



Student Activity Funds Procedures Manual
2009-2010
*(Updated information is listed in **bold** and underlined.)*

Prepared by
Accounting Department

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Introduction

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

The principals, 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.

Student Activity and Campus/Principal Accounts may not be used to circumvent the controls outlined in the "Financial Operating Guidelines of the District's Division of Finance". Purchases must comply with the District's purchasing procedures and relevant statutes.

This manual replaces all prior publications regulating the administration of student activity funds including all earlier editions of the manual itself.

Club Accounts

The term **club accounts** is used in this manual to indicate separate accounts within either the Student Activity or Campus Account. Club accounts are used to account separately for money belonging to individual student groups in the Student Activity Account or money that is designated for specific purposes in the Campus Account. It is important to maintain club accounts 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. Funds held in the various club accounts may not be commingled. If one club account is allowed to become overdrawn, it is, in effect, borrowing money from the other club account. Each student group will have a club account within the Student Activity Account. In addition, there should be a least one account that is used for the benefit of the student body as a whole. This account will be used for receipts and expenditures that benefit students but cannot be identified with any individual student group. Examples of these are interest paid on the account, bank service charges, and the expense of purchasing checks for the Student Activity Account.

The Campus Account will also consist of club accounts. **Funds should not be comingled when deposited for different purposes. For example, fundraisers, donations, NSF fees, etc., all these funds require an individual deposit breakdown form (Appendix A-10).**

Faculty Accounts

Money contributed or generated by a school faculty **may not** be held in the Campus Account. Faculty groups must maintain separate accountability of these funds and may not use the employer identification number (tax I.D. number) of the district.

Student Activity Funds

Student Activity Funds consist of money that is received and held by the school as trustee. Individual student groups raise these funds and their disbursement is controlled by that group as long as the decisions regarding the use of funds do not conflict with Board policy and/or legal regulations or restrictions. 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 that supplement the educational curriculum of the District. Fund raising activities shall in general contribute to the educational experience of pupils and shall not conflict with the instructional program.

Student activity money shall be expended to benefit a bona fide student group that contributed to its accumulation. Fundraising activities should not be for the individual benefit of a student based on sales, but should be equally distributed to the students holding the fundraiser. A **bona fide student group** is one that has been properly approved by the campus principal and consists of elected student officers and a faculty sponsor. A roster of newly elected officers is to be furnished to the principal and the campus bookkeeper by October 1st of each school year if applicable. Clubs that do not elect officers and/or hold regular activities for an entire school year will be considered inactive and any balances transferred to the activity funds account. In addition, organizations that do not have a slate of approved officers will not be allowed to conduct any fund raising activities.

STUDENT ACTIVITY FUNDS

SUMMARY OF ACCEPTABLE/UNACCEPTABLE EXPENDITURES	
Acceptable uses of campus/Student Activity funds:	
1.	Supplies & materials to be used by student member of the group
2.	Entry fees & other expenses associated with competitions & meetings once all possible resources have been considered
3.	Travel expenses & meals consumed by the student members & their adult sponsors (travel disbursements must be documented by a UISD travel & settlement voucher)
4.	Membership in related organizations
5.	Charitable contributions & scholarships
6.	Expenditures related to parties & other entertainment of student members
7.	Equipment to be used by the student members of the organization
8.	Flowers, not to exceed \$75.00 for death, illness, or leave of absence. From the student's campus only. Excessive amounts may be paid through the campus social committee, if applicable.
9.	Light refreshments such as pastries & coffee for Open House, Parent Night, or other parent/student functions
10.	Other reasonable expenditures approved by student membership of the group
11.	Gratuity not to exceed 18% and should be listed on receipt

Unacceptable uses of campus/Student Activity funds:	
1.	Any purchases not approved by the student membership of the group
2.	Any purchases other than those listed at the left which benefits adult sponsors & does not benefit student members
3.	The use of the charter buses or other transportation that has not been approved by the UISD Purchasing Dept
4.	Beverages that are not Coca-Cola products unless Coca-Cola does not offer a comparable product (Appendix B-1)

5.	Replacement of an individual's property that was lost, stolen, or damaged on the school or district's premises or while being used at a school or district function. The Texas Tort Claims Act prohibits use of funds in this manner
6.	Gift cards, gift certificates, or the like for the district employees

Funds derived from the student body as a whole shall be expended in a manner benefiting all students. The management of student activity funds shall be in accordance with sound business practices, including established budgetary and accounting procedures.

Campus/Principal Accounts

Campus/Principal Accounts contain funds raised at a particular campus which are managed by the principal or other campus administrators. These funds are accounted for as Campus Funds as stipulated by the *Financial Accountability Resource Guide*. Campus accounts must be spent to promote the general welfare of the school and the educational development of students. Principals may use these funds to supplement their budgeted district funds. Campus funds should not be spent to benefit any individual or non-student group.

The following is a schedule of some of the appropriate uses and prohibited expenditures from district funds. The list is not all-inclusive, but can serve as a guideline. Any questionable items should be verified through your **Student Activity Funds Bookkeeper**, the Activity Funds Accountant, or the Internal Audit Department.

Campus/Principal's Accounts

SUMMARY OF ACCEPTABLE/UNACCEPTABLE EXPENDITURES	
Acceptable uses of campus/principal's funds:	
1.	Organization, institutional, and individual memberships benefiting the district, campus or group of students. However, if an individual membership is necessary for students to participate in certain activities, then the expenditure is acceptable if a notation is made to document the necessity.
2.	Educational field trips, meals, and other activities planned for the benefit of students as recognition for accomplishments. The travel expenditures for faculty/staff who must accompany students on a trip are also acceptable provided that expenditures do not exceed the reimbursable limits established by the District's travel policies.
3.	Parent/student functions such as Open House, Parent Night, & Graduation. Refreshments & snacks for meetings where the school serves as host for related activities for students, staff, & patrons. <u>The expenditure from these functions require an agenda and sign-in sheet.</u>
4.	Awards such as plaques, paperweights, certificates, school apparel that does not exceed \$25 per calendar year in accordance to IRS, in recognition of students, staff, or volunteers for service to the school or District.
5.	Reception expenditures related to #4 above.
6.	Incentives for student involvement, participation, and achievement.
7.	Supplemental classroom instructional needs and general office supplies, including school furnishings and equipment which will benefit the general student body.
8.	Improvement of campus and site facilities such as plants, bulletin boards, signs, and flags.
9.	District approved conference attendance and travel costs for employees on school business, subject to travel allowances as established by the District.
10.	Refreshments and snacks for teacher in-service and staff development. An Agenda must be provided for staff development.
11.	Business meals for staff - for reasonable cost comparisons, the per diem amounts are at the current district rates. Appropriate documentation indicating who was at the meeting (sign-in sheet) and what was discussed (agenda) is required by IRS.
12.	Emergency health or safety needs for students.

13.	In-district mileage reimbursement for faculty/staff members on school business at the current district rate per mile provided a travel log is kept and attached to the Check Request as documentation.
14.	Flowers, not to exceed \$75.00 for death, illness, or leave of absence from the campus employee only. (i.e., spouse, parent, sibling, or offspring). Excessive amounts may be paid through the campus social committee, if applicable.
15.	Check printing fees and bank service charges.
16.	The payment of advertisements in publications other than those circulated at the District's campuses (i.e., Golden Apple Award). The advertisement should state "paid from".
17.	Loans for campus club accounts.
18.	Replacement of student items that were lost while in the possession of a district employee.
19.	Gratuity not to exceed 18% and should be listed on receipt.

Unacceptable uses of campus/principal's funds:	
1.	Payment of an individual's organization dues or fees that do not provide a direct benefit to the district, campus or to a group of students including the payment of professional liability insurance.
2.	Reimbursement for luncheons or dinners while attending civic organization's meetings except to officially represent the school district or campus.
3.	Purchase of any gift for any person or organization; this includes gift certificates, retirement gifts, flowers, holiday gifts, and food gifts. Gifts of public funds are prohibited under Article III, Section 52 of the Texas Constitution.
4.	Extravagant or high-priced awards such as watches or other jewelry.
5.	Extra compensation or bonuses to employees whether it be in the form of cash or gifts.
6.	Payment of an individual's personal bills.
7.	Parties for staff, including food, decorations, and favors.
8.	Loans to employees, parents or students for any reason.
9.	Replacement of an individual's property that was lost, stolen, or damaged on the school or district's premises or while being used at a school or district function. The Texas Tort Claims Act prohibits use of funds in this manner.
10.	Payment of expenses of spouses or other non-employees (i.e. travel expenses)
11.	Payment of district mileage to school employees who already receive a monthly travel allowance.
12.	Appreciation meals furnished to employees which exceed the reasonable limitations noted.
13.	Abuse of number of appreciation meals furnished to staff.
14.	Alcoholic beverages, tobacco products, controlled substances, firearms, and other weapons.
15.	Traffic citations, parking or toll charges, auto repairs.
16.	Appreciation and fund raising dinner tickets.
17.	Daily coffee and other drinks for the faculty and staff.
18.	Furniture for administrative offices.
19.	Flowers for illness or leave of absence.
20.	Meals or expenses relating to a Parent Teacher Association or Organization.
21.	Any expense which appears to benefit private individuals or entities in ways so out of proportion to the overall public benefit that they amount to a virtual donation or gift.
22.	Any other expenditure prohibited by federal or state law, TEA or board policy, or UISD regulations.
23.	Beverages that are not Coca-Cola products unless Coca-Cola does not offer a comparable product. (Appendix B – 1).
24.	Structural additions or improvements to the campus unless properly authorized by the facilities department.
25.	Gift cards, gift certificates, or the like for district employees.

Note: Any equipment purchased with student activity funds or campus/principal accounts will become the property of the Untied Independent School District and must be included in the fixed asset inventory of the district.

Responsibilities

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

The **Principal** is responsible for the overall administration of the Student Activity and the Campus Accounts including the bookkeeping, monthly reporting and compliance with the policies and procedures manual. The principal will approve all fund raising activities in advance and will monitor the activities by reviewing and signing the *“Application/Report for Fund Raising Activity”* (Appendix A-6). It is the principal’s obligation to see that all faculty sponsors have signed the *“Conflict of Interest Disclosure Form”* (Appendix A-1), *“Responsibilities of Faculty Sponsors of Student Groups”* (Appendix A-2), and *“Sponsor In formation Sheet”* (Appendix A-4) and to ensure that these forms are kept on file.

Each campus that handles Student Activity Funds **must have a safe** available for use to safeguard any funds that are deposited with the campus bookkeeper. **The safe should be large enough that it can be bolted to the floor for added security if possible and it should not be visible to the public eye if possible.**

Note: The campus employee who maintains the accounting records of the Student Activity and Campus 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 **Campus Bookkeeper (or designated employee)** is responsible for the following:

1. maintaining the accounting records as required in the policies and procedures manual,
2. issuing checks when properly authorized by the principal, except at high schools where Student Activity Bookkeepers will issue checks
3. receiving money and issuing a receipt
4. preparing deposit bag to be picked up by courier service
5. posting all transactions on a daily basis
6. following up on problem items as stated by the Student Activity Funds Bookkeeper

The bookkeeper will advise the principal of situations where faculty sponsors continue to disregard required procedures. **Due to internal controls, the campus bookkeeper (designated employee) should not participate in the collection of funds from fundraising activities.**

Bookkeepers are not to accept gifts from sponsors or vendors. It is their responsibility to notify the Principal if a gift is received.

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 the *Student Activities Sponsors’ Manual*. This includes maintaining detailed financial records, completing the *“Application/Report for Fund Raising Activity”* form (Appendix A-6) in order to account for all fund raisers, and for maintaining a positive balance in the respective account at all times. The faculty sponsor will sign a *“Conflict of Interest Disclosure”* form (Appendix A-1), *“Responsibilities of Faculty Sponsors of Student Groups”* form (Appendix A-2), and *“Sponsor In formation Sheet”* (Appendix A-4) before undertaking the sponsorship of a student club or organization. **If sponsors do not receive proper student activity training and forms are not filled out, sponsors will not be allowed to conduct any fund raising activity.** The forms will be filed at each campus.

Please note that effective school year 2004-2005, non-instructional paraprofessionals are eligible to be sponsors in addition to being employees of the District. Individual must submit form for request to volunteer as extracurricular Activity sponsor with Human Resource Department.

The **Activity Funds Bookkeepers** will be assigned to a high school campus and will provide activity fund bookkeeping assistance to all feeder schools of their respective campus assignment. Their duties will include bank reconciliations, month end closing process, control disbursements of cash for high schools, verify and assist with postings to the student activity software when necessary, assist with training of bookkeepers/sponsors, and

control of cash receipt books. Student Activity Bookkeepers will also be available to perform the duties of other student activity personnel when necessary. Feedback will be given to principals on a monthly basis with regards to issues at their respective campus. **Fundraisers and all bookkeeping entries will be reviewed monthly by the Student Activity Funds Bookkeeper.**

The **Student Activity Accountant** will be located at the central office and will report to the Director of Accounting. The accountant is responsible for monitoring the monthly account activity and bank reconciliations for all campuses. The accountant will **coordinate** with the campus staff and Student Activity Bookkeepers 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. In the case that a Student Activity Bookkeeper or campus bookkeeper cannot perform his/her duties, the Student Activity Accountant will be available to resume those duties.

The **Internal Audit Department** is responsible for auditing the Student Activity and Campus Accounts periodically and for making recommendations to the accounting department and the principal concerning the administration of these accounts.

Auditing of Student Activity Funds

Each school's bookkeeping records of Student Activity/Campus Funds will be subject to audit by the Internal Audit Department and the District's Independent Auditors on an annual basis. Records will be tested for financial accountability and for compliance with the District policies and procedures outlined in this manual. The annual internal audit will follow the District's fiscal year (September 1 – August 31) except in cases described below.

Described below are other criteria for which an audit examination may be performed.

- a. **Special Audits**
These audits will be conducted as needed. Bookkeeping records must be kept up-to-date and available for audit at anytime.
- b. **Change of bookkeeper (Financial Secretary)**
The Internal Audit Department will audit Student Activity/Campus Funds when a change of bookkeeper occurs. This will ensure that the records are in acceptable order when the new bookkeeper assumes these duties.
- c. **Change of Principal**
The Internal Audit Department will audit Student Activity/Campus Funds when a change of Principal occurs.
- d. **Request for Audit**
An audit may be requested by completing the **"Request for Audit"** form and submitting it to the Internal Audit Department. (Appendix A-24)

All campuses are subject to visits by the Internal Audit Department at any time other than those listed above, as deemed necessary.

Other Issues

Coca Cola Commission

Sales commission generated from vending machines used by faculty and staff should be deposited into the Principal's account. Sales commission generated from vending machines used by students should be deposited into the Student Activity account. Vending machines that are used by faculty and students must be divided between Principal's account (30%) and Student Activity (70%).

Picture Commission

Picture sales commission generated from school wide pictures should be divided between Principal's account (70%) and Student Activity (30%). Exceptions to this rule will apply to graduation picture fundraisers such as kinder and/or 5th grade in which 100% commission will go to the hosting grade level account.

Snacks Vending Commission

Sales commission generated from snack vending machines will be divided between Principal's account and Student Activity account based on location. Commission from vending machines located in areas such as the teacher's lounge and used only by faculty and staff, will be deposited into Principal's account. The commission received from vending machines accessible to the student body will be deposited into the Student Activity account.

Investing Campus and Student Activity Funds

All investment transactions must be handled by the Finance Division in accordance with the Board approved investment policies and procedures.

Charge Accounts

A charge account is any account that carries a balance payable in installments that are spread out over a period of time exceeding one month. This type of account should be avoided. Invoices should be paid in full once the merchandise is received. There are some instances in which merchandise will be received and the invoice is paid in full by the due date.

There may also be occasions when there needs to be a payment for a partial order so that the merchandise can be shipped. This is also acceptable as long as the remaining balance of the invoice is paid in full by the due date once the merchandise is received.

A binder for outstanding invoices must be kept by the bookkeeper or financial secretary and reviewed by the Student Activity Bookkeeper periodically to ensure full payment is made to the vendor. A payment log may accompany the invoice to keep track of the payments issued until paid in full.

Donations

The Board of Trustees must approve all donations of cash or property to a campus or campus organization. **All monetary donations received should be approved by the Board of Trustees. In instances when another person is in charge of submitting the letter for approval, it is the sole responsibility of the person receiving the donation to notify the principal and secretary so that proper action may be taken.**

Fixed Assets

Student Activity Purchases

All monetary donations must have the approval of the Board of Trustees. All monetary donations used for the purchase of equipment must be submitted in writing to the locations respective Area Administrator and must be approved by the Superintendent or designee.

Student Activity purchases become property of the campus/department and are tagged and placed on the campus/department Fixed Assets Inventory.

To tag a Student Activity purchase a receipt is required to be faxed to the Fixed Assets Department at 473-7992. The Fixed Assets Department will use the receipt to tag and post the purchase to the campus/department's Fixed Assets Inventory.

Examples of Student Activity Purchases to be tagged are:

1. Computers (Monitors/CPU's), printers, TV's, TV Combo's, DVD/VCR Combo's, Laptops, Hand-Held Radios, Cameras;
2. Purchases with a cost of \$5,000 or more.

Lost Textbooks

The following steps should be applied when paying an outstanding invoice for lost textbooks:

All campuses need to have a lost textbook account to account for amounts collected from students for lost textbooks. High schools should include this account in the Principal's bank account. The order of payment for lost textbooks should be as follows:

First, the Lost Text Books account should be depleted for total amount owed.

- You may retrieve funds from the grade level accounts with the exception that you only retrieve funds for the amount that the grade level has outstanding.

Second, the Principal's Account will be charged for any remaining balance unless you have set aside budgeted funds in account # 632100 then you can charge this account.

If prior steps have been followed and there continues to be a balance, you will need to contact Mr. Samuel Flores, Director of Accounting for assistance with the outstanding balance.

Parent Organizations

Funds raised by outside groups such as PTC, band booster, and so forth, are the responsibility of the officers of the organization. It is the sole responsibility of these officers to get properly registered and obtain their own tax identification number. Under no circumstances should the campus allow these organizations to use the District's tax identification number. The TEA Financial Accountability System Resource Guide states that using the resources of the school district to account for such funds could be in violation of the section of the Texas Constitution that prohibits the appropriation of public funds for individual private purposes. Funds belonging to these groups will not be accounted for either in the Student Activity or in the Campus Accounts. (Texas Education Agency Financial Accountability System On-Line Resource Guide, section 5.5.3)

Authorized parent groups should not distribute raffle tickets to students during the instructional day.

Raffles & Bingos

In the past, the District has extended the use of campus facilities to these parent organizations for the purpose of raising funds. This practice may continue with some notable exceptions: bingos, money machines, raffles, or any other game of chance, are not allowed on District property. As a rule, the District's facilities may not be used for events that are not generally allowed through Student Activities.

Scholarship Procedures

A club organization that intends to award scholarships at the end of the school year must submit the criteria in writing no later than October 1st to the campus principal and counselor. A written approval from the campus principal is required.

If a club organization wishes to use their funds to issue a scholarship, the officers and sponsor of the organization must submit a signed "Transfer Request" form to the principal for approval. The "Transfer Request" form will include the name of the individual and/or institution and the amount of the scholarship being awarded, along with

any other requirements listed by the club for the award of the scholarship. These Funds will then be transferred to the Scholarship account. The campus counselor and bookkeeper will coordinate throughout the year to keep track of receipts and disbursements made through the Scholarship account. The campus counselor shall be notified by the bookkeeper about any unclaimed scholarship awards.

Individuals being awarded scholarships will be required to present proof of registration from the college/university that he or she will be attending before the receipt of funds. Scholarships awarded to students will be made out in the form of a check made payable to the institution of the recipient's choice and the recipient. Awards of \$50.00 or less will be made payable to students.

Scholarship awards not claimed by April **30th** of the following year will be forfeited unless other arrangements have been made in advance. In instances when a check is not picked up, the funds shall remain in the Scholarship account to be awarded to future recipients at the originating clubs discretion. If the club that issued the scholarship is no longer in existence, the funds shall remain in the Scholarship account to be awarded to another individual based on criteria as established by campus administration.

These efforts must be coordinated through a selected Counselor at the respective campus since he/she will have the authority to distribute the funds from the Scholarship account.

Vending Machines

The principal has the responsibility to maintain the use of vending machines on school campuses. Full service vending machines are required. Commission from vending machines shall be controlled by the school principal and processed through the Student Activity Funds or Campus Funds.

In Appendix B of this manual you will find a list of the approved vendors for the **2009-2010** school year, a list of products that are available for purchase from Coca-Cola along with contact names and numbers. Any specific questions with regards to vendor contracts should be directed to the Purchasing Department for additional help.

Indemnity Bond

Coverage

Activity funds are insured against dishonest acts of *employees* under a Public School System Employees Blanket Bond carried by the United Independent School District. This bond protects the District to a limit of \$100,000 for each employee handling the money.

Report of Loss

In the event that a loss or dishonest act involving Activity Fund money is uncovered, it shall be reported immediately to the Principal, U.I.S.D. Police Department, the Director of Accounting, and to the Internal Audit Department.

2

Basic Records and Filing Guidelines

Basic Records

The following is a list of forms, which are to be used to provide adequate supporting documentation for all activity accounts. Detailed instructions on the use of these forms are included in subsequent sections of this manual. Reference is made below to the section which describes the use of the forms as well as to the page in the appendix where a blank copy of this form may be found.

1. **Check Request Form** - Used to document authorization to release a check. (See Chapter 4 and Appendix A-11.)
2. **Deposit Breakdown Form** - A record of a deposit given to the bookkeeper. (See Chapter 5 and Appendix A-10.)
3. **Deposit Pick-up Log Book** – A record of a deposit or deposits picked up by the courier service.
4. **Application/Report for Fund Raising Activity** - A form used for the request and approval of all fund raising activities and to document the results of the fund raiser. (See Chapter 6 and Appendix A-6.)
5. **Summary of Fund Raising Activity** - A report that outlines the plan and outcome of fund raising activities for the school year. This report is prepared annually by elementary schools and monthly by secondary schools. (See Chapter 6 and Appendix A-5.)
6. **Cash Receipt Books** - The pre-numbered cash receipt books that are available through the accounting office must be used by the bookkeeper to document all money received. (See chapter 5.)

Filing Guidelines

1. **Elementary Schools** must maintain all deposit records in one binder and disbursement records in another binder. Records must be filed by month and in ascending order by receipt number. **If the principal and bookkeeper believe that the campus has a high volume of transactions, the bookkeeper may follow the same filing guidelines as the High Schools.**
 - ◆ The school principal must complete the **“Summary of Fund Raising Activities”** form (Appendix A-5) for the school year. This form should be kept on file by the bookkeeper.
 - ◆ The **“Application/Report for Fund Raising Activity”** (Appendix A-6) will be used to authorize and document the results of all fund raising activities for the Elementary Schools. The original form must be kept on file by the bookkeeper once the fund raising activity has taken place and the report has been completed by the club sponsor and approved by the principal. The club sponsor must keep a copy of this report.
 - ◆ Club Sponsors must acknowledge receipt of the Campus and Student Activity Funds Manual and are held responsible for complying with it by signing the **“Responsibilities of Faculty Sponsors of Student Groups”** form (Appendix A-2).

2. **Middle Schools** must maintain all deposit and disbursement records in separate binders. All records must be filed by month. **If the principal and bookkeeper believe that the campus has a high volume of transactions, the bookkeeper may follow the same filing guidelines as the High Schools.**
- ◆ The “**Summary of Fund Raising Activities**” (Appendix A-5) will be used by the bookkeeper to document all fund raising on a monthly basis.
 - ◆ The “**Application/Report for Fund Raising Activity**” (Appendix A-6) will be used to authorize and document the results of all fund raising activities for the Middle Schools. The original form must be kept on file by the bookkeeper once the fund raising activity has taken place and the report has been completed by the club sponsor and approved by the principal. The club sponsor must keep a copy of this report.
 - ◆ Club Sponsors must acknowledge receipt of the Campus and Student Activity Funds Manual and are held responsible for complying with it by signing the “**Responsibilities of Faculty Sponsors of Student Groups**” form (Appendix A-2).
3. **High Schools** must maintain all deposit and disbursement records in separate binders or in individual files as deemed necessary. All records must be filed by **month** due to the high volume of transactions that occur at the high school level.
- ◆ The “**Summary of Fund Raising Activities**” (Appendix A-5) will be used by the bookkeeper to document all fund raising on a monthly basis.
 - ◆ The “**Application/Report for Fund Raising Activity**” (Appendix A-6) will be used to authorize and document the results of all fund raising activities for the High Schools. The original form must be kept on file by the bookkeeper once the fund-raising activity has taken place and the report has been completed by the club sponsor and approved by the principal. The club sponsor must keep a copy of this report.
 - ◆ Club Sponsors must acknowledge receipt of the Campus and Student Activity Funds Manual and are held responsible for complying with it by signing the “**Responsibilities of Faculty Sponsors of Student Groups**” form (Appendix A-2).

Note: *Original and completed forms must be kept on file by the bookkeeper and made available for review by the Accounting Department or the Internal Audit Department at all times. The club sponsor must keep copies of all forms submitted.*

Quicken Tips

- ◆ When entering transactions in the Quicken Register, we recommend that the descriptions used stay as consistent as possible. This will make it simpler to run detailed reports of any fundraiser, commissions, or special entries that were made.
- ◆ It is recommended that a new register is started at the beginning of every year. This is particularly beneficial if you have a large volume of transactions. This practice will give you the opportunity of deleting accounts that no longer have activity. If you have a small volume of transactions, this practice can be done every other year.
- ◆ In order to avoid having to open new accounts for grade levels every year, you may consider using generic names such as 5th Grade Class, 4th Grade Class, etc. instead of their team names. In this manner, the name can carry over from year to year and you will avoid having to create new accounts.

3

Bank Accounts

All student activity funds and campus funds will be kept at the U.I.S.D. designated depository bank. Student Activity Funds and Campus/Principal Funds are accounted for separately and are kept in separate bank accounts at the High School level, but will be kept in the same account at the Elementary and Middle School level. The account title must identify it as a U.I.S.D. account and must include the name of the school and the District's Federal I.D. number, 74-6028859. The school name must be imprinted on all checks and deposit slips. **All funds received will be deposited into the bank account and all disbursements will be made with a check from the account.**

Each bank account shall have **at least two** authorized check signers, one of whom will be the principal. Each check written must bear two of the authorized signatures in blue or black ink. Paraprofessionals will not have the authority to sign checks. Each check must be manually signed. Furthermore, **the check will not be signed until it has been completely filled out with the date, payee and amount.**

Elementary and Middle schools must maintain one checking account for both Campus and Student Activity Funds. Secondary schools must maintain two separate checking accounts respectively. The District's depository bank may charge applicable fees for the maintenance of these accounts through the Accounting Department: these fees will be passed along to the campuses accordingly via electronic withdrawal. The campus should use any interest earned on the account to offset the bank charges.

Monthly bank statements will be reconciled to the Monthly Activity Schedule by the Student Activity Bookkeepers. While this duty may be assigned to the Student Activity Bookkeeper, it is the Principal's responsibility to see that the reconciliation report is completed on time and sent to the Accounting Department by the end of the subsequent month. **Student Activity Bookkeepers will schedule with the campus bookkeeper to reconcile and review the monthly transactions. It is the bookkeeper's responsibility to inform the Principal of the scheduled date so that a monthly exit conference is held.**

The monthly activity reconciliation report must be signed by the Student Activity Bookkeeper, Campus Secretary/Bookkeeper, and by the Principal. **No stamped signatures are allowed.**

4

Payments from the Student Activity and Campus/Principal Accounts

General Policies

All expenditures shall be paid by check from the appropriate checking account using pre-numbered checks in numerical sequence. No checks will be written without prior authorization from the principal. Authorization will be in writing using the **“Check Request Form”** (Appendix A-11).

Checks will be made to a specific person, company or organization. Checks must not be made to “cash” or to the school itself except at the high schools where it may be necessary to transfer funds between bank accounts. If an error is made and it is necessary to void a check, the word “VOID” must be written clearly across the check and the signature lines must be cut off. Voided checks must be attached to the corresponding **check request and filed.**

Funds held for either the Student Activity or Campus Account may not be used to cash checks. This practice is strictly prohibited because check cashing is, in effect, a loan until the check has cleared the bank.

Purchases of a personal nature shall not be commingled with purchases made for District use. **Under no circumstances should personnel use the District’s tax-exempt status to avoid paying sales tax on personal items. If an employee makes both personal and school related purchases from a vendor at the same time, the two purchases shall be rung up separately. In the event that sales tax is paid, the person making the purchase is responsible for reimbursing the club account.**

A check may be issued to the person authorized to make the purchases in an amount adequate to cover the estimated cost of the item. The sponsor will then be required to submit a receipt or an invoice documenting the amount of the purchase. In the event that the amount of the check exceeds the cost of the purchase, a **“Deposit Breakdown”** form (Appendix A-10) must be completed and the excess money deposited into the account from which the check was issued. The bookkeeper will issue a receipt to acknowledge the return of the excess money. An additional check will be issued when the estimated cost did not cover the expense.

Check Request Form

Before a check may be written from either the Student Activity or the Campus Account, it must be authorized in writing by using the **“Check Request Form”**. The purpose of this form is (1) to provide authorization for the expenditure; (2) to document the purpose of the expenditure; (3) to identify the club account to be charged; and (4) to verify that there are adequate funds in the club account to cover the check.

The **“Check Request Form”** must be **signed** by the **faculty sponsor**, the **club treasurer**, and the **principal** and by the **bookkeeper** in the case of Student Activity funds. Under no circumstances will a payment be authorized when there are not sufficient funds in the club account to cover the check. Once the check is written, the check number will be added to the completed Check Request Form.

When a check request is made to pay a vendor, a W-9 form and a contracted for services form, if applicable, must accompany the check request as per IRS guidelines. Checks will not be issued if this information is not provided to the bookkeeper.

Additional Documentation

Every check written from either the Student Activity or the Campus Account must be documented further by some additional support. In most cases this will be an invoice which will be presented along with the **“Check Request Form”**.

It is advised that whenever possible the Principal insist that the invoice be presented before the check is written. The Principal is responsible for the proper documentation of all disbursements. Once the check has been released, it may be more difficult to obtain the appropriate documentation.

The Principal should use professional judgement to obtain the most appropriate written evidence that the expenditure was made to the payee named on the check, in the amount indicated on the check and that it was made for a legitimate purpose. There are some cases when an invoice is not available in advance. The following list, although it is not considered all-inclusive, outlines alternative forms of support until the actual invoice is available.

1. A copy of an order form may be used when an order is placed and paid in advance. This could involve periodicals, supplies purchased for a student group, seminar fees, etc. If a receipt or statement documenting a payment is received later, it should be attached to the copy of the order form.
2. Sometimes it is necessary to make multiple refunds due to the cancellation of field trips, overcharges, or other occasions. In such instances, a single check may be issued to the activity sponsor who will distribute the refunds to each student. A **“Transmittal List-Money Disbursed to Students”** (Appendix A-13) should be utilized. This form will include the students' name, amount disbursed and the students' initials/signature to verify the amount of money received. Each person due a refund shall sign or initial the list verifying that the refund was received. The activity sponsor will return the signed Transmittal List to the bookkeeper who in turn will attach it to the original Disbursement Voucher.
3. In some cases a payment is made partly from the school account and partly by the UISD Accounts Payable Department. When this occurs the original receipts and invoices must be submitted to the Accounts Payable Department. In order to properly document the expenditure from the Student Activity or Campus Account, a copy of the original invoice or receipt should be attached to the **“Check Request Form”** (Appendix A-11). There must be a notation on the copy that the original was submitted to the UISD Accounts Payable Department.
4. When a purchase is to be made from a local vendor and the amount is not known in advance, the person requesting the check should estimate as closely as possible the amount needed. Once the purchase has been made the receipt or cash register tape will be attached to the request. If there is money left over it will be turned in and documented with a receipt. If the amount was insufficient and the employee paid for part of the purchase with personal funds, an additional **“Check Request Form”** which references the original check will be completed. The reimbursement check will be made payable to the employee.
5. Teachers or other employees who expect reimbursement from Campus or Student Activity Accounts for purchases made on behalf of the school or a student group, must ensure that the expenditure is approved in advance by the Principal. The **“Check Request Form”** is to be used for this purpose.
Note: Sales tax will not be reimbursed.

Reimbursement checks will not be issued to anyone who has paid a vendor directly out of pocket. This will circumvent the internal controls put in place through this manual and affect the 1009 IRS reporting at year end.

The following are **NOT** considered support for checks:

1. Statement rather than the invoice they reference.
2. Registration forms or note from sponsor detailing costs to be reimbursed without receipts or invoices attached.

This additional documentation is critical for maintaining control over the Student Activity and Campus Accounts. It is the responsibility of the sponsor or other designated employee who requests a check to provide all of the support required in this section. However, it is ultimately the Principal's responsibility to see that these requirements are met. Principals should enforce these procedures by withholding check request privileges and further fund raising activity for that club account to sponsors who have not provided documentation required for checks previously written. **In the event that a receipt is lost or misplaced by the sponsor, a reimbursement for the full amount of the check issued must be made. The unsubstantiated amount may be submitted to the Accounting Department for payroll deduction if attempts to collect at the campus level fail or if requested by the sponsor.** In the event that there is a payroll deduction, the Accounting Department will require a copy of the check request signed by the sponsor for verification that they were aware that they would be payroll deducted if they did not provide a receipt as documentation.

Voiding Outstanding Checks

It will occasionally be necessary to void a check that has been outstanding for more than six months, has been lost, or has been returned for some reason. The following steps should be followed:

1. If the check has been lost, a **Stop Payment** order should be requested from the bank if the amount of the check is greater than the stop payment fee. **Any bank fees incurred for a stop payment will be charged to the person requesting the stop payment.**
2. On the ***“Check Request Form”*** (Appendix A-11), note that the check has been voided, the date, and the reason for voiding the check. If a new check is being issued, note the number of the new check as a cross-reference. (The new ***“Check Request Form”*** will also note that the check is being issued as a replacement for a prior check. It will include the number of the original check as a cross reference.)
3. The Student Activity Bookkeeper will add the amount of the voided check back to the balance of the appropriate club account by means of an entry in the cash receipts journal and must remove it from the list of outstanding checks in the bank reconciliation.
4. **If the voided check is available, mark it “void” across the face of the check, cut off the signature lines, staple it to the corresponding check request form and file.**

5

Receiving Cash

General Policies

In order 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 teachers or sponsors collect from the students, support the amount collected by completing the **“Deposit Breakdown Form”** (Appendix A-9) and other supporting documentation described below, and submitting the cash to the bookkeeper for receipt and deposit. **A bookkeeper cannot accept cash that has not been counted and that is not properly supported by a completed DEPOSIT BREAKDOWN FORM.**

Students should not be allowed or held responsible for submitting deposits to the bookkeeper. The bookkeeper has the authority to refuse to take a deposit from a student that is not accompanied by an authorized sponsor. It is the sponsor’s sole responsibility to submit deposits, sign and verify in presence of the bookkeeper.

The bookkeeper should not be responsible for any student fund raising activity or for collecting for things such as lost textbooks, parking permits, pagers, etc. When one individual collects money from students, makes receipts, and readies money to be deposited in the bank, internal control over cash receipts has been impaired.

Collection of Money by Persons Other Than the Bookkeeper

Teachers, librarians, and others may collect money for such items as lost books, fines, student dues, yearbook and other sales. In such instances the following procedures shall apply:

1. When sponsors and other employees are collecting cash they shall complete the **“Deposit Breakdown Form”**. This form is necessary to document the origin of the funds deposited.
2. In some instances the sponsor (or other employee) is collecting money that is owed by individual students. Examples of this are, (a) collecting for merchandise that was ordered for a student, such as a yearbook; (b) collecting for merchandise that has been given to the student to sell, such as candy; or (c) collecting class or club dues. The employee collecting cash will further support the amount received by making a list of the names of the payers and the date and purpose for which the money was received by utilizing the **“Transmittal List-Money Collected From Students”** (Appendix A-12). It is the sponsor’s responsibility to maintain these records and to make them available to the Principal, the Accounting Department, and to the Internal Auditor upon request. A copy of the Transmittal List must be attached to the Deposit Breakdown and turned in to the bookkeeper for deposit. ***If funds are being collected for more than one fundraiser or event, a deposit breakdown form must be completed for each fundraising activity.***

Note: It is not necessary to complete this list for activities such as concession stand sales, book fairs, and school store sales where it is neither necessary nor possible to record each individual payer.

3. When the Transmittal List described in #2 above is used, the sponsor must be sure that the total on the Transmittal List of students is the same as the total indicated on the **“Deposit Breakdown Form”**.
4. If checks are collected, the number or name of the club account will be entered on the upper left-hand corner of the check for identification purposes in the event that the bank returns it. Under no circumstances should post dated checks be accepted.

5. The original **“Deposit Breakdown Form”** and **“Money Collected From Students Form”** must accompany funds collected when being deposited to the bookkeeper. The bookkeeper will issue a receipt upon collection of these funds. The sponsor will keep a copy of all records to document that funds were given to the bookkeeper.
6. Collections must be submitted to the bookkeeper daily. Teachers may not keep student funds overnight. **The campus principal must be notified immediately if a sponsor is not submitting daily deposits.**
7. All money collected must be submitted to the bookkeeper in the same form in which it was collected. The employee’s personal check **may not** be substituted for cash collections.

Receipts of Money by the Bookkeeper

The following procedures shall be followed by the bookkeeper or other designated employee when funds are received for deposit into the school’s bank account:

1. The bookkeeper will count the money to ensure agreement with the **“Deposit Breakdown Form”** (Appendix A-10). This will be done in the presence of the person turning in the funds. The bookkeeper will reconcile the amount received with the **“Deposit Breakdown Form”**.
2. The bookkeeper will prepare a receipt and issue it to the individual who turned in the cash. (This procedure is detailed below.) The bookkeeper will sign and write the date, the amount, and the receipt number on the **“Deposit Breakdown Form”**. The sponsor shall keep a copy of the form and attach it to the cash receipt.
3. Checks received for deposit will be immediately endorsed with the statement “For Deposit Only” and the account number. The bookkeeper will check to see that the club account number or name is written in the upper left hand corner of the check.

Cash Receipts

Elementary Procedures:

The original receipt (white) is returned to the individual who submitted the funds. The first copy (yellow) must be submitted to the Accounting Department with the monthly reports. The second copy (pink) remains in the receipt book to provide a chronological record of cash received.

Receipts will be prepared in ink and will always be legible. Full explanation should be documented on cash receipts as outlined below:

1. Campus Name
2. Date funds are received
3. From – state the account that will be given credit for the amount of the receipt.
4. The amount – written and numerical
5. Source of Funds – an explanation of how the funds were obtained (fundraiser, etc.)
6. Specify breakdown of deposit - amount in checks, money orders, and/or cash
7. The signature of the person receiving the money - The signature must be manually placed not stamped.

If it is necessary to make a correction to a receipt, the bookkeeper will void that receipt by writing “void” across the face of the receipt and issue a new receipt. The original of a voided receipt (white) will be submitted to the accounting department along with the yellow copies and the monthly report. Receipts are the written proof that cash has been received in the office. They are pre-numbered to provide control over cash receipts and will bear

the official U.I.S.D. logo. These receipts will be purchased by the campuses through the Accounting Department. At any time a sponsor may call 473-6432 to verify that a receipt is "official". When not in use, the receipt books should be secured in a locked drawer. The bookkeeper is responsible for maintaining an adequate supply of receipt books and is responsible for using them in numerical order.

Bank Deposits

Bank deposits shall be made readily available by the bookkeeper to the courier service to be deposited depending on the individual campus schedule. Funds may be left at the campus over the weekend or holiday, regardless of the amount, at the principal's discretion. In case of special events and/or fundraisers, special pick-ups by the courier service will be available.

Bank deposits tickets should be in triplicate (White, Yellow, & Pink). The White and Yellow originals are sent with the deposit. The third (pink) copy remains at the campus as a chronological record of deposits. The validated receipt issued by the bank (Yellow) must be attached to the "Deposit Breakdown Form" (Appendix A-10) and filed accordingly. Courier service personnel should make the deposit. **Under no circumstances should the bookkeeper or any staff member take the deposit to the bank.**

The following information must be indicated on the bank deposit slip:

1. The date and the amount of the deposit.
2. A notation of the beginning and ending receipt numbers included in the deposit.
3. Club name or account number.
4. A list of the checks being deposited (or a lump sum if there are too many to list so long as specific details are kept at the campus).
5. The bank deposit bag number.

NOTE: The sponsor must wrap coins and bills.

Whenever possible debit and credit memos received from the bank for deposit shortages and overages will be traced to the appropriate club account. Deposit shortages over \$10.00 will be returned to the campus for verification and recount of deposit. The bank will process deposit shortages under \$10.00. The Student Activity Funds Accountant will keep a log of deposit shortages and overages. The campus administrator will be contacted when repeated discrepancies are noted and further action will be taken as necessary. An adjustment will be made to the club account in the Cash Receipts or Disbursements Journal as either an additional receipt or disbursement.

Procedures for Courier Service Deposit Pick-Up

1. The bookkeeper will prepare all deposits on a daily basis. At the end of the day all deposits will be placed in a **tamper evident bag** that will remain in the safe until the time of pick-up. The tamper evident bag should be filled out using a **permanent marker** to avoid the loss of information. The Student Activity Funds Accountant will maintain the bag sequence.
2. The bookkeeper will be responsible for updating the **Deposit Pick-up Log Book** with all pertinent information at the time of pick-up by courier personnel. (Log books are issued by courier personnel.)
3. The bookkeeper will receive a tamper evident bag from food services on a daily basis. Food service personnel will be responsible for updating the Meal Count Report (MCR) with all pertinent information. The bookkeeper will sign the MCR to acknowledge receipt of the bag. The bookkeeper will add the food

service bag deposit amount to the **Deposit Pick-up Log Book** and place it in the safe, until courier service comes for pick-up.

4. **The bookkeeper shall inform the Activity Funds Accountant in the event the courier does not pick up on a scheduled date.**
5. The bookkeeper should release the deposit bag to courier service personnel after they sign the **Deposit Pick-up Log Book**. **Deposits should not be transported to the bank or any other campus by school personnel.**
6. The tear-off seal of the tamper evident bag should be stapled to the back of the deposit breakdown form.
7. Once deposits have been processed at the bank, the Student Activity Bookkeeper will distribute the validated deposit slips at a later time. On-line banking is available upon request to all campuses.

Returned Checks

A check which has been deposited may be returned unpaid by the bank for a variety of reasons. The following procedures will be followed to account for returned checks.

1. The bookkeeper will determine which club account originally collected the check. (The club account should have been written in the upper left hand corner of the check.) The club account name or number will be written on the debit memo along with any additional information necessary to identify the check.
2. The amount of the check will be entered as a disbursement with a notation concerning the maker of the check and the date it was returned. The entry will be made to the appropriate subsidiary journal (Club Account).
3. A copy of the check will be returned to the faculty sponsor for collection. The sponsor should notify the maker and request that it be redeemed with cash or money order.
4. Never surrender the returned check to maker, except for cash.
5. When the cash is collected by the sponsor, the original check will be released to the sponsor to be returned to the maker. Collection should be made in cash or money order only.
6. **A receipt will be made as described above for the amount of funds collected. The receipt will indicate that the amount is a payment for a returned check and NSF fee.**
7. The amount of the redeposit will be entered as a deposit, with a notation identifying it as a redeposit and indicating the maker of the check.
8. **NSF fees in the amount of \$15.00 per returned check will be assessed by the Campus and deposited into the General Student Activity Account or other account designated for paying bank charges.**
9. **Do not accept checks from anyone who has already given you a check with insufficient funds for the current school year.**
10. Once a check is deemed uncollectible, the procedures outlined in the "Non-sufficient funds" section should be followed.
11. As per bank depository, no fees should be assessed by the bank to the campus bank statement directly.
12. Accounting procedures outlined in the manual should be followed.

13. An NSF binder shall be kept at the campus to monitor outstanding returned checks. Copies of all bank documents must be maintained for your records.

Non-sufficient funds (NSF) Checks

The following procedures will apply for checks deposited twice and returned twice by the bank for NSF or account closed:

1. Send a letter to the maker of the check requesting that payment be made in cash or by cashier's check within a ten (10) day period (See sample letter -Appendix A-23). The letter should be sent to the last known mailing address of the maker and should contain the check number, date and amount of the check. DO NOT SEND THE ORIGINAL CHECK! The letter should stipulate that the check will be re-deposited within ten (10) business days from the date of the notice.
2. On the 10th business day the NSF check should be re-deposited.
3. If the second attempt to collect fails, a demand letter (Appendix) will be sent via the U.I.S.D. Police Department for final collection.

If it is determined that the NSF check is from a U.I.S.D. employee, arrangements for payroll deductions can be made at the Accounting Department Payroll division. (Due to auditing purposes, all campuses should maintain an NSF binder.)

6

Documenting Fund Raisers

General Policies

Each bona fide club will be limited to two (2) tax-free fundraisers per school year. The Principal shall approve additional fundraisers only under special circumstances. No fundraisers will be initiated without the written authorization of the Principal. **The bookkeeper must notify the principal of any unapproved fund raising activities taking place at the campus.** In order to establish control over the funds raised by students and other groups, all faculty sponsors are required to complete an **“Application/Report for Fund Raising Activity”** (Appendix A-6) for each fund raising activity. Although the report itself is the obligation of the faculty sponsor, the Principal is responsible for enforcing compliance with this requirement.

In the event of a fundraiser in which food is being sold in school premises the **“Texas Public School Nutrition Policy”** (Appendix B-2) must be followed. School campus policies are different depending on school level.

Application/Report for Fund Raising Activity

An **“Application/Report for Fund Raising Activity”** form will be completed by each club sponsor before any fund raising activity is initiated. This form will be used to authorize and document all fund raising activities including, but not limited to, picture sales, candy sales, etc.

All **elementary and middle** school bookkeepers/secretaries will complete a **“Summary of Fund Raising Activities”** (Appendix A-5) form for the current school year to provide an overview of the annual fund raising activities at the campus.

All **high** school bookkeepers/secretaries will complete a **“Summary of Fund Raising Activities”** (Appendix A-5) form each month to provide an overview of the fund raising activities at the campus.

Accounting for the Fund Raiser

Sponsors who are involved in fund raising activities have an obligation to account for all of the funds which are collected (or should have been collected). The **Final Report** section of the “Application/Report for Fund Raising Activity” provides a record of receipts and disbursements associated with a fundraiser.

The sponsor will complete this section of the report within **thirty calendar days** of the conclusion of the fundraising event. The number and selling price of the items sold are entered to determine the gross sales. When more than one type of product is sold, the sponsor must maintain an inventory sheet indicating the selling price of each item, the cost per item, and the amount of gross sales. This procedure should be enforced by withholding check privileges and further fund raising activity for that club account.

All of the expenses incurred in the fundraiser will be documented on the report. Checks will be entered individually. If more room is necessary to document expenses or checks, the sponsor will use an additional sheet.

In some cases when merchandise is given to students to sell, the sponsor is unable to recover either the merchandise or the money. This is considered an expense to the project and will be entered in the respective section of the report. A list of students who did not pay must be attached to the report.

Enter the net profit on the Final Report section of the "Application/Report for Fund Raising Activity". The net profit of the activity is the gross sales less the expenses. All funds collected must be turned over to the bookkeeper on a daily basis. Enter the number and amount of each deposit on the report.

A fund raiser hosted by more than one club account shall specify in the "Application for Fund Raising Activity" the percentage to distribute profits.

Some activities involve a long collection process. The sponsor may collect small amounts from students over several months and deposit these with the bookkeeper. In this case it is recommended that the sponsor keep a record of deposits and a "Transmittal List of Money Collected From Students" for each project. After completing the "Application/Report for Fund Raising Activity", the sponsor will sign it and submit it to the bookkeeper or the Principal for review. Reports that are incomplete or which are incorrect will be returned to the sponsor. This report will be used by the Principal to evaluate the success of fund raising activities and the ability of the sponsor to account for money raised. It should guide the Principal's decisions concerning the approval of future projects. Once the report has been signed by the Principal it will be filed with the other accounting records of the student group. The faculty sponsor will keep a copy for his/her files. **Note: It is the responsibility of the faculty sponsor to account for the fundraiser. Activity Reports will not be completed by the bookkeeper.**

Student Store Procedures

Effective the 2005-2006 school year, it is preferred that all high school snack bar items be purchased from an outside vendor that will deliver to the campus. This will be coordinated through the Accounting and Purchasing Departments at the beginning of the school year. If merchandise is picked up by sponsor adequate record keeping and inventory control must be taken. An administrator must verify that all consumables are received.

"Texas Public School Nutrition Policy" (Appendix B-2) guidelines should be followed anytime students are consuming food in school premises. Elementary, Middle and High School campuses have different policies governing the sale and nutrition standards of food products made available to students. See **"Texas Public School Nutrition Policy"** (Appendix B-2) for a quick reference of the policy's effect on a particular school campus.

It will be mandatory that the individual responsible for the snack bar keep a running inventory list of the items being sold. The inventory list should include items purchased and sold, items that may have been given as incentives, and items that may have been lost to spoilage. The inventory should be reconciled to actual deposits on a periodic basis to gauge the profits for reasonableness. These records should be submitted to the campus bookkeeper and be available for the Accounting or Audit Department at any time.

A "Report for Fundraising Activity" shall be completed at intervals when the campus will not have the snack bar open for a period of five consecutive days or more.

Prom Fundraisers

The following procedures will apply for all prom fundraisers hosted at all middle and high schools:

1. Only sponsor and co-sponsor may sell tickets.
2. Tickets should be pre-numbered.
3. Receipts should be issued in triplicate for all ticket sales.
 - First receipt is issued to buyer.
 - Second receipt is turned in with deposit breakdown form.
 - Final receipt stays with sponsor for record.
4. Free tickets should be included in the incentive list.
5. A separate incentive list should be kept for faculty.

General Admission Events

The following procedures will apply for all general admission events. A General Admission event is defined as a fee paid for admission to a usually unreserved seating area (as in a gymnasium, cafeteria, or other similar locations.) Examples of general admission events are: dances, pep rallies, plays, or the like.

1. Pre-numbered tickets should be used for all events.
2. Sponsor will be responsible for tickets distributed among grade level teachers.

Tickets will be purchased from the Student Activity Account and disbursed by Bookkeeper. No funds should be collected at the door unless a ticket is being issued. All unissued tickets as well as the proceeds will be turned into the campus secretary/bookkeeper.

Record Retention

Faculty sponsors are required to keep all documentation of a fundraiser for seven (7) years. These records should be kept with the "Application for Fund Raiser/Report" and be readily available for examination by the Principals, the Internal Auditor, or the Accounting Department. If a person chooses to relinquish his/her duties as sponsor, all records must be submitted to the Principal for safekeeping until another person resumes the sponsorship.

Petty Cash or Change Funds

A Petty Cash account may be established at the discretion of the Principal for the cash purchases of small miscellaneous items. The petty cash accounts must be limited to the following amounts:

- | | | |
|-----------------------|---|---------|
| 1. High Schools | - | \$50.00 |
| 2. Middle Schools | - | \$50.00 |
| 3. Elementary Schools | - | \$25.00 |

It is the Principal's responsibility to ensure the maximum protection of these funds. Checks are not to be cashed from petty cash funds. A Petty Cash Voucher must be obtained from the school bookkeeper for all purchases. Original invoices or sales receipts must be obtained for all petty cash expenditures and attached to each voucher. Petty cash may not be used for lost textbooks or library books.

Setting Up a Petty Cash Fund - A check must be issued for the authorized Petty Cash (Appendix A-15). The check must be made payable to the individual in charge of the Petty Cash, **not to cash!** The check must be clearly marked "**Petty Cash**".

Replenishing the Petty Cash Fund - Review the vouchers in the Petty Cash Box and prove that the sum of the vouchers plus the actual cash in the box is equal to the amount authorized. The amount of the reimbursement check shall be the total of the Petty Cash Vouchers that will restore the petty cash to its original amount. The individual vouchers should then be posted to the applicable subsidiary accounts when the reimbursement check is issued. Checks to replenish Petty Cash are to be made payable to the individual in charge of the Petty Cash, not to "Cash". All the Petty Cash Vouchers with supporting documents should be attached to the original disbursement voucher when the reimbursement check is made.

Closing Petty Cash Funds - At the close of the school year and prior to any extended holiday, the petty cash on hand will be receipted and deposited to the School Bank Account. This will close out the Petty Cash Fund. It may be reopened when necessary.

Incentives

Incentives given to students must have prior approval by the Principal and documented using the ***“Incentives Request/Approval”*** form (Appendix A-17). *Section A* of the form must be fully completed by the person making the request prior to presenting it to the Principal for approval. If this merchandise is part of the inventory of a fund raising activity, you must attach a copy of this form to the **“Final Report.”** When giving merchandise as incentives limit the amount of incentives to 15% or less of total inventory. **Exceptions may be made with consumable items, as long as documentation is provided with an “Incentive Request/Approval”.** Limiting the incentives will increase the chance of profit from the fundraiser.

7

Accounting Practices

This chapter describes the procedures to be followed to maintain adequate accounting records for both the Student Activity and Campus/Principal Accounts. The records described in this chapter will be maintained by the campus bookkeeper or other designated employee. The **records** must be kept current and available for review by the Principal, the Accounting Department and the Internal Auditor.

Bank Reconciliations

One of the most important aspects of the Student Activity Bookkeeper's responsibilities is the reconciliation of the Activity Fund and Campus/Principal's bank account. It is the Principal's responsibility to ensure that the school bookkeeper posts all transactions on a daily basis so that the Student Activity Bookkeeper has adequate time to complete the bank reconciliation on time each month. **It is imperative that Student Activity Bookkeepers are scheduled to reconcile campus accounts within the first two weeks of the month.**

Monthly Activity Reconciliation Report

When all of the activity of the month has been entered into the cash receipts and disbursements journals and the subsidiary journals, and when these journals have been balanced, the Monthly Activity Reconciliation Report must be completed. This report contains five columns. The first column lists all of the club accounts contained in the main account. The second column contains the beginning balance of each account for the reporting month. The next two columns contain the receipts and disbursements of each club account for the reporting month. These amounts will agree with the total lines in the cash receipts and disbursements journal. The final column contains the ending balance of each account for the reporting month.

This report must be completed monthly and reconciled to the bank statement by the Student Activity Bookkeepers. Both the Monthly Activity Reconciliation Report and Bank Reconciliation will be submitted to the Accounting Department by the end of the subsequent month.

An Annual Receipts and Disbursements Report will be completed at the end of the fiscal year by the Student Activity Bookkeepers. The beginning balances will be the balances on September 1 of the reporting year. The receipts and disbursements will be the totals for each club account for the year. The ending balances will equal the ending balances as of August 31 of the reporting year.

No adjustments should be made after a particular month has been reconciled.

Transfers Between Accounts

It is not necessary to write a check to transfer funds from one club account to another within the same bank account. However, the transfer must be documented by a "**Transfer Request Form**" (Appendix A-14). The "Transfer Request Form" will be completed by the disbursing sponsor. It will be approved by the Principal and signed by the disbursing sponsor, receiving sponsor and the treasurer. Even though transfers do not involve releasing checks, they are never to be posted without the signatures of the Principal and the representatives of the club disbursing the money.

An entry will be made in the cash receipts and disbursements journal to record the disbursement and the deposit. The notation "transfer" will be made along with a brief description of the reason for the transfer. Duplicate entries will be made in the subsidiary journals of both organizations. Indicate in the "**Transfer Request Form**" (Appendix A-14) box provided whether or not the transfer is a reimbursable transfer. Reference initial reimbursable transfer and amount when original receiving club reimburses disbursing club. Campuses need to number their transfers

and create a binder to keep all transfer forms. Binder will read **TRANSFERS**. If your campus has a high volume of transfers, you may be asked to incorporate a transfer log. This log will consist of assigning a numerical sequence to each transfer.

Outstanding Invoices

1. Any purchases made at the campus level need to be approved by the principal. All invoices that are questionable or that will be paid off in a series of payments must be received and reviewed by your campus secretary/bookkeeper. Bookkeeper must have a copy of invoice. Ex. Uniform Purchases, Yearbook Purchases, Discount Cards, etc.
2. Secretary/Bookkeeper will create a binder that will consist of outstanding invoices. Secondary schools should separate invoices by club accounts. Elementary schools should keep invoices in alphabetical order. Binder will read OUTSTANDING INVOICES.
3. Individual requesting checks will be responsible to inform principal, secretary and/or bookkeeper if an invoice will be paid in a series of payments so that invoice can be included in the Outstanding Binder. Estimated invoices should also be filed in binder until an exact amount is agreed by vendor and/or sponsor. NO PURCHASES SHOULD BE MADE WITHOUT ADMINISTRATIVE APPROVAL.
4. At the end of every month, the Secretary/Bookkeeper must run a transaction report from the student activity software indicating the inflow and outflow activity for clubs that have outstanding invoices until the invoice has been paid. Copies of check requests can be attached to the outstanding invoice to show payments being made until balance is paid in full.
5. Student Activity Bookkeeper must review outstanding invoices to verify that invoices are being paid on time. If there is no activity for the collection of a particular invoice then the activity bookkeeper must follow-up on the invoice immediately. This indicates that something is wrong. Notify the Student Activity Accountant A.S.A.P.
6. Stamp the invoice "PAID" with the date when outstanding invoice was paid in full. All paid invoices and any payment backup should be kept in the binder for record.

Record Retention

All of the accounting records related to the Student Activity and Campus/Principal's Accounts, including, but not limited to, all bank statements and related cancelled or voided checks, all validated deposit slips, all receipts, all reports and journals will be retained for a period of seven (7) years following the end of each fiscal year on August 31. At least the three most current years must be kept at the campus. All other files can be sent to Records Management with a detailed description of the file contents.

Sponsor End-of-Year Checkout

It is required that the campus have all sponsors "check out" with the bookkeeper in order to clear any pending items related to student activities such as missing receipts, outstanding invoice or incomplete fund raisers. At this time the bookkeeper should request that all binders containing student activity information be submitted by personnel that will no longer serve as sponsors for the following school year.

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Sales Tax

Public schools are exempt from paying the state sales and use tax. Therefore, public schools do not pay sales tax on items purchased for their own use. However, exemption from paying taxes does not relieve public schools from the obligation to collect tax on taxable sales. In most cases, when a school organization sells items to individuals, which become the property of the individual, sales tax must be collected. Some items are specifically exempt from sales tax and there are some cases when sales which would ordinarily be taxable are exempt. These are discussed in more detail below.

The following description of taxable and nontaxable sales is adapted from the **TEA Financial Accountability System On-Line Resource Guide**.

- ◆ Public Schools and school-related organizations must collect sales tax on all sales which are not specifically exempt. **For example, sales tax must be collected on the following:**
 - School purchased supplies sold directly to students including athletic equipment, uniforms, band supplies, t-shirts, jackets and school supplies;
 - Fees for materials when the end product becomes a possession of the student;
 - Student publications such as yearbooks and football programs;
 - Articles such as pencils, cups, etc., with the school logo which are sold during fundraisers.

Remember that the items above are presented for purposes of illustration. The list is not intended to be all inclusive.

Public schools and school-related organizations are not required to collect sales tax on the following:

- ◆ Admission tickets, if the event is entirely for educational purposes. This includes sporting events and drama and musical performances by students. (An educational purpose exists when 100% of the proceeds from admission go to an educational organization.)
- ◆ Student club memberships;
- ◆ Sales of food and soft drinks that are:
 - sold or served during the regular school day;
 - sold or served by parent-teacher associations during a fund raising sale, the proceeds of which do not benefit an individual;
 - sold by a person under 18 years of age who is a member of an organization devoted to the exclusive purpose of education, and groups associated with public or private elementary or secondary schools as a part of a fund raising drive sponsored by the organization for its exclusive use;
- ◆ Newspaper whose sales price per copy does not exceed \$.75; that are printed and distributed periodically at intervals of four weeks or less; for the dissemination of news of a general character and or a general interest. Of course, school newspapers which are not sold are not subject to sales tax.

One-Day Tax Free Sales

Each school in the District and each bona fide club within that school are allowed to have two (2) one-day tax-free sales during the calendar year. One-day tax-free sales mean that collection and remittance of state sales tax is not required on qualified sales on that day. 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 are sold over a longer period. This rule can be applied to other fundraisers when the delivery is made to students on a single day. 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 tax-free event because the school is not the actual seller. The school is 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 generally not qualify as a tax-free sale because the vendor is not an exempt organization.

The tax-free status of a one-day tax-free fundraiser must be so designated on the “**Summary of Fund Raising Activity**” (Appendix A-5) and approved in advance by the Principal.

Collecting and Reporting of Sales Tax

General Information

- (1) Tax must be collected on all taxable sales to determine the taxable status of a particular sale.
- (2) Sales Tax Rate: (The rates as of March 2001):

State Tax Rate	<u>6 1/4%</u>
CTD Tax Rate	<u>1/4 %</u> (not for El Cenizo and Rio Bravo Schools)
City Tax Rate	<u>1 1/4 %</u>
County Tax Rate	<u>.5 %</u>

All schools within the city limits have an 8.25% sales tax rate. Schools not in the city limits have a 6.75% sales tax rate. El Cenizo and Rio Bravo have a 7.75% sales tax rate.

Collection Procedures

- (1) Each school has the option of imposing sales tax at the point of sale or absorbing the tax in total sales.
 - (a) At the Point of Sale:
Students must sell mugs for \$5.00 and collect 8.25% tax. Then \$5.41 is collected for each mug sold. \$5.00 for the mug and \$.41 is for sales tax.
 - (b) Absorb in the Tax: Students sell mugs for \$5.00 **INCLUDING** the tax. Using the factor of 8.25% for each mug sold, \$4.62 is for the sale of the mug and \$.38 is sales tax.
- (2) All sales tax collected by the school shall be reported each month and submitted to the Accounting Department with payment by the 10th of the following month.
- (3) The check for payment of the taxes should be made payable to the United Independent School District.
- (4) The Accounting Department will assume responsibility for submitting to the State Comptroller's Office payment for all sales tax collections.

Tax Free Purchases

All items purchased by a public school, school district or non-private school for the school's own use qualify for an exemption from sales tax if the items purchased relate to the educational process. The school, school district or authorized agent should provide the seller with a “**Texas Sales Tax Exemption Certificate**”, (Appendix A-23). To be valid the certificate must state that the merchandise being purchased is for the organization's own use in providing education is being made in the name of the organization, and that payment shall be made from the organization's own funds.

The District's “Texas Sales Tax Exemption Certificate” shall be used in conjunction with a school check. At no point should this certificate be used for cash purchases.

Purchases by individuals for their own use, even though connected with a school or school organization, are not exempt from the tax. Examples: cheerleaders purchasing their own uniform, band members purchasing their own instruments and athletic team members purchasing their own jackets.

The **“Sales Tax Report”**, (Appendix A-8), must be completed monthly and submitted to the accounting department even if sales taxes were not collected.

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Other Issues

This chapter addresses additional issues that are relevant to Student and Campus/Principal's Activity Accounts.

Payments to Employees for Services

According to the Texas Education Agency, "A campus may find a need to compensate school district employees for services performed beyond their regular duties, (i.e., maintenance employees who set up a school facility during off duty hours, school personnel judging contests outside of the normal school day, etc.). Such auxiliary services are those discharged by the employee in addition to their normal, specified duties and will usually be performed outside of regular work hours. These payments should **not be made directly to the employee**, but rather should be made through the district payroll office." (Financial Accountability System On Line Resource Guide, Section 5.5.4.9)

Additional compensation such as that described above must be included in the employee's paycheck. The campus should submit the request on a "***UISD Extra Duty Payment Form***" (Appendix A-16). The campus will reimburse the district for the amount of the compensation as well as any payroll taxes, etc.

Note: Indicate Student Activity Payment on upper right hand corner of the form.

Payments for Contracted Services

A "***Request for Consultant Services***", form (Appendix A- 28), must be completed by the originator and approved by the proper administrator(s) before entering into any type of contract regardless of amount or if consultant is a volunteer. This form needs to be delivered to the Fine Arts Department at least four weeks in advance before services are rendered to allow time for review, to ensure request is reasonable, and to be certain that forms have been filled out completely. When payments are made to non-employees for contracted services it is necessary to complete the "***Contract for Professional Services***" (Appendix A-18) and/or a W-9 Form (Appendix A-19). The form, which includes the name and social security or Tax I.D. Number as well as a description of the services to be provided with the amount of compensation, all which must be completed before the services are rendered. Some instances that will always warrant a "Contract" for services are: motivational speakers, seamstresses, and sound systems. This list is obviously not all-inclusive, but provides some guidance. As a rule, always request the documentation that would be necessary when sending a request to Central Office to pay out of budgeted funds. At a minimum, a W-9 should be obtained from any business or individual who is providing a service to the campus. After the forms have been reviewed, they will be forwarded to the Curriculum and Instruction Department for approval. **Checks will not be issued until the consultant has been approved by the above stated departments and the proper backup follows with the check request.**

At the end of the year, a list of all non-employees who were paid for contracted services must be sent to the Finance Division. The list must include the non-employee's address, social security or Tax I.D. Number, and the amount paid during the calendar year. The Finance Division will aggregate the data from all campuses and issue 1099 Forms as required by the Internal Revenue Service. **Note: Club sponsors may not pay non-employees using either their own personal check or cash and then seek reimbursement from an activity funds account. Any other questions in regards to consultant services or consultant services form should be directed to the Fine Arts department at 473-7121.**

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Appendices

		UISD Official No.
Appendix A - Blank forms referred to in this manual.		Dept. Form #
A- 1	Conflict of Interest Disclosure	901- 024
A- 2	Responsibilities of Faculty Sponsors of Student Groups	901- 025
A- 3	Criminal History Record Information Authorization	903- 006
A- 4	Sponsor Information Sheet	901- 010
A- 5	Summary of Fund Raising Activities	901- 011
A- 6	Application/Report for Fund Raising Activity	901- 012
A- 7	Inventory Sheet	901- 013
A- 8	Sales Tax Report	901- 014
A- 9	Sales Tax Summary	901- 015
A- 10	Deposit Breakdown Form	901- 016
A- 11	Check Request Form	901- 017
A- 12	Transmittal List - Money Collected From Students	901- 018
A- 13	Transmittal List - Money Disbursed To Students	901- 019
A- 14	Transfer Request Form	901- 020
A- 15	Request for Petty Cash	901- 021
A- 16	Extra Duty Pay Form	901- 003
A- 17	Incentives Request/Approval	901- 022
A- 18	Contract for Professional Services	901- 002
A- 19	W-9 Form	
A- 20	Missing Receipts - Sample "1st Notice"	
A- 21	Missing Receipts - Sample "2nd Notice"	
A- 22	Check Collection Letter - Sample	
A- 23	Texas Sales & Use Tax Exemption Certificate	
A- 24	Request for Audit Form	954- 001
A- 25	Journal Entry Form	
A- 26	Voided Check Form	
A- 27	Returned Check Tracking Form	901- 023
A- 28	Request for Consultant Services	901- 001

Appendix B - Vending Machines, Coca-Cola Co. & Nutrition Policy Information

B- 1	Coca-Cola Co. Product List & Contact Information
B- 2	Texas Public School Nutrition Policy

Appendix C - Contact Numbers

C- 1	Accounting Department
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