

Fruitvale Independent School District



2021-22 Activity Fund Accounting Procedures Manual

Table of contents

Preface.....	3
What are Activity Funds	4
Responsibility for Activity Funds	4
Sponsor Responsibilities	5
Cash/Check Collection and Handling	5
Depositing Funds Collected	6
NSF Checks.....	6
Expenditures of Activity Funds	7
Purchasing Violations	8
Issuance of Checks	8
Tax-Free Purchases	9
Fund Raising Activities.....	9
Accounting for Fund Raising Activities.....	10
Transfer of Funds between Act. Accounts..	10
Travel	10

Appendix.....12

Acknowledgement of Responsibilities.....	A-1
Request to Conduct a Fundraiser	A-2
Fund Raiser Financial Recap.....	A-3
Tabulation of Monies Collected.....	A-4
Student Activity Deposit Report	A-5
Activity Check Request Form	A-6
Funds Transfer Form.....	A-7
Purchase in Violation of District Policy	A-8
Meeting Minutes	A-9
Fundraiser Checklist	A-10

Preface:

This manual is designed to provide a set of standardized accounting guidelines and procedures for the administration of Fruitvale Independent School District Activity Funds.

Principals, Campus Secretaries, Sponsors, & other personnel involved in the handling of Activity funds are responsible for following the guidelines and procedures prescribed in this manual. All forms referred to in this manual are located in the Appendix.

What are Activity Funds?

Activity funds are funds generated and accumulated by the school from the collection of student fees, school-approved fundraising and other activities. These funds are held in trust by the school and are used to promote the general welfare of the school and educational development and morale of all students.

There are two main categories of activity funds:

Campus Activity Funds are funds raised locally by the school or donated to the school and include school office and departmental accounts. Campus activity funds are considered by TEA to be district general funds. The expenditure of these funds must comply with state and board policy and with district regulations. These funds are accounted for with the special revenue governmental funds of the district.

Student Activity Funds are funds generated by specific student groups, not by the district or campus. Decisions about the expenditure of student activity funds are made by the students with the assistance of a school district employee sponsor. All club and student funds are accounted for in this grouping as well as the faculty hospitality funds. These funds are accounted for as fiduciary trust funds not owned by the district.

Responsibility for Activity Funds:

The sponsors are responsible for the proper collection of all activity fund monies. Records must be kept by each sponsor of each transaction occurring. This responsibility includes providing for the safekeeping of monies. The sponsor must requisition a receipt book using student group funds.

The Business office is responsible for proper accounting and administration of fund transactions.

Disbursement of activity funds fall under the responsibility of the Principal of the campus, Sponsor, and Business Manager. These responsibilities include the physical safeguard, accounting, administration, and disbursement of funds in compliance with applicable state laws and local board policy administrative guidelines.

Fruitvale ISD personnel are not responsible for funds collected, disbursed, and controlled by parent or booster organizations. These parent and booster organizations funds are not to be accounted for in the school's Activity Funds.

Sponsors Responsibilities:

The sponsor of each student organization is required to sign a Sponsor Acknowledgement of Responsibilities form (Appendix A-1) and submit to the Business Office.

The sponsor of each student organization is required to maintain adequate records to support the financial activities of the group. These records are subject to review at any time. They must be made available during the audit of the district's activity funds and should include, at a minimum, the following:

- Copies of money receipts and tabulations of monies collected (Appendix A-4)
- Copies of invoices or disbursement vouchers
- Detailed records, by student, of fund raising proceeds
- Minutes of the organizations meetings which detail, at a minimum, attendance, discussion of fund raising activities, and review and approval of expenditures and financial status (Appendix A-9).
- All records should be kept current and in good order and turned in to the business office at the end of the school year. This must be kept for a period of five years.
- When submitting a requisition for student activity funds, the sponsor will attach information containing the date of the meeting at which the decision to spend funds was made and a signature of one of the students in attendance at the meeting. This can be electronically attached to the requisition in the ASCENDER system.

Each month the sponsor must compare his or her balances and financial records to those kept by the business office. If there is a discrepancy, the sponsor should promptly contact the business office in order that the matter may be resolved in an expedient manner.

Cash/Check Collection and Handling

All money collected by an organization or club for fees, dues, or other fund raising activities must be recorded in detail using pre-numbered money receipts, tabulation of monies collected form, or collection forms provided by fund raising vendors. The receipt must clearly state the reason the money was collected (e.g. yearbook sales). All collections must be deposited in the district activity fund.

Totals should be compared to the totals reflected on the supporting documentation and any differences should be reconciled prior to deposit.

All cash and checks shall be deposited to the Administration/Business Office on a daily basis. No post-dated checks will be accepted. Funds should not be kept in classrooms, personal wallets/purses, or at home for extended periods of time. No more than \$25 should ever be kept overnight. If, for some reason, all records cannot be completed and recorded before the end of the day, the funds should be kept in a locking cabinet or vault and processed as soon as possible. This should only occur in extreme circumstances.

Checks may be accepted for the amount of purchase only. Post dated checks are not acceptable. Any acceptable check should contain the following:

Name
Address

Personal employee checks shall not be cashed from monies collected at the campus or district level to ensure an adequate audit trail of all funds collected by the district. Likewise, cash should not be removed from activity fund collections and replaced with the sponsor's personal check. In addition, cash collections may not be used to purchase supplies, refreshments or for any other purpose. Activity fund collections must be deposited intact, in the same manner in which they were received.

Sponsors will often be collecting money for more than one activity. Each activity should be clearly documented on the collection records. This will assist the business manager in determining if there is sales tax due at the end of the month. It will also help the sponsor measure the profitability of fund raising efforts.

Depositing Funds Collected:

When a sponsor submits funds collected for deposit it should be done on the Student Activity Deposit Report (Appendix A-5). These funds should be verified by the business office in the sponsor's presence. After depositing the funds, the sponsor will be provided with a receipt documenting the amount of the deposit. This is simply a prudent cash handling procedure that protects both the business office and the sponsor. The sponsor will bear the responsibility for any missing deposits or deposit shortages if funds are not verified in the presence of the business office personnel.

NSF Checks

Occasionally, a check which has been previously deposited is returned by the bank for a variety of reasons. Because of this, it is very important that checks be promptly deposited. If a check is returned by the bank the Business office will attempt to collect the funds from this check from the maker. Individuals with outstanding returned checks must pay by cash or money order to the business office. Under no circumstances should anyone but the business office accept payment for the returned check.

Sponsors will be notified by the Business Office when a check that has been deposited is returned unpaid. The amount of the returned check will be deducted from the groups balance. If the business office is able to collect funds the money will be returned to the groups balance. If unable to collect funds the matter will be handed to the district attorney for prosecution.

Expenditures of Activity Funds:

As detailed in purchasing policy, purchases for goods or services require a valid purchase order. A purchase order is not valid until the requisition has been approved by the appropriate personnel (Campus Principal, Business Manager, Superintendent, etc.) and an official purchase order number has been assigned. Requisition forms should be created in the ASCENDER Requisition system by the requesting campus or department and submitted to the business office for approval of a purchase order. The electronic system allows users to enter purchase requests electronically, verify account balances, select pre-approved vendors, etc. at the point of data entry.

After the requisitions pass all electronic approval paths, the purchase order is automatically numbered for audit tracking purchases. No employee shall order or receive goods without an approved purchase order. A system requisition cannot be used to place an order. All purchase orders are mailed or faxed to vendors by the Business Office. According to Board Policy CH (Local), employees who violate the district purchasing procedures shall be held personally liable for the debt incurred.

All expenditures from activity funds will be made by check, with the exception of petty cash expenditures. **NO EXPENDITURES SHOULD EVER BE MADE USING UNDEPOSITED CASH!** Income received from a specific group should be expended for that group. The principal shall ensure that expenditures from these accounts are written for the intended purpose of the group and should not divert for other uses.

An ASCENDER requisition must be submitted prior to any purchases. Once the requisition is approved a purchase order will be created.

After items purchased have been received all supporting documentation should be submitted to the Business Office.

Proper supporting documentation should include:

1. Vendor's original invoices. Periodic statements are not adequate supporting documentation.
2. Sales slip or cash register tapes from teachers or other employees who request reimbursement for items purchased from their own funds. Credit card statements and customer copy of charge slips are not adequate supporting documentation.
3. Other supporting documentation may include letters, announcements and renewal notices when invoices are not provided by the vendor.

Purchasing Violations

As detailed in purchasing policy, purchases for goods or services require a valid purchase order. A purchase order is not valid until the requisition has been approved by the appropriate personnel (Campus Principal, Business Manager, Superintendent, etc.) and an official purchase order number has been assigned.

When the actual purchase of goods or services precedes the purchase order, the District is in violation of its policy (ie. the date of the invoice comes before the date of the purchase order). Violators will be required to complete a Purchase in Violation of District Policy (Appendix A-8) form to explain why the purchase was made before the purchase order was approved. The form must be signed by the person in violation as well as the violator's Principal or Supervisor. The form will then be submitted to the Superintendent for review and approval. Subsequently, the form will be attached to the invoice and accounts payable records as documentation for review by the District's auditors.

Issuance of Checks

No expenditure of funds shall be approved by the business manager unless sufficient funds are available in the appropriate activity account. No check shall be drawn on any account unless sufficient funds are available in the account.

- All requisition must be submitted **at least 5 days prior to the date needed** in order to allow time for the Business office to process it.
- In certain circumstances an Activity Check Request Form (Appendix A-6) is used in place of a requisition. This would be a very rare occurrence.
- All payments shall be made by the Business office using Activity Fund checks.
- Payments must always be made to a specific person, company or organization.
- Student Activity checks are generally cut every Friday.

Under no circumstances will a blank check be issued. If a purchase is to be made and the dollar amount cannot be determined exactly, the school should both estimate the cost and submit a request or have an employee make the purchase and reimburse him/her once the exact dollar amount is determined. If the check for an estimated amount is for more than the eventual purchase price, the resulting change should be re-deposited into the originating Student Activity Account.

Tax-Free Purchases

All items purchased by a public school, school district or non-private school for the schools own use qualify for an exemption from sales tax if the items purchases relate to the educational process. The sponsor must provide the seller with a Texas Sales Tax Exemption Certificate. 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.

Purchases for their own use by individuals, even though connected with a school or school organization, are not exempt from tax. Examples – cheerleaders purchasing their own uniforms, band members purchasing their own instruments and athletic teams purchasing their own jackets, t-shirts that become the property of individuals.

Exempt School Items

Public and non-profit private school and school related organizations need not collect sales tax on the following:

- Fees and admission tickets
- Club Memberships
- Deposits
- Sale of food and soft drinks sold during the regular school day
- Sale of whole cakes or pies
- Food and drinks sold at PTO Carnivals, FFA, and FCCLA etc.

Fund Raising Activities

All fund raising activities must be approved in advance by the Principal and Superintendent. The person in charge of the organization must complete a "Request to Conduct a Fundraiser" form (Appendix A-2) and submit to the principal and superintendent for approval. All information on the form must be completed. **Organizations are allowed a maximum of 2 fund raisers per year.** Rarely, under extreme circumstances, the superintendent may approve an additional fund raiser.

Accounting for Fund-Raising Activities

Upon completion of fund raising activities, it is recommended that the Fundraiser Financial Recap of the Fund Raising (Appendix A-3) application be completed by the sponsor. A copy should be kept on file with the Sponsors records as well as one submitted to the Business Office. This must be done within 4 weeks of the ending sale date.

All collections and disbursements associated with any fund-raising activity coordinated by the school or a school-recognized student group shall be transacted through the Activity Fund.

All collections must be receipted and all payments must be made in accordance with the guidelines established in this handbook.

The Sponsor is responsible for keeping accurate records for all money-raising activities.

Transfer of Funds between Activity Accounts

Occasionally a club will compensate another school organization for goods purchased or services performed. A transfer of funds shall be made between accounts in such instances in lieu of issuing an Activity Fund check. Likewise a club may desire to make a voluntary donation or contribution to partially defray the expenses incurred by another club in directing a certain activity. In such cases, the contribution shall be effected by an internal transfer of funds.

Transfers require the approval in writing of the principal and club sponsors. This should be done on a Transfer of Funds Authorization Form (Appendix A-7) disclosing both the amount and the reason for the transfer. When all required approvals have been obtained the Business manager will proceed with the necessary journal entries. All copies of the Transfer of Funds Authorization forms shall be maintained with the School Activity Fund Records.

Travel

All travel expenditures, regardless of the source of funding, must be in compliance with the district's travel policy. Travel policies are established to (1) insure compliance with the business expense regulations of the Internal Revenue Service, (2) comply with applicable state laws, and (3) establish a standard set of equitable guidelines for all persons traveling on behalf of the district.

Travel - Student Meals:

There will be a limit on the number of times the school district will provide student meals for each group traveling. The rate will be \$8.00 per day per student.

Varsity Football – 2 meals per season
Varsity Volleyball - 2 meals per season
Varsity Basketball - 2 meals per season
Varsity Softball - 2 meals per season
Varsity Baseball - 2 meals per season
Other Varsity Sports – 1 meal per season
High School UIL District Meets – 1 meal per season

When a student advances beyond district, the rate will be \$12.00 per day, per student.

For overnight travel (for advancing beyond district only) the rate will be \$30 with the same breakdown as staff.

Breakfast \$ 7.00
Lunch \$ 8.00
Dinner \$15.00

When students are eating as a group/team where all meals are on one ticket, a receipt will be required and change; when applicable, will be returned to the administration office.

If students are attending an event where it is necessary for them to eat at different times, different locations, or at concession stands where receipts are not available, students will sign-off (on form provided) that they were given the money and the amount. In these instances, receipts will not be required.

Please remember that we all need to be good stewards of the district's monies. For instance, if you are staying in a hotel where breakfast is provided, it would not be necessary to request that amount.

APPENDIX

Fruitvale Independent School District

**Acknowledgement of Responsibilities
Of
Faculty Sponsors of Student Groups**

The purpose for the raising and expending of funds by student groups is for the direct benefit of the students. Fund raising activities will contribute to the educational experience of the students and will not conflict with the instructional program. Money raised by student groups and organizations will be held by the school as trustee. The faculty sponsor of a student club or group is responsible for maintaining adequate financial records as evidence of proper custodianship of money received by and disbursed by club accounts.

I hereby acknowledge that I have read the “Activity Fund Accounting Procedures Manual” and that I am responsible for complying with it. In particular, I acknowledge that:

1. All fund raising activities will be approved, in advance, by the principal and the Team Leader of Finance using the Fund Raising Application.
2. I am responsible both for the safeguarding and accounting for funds received from or on behalf of students.
3. Student activity money will be turned in to the office daily in the same which it was received.
4. At the completion of all fund raisers, the Fund Raising Recap will be completed and submitted to the principal and the Team Leader of Finance for approval.
5. All purchases made on behalf of the student organizations will be made by check and approved in advance by the principal using the Activity Fund Disbursement Voucher.
6. I will maintain a positive balance in my organization’s account.

I understand that I will be held responsible for any student activity funds entrusted to me and that I will reimburse the student organization for any money which is lost due to carelessness, theft, fraud, or failure to follow established procedures.

The information in this manual is subject to change. I understand that changes in district policies may supersede, modify, or eliminate the information summarized in this booklet. As the district provides updated information, I accept responsibility for reading and abiding by the changes.

Sponsor Signature

Date

Student Club or Organization

Campus

Fruitvale Independent School District Request to Conduct a Fundraiser

Date: _____

Club Name: _____ Sponsor: _____

Beginning Date of Sale or Activity: _____

Ending Date of Sale or Activity: _____

Describe the product or activity: _____
(Attach brochure if applicable)

Vendor: _____ Representative: _____
Company Name Phone

Address: _____
Street Address City State Zip

This is the 1st ___ 2nd ___ [3rd ___ 4th ___] money-raising activity (that I have requested)
(if approved)

I certify that I have read and reviewed the Activity Fund Manual and signed the Activity Fund Acknowledgement Form. I am familiar with the school and district policies regarding the sale of merchandise at school and in the community. I accept responsibility for the Sales Tax Collection and cash. I will be responsible for the preparation of the Fundraiser Recap at the close of the fundraiser.

Sponsor Signature

Date

Principal Approval

Date

Date received by Central Office: _____

Approved: Yes _____ No _____

Central Office Approval

Date

FUNDRAISER FINANCIAL RECAP

Sales – Deposited Receipts: \$ _____

Sales – Money still due from the students/customers: \$ _____

i. Total Sales: \$ _____

Cost of Merchandise: \$ _____

Incidental Costs: \$ _____

ii. Total Expenses: \$ _____

NET PROFIT /<LOSS> (1 MINUS 2): \$ _____

Unsold Goods/Bad Debts Recap

	Qty.	Value
A. Goods given as incentives	_____	_____
B. Spoilage/Breakage	_____	_____
C. Goods not returned by students	_____	_____
D. Ending Inventory	_____	_____

Sponsor: _____

Date: _____

Principal: _____

Date: _____

Student Activity Deposit Report

Date: _____

Student Group: _____

Money Received For: _____

Cash: _____

Coins: _____

Checks: _____

Total Deposit: _____

Sponsor Signature

Administration Signature

**All deposits require 2 signatures for verification.

**FRUITVALE ISD
ACTIVITY FUND CHECK REQUEST**

DATE: _____

Activity Account or Club Name

Please issue a check to: _____

Address: _____

Amount: _____

For: _____

To the best of my knowledge, the club has sufficient funds in its account to cover this check request.

Sponsor

ATTACHED DOCUMENTATION FOR AUDIT PURPOSES

ATTACH AN ADDRESSED ENVELOPE FOR MAILING

FOR BUSINESS OFFICE USE ONLY

Approved by _____

Date _____

Check No. _____

Appendix A-6

A-7

FRUITVALE INDEPENDENT SCHOOL DISTRICT
FUNDS TRANSFER FORM

Date: _____ Campus Number: _____

Transfer FROM:

Account Name: _____ Amount \$ _____

Remarks: _____

Transfer TO:

Account Name: _____ Amount \$ _____

Remarks: _____

Sponsor Signature of Accounts Funds are coming **from** Sponsor Signature of Accounts Funds are going **to**.

Signature of Principal

FOR BUSINESS OFFICE USE ONLY

1 Debit _____

 Credit _____

2 Debit _____

 Credit _____

AUTHORIZED BY: _____

MADE BY: _____



FISD
Revised 8/2012

PURCHASE IN VIOLATION OF DISTRICT POLICY

Ordering without a Purchase Order is a violation of district policy. Violating this policy may result in severe, sometimes, criminal consequences.

To be completed by Business Office

Date: _____

Nature of Violation: Ordering without a Purchase Order

Notes: _____

Your Name: _____

Date: _____

Reason for Violation: _____

Signature: _____

Supervisor Signature: _____

Superintendent Signature: _____

Appendix A-8

Date: _____

Meeting Minutes

Organization or Class Name: _____

Total members present: _____

Discussion:

Vote Approval:

For: _____

Against: _____

Organization/Class Officer Signature: _____

Organization/Class Officer Signature: _____

Fundraiser Checklist

Initial "Request to Conduct a Fundraiser" form accompanied by organization minutes approving fundraiser

Initial Vendor approved and in TxEIS

Initial Money collected, turned in daily accompanied with a completed "Student Activity Deposit Report" or a

Initial Copy(ies) of "Tabulation of Monies Collected" form completed and submitted to the administration office

Initial At the completion of the fundraiser – "Fundraiser Financial Recap" form completed and turned in to the administration office

Initial Requisition entered for payment to vendor

Initial Any packing slips or other relevant paperwork turned in to the administration office

Initial Submitted, completed and signed checklist

Signature

Date

