



**2023-2024**

# **ACTIVITY FUNDS**

**Argyle ISD  
Finance Department**



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Our goal is to assist you with  
conducting business at Argyle ISD in  
a manner that is beneficial, while  
navigating procedures that are in place to  
protect you and the district.

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## Introduction

This manual has been prepared to provide general information to campus principals, activity account sponsors, and student organization officers about managing activity accounts. The procedures set forth in this manual provide both administrative and accounting controls to safeguard assets and ensure the reliability of financial records. By adhering to these internal controls, persons responsible for activity funds can help prevent the misappropriation of funds, violations of federal, state, and local regulations, and acts of fraud or negligence. Additional information may be available within the [district's board policies](#), fiscal manual, administrative procedures, or other web resources.

## Board Policy

The district has two board policies that specifically address financial management and financial ethics:

- [Board Policy CAA Local](#) states: All Trustees, employees, vendors, contractors, agents, consultants, volunteers, and any other parties who are involved in the District's financial transactions shall act with integrity and diligence in duties involving the District's fiscal resources.
- [Board Policy DH Exhibit](#) [Educator's Code of Ethics] states: The educator shall not intentionally, knowingly, or recklessly misappropriate, divert, or use monies, personnel, property, or equipment committed to his or her charge for personal gain or advantage.

[Board Policy CFD Local](#), was adopted by the district in response to HB 3646, 81st Regular Legislative session, which requires school districts to adopt a policy governing the expenditure of local funds from vending machines, rentals, gate receipts, or other local sources of revenue over which the district has direct control. The policy must require discretionary expenditures of local funds to be related to the district's educational purpose, provide a commensurate benefit to the district or its students, and meet the standards of Section 52, Article III, of the Texas Constitution regarding the expenditure of public funds.

## Accounting Standards (GASB & FASRG)

The GASB released GASB Statement No. 84, Fiduciary Activities, establishing guidelines for identifying fiduciary activities and determining if these activities should be reported in the governmental funds' financial statements (C1/C2) as a "custodial" fund. Key to the changes is that the separation of district control and student control of activities should be strengthened to incorporate the following when determining how to classify activity funds:

- A student group should have bonafide officers. If there are no student officers, then the fund is likely a campus activity.
- Local district policy should state that the student activities and the funds raised are for the benefit of the students.

Campus activity funds (fund 461) will continue to follow all state and federal statutes for special revenue funds. The [Financial Accountability System Resource Guide \(FASRG\)](#) has been used as a resource to compile this manual.

The district manages both campus and student activity accounts through a centralized system. The finance department's business office manages all deposits and disbursements.

## Activity Funds

Activity funds are used to account for the receipt and expenditure of cash generated by campus activities. Primary sources are fees, fundraising, commissions, and donations. Activity funds are used to support co-curricular activities complementing the curriculum and school-based extracurricular activities.

Spending limits and expenditure budgets are set up when cash receipts are deposited in the bank. Deposits that are unspent at the end of a school year roll forward to the following school year. Spending in excess of cash receipts results in a deficit balance and must be avoided.

## Activity Fund Types

The proposed activities of an organization will determine whether an activity account is a campus activity (461) or student activity (865) account and will require permission from campus leadership.

There are two types of activity funds that are common for Texas public schools.

- The first is a clearing account that is used for items such as school pictures, vending, etc. These funds shall be used to promote the general welfare of each school and the educational development and morale of all students.

Campus Activity Funds (461) - Groups that do not meet the definition of a bonafide student group use this account. The revenue sources in this activity fund generally include vending machines, concessions, campus fundraisers, and commissions from school pictures, publications, etc. This fund may also include sub-accounts for the library, various departments, grade levels, or other groups that are not defined as a student organization. These funds are expended to benefit the student body.

- The second type of activity fund is the property of student groups. The school district is required to provide stewardship by properly accounting for these funds. Decisions on the use of funds are the concern of the specific student groups to whom the funds belong, as long as the decisions regarding the use of the funds do not conflict with Board policy and/or legal regulations or restrictions.

Student Activity Funds (865) - Generally, belong to a bonafide chapter such as student groups or organizations. These funds do not belong to the district; however, the district must act as a trustee of the funds. Any student group that is recognized by the school and is organized by electing officers, holding meetings, and conducting business are bonafide chapters of the school. The revenue source of this fund typically includes dues and fundraisers.

## Responsibility for Activity Fund

Activity fund sponsors are responsible for managing their respective activity funds. This may include developing fundraising plans, monitoring and reviewing the financial position of the activity funds, and the safekeeping of the funds until they can be deposited by the school district. Campus activity fund sponsors may consist of classroom teachers, librarians, or other campus or department staff.

Student activity fund sponsors are also responsible for ensuring that the "students" make the decisions related to all expenditures of their funds. Organization meeting [minutes](#) **are required** to substantiate the approval of the students.

The campus principal is responsible for the proper collection, disbursement, and control of all campus activity funds. This responsibility includes the physical safeguard, accounting, administration, and disbursement of funds in compliance with district policy.

The principal is not responsible for funds collected, disbursed, and controlled by parents, patrons, or alumni organizations, and these funds should not be accounted for in the school district's activity funds.

## Fundraising Activities

Fundraising is an organized activity to raise funds for an organization or campus. Fundraising activities by student organizations and/or for school-sponsored projects shall be allowed, with prior administrative approval and under the supervision of the sponsor, for students in all grades. All fundraising activities shall be subject to the approval of the campus principal.

Student participation in fundraising activities shall not interfere with the regular instructional program. Campuses are not allowed under Texas law ([Charitable Raffle Enabling Act](#)) to conduct raffles, bingo, and other games.

Under no circumstances should door-to-door solicitation be required nor should the organization enter into a contract with a solicitation firm.

## Fundraising Approvals and Limitations

Each campus and/or organization will be allowed **two fundraising activities per school year**. Additional funds may be generated through service projects with the prior approval of the principal.

To begin any fundraising activity, it is a requirement that all sponsors, complete the online approval application through the [LivingTree fundraiser site](#). The online application details the requesting organization, associated account code, type, and purpose of a fundraiser. Fundraising may not begin until all approvals are granted.

## Student Organizations

Student organizations shall be defined as student-led groups with formation documents and elected officers. All student organizations shall function under the sponsorship of a campus staff member, i.e., a teacher or other staff member.

A roster of newly elected officers is to be furnished to the principal by October 1st of each school year. Organizations that do not elect officers and/or hold regular activities for two consecutive school years will be considered inactive and any balances transferred to the principal's activity account. In addition, organizations that do not have a slate of approved officers will not be allowed to conduct fundraising activities.

## Sponsors' Responsibilities

Acknowledgment of [Responsibilities of Faculty Sponsors of Student Organizations](#) is required to be completed each year and is maintained by the campus/department.

Each month, the sponsor should review organization balances and financial records to those kept by the campus. If there is a discrepancy, the sponsor should promptly contact the principal or his/her designee.

The sponsor of each school organization is required to ensure that records are maintained. These records, which are subject to audit, should include, at a minimum, the following:

- Roster of elected officers
- Sponsor's copy of cash receipt forms
- Sponsor's copy of invoices or disbursement vouchers
- [Minutes](#) of each meeting which detail, at a minimum, attendance, approval of expenditures, discussion of fundraising activities and approval of financial status.

## **Collection of Money**

Accepting cash or checks at the campus and department level is strongly discouraged for internal control purposes. The district utilizes an online payment system (RevTrak) as the primary method of collecting funds for dues, fees, lost books, donations, etc. *For additional information see District Web Store.*

Authorized RevTrak campus users may access the RevTrak system to generate inventory and sales reports. The district's business office shall access depository bank online reports to monitor payments received through RevTrak and post the revenue to the appropriate accounts.

Money that is collected should not be kept overnight in a desk or file cabinet, nor should it be taken home by the sponsor. If, for some reason, all records cannot be completed and recorded before the end of the day, the funds should be stored in the campus safe or vault. The sponsor completes the deposit records promptly, under no circumstances should personal checks be held for more than five days before being submitted to the campus for deposit.

Personal check cashing by faculty members is prohibited by district policy. Likewise, cash should not be removed from activity fund collections and replaced with the sponsor's personal check. In addition, cash collections may not be used to purchase supplies, refreshments, or for any other purpose. Activity fund collections must be deposited intact, in the same manner in which they were received.

## **Depositing Funds Collected**

When a sponsor submits funds collected to the campus for deposit, these funds should be verified in the sponsor's presence. This is simply a prudent cash-handling procedure that protects both the campus designee and the sponsor. Sponsors should maintain signed copies of Cash Receipts Collection Forms as evidence of deposit with the campus designee. If for some reason immediate verification is not possible, the funds should be locked in the sponsor's bank bag or sealed in a tamper-evident bag and placed in the vault until such time that both individuals are present for cash verification. The sponsor will bear responsibility for any missing deposits or deposit shortages if funds are not verified in the presence of the campus designee.

## **District Web Store**

Online payments are collected through the [district web store](#). To request publication of an item on the web store complete a [RevTrak New Item Request form](#).

All fundraisers require approval through [Livingtree](#) before the event/sale, and before publication to the web store.



## **Expenditures of Activity Funds**

No employee shall order or receive goods without an approved purchase order. All expenditures from activity funds must be made via requisition and purchase order through the district's financial software. Expenditures should not be made using undeposited cash. Expenditures must be made in compliance with existing purchasing rules, laws, and regulations.

Purchase requisitions for supplies, equipment, or services from an external vendor are processed via Ascender, the district's financial software. The electronic system allows users to enter purchase requests electronically, verify account balances, select pre-approved vendors, etc. at the point of data entry. Budget codes must be noted on all requisitions.

Entry of the requisition is performed by the requesting campus or department. A system requisition number cannot be used to place an order. Upon final approval by the business office, the requisition will generate an approved, numbered purchase order. The purchase order number is provided to a vendor authorizing the purchase.

Expenditures in excess of \$5,000 should have three documented quotes. All supporting documentation shall be uploaded through the documents feature in the purchasing module. Supporting documentation shall include, but not be limited to:

- Order forms
- Contracts (fully executed with the superintendent's signature of approval)
- Travel documentation such as estimated lodging, meal, registration, and other expenses, including a list of participants.
- Meeting [minutes](#) (signed by a student officer and the organization sponsor) to support the purchase.

Argyle ISD is not required to reimburse a sponsor for purchases not properly approved in advance by the principal. Therefore, sponsors' requests for personal reimbursement should be limited in nature. In addition, requests for reimbursement should be submitted within 30 days of the date of purchase. Remember, too, that the principal is not required to reimburse sales tax paid by a sponsor if a purchase was not properly approved in advance.

Organization funds should be used for the benefit of the students who participate in the organization's activities. These funds should be expended on an annual basis so that the students who generated the funds can have the benefit of their use.

## **Transfer of Funds**

Funds may be transferred between campus activity funds at the discretion of the campus principal.

Transfer of funds between student activity funds shall be approved by the members of the student organization, the organization sponsors, and the campus principal. It is recommended that transfers between accounts be settled prior to the end of the school year.

If a student organization ceases to function or exist for at least two school years, the unexpended funds of the organization shall be credited to the overall campus activity account.

Appropriate Expenditures			CAF Prohibited Expenditures
<i>Chart is not all-inclusive.</i>	<b>Campus Activity Funds</b>	<b>General Funds</b>	<i>Exceptions to prohibited expenditures require written validation from administrator.</i>
On-site staff development	✓	✓	Off-site professional development.
School assemblies, student body social functions and field trips.	✓	✓	Reimbursement for individual civic organization memberships and meals while attending meetings.
Organization or institutional memberships. If individual membership is the only option or required for students to participate in certain activities, then the expenditure is acceptable if a notation is made to document the necessity.	✓	✓	Purchase of any gift for any person or organization; this includes gift certificates, retirement gifts, flowers, holiday gifts & food gifts. Gifts of public funds are prohibited under the Texas Constitution. (Alternative: Take up collection from staff)
Awards such as plaques, trophies, merit certificates, in recognition of students (check UIL for compliance), staff, or volunteers for services to the school or the district.	✓	✓	Extravagant or high-priced individual awards such as watches or other jewelry, etc.
Award presentations for students, volunteers, or district employees, i.e., AEF, etc.	✓		Payment of an individual's personal bills.
Incentives for student involvement.	✓	✓	Donations to individuals, organizations, or scholarship funds.
Supplemental classroom instructional needs and general office supplies.	✓	✓	Loans to employees, parents, or students for any reason.
Improvement of campus and site facilities such as plants, bulletin boards, signs and flags.		✓	Parties for staff, including food, decorations and favors; simple receptions are fine.
Expenses and purchases related to sales of items or fund-raising activities.	✓		Alcoholic beverages, tobacco products, controlled substances, firearms and other weapons.
Supplementing of student organizations' activities.	✓		Expenses for spouses or other non-employees.
After-hours security, custodian, and food service personnel		✓	Payment of professional organization liability insurance on any individual.
Approved travel costs, subject to travel limitations, i.e., field trips, instructional, etc.	✓	✓	Fundraising dinner tickets.
Refreshments and snacks for faculty meetings. Appropriate items might include pastries, fruit, cookies, and drinks.	✓	✓	Extra compensation or bonuses to employees, whether it be in the form of cash or gifts.
Tickets for school-related functions when attendance is required by or of the principal, i.e., field trip, UIL events, prom, etc.	✓	✓	Replacement of 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.
On site business meals for staff. For reasonable costs, use current per diem rates. Required documentation includes agenda and must identify individuals benefiting from the meal and meeting purpose.	✓	✓	Appreciation meals for employees which exceed reasonable limitations (use per diem as guide).
Retirement reception costs such as refreshments, plates, napkins, utensils for a retiring member of the school's staff.		✓	Meals for day travel not permitted. IRS considers this income that must be reported on annual Form W-2.
Refreshments and snacks for meetings where school serves as host for related activities for students, staff, and patrons.	✓	✓	Transfers of funds to faculty accounts (unless correcting prior error).
Staff morale items – valued no greater than \$15/item	✓		Any expense which appears to benefit individuals or entities in ways so out of proportion to the overall public benefit that they amount to a virtual donation.
District/campus branded promotional items.		✓	Any other expenditure prohibited by federal or state law, TEA or Board policy, or Argyle ISD guidelines.
Reasonable team-building activities.	✓		

## **Cash Expenses**

Funds requested for cash expenditures will require receipts and settlement. Unaccounted-for funds will be the responsibility of the requestor.

## **Petty Cash**

Each campus is authorized to maintain a petty cash account of \$200. At no time will petty cash be reimbursed for amounts incurred in an attempt to circumvent the purchase order process.

Strict controls must be maintained by keeping petty cash in a locked box in the school vault accessible by only the principal or his/her designee. The petty cash funds should be used for purchases of less than \$25. All other purchases should be made with a school district check or purchasing card.

All petty cash expenditures must be supported by an original purchase receipt.

Replenishments occur as needed and are required at the end of the school year and the end of the fiscal year.

To replenish the petty cash account:

1. Complete a [Petty Cash Reconciliation](#) and provide purchase receipts
2. Enter requisition to "Petty Cash - [Campus]"
3. Code the requisition to match the petty cash receipts.

## **Refunds**

Refunds are requested using a [Refund Request Form](#) and require supporting documentation (a receipt of payment) and the principal's signature. Service fees are not refundable.

## **Miscellaneous Activity Guidelines**

### Alcoholic Beverages

The purchase of alcoholic beverages with activity funds is strictly prohibited.

### Rewards

At certain times during the school year, it may be necessary to reward a student or group of students for their achievements (honor roll, perfect attendance, etc.). The principal of a school should exercise caution when rewarding students for an activity that could be associated with the UIL to ensure compliance with UIL rules and regulations. Students participating in fundraising activities may be awarded from the vendor at a maximum of \$50.00 for top sales.

### Community Service

Proposals for any fundraising activity must be submitted in accordance with the procedures outlined in the Fiscal Manual. The board realizes that community service is an integral part of the instruction process. It is permissible for a group of students to adopt a community project on an annual basis. However, gifts shall not be monetary and shall not benefit a special individual or organization.

### Faculty Expenditures

Activity funds are generated by the student body. As such, expenditures for the faculty (refreshments, t-shirts, etc.) should be limited.

- Campuses may purchase staff t-shirts, twice annually, at a reasonable cost, in an effort to generate school spirit and for security purposes.
- Meals
  - Working Lunches/Business Meals
    - Must be on site
    - Require an agenda indicating no opportunity for a meal break and identifying the activity.
    - Require a list of attendees benefiting from the meal.
  - Recognition Meals
    - Promote morale or goodwill, limited to two events per semester, not to exceed the current per diem rate per person.
- Meeting Refreshments
  - Refreshments for a faculty meeting which may include light snacks such as pastries, fruit, cookies, and drinks.

### Payments to Employees

Payments and gifts to employees are not permitted from activity funds.

### Sunshine Funds

Purchase of gifts for special occasions, e.g. baby showers, retirements, and birthdays, should be purchased using the campus Sunshine Funds according to their campus guidelines.

### Spouse's Expenses

Payments for expenses incurred by spouses are considered illegal gifts of public funds unless the spouse is representing the school district in an official capacity. In such cases, reimbursement requests must be received within 30 days.

### Cash Balance

Sponsors should maintain a record of the organization's cash balance at all times to ensure that the account is not overdrawn. Each organization sponsor should closely monitor account balances to ensure accounting of revenues and expenditures is correct, and is not overdrawn. General Ledger balance reports may be requested from the business office.

### Personal Check Cashing

Employees' personal checks may not be cashed or substituted for cash collections.

### Scholarships

If an organization wishes to donate a portion of their ending balance to a scholarship fund, the officers and sponsor of the organization must submit a signed request to the principal. The funds will then be transferred to the scholarship account. A committee of faculty members will evaluate the scholarship applicants and will make a recommendation of recipients and award amounts.

### Cash Loss

The student activity funds sponsor will be held responsible for any student activity fund entrusted to them. The sponsor will reimburse the student organization for any money which is lost due to carelessness, theft, fraud, or failure to follow established procedures.

## **Preparing a Bank Deposit**

1. Verify with sponsor/teacher monies received in their presence.
2. [Cash Receipts Collection Form](#) should be filled out with coin and currency amounts filled in.
3. If the sponsor/teacher has already filled out the form then you would sign it as verification.
4. A tape may be run of any checks included in the deposit rather than indicating the checks individually on the deposit slip form. A copy of the tape should be retained with your copy of the deposit records.
5. Total the deposit slip.
6. Tally the pre-numbered cash receipts and make certain that this total matches the deposit total.
7. Attach the cash receipt verification with a copy of the deposit slip and file in date order.

Deposit slips should contain the following information: Campus Name, Purpose/Collection Name (i.e.: 4G field trip, library fine, dues/StuCo, fundraiser/HoCo Dance, etc.)

## **Accepting and Depositing Checks**

Checks may be accepted only for the amount of purchase only. Checks must be deposited weekly. Post-dated checks are not acceptable. An acceptable check should contain:

- Name, Address, Phone Number, and
- Drivers License Number

## **Non-Sufficient Funds**

NSF's will only be collected if they are less than forty-five (45) days old. Therefore, it is important that checks be promptly deposited.

## **Donations**

Donations or gifts of cash or cash equivalents (gift cards), equipment, or materials to individual schools or to the district by individuals or organizations shall become the property of the district. District employees are prohibited by law from intentionally or knowingly offering, conferring, agreeing to confer on another, soliciting, accepting, or agreeing to accept a personal gift or benefit.

Prior to accepting the donation, the principal must notify the business office to determine if the donation is acceptable to Argyle ISD.

All donations must be accepted by the School Board per [CDC\(local\)](#).

## **Procedures for Handling Student Pictures**

Arrangements will be made each school year for individual student pictures to be taken. All commissions from the sale of student pictures shall be retained by the campus and deposited in the campus activity fund.

## **Contracts**

Individual campus/department administrators do not have the authority to enter into contracts and/or grant agreements without the express written approval of the superintendent or chief financial officer.