

Hereford Independent
School District



Activity Fund
Accounting Procedures
Manual
2016-2017

Hereford Independent School District

Activity Fund

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FOREWORD

This manual was written to provide a set of standardized accounting procedures for the administration of Student Activity and Campus Activity Accounts in all elementary and secondary schools in the Hereford Independent School District. Principals, bookkeepers and other employees involved in the handling of these funds should become knowledgeable of the instructions prescribed in the manual.

The principal, teachers and clerical staff are placed in a position of trust by parents and students when funds are placed in their care. Adequate measures to control these funds will assure parents and students that the funds are handled properly.

GENERAL INFORMATION

Definition and Purpose of Activity Funds

Student activity funds consist of money which is received and held by the school as trustee. These funds are raised by individual student groups and their disbursement is controlled by that group. Student activity funds are accounted for by the district as agency funds in compliance with the TEA Financial Accountability System Resource Guide. The basic purpose for the collecting or raising and expending of activity funds must be for the direct benefit of the students or for the general benefit of the school. Within this scope, funds are to be used to finance activities which supplement the educational curriculum of the District. Fundraising activities shall in general contribute to the educational experience of pupils and shall not conflict with instructional program.

Responsibility for Activity Funds

All Campuses personnel including principals, bookkeepers, secretaries, and faculty will be held responsible for any campus and student activity funds entrusted to them. Money (or property purchased with campus or student activity money) which is lost due to carelessness, theft or fraud will be reimbursed by the responsible party.

The **principal** is responsible for the overall administration of the Student Activity and the Campus Activity Accounts including bookkeeping, monthly reporting and compliance with the policies and procedures manual. The principal will approve all fundraising activities in advance and will monitor the activities by reviewing and signing the Fundraiser Report. It is the principal's obligation to see that all faculty sponsors have signed the Responsibilities of Faculty Sponsors of Student Groups and that these forms are kept on file.

The **campus bookkeeper** (or other designated employee) is responsible for the following:

- a) Maintaining the accounting records;
- b) Completing monthly bank statements and activity reports;
- c) Issuing checks when properly authorized by the principal;
- d) Receiving money and making receipts; and
- e) Depositing in school's bank account.

The **bookkeeper** will advise the principal of situations where faculty sponsors continue to disregard required procedures. Note: The campus level employee who maintains the accounting records of the Student Activity and Campus Activity Accounts is referred to in this manual as the bookkeeper. Campuses which do not employ bookkeepers may interpret this as any employee designated by the principal to perform this function.

The **faculty sponsor** of a student activity group is responsible for safeguarding and accounting for all student activity funds entrusted to him/her. It is the obligation of the faculty sponsor to follow the procedures presented in this manual. This includes the maintaining of detailed financial records, completing the Fundraiser Report to account for all fundraisers, and maintaining a positive balance in his/her account at all times. The faculty sponsor will sign the form titled Responsibilities of Faculty Sponsors of Student groups before undertaking any sponsorship of a student club or organization. The forms will be filed at each campus. Failure of a faculty sponsor to follow activity fund policies and

procedures or to safeguard funds may result in their removal as the sponsor of the group up to and including termination of their employment with the district.

The **accounting department** is responsible for monitoring the monthly activity and bank reconciliations for all campuses. The accounting department will work with the campus staff to correct any deviations from the requirements of the policy and procedures manual and will inform the principal in the event that such deviations cannot be resolved by the bookkeeper.

Audit of Activity Funds

Activity Funds are audited periodically by the District's Accountant. In addition, an audit is to be performed whenever there is a change in principal or financial clerk. If a dishonest act is discovered or suspected, it should be reported immediately to the District's Accountant for investigation and reporting to the proper authorities.

ACTIVITY FUND OVERVIEW

What am I responsible for?

Student activity (865) sponsors are responsible for maintaining accurate record of all financial transactions of the club or organization. Bylaws should be established that address how the money raised is to be expended. Keep in mind that the money belongs to the students in the group and therefore, should be spent under their directions. The sponsor shall have authority over the fund but should involve the students in the decision making.

Campus activity (461) sponsors are responsible for maintaining accurate records of all financial transactions of the club, organization or campus account. Campus activity funds/groups are subject to all State and District purchasing policies applicable to budgeted funds.

What is a campus activity fund/organization (461)?

Campus activity funds belong to the campus and are used to support its co-curricular, extra-curricular and campus activities. All fund expenditures should benefit the entire campus and its educational goals. The funds are controlled by the principal and that person has the fiduciary responsibility for the appropriate expenditure of those funds. Approval for disbursing district activity fund rests with the principal

- Funds belong to the campus/district.
- Campus principal, organization sponsor or department head responsible for deciding how funds are spent.
- Money is raised locally at the school or donated to the school.
- Expenditures will be "for the districts educational purpose and provide benefit for district or students".
- Expenditures must adhere to State and Board policy and District procedures.
- Expenditures subject to state purchasing and bid laws.

Each campus will establish a “Social Fund” which will be made up of staff contributions. These funds will be used for coffee, flowers, t-shirts, etc. No Fundraiser will be allowed for this fund and this will be the only fund available for employee expenses.

What is a student activity fund/organization (865)?

Student activity funds support activities that are based in student organizations. Students not only participate in the activities of the organization and in the raising of funds. They are also involved in managing and directing the organization's activities including how the funds will be spent. Disbursing monies from the student activity fund requires approval by the student organization and its sponsor

- Student organizations must have a faculty sponsor.
- Student organizations must have bylaws and officers and hold regular meetings.
- Student organizations must retain minutes of the organization’s meetings.
- All funds raised by student organizations are to be expended at the discretion of the students and documented in the minutes.
- Sponsors must keep detailed records of the organization’s activities as well as the organization’s collection and disbursement of funds.
- Student organizations to be disbanded may determine the use of the remaining balance in the activity fund. Funds remaining from an organization which made no such documented determination may be transferred by the principal to a campus activity fund and used at the principal’s discretion.
- Procedures for disbursement of class funds after graduation.
 - Upon graduation the class may determine and direct the campus principal on how to expend the remaining funds after all other liabilities for the class has been paid. The designated expenditures must be used for the benefit of the campus and must support the educational goals of the campus.
 - Any funds remaining in the class account and not designated for expenditure will be distributed to the 3 remaining classes on an equal basis to be used as determined by that class.
 - Left over class funds may not be transferred or expended on behalf of a class member or organization of members such as an alumni club, after graduation but must remain the property of Hereford ISD.
- Student organizations benefit a specific club or organization, i.e. band, cheerleading, choir, math, science, etc.;
- Examples:
 - The Cheerleader Club qualifies, but not the cheerleader team.
 - The Spanish Club qualifies, but Spanish classes do not.
 - The Senior Class qualifies, but not one particular class that has seniors in it.

FUNDRAISERS

The Approval Process

- All fundraising activities **must be approved in writing by the principal or supervisor** 30 days in advance of being scheduled as a school sponsored event via a Hereford ISD request for Fundraiser Sheet.
- Fundraisers must be approved annually.
- Fundraisers are not to begin until you have a copy of the approved request form signed by your principal or supervisor and a copy sent to the business office.
- Material or merchandise for a fundraising project may not be ordered prior to receiving written approval. **Any person ordering merchandise without the prior approval will assume full responsibility for the expenditure.**
- No fund raiser is allowed which constitutes or is perceived as a game of chance, a raffle, a lottery or any other type of game that involves risk of the participant's money. This is a violation of State Law. Fund raisers should always involve a situation whereby a participant is receiving something of value in exchange for their payment of monies to the campus or district organization.
- Fundraiser that involve some type of game or contest and for which the participants do **not** receive prizes or gifts (such as a Jog-a-thon) is allowable and will be considered a donation to the campus or campus organization sponsoring the event.

Use of Funds (See – Expenditure of Funds)

- If a fundraiser is promoted for a particular cause, you must do exactly what you promote. In other words, if a car wash is held to help pay the way to Six Flags – then the funds raised must be used for expenses related to the Six Flags trip. If you promote the fundraiser in “general” terms, you have more flexibility. For example – You sponsor a car wash to “help support the cheerleaders.”
- **Funds should not be used for:**
 - Gifts/Gift cards for faculty (except as authorized through social funds which are **generated solely by campus personnel contributions**).
 - Donations to charitable organizations, unless specifically raised for that purpose, (Student groups may not vote to donate funds to charities unless a fundraiser was approved and held specifically for the purpose).Funds raised and collected for designated charitable organizations must be accounted for and held in a separate activity fund account. All funds raised must be expended for the intended purpose.
 - Gift cards for students valued at more than \$25. (See gift Card information below)
 - Student awards that were not included on a Request for Fundraiser Approval form.

- Financing the attendance of school personnel at meetings, except in the capacity of faculty sponsor on student trips. Student activity funds may not be used to sponsor school personnel on school related trips unless the students have voted to approve the expenditure.
 - Payment of professional dues for school personnel.
 - Any activity that does not promote the general welfare of the school or the educational development and morale of students.
- **Funds may be used for:**
- Trips
 - Monies raised by clubs, class/student groups to finance trips related to student activities for faculty sponsors and students may be expended with approval of the Principal.
 - Scholarships
 - Student Activity Funds may be used to award scholarships to students on the basis of educational merit.
 - The scholarship award should be paid directly to the educational institution of the recipient's choice, or can be paid directly to the student if valid proof is provided of attendance to an educational institution.
 - Scholarships paid on behalf of an individual student should be limited to \$500.
 - Awards and Prizes
 - Monies raised in the school's name may not be used to pay cash awards or to buy cash prizes for students unless noted in the Intended Uses of Funds section of a Hereford ISD Fundraising Permission Request form. In this event, the award must be kept to a nominal amount not exceeding a value of \$25. Cash awards or prizes include currency, checks, saving bonds, money orders, gift certificates or any other medium which can be readily converted to cash.
 - Awards such as merit certificates, trophies, plaques or other means of recognition with nominal value are preferred and may be purchased from Student Activity Funds or Campus Activity Funds in recognition of scholastic, attendance or fundraising activities for students.
 - Gifts
 - Monies raised in the school's name by the student body or student groups **may not** be used to purchase gifts for school personnel (example – gift certificates).
 - Students may contribute personal money toward the purchase of a gift for school personnel.
 - Monies raised in the school's name may not be used by the school or school group to make cash contributions to charitable or other outside organizations.

- Donations may be made when money is raised for a charity and is well noted in the advertising for the fundraiser.

GIFT CARDS

In the event a gift card is purchased for one of the acceptable uses listed below, the following procedures shall be performed:

- Student awards bought with campus activity funds, including gift cards, should be nominal in value (not exceeding \$25) each) and should tie directly in with the Intended Use of Funds description on the original Hereford ISD Permission Request form.
 - Example – Intended Use of Funds: The proceeds from this fundraiser will be used to purchase playground equipment, nominal awards, such as gift cards for miscellaneous student recognition awards and nominal prizes, such as gift cards for fundraiser prizes.
- Student awards bought with student activity funds, including gift cards, should be nominal in value (not exceeding \$25 each) and should be voted on by the student members and recorded in the student activity club minutes.
- Gift cards from vendors who offer the sale of liquor, cigarettes or other items, which are inappropriate for students to purchase, are not allowed.
 - Local vendors are encouraged to be used for gift cards, but look for gift cards that do not allow for the purchase of liquor, cigarettes or other inappropriate items. (i.e. Wendy's, I-tune)
- A completed list of who received a gift card and for how much shall be submitted to the Business office for all gift cards purchased using campus activity funds or student activity funds within one week of disbursing gift card to be attached to the original Purchase Order.

Acceptable Uses

- Student recognition/awards (not exceeding \$25 each) may be bought from principal fundraiser accounts/campus activity funds if the expense was included on a previously submitted permission Request form.
- Student recognition/awards (not exceeding \$25 each) may be bought from student activity fund accounts if voted on by the student members and recorded in the student activity club minutes.
- Staff appreciation gift cards may only be purchases from social fund accounts such as courtesy funds where all revenues have been generated solely by campus personnel contributions.

Unacceptable Uses

- Monies raised in the school's name by the student body or student groups may not be used to purchase gifts for school personnel.
- Staff appreciation gifts (except as authorized through social funds which are generated solely by campus personnel contributions).
- Gifts to individuals for services performed.

- Staff benevolence or retirement gifts (except as authorized through social funds which are generated solely by campus personnel contributions).

REFUNDS

- Refunds are allowable if money was contributed directly by the individual.
- Money raised in the school’s name may **not** be refunded to students.
- Refunds can be the result of cancellation of field trips, overcharges on books, etc.
- Multiple refunds
 - One check may be issued to the activity fund sponsor, who will distribute the refunds to each student. This is only the case if this money was contributed by the student and each student will have to sign form stating they received their money.

RETURNED CHECKS

Occasionally a check which was previously deposited is returned unpaid by the bank at a later date because of insufficient funds, closed accounts, improper signature, or other reasons. The following procedures should be implemented to handle such items:

- The bookkeeper should immediately notify the maker of the check requesting that it be redeemed with cash and notify the sponsor of the returned check.
- Under no circumstances should the returned check be redeposit nor should the check be surrendered to the maker except in returned cash.
- The bookkeeper will record the returned check on the appropriate club/organization account.
- If it is determined that a check returned by the bank cannot be collected after appropriate effort, a note signed by the principal should be attached to the check specifying it to be uncollectible. A copy of any letters or notes of any attempts to collect should be retained in the student activity files for audit purposes.

OUTSIDE ORGANIZATIONS

Outside organizations should be valid stand-alone organizations with their own identities and Employer Identification Numbers. There should be no confusion of their identity with that of the school. Therefore, the outside organizations may **not** use the school’s tax Id number or names of school employees in conducting business. There are two types of independent outside groups:

- Parental – Parent-Teacher Organizations (PTO)
- Outside organizations such as Booster Clubs

Outside organizations (Booster Club) fundraiser campaigns may **not** take place during school hours, but PTO/PTA fundraisers **may** take place during school hours.

General Guidelines

- Outside organizations shall manage and assume responsibility for their own activities and finances.
- Outside organizations may involve participation by the students (as a whole) and school personnel wither as contributors (consumers) or fundraisers (workers) only after the approval of the Superintendent. Fundraising by District personnel for these organizations should not interfere with the employees work duties.
- All fundraising activities require prior approval of the Principal and Superintendent. Principals or school staff may **not** be involved with:
 - Receiving goods for the outside organization.
 - Receipting, depositing in district accounts or accounting for money raised by the outside organization.
- A sponsor or other district employee may **not**:
 - Have signature authority on any bank account of an outside organization in their capacity as a school employee.
 - Commingle money belonging to an outside organization in personal checking or savings accounts.
 - Maintain a checking or savings account that contains money belonging to a outside organization.
 - Maintain a safety deposit box for any money that belongs to an outside organization.
- Money raised by the Outside organizations (Booster Club) must be deposits to the account of the Outside organizations (Booster Club), **not** the school’s Activity Fund account.
- Parent-teacher groups should cooperate fully with the Principal in planning activities or raising money.
- Outside organizations may make donations to the school or to a student club either for a specific purpose or at the discretion of the Principal. Use discretion in limiting such fundraising activities to those necessary for the school.
- Outside organizations may not hold any type of raffle, lottery or game of chance on school district property. Students and staff may not participate in this activity while on district property or on district time. No advertisements, distribution of data, tickets or tokens associated with a game of chance may be done on district property or by district students or staff while on district property.

SALES TAX ON SCHOOL FUNDRAISERS

Although schools may purchase items tax-free, public schools and school-related organizations must collect the sales tax on all sales that are not specifically exempted.

The majority of activity fund collections fall into one of two categories: A sale or not a sale.

The following information may be used as a general guideline in determining whether to classify revenue as a sale or not:

- Sale
 - Admission – athletic, dances, performances, clinics, workshops, summer camps, project graduation
 - Donated items that not sold
 - Fundraisers that we are the seller, not just the middleman
 - Rental of items
 - Sales of food
 - Sales of merchandise – including items made by students
 - Sales of services
 - School publication sales

- Not a Sale
 - Collections from students to pay a company for admission (i.e. Movie Ticket)
 - Commissions received
 - Donations received (i.e. Commemorative brick)
 - Dues
 - Fees – lab, transcripts, uniform cleaning
 - Fieldtrip collections
 - Fines (i.e. – library)

Once the activity has been determined to be a sale, the issue then becomes to tax or not to tax.

Taxable Sales

- Yearbooks, directories, football programs, and other student publications.
- Any type of materials such as pennants, pencils, ribbons, pom-poms, etc.
- Any other items(s) sold as personal property.
- Fees for materials when the end product becomes a possession of the student
- School rings
- Books sold to students at book fairs
- All sales of items such as handicrafts, t-shirts, candles, cups, books and school supplies sold by a school-associated organization during a fundraising drive
- School-purchased supplies sold directly to students including athletic equipment and physical education uniforms
- Agricultural sales
- Plants – holiday greenery and poinsettias
- Rummage, yard and garage sales
- School publications – athletic programs, posters

- Spirit items
- Uniforms
- Vending – pencils and other no-edible supplies when the school services the machines
- Supplies – any sold to the students
- Other items defined as taxable by the State Comptroller’s Office

Non-Taxable Sales

- Vending machine sales – Food
- Ad sales – yearbooks, programs
- Discount cards
- Parking permits
- Services – car washes
- Bake sales
- Admission tickets (such as athletics, etc.)
- Food, including candy and soft drinks
- Two one-day Fundraisers (See One-Day Tax-free Sales Category)

Texas sales tax statutes impose tax on the sale, lease or rental of tangible personal property and selected services. Tangible personal property includes personal property that can be seen, weighed, measured, felt, touched or that is perceptible to the senses in any other manner. When an individual purchases a tangible item and it becomes the personal property of someone, it is taxable. It is irrelevant if the school logo is on the item or that the item will be utilized by a student in a school group for a school function.

School districts and school groups making sales of taxable items that do not have a specific exemption must collect and remit the tax. The items or activities on the lists above have been identified as being taxable or non-taxable by the Comptroller’s office when these items are sold or sponsored by a school, by an organization with a school, PTAs, Booster Clubs and employee associations. Whether taxable or not, all sales are reportable as sales in line 1 of the Texas Sales and Use Tax Return. These lists are not all-inclusive but may help determine the tax status of other similar sales.

One-Day Tax-free Sales

Each school district, each school and each bona fide chapter of each school is allowed to have two, one-day tax-free sales each calendar year. During the tax-free sales, the organizations may sell any taxable item tax-free when the price of the item is \$5,000 or less. There is no limit on the number of bona fide groups at a school or school district.

- The school district qualifies for a tax-free day;
- The school-wide fundraiser qualifies for a tax-free day;

- The Cheerleader Club Qualifies, but not the cheerleader team.
- The Spanish Club qualifies, but the Spanish classes do not.
- The Senior Class qualifies, but not one particular that has seniors in it.

A bona fide chapter is a group that must be organized for some business or activity other than instruction or a participatory group. Essentially any student group that is recognized by the school and is organized by electing officers (not just participatory captains), holding meetings and conducting business are bona fide chapters of the school and each group may have two, one-day, tax-free sales in a calendar year. 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.

One-day means 24 consecutive hours; the delivery should be made on a single day. Generally title passes to the purchaser when the item is given to the purchaser. In the case of preordered and prepaid sales, title can transfer as soon as the seller (school) received the order. Therefore, the date the items are delivered by the vendor to the seller is designated as the one-day for the purpose of the tax-free sales. However, persons buying from the surplus stock on subsequent dates after the tax-free day owe tax on the items.

When the school or school group receives a commission, the tax-free day provisions cannot apply because the sale is the vendor's sale, not the school's sale. The school group would collect and remit tax to the vendor, and the vendor would report the sale and remit tax to the Comptroller's office.

The following provisions apply:

- Properly identify on the deposit slip the deposit(s) that are being claimed as the one-day exemption sale.
- When using a one-day sale, a new tax exemption certificate must be issued to the vendor each year.

Items bought for resale to students, such as pencils, paper, t-shirts; supplies for class are taxable, just as if they were bought by the student from a store. There are two options in handling these transactions: 1) purchase tax free and collect and remit sales tax, or 2) pay sales tax, the vendor and be reimbursed by the student for the cost plus sales tax.

Collection and Remittance of Sales Tax

- The school/student group should collect sales tax of 8.25% on all taxable sales.
- There are two options when imposing sales tax:
 - **Adding the tax to the selling price of the item.** If the selling price of an item is \$4.00 and the tax rate is 8.25%, the school will collect \$4.33 (\$4.00 plus .33 taxes) from the buyer. Multiply tax rate of .0825 by selling price to determine amount of tax to collect. Round up to the next penny.
 - **Including the tax in the selling price of the item.** Divide total sales by 1.0825 (current tax rate plus 1.0) to determine total taxable sales from the total sales amount to arrive at the total sales tax due. Example:
 - $\$100/1.0825 = \92.38 (Total Taxable Sales)
 - $\$100 - 92.38 = \7.62 (Sales Tax Due)
- The Business Office sends out an annual sales tax report form in January.

- The Business Office will assume full responsibility for transmitting tot the State Comptroller's office all sales tax collection reported.

RECEIPT OF FUNDS

Cash Receipts

- Use numerical sequence receipts in ink for all cash and/or checks received, with all information completed: date, name of person, what it's for, the amount, payment type and your signature (no Initials).
- At least two people should be involved in cash handling and deposits with both individuals verifying the deposit and signing the Deposit Worksheet.
- When possible, checks should be made out to **Hereford Independent School District, instead of HISD.**
- **Keep in mind that issuing receipts is in your best interest.**
- Voided receipts should be returned and noted in receipt book.
- If at all possible, the person preparing the receipt should count the cash in front of the person turning in the money. If not possible, the money should be sealed in front of the person turning in the money. Placed in the vault until it can be opened and counted when a second party is available to witness and verify the deposit.
- Total of cash and checks should be shown separately on deposit worksheet with sponsor's signature. Deposit Worksheet needs to accompany all deposits & filled out entirely by sponsor.
- A Copy of the receipt should be given to the person submitting the money & a copy kept for our records. Note receipt# on all documentation ...Deposit receipt, Quicken, etc.
- Keep a copy of receipt (including voided ones) in receipt book for future reference.
- Copies of all checks should be kept with record of deposit.
- Completed receipt books should be turned in to the campus office upon completion and/or at the end of the school year.
- **Cashing of personal checks is not permitted.**
- Do not spend **any** of the collections, (Receipts must be deposited and checks written for expenditures) See Expenditures of Funds for proper procedures. **ALL CASH SHOULD BE DEPOSITIED PROMPTLY!!!!!!**

DEPOSIT OF FUNDS

Bank Deposits

- Deposits should be made within three days of receiving the funds by the bookkeeper.
- You should check with the bookkeeper to make arrangements for your deposit, if not during their normal office hours.
- **Do not keep cash for any reason.**
- Do not deposit money in a personal account or bank deposit box.
- Submit all money to be deposited in the same form as collected, (Don't Make Change)
- All money turned in to the office must be accompanied by copies of Deposit worksheet prepared by you. The bookkeeper will count the deposit in your presence, and the bookkeeper and you will initial the Deposit Worksheet and you will be given a receipt.
- Deposit Slips should be triplicate. The verified carbon copies should be returned to the bookkeeper and the organization.
- Each deposit slips must contain the following:
 - The date and the amount of the deposit
 - The account code you want charged and a brief description of the revenue source
 - A list of each check in the deposit showing the maker's name and amount of the check. When this is impractical due to the volume of checks, an adding machine tape may be attached instead.
 - A notation of the receipt number(s) issued for each deposit.
- The required documentation noted above provides a clear record for auditors and others of exactly how money was handled. In the event a deposit slip has to be voided, use the same procedures used to void a receipt. **DO NOT** dispose of voided deposit slips.
- Deposits and cash receipts must equal.
- Bank deposit shortages or overages on a deposit are to be recorded in the student activity fund. The cash receipts are not to be altered to reflect the difference. A notation should be made on the actual deposit slip showing the shortages or overages.
- All money on hand at the end of the school, including petty cash, must be deposited.
- Failure to follow district policies and procedures regarding the handling of activity funds could result in the sponsor losing their position as a sponsor. A major violation of failure to follow procedures could even result in the loss of employment with the district.

EXPENDITURES OF FUNDS

General Information

- Funds may not be disbursed without the written authorization of the principal or other authorized approvers
- Do **not** make any purchases without a purchase order. Any person doing so will assume full responsibility for payment of the purchase. You will not be reimbursed.
- Do **not** spend any of the collections. Expenditures of money must be made using checks.
- Two signatures are required on all checks. The bank should be immediately notified whenever an individual with signature authority is no longer employed at the school.
- Any time there is a change on the signature cards the business office should be informed.
- All purchase orders should have back up documentation (invoice) and should be initialed by authorized signers.
- Check numbers should be recorded on the purchase order.
- **No expenditure shall be approved by the principal unless sufficient funds are available in the appropriate organization accounts.**
- **No checks shall be signed until check has been completely filled out with the date, payee and amount.** Blank checks should never be signed. Such action makes the signer personally liable for the disbursement of funds under his/her signature.
- If it comes necessary to void a check, the check signature should be cut-off or blacked out and VOID clearly marked across the check. All copies of the voided check(s) should be retained on file for audit purposes.
- Checks should never be issued for “CASH”, nor should they be left blank.

If students are involved in fund raising activities, they may not earn credit for any reward based on amount of money raised in fundraising event. According to IRS restrictions placed on tax-exempt organizations the organization must benefit the organization/group as a whole instead of benefiting individual members of the group.

Example:

Booster Club is having a fundraiser to help with the cost of sending their club to Sea World. Of the 100 total students in the group only 50 participated in the fundraiser event raising \$1000. The \$1000 must be allocated to all students participating in the field trip. If all 100 students attend they could be credited \$10 each.

SUBMITTING PAPERWORK TO SCHOOL OFFICE

- Determine cost of service/product requested.

- Enter requisition into purchasing system or give to secretary to enter.
- Find out if the vendor will accept a PO (most will from School Districts) or if a check will be required at the time of product or service delivery.
- Your campus secretary or supervisor will submit a requisition for approval. Once the requisition is approved, a PO will be generated. After you received your order and everything is complete, sign and return the packing slip or a copy for documentation backup for the purchase order so payment can be made.
- If a check is required at time of purchase, it must be noted as such on the requisition form with an exact amount for the purchase.
- Original receipts/invoices must be submitted for back up for audit. Failure to retain and attach a receipt to the payment may result in the employee or sponsor making the purchase personally liable for the cost.
- Products purchased with activity funds must be picked up or delivered to the school address, never to the sponsor or another address.

What are the travel guidelines?

Activity Funds can only be used for travel in the capacity of faculty sponsor on student trips.

Travel using activity funds must follow the same policies and procedures as normal District travel.

The sponsor must ensure that:

- Each student receiving cash shall sign the Student Meals Receipt form verifying that the cash was received and date received.
- The Activity Fund Sponsor will return any cash and Student Meal Receipts to Business office within 3 days.

Can I buy Merchandise with my own money and be reimbursed?

Only in an emergency situations and after approval is received. Remember: Doing so without prior approval could result in the sponsor/purchaser becoming personally liable for the bill!

CLOSING OUT A FUNDRAISER

A fundraiser is conducted to raise as much money as possible for the student group. In order to evaluate the success of a fundraiser, proper procedures must be followed. Also, activity funds are subject to audit. Records that are not in good order indicate poor management of the activity fund and could result in an audit of previous year fundraisers and possibly the cancellation of the activity fund.

Request for Fundraisers/Financial recap

This report must be sent to your campus office at the conclusion of the fundraiser and then forwarded on to the Business Office after being signed off on by the principal. The report is designed to help the

sponsor evaluate the effectiveness of the fundraiser. After all, you will not want to repeat a fundraiser if the profit does not justify the time and effort it took to complete it.

Records to retain

Activity Fund records shall be retained for a period of five (5) years.

- Responsibilities of Faculty Sponsors of Student Groups
- Fundraising Activity Permission Request
- Fundraising Activity Report – daily collection report and list of students with outstanding receipts
- Cash receipts received for money turned in for deposit.
- Receipts of expenditures.
 - All records and documents of the District are considered to be governmental records and the intentional destruction, concealment, removal, falsification or manipulation of data or other impairment of a governmental record which renders the record untrue, illegible or unavailable is an offense. (Section 37.10 Texas Penal Code).
 - Tampering with governmental records is considered a felony of the third degree if it is shown that the governmental record was a public school record, report or assessment instrument required under Chapter 39, Education Code.

HELP

If you need help or do not understand something, ask your Principal or call the Business Office.

If you are not receiving proper documentation and/or adequate cooperation from anyone involved in the activity fund process, discuss the problem with your principal.

If you are asked to do anything you do not believe is correct or proper, notify your principal or the Business Office.

APPENDIX

The following pages contain the blank forms referred to in this manual.

Responsibilities of Faculty Sponsors of Student Groups

Fundraising Activity Permission Request

Fundraising Activity Report

Tabulation of Moneys Collected

Tabulation of Moneys Received

Sales Tax Report

Activity Fund Purchase Order

HEREFORD INDEPENDENT SCHOOL DISTRICT

RESPONSIBILITIES OF FACULTY SPONSORS OF STUDENT GROUPS

The purpose for the collecting or raising and expending of funds by student groups is for the direct benefit of the students. Funds are to be used to finance activities which supplement the educational curriculum of the District. Fundraising activities will contribute to the educational experience of the pupils, help to create and overall positive learning environment and will not conflict with the instructional program. Money raised by student groups and organizations is held by the school as trustee. The faculty sponsor of a student club/group is responsible for maintaining adequate financial records as evidence of proper custodianship on money received by and disbursed from club accounts.

I hereby acknowledge that I have read the Hereford ISD Activity Funds Accounting Procedures Manual and that I am responsible for complying with it. In particular, I acknowledge that:

1. All fundraising activities will be approved in advance by the principal using the designated form.
2. I am responsible for both safeguarding and accounting for funds received from and/or on the behalf of the students.
3. Student activity money will be turned into the office daily in the same form in which it was received.
4. At the completion of all fundraisers the Fundraiser Activity Report will be completed and submitted to the principal for approval.
5. All purchases made on behalf of the student organization will be made by check and approved in advance by the principal using the Activity Fund purchase order form.
6. I will maintain a positive balance in my organization's account at all time.

I understand that I will be held responsible for any student activity fund entrusted to me and that I will reimburse the student organization for any money (or property purchased with the student activity money) which is lost due to carelessness, theft, or fraud.

Signature _____

Date _____

Student Group _____

**HEREFORD INDEPENDENT SCHOOL DISTRICT
FUNDRAISING ACTIVITY REPORT
PERMISSION REQUEST**

Name of School _____

Permission is request to conduct the following fundraising activity: _____

() school-wide () School-sponsored group _____

Specific purpose(s) for which the net proceeds is (are) to be used: _____

The following activity fund account(s) will receive the net proceeds: _____

Date: Beginning _____ and ending _____

Time of Day (if applicable): 1st performance _____ 2nd performance _____

This is the 1st _____ 2nd _____ 3rd _____ fundraising activity for this semester (that I have requested) (Fill in the appropriate information () school-wide () school-sponsored group)

Sponsor/Person Requesting Permission

Date

Principal

Date

**HEREFORD INDEPENDENT SCHOOL DISTRICT
FUNDRAISER FINANCIAL RECAP**

Club _____

Faculty Sponsor _____

Date of Activity _____

Items Sold _____

Section 1

Number Sold _____

Selling Price per unit _____

Total Sales (# sold * Selling price per unit) _____

Note: If more than one kind of item is sold, do not complete this section. Complete worksheet

Section 2

Expenses:	Check Number	Payee	Amount
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	Additional Checks (list on back)		
	Cash Expenses (attach receipts or register tapes.)		_____
	Total Expenses		_____

Net Profit (Total Sales – Total Expenses) _____

Section 3

List below the receipt numbers and amounts of deposit made for the activity.

Receipt	Amount
_____	_____

Faculty Sponsor _____

Date _____

Principal _____

Date _____

HEREFORD INDEPENDENT SCHOOL DISTRICT
FUNDRAISER WORKSHEET

School: _____

Club: _____

Date: _____

Item Description	Quantity Sold	Selling Price	Total Sales

HEREFORD INDEPENDENT SCHOOL DISTRICT
TABULATION OF MONEYS RECEIVED

To be used in the individual school for collections other than those monies received on an official Cash Receipt. This form shall list the names from whom the monies were received and the amounts of the monies that each submitted. The student will sign their name on the appropriate line.

Campus: _____

Activity Involving Receipt of Money: _____

Student Group Involved: _____

Date: _____

	Student Name/Signature	Amount Received		Student Name/Signature	Amount Received
1			26		
2			27		
3			28		
4			29		
5			30		
6			31		
7			32		
8			33		
9			34		
10			35		
11			36		
12			37		
13			38		
14			39		
15			40		
16			41		
17			42		
18			43		
19			44		
20			45		
21			46		
22			47		
23			48		
24			49		
25			50		

Total Amount Collected: _____

Teacher/Sponsor's Signature _____ Date: _____

HEREFORD INDEPENDENT SCHOOL DISTRICT

SALES TAX REPORT

Name of School: _____

Organization: _____

Report for month ending: _____

- | | |
|---|-----------|
| 1. Total Sales (All Sales both taxable and non-taxable) | \$ _____ |
| 2. Less non-taxable sales | (_____) |
| 3. Less one-day tax-free sales | (_____) |
| 4. Net taxable sales (line 1 minus line 2 and 3) | _____ |
| 5. Tax due (8.25% of line 4) | _____ |

Teacher/Sponsor's Signature _____

Title _____

Date _____

Instructions:

A Sales Tax Report must be completed at the conclusion of each selling activity, whether taxable or not. The report must be given to the campus bookkeeper by the last day of the month.

Line 1: Do not include any tax collected in this figure. If the total sales include tax, you must back out the amount of the sales tax. To back out sales tax from total sales revenue on taxable items, divide the total revenue collected by 1.0825. Example: \$122.50 revenue collected divided by 1.0825 = \$112.42. \$112.42 is the amount that is reported as taxable sales.

HEREFORD INDEPENDENT SCHOOL DISTRICT

Activity Fund Purchase Order

