

Fruitvale Independent School District



2018-2019 Activity Fund Accounting Procedures Manual

Table of contents

Preface.....	3
Purpose of Activity Funds.....	4
Responsibility for Activity Funds	4
Sponsor Responsibilities	4
Collection of Money.....	5
Depositing Funds Collected	5
Accepting and Depositing Checks	6
NSF Checks.....	6
Expenditures of Activity Funds	6
Issuance of Checks	7
Tax-Free Purchases	7
Fund Raising Activities.....	8
Accounting for Fund Raising Activities.....	8
Transfer of Funds between Act. Accounts...	9
Travel	9

Appendix.....10

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

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.

Purpose of Activity Funds:

The Activity Fund is designed to account for funds held by a school in a trustee capacity or as an agent for student activities, class funds, organization funds, and any other funds into which students have put money in the name of the school.

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 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
- 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.
- 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.

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.

Collection of Money

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. 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.

Money collected should **not** be kept overnight in a desk drawer or file cabinet, nor should it be taken home by the sponsor. 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 and processed as soon as possible. This should only occur in extreme circumstances. Once the records are completed, monies should be brought to the business office. This must occur promptly, however, and under no circumstances should checks be held for more than five days before being submitted for deposit.

Personal check cashing by faculty members is prohibited by District Policy. 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. 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.

Accepting and Depositing Checks:

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
- Phone Number
- Drivers License Number

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:

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.

A TxEIS 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 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 activity check request forms must be received **at least 5 days prior to the date needed** in order to allow time for the Business office to process it.
- 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 fund-raiser" form 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, the Fundraiser Financial Recap of the Fund Raising application should be completed by the sponsor. A copy must 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 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.

APPENDIX