

ACTIVITY FUNDS

Activity funds are defined as funds held by the District in a trustee capacity or as an agent for students, club organizations, teachers, campus administration, and some District departments.

Activity funds are primarily used to:

- Account for a **student group's** funds and transactions (i.e., individual class accounts, club accounts)
- Account for a **particular occurrence** (i.e., yearbook account, picture money, lost textbooks, library fine accounts)
- Account for **administrative and support funds used for supplemental activities** (i.e., principal's account, courtesy club)

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

When using activity accounts it is important to remember the way the money is spent is determined by the way the money is derived. Money earned or paid by the students must be spent for the benefit of these students. Money earned or paid by District employees can be spent on these employees.

Steps should be taken to avoid commingling of funds earned from different sources. An example of this division at the campus level would be the separation of the courtesy club and principal's account. In general, courtesy club money is derived from and used by the faculty for such items as coffee supplies, teacher gifts, etc. The principal's fund money primarily comes from the district assets and is spent on student activities or purchases for the school as a whole.

In general, payroll costs should not be paid directly from activity accounts.

Most activity accounts will fall into one of two categories; Student Activity Funds or Campus Activity Funds.

Student Activity Funds (Fund 865)

Student activity funds consist of activity funds where the financial decisions rest solely with the students. Keep in mind the money belongs to the students in the group and therefore, should be spent under their direction. The sponsor shall have authority over the fund but should involve the students in the decision making.

What is a student activity fund/organization?

- Student organizations must have a faculty sponsor.
- Student organizations must have bylaws and officers and hold regular meetings.
- Student organizations must retain minutes of the organization's meetings.
- All funds raised by student organizations are to be expended at the discretion of the students and documented in the minutes.
- Sponsors must keep detailed records of the organizations activities as well as the organization's collection and disbursement of funds.
- Student organizations to be disbanded may determine the use of the remaining balance in its activity fund. Per (Local) Board policy "If an organization ceases to function or exist, the unexpended funds of the organization shall be credited to the appropriate administrative activity account."
- Student organizations benefit a specific club or organization, i.e. band, cheerleading, choir, math, science, etc.

Examples:

- a. The Basketball Club qualifies, but the basketball team does not.
- b. The Cheerleader Club qualifies, but not the cheerleader team.
- c. The Spanish Club qualifies, but the Spanish classes do not.
- d. The Senior Class qualifies, but not one particular class of seniors.

Student Activity Responsibilities

The initial level of responsibility lies with the sponsor. Sponsors are responsible for maintaining accurate records of all financial transactions of the club or organizations. Bylaws should be established that address how the money raised is to be expended.

The individual activity fund sponsor is responsible for managing his/her activity account. This responsibility can include developing fund-raising plans, monitoring the financial position of the activity fund, reviewing the activity fund financial statements, safekeeping activity fund money until it is turned in to the campus secretary and other fiduciary responsibilities.

Student Activity Responsibilities *Continued*

In many instances, activity accounts consist of money from students (dues) or money generated by students (fund-raisers). Clubs may have a student designated as the treasurer of that organization. Regardless of this fact, the sponsor, homeroom teacher or another designated adult is responsible for any income or expenditures for that club or group. The student treasurer should be informed of the balance in the account so that he/she can forward this information to other group members at meetings. The treasurer and other club officers should, of course, be involved in the decision-making process as to when fund raisers should be held, what is to be sold to raise money, how the funds are to be spent, etc. The treasurer can also keep up with lists of students who have not yet paid their dues or have not turned in their fund-raising receipts.

The student treasurer should NOT be responsible for keeping money, counting money, preparing financial worksheets or deposit slips, or in any other way being the PRIMARY custodian or recorder of cash for any period of time.

If the sponsor desires, the treasurer can assist in the counting of cash received while the sponsor is present. However, the Tabulation of Monies sheet (Exhibit A1) should still be written by the sponsor, and the sponsor, not the student, is responsible for any discrepancies noted by either the campus secretary or the bank. Similarly, if the sponsor desires, the treasurer could assist in the collection of money (for instance, a treasurer could help at the admitting door for a fund raising dance) but an adult should also be present.

When a new Club forms a Club Formation Request & Information Sheet (Exhibit A4) must be completed. At the beginning of each school year this form should be completed for each club that is still active.

Campus Activity Funds (Fund 461)

Campus activity funds include accounts where other persons besides the students involved in the activity fund (teachers, sponsors, principals, administrators, etc.) have access to activity fund money. Per (Local) Board policy “Funds generated from such sources shall be expended for the benefit of the District or its students and shall be related to the District’s educational purpose.”

What is a campus activity fund/organization?

- Funds belong to the campus/district.
- Campus principal responsible for deciding how funds are spent.
- Money is raised locally at the school or donated to the school.
- Expenditures will be “for districts educational purpose and provide benefit for district of students”.
- Expenditures subject to state purchasing and bid laws.

Campus Activity Responsibilities

Campus activity sponsors are responsible for maintaining accurate records of all financial transactions of the campus accounts. Campus activity funds/groups are subject to all State and District purchasing policies.

Cash Handling

As the sponsor receives money from a fund-raiser or any other source, it should be forwarded to the campus secretary on a daily basis. The campus secretary has access to a locked area (vault), and keeping money overnight in a classroom or drawer is not appropriate.

Many clubs earn money through fund-raisers in which students individually collect funds related to items sold or services provided. These students must be instructed to turn their money in to the sponsor on a regular basis. ***As money is received from the students, the sponsor should issue numbered receipts for the amount(s) collected and then forward the money to the campus secretary with a copy of all the receipt(s) and a completed Tabulation of Monies form.***

Student handling of cash should only be allowed in limited circumstances, and then only with adequate supervision.

A sponsor should never let receipts accumulate beyond a reasonable amount. Any receipts should be turned over to the campus secretary and placed in a locked area as soon as possible to prevent theft. Do not keep activity receipts in desk drawers, file cabinets, purses, etc.

Remember, receipts are handled several times by several different parties (for example: the student, sponsor, campus secretary, District's depository bank, etc.) and therefore any checks included in the receipts can be several days old by the time they clear the patron's bank. It is imperative that no one handling the payment holds the payment for any longer than is absolutely necessary. Checks held for an inordinate amount of time tend to be returned from the bank marked "insufficient funds" or "account closed". When this happens, the activity fund is charged for the amount of the check. Timely deposits will reduce these occurrences to the activity accounts. Deposits should be made no less than weekly.

If students or others have not paid what is owed, and reasonable efforts to collect by the sponsor have failed, contact the campus secretary to determine your campus' procedure.

Never deposit money into any bank account directly, always route deposits through the campus secretary for deposit to the District's depository. Checks should not be made payable to the sponsor.

Do not "hold" any cash out of activity receipts and pay for expenditures directly. This circumvents District internal controls and produces accounting records that are incomplete. All monies should be deposited and District checks written for associated expenses.

The sponsor should prepare, sign, and date a Tabulation of monies sheet to include with any receipts turned over to the campus secretary. When the money is turned into the campus secretary before the sponsor leaves the secretary should recount the receipts, verify the sheet, sign and date the sheet, and return a copy to the sponsor. This is the sponsor's receipt for the money turned over to the campus secretary. Any discrepancies should be resolved at this time.

Purchasing Procedures

Sponsors should NEVER call in an order or order any items without a District purchase order. A purchase order request should be sent to the campus secretary, who will generate a purchase order.

The sponsor should keep a copy of the purchase order request, along with copies of correspondence with vendors, vendor price lists/catalogs, etc. Adequate lead-time should be allowed. It is recommended that the purchase of items available from a company that has a bid agreement with the District be purchased from that bid vendor.

The sponsor should examine any merchandise received upon receipt. Any damages, overages, etc. should be returned through the campus secretary. The sponsor should mark any necessary adjustments on the packing slip. Sign and date (the date merchandise received, not date checked in) the packing slip and forward to the campus secretary. Turn in the packing slips and a copy of the Purchase Order with "Okay to Pay" once it is determined all has been received in good order as soon as possible to allow for prompt payment to the vendor.

Donations

Sponsors should check with the campus secretary regarding special donation processes. Any donation equal to or greater than \$1,000 requires School board approval.

Record keeping – See also Exhibit A2

The following steps and items are recommended record keeping procedures and instruments for sponsors of activity funds.

Ledger Sheets – A ledger sheet is a document noting all income and expenditures for a single account as well as a description of each transaction. See the following example along with Exhibit A2:

SAMPLE

Account Name: CHEERLEADERS		Sheet No. _____			
Organization #: 8656-11-001-99-149					
Account #: 621900					
Date	Description	Reference	Debit / Charges	Credits	Balance
09/01/00	Beginning Balance	Per Fin. Clrk.			\$ 326.00
09/11/00	Student Dues	Deposit transmittal #1		50.00	
09/12/00	Student Dues	Deposit transmittal #2		60.00	
09/15/00	Deposit for Marco's	Requisition/PO #	(100.00)		
09/22/00	Bake Sale Receipts	Deposit transmittal #3		75.21	
09/25/00	Student Dues	Deposit transmittal #4		40.00	
09/30/00	September Ending Balance				451.21

Documentation – The information needed on the ledger sheet should consist of the following:

- Date of receipt or payment
- Description of receipt or payment
- Reference
- Amount of receipt or payment
- Balances subtotaled monthly

It is not necessary to have bookkeeping or accounting background to maintain these records, as a “debit/credit” system is not necessary. Simple addition and subtraction to a subtotal is all that is required

Support for purchases and receipts noted above should be maintained by the sponsor. Additional documentation to be kept by the sponsor could include: Class or group rosters (to verify dues received), fund raiser order sheets indicating amount sold and at what price, Request for Fund Raising Activity/Report of Fund Raising forms, etc.

Retention – All records should be kept in a safe place. If a new sponsor is named for a group, the old sponsor should pass the records on to him/her. The incoming and outgoing sponsors, along with the Principal and campus secretary, should agree to the balance in the activity fund at this time. This can be signified by each initialing the sponsor’s records.

Campus Administration Responsibilities

The school principal, or designee, is personally responsible for the proper collection, disbursement and control of all activity funds at the campus. The campus secretary is responsible for making deposits, processing purchase orders, handling required forms, etc.

Handling Receipts

The campus secretary should keep all receipts and money deposit sheets in the campus locked area. The receipts should be verified to the money deposit sheet prepared by the sponsor in the presence of the sponsor. The campus secretary should sign and date the sheet and return a copy to the sponsor. All discrepancies should be handled at this time. Deposits should be made in a timely manner, no less than weekly.

Purchasing Procedures

The campus secretary should receive, review, and process requests from sponsors. The campus secretary will process the purchase orders, expense reimbursements; check requests, etc. in a reasonable amount of time. The campus secretary should also distribute each month activity fund reports to the appropriate sponsor. Any discrepancies discovered should be corrected at the earliest opportunity.

Cash Handling

The principal and campus secretary should monitor individual activity funds to insure that cash receipts are being timely remitted to the campus secretary for depositing.

The campus secretary should follow District procedures for depositing and handling cash.

Campus officials should develop a procedure for handling instances where students or others have not paid what is owed, and reasonable efforts to collect by the sponsor have failed.

Account Maintenance

Transactions coded to any activity fund account should be reviewed on a monthly basis through reconciling the monthly individual activity fund reports to the sponsor's records. Sponsors should receive reports and verify transactions for the appropriate activity funds. As previously noted, the District is responsible for the appropriateness of activity fund expenditures, and this monthly review is a necessary step in this responsibility.

Also, on at least an annual basis, the applicable administrator for appropriateness should review the existing accounts. If accounts have been inactive for a period of time or the applicable club, etc., no longer exists, consideration should be given to deleting the account. See Closing an Account section.

Account Maintenance *Continued*

A negative balance in an activity account (debits greater than credits) indicates that to date, expenditures are greater than receipts. Since activity fund balances carry over from year to year, a negative balance could be the result of more than the current year's transactions. The Business Office reviews negative balances annually, as they indicate that money has been "borrowed" by an activity fund account. Principals should also closely monitor negative balances.

Certain situations inherently create a negative balance; for instance, a beginning of the year school trip which will be paid for by fund raisers which are to occur later in the year. These situations should be kept to a minimum, and the appropriate principal should be consulted regarding this occurrence in advance.

Closing an Account

If a positive balance in an account exists, it may be possible to transfer to another account within the same organization; for instance, to the principal's general activity account or a similar student group account.

If an account is negative at the end of the school year, steps should be taken to transfer the negative balance to an appropriate account in the same organizational code, again for instance, the principal's general account. In effect, this generates a transferring of "borrowed" money from the general account to another activity account. The principal should note this receivable and require repayment from this club by some specified date.

Contact the campus secretary regarding the deletion of any accounts and the feasibility of transferring a balance if necessary.

Fund-Raisers

Fund-raisers are the primary source of revenue for many student groups.

Fundraising procedures are handled through the Deputy Superintendent Curriculum & Instructions. (See Exhibit A3) The form may be obtained from the campus secretary and must be completed and approved before the fund-raising activity may commence. This form requires approval at the campus and administrative levels. The purpose of this review is to ascertain whether OR NOT the planned fund-raising activity is in compliance with District policy. Numerous groups plan fund raising events throughout the year, and the review process serves to fit the proposed timing of the event into a calendar of fund-raisers.

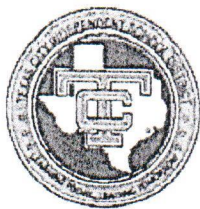
****Unless the fundraiser vendor is collecting taxes, it is the sponsor's responsibility to collect taxes and report them to the State Comptroller's Office.***

***** Selling of T-shirts or other memorability/spirit items would need taxes collected and reported.***

Account Name: Campus Cheerleaders
Budget # 461-Q- 00-3490-CL-002-0-00-802

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[illegible]



Texas City Independent School District

1700 Ninth Avenue North, P.O. Box 1150, Texas City, TX 77592-1150

MEMORANDUM

TO: All Principals, Directors, and Secretaries

FROM: Susan Myers
Deputy Superintendent

DATE: August 30, 2016

SUBJECT: Fundraising Procedures for Booster Clubs, Student Organizations, and Others

1. All fundraising requests must go through the campus principal for approval.
2. If the fundraising activity involves students of another campus, the campus principal must be contacted prior to setting up the fundraiser.
3. Requests should be sent to the Directors of Maintenance/Operations and Nutrition Services prior to central office consideration if the fundraising activity involves moving of tables/furniture, and/or setting up of food items.
4. All fundraising requests will be sent to Gwen Bradley to submit to the Deputy Superintendent, Susan Myers for approval.
5. If the dates of the fundraiser do not conflict on the district calendar of fundraisers, Gwen will send an approved copy back to the campus secretary. If there is a conflict, we will send the original back to the campus secretary.
6. Gwen Bradley will keep all requests in one central office file on fundraisers and return one copy to the approving campus administrator.
7. When selling items at a sporting or other school event, you should ALWAYS be prepared to provide your own table and/or chairs.

NOTE:

- a) Due to legal issues governing raffles, student organizations or other campus groups will not be allowed to conduct raffles.
Booster Clubs and parent organizations providing certification of having 501(c) status with the IRS for at least three years may be permitted to conduct a raffle. (Please see Board Policy, Charitable Raffle Enabling Act, Attorney General's Opinion, and Article from the State Bar.)
- b) Due to safety and liability issues, babysitting co-ops will NOT be approved as fundraisers.

Please contact Gwen Bradley for Fundraising Request Forms.



STUDENT ORGANIZATION, BOOSTER CLUB, FUNDRAISER REQUEST FOR APPROVAL

ORGANIZATION: ☐ STUDENT ORGANIZATION ☐ BOOSTER CLUB ☐ OTHER

CAMPUS: ☐ TCHS ☐ BLOCKER ☐ HEIGHTS ☐ NORTHSIDE
☐ CVECC ☐ LEVI FRY ☐ KOHFELDT ☐ ROOSEVELT-WILSON

☐ LM PRIMARY ☐ LM ELEMENTARY
☐ LM MIDDLE ☐ LM HIGH

TODAY'S DATE: _____ CLUB/ORGANIZATION NAME: _____

REQUESTED BY: _____ PHONE #: _____

TCISD EMPLOYEE CONTACT: _____ PHONE #: _____

COMPLETE THE FOLLOWING:

DATE OF EVENT/ACTIVITY/SALE: _____ TIME(S): _____

EVENT/ACTIVITY/SALE DESCRIPTION: _____

EVENT/ACTIVITY/ SALE COORDINATOR: _____ PHONE #: _____

LOCATION OF EVENT/ACTIVITY/SALE: _____

PURPOSE OF EVENT/ACTIVITY/SALE: _____

☐ THIS FUNDRAISER INVOLVES SELLING MERCHANDISE FOR ANOTHER BUSINESS AND THE DISTRICT'S
REQUIRED CONTRACT HAS BEEN COMPLETED BY THE BUSINESS AND IS ATTACHED.

☐ APPROVED ☐ DENIED _____
PROGRAM DIRECTOR (ATHLETIC/VOCATIONAL/BAND/CHOIR/OTHER) DATE

☐ APPROVED ☐ DENIED _____
PRINCIPAL'S SIGNATURE DATE

☐ APPROVED ☐ DENIED _____
ATHLETIC DIRECTOR DATE

***THIS FORM MUST BE SUBMITTED TO THE ADMINISTRATION OFFICE FOR APPROVAL TWO WEEKS PRIOR TO DATE OF
EVENT/ACTIVITY/SALE WITH AN ATTACHED COPY OF EVENT/ACTIVITY/SALE INFORMATION (FLYERS, BROCHURES, OR LIST OF
ITEMS BEING USED/SOLD).

☐ APPROVED ☐ DENIED _____
DIRECTOR OF MAINTENANCE SIGNATURE DATE

☐ APPROVED ☐ DENIED _____
DIRECTOR OF NUTRITION SERVICES SIGNATURE DATE

☐ APPROVED ☐ DENIED _____
DEPUTY SUPERINTENDENT SIGNATURE DATE

CONTRACT

The Texas City Independent School District ("District") and _____
("Vendor") agree to this Contract as follows:

1. Vendor is in the business of selling personal property to third parties at approved District functions. The District permits the Vendor to sell the following items to third parties at District events:

2. The compensation received by the District in consideration for allowing the Vendor to sell personal property at District events is calculated as follows:

Upon request, the Vendor will provide documentation to the District evidencing that it has fulfilled its compensation obligations.

3. This Contract shall continue until terminated by either party upon five (5) days' written notice to the other party.

4. Vendor will carry general liability and employee theft insurance (or its equivalent) relating to its activities at the District. Proof of insurance must be provided by Vendor upon the District's request. In addition, at the District's cost the Vendor may be required to list the District, its trustees, and/or employees as co-insureds on these insurance policies.

5. Vendor is cognizant that it must charge Texas state sales tax when selling personal property to third parties. Vendor agrees to charge any applicable state sales taxes relating to sales made at District events. It further agrees that any state sales taxes collected will be paid to the State of Texas as required by law. Vendor agrees to indemnify, defend, and hold

harmless the District, its trustees, and employees from any allegations arising from the alleged improper collection and/or remittance of sales tax to the State of Texas.

6. The compensation due to the District shall be paid to the District by the Vendor on a monthly basis, no longer than the 30th day of each month. The District retains the right to audit the records of the Vendor to determine that it is receiving all compensation due under this Contract. Unpaid compensation due to the District shall accrue interest at the rate of 10% per annum.

7. This Contract shall be governed by Texas law for all purposes. Venue for any legal proceeding relating to this Contract or its obligations thereunder shall lie in Galveston County, Texas.

8. Vendor and District are separate legal entities, and the District shall not be involved in the direction, activities, or other functions of the Vendor's employees. The District and the Vendor shall not be considered a joint venture for any purpose. Their only business affiliation is through this Contract.

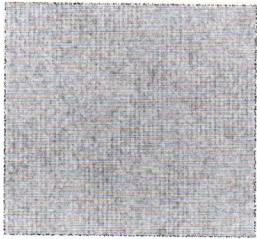
WITNESS OUR HANDS BELOW:

VENDOR:

By: _____
Authorized Representative
Date: _____

TEXAS CITY INDEPENDENT
SCHOOL DISTRICT

By: _____
Authorized Representative
Date: _____



SALES AND USE TAX BULLETIN

July 2009

Susan Combs, Texas Comptroller of Public Accounts

Non-Qualifying Fundraisers –

Acting as an Agent or Sales Representatives

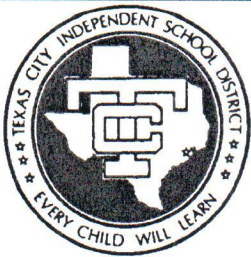
When a school, school group, PTA/PTO, booster club or other exempt organization raises funds by acting as a sales representative or commissioned sales agent for a for-profit retailer, the group is not responsible

for reporting and remitting sales and use tax. As a result, however, the exempt organization is not considered to be the seller and cannot use a tax-free sale day for this type of event. In these cases, the group receives a commission for holding a book fair or for selling candy, gift wrap, holiday ornaments, candles or similar items.

When an exempt organization acts as a commissioned sales agent or representative for a for-profit seller, the seller should provide instructions and information regarding the proper collection of tax. The for-profit retailer may

advertise in the sales catalog or state on each invoice that tax is included or require that tax be calculated and collected based on the selling price of each taxable item. The for-profit retailer is then responsible for remitting the tax collected or backed out to the Comptroller. Similarly, sales of taxable items made through the Web site of a for-profit retailer are also taxable and may not be sold tax-free in connection with a fundraiser.

**Texas City ISD
Follows the Non-
Qualifying
Fundraisers –
Acting as an Agent
or Sales
Representatives**



Texas City Independent School District Club Formation Request & Information Sheet

This form is required for new clubs and
at the beginning of school year for all active clubs

Club name: _____

Club sponsor(s) name(s): _____

Student officer(s) name(s): _____

Club Purpose: _____

Meetings (how often, when, where, etc.): _____

Plan of activities (Briefly describe any activities this organization would be involved in and how it
would be funded. Ex: fundraisers, etc.) _____

Student Officer Signature

Club Sponsor Signature

Principal's Approval

Date

Date

Date