



# ACTIVITY FUND HANDBOOK





## **INTRODUCTION**

These Activity Fund Guidelines and Procedures have been prepared to provide assistance in the proper handling and accounting for activity fund monies on Fredericksburg ISD campuses.

The Texas Education Agency provides some guidance and requirements on activity fund accounting in the Site Based Decision Making Module of the Financial Accountability Resource System Guide (FASRG) v14. See [http://tea.texas.gov/Finance\\_and\\_Grants/Financial\\_Accountability/Financial\\_Accountability\\_System\\_Resource\\_Guide/](http://tea.texas.gov/Finance_and_Grants/Financial_Accountability/Financial_Accountability_System_Resource_Guide/).

The FISD handbook incorporates the guidance provided in the FASRG and sets out specific guidelines and procedures for Fredericksburg ISD.

Financial accounting is essential to the successful operation of schools and school districts. The accuracy of financial information depends on the proper recording of individual transactions. Properly recording transactions at individual campuses is the responsibility of campus personnel. The campus principal is ultimately responsible for the activity fund monies and the proper accounting of these funds.

This handbook is provided to ensure that generally accepted accounting principles are followed and that sound internal controls are in place to provide protection of student and campus activity funds. The procedures and guidelines provide both administrative and accounting controls to safeguard assets and ensure reliability of the financial records. Adhering to these guidelines and procedures can help to prevent the misappropriation of funds, violations of Federal, State, and District regulations, and acts of fraud or negligence.

This handbook will be continually updated and improved with more detailed guidelines and information. Please contact the Assistant Superintendent for Business and Finance with any questions and/or suggestions.



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## INTRODUCTION

### What are Activity Funds

Activity funds are funds generated and accumulated by the school from the collection of student fees, school-approved fund raising, and other activities. These funds are held at 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:

**Student Activity Funds (SAF)** 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 fund. These funds are accounted for as fiduciary trust funds not owned by the district in Fund 865.

**Campus Activity Funds (CAF)** are funds raised locally at the school or donated to the school and include school office and departmental accounts. Campus activity funds are considered by TEA to be similar to 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 in Fund 461.

### Activity Fund Responsibilities

The responsibilities of the various people involved in handling and accounting for activity funds is outlined below. Specific roles and responsibilities for each group will be detailed in this handbook.

CAMPUS PRINCIPALS	Campus principals have ultimate responsibility for the proper handling of activity funds on their campus, the correct accounting for these funds, and overall adherence to the procedures and guidelines set out in this handbook.
ACTIVITY FUND BOOKKEEPERS	Campus bookkeepers are responsible for following these procedures and guidelines in processing transactions.
CLUB & ACTIVITY SPONSORS	Club and activity sponsors are responsible for following the procedures and guidelines for sponsors as set out in this handbook.
FISD BUSINESS & FINANCE	FISD Business and Finance is responsible for maintaining and updating these procedures and guidelines for activity funds, providing training for principals, bookkeepers and sponsors, and reviewing the activity of the funds to ensure adherence to the procedures and guidelines.
INDEPENDENT AUDITORS	The district's independent audit firm will include activity funds in the annual audit of the district's financial records.

## **Activity Fund Accounting**

Fredericksburg ISD uses a centralized accounting and bank reconciliation system. Activity is entered by the campus bookkeeper, but data is reviewed and processed by the FISD Business Office using one accounting system. This allows for campuses to collect and pay funds through their separate bank account, but provides centralized control and oversight of the activity.

## **Bank Account**

Only one bank account for each campus will be maintained for the activity accounts at the school district's depository bank. The school district's current depository bank is Security State Bank & Trust.

The District is required to comply with state laws regarding selection of a district depository bank and investing of district funds. All questions or requests regarding banking services should be directed to the Assistant Superintendent for Business & Finance. All financial transactions for campus clubs and activities must be accounted for through the Activity Fund bank account at the depository bank.

- 1) All cash and checks received for the activity fund must be deposited to the bank and all payments must be processed with a check written on the bank account. No transactions should be made from cash.
- 2) Each campus may maintain only one checking account at the district depository. Opening of additional bank accounts or purchases of investments with activity funds are not allowed without prior written approval from the Assistant Superintendent for Business.
- 3) The FISD Activity Fund Bank Information Form is maintained on each bank account. It should be updated and sent to the FISD Business Office by the Principal or Bookkeeper whenever a change in personnel occurs or other changes are needed to the bank account.
- 4) The bank will maintain signature cards on each bank account. The FISD Business Office will facilitate the update of signature cards with the bank when a change is necessary.
- 5) The high school, middle school and elementary schools should maintain a minimum of three and a maximum of four authorized signers on the account signature card. Two of the signers must be the Principal and an Assistant Principal (if applicable). Campuses without fulltime Assistant Principals (Primary and Stonewall) should maintain a minimum of two

authorized signers including the principal and campus bookkeeper. The Assistant Superintendent for Business is also an authorized signer on all activity fund bank accounts.

- 6) Activity Fund checks will be prepared manually at each school. Checks require two original signatures after the check is fully completed. A Principal or Assistant Principal must be one of the two signers on each check. The other signer is generally the bookkeeper. Stamped signatures on campus generated checks are not authorized.
- 7) All checking account tools must be secured in a locked location when not in use. The checkbook should not leave the campus grounds.
- 8) In no circumstance should checks be pre-signed. Checks must be written and signed at the district office or on the campus at the time they are needed and supported with proper documentation. All checks must indicate the payee and the dollar amount before being signed.
- 9) Interest earned and bank charges will be allocated back to each campus activity fund bank account from the business office.
- 10) Monthly bank reconciliations will be performed by the FISD Business Office to reconcile the ending bank balance to the FISD accounting system balance as of the end of the month. A copy of the reconciliation will be sent to the Bookkeeper and Principal each month after it is completed.

### **Activity within the Fund**


All of transactions that occurs within the activity funds must be for the purpose related to that fund. As an exempt organization, we must raise and spend funds in accordance with our exempt purpose. Any deviations from this rule can result in federal and state sanctions.



## Purchases

All purchases and payments from the activity fund must be requested and authorized in advance using the Purchase Authorization Form (PA Form)

- 1) The activity fund sponsor should complete the PA Form and submit it to the campus bookkeeper.
- 2) The bookkeeper will check to see if the vendor is currently on file and if sufficient funds are available for the purchase. If a new vendor is needed see Vendor Request section.
- 3) The bookkeeper will submit the PA Form for approval to the campus administrator.
- 4) The approved form will be returned to the sponsor, and then the purchase may be made.

	A	B	C	D	E	F	G	H	I	J
1										
2										
3	<b>FREDERICKSBURG INDEPENDENT SCHOOL DISTRICT</b>									
4	<b>PURCHASE AUTHORIZATION FORM</b>									
5	Student/Campus Activity Account									
6	Instructions:	Complete this form for all orders. Submit this form to the campus bookkeeper. Keep a copy of the form in your files. Attach brochures or other information on goods/services. Remit invoice or receipts for payment to the bookkeeper.								
7										
8										
9										
10										
11										
12	Activity Fund Account Number									
13										
14	Account Name									
15										
16	Sponsor Name									
17										
18	Goods to be purchased									
19										
20										
21										
22										
23										
24										
25	Reason for purchase									
26										
27										
28	Expected amount of purchase	\$								
29										
30										
31	Name of Company									
32										
33	Street Address of Company									
34										
35	City, State, & Zip Code									
36										
37										
38	Sponsor's Signature									
39										
40										
41										
42										
43										

Administrator Approval

Vendor Request | **Purchase Authorization Form** | Deposit Worksheet | Sales Receipt

Items or services purchased through activity funds (except for Faculty Funds) in the name of FISD are exempt from paying sales tax. FISD is a statutorily exempt organization according to TAC Title 34 Part 1 Chapter 3 Subchapter O Rule 3.322.

SAF funds can be spent on most anything the student group decides to spend funds on provided that the expenditure is legal and that the vendor and purchase has been authorized. CAF funds are to be spent in accordance with how general budgeted funds are spent. Following is a chart to assist in determining whether an expenditure is appropriate (has a public purpose in the realm of education) from the CAF. The listing is not all-inclusive, but is designed to provide you with a basis for CAF spending.

CAF Appropriate Expenditures	CAF Prohibited Expenditures
School assemblies, student body social functions, and field trips.	Reimbursement for luncheons or dinners while attending civic organization's meetings.
Organization or institutional memberships. However, if an individual membership is only available or is necessary for students to participate in certain activities, then the expenditure is acceptable if a notation is made to document the necessity.	<b>Purchase of any GIFT for any person or organization;</b> 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.
Awards such as plaques, caps, certificates, in recognition of students, staff, or volunteers for services to the school or FISD.	Extravagant or high-priced individual awards such as watches or other jewelry.
Incentives for student involvement.	Payment of an individual's personal bills.
Training for staff.	<b>Donations</b> to individuals, organizations, or scholarship funds.
Scholastic magazines and books.	Loans to employees, parents, or students for any reason.
Supplemental classroom instructional needs and general office supplies.	Parties for staff, including food, decorations, and favors; simple receptions are fine.
Improvement of campus and site facilities such as plants, bulletin boards, signs, and flags.	Alcoholic beverages, tobacco products, controlled substances, firearms, and other weapons.
Expenses and purchases related to sales of items or fund-raising activities.	Payment of expenses of spouses or other non-employees.
Supplementing of student organizations' activities.	Payment of professional organization liability insurance on any individual.
After-hour Security.	Appreciation and fund raising dinner tickets.
Tickets for school-related functions when attendance is required by the Principal.	Extra compensation or bonuses to employees, whether it be in the form of cash or gifts.
Approved travel costs for employees, subject to travel limitations.	Abuse of number of appreciation meals furnished to staff.
Refreshments and snacks for teacher in-service and staff meetings. Appropriate items might include pastries, tacos, sandwiches, fruit, chips, cookies, & drinks.	Appreciation meals furnished to employees which are held at inappropriate locations or exceed the reasonable limitations based on meal reimbursements during overnight travel.
On site business meals for staff. For reasonable cost comparisons, the per diem amounts are: breakfast - \$6, lunch - \$8, dinner - \$12. Appropriate documentation indicating who was at the meeting and what was discussed is required for the IRS.	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. Use of funds in this manner is prohibited by the Texas Tort Claims Act.
Retirement reception costs such as refreshments, plates, napkins, utensils for a retiring member of the school's staff.	Meals for day travel. IRS considers this income that must be reported on the annual Form W-2.
Refreshments and snacks for meetings where the school serves as host for related activities for students, staff, and patrons.	<b>Transfers of funds to the hospitality/faculty accounts (unless the transfer is to correct a prior error).</b>
Required school apparel for staff.	<b>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.</b>
Award presentations for students, volunteers, or district employees.	<b>Any other expenditure prohibited by federal or state law, TEA or Board policy, or FISD regulation.</b>

Contact the Assistant Superintendent for Business and Finance with specific questions regarding CAF accounts.

## Fundraising

- 1) The campus principal must pre-approve all SAF fundraisers.
- 2) **Generally, FISD does not allow fundraisers to support Campus Activity Funds** as we allow the student groups to raise funds in this manner. However, each school may choose to participate in an annual fundraiser to support a non-district organized group such as Red Cross, Ronald McDonald House, etc. Sales of school planners, Billie items, projects and items produced through classes, etc. are not considered fundraisers if the motive is to provide an item to the students or staff at a price close to cost. School PTA and Booster clubs may conduct their own fundraisers independent of the CAF but still with the aid of the students through the school.
- 3) Hospitality funds have no avenue to have fundraisers as this fund represents a group of employees that have no exempt fundraising status.
- 4) The sponsor of an activity fund is responsible for maintaining accurate records of all revenue collections, sales activities, and accounting for all items purchased from vendors for resale.
- 5) The Fund Raising/Sales Record form is used to request pre-approval for the fundraiser from the principal and provide an accounting of the fundraising activity, including sales tax collected and payable to the Texas State Comptroller's Office (by the Business Office quarterly).

DATE	AMOUNT	DATE	AMOUNT	DATE	AMOUNT	DATE	AMOUNT	
1		6		11		16		
2		7		12		17		
3		8		13		18		
4		9		14		19		
5		10		15		20		
<b>TOTAL</b>							\$	-

**RECONCILIATION:**

**For items sold on a pre-order basis: (e.g. - brochure sales, library book sales)**

Expected collections, per vendor's sales summary

Total deposited from above

Difference

**For items purchased prior to sale:**

Total number of alike items purchased

Less: Number of items returned for credit (if applicable)

Equals: Total number of items available for sale

- a. The activity fund sponsor will complete the top one-third of the form and submit the form to the campus principal for approval. The principal will return the approved form to the sponsor.
  - b. The middle third of the form will be used by the sponsor to keep track of deposits related to the fundraiser that are submitted to the activity fund bookkeeper. Each deposit should be receipted as described in the "Receipting Funds Collected" section of this handbook.
  - c. The bottom third of the form will be used to account for all items purchased for resale for the fundraiser.
- 6) All funds should be raised in accordance with the purpose of the activity fund. Other unrelated fundraising cannot occur through these accounts.
- 7) Items may be purchased on a pre-order basis using vendor sales brochures and order forms. For pre-order sales, the sponsor should receive a sales summary from the vendor, which indicates the amount of funds to be collected. This amount should be entered on the form and a copy of the sales summary from the vendor should be stapled to the form. The vendor's sales summary amount is compared to the total amount collected and any differences must be explained on the form.

**Example: The vendor provides a sales brochure or catalogue. The students take orders for items in the catalog and the activity sponsor places an order with the vendor. The items are shipped by the vendor and distributed by the students. Funds might be collected by the students when orders are placed or when the items are delivered.**

- 8) When items are purchased from a vendor for resale without pre-orders, the sponsor will receive an invoice from the vendor indicating the number of resale items purchased. This information is entered on the Fund Raising/Sales Record. The number of any damaged or unsold items that will be returned to the vendor for credit is listed and subtracted from the number of items purchased to determine the number of items available for resale. This number is then multiplied by the sales price to determine the amount of funds that should have been deposited. Any difference between the expected deposits and the actual deposits should be explained at the bottom of the form.

**Example: The activity fund sponsor purchases items directly from a vendor for resale. (Items not sold are usually not allowed to be returned to the vendor.) Students sell the items and collect the funds as sales are made.**

- 9) Sponsors should take care to select a reputable company and maintain a good relationship with district vendors by submitting the bills to the bookkeeper for payment in a timely manner.
- 10) Sponsors must keep control of the merchandise and money. Both should be secured at all times. Deposit the collected funds with the bookkeeper regularly (daily is recommended.)
- 11) Sponsors should keep good records of who purchased items and funds received. Collect all money due to the activity account and keep a detailed list of any amounts due from students. Notify your campus administrator if student obligations are not paid.
- 12) **Raffles are not allowable.** Attorney General opinion no. JM-1176 states that independent school districts and their related activity fund accounts are not qualified to hold charitable raffles. A raffle is defined as the award of a prize by chance to someone who has paid some value for a chance to win a prize.
- 13) When fund raising, schools must keep in mind the rules regarding Competing Food Sales. These are set out in the next section.

### **Competing Food Sales**

Texas Department of Agriculture (TDA) defines competitive foods as foods and beverages sold during the school day that are not part of the reimbursable meal and those that must meet required nutrition standards. The school day begins at midnight and ends 30 minutes after the official school day ends.

This definition includes, but is not limited to food and beverages sold or provided in vending machines, in school stores, in the classroom or as part of school fundraisers. School fundraisers include food sold by school staff (principals, coaches, teachers, etc.), student or student groups, parents or parent groups, or any other person, company, or organization. ALL must meet the nutrition and time and place restrictions if sold and consumed during the school day.

Competitive foods do **not** pertain to food items made available by the school nutrition department. This does not mean cupcakes, cookies, ice cream, etc. are allowable simply if provided by school nutrition. All foods offered must meet the regulations for nutrition.

There are no restrictions on foods given away including foods at events such as field days and birthday parties.

Information on Texas Department of Agriculture nutrition standards can be found at: [www.squaremeals.org/smartsnacks](http://www.squaremeals.org/smartsnacks)

### **Sales Tax Collection and Payment**

All funds received and deposited to the activity fund must be reviewed to determine if sales tax should be collected and paid to the State. Some funds collected through the activity fund are classified as sales, and other funds are not. All sales, both taxable and non-taxable, must be reported to the State. The District must collect sales tax and remit the tax to the State quarterly. The information below is provided to assist in understanding the rules for sales and sales tax collection. Additional information is available in the Sales Tax section of the manual.

- 1) A sale is defined as the transfer of title or possession of tangible personal property for consideration (usually money), or the performance of a taxable service for consideration. Tangible, personal property includes personal property that can be seen, weighed, measured, felt, touched or that is perceptible to the senses in any manner.
- 2) For all sales, the District must determine if the sale is taxable or non-taxable.
- 3) All sales, whether taxable or not, are to be reported on the Texas Sales and Use Tax Return to the State Comptroller for the district by the FISS Business Office.
- 4) Texas sales tax statutes impose tax on the sale, lease, or rental of tangible personal property and selected services.
- 5) 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:
  - a. school purchased supplies sold directly to students including athletic equipment and physical education uniforms,
  - b. fees for materials when the end product becomes a possession of the student,
  - c. student publications such as yearbooks and football programs,
  - d. the sale of a school newspaper if the sales price per copy exceeds \$.75 per issue (i.e. subscriptions to community businesses or individuals),

- e. school rings,
  - f. books sold at student book fairs (unless acting as an agent for the vendor and the vendor is collecting and remitting sales tax),
  - g. charges to the general public for parking (Rule 3.315),
  - h. sales of regular publications, records, or general information sold by the district. The sale of District or campus directories, the campus newspaper, or other information available and sold to the general public is taxable. (Rule 3.341)
  - i. various other items that become the personal property of someone
- 6) Public schools and school-related organizations are not required to collect sales tax on the following:
- a. Fees and admission tickets
  - b. Student club membership fees
  - c. Parking permits and fees charged to students, faculty or staff for parking (Rule 3.315)
  - d. Sales of food and drinks that are:
    - i. Sold and served during the regular school day
    - ii. Sold by a person under 19 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 part of a fund-raising drive sponsored by the organization for its exclusive use
  - e. Copies of documents that the district is required to provide through an Open Records Act. (Rule 3.341)
- 7) This list is not comprehensive; other taxable sales may be made by a school district for which sales tax must be collected, reported and paid. See more detailed information in the Bookkeeper Section.
- 8) In some fundraising activities, the school group is merely acting as a sales agent for the vendor. Tax must be collected as part of the sale and remitted to the vendor. The vendor then remits the sales tax to the State Comptroller. The school would not report this activity as a sale since it is reported by the vendor.
- 9) Some sales are for resale. In such an event, pay the vendor the amount owed (without tax) and issue a Texas Resale Certificate. Collect sales taxes on items sold and then sales tax will be remitted to the Comptroller.
- 10) Each school district, each school, and each bona-fide organization (see below) within the district is allowed to have two one-day tax free sales or auctions during a calendar year. Collection

and remittance of state sales tax is not required on qualified sales made during each one-day period. One day is defined as a consecutive 24-hour period. Items sold after completion of the one-day sale are taxable. If items are pre-sold, items delivered from the vendor within one 24-hour period are non-taxable.

**A bona-fide group is one that must be organized for some business or activity other than instruction or a participatory group. Any student group that is recognized by the school and is organized by electing officers (not just participatory captains), holding meetings, and conducting business is a bona-fide group of the school.**

**Group meetings for classroom instruction or team sports are not categorized as bona-fide chapters and do not qualify for tax-free day sales.**

Note that any student activity group recognized by the school administration as an activity fund can be properly organized so that they are a bona-fide chapter.

- 11) The current sales tax rate for Fredericksburg ISD is 8.25%. This rate consists of the following taxes:
  - a. State sales tax 6.25%
  - b. City sales tax 1.50%
  - c. County sales tax .50%
  
- 12) Rules for state sales and use tax can be found under the Texas Administrative Code, Title 34 Public Finance, Part 1 Comptroller of Public Accounts, Chapter 3 Tax Administration, Subchapter O State Sales and Use Tax.

### **Collecting and Depositing Funds**

- 1) All money (cash and checks) collected must be deposited to the activity fund bank account. Cash collected may not be used to make purchases or payments of any kind. All payments from the activity fund must be made with a check from the activity fund bank account. There may be instances that funds collected need to go back into budget instead of into the activity fund bank, please see Collecting & Depositing Funds back into General Fund below.
  
- 2) All money collected must be deposited in the same form as collected. A personal check may not be substituted for cash collected. No personal checks are to be cashed from funds collected.
  
- 3) Do not co-mingle personal funds and District funds for any reason.


- 4) Petty cash funds and change funds may be set up for the campus or for specific accounts or events. Information about use of petty cash and change funds is provided in the "Change Funds" section of this handbook.
- 5) For control purposes, there should be at least two people involved in the collecting and depositing of funds. All activity funds will have a sponsor who is a District employee separate from the activity fund bookkeeper for the campus. Sponsors are responsible for collecting, counting, and turning in all funds collected to the activity fund bookkeeper. The bookkeeper is responsible for verifying the count and depositing the funds to the bank account.
- 6) Sponsors are not to take money home or keep it unsecured in the facilities. Large collections should be deposited with the activity fund bookkeeper each day; smaller amounts may be secured by the sponsor in a locked location each day and deposited with the activity fund bookkeeper at least by the end of the week. Sponsors should not hold more than \$50 longer than overnight. All funds must be deposited when leaving for breaks and at the end of the fiscal year which is June 30.
- 7) The activity fund bookkeeper may want to establish set times each day for collected funds to be turned in. Please check with the bookkeeper on your campus and help them by complying with this schedule. All funds should be properly receipted and counted as described below before they are brought to the bookkeeper for deposit.

### **Receipting Funds Collected**

All funds collected at the school should be collected, counted, and detailed by a sponsor, and taken to the bookkeeper to be deposited into the activity fund. Cash is never to be kept and spent on goods or services without it being recorded in the records. Exception: When a teacher collects funds that are being sent directly to a vendor, ie, classroom book sales, then a copy of the listing of funds and students should be maintained by the teacher for the same amount of time that activity fund records would be maintained.

- 1) The sponsor must provide a receipt for all funds that are received for the activity fund. Receipts should be prepared as the funds are received.

- 2) All receipts must be written/printed in non-erasable ink. Any corrections should be noted with a line through the error, the correction and the initials of the person making the correction. Do not use whiteout or similar products to correct receipts.
  
- 3) One of the following receipt forms may be used by sponsors. Each form is designed to facilitate proper documentation of funds received and facilitate the receipting process for different situations. The sponsor should keep a copy of each receipt form turned in to the activity fund bookkeeper.
  - a. The Deposit Worksheet may be used by the sponsor when receiving small amounts from multiple individuals for the same purpose. The sponsor will list each person who paid, the date, the amount, and indicate whether cash or check was used. Before delivery to the bookkeeper, the sponsor will tally the funds received on the form and verify that the counted cash and checks total the amount listed on the form. The activity fund account number must be listed by the sponsor on the top of the form.

	A	B	C	D	E	F	G	H	I	J	K	L
1	<b>FREDERICKSBURG INDEPENDENT SCHOOL DISTRICT</b>											
2	<b>DEPOSIT WORKSHEET</b>											
3												
4	Purpose: Documentation for ALL monies collected. The Sponsor shall total, sign, and date the form. The money count											
5	box should be completed at the bottom. Note the total of the detail must equal the total in the money count box.											
6	Activity Fund sponsors should submit the form with money collected to the campus fund bookkeeper.											
7	General Fund monies should be turned in with this form to Accounts Receivable at the FISD Business Office.											
8												
9	Funds Collected for:						Acct. #					
10												
11	NAME		DATE	AMOUNT	CK#	NAME		DATE	AMOUNT	(in cash)		
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30												
31												
32												
33												
34												
35												
36												
37												
38												
39												
40												
41												
42												
43												
44	TOTAL checks			€		TOTAL			€			

- b. The Sales Receipt Form may be used by the sponsor when collecting money for activities where it is not feasible or not possible to list each individual payee. These events may include sales of items at a table such as food, T-shirts, book fairs, tickets

for dances or events, and school store sales. Before delivery to the bookkeeper, the sponsor will list the items, quantities and price of items sold, tally the funds received on the bottom of the form and verify that the counted cash and checks total the amount listed on the form. The activity fund account number must be listed by the sponsor on the top of the form.

The image shows a spreadsheet-based form titled "FREDERICKSBURG INDEPENDENT SCHOOL DISTRICT SALES RECEIPT FORM". The form is organized into rows and columns, with a grid for recording sales data. Key sections include:
 

- Purpose:** Documentation for monies collected where a Deposit Worksheet is not feasible. Examples include items sold at a table, school store sales, pre-numbered tickets, etc. The Sponsor shall total, sign, and date the form. The money count box should be completed at the bottom. This form should be given to the campus bookkeeper. Money collected from individual students conducting sales for the SAF organization should be listed on a Deposit Worksheet.
- Account Information:** Fields for Account Name and Account #.
- Funds Collected for the event of:** A text field for describing the event.
- Sales Data Table:** A table with columns: Item Sold, Number Sold, Price per Item, and Total \$\$ Collected. The total row shows "TOTAL" and "\$ -".
- Signature and Date:** Fields for Sponsor Signature and Date.
- Money Count:** A section for recording the count of Checks, Quarters, Dimes, and \$100s.
- Office Use Only:** A field for the Bookkeeper Signature.

 At the bottom, a navigation bar includes options like "Vendor Request", "Purchase Authorization Form", "Deposit Worksheet", "Sales Receipt" (which is highlighted), and "Fund Ra".

- c. Individual receipt books may be issued to sponsors for funds collected individually. When individual receipt books are used, the sponsor provides the original receipt to the payee, retains one carbon copy in the receipt book, and submits the second carbon copy of the receipt along with the Deposit Worksheet to the bookkeeper with the deposit. The Deposit Worksheet should indicate "Receipt #s \_\_\_\_\_ through \_\_\_\_\_". It is not necessary to list each receipt individually. The sponsor must verify that the cash and checks delivered to the bookkeeper for deposit equal the total of the receipt copies turned in. Receipt books are subject to audit at any time, and should be returned to the activity fund bookkeeper when all receipts are used.
- d. If an existing listing is already available for use, it can be used as long as all the information is on the listing.

4) On the FISD receipt forms, a box is provided on the bottom corner for the sponsor to track their account balance. Before submitting deposits to the bookkeeper, each sponsor should enter their current balance and show the new transaction and the new balance in this box.

5) Sponsor should write the activity fund name or number on each check to be deposited so that it can be traced back if necessary.

- 6) Activity fund bookkeepers should not be the first receiver of funds. They should not accept funds for deposit that have not been properly counted and receipted by an independent activity fund sponsor.
- 7) The campus bookkeeper will count the deposit and verify the totals on the Deposit Worksheet in the "Office Use Only" box. The bookkeeper will assign a deposit/receipt number to the deposit and record it in the deposit log and on the deposit/receipt.
- 8) A copy of the Deposit Worksheet should be provided to the sponsor as their deposit record.
- 9) The bookkeeper will prepare the bank deposit and write all deposit/receipt numbers on the deposit slip for tracking purposes. The bookkeeper should make copies of the front of all checks prior to making the bank deposit.

### **Collecting & Depositing Funds into General Fund**

At times funds are collected on the campus to charge for items which are expended from the General Fund. When funds are collected that are to go back into budget please complete the Deposit Worksheet that is included with the Activity Fund Forms. This form can be found on the BillieNet under Business Office, Forms and then Activity Fund Forms.

Please send the Deposit Worksheet along with cash/checks collected to the Central Office Business Office. Also please be sure to include a copy of the information sheet that was sent out to parents. This will provide the documentation needed explaining the collections.

### **Sales Tax Payment for Purchases Made**

Fredericksburg Independent School District is a public school district and is a political subdivision of the State of Texas. The District is not a tax-exempt entity under the Internal Revenue Service (IRS) Code Section 501(c)(3). However, the District is considered a tax-exempt organization that may receive charitable contributions according to the IRS Code Section 170(c)(1). Provisions under Article 21.023 of the Federal Statues provide tax exemption to the school district.

Exempt organizations are entitled to an exemption only on items purchased and used directly and exclusively in pursuit of the exempt purpose. For school districts, items purchased must relate to the educational process.

## Faculty/Teacher Activity Funds do not qualify for tax exemption on purchases made.

Purchases by individual members, teachers or coaches of classes or teams do not have exemption from sales tax even though they are connected with the school or a school organization. Examples of these types of purchases are cheerleaders purchasing their own uniforms, athletic team members purchasing their own jackets, or science students purchasing a science board.

In order to be afforded the sales tax exemptions, various tax exemption certificates should be presented.

**Resale Certificates** – A Texas Resale Certificate should be given to the vendor when merchandise is purchased by the school for resale (such as fundraisers).

**Tax Exemption Certificates** – The Texas Sales and Use Tax Exemption Certificate should be presented each time a purchase is made. It 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 will be made from the organization's own funds.

<div style="text-align: right; border-bottom: 1px solid black; margin-bottom: 5px;"> <span style="font-size: small;">SAVE A COPY</span>   <span style="font-size: small;">CLEAR SIDE</span> </div> <p style="text-align: center;"><b>Texas Sales and Use Tax Resale Certificate</b></p> <p><small>15-10-138 (Rev. 4-13)</small></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"><small>Name of purchaser, firm or agency as shown on permit</small> Fredericksburg Independent School District</td> <td style="width: 20%;"><small>EIN</small> 1-74-600876</td> <td style="width: 20%;"><small>Phone (Area code and number)</small> 830-997-9551</td> </tr> <tr> <td colspan="3"><small>Address (Street &amp; number, P.O. Box or Route number)</small> 234 Friendship Lane</td> </tr> <tr> <td colspan="3"><small>City, State, ZIP code</small> Fredericksburg, TX 78624</td> </tr> <tr> <td colspan="3"><small>Texas Sales and Use Tax Permit Number (must contain 11 digits)</small> 1 7 4 6 0 0 8 7 6 0</td> </tr> <tr> <td colspan="3"><small>Out-of-state retailer's registration number or Federal Taxpayers Registry (RFC) number for retailers based in Mexico (Retailers based in Mexico must also provide a copy of their Mexico registration form to the seller.)</small></td> </tr> </table> <p>I, the purchaser named above, claim the right to make a non-taxable purchase (for resale of the taxable items described below or on the attached order or invoice) from:</p> <p><small>Seller:</small> _____</p> <p><small>Street address:</small> _____ <small>City, State, ZIP code:</small> _____</p> <p><small>Description of items to be purchased on the attached order or invoice:</small></p> <p>_____</p> <p><small>Description of the type of business activity generally engaged in or type of items normally sold by the purchaser:</small></p> <p>_____</p> <p><small>The taxable items described above, or on the attached order or invoice, will be resold, rented or leased by me within the geographical limits of the United States of America, its territories and possessions or within the geographical limits of the United Mexican States, in their present form or attached to other taxable items to be sold.</small></p> <p><small>I understand that if I make any use of the items other than retention, demonstration or display while holding them for sale, lease or rental, I must pay sales tax on the items at the time of use based upon either the purchase price or the fair market rental value for the period of time used.</small></p> <p><small>I understand that it is a criminal offense to give a resale certificate to the seller for taxable items that I know, at the time of purchase, are purchased for use rather than for the purpose of resale, lease or rental, and depending on the amount of tax evaded, the offense may range from a Class C misdemeanor to a felony of the second degree.</small></p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td style="width: 33%;"><small>sign here</small> <small>Purchaser</small></td> <td style="width: 33%;"><small>Title</small></td> <td style="width: 33%;"><small>Date</small></td> </tr> </table> <p style="text-align: center; font-size: small;">This certificate should be furnished to the supplier. Do <u>not</u> send the completed certificate to the Comptroller of Public Accounts.</p>	<small>Name of purchaser, firm or agency as shown on permit</small> Fredericksburg Independent School District	<small>EIN</small> 1-74-600876	<small>Phone (Area code and number)</small> 830-997-9551	<small>Address (Street &amp; number, P.O. 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Box or Route number)</small> 234 Friendship Lane</td> </tr> <tr> <td colspan="3"><small>City, State, ZIP code</small> Fredericksburg, TX 78624</td> </tr> </table> <p>I, the purchaser named above, claim an exemption from payment of sales and use taxes (for the purchase of taxable items described below or on the attached order or invoice) from:</p> <p><small>Seller:</small> _____</p> <p><small>Street address:</small> _____ <small>City, State, ZIP code:</small> _____</p> <p><small>Description of items to be purchased or on the attached order or invoice:</small></p> <p>_____</p> <p><small>Purchaser claims this exemption for the following reason:</small></p> <p>_____</p> <p><small>I understand that I will be liable for payment of all state and local sales or use taxes which may become due for failure to comply with the provisions of the Tax Code and/or all applicable law.</small></p> <p><small>I understand that it is a criminal offense to give an exemption certificate to the seller for taxable items that I know, at the time of purchase, will be used in a manner other than that expressed in this certificate, and depending on the amount of tax evaded, the offense may range from a Class C misdemeanor to a felony of the second degree.</small></p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td style="width: 33%;"><small>sign here</small> <small>Purchaser</small></td> <td style="width: 33%;"><small>Title</small></td> <td style="width: 33%;"><small>Date</small></td> </tr> </table> <p style="text-align: center; font-size: x-small;">NOTE: This certificate cannot be issued for the purchase, lease, or rental of a motor vehicle. <b>THIS CERTIFICATE DOES NOT REQUIRE A NUMBER TO BE VALID.</b> Sales and Use Tax "Exemption Numbers" or "Tax Exempt" Numbers do not exist.</p> <p style="text-align: center; font-size: small;">This certificate should be furnished to the supplier. Do <u>not</u> send the completed certificate to the Comptroller of Public Accounts.</p>	<small>Name of purchaser, firm or agency</small> Fredericksburg Independent School District	<small>EIN</small> 1-74-600876 0	<small>Phone (Area code and number)</small> 830-997-9551	<small>Address (Street &amp; number, P.O. Box or Route number)</small> 234 Friendship Lane			<small>City, State, ZIP code</small> Fredericksburg, TX 78624			<small>sign here</small> <small>Purchaser</small>	<small>Title</small>	<small>Date</small>
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**Hotel Certificates** –Educational organizations and their employees traveling on official business of the organization are exempt from the Texas state hotel tax: the organization and their employees must pay local tax. The Texas Hotel Occupancy Tax Exemption Certificate must be presented at the time of registration at the hotel. When traveling out of state, district employees or groups are not afforded any tax exemption on hotels. (When individuals request reimbursement for non-exempt taxes, the Texas local or out of state hotel taxes paid, they should be reimbursed.)

The forms are available on the BillieNet under FISD Business Office Forms.

Note that meals purchased by the school for group student travel on authorized school trips are exempt from the sales tax only if the school contracts for meals. (This would also apply for banquets for school groups.) Generally, the meal must be paid for with a school check and the eating establishment must be provided with an exemption certificate. Individual members of the groups may not claim exemption from sales tax on meals they purchase while on a school or school district authorized trip. (When individuals request reimbursement for their individual meals, you should also reimburse them the tax.)

District employees will be reimbursed for appropriate tax paid, but not reimbursed if taxes were paid that we were not required to pay.

NOTE: Booster clubs, PTAs, and other associated groups may not use the District's tax exemption certificate or employer identification number. By law, these groups must obtain their own tax exemption status and employer identification number.

### **Requests for Payment from the Activity Fund**

- 1) Invoices/receipts for payment to vendors must be submitted to the bookkeeper with the previously completed and approved Purchase Authorization Form in a timely manner. Late payments to vendors reflect on the entire school district, and could result in late payment fees or interest charged to the account. Texas Government Code Chapter 2251 requires the district to pay vendors within 45 days of the later of: the date the goods are received; the date of the performance of the service; or the date we receive the invoice.
- 2) The original vendor invoice or detailed receipt must be attached. Invoice copies and vendor statements of the balance due are not acceptable forms of documentation. In certain circumstances, a

letter, renewal notice, or contract form may be used when no invoice exists. The principal must approve these alternate forms of documentation for the payment.

- 3) The bookkeeper may not prepare a check without the completed Purchase Authorization Form and proper documentation from the sponsor.
- 4) All payments from the activity fund must be made by check prepared by the activity fund bookkeeper and signed by two authorized personnel. **Both amount and vendor should be on the check when issued, no blank checks should leave the campus. No payments may be made from cash collected or received by the sponsor or the bookkeeper.**
- 5) The bookkeeper will verify that sufficient funds are available in the appropriate activity fund account before issuing a check.
- 6) Income received for a specific group should be spent for that group.
- 7) Payments to District employees must be made through the Fisd Payroll Office. Payments should never be made to employees from the activity fund for services rendered or extra-duty or overtime. If it is necessary to pay a District employee for time or services rendered for an activity fund account, please see your activity fund bookkeeper or the Assistant Superintendent for Business & Finance for instructions.
- 8) People or companies who are not District employees and are paid for services provided to an activity fund account must be identified as independent contractors. Payments to contractors will be reported to the IRS and a Form 1099 will be issued to the contractor for any amounts paid. An IRS Form W-9 indicating the taxpayer ID must be on file with the Business Office before a contractor is paid.
- 9) The District is subject to fines and back taxes on payments to contractors or employees that are not handled and reported properly. Please see your activity fund bookkeeper for assistance if you anticipate paying for services from your activity fund account.
- 10) Fixed assets may be purchased with activity funds, but require pre-approval from the Fisd Business Office. The Business Office will check bid requirements and process a District purchase order from the campus if the item is allowed. A check from the activity fund will be sent to the Business Office with the purchase order to cover the cost of the asset. The assets purchased will become District property and will

be accounted for in the fixed asset inventory.

### **Change Funds**

Change funds may be set up for special events or activities as follows:

- 1) The sponsor will complete the Purchase Authorization Form indicating the amount of change needed and the denominations. The form should include a description of the event for which the change is needed, the date and the duration.
- 2) The bookkeeper will prepare a check made out to the bank or to the sponsor of the activity fund. Code the check to the revenue or liability account – it will be a reduction in revenue. Take it to the bank to get the change. Request a change slip from the bank indicating the amount of change received and the denominations. The change slip should be attached to the Purchase Authorization Form as documentation.
- 3) The exact amount of the change fund must be returned to the bookkeeper immediately following the event or at the beginning of the next work day. The funds will be re-deposited into the revenue or liability account.
- 4) The bookkeeper will write a receipt to the sponsor when the change is returned. The sponsor should attach the original receipt to their copy of the Purchase Authorization Form for documentation that the change was returned to the bookkeeper.

### **Faculty Funds**

Faculty Funds are defined as funds generated solely by and for the use of the school faculty, to be utilized and expended at their own discretion. All expenditures for hospitality, condolence, or other purpose which is for the sole benefit of the faculty shall be paid out of Faculty Funds. These funds may also be contributed by the school faculty and other staff members to be utilized and expended at the staff's own discretion. The funds received for the account shall be obtained voluntarily.

All regulations governing the receipt and disbursement of Activity Fund moneys are applicable to Faculty Fund transactions. However, control of these moneys rests primarily with the staff.

Faculty Funds must be accounted for in a separate SAF account established specifically for that purpose. The Faculty Fund is to be administered by a committee chosen by the faculty. The chairperson of the committee is the Fund's sponsor, who shall have signature authority for expenses incurred by the Faculty Fund.

**The sales tax exemption cannot be claimed for purchases from the Faculty Fund for gifts, condolences, or other such items of a personal nature.**

**The Faculty Fund has no avenue to raise funds under the auspices of the school district.**

### **Record Keeping**

Sponsors will maintain a binder/folder with receipt and expenditure records in chronological order. The balance of the account will be tracked on receipt and expenditure forms in the "For Sponsor Records" box on the bottom corner of each form.

### **Reviewing Monthly Reports**

By the 10<sup>th</sup> of each month the bookkeeper will provide each sponsor with a Cash Report by Fund/Organization. Sponsors shall review their report which provides information for the prior month's activity. The sponsor should always know their balance and recognize that there are likely timing differences between their records and the end of the prior month's information. Should the sponsor disagree with the information on the report they should contact the bookkeeper immediately. The sponsor shall sign and date the report indicating they have reviewed it. It shall be filed with all other activity fund records.

### **Travel**

Regardless of what source of funds pays for travel, a Fisd Travel Request Form must be completed. Indicate the activity fund payment information in the applicable boxes.

## **Activity Fund Audits**

Activity funds will be audited on a regular basis by the District's independent auditors and district Business staff. All records of the sponsors and bookkeepers are subject to audit and must be made available upon request. Bookkeeper's and sponsor's records shall be kept current and in good order.

In the fall of each year, the campus bookkeeper will bundle up all activity fund receipts and disbursement information from the period of July 1 thru June 30 of the most recently completed fiscal year and send to the Business Office. The Business Office will maintain those records for the required time period. Supplemental activity fund records held by the bookkeeper and sponsors shall be available for audit at any time, and must be retained for a period of five years.

## INFORMATION FOR ACTIVITY FUND BOOKKEEPER

### FISD Activity Fund Accounting System

All campuses will use the FISD iTCCS Finance software in accounting for transactions in the activity fund. This software is provided to the district through a contract with Education Service Center (ESC) Region XIII. The software is provided through ESC Region XX and is serviced through ESC Region XIII. The same software is used in the accounting for other FISD finance transactions.

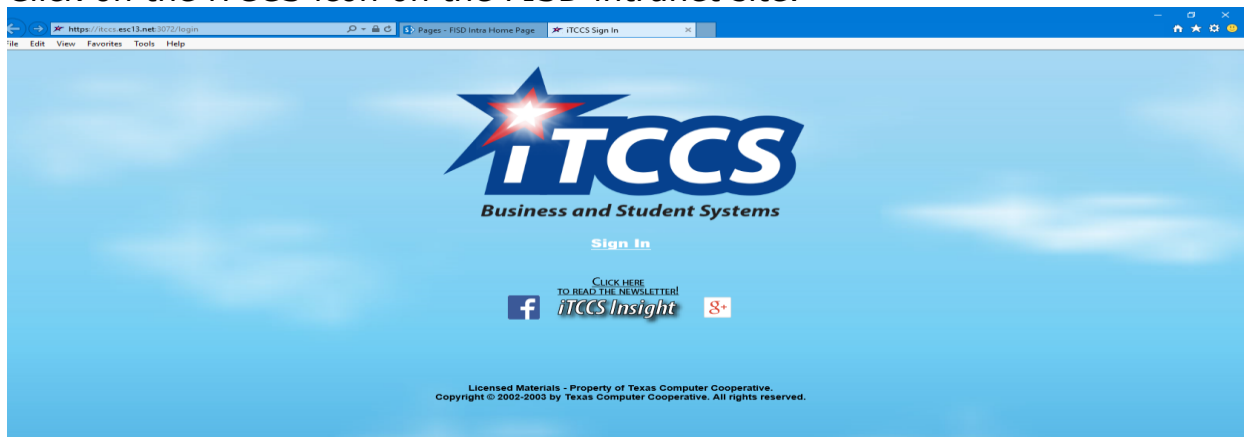
The accounting system for activity funds consists of the iTCCS software and a standard chart of accounts to be used by all campuses. All transactions are posted to the system using the standard chart of accounts. Reports and inquiries on account balances and transactions are available through the system.

All campuses will use a consistent filing system for the transactions that are processed through the activity fund in order to facilitate auditing of the accounts. Any forms not filed in the particular account file should be filed numerically, alphabetically, or chronologically as deemed appropriate. All documentation for each transaction will be stapled behind the Receipt forms or the Purchase Authorization Form.

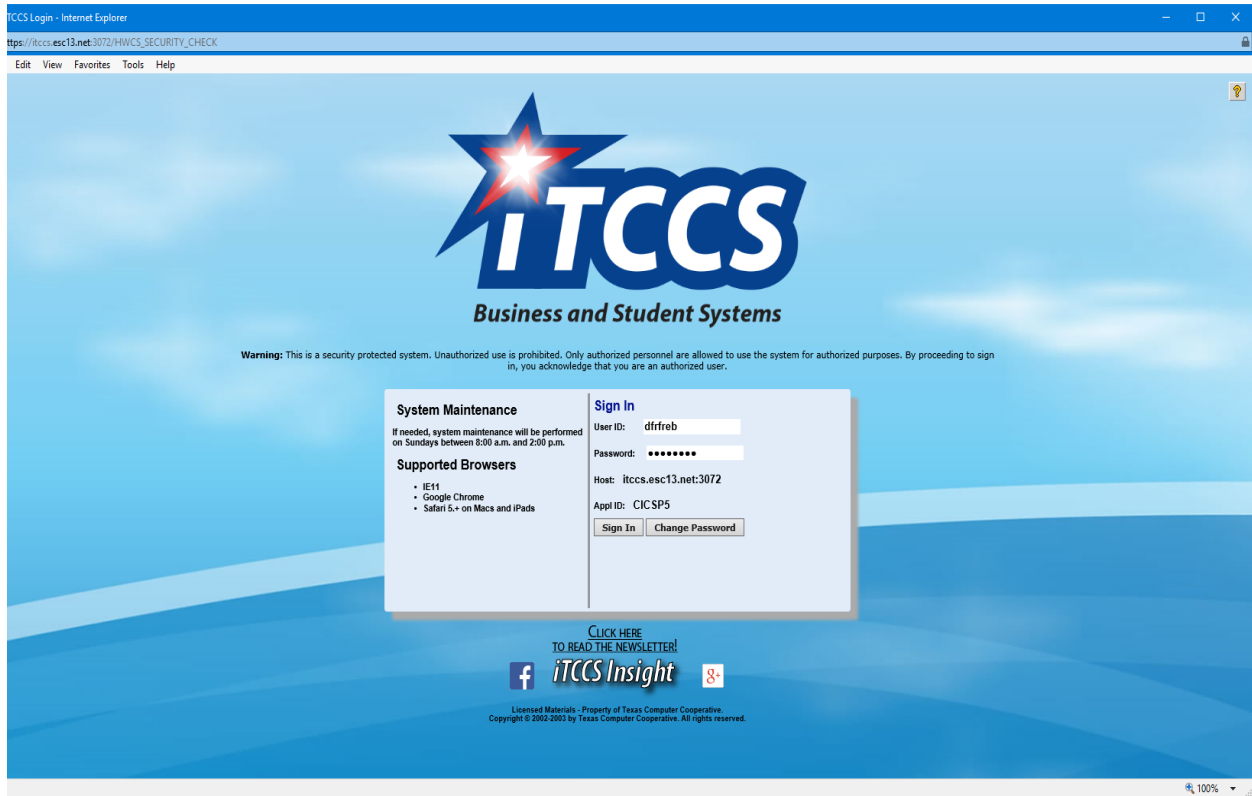
### Log In

Each campus bookkeeper will receive a log on to the iTCCS system FINC file. All activity fund transactions will be recorded in the FINC file.

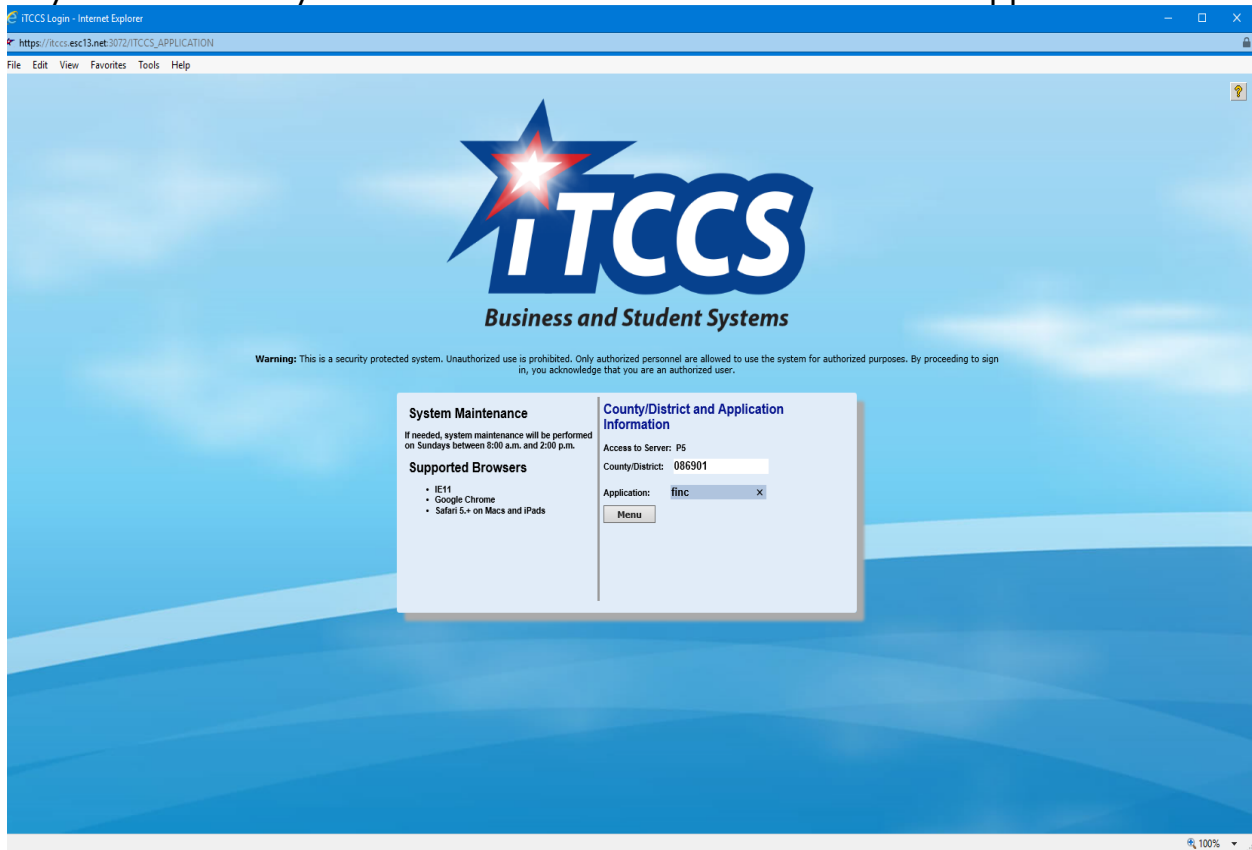
Click on the iTCCS icon on the FISD intranet site.



Click on [Sign In](#)



Key in the User ID and Password  
 Key in the County District Number 086901 and Application FINC



## Sign into the System by clicking Business Services Financial Sign On

**Please click on a me**

- Accounts Receivable >
- Asset Management >
- Budget >
- Budget Change Request >
- Budget Schedule Development >
- Cafeteria Management >
- Finance Accounting >
- Grants >
- Requisition Warehouse >
- Temporary Approval Path for the User >
- Vendor Search Inquiry >
- Work Order >
- Financial Accounting Sign-On
- Bank Reconciliation >
- Finance Inquiry >
- General Ledger >
- Journal Entry Request >
- Posting Functions >
- Processes >
- Reversals >
- Vendor >

Key in the month you are signing into. The rest will then populate.

**Return**

CLICK RETURN TO RETURN TO PREVIOUS PAGE.

File ID: C

Accounting Period: 08 Find

Clearing Fund: 164

Clearing Year: 8

Accounting Year: 8

	Obj	S Obj
Cash Account:	1110	00
Due From:	1281	00
Payable Account:	2177	00
Accrued Expend/Exp:	2210	00

## Activity Fund Chart of Accounts

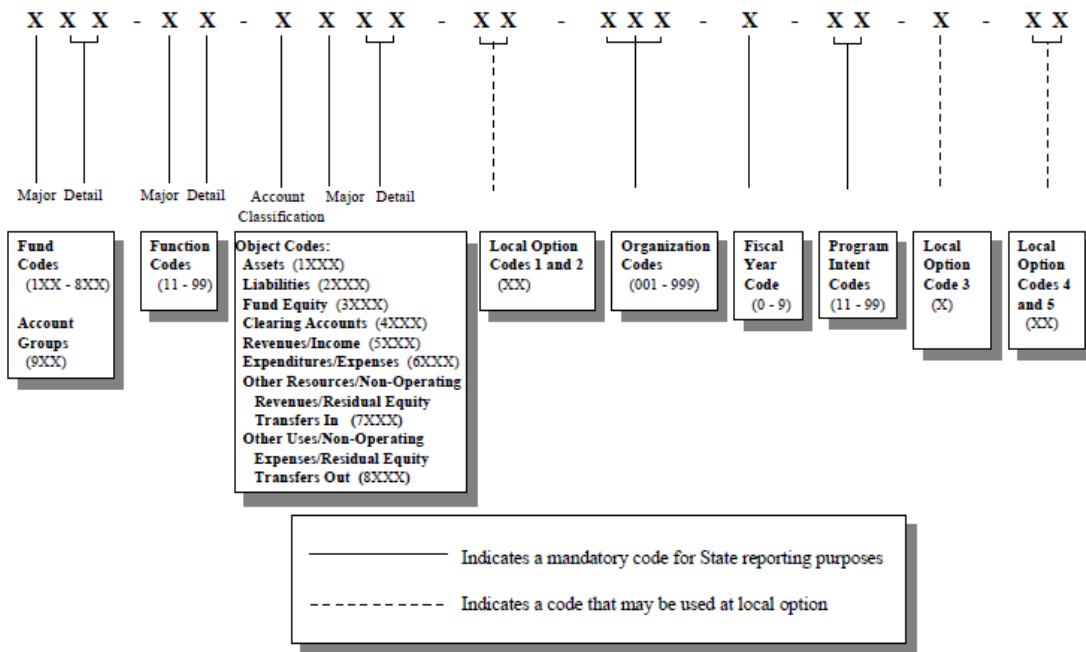
Each campus has a separate chart of accounts for its activity funds. Each student organization and activity is assigned a unique account number to which all transactions will be posted. The Fisd Business and Finance Department will maintain the chart of accounts and assist each campus in setting up new accounts as needed.

The FISC Activity Fund Account Information Sheet should be completed and maintained for each account in the activity fund. This form is used to determine whether funds are in the SAF or CAF grouping. The account number assigned and the proper recording of transactions depend on the information provided on this form.

The chart of accounts for each campus will be set up using an account code structure similar to the account codes used in the district budget. This account code structure is provided to us by the Texas Education Agency (TEA) as noted below.

**Exhibit 29. Account Code Structure**

**The Code Structure**



Following is a sample of the account codes used in activity fund accounting.

**Fund**

461 Campus Activity Fund (CAF)  
865 Student Activity Fund (SAF)

**Function**

00 with 1xxx and 5xxx object codes

for expenditure codes

11 Instruction  
12 Library  
13 Staff Development  
23 School Leadership  
31 Counselors  
33 Nurse  
36 Extracurricular  
52 Security

**Object**

1291 Accounts Receivable  
2191 Due to Student Groups  
5742 Bank account interest - CAF  
5753 Revenue - CAF  
6299 Contract Services  
6329 Reading Materials  
6399 General Supplies  
6411 Travel-staff  
6412 Travel-student  
6499 Misc. Expenditures

**Sub-object**

00 General - will be used most all the time

**Organization**

001 High School  
041 Middle School  
102 Elementary School  
103 Stonewall Elementary  
104 Primary School

**Fiscal Year**

9 2018/19  
0 2019/20  
1 2020/2021  
2 2021/2022

**Program Intent Code (PIC)**

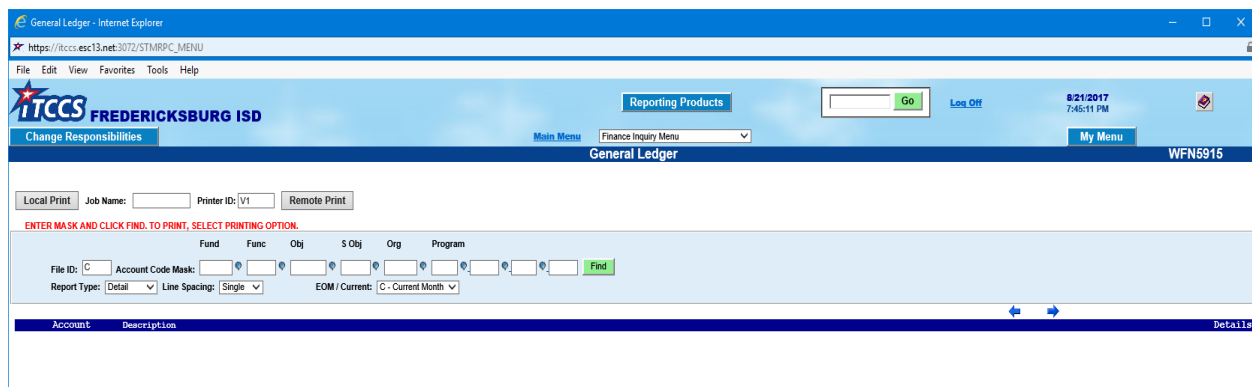
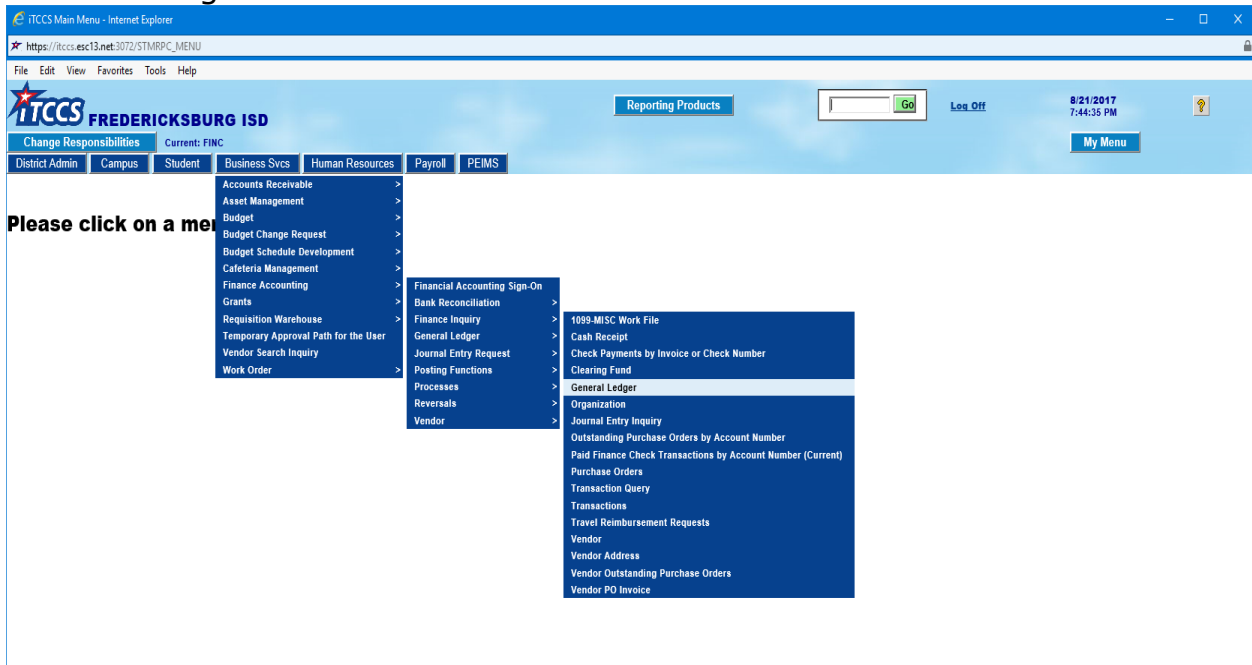
00 with 1xxx and 5xxx object codes  
11 Instruction  
99 General

**Local Option - (FISD activity fund organizations)**

2-xx High School SAF  
3-xx Middle School SAF  
4-xx Elementary School SAF  
6-xx Stonewall Elementary SAF  
5-xx Primary School SAF  
9-xx CAF groups

## Accounting System Inquiry

To view details of an account, click on  
 Business Services  
 Finance Accounting  
 Finance Inquiry  
 General Ledger



Key in the fund 461 or 865 and mask in the 4-digit object code field. It must at least include the first digit of the asset 1 (cash), revenue (5), or expense (6) portion of account code. Key in the school in the org code and local option code for the SAF or CAF organization to narrow down the codes. Click find or hit enter.

If you would like to see the details of an account, click on the red details button on the right.

## Recording Transactions

Activity fund transactions that must be recorded to the accounting system include the following:

<b>TRANSACTION TYPE</b>	<b>RESPONSIBLE FOR DATA ENTRY</b>
Vendors	Business Office
Deposits	Campus Bookkeeper
Checks for payment to vendors and individuals	Campus Bookkeeper
Voided checks	Campus Bookkeeper
Returned checks	Business Office
Interest earned and Bank Charges on account	Business Office
Transfers between accounts in the activity fund	Business Office

**Vendors**

Vendor numbers are created by the Purchasing Agent in the Business Office. The activity funds and district funds utilize the same vendor file and the same procedure is followed for both. If a vendor is not in the system, request one by completing the Vendor Request Form found on the school district website.

The following transactions will be recorded in the accounting system by the campus bookkeeper.

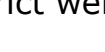
**Receipting Funds turned in by Sponsors**

The bookkeeper should count all funds from account sponsors in the presence of the sponsor (when possible) at the time the funds and receipt form are turned in. Any discrepancy in the count should be resolved at that time.

The bookkeeper will look at the Cash Receipt/Deposit Log to determine the next sequential number for receipts. The log should be completed and the receipt number noted on the support from the sponsor. The bookkeeper will provide a copy to the sponsor. Receipts with support will be filed in numerical order to facilitate review and auditing.

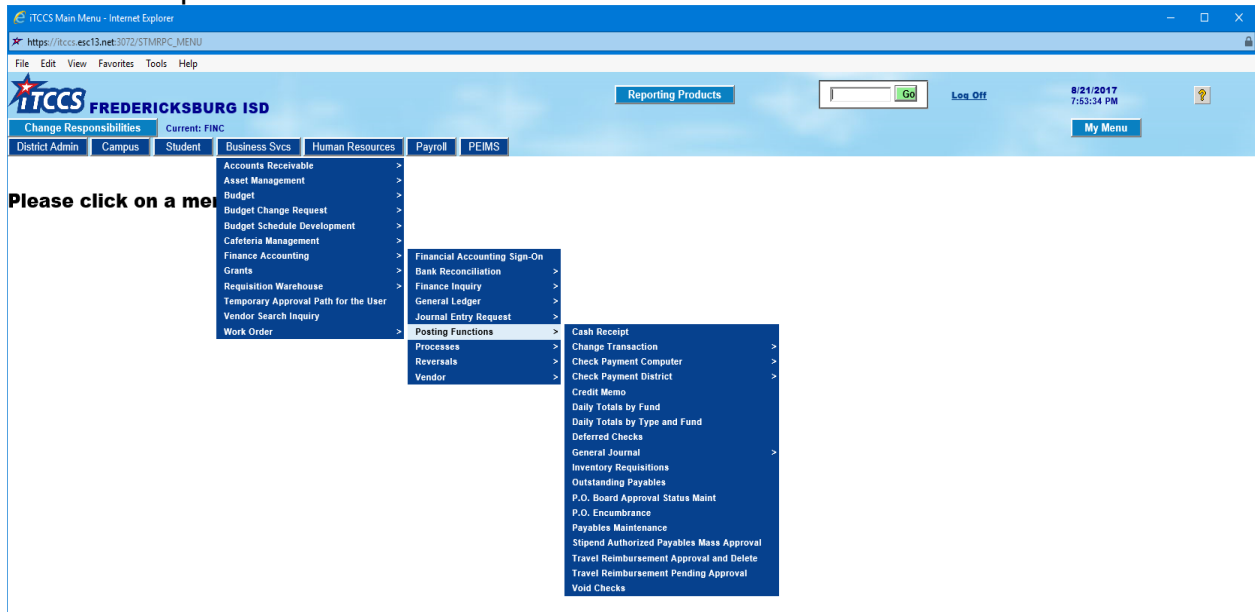
**Deposits**

The bookkeeper may combine several receipts and prepare as one deposit to the bank. The bank deposit slip should be completed by the bookkeeper and include all receipt numbers for the deposit. The validated deposit slip should be filed along with the receipt forms. The Deposit Tally Sheet can be utilized to assist the bookkeeper in preparing the deposit.

1	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
2	<b>DEPOSIT TALLY SHEET</b>														
3															
4					DATE	08/21/17			BAG						
5															
6	School: _____														
7	Use this form to help you total your deposits. Complete gray areas only. Date will be the current date.														
8															
9	ORG	CHECKS	100's	50's	20's	10's	5's	1's	0.25	0.10	0.05	0.01	OTHER	DEPOSIT	
10														\$	
11														\$	
12														\$	
13														\$	
14														\$	
15														\$	
16														\$	
17														\$	
18														\$	
19														\$	
20														\$	
21														\$	
22														\$	
23														\$	
24														\$	
25														\$	
26														\$	
27														\$	
28														\$	
29														\$	
30														\$	
31														\$	
32														\$	
33														\$	
34														\$	
35														\$	
36														\$	
37														\$	
38	<b>TOTALS</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
39															

All receipts for each deposit will be entered to the system as a cash receipt.

Click on  
Business Services  
Finance Accounting  
Posting Functions  
Cash Receipt



The bookkeeper will enter the following information from the receipt form at least weekly, but daily is preferred:

- Cash Receipt number
- Account code
- Receipt amount
- Description
- Receipt date
- Offset Account Code

Post

## Writing Checks

Checks will be posted at least weekly (but recommended daily) to the system as a Direct Payment (District).

Click on

Business Services

Finance Accounting

Posting Functions

Check Payment District

Direct

The bookkeeper will enter the following information from the Purchase Authorization Form:

Vendor number  
Invoice number  
Invoice date  
Check number  
Check date  
Check amount  
Account code  
Cash Account

Post

Checks will be written at each school. The bookkeeper will match up the check with any necessary attachments and mail or send the check as necessary. The bookkeeper will match the check copy with the supporting documents. The bookkeeper should stamp each original invoice as PAID when a check has been processed and prior to filing of the documentation. The bookkeeper should mark the check stub as posted and date and initial the stub.

### Verifying Data Posted

Data entry for deposits and checks should be verified by using the Daily Total by Fund and Type option in the Posting Functions menu.

Click on

Business Services

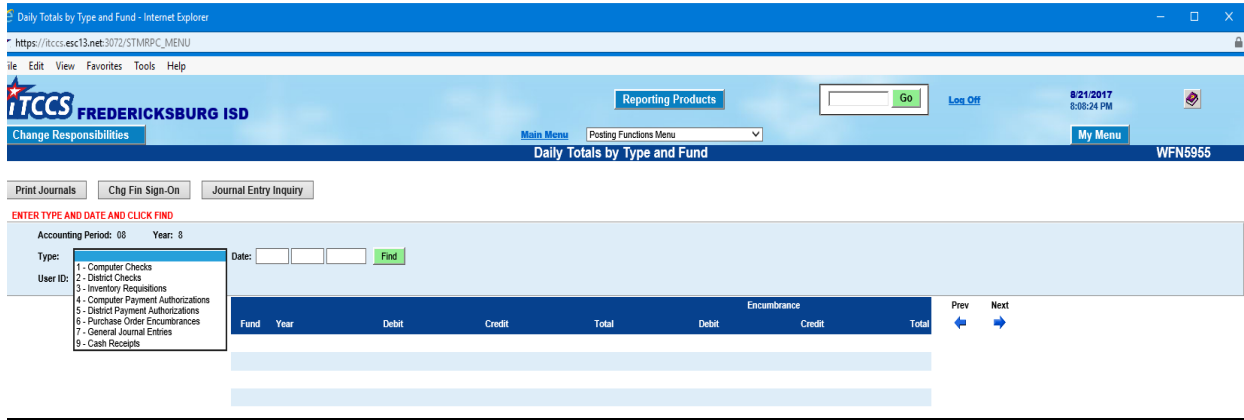
Finance Accounting

Posting Functions

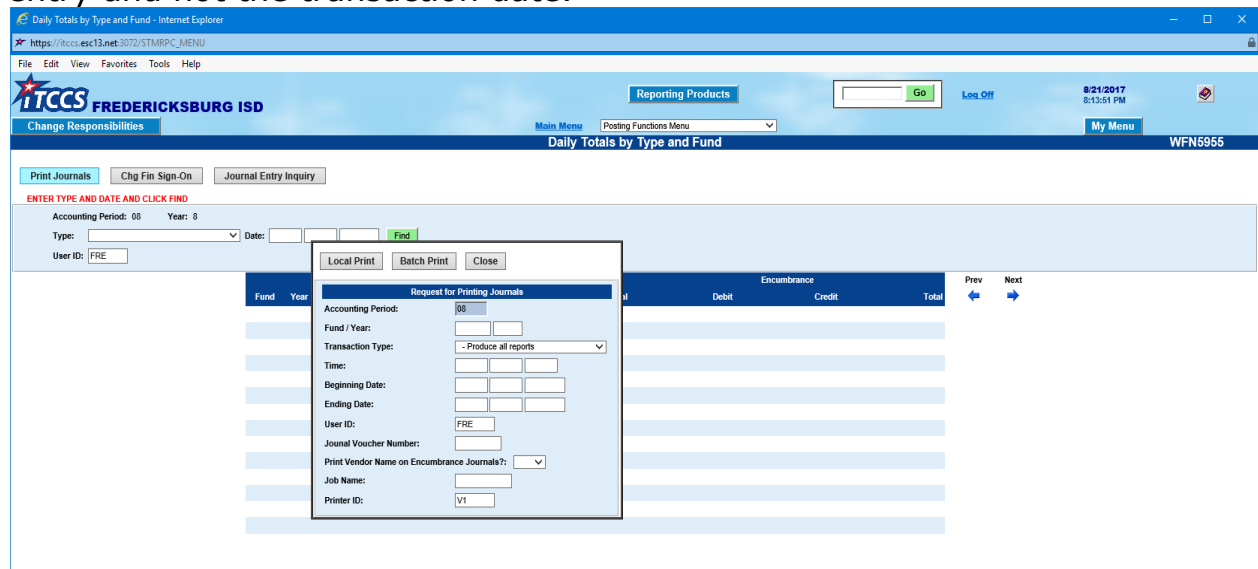
Daily Totals by Type and Fund



The transaction type and date should be entered. The date will default to today's date if left blank. The date is the entry date of the transactions. Use type 2 for district checks and type 9 for cash receipts/deposits.



To print reports of data entered in the system, select Print Journals and complete the information requested. The dates are the actual date of data entry and not the transaction date.



Select Local Print to print journal and check data.

http://itccs.esc13.net:3043/BUS\_FNPST\_DAILY\_TOT\_TF - Microsoft Internet Explorer

EXPENDITURES AND LIQUIDATION JOURNAL

DISTRICT: 086901-C  
 FREDERICKSBURG ISD  
 MONTH OF AUG

DATE RUN: 08/04/06  
 PROGRAM: WEN5762  
 PAGE NR.: 1

FUND	ENC	OBJ	SO	ORG	PROGRM	CHECK DATE	VENDOR NO.	P.O. NO.	CHECK NO.	INVOICE NUMBER	EXPENDITURE AMOUNT	ENCUMBRANCE LIQ. AMOUNT	TIME STAMP	TRANS TYPE	USR ID
1646	00	1262	19	000	600000	08/04/2006	68655	000000	010250	000000ATCP	150.00	.00	0012161346297	2	F01
FINAL TOTALS											150.00-	.00			

LIST OF PARAMETERS SUPPLIED FOR THIS RUN

C.I. GROUP CODE: C  
 ACCOUNTING PERIOD: 08  
 FUND CODE:  
 FISCAL YEAR:  
 TRANS TYPE: 2  
 BEGINNING DATE: 20060804  
 ENDING DATE: 20060804  
 USER ID: F01  
 TIME NO:  
 PRINT VENDOR NAME:

If data needs to be corrected and books have not been closed for the month, the Time Stamp number from this report may be used to correct the data. You can look up the transaction number on the report or in the GL Inquiry. Select Change Transactions and choose the appropriate item to be changed.

- Click on
- Business Services
- Finance Accounting
- Posting Functions
- Change Transaction
- District Check Data

ITCCS Main Menu - Internet Explorer

https://itccs.esc13.net:3072/STMRPC\_MENU

Reporting Products   Log Off 8/21/2017 8:15:08 PM My Menu

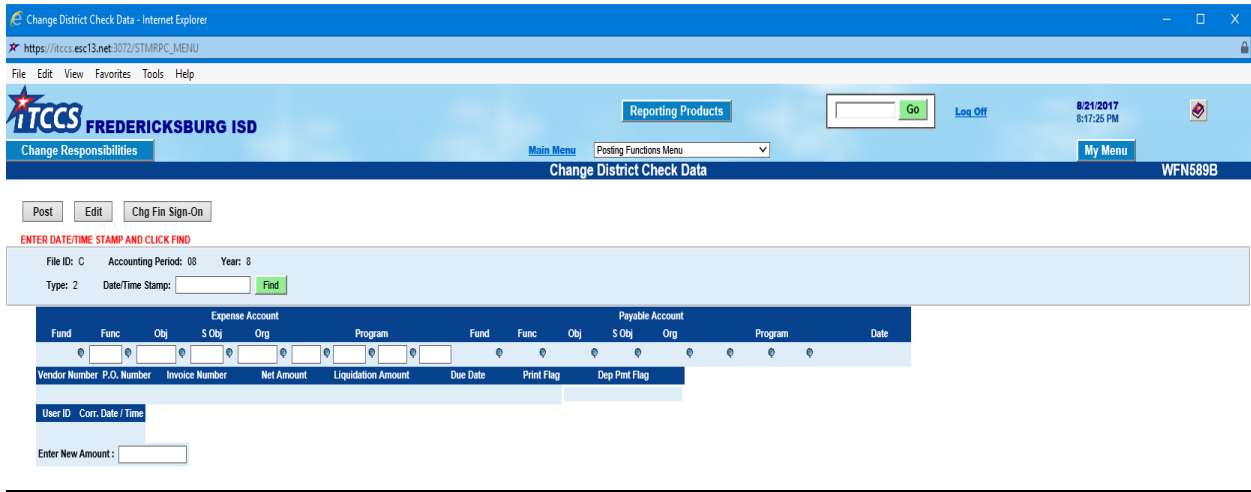
Change Responsibilities Current: FINC

District Admin Campus Student Business Svcs Human Resources Payroll PEIMS

Please click on a menu item

- Accounts Receivable >
- Asset Management >
- Budget >
- Budget Change Request >
- Budget Schedule Development >
- Cafeteria Management >
- Finance Accounting >
  - Financial Accounting Sign-On >
  - Bank Reconciliation >
  - Finance Inquiry >
  - General Ledger >
  - Journal Entry Request >
  - Posting Functions >
    - Cash Receipt >
    - Change Transaction >
    - Check Payment Computer >
    - Check Payment District >
    - Credit Memo >
    - Daily Totals by Fund >
    - Daily Totals by Type and Fund >
    - Deferred Checks >
    - General Journal >
    - Inventory Requisitions >
    - Outstanding Payables >
    - P.O. Board Approval Status Maint >
    - P.O. Encumbrance >
    - Payables Maintenance >
    - Stipend Authorized Payables Mass Approval >
    - Travel Reimbursement Approval and Delete >
    - Travel Reimbursement Pending Approval >
    - Void Checks >
  - Processes >
  - Reversals >
  - Vendor >
- Grants >
- Requisition Warehouse >
- Temporary Approval Path for the User >
- Vendor Search Inquiry >
- Work Order >
- Cash Receipt Data >
- Computer Check Data >
- Computer Pay Auth Data >
- District Check Data >
- District Pay Auth Data >
- Inventory Requisition Data >
- Journal Entry Data >
- Non-Monetary Data >
- P.O. Encumbrance Data >

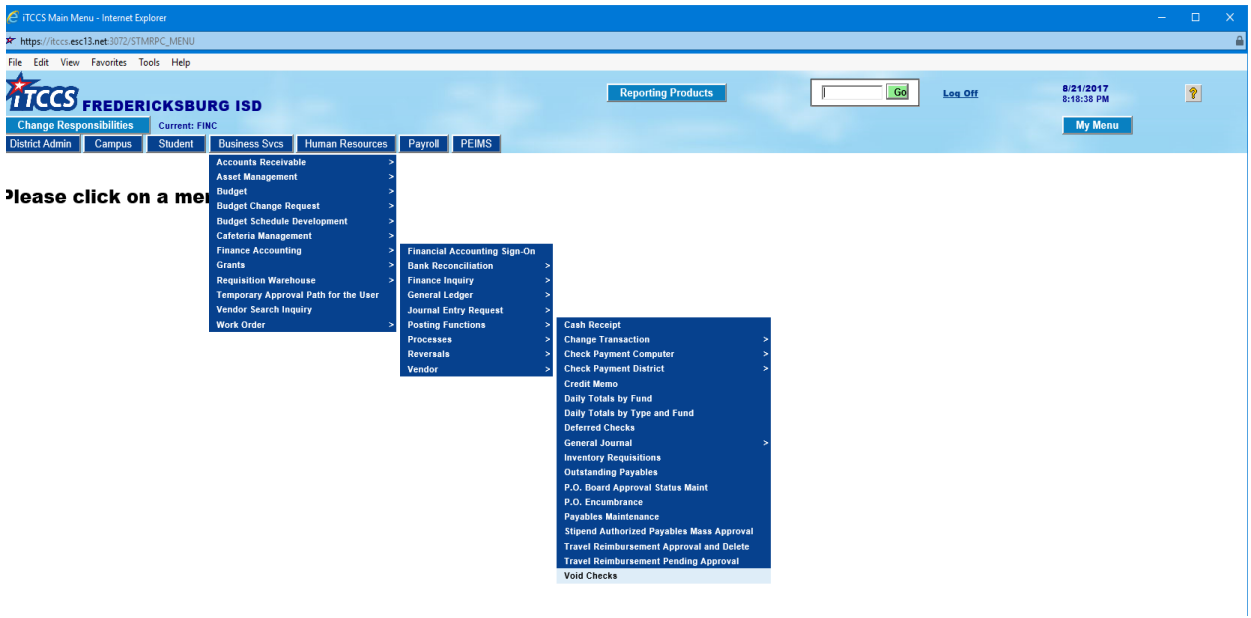
Enter the time stamp number and hit enter or click find. The data will be retrieved and the amount can be corrected. The transaction may be removed from the record by placing 0.00 in the amount and may be reentered if needed.



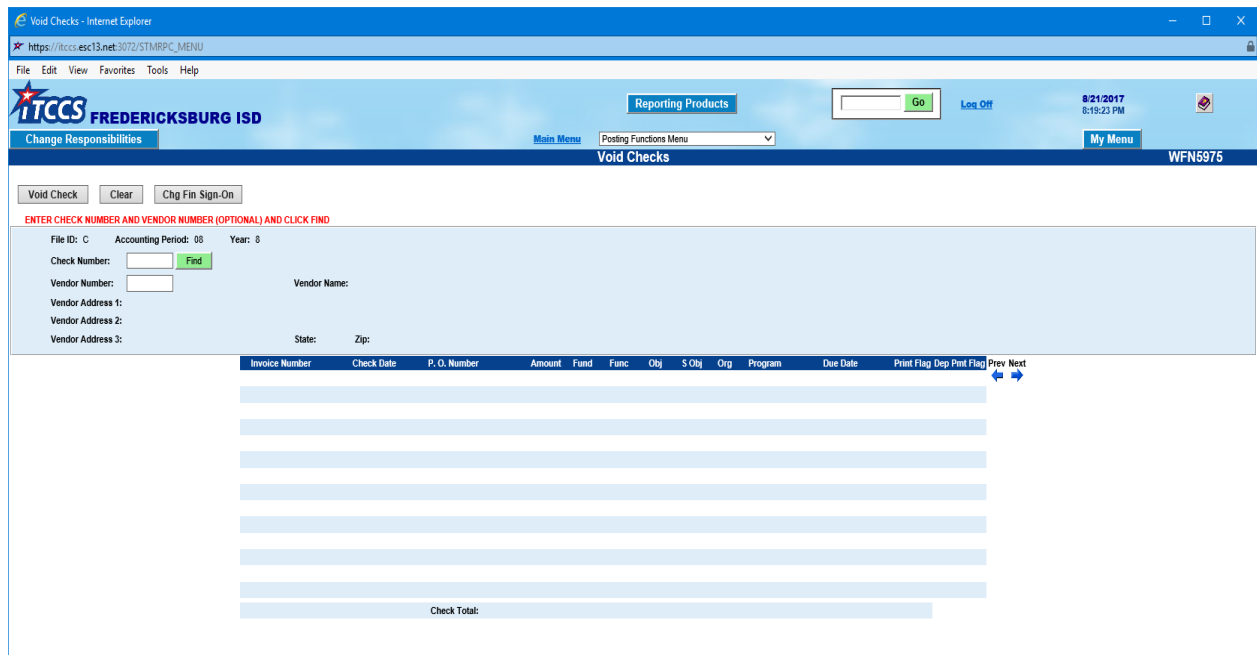
## Void Checks

Voided checks are entered via iTCCS on the following screen.

Click on  
 Business Services  
 Finance Accounting  
 Posting Functions  
 Void Checks



Enter the check number and press enter or click find. Be sure it has pulled up the correct vendor and amount.



If it is the correct check, click Void Check.

The following transactions are entered by the accountant in the Business Office.

### **Returned/NSF Checks**

Returned checks are entered via General Journal Entry (JV) by the general ledger accountant in the Business Office.

### **Bank Charges**

Bank charges for check orders, deposit slip orders, returned checks, and other fees will be entered to the system as a General Journal Entry by the general ledger accountant in the Business Office.

### **Bank Interest**

Interest earned on the bank account will be entered to the system as a General Journal Entry by the general ledger accountant in the Business Office.

## **Transfers between Activity Fund Accounts**

Occasionally it may be necessary to transfer funds between accounts within the activity funds. Transfers will be entered to the system as a General Journal Entry by the general ledger accountant in the Business Office after the information is provided from the campus.

An annual transfer that the high school bookkeeper must request is for the recently graduated senior class fund. Often times the senior class has funds remaining after the students graduate. The activity fund bookkeeper at the district office should be notified to transfer those funds to a CAF entitled "Senior Class Residual". This activity fund 944 will be utilized by the principal to support any senior or other class activity when those groups fall short of funds. Additionally, these residual funds can be used as a gift to the school from prior senior classes.

Likewise, if a student fund has been unused for more than a year, those funds can be transferred to the Principal's fund.

## **Recording Revenue Transactions in the Sales Tax Spreadsheet**

- 1) FISD is required to collect and remit state sales tax to the State Comptroller on a quarterly basis. All sales, whether taxable or not, are reported to the Comptroller. The District report and payment to the Comptroller is due by the 20<sup>th</sup> of the month following the end of each quarter.
  
- 2) Campus sales tax reports and payments are due to the FISD Business Office by the 10<sup>th</sup> of the month following the end of each quarter as follows:

March 31 quarter	due	April 10 <sup>th</sup>
June 31 quarter	due	July 10 <sup>th</sup>
September 31 quarter	due	October 10 <sup>th</sup>
December 31 quarter	due	January 10 <sup>th</sup>
  
- 3) The FISD form or spreadsheet titled Report of Sales and Sales Tax is to be completed by each Campus Bookkeeper and signed by the Principal. All sales by campus groups must be listed.

1	<b>Fredericksburg ISD</b>				Jan thru March												
2	<b>FHS Report of Sales and Sales Tax</b>				April thru June												
3	<b>Year:</b>				July thru September												
4	<b>Tax Rate:</b>				8.25%		October thru December										
5																	
6	<b>Instructions:</b> For each deposit into the activity fund, record it on a line. For that deposit, if it was a sale, include that amount in the Total Sales column. If it was not a sale, leave that column and the remainders blank.																
7	If it was a sale, then include the same amount in one of the next three columns: non-taxable, taxable, or one-day tax free. Do not enter any more data for that line.																
8	Total Deposits column should equal the amount of deposits for the three months into the activity fund records.																
9	At the bottom, the check totals box verifies if all sales are recorded as a non taxable or taxable sale (tax free day or pay tax). If there is a difference, then all sales are not recorded in the proper columns.																
10	When completed, send file via email to the business office so sales tax can be verified and reported and paid to the Texas State Comptroller.																
11																	
12	Deposit Date	Club/Organization Name	Org Number	Description	Total Deposits	Total Sales	Non-taxable Sale	Taxable	One-day tax free	Taxable Sales Including Tax	Taxable Sales Excluding Tax	Total Tax					
13	Column1	Column2	Column2	Column3	Column5	Column6	Column7	Column	Column9	Column1	Column	Column12					
14										\$	\$	\$					
15										\$	\$	\$					
16										\$	\$	\$					
17										\$	\$	\$					
18										\$	\$	\$					
19										\$	\$	\$					
20										\$	\$	\$					
21										\$	\$	\$					
22										\$	\$	\$					
23										\$	\$	\$					
24										\$	\$	\$					
25										\$	\$	\$					
26										\$	\$	\$					
27										\$	\$	\$					
28										\$	\$	\$					
29										\$	\$	\$					
30										\$	\$	\$					
31										\$	\$	\$					
32										\$	\$	\$					
33										\$	\$	\$					
34										\$	\$	\$					
35										\$	\$	\$					
36										\$	\$	\$					
37										\$	\$	\$					
38										\$	\$	\$					
39										\$	\$	\$					
40										\$	\$	\$					

Vendor Request | Purchase Authorization Form | Deposit Worksheet | Sales Receipt | Fund Raising Sales Approv/Record | **Sales Tax Rept** | Receipt Log | Deposit Tally | Tax Fr

- 4) In addition to activity fund revenues, the business office will review all miscellaneous revenue for the district office (xxx-xx-57xx-xx-xxx-xxx) to include misc revenue, athletic ticket sales, and food service sales and complete a form for the district office.
- 5) The business office will summarize all sales information and report to Comptroller by the 20<sup>th</sup> of the month following the quarter. The discount received by filing timely will remain at the district office to offset some costs of preparing and submitting the return.
- 6) If no sales or taxable sales are made during the quarter, indicate this on the form, sign, and submit the form to the business office.
- 7) The current sales tax rate for Fredericksburg ISD is 8.25%. This rate consists of the following taxes:

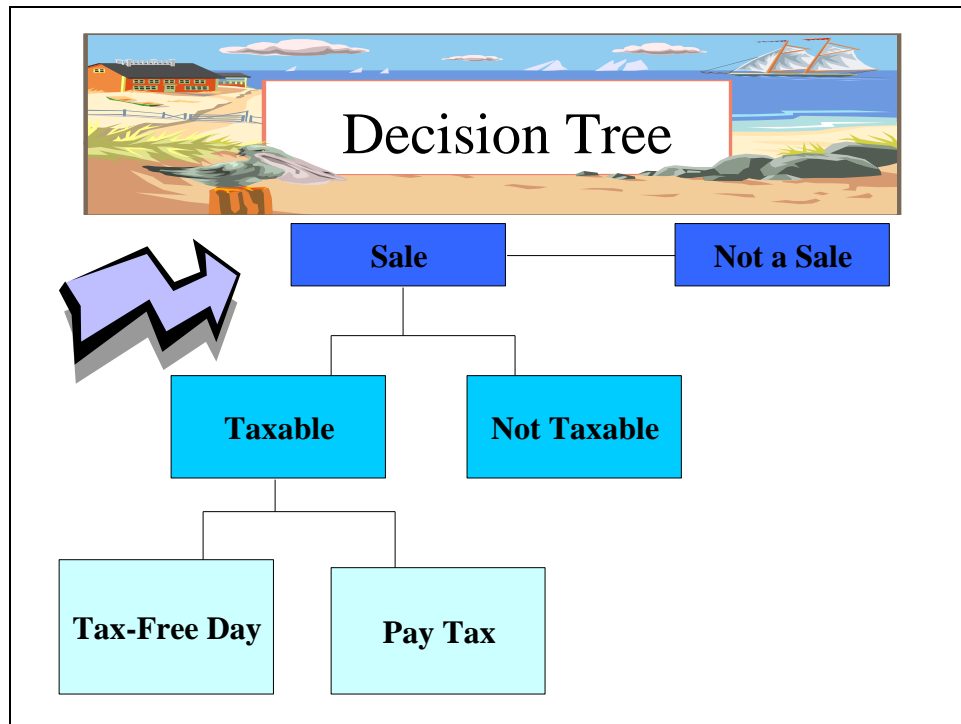
State sales tax	6.25%
City sales tax	1.50%
County sales tax	.50%
- 8) Rules for state sales and use tax can be found under the Texas Administrative Code, Title 34 Public Finance, Part 1 Comptroller of Public Accounts, Chapter 3 Tax Administration, Subchapter O State Sales and Use Tax.

## SALES TAX INFORMATION

### Revenue Received

#### Sale vs. Not a Sale

Often times, there is confusion as to whether something is a sale or not. For all revenue received, we must decide if it is a sale, or if it is not a sale.



A sale is the transfer of title or possession of tangible personal property for consideration (usually money). A sale also includes the performance of a taxable service for consideration. All sales (whether taxable or not) are to be reported on line 1 of the Texas Sales and Use Tax Return.

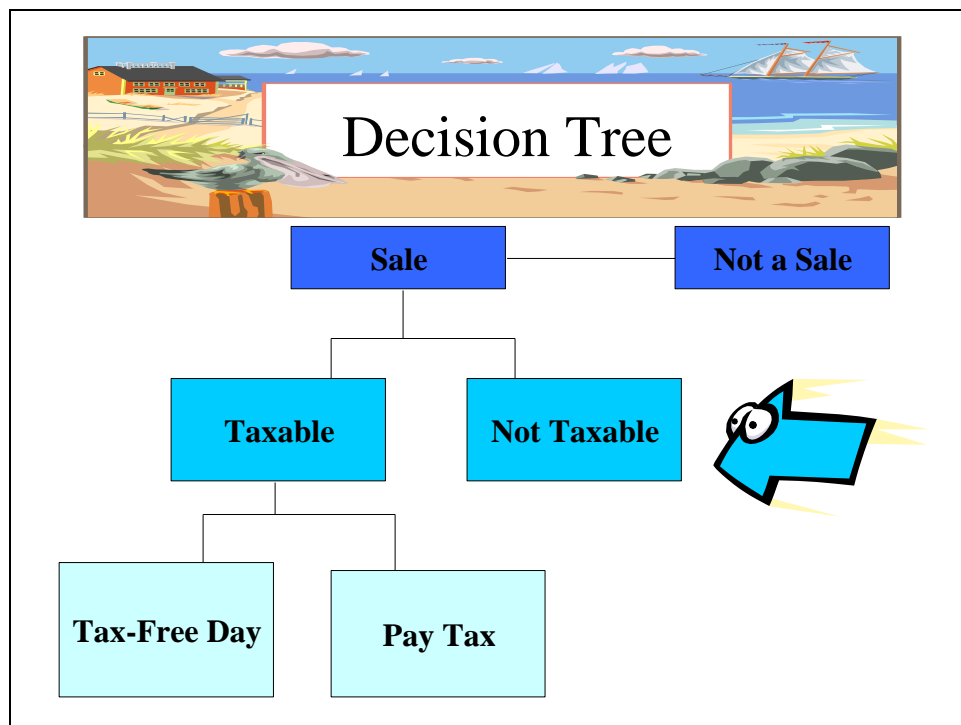
In some fund-raising activities, the school or school group is merely acting as a sales representative for a retailer, and tax must be collected. The tax would be remitted to the retailer, and the retailer would claim it as their sale and they would pay the tax to the Comptroller's office. The school would not report this type revenue as a sale. Examples are vending machine sales where the vendor services the machine, school pictures, and library book sales. Only when the school or school group purchases the merchandise and then resells these items to their customers is the school the seller. The school should provide a resale certificate to the retailer.

<b>Sale</b>	<b>Not a Sale</b>
Admission – athletic, dances, dance performances, drama performances	Collection of money from students to pay a company for admission or service (i.e., Magic Theatre, Sea World, PSAT test)
Admission – summer camps, clinics, workshops, project graduation	Commissions received
Donated items that are sold	Donations of money to the school or school group or donations for a commemorative brick.
Fundraisers where we are the seller, not just the middle-people	Dues received for clubs
Parking Permits	Fees – musical instrument maintenance, lab, uniform cleaning, transcripts
Rentals of items	Fieldtrip collections
Rental of facilities	Fines received – textbooks, library books, parking, locker, uniforms, calculators, obligations
Sales of food	Fundraisers when the school group merely receives a commission (i.e., library book fairs, some author sales, recycling)
Sales of merchandise (to include items made by students)	Lost payments – books, handbooks, calculators, locks, ID cards
Sales of services	Marathon fundraisers – these are donations (i.e., lift-a-thon, jog-a-thon, jump rope for heart, basketball hoops)
School publication sales	NSF check redeposit
	Summer School, Saturday School, Community Education tuition and fees

## Taxable Sales vs. Non-taxable Sales

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

School districts, schools, and school groups making sales of taxable items that do not have a specific exemption must collect and remit the tax. The items or activities on the following lists have been identified as being taxable or non-taxable by the Comptrollers' Office when sold or sponsored by a school, by an organization within a school, PTAs, Booster Clubs, and employee associations. Whether taxable or not, all sales are reportable as sales on line 1 of the Texas Sales and Use Tax Return. The lists are not all-inclusive but may help you make determinations on other similar sales.



## NON-TAXABLE SALES

Ad sales - in yearbooks, athletic programs, newspapers, posters
Admission - athletic, dances, dance performances, drama and musical performances
Admission - summer camps, clinics, workshops, project graduation
Admission - banquet fees
Admission - bids, prom, homecoming
Admission - tournament fees, academic competition fees
Cosmetology services (Products sold to customers are taxable)
Discount/Entertainment cards and books
Facility rentals for school groups
Food items sold during fundraisers (including annual plants and seeds that produce food for human consumption)
Labor - automotive, upholstery classes (parts are taxable)
Magazine subscriptions greater than six months
Parking permits
Services - car wash, cleaning

The sales tax statute exempts the sales of food, including meals, soft drinks, and candy, by a group associated with a public or private elementary or secondary school when the sales are part of a fundraising drive sponsored by the organization, and all net proceeds from the sale go to the organization for its exclusive use. Student groups, PTAs and booster clubs are included in the provision. It does not matter if the sale is during the school day, the evening, or on a weekend; it is not taxable if it is a fundraiser.

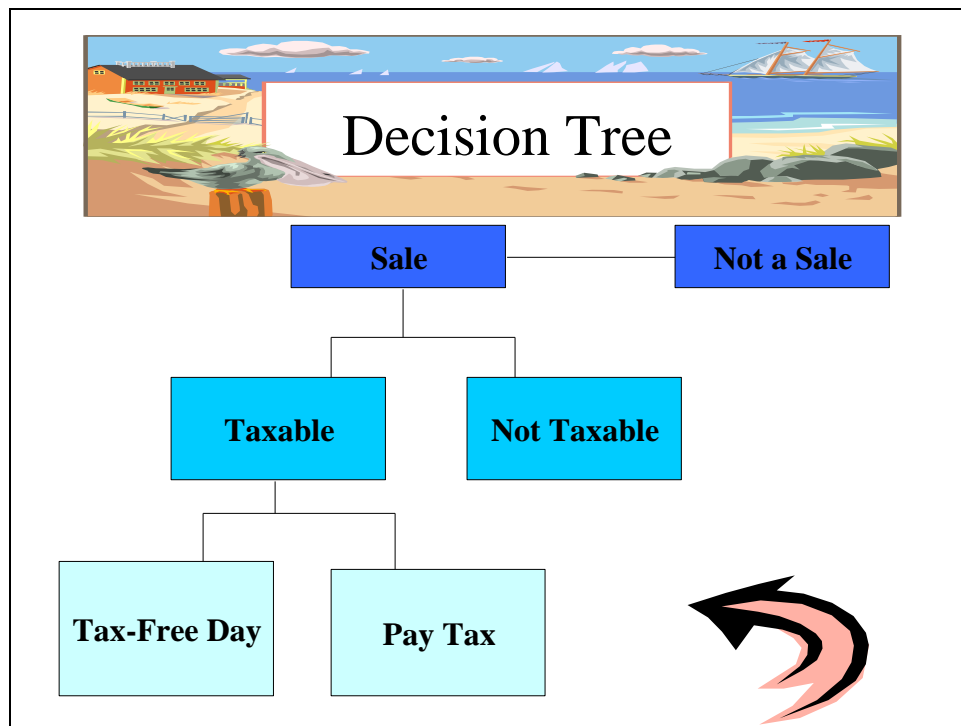
However, tax-exempt sales of food by a **school district** (i.e., school nutrition) are limited to the regular school day. Catered food sales by the district's food service are taxable unless sold to the school district. All athletic event concession sales are taxable unless the sales are part of a fundraising event.

## TAXABLE SALES

Agenda books	Magazines – subscriptions less than six months
Agricultural sales	Magazines - when sold individually
Art - supplies and works of art	Musical supplies - recorders, reeds
Artistic - CDs, tapes, videos	Parts - career & technology classes (not to include products used in cosmetology)
Athletic - equipment and uniforms	Parts - upholstery
Auction items sold	PE - uniforms, supplies
Automotive - parts and supplies	Pennants
Band - equipment, supplies, patches, badges, uniform sales or rentals	Pictures - school, group (if school is the seller)
Book covers	Plants - holiday greenery and poinsettias
Books - workbooks, vocabulary, library, author (when we are the seller)	Rentals - equipment of any kind
Brochure items	Rentals - uniforms of any kind, towels
Calculators	Repairs to tangible personal property (i.e., computer repair, house remodeling)
Calendars	Rings and other school jewelry
Candles	Rummage, yard, and garage sales
Car - painting, pin striping	Safety supplies
Clothing - school, club, class, spirit	School publications - athletic programs, posters
Computer - supplies, mouse pads	School publications - brochures
Cosmetology products sold to customers	School publications - magazines (unless > six month subscription)
Cups - glass, plastic, paper	School publications - newsletters, newspapers (generally are not sold though)
Decals	School publications - reading books
Directories - student, faculty	School publications - sheet music, hymnals
Drafting – supplies	School publications - yearbooks
Family and Consumer Science - supplies and sewing kits	School store - all items (except food)
Fees - copies, printing, laminating	Science - science kits, boards, supplies
Flowers - roses, carnations, arrangements	Spirit items
Greeting Cards	Stadium seats
Handicrafts	Stationery
Horticulture items	Supplies – any sold to students
Hygiene supplies	Uniforms - any type to include PE, dance team, drill team, cheerleaders, athletic, club shirts
Identification cards – when they are sold to entire student body (not just the fine for a lost ID card)	Vending - pencils and other non-edible supplies when the school services the machine
Locks - sales and rentals	Woodworking crafts - entire sale to include parts and labor
Lumber	Yard signs
Merchandise, tangible personal property	

## Tax-Free Day or Pay the Tax

Each school **district**, each **school** (CAF as a whole), and each **bona fide chapter of each school** (SAFs that qualify) is allowed to have two, one-day tax-free sales each calendar year. During these tax-free sales, the organization may sell any taxable item tax-free. The exemption does not apply to items sold for more than \$5,000, unless the item is manufactured by the organization, or the item is donated to the organization and is not sold to the donor. There is no limit on the number of bona fide groups at a school or school district.



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

For example:

- ❖ The school district qualifies for a tax-free day.
- ❖ The school-wide fundraiser qualifies for a tax-free day.
- ❖ The Basketball Club qualifies, but the basketball team does not.
- ❖ The Cheerleader Club qualifies, but not the cheerleader team.
- ❖ The Debate Club qualifies, but debate teams and classes do not.
- ❖ The French Club qualifies, but the French classes do not.
- ❖ The Senior Class qualifies, but not one particular class that has seniors in it.

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

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

The bookkeeper shall utilize the Tax Free Day Log to keep track of all tax free days.

## Sales and Use Tax Return

The bookkeeper will complete the MS Excel file for the sales tax information for each quarter and remit it electronically to the business office.

**Fredericksburg ISD**  
**FHS Report of Sales and Sales Tax**  
**April 1 through June 30, 2017**  
**Tax Rate: 8.25%**

**Instruction:** For each deposit into the activity fund, record it on a line. For that deposit, if it was a sale, include that amount in the Total Sales column. If it was not a sale, leave that column and the remainders blank. If it was a sale, then include the same amount in one of the next three columns: non-taxable, taxable, or one-day tax free. Do not enter any more data for that line. Total Deposits column should equal the amount of deposits for the three months into the activity fund records. At the bottom, the check totals box verifies if all sales are recorded as a non taxable or taxable sale (tax free day or pay tax). If there is a difference, then all sales are not recorded in the proper columns. When completed, send file via email to the business office so sales tax can be verified and reported and paid to the Texas State Comptroller.

Deposit Date	Club/Organization Name	Org Number	Description	Total Deposits	Total Sales	Non-taxable Sale	Taxable	One-day tax free	Taxable Sales Including Tax	Taxable Sales Excluding Tax	Total Tax
4/5/2017	LIBRARY	902	COFFEE BAR SALES	\$ 101.14	\$ 101.14	\$ 101.14			\$ -	\$ -	\$ -
5-Apr	MEATS LAB	965	MEAT PROCESSING FEE	\$ 75.00					\$ -	\$ -	\$ -
5-Apr	DRAMA	926	STARTING CASH FOR CASHBOX	\$ 70.00					\$ -	\$ -	\$ -
5-Apr	DRAMA	926	ADMISSIONS-THE SHADOW BOX	\$ 117.00	\$ 117.00	\$ 117.00			\$ -	\$ -	\$ -
7-Apr	NJROTC	244	MILITARY BALL TICKETS	\$ 800.00	\$ 800.00				\$ -	\$ -	\$ -
7-Apr	DANCE TEAM	206	REMAINING CONCESSION ITEMS	\$ 256.30	\$ 256.30	\$ 256.30			\$ -	\$ -	\$ -
7-Apr	LIBRARY	902	LOST BOOK	\$ 34.68					\$ -	\$ -	\$ -
7-Apr	HAVE	212	VALENTINE FLOWERS	\$ 94.00	\$ 94.00		\$ 94.00		\$ 94.00	\$ 86.84	\$ 7.16
7-Apr	NJROTC	244	MILITARY BALL TICKETS	\$ 320.00	\$ 320.00		\$ 320.00		\$ -	\$ -	\$ -
10-Apr	NHS	218	DUES	\$ 120.00					\$ -	\$ -	\$ -
10-Apr	NHS	218	GRADUATION STOLE	\$ 23.00	\$ 23.00		\$ 23.00		\$ 23.00	\$ 21.25	\$ 1.75
10-Apr	NJROTC	244	MILITARY BALL TICKETS	\$ 180.00	\$ 180.00		\$ 180.00		\$ -	\$ -	\$ -
10-Apr	CLASS OF 2019	279	CLASS DUES	\$ 129.00					\$ -	\$ -	\$ -
10-Apr	NAHS	217	DUES	\$ 99.00					\$ -	\$ -	\$ -
12-Apr	NJROTC	244	MILITARY BALL TICKETS	\$ 65.00	\$ 65.00	\$ 65.00			\$ -	\$ -	\$ -
12-Apr	AG MECH	919	PROJECT-GILLESPIE CO FAIRGROUNI	\$ 1,125.00					\$ -	\$ -	\$ -
12-Apr	AG ENTRY FEES	964	FISD-AG MECH ENTRY FEES/HOUSTO	\$ 25.00					\$ -	\$ -	\$ -
13-Apr	CLASS OF 2018	278	CLASS DUES	\$ 740.00					\$ -	\$ -	\$ -
13-Apr	DUAL CREDIT FEES	972	CTC-DUAL CREDIT FEES	\$ 324.00					\$ -	\$ -	\$ -
13-Apr	CLASS OF 2018	278	PROM TICKETS	\$ 2,220.00	\$ 2,220.00	\$ 2,220.00			\$ -	\$ -	\$ -
17-Apr	LIBRARY	902	CRACKED TABLET SCREEN	\$ 20.00					\$ -	\$ -	\$ -
19-Apr	CLASS OF 2018	278	CLASS DUES	\$ 820.00					\$ -	\$ -	\$ -

**Reporting:** After consideration of whether revenue is a sale or not, and whether it is taxable or not, the business office completes the sales tax return. Total sales are included on line 1 of the Texas Sales and Use Tax Return. Total taxable sales are reported on line 2 of the Texas Sales and Use Tax Return. Total taxable sales are calculated as total sales less non-taxable sales less tax-free day sales.

The ISD takes a ½% discount since the tax is paid timely by the 20<sup>th</sup> day of the month following the end of each reporting period.

**Fines:** According to the Texas Sales and Use Tax Return, fines can be imposed by the State Comptroller's office when sales tax reports are not submitted on a timely basis. According to the Texas Sales and Use Tax Return, the following penalties and interest can be imposed:

1 to 30 days late	Penalty of 5% of Net Tax Due
31 to 60 days late	Penalty of 10%
Over 60 days late	Penalty of 10% plus interest of 12% per annum.

An additional \$50 penalty may be assessed after more than two returns are received with a postmark later than the due date.

Though many of the schools may submit their information to the school district office timely, effectively they may not be considered timely because amounts that should have been reported as sales were not. We find this sometimes occurs when sales were non-taxable or tax-free days were utilized.

### **Booster Clubs, PTOs, and other associated groups**

Occasionally we have found that these groups have used the school district's tax exemption certificate or the employer identification number. By law, these groups must obtain their tax exemption status and employer identification number independent of the school district.

These groups associated with the school district may qualify to obtain a federal 501 (c) (3) exemption under the federal Internal Revenue Service (IRS) code. These organizations must also apply to the Texas Comptroller's office to be recognized as exempt entities. They should complete an IRS Form SS-4 to obtain their own employer identification number (EIN).

Organizations may choose to file IRS Form 1023 for 501 (c) (3) tax-exempt status; however, they may be able to be recognized as an exempt organization without filing the form. An organization that is organized as a 501 (c) (3) that is not a private foundation, or has gross receipts in each taxable year of normally not more than \$5,000 can automatically obtain the 501 (c) (3) status. However, the organization can only obtain a determination letter from the IRS if they do complete the Form 1023 along with the other required documentation.

Once the organization obtains the exemption, it is allowed to have two one-day tax-free sales each calendar year. These groups must file their own Sales and Use Tax Return. These groups may hold raffles, but school districts and school district groups may not.

## FORMS

### **Purchase Authorization Form**

Used by sponsor to request approval for purchases on activity funds.

### **Deposit Worksheet**

Used by sponsor to turn in funds to campus bookkeeper.

### **Sales Receipt Form**

Used by sponsor to turn in funds from sales to campus bookkeeper.

### **Fund Raising/Sales Record**

Used by sponsor to pre-approve fundraisers, provide accounting of fundraising event and identify taxable sales.

### **Vendor Request Form**

Used by employee to request a new vendor.

### **Form W-9**

Used by employee in conjunction with Vendor Request Form to provide information from vendor to establish a new vendor in the system.

### **Texas Sales and Use Tax Exemption Certification**

Provided to vendor so that sales tax does not have to be paid at time of purchase

### **Texas Sales and Use Tax Resale Certificate**

Provided to vendor for items to be resold and tax charged and remitted later

### **Texas Department of Agriculture**

Texas Public School Nutrition Policy for:

Elementary Schools

Middle Schools

High Schools

### **Cash Receipt/Deposit Log Form**

Used by bookkeeper to sequentially list all receipts of funds by sponsors.

### **Deposit Tally Sheet**

Used by bookkeeper to assist in adding all funds for deposit to the bank.

### **Sales Tax Quarterly Report**

Used by bookkeepers to report quarterly sales to the district office.

### **Tax Free Day Log**

Used by bookkeeper to list all bona fide groups and their two tax free day sales

### **Activity Fund Bank Information/Change Form**

Used by bookkeeper for bank information changes only.

### **Activity Fund Account Information Sheet**

Used by sponsor to request or change activity fund account information.