 - Team leader meeting snacks
 - Lounge supplies
 - Staff appreciation snacks and gifts (refer to the guidelines for gifts)
 - Staff travel (all staff travel has to be processed through the District)

C. Unallowable Expenditures

The following items are Unallowable as purchases from activity funds:

- Repairs and maintenance of District-owned equipment. These repairs should be handled through the Maintenance Department.
- Individual staff member subscriptions and memberships in professional organizations.
- Maintenance supplies and equipment.
- Cash (currency) payment for any purchase.
- Payment of overtime to District employees for their regular duties.
- Payment to students for summer work not arranged through Human Resources.
- Personal gifts for bereavement, illness, retirement, birthdays, etc.
- Donations to benefit individuals.

D. Gifts and Incentives to Staff Members

General Staff Activity Account

- The staff activity account should be used for expenditures that benefit a large portion of the faculty.
- Gifts to individuals may only be purchased with staff funds for District-wide events such as Nurses/Secretary/Counselor/Bosses Day.
- Each school should establish a reasonable dollar limit for gifts, not to exceed \$30 in tangible goods (no cash gifts). The limit should be applied consistently.
- Gift certificates and gift cards are not allowed. These are considered cash equivalents and taxable income by the IRS regardless of the dollar amount.

Hospitality/Sunshine Account

- Hospitality accounts are funded only with contributions from staff members.
- Gift certificates are allowed from the Hospitality Account.
- The purpose of the hospitality account is to recognize staff members when significant events occur in their lives.
- Each school with a Hospitality account should establish a Hospitality Committee. The Hospitality Committee needs to establish written guidelines. The guidelines should address the occasions that will be recognized and should establish appropriate dollar limits. There is a sample of Hospitality Guidelines on the Accounting website. A copy of the guidelines should be saved in the campus' Activity Account shared folder.
- If a school does not set up a Hospitality account, then the only allowable gifts to individuals will be those for District-wide events.
- A school may choose to use the Hospitality account, rather than the Staff account, for gifts for District-wide events.
- No gifts should be made that are not addressed within the Hospitality guidelines or agreed upon by the committee. Consider personal gifts or specific collections as an alternative in these cases.

E. Issuance of Checks

Once the Principal has approved a purchase request, a check should be issued as soon as possible. The packet should be marked paid by noting the check number, date, and amount on the Activity Fund Purchase Request Form. **UNDER NO CONDITION SHOULD A BLANK CHECK BE ISSUED.** That is, no signature shall be affixed to a check until all blanks (day, payee, and amount) have been filled in. If a purchase is to be made and the dollar amount is unknown, have an employee make the purchase and reimburse him/her once the dollar amount is determined.

It is recommended to run a check register after printing checks to detect any errors.

F. Voided Checks

All checks **MUST** be accounted for in the accounting system. If it becomes necessary to void a check, the signature area of the check should be cut off and "VOID" clearly marked in ink across the check in large letters. Voided checks should be filed in the monthly file within the check sequence. (**User Manual** page 16 section 2E).

G. Outstanding Checks

Checks that have been outstanding over 3 years should be "written off". If the check does clear the bank after it has been written off, just re-enter all the information as an adjustment by using the current date. Use the original check number but with an "a" after the number (e.g. #123a). This will indicate that the check has been adjusted.

The procedures to write off the old outstanding checks are:

- Select *Transactions*
- Select *Adjustments*
- Select *Add*
- Enter organization from which the check was issued
- Enter the bank statement date that you are reconciling into the Date field
- Enter "Ck. #XXX issued MM/YY – written off" into the Description field

Be sure to "clear" the check from the outstanding checks:

- Select *Reconcile Bank Statement*
- Click *Clear Checks*
- Highlight the check that you wish to write off
- Use ► to move the check to the "Cleared" side
- Select *OK*

H. SAM's Club Card

The following is some information on a SAM's Club card that you may want to consider.

One of the main reasons to use a SAM's Club card is to avoid issuing many reimbursement checks for purchases made at SAM's Club. Several schools are currently utilizing the Business Revolving Credit Account.

With a Business Revolving Credit Account, the school would have:

- One-card convenience - the membership card is the credit card.
- Itemized billing statement.
- Multiple authorized buyers.
 - Up to eight designated authorized buyers.
- Current charges are \$30 for primary member and one complimentary card per year.
- Each additional designated buyer would be \$15 per year.
- Additional Annual credit card fee of \$10.
- Pay no finance charges if balance is paid in full each month.
- Acceptance at all SAM's Club and Walmart locations
- Online access to your account information.

Of course, as with everything, this type of charge account could have its pitfalls. However, if the employees understand at the beginning (and perhaps signed a statement to this effect) all receipts **MUST** be submitted to the Bookkeeper/Secretary the workday following the sale or the employee could become responsible for the charges.

Only school-related and Principal approved items may be charged to this account. Personal items are to be paid for separately at the time of purchase by the employee.

Above guidelines are related to Activity Fund purchases only. Contact Purchasing Department for guidelines related to using SAM's Club card for purchases from budgeted accounts.

Do **NOT** apply for a Sam's Club Mastercard. That is different than a Business Revolving Credit Account and is not allowed.

I. Supplemental Pay to Employees

An active employee of the district is considered an employee for ALL work performed for the district. Employee status still applies even if extra work is unrelated to regular duties. If you need assistance in distinguishing contract labor vs. employment, please contact the Accounting Department.

Payments for the following are considered “other compensation” for employment when the services are performed by regular employees:

- Proctoring college entrance exams
- Private lessons for band and choir members
- Speaking engagements after regular hours
- Contest judges
- Dance chaperons
- Security
- Alterations

The Internal Revenue Service classifies these payments as other compensation to be included on the employee’s W-2 form and subject to withholding. Payments to active employees **MUST BE** processed through the District’s Payroll Department. The appropriate amount of activity fund dollars should be transferred to the District by issuing a check from the activity account to Alief ISD General Fund. An appropriate General Fund budget code ending with “DNT” should accompany the check for the Accounting Department to amend the budget. The Accounting Department will process the extra duty pays through payroll transactions for payments to employees.

Procedures:

1. Complete the Request for Extra Duty Pay Form. Fill out the employee ID numbers, employee names, total hours worked, rate, total amount to be paid, and appropriate budget code. Keep supporting documentation such as time sheets with your activity fund records. Do not send the supporting documentation to the Accounting Department.
2. The budget code refers to appropriate General Fund budget code for the service provided, not the activity account code. Call Accounting if you need assistance in determining the code.
3. Issue an activity fund check for the total amount of payments plus an additional 1.45% (0.0145) of the total amount of payment for Medicare. Make the check payable to Alief ISD.
 - a. If the check is \$500 or more, the check should be sent to the appropriate central office administrator for signature.
 - b. If the check is under \$500, the check should be signed at the campus.
4. Forward the check and a copy of the Request for Extra Duty Pay Form to the Accounting Department. The Accounting Department will deposit the check, amend the budget by increasing the extra duty pay budget code with the check amount.
5. Follow the payroll procedures to submit the Request for Extra Duty Pay Form to payroll.
6. The payment to the employees will be included in the next available payroll run.

Remember that we cannot issue extra duty pay for duties performed during the employee’s regular work hours.

Please keep in mind that it takes time for all the above procedures to take place. It might be several weeks before the employee receives the payment for extra duties.

J. Contracted Service Pay to Non-Employees

Payment to any non-employee for service rendered, unless the payment is to a vendor that is confirmed to be an incorporated business, should be processed through District's Accounts Payable Department due to IRS reporting requirements. Examples are DJs, author visits, performers, judges, speakers, non-employees hired for security for campus events, etc.

1. Complete the Independent Contractor Agreement (Existing or New) and a W-9 (for New). Be specific when recording the work performed. If the vendor is new to the district, complete the New Vendor Requests and W-9 Submissions Form on the Purchasing Department's Schoology page and upload these forms through that process so that they can set up a new vendor in BusinessPLUS.
2. Refer to the **Budget and Account Code Structure** flip chart to determine the budget code and call Accounting if additional assistance is needed in determining the code.
3. Make the check payable to Alief ISD.
 - a.) If the check is \$500 or more, the check should be sent to the appropriate central office administrator for signature.
 - b.) If the check is under \$500, the check should be signed at the campus.
4. Forward the check and a copy of the Independent Contractor Agreement (Existing or New) to the Accounting Department.
5. The Accounting Department will deposit the check and input a budget amendment showing an increase to the expenditure account listed on the Independent Contractor Agreement (Existing or New).
6. Upon notification by the Accounting Department via a receipt, the campus should input a Blanket Purchase Order request. Once the PO has been approved and the services performed you can write the PO number on the original invoice, sign and date it and send to the appropriate Accounts Payable Specialist for payment.

K. Summer Employment

If your campus would like to hire summer help, you must coordinate with the Human Resources Department to set up the employee records, pay rates, and provide the Human Resources Department a General Fund budget code.

The following steps will accomplish the generation of paychecks to the summer workers and the transfer of funds from the General Staff account into District's General Fund.

1. Have the summer worker complete a timesheet. The time sheet must be approved by the Principal. The budget code on the time sheet must be the one given to the Human Resources Department. The account will end in "DNT", indicating that the expenditure is funded by a donation from the Activity Fund.
2. Determine the amount to be paid to the summer worker for each payroll. Add additional 1.45% (0.0145) of the amount to cover the District's portion of Medicare. Issue a check for the total from the activity fund to Alief ISD General Fund.
3. Submit the time sheet and check to the Accounting Department. Accounting will deposit the check and amend the budget with the account noted on the time sheet.
4. Payroll will process the time sheet in the next available payroll run.
5. Keep copies of back-up documents (time sheets and Notice of Personnel Action Form) with your Activity Fund records.

9. Sales Tax

A. Tax Free Purchases by Schools

School purchases, supplies, materials, and services for educational or instructional use, or for use necessary to the function of the school (e.g., office supplies and copy paper) are exempt from state and local sales tax. The school should provide the vendor with a *Texas Sales and Use Tax Exemption Certificate*. Schools may issue an exemption certificate in lieu of paying tax when purchasing taxable items for their use or for giving away to students as part of a course of instruction.

- Purchasing taxable items that will become the possession of the campus.
- Purchasing taxable items for the use of the campus.
- e.g., paper and paints used in art class
- Purchasing trophies, ribbons, awards **earned** by students
- Meals on school trips

A *Texas Sales and Use Tax Exemption Certificate* may NOT be issued to secure exemption from sales tax for the purchase of items to be used for personal benefit (e.g., cheerleader uniforms, drill team purchasing makeup/earrings.)

Exemption certificate may NOT be issued by the campus for purchases by parents, patrons or outside organizations (e.g., PTA's and booster clubs).

It is a criminal offense to use the certificate for the purpose of evading tax.

The District does not reimburse employees for sales tax they paid on purchases made on the behalf of the school district.

In cases where the campus is purchasing items using activity funds, and the items will be resold to individuals, the campus should issue a *Texas Sales and Use Tax Resale Certificate* that then allows the campus to make a non-taxable purchase (i.e., because the intent is to resell the items to individuals). In these cases the campus must collect, report and submit sales tax when individuals buy the items that were purchased tax-exempt, unless a One-Day Tax-Free day is used.

B. School Sponsored Trips

Meals purchased by the school for athletic teams, bands, etc. on authorized school trips are exempt from the sales tax if the school contracts for the meals. The school must pay for the meals and provide the eating establishment with an exemption certificate.

Individual members of teams or other organizations may not claim exemption from the sales tax on the meals they purchase while on a school-authorized trip.

An exemption may also be claimed by the school from the hotel occupancy tax if the school contracts and pays for the accommodations. This exemption is only for the state hotel occupancy taxes; it does not exempt the school district from local hotel occupancy taxes. The *Hotel Occupancy Tax Exemption Certificate* is used for state hotel tax exemption.

C. Taxable Sales

Schools and school-related organizations must collect sales tax on all sales which are not specifically exempted. Refer to the **Money Collection Determination** form to see if your sale qualifies as a taxable sale.

Purchases for their own use by individuals, even though connected with a school or school organization, are not exempt from the sales tax. Examples – cheerleaders purchasing their own uniforms, teachers purchasing computer equipment, band members purchasing their own instruments, and athletic teams purchasing their own jackets are not tax exempt.

The fact that something is sold without the intention of making a profit does not make it a non-taxable sale.

Your pricing should be set so that you take in enough to cover the sales tax and still have the amount of profit you are planning. You may choose to set your sale price to a rounded off, easy to collect gross sale price to accommodate sales tax. The **Fundraising Planning Calculators** can be used to help with this calculation.

D. One-Day Tax-Free Sales

Each school and each bona fide chapter of each school is allowed to have two, one-day tax-free sales each calendar year. During these tax-free sales, the organization may sell any taxable item tax-free when the price of the item is \$5,000 or less. A day is considered a consecutive 24-hour period. Sales of taxable items occurring during a 24-hour period designated as exempt by the school organization may be sold tax-free. A sale does not occur until either title to or possession of the property has transferred to the purchaser. For example, the delivery of yearbooks to students on a single day qualifies a yearbook sale as a one-day tax-free sale even though the yearbooks were sold over a longer period. However, persons buying from surplus stock on subsequent dates after the tax-free day owe sales tax on the items. Note that the time limit for the two one-day tax-free sales is a calendar year which is from January 1 through December 31, rather than a school year.

While the sale of yearbooks can be selected as one of the two one-day tax-free fundraisers, a book fair is usually not a qualified sales event because the school is not the seller, and the school is therefore acting as an agent for the vendor. The sale of items received from a vendor, in which the school and the respective vendor have an agreement that the vendor will take back any unsold items, would also generally not qualify as a one-day tax-free sale. When the school or school group receives a commission, tax-free day sale provisions cannot apply because the sale is the vendor's sale, not the school's sale. The school group would collect and remit to the vendor, and the vendor would report the sale and remit the sales tax to the State.

The tax-free status of one-day tax-free fundraisers must be designated on the **Money Collection Request Form** and be approved in advance by the Principal and Area Superintendent. Therefore, the school organization must determine prior to the sale whether sales tax is collected from the purchasers or not. The **Master Activity Account Listing** in the Activity Account share folder has columns to document the tax-free days that have been selected by the campus and the student groups.

A bona fide chapter of a school is a group that must be organized for some business or activity other than instruction or a participatory group. Essentially, any student group (fund 865) that is recognized by the school and is organized by electing officers, holding meetings, and conducting business is a bona fide chapter of the school. Groups meeting for classroom instruction or team sports are not categorized as bona fide chapters and do not qualify for the tax-free day sales.

E. Collecting Sales Tax

Schools and school organizations must collect sales tax (currently 8.25%) on all taxable items. You could choose to increase your sale price slightly to accommodate sales tax or simply extract the sales tax portion from the price collected.

It is beneficial to record payment of sales tax within the month the sales were made. You should record your sales tax BEFORE closing the month.

Use the **Sales Tax Report** to calculate and submit your sales tax and report to the Accounting Department. Instructions for preparing the report are on the form. The report and payment for any sales tax collected is due in the Accounting Office by the 10th of each month. If no tax is due, you must still submit a sales tax report form.

The Activity Accounting Specialist submits the monthly sales tax report and sends payments collected and remitted by the campuses to the State for all District locations.

F. Contacting the State Comptroller's Office

The State Comptroller's Office maintains a toll-free information number for a quick response to any state tax questions you may have.

Phone: 1-800-252-5555

Frequently Asked questions: <https://comptroller.texas.gov/taxes/sales/faq/>

Sales and Use Tax: <http://www.window.state.tx.us/taxinfo/sales/index.html>

10. Banking Procedures

A. Responsibility

The Principal will be considered responsible for all financial transactions and proper check signatures even in the case of his/her unavoidable absence.

Each school shall have only one bank checking account, which shall be, entitled “(Name of School) Activity Fund”. The school name, the school district, the school address, and telephone number must be imprinted on all activity fund checks and deposit slips. All activity fund checking accounts are set up with Frost Bank.

Checks should be ordered from Frost Bank. The charge for the checks may be recorded as a negative adjustment in the General Student or General Staff account. Make sure there are two signature lines on the face of checks.

All monies received by the school activity fund must be deposited into this account and all disbursements will be made by a check drawn on this account. No other checking accounts are permitted if related to the school’s activity funds.

A school may have a certificate of deposit as long as it is with the district’s approved bank and it is with the knowledge and permission of District’s Accounting Department.

Only activity fund transactions may be directed through the activity fund bank account. Transactions of outside organizations such as PTO, PTA, booster clubs, or non-curriculum related student groups are the responsibility of those individuals or organizations.

If a school’s booster club or PTO has a bank account, it must be controlled by someone other than an Alief ISD employee. The name on the account must state “Booster Club” or “PTO”. The District’s Federal Employer ID number must never be used when setting up a booster club or PTO bank account according to [FJ Regulation](#).

B. Check Signatures and Checks

Each bank account shall have a minimum of three authorized signers; one of which must be the Principal and one must be an appropriate Area Superintendent.

All disbursement checks must be signed manually, no signature stamps.

Bank accounts must be set up to require TWO signatures on checks.

An appropriate Area Superintendent **MUST** sign any check in the amount of \$500 and above. Do not split the check to avoid sending for Area Superintendent’s approval.

An appropriate Area Superintendent **MUST** sign any check issued to a Principal. All pertinent support for the expenditure should be sent along with the check to be signed by the Area Superintendent. After the check has been signed, it will be returned to the school.

Under no circumstances shall checks be pre-signed or hand-written.

C. Security

Checks are to be secured under lock and key with only the persons authorized to have access to them.

Voided checks are to have the word "VOID" written in bold letters with ink across the face of the check, and the signatures torn off the check so that it cannot be cashed.

D. Interest Bearing Accounts

If the campus has a CD, the Bookkeeper/Secretary will make an entry in the accounting system to record the monthly interest shown on the bank statement each month. The checking accounts do not earn interest.

E. Bank Reconciliation

One of the most important aspects of the Bookkeeper's duty is the PROMPT reconciliation of the activity fund bank account. The reconciled activity account should be sent along with the monthly activity account report packet to the Activity Accounting Specialist by the 10th of the following month.

To access and print your bank statement, go to <https://frostdtreasuryconnect.com>. Select Reporting, then eStatements, then Last Month from Date Range. Click Search, then click Download. This webpage is also where you should be going to review banking activity. Select Reporting, then Balance and Transaction Reporting, then Transaction Search and enter a date range. Click submit. Then you can click on various transactions to see the deposit slips or front and back of cancelled checks. Report any issues or fraudulent activity to Accounting.

The previous month ending balance MUST BE the same as the current month beginning balance. (If not do not proceed. Contact Accounting to help determine the issue.)

- Record any adjustments (insufficient checks, charges for check printing, etc.)
- See **User Manual** page 19 section 2G for detailed steps on reconciling the bank statement.

F. Monthly Activity Account Report Packet

The Board Report balance must agree with the Activity Account Reconciliation balance.

The Activity Account Report Packet includes:

- **Monthly Activity Account Report Packet Cover Memo** - signed and dated by the Principal and Bookkeeper/Secretary, including totals for:
 - 461 Month to Date Expenditures
 - 865 Month to Date Expenditures
 - 461 Month to Date Deposits
 - 865 Month to Date Deposits
- Board Report (1st through the last day of the month) (**User Manual** page 25 section 3I)
- Activity Account Reconciliation (Bank Reconciliation **User Manual** page 19 section 2G)
- A copy of entire Bank Statement including a copy of cleared checks and deposits
- Transaction Summary (**User Manual** page 23 section 3E)
- Audit Report (**User Manual** page 26 section 3J)
- Deposit Register (**User Manual** page 22 section 3B)
- **Sales Tax Report** - signed/dated by Principal and Bookkeeper/Secretary (even if no sales tax is due)
- Sales Tax Check - if applicable, dated the last day of the month, paper clipped to the sales tax report, not stapled in the packet

This report packet must be prepared and sent to the Activity Accounting Specialist by the **10th** of the following month.

A copy of the individual club's audit report should be given to the Sponsor **each month**. The Sponsor should review the month's activities and report any discrepancies to the Bookkeeper/Secretary. At the end of the school year, the Bookkeeper/Secretary must provide the Sponsor with a complete report of the activity group's expenditures and deposits for the entire year. The Sponsor should review this report, sign if in agreement, and return it to the Bookkeeper/Secretary.

G. Additional Monthly Closing Steps

After the activity account has been balanced and all reports have been printed, the month should be closed in the accounting system (**User Manual** page 20 section 2H).

After the Close Month has been processed, create a backup of the Activity Accounting System files. (**User Manual** page 7 section 1E)

11. Transfers of Funds Between Activity Accounts

Any transfer of funds between activity accounts should follow the District's general guidelines and be approved by the school Principal as well as the involved Sponsors, and, if applicable, Student Club Members on the **Activity Account Transfers Form**.

- A club or school organization may compensate or reimburse another school organization for goods purchased or services performed.
- A club may make a voluntary donation or contribution to defray the expenses incurred by another club or school organization.
- Some activity accounts are revenue producing by their own nature (e.g. vending machines); net proceeds remaining in such an account usually are transferred to other activity accounts. See the **Money Collection Determination** form for guidelines on which accounts can benefit from different money collection activities.
- If a Student group will no longer be continuing, they should determine the use of any remaining balances in their account. If the group has been inactive and no members remain at the school, or the inactive account was a campus activity account, and the school administrators have determined there is no continuing reasons for them to have such an account; the balance may be transferred to the General Student activity account.

12. Textbooks

A. Responsibility

It is the responsibility of each school to audit their own textbook inventory. The Principal should appoint a person to be responsible for the collection of monies for lost or damaged State and Non-State textbooks. All revenue collected for lost or damaged textbooks may not be spent for any other purpose or transferred to any other student activity fund account.

B. Receipt of Money

Receipts for lost and damaged textbooks should be written out of a pre-numbered receipt book used only for textbook collections. The receipt should indicate the book for which payment is made.

When the textbook money is turned in to the Bookkeeper/Secretary for deposit, a copy of the receipts should be the support documentation to substantiate the amount collected. A receipt will be issued to the textbook custodian for the total amount of money being turned in for deposit. The receipt for the total turned in funds should refer to the receipt numbers in the textbook receipt book, which backs up the deposit.

C. Refunds

An **Activity Account Refund Request Form** should be used for any refund requests, instead of the **Activity Purchase Request Form**. A refund check should be issued for the return of lost textbooks, which have been previously paid. The receipt previously issued to the student shall be verified before the refund check is issued. The receipt or copy of the receipt is to be attached to the request for support.

The student's name, grade level, title of the book and receipt number should be written on the check when a refund is issued. The refund check is to be made payable to the parent or guardian and mailed to the student's home address. The receipt number must be included in the check description.

D. Disbursements

The only disbursements to be written out of the Textbook account are:

- Refund of payment for recovered textbooks.
- Replace lost textbooks by purchasing from designated book companies.
- ❖ Helpful Hint: Purchase these materials as early as possible. Books must be replaced with exact replacements, i.e. same version and ISBN. When replacing state-adopted books from discount sources, insist on the following and include these words in the comments on the purchase order:
 - The exact ISBN
 - The Texas edition/version
 - Include on the purchase order "Must meet TEA specifications"
- Payment to the District to replenish textbooks per instructions from the appropriate central office administrator. Ideally, payments for lost textbooks should cover the textbook invoice at the end of each school year. If this account is not self-sufficient, the campus may use vending machine commissions and cell phone fines, or hold a textbook fundraiser to supplement. **Student generated money from fundraisers may not be used to supplement this account. General Staff account or (in rare instances) budget money with administrative approval may be used.**

E. Reports

A monthly report of all activities recorded on the activity fund accounting system should be submitted to the Campus Textbook Custodian. This report should be reviewed for agreement. At the end of the school year, a complete year's audit report will be given to the Textbook Custodian. This report should be signed (if in agreement) and returned for inclusion in the activity fund files.

13. Fixed Assets

A. Criteria

Fixed assets are items that are tangible in nature, cost \$500 or more per unit, and have a useful life of at least one year. The District's Purchasing Department is to be consulted before making any sizable purchase to ensure that current Board policies and State laws are being observed.

B. Accounting for Purchases of Fixed Assets

In order to comply with State accounting guidelines and to have adequate documentation for insurance purposes, it is necessary for each school to accurately account for all fixed assets. These items should be purchased through the District (see [CFD Regulation](#)). The appropriate amount of activity fund dollars should be transferred to the District by issuing a check from the activity account to Alief ISD General Fund. An appropriate General Fund budget code ending with "DNT" should accompany the check for the accounting department to amend the budget. The school inputs check requests or purchase orders once the budget amendment is done.

C. Inventory

All equipment, whether it is a gift to the school or purchased with activity fund, becomes the property of the District and must be included in the school's inventory of equipment.

D. Sale of Fixed Assets

If equipment is to be disposed of by trade-in, it must be coordinated through the Purchasing Department.

If the equipment is to be disposed, fill out either four part NCR paper form or on-line form.

Technology Services is currently responsible for pickup/transfer of computer related equipment. Use the paper form and send to Technology Services – ASF.

Central Distribution uses an on-line form found on their website. Use this form for the pickup/transfer of all other equipment.

Use the paper form to report lost, stolen, or items disposed of at your building, to the Fixed Assets office in Accounting.

14. Related Documents

[Activity Fund Policies and Procedures Manual](#)

[Activity Accounting Software User Manual \(User Manual\)](#)

[Board Legal and Local Policies, and Regulations Policy Online](#)

[CAA – Fiscal Management Goals and Objectives – Financial Ethics](#)

[CDC – Other Revenues – Gifts and Solicitations](#)

[CFD – Accounting – Activity Funds Management](#)

[DH – Employee Standards of Conduct](#)

[FJ – Student Fundraising](#)

[FM – Student Activities](#)

[FNAB – Student Expression – Use of School Facilities for Nonschool Purposes](#)

[FP – Student Fees , Fines, and Charges](#)

[GE – Relations with Parent Organizations](#)

[GKD – Community Relations – Nonschool Use of School Facilities](#)

[Compliance](#)

Fraud and Financial Impropriety

[Parent Organization Guidelines](#)

[Forms and Resources](#)

Activity Account Classification Form

Activity Account Monthly Report Packet Cover Memo

Activity Account Purchase Request Form

Activity Account Refund Request Form

Activity Account Sponsor Responsibility Form

Activity Account Transfers Form

Approval of Purchases Made from District Employee or Relative

Deposit Pick-Up Log

Deposit Recap Form

Deposit Tally Form

Donation Form

Event Ticket Tally Sheet

Field Trip Money and Permission Slip Log

Fundraising Planning Calculators

Fundraising Recap Calculator for Non-Sale or Non-Taxable Sale

Fundraising Recap Calculator for Taxable Sale

Fundraising Recap Form

Hospitality Committee Policies - Sample

How to Run Reports from My School Bucks

Inventory Control Sheet

Locked Money Bag Log

Money Collection Determination

Money Collection Guidelines

Money Collection Packet

Money Collection Request Form

[Forms and Resources](#) (continued)

- My School Bucks Product Build Form
- Receipt Book Log
- Sales Tax Report
- Smart Snacks in Schools Guidelines
- Uniform Sales Form
- W-9 Form (Blank)
- Texas Hotel Occupancy Tax Exemption Certificate
- Texas Sales and Use Tax Resale Certificate
- Texas Sales and Use Tax Exemption Certification
- IRS Tax Status letter

[Purchasing Resources on Schoology > Groups > Purchasing >Resources](#)

- Alief ISD Master Vendor List
- Contracted Services Agreement

[School Fundraisers/Sales Tax Guide from Texas Comptroller](#)