

# CANUTILLO INDEPENDENT SCHOOL DISTRICT

# Activity Resource Manual



**2014-2015**



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## **INTRODUCTION**

These Activity Fund Guidelines and Procedures have been prepared to provide assistance in the proper handling and accounting for activity funds on Canutillo ISD (CISD) 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). See <http://www.tea.state.tx.us/index4.aspx?id=1222>.

The CISD Activity Resource Manual (ARM) incorporates the guidance provided in the FASRG and sets out specific guidelines and procedures for Canutillo 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.

The ARM is provided to:

1. Provide the administration, sponsors, parents, students, and community reasonable assurance that all activities are properly accounted for.
2. Ensure that generally accepted accounting principles are followed.
3. Ensure that sound internal controls are in place to provide protection of activity funds.
4. Provide both administrative and accounting controls to safeguard assets and ensure reliability of the financial records.
5. Ensure that all of the District's activities are accounted for in a consistent and comparable manner.

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.

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**The ARM will be continually updated and improved with more detailed guidelines and information.** Please contact the Finance Department with any questions and/or suggestions.



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## **Section 1 - GENERAL INFORMATION**

### **1.1 BOARD POLICIES**

All Board policies must be adhered to in the administration, handling, and maintenance of activity funds.

“All District employees shall perform their duties in accordance with state and federal law, District policy, and ethical standards.” – DH (Local)

The following board policies (Legal, Local, Exhibit, and/or Regulation) are especially relevant to Activity Funds:

- CAA Fiscal Management Goals and Objectives (Financial Ethics)
- CDC Other Revenues - Grants from Private Sources
- CFD Accounting - Activity Funds Management
- CPC Office Management-Records Management
- DH Employee Standards of Conduct
- FJ Gifts and Solicitations
- GE Relations with Parents or Parents' Organizations
- FP Student Fees, Fines and Charges

Here's the link to an index of all CISD Board policies:  
<http://pol.tasb.org/Home/Index/442>

### **1.2 FISCAL RESPONSIBILITIES**

All Trustees, employees, vendors, contractors, 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.

The District prohibits fraud and financial impropriety, as defined below, in the actions of its Trustees, employees, vendors, contractors, consultants, volunteers, and others seeking or maintaining a business relationship with the District.

Fraud and financial impropriety shall include but not be limited to:

1. Forgery or unauthorized alteration of any document or account belonging to the District.
2. Forgery or unauthorized alteration of a check, bank draft, or any other financial document.
3. Misappropriation of funds, securities, supplies, or other District assets, including employee time.
4. Impropriety in the handling of money or reporting of District financial transactions.
5. Profiteering as a result of insider knowledge of District information or activities.
6. Unauthorized disclosure of confidential or proprietary information to outside parties.
7. Unauthorized disclosure of investment activities engaged in or contemplated by the District.
8. Accepting or seeking anything of material value from contractors, vendors, or other persons providing services or materials to the District, except as otherwise permitted by law or District policy. [See DBD-EMPLOYMENT REQUIREMENTS AND RESTRICTIONS]
9. Inappropriately destroying, removing, or using records, furniture, fixtures, or equipment.
10. Failure to provide financial records required by state or local entities.
11. Failure to disclose conflicts of interest as required by law or District policy.
12. Any other dishonest act regarding the finances of the District.

“Each employee who supervises or prepares District financial reports or transactions shall set an example of honest and ethical behavior and shall actively monitor his or her area of responsibility for fraud and financial impropriety.” – CAA (Local)

“All District employees are “public servants” and therefore subject to Title VIII of the Penal Code, regarding offenses against public administration, including restrictions on the acceptance of illegal gifts, honoraria and expenses, and abuse of office. Penal Code 1.07(a)(41), Title VIII [See DBD and BBFA] – DH (Legal)



### 1.3 - WHAT ARE ACTIVITY FUNDS?

- Activity funds are funds generated and accumulated by the school from the collection of student fees, approved fund raising, and other activities. These funds are held in trust by the school and are used to: Promote the general welfare of the school, to include faculty, staff and students, or;
- Promote the educational development and morale of all students.

### 1.4 - ACTIVITY FUND CATEGORIES

Activity funds can typically be categorized into three categories: student organization funds, campus funds and hospitality/courtesy funds.

- **Students Organization Funds** are funds generated or accumulated by organizations that are recognized as being a bona fide organization.
  - Bona fide organizations are those organizations that are organized for some business or activity other than instruction or a participatory group, elect officers (not just participatory captains) and hold meetings. Some examples include: student council, FCCLA, honor societies, etc.
- **Campus Funds** are funds raised locally at the school or donated to the school. These funds include collections for school pictures, yearbooks, class rings, lost textbooks, uniforms, etc. These funds are disbursed at the discretion of the principal and must be used to promote the general welfare of each school and the educational development and morale of all students.
- **Hospitality/Courtesy Funds** are funds generated solely by and for the use of the campus faculty and staff. All expenditures for hospitality, condolence, or other purpose which is for the sole benefit of the faculty and staff shall be paid out of Hospitality/Courtesy Funds.

- These funds may also be contributed by the campus faculty and staff members. **The funds generated in the account shall be obtained voluntarily.**

## 1.5 - ACTIVITY FUND RESPONSIBILITIES

The responsibilities of the various people involved in handling and accounting for activity funds is outlined below.

- **CAMPUS PRINCIPALS** – Campus principals have the ultimate responsibility for the proper handling of activity funds on their campus, the correct accounting for these funds, reviewing of activity fund documentation, ensuring federal and local funds are not used to conduct campus activities, and overall adherence to the procedures and guidelines set out in this resource manual. Additionally, each semester the campus principal must prepare and submit a Semester Campus Activity Plan (SCAP) to the Finance Department.
- **CAMPUS OFFICE BUSINESS MANAGERS or BUSINESS AGENTS** – Campus Office Business Managers or Business Agents are responsible for following District procedures and guidelines in processing transactions. This person is the custodian of record, deposits activity funds into the bank, assists with the processing of activity fund transactions, reviews activity fund documentation, and works with sponsors to ensure guidelines and procedures are followed. As the custodian of record this person is responsible for issuing miscellaneous receipt books, pre-numbered tickets, or pre-numbered bracelets as needed to teachers and other persons authorized by the school principal. A distribution record of all miscellaneous receipt books, tickets, and bracelets issued must be kept and is part of the official activity fund records.
- **CLUB & ACTIVITY SPONSORS** – Club and activity sponsors are responsible for following the procedures and guidelines for sponsors as set out in this resource manual. This person is responsible for managing their respective activities or activity funds, completing and submitting the appropriate activity documentation at the conclusion of the activity, and other fiduciary responsibilities. This responsibility can include developing fund raising plans, monitoring the financial

position of the activity fund, reviewing the activity fund financial statement, safekeeping of activity fund money until it is deposited by the school district, and safeguarding all items not sold.

- **CISD FINANCE DEPARTMENT** – CISD Finance Department is responsible for maintaining and updating these procedures and guidelines for activity funds, providing training for principals, Office/Business Managers/Agent and sponsors, and reviewing the activity of the funds to ensure adherence to the procedures and guidelines.
- **CISD INTERNAL AUDIT DEPARTMENT** – CISD Internal Audit Department is responsible for the auditing of activity funds and other periodic audits of such funds as deemed necessary by the school district management or the board of trustees.

## **Section 2 - CAMPUS ACTIVITY INFORMATION**

Each semester, the campus principal is responsible for submitting to the Finance Department a **Semester Campus Activity Plan** (SCAP). The SCAP identifies the proposed semester activities and their intended purpose(s). Deadlines to submit the SCAP are as follows:

- 1) Fall semester plans are to be submitted by September 15<sup>th</sup>.
- 2) Spring semester plans are to be submitted by the Monday before the CISD Winter Break.

A campus or campus organization is allowed to have only two (2) on-going campus activities at any one time. A third activity may be started once one of the first two activities is completed.

On-going campus activities are those activities that have been approved and currently being conducted or have ended but an Activity Financial Recap or Community Service Outreach Form and support documentation have not been submitted by the campus or sponsor to the Finance Department.

## 2.1 – CAMPUS ACTIVITY REQUIREMENTS

- 1) In order to be considered a campus activity, the following conditions must be met:
  - a. A profit of 45% or more is expected;  
Exceptions include the following activities:
    - i. School uniform sales;
    - ii. School yearbook sales;
    - iii. Scholastic book fair;
    - iv. Bookstore supplies;
    - v. Community service outreach;
    - vi. Or upon approval from the Executive Director of Financial Services.
  - b. Students participating will benefit from the activity;
  - c. Activity is sponsored by the school or a school organization;
  - d. Campus Activity Application is completed and approved by Principal and Executive Director of Financial Services.
- 2) An Activity Financial Recap or Community Service Outreach Form with pertinent review and approval signatures and associated activity documentation must be submitted to the Finance Department within thirty (30) calendar days after the activity ending date or by the date designated on the Campus Activity Application.

## 2.2 – CAMPUS ACTIVITY DOCUMENTATION

### **ALL CAMPUS ACTIVITIES ARE SUBJECT TO AUDIT.**

The following is a list of documents used during the campus activity process. See Appendix A – Forms and Instructions for instructions on completing the various documents.

- 1) **Acknowledgement of Responsibilities Form** – The Acknowledgement of responsibilities form must be signed by the sponsor and campus principal. The form is then submitted to the Finance Department after the sponsor has attended an annual Campus Activity Training and prior

to sponsoring an activity. By signing the acknowledgement form the sponsor acknowledges that they are aware and understand their responsibilities for conducting an activity and following District policies, regulations, and procedures.

- 2) **Conflict of Interest Disclosure Statement (FORM CIS)** – The Conflict of Interest Disclosure Statement (FORM CIS) must be completed and signed by the activity sponsor and submitted to the Finance Department prior to the sponsoring an activity. It is the responsibility of the sponsor to ensure that this form is updated and on file with the Finance Department as required.
- 3) **Campus Activity Application** – The Campus Activity Application is used to request pre-approval for the campus activity. The application identifies the organization and sponsor requesting the activity, activity start and end dates, time of day activity is to take place, product to be sold, intended purpose of the activity, whether the activity is taxable or designated as tax free, and anticipated profit margin of the activity.
- 4) **Activity Financial Recap** – The Activity Financial Recap is required for all fund raising activities. The Activity Financial Recap is used to capture activity transactions and provide financial data of the activity. The Activity Financial Recap consists of the following documents:
  - a. **Activity Financial Recap Report** – The Activity Financial Recap Report is used by the sponsor to record itemized purchases and sales. Based upon the itemized information, the report will calculate total cost, total sales, applicable sales tax, and activity profit margin.
  - b. **Activity Receipts Worksheet** – The Activity Receipts Worksheet is used by the sponsor to record vendor receipts or invoices. The information recorded on this worksheet is used to provide assurance that all itemized costs are accurately recorded on the Activity Financial Recap Report.
  - c. **Activity Deposit Worksheet** – The Activity Deposits Worksheet is used by the sponsor to record the activity deposits made to the campus office business manager or business agent. The information recorded in this worksheet is used to provide

assurance that all itemized sales recorded on the Activity Financial Recap Report were deposited by the sponsor and campus.

- d. **Outstanding Inventory Sheet** – The Outstanding Inventory Sheet is used by the sponsor to account for product outstanding, lost, stolen, missing, collectible, uncollectible, etc. The Outstanding Inventory Sheet documents how inventory will be used. The Principal must approve all instances where surplus and/or damaged inventory is disposed of.
  - e. **Items Provided At No Cost** – The Items Provided At No Cost Sheet is used by the sponsor to document items that were provided to students at no cost while conducting the activity. A line item for “Items Provided At No Cost” should be included on the Activity Financial Recap Report. Refer to POLICY FP (LEGAL & LOCAL)
  - f. **Donated Items for Sale** – The Donated Items for Sale Sheet is used by the sponsor to record items that were donated and sold as part of the activity.
- 5) **Community Service Outreach Form** – The Community Service Outreach Form is required for all Community Service Outreach activities. The Community Service Outreach form is used by the sponsor to provide an accounting of the amount of goods, hours of service, or monies donated to a Charitable Organization.
- 6) **Deposit Tally Sheet** – The Deposit Tally Sheet must be used by the sponsor to submit activity fund deposits to the campus office business manager or business agent for depositing into the bank.

**Activity Financial Recaps/Community Service Outreach Forms, supportive documentation and pertinent signatures must be submitted by the campus or sponsor within thirty (30) calendar days or by the date designated on the Campus Activity Application to the Finance Department.**

### **2.3 - SPECIFIC CAMPUS ACTIVITIES**

All campus activities require the submittal of a Campus Activity Application.

## **COMPETITIVE FOOD SALES**

**Competitive Foods Sales** are all food and beverages sold to students on the School campus during the School day, other than those meals reimbursable under programs authorized by the National School Lunch Act and Child Nutrition Act.

- **School Campus** is defined as all areas of the property under the jurisdiction of the school that are accessible to students during the school day. This would not include the teacher's lounge.
  - **School Day** is defined as the period from the midnight before, to 30 minutes after the end of the official school day.
1. Competitive foods sales sold on school campuses and during the school day must adhere to the federal Competitive Rule requirements.
  2. Competitive foods sales that do not meet the federal Competitive Rule requirements must be sold outside of the school day.

For information more information about the Competitive Rule and nutritional standards for all foods sold in schools please visit the [squaremeals.org](http://squaremeals.org) website.

## **PRE-NUMBERED TICKET OR BRACELET SALES**

- 1) The campus office business manager or business agent is the custodian of the pre-numbered ticket or bracelets for the campus.
- 2) The campus office business manager or business agent will maintain a distribution log for tickets or bracelets issued activity sponsors.
- 3) The campus office business manager or business agent will issue pre-number tickets or bracelets to activity sponsors.
- 4) The activity sponsor should return any unused tickets or bracelets to the campus office business manager or business agent.
- 5) The campus office business manager or business agent should verify that the cash remitted reconciles to the tickets sold and unused tickets or bracelets returned by the sponsor.

## **PROMS, PLAYS, CONCERTS & CONCESSIONS**

- 1) Activities such as dances, proms, plays, concerts, etc. require that pre-number tickets or bracelets be sold. The sponsor is required to maintain the integrity of the ticket or bracelet sequence. The Deposit Tally Sheet and Activity Financial Recap should include beginning and ending ticket or bracelet numbers. The number of tickets or bracelets multiplied by the admission price should equal ticket sales on the Activity Financial Recap.
- 2) Concession activities must adhere to the federal Competitive Rule requirements if sold on the school campus during the school day. Concession activities are expected to generate a profit margin which approximates 100% when all products are donated and at least a 45% profit margin for activities where product is purchased for re-sale. Disposal of product not sold must be approved by the principal.

Concession activities require compliance with the City County Health District and may require a permit to conduct the activity. Please refer to REGULATION GKD.

## **FREE DRESS**

- 1) Campuses are limited to two (2) free dress activities per semester in which students are charged a fee. Pre-number tickets or bracelets must be used to conduct this type of activity.

## **CARNIVALS AND FESTIVALS**

- 1) Admission to campus carnivals and festivals must be offered free of charge to students.
- 2) Campuses or campus organizations may conduct approved activities as part of the carnivals or festivals to generate funds.

## **YEARBOOK SALES**

- 1) Yearbooks must be sold at the price stated on the campus activity application. Yearbook staff, employees or others are not entitled to discounts or any other special arrangements.
- 2) A Yearbook Listing of the students who have purchased a yearbook will be maintained by the employee responsible for selling the yearbooks.



This listing must be maintained on a periodic basis and should be readily available.

- 3) Any remaining yearbooks will be secured in a safe place.

### **BOOKSTORE SALES**

- 1) Bookstore activities are those where the school or school organization sells school supplies to teachers, parents, and/or students.
- 2) Activities include the sale of pencils, rulers, erasers, notebooks, science boards, paper, pens, etc.
- 3) PLEASE NOTE: Supplies for this activity should be purchased from campus activity fund accounts (not budget accounts). Supplies purchased through budgeted accounts must be provided to the students at no cost.

### **2.4 - RESTRICTED CAMPUS ACTIVITIES**

- 1) Campus activities which include the sale of the following products or services are restricted: raffles, cosmetics, hygiene items, body care products, long distance telephone services, chemicals, scratch and donate cards, referral type activities, and programs which require that the participants solicit personal information from the community or family.
- 2) The District restricts activities to those where a monetary profit is earned. Exception: Book Fairs.
- 3) The District restricts activities to those where tangible items are sold and can be accounted for.
- 4) As mentioned above, raffles and bingo games are restricted.
- 5) The sale of any item (chips, candies, sodas, flowers, etc.) before, during, or afterschool is prohibited without an approved campus activity application from the Finance Department.

## **2.5 - CAMPUS ACTIVITY PRIZES**

- 1) Vendors may award/give prizes to students participating in the campus activity. Please note that the vendors must still provide at least a profit margin greater than or equal to 45%.
- 2) Prizes and/or gifts to the campus principal and/or campus sponsors are prohibited.

## **Section 3 - SUMMER CAMPS**

- 1) Summer camps may be offered to students. These camps may run either as a fundraising activity (students pay a registration fee and the funds are placed into an activity account) or as a Free Camp (no registration fee is charged).
- 2) All summer camps (Free of Charge or Fundraising) must be pre-approved by the Finance Department. These activities are subject to the guidelines illustrated in this section.
- 3) Compensation for coaches is unallowable.
- 4) At Canutillo High School – All athletic camps must be pre-approved through the District Athletic Director.
- 5) Parent Liability Forms must be completed for all participating students and kept on file at the campus.
- 6) Recaps for summer camps held as fundraising activities must be recapped within ten (10) calendar days.
- 7) Athletic Summer Camps must also adhere to the following:

### **3.1 - Athletic Summer Camp as a Fundraising Activity**

- 1) Camp must comply with all UIL regulations;
- 2) Camp may only run for six (6) consecutive days;
- 3) Camp must be held after the last of day of school and start no later than the last Monday in July;
- 4) All coaches working the camp must be CISD employees or register as district “volunteers” through the Human Resource Division;
- 5) Camps are restricted to one camp per sport per school;
- 6) A properly approved campus activity approval form must be on file prior to beginning the camp;
- 7) All funds generated from the camp will be handled in compliance with the district’s CFG-CASH RECEIPTS AND DEPOSITS regulation;
- 8) The registration fee for the camp must not exceed thirty dollars (\$30);
- 9) Upon request, students on free and reduced lunch may have registration fee waived.

### **3.2 - Athletic Summer Camp as a Free Campus Activity**

- 1) Camp must comply with all UIL regulations;
- 2) Camp may only run for six (6) consecutive days;
- 3) Camp must be held after the last of day of school and start no later than the last Monday in July;
- 4) All coaches working the camp must be CISD employees or register as district “volunteers” through the Human Resource Division;
- 5) Camps are restricted to one camp per sport per school;

## Section 4 - INFORMATION FOR SPONSORS

The various types of transactions that may occur with activity funds are described here with directions for the account sponsor in the processing, handling, documenting and recording of each. See Appendix A – Forms and Instructions for instructions on completing the various documents.

### 4.1 - SPONSOR RESPONSIBILITIES

Activity Sponsors:

- 1) Must annually attend a Campus Activity Training offered by the District prior to sponsoring an activity.
- 2) Must have a signed Acknowledgement of Responsibilities and Conflict of Interest Disclosure Statement (FORM CIS) on file with the Finance Department prior to sponsoring an activity.
- 3) Must obtain approval from the Campus Principal and Finance Department prior to conducting any activity.
- 4) Ensure that District policies, regulations, and procedures are followed when conducting activities.
- 5) Must notify the Principal, Finance Department, Risk Management and Safety Coordinator and immediately report all thefts to the Sheriff Department. **The sponsor may be liable for not reporting thefts in a timely manner.**
- 6) Responsible for maintaining accurate records of all sales activities and accounting for all items purchased from vendors for resale.
- 7) Ensure that revenues from an activity are not commingled with club purchases. Utilization of profits to buy goods or services is considered a separate activity which requires that a purchase order be processed.

Example: A sponsor conducting a concession activity happens to run out of chips to sell. This sponsor could not take money received from the concession sale being conduct to purchase additional chips to sell.

- 8) Make concerted effort to collect 100% of the outstanding balance. Any consistent losses, uncollectible balance, thefts, and/or unaccounted for balances may restrict a sponsor's ability to participate in campus activities.
- 9) Fiscally responsible for all facets of the campus activity. He/she may be held liable for all unapproved campus activities and for any shortages identified if District regulation has not been followed. These responsibilities include but may not be limited to:
  - a. Plans the activity.
  - b. Selects the vendor. A completed and signed **Conflict of Interest Disclosure Statement** (FORM CIS) by the sponsor must be on file with the Finance Department.
  - c. Properly completes the Campus Activity Application. This application must be approved prior to entering into any agreement and/or receiving any product from a vendor. The sponsor, not the District, will be liable for product delivered and amount owed to the vendor if sponsor fails to obtain prior approval. Refer to POLICY CH (LEGAL & LOCAL).
  - d. Maintains the supportive documentation to complete the Activity Financial Recap. This data includes but not limited to:
    - i. Perpetual Inventory (including extra incentive product);
    - ii. Funds received and deposited (i.e., Copies of Office Receipt, Miscellaneous Receipt(s), Collection Log(s));
    - iii. Copies of vendor invoices or receipts;
    - iv. List of items provided to students at no costs;
    - v. List of delinquent amounts and product or outstanding inventory.
  - e. Obtains the principal's approval for all uncollected product.

- f. Obtains the principal's approval for all surplus/damaged inventory. The use of surplus inventory is designated by the principal and not the sponsor.
- g. Once a student fails to return product or pay for the product, the sponsor should not issue any additional product (regardless of the student's classification) until said student clears his/her record. A sponsor is liable for product issued to students who have a history (i.e., more than one instance) of not returning or paying for product(s).

10) The District:

- a. Reserves the right to stop payment on all campus activities in which the sponsor/vendor neglected to have the campus activity application approved or purchase order in place prior to beginning the activity. In these cases, a contract exists between the vendor and employee. Refer to POLICY CH (LEGAL & LOCAL).
- b. Will not be liable for any unapproved fund raising activities.

#### 4.2 - CONSEQUENCES

Strict adherence to District guidelines and regulations is required. Problem cases will be identified and reported to the Internal Audit Office for review. In instances where campus activity guidelines are not followed, the following actions may result:

1. Future fund raising requests may be denied;
2. Letter of reprimand in personnel folder;
3. Reimbursement for the value of the shortage;
4. Other, as deemed appropriate by the Superintendent which may include termination and/or criminal prosecution.

### 4.3 - CAMPUS ACTIVITY PROCESS

1) The activity sponsor must complete and submit a Campus Activity Application for each activity. The Campus Activity Application is used to request pre-approval for the activity from the Campus Principal and Finance Department.

**a. Raffles/Bingo/Games of Chance**

School districts are not qualified to hold charitable raffles under the Charitable Raffle Enabling Act (CREA) – Art. 179 and Attorney General Opinion JM-1176 (1990). An unauthorized raffle is considered gambling under the Texas Penal Code and is a Class C Misdemeanor. These activities are heavily regulated by the government and non-compliance with said regulations can result in serious consequences.

2) The activity is conducted during the dates and times identified on the approved Campus Activity Application.

3) The activity sponsor must complete and submit an Activity Financial Recap or Community Service Outreach Form within 30 calendar days after the activity end date or by the date designated on the Campus Activity Application to the Finance Department.

All campus activities will end and be recapped each semester by dates designated by the Finance Department each fiscal year.

When conducting a campus activity, schools must keep in mind the rules regarding Competing Food Sales. These are set out in the next section.

### 4.4 - VENDOR REQUEST

In order to create a purchase order, the vendor must be approved and processed as an official District vendor. The following process must be followed to add a new vendor to the purchasing system.

1) A new vendor packet must be completed in its entirety by the prospective vendor and submitted via mail or email to the accounts payable clerk in the Finance Department.

- 2) The following items constitute a “new vendor packet”:
  - a. New Vendor Form (1 page).
  - b. W-9 Form (4 pages).
  - c. Purchasing Category Checklist Form (3 pages).
  - d. Suspension and Debarment Form (1 page).
  - e. Vendor Acknowledgement Form (4 pages).
  - f. Conflict of Interest Form (1 page).
- 3) When the required documentation is submitted to the Finance Office, the Accounts Payable Department will verify the new vendor forms for completeness.
- 4) All new vendor requests are approved by the Purchasing Agent before a vendor is assigned a vendor identification number.
- 5) Once verified and approved, the new vendor will be set up in the TEAMS system.
- 6) If applicable, the requesting campus/department will be notified of the new Vendor ID number assigned for the requested vendor.
- 7) The review, approval and set-up of new vendors takes approximately five (5) business days, please plan accordingly.
- 8) Once the new vendor is added, the requesting campus or department may enter a purchase requisition using the TEAMS system.

If the required documentation is not received from the vendor, the vendor will not be added to the TEAMS system.



## 4.5 - VENDOR LIST

The Accounts Payable & Purchasing Department will maintain an online vendor list. The online vendor list shall include the names and addresses of approved vendors and the products and services they offer. The Accounts Payable & Purchasing Department will provide a complete and functional list of vendors with whom the school district conducts business.

## 4.6 - PURCHASES FROM THE ACTIVITY ACCOUNTS

Please refer to District's purchasing manual for specific guidelines which govern disbursements. All purchases must be made through a Purchase Order – Refer to Policy CH (Legal, Local, & Regulation). For additional information contact the campus office business manager or business agent.

**CASH DISBURSEMENTS ARE RESTRICTED!** All purchases from the activity account must be requested and authorized in advance using an official District PO.

- 1) The activity fund sponsor should submit a Purchase Authorization Form to the campus office business manager or business agent.
- 2) The campus office business manager or business agent 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 campus office business manager or business agent will submit a requisition for the request in TEAMS to be approved by the campus administrator.
- 4) Once the requisition has received all the pertinent approvals, it will be released by the Purchasing Agent and converted into an official District PO. The PO will be returned to the sponsor, and then the purchase may be made.

## 4.7 - UTILIZATION OF ACTIVITY FUNDS

Activity funds should be utilized in accordance with the intended purpose for which the funds were generated.

Student organization funds are for the exclusive use and benefit of the **organization members as a whole**. The monies generated must benefit students directly. Student organization raised funds cannot be used by the principal to subsidize the general fund.

Student organization funds:

- 1) Can be used to purchase items for the general student body.

NOTE: Student organizations generated funds are for the exclusive use and benefit of the organization members as a whole. The use of student organization funds to purchase items for the general student body requires approval from the student organization.

- 2) Cannot be used by the sponsor for professional travel or staff development.

Exception:

Student organization funds can be used to pay for the sponsor's travel expenses when sponsor is acting as chaperone on a District approved trip (Adherence to POLICY DEE – LOCAL is required). In cases where the students pay their own way, the sponsor must pay his/her own way, as well.

- 3) Cannot be used to pay the sponsor's membership fees.
- 4) Cannot be used to purchase uniforms for the sponsor (band, orchestra, coaches, etc.).
- 5) Cannot be used to purchase gift cards or gift certificates. In general, giving away gift cards is not considered to be a good business practice. Gift cards are considered a cash equivalent and are required to be reported as income in accordance with the IRS. Gift of funds are prohibited under Article III, Section 52 of the Constitution.

Student organizations may donate funds to any other student or outside organization with the approval of the school organization's officers. School

organizations must submit a funds transfer/payment authorization form signed by the club officers to the Finance Department.

A student club may donate services. Their services may include singing at a retirement home, collecting canned goods for the food bank, or collecting jackets for the needy, etc. A Campus Activity Application must be submitted for these activities, no exceptions. An established student organization may adopt a community project with an entity qualified under federal tax law to receive donations for charitable purposes. These organizations must file a copy of their approved 501(c) (3) status with the Financial Services Department prior to the start of the campus activity. Adopted projects shall not benefit an individual or an organization without a 501(c)(3) status. A Community Service Outreach form EXHIBIT E must be completed for all monetary and in-kind donations and forward it to Financial Services.

Activity funds can be used to purchase:

- 1) Perfect attendance incentives for students.
  - a. The issuance of these incentives requires that the Student Awards and Incentives be completed and submitted to Financial Services.
- 2) Recognition award for students, volunteers, or district employees.
- 3) Student field trips – admission fees.
- 4) Supplemental classroom instructional needs and general office supplies.
- 5) Refreshments and snacks (for in-service and staff meetings).
- 6) Teacher appreciation and awards with a recommended limit of \$25.
- 7) On site business meals for staff. For reasonable cost comparisons, the per diem amounts are: breakfast - \$10, lunch - \$15, dinner - \$20.

Activity funds cannot be used to:

- 1) Purchase gift cards. In general, giving away gift cards is not considered to be a good business practice. Gift cards are considered a cash equivalent and are required to be reported as income in accordance with the IRS. Gift of funds are prohibited under Article III, Section 52 of the Constitution.
- 2) Cannot be used for excessive staff parties, including food, decorations, and favors.

Please contact Finance Department with specific questions.

#### **4.8 - COLLECTING AND DEPOSITING ACTIVITY FUNDS**

Do not co-mingle personal funds and District funds for any reason.

Change funds may be set up for the campus or for specific accounts or events. Information about use of change funds is provided in the “Change Funds” section of this resource manual.

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. Sponsors are responsible for collecting, counting, and turning in all funds collected to the campus office business manager or business agent. The campus office business managers or business agents are responsible for verifying the count and depositing the funds to the bank account.

##### **4.8.1 - RECEIPTING ACTIVITY FUNDS COLLECTED**

Please refer to District regulation CFG-CASH RECEIPTS AND DEPOSITS, for specific policies which govern cash receipts.

Sponsors must issue a miscellaneous receipt when funds received are greater than \$10.00. Only District issued Miscellaneous receipt books may be used and can be obtained from the campus office business manager or business agent. A Collections Log may be used when funds received are \$10.00 or less. Collection logs are available on the District’s website.

- 1) Receipts must be issued for cash and checks collected at collection point.
- 2) All Miscellaneous receipts must be written/printed in non-erasable ink. Never erase or otherwise alter a Miscellaneous Receipt in the areas of the payer's name or amount. If an error is made, write the word "**VOID**" across the face of the receipt. Leave all copies intact and write another receipt. Any other corrections should be noted with a line through the error, the correction placed clearly in the general area of the error and initialed by the person making the correction. Do not use whiteout or similar products to correct receipts. Corrections should be kept to a minimum. Excessive corrections will be noted.
- 3) Checks accepted should be for a specific purpose and should be for a specific amount. Checks which are in excess of the amount due (i.e., cash given back to the check writer), temporary checks, post-dated checks, or checks drawn on foreign banks (outside of the U.S.) **MUST NOT** be accepted. District personnel (sponsors, office managers, coaches, etc.) accepting checks (at collection point) must ensure that they record on the front of the check being received:
  - a. The check-maker's driver's license number and date of birth.
  - b. The check-maker's home, work, or cell number.

Please refer to the District's Personal Checks & Returned Check Guidelines. For additional information contact the campus office business manager or business agent.

- 4) 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 campus office business manager or business agent.
  - a. The **Collection Log** may be used by the sponsor when receiving funds that are \$10.00 or less from multiple individuals for the same purpose.
    - i. Collection logs may be used for individual campus fines, classroom sales, field trip collections, and small fund raising payments.

- ii. Collection logs may not be used for payments for lost textbooks, lost or damaged library books, or any transaction where the total to be collected is greater than \$10.00 (Example: Yearbook). All individual sales greater than \$10.00 must be receipted.

The sponsor will list each person who paid, the date, and the amount. The payer should sign and date on the signature line. Students in Kindergarten through third grade are not required to sign. His/her grade or section should be written on the signature line.

Before delivery to the campus office business manager or business agent, the sponsor will complete the Activity Deposit Sheet and submit the completed sheet with the funds to be deposited to the campus office business manager or business agent for deposit. The sponsor should keep a copy of the signed Activity Deposit sheet as part of the activity records.

- b. Individual **Miscellaneous receipt** books may be issued to sponsors for funds collected individually. Only District issued Miscellaneous receipt books may be used and can be obtained from the campus office business manager or business agent.

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 Activity Deposit Worksheet to the campus office business manager or business agent with the deposit. The Activity Deposit Worksheet should indicate "Receipt #s \_\_\_\_\_ through \_\_\_\_ ". It is not necessary to list each receipt individually. The sponsor should keep a copy of the signed Activity Deposit sheet as part of the activity records.

Receipt books are subject to audit at any time, and should be returned to the campus office business managers or business agents when all receipts are used.

- 5) Sponsor should write the activity number on each check to be deposited.

#### 4.8.2 - DEPOSITING ACTIVITY FUNDS COLLECTED

Please refer to District regulation CFG-CASH RECEIPTS AND DEPOSITS, for specific policies which govern cash receipts.

- 1) All money (cash and checks) collected must be deposited into the activity fund account. Cash collected may not be used to make purchases or payments of any kind. All purchases from the activity fund must be made with an official District PO.
- 2) The **Deposit Tally Sheet** must be used by sponsors to deposit collected funds with the campus office business manager or business agent.

Before delivery to the campus office business manager or business agent, the sponsor will list the miscellaneous receipt(s), collection log(s), ticket or bracelet sequence, or items sold and tally the funds received. The activity description, activity number, and activity fund account number must be completed by the sponsor on the top of the form.

- 3) 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.
- 4) Sponsors are required to submit cash collected when the aggregate amount collected exceeds \$50.00 or a minimum of once a week.

In the event that cash on hand does not exceed the \$50 threshold, funds collected must be secured in a locked cabinet or closet.

All District collections, regardless of amount, are subject to this requirement.

- 5) The campus office business managers or business agents may want to establish set times each day for collected funds to be turned in. Please check with the campus office business managers or business agents on your campus and help them by complying with this schedule. All funds should be properly receipted and counted as described above before they are brought to the campus office business managers or business agents for deposit.

- 6) Campus office business managers or business agents have been instructed not to accept funds for deposit that have not been properly counted and receipted by activity fund sponsors.
- 7) The campus office business managers or business agents will count and verify the deposit. The campus office business managers or business agents will issue an Office Receipt for the deposit.
- 8) The campus office business managers or business agents will prepare the bank deposit. The campus office business managers or business agents should make copies of the front of all checks prior to making the bank deposit.

#### **4.8.3 - AFTER HOUR FUND COLLECTIONS**

After Hour collections are those in which the office manager/business agent is not able to perform a cash count at collection point but monies are placed in the vault as required by deposit guidelines. When following the after hour process, it is still necessary to have the cash count verified by the sponsor prior to submitting the tamper resistant deposit bag to the administrator for safe keeping.

Funds collected must be secured in a tamper resistant deposit bag and locked in the school's safe/vault until the next business day. As soon as possible, on the next business day, the bookkeeper must count the money in the presence of the individual who remitted the funds and issue an office receipt.

All transactions that involve the collection of cash must be supported with adequate documentation. The sponsor responsible for the after hour activity **MUST** issue receipts for cash collected at the collection point.

The process noted below is allowable for evening and weekend academic and athletic events. The tamper resistant deposit bags are available through the campus office manager/business agent. Before the monies collected are placed in the school's e/vault, the monies must:

- 1) The funds collected must be counted by the sponsor and noted on the Deposit Tally Sheet. The tally sheet must be signed by the sponsor to confirm funds were verified.



- 2) The collection log and miscellaneous receipt book must be submitted with the funds in the tamper resistant deposit bag, if applicable.
- 3) The tamper resistant deposit bag must be completely sealed before submitting to the campus administration for placement in the safe/vault.
- 4) The After Hour Fund Collection Log must be signed by the sponsor to confirm the receipt of funds by the administrator.

#### **4.9 - 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 others 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 you in understanding the rules for sales and sales tax collection. Additional information is available in the Sales Tax section of this 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 Finance Department.
- 4) Texas sales tax statutes impose tax on the sale, lease, or rental of tangible personal property and selected services. Public schools and school-related organizations must collect sales tax on all sales which are not specifically exempt.

- 5) In some campus 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.
- 6) Some sales are for resale. In such an event, pay the vendor the amount owed (without tax) and issues a Texas Resale Certificate. Collect sales taxes on items sold and then sales tax will be remitted to the Comptroller.
- 7) Each school district, each school, and each bona-fide organization (see below for definition of bona-fide organization) within the district is allowed to have two one-day tax free sales 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, such as yearbooks, 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.

- 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.

#### 4.11 - SALES TAX PAYMENT FOR PURCHASES MADE

Provisions under Article 21.023 of the Federal Statutes 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 certificates (see Forms section in back) should be presented:

**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.

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

**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

NOTE: 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.

NOTE: Booster clubs, PTOs, 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.

#### 4.12 - CHANGE FUNDS

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

- 1) The campus principal may choose to establish change funds to give change for specific campus activities.
- 2) A change fund is requested by submitting an email to the Executive Director of Financial Services. The campus principal must initiate the request.
- 3) Campus sponsors may request the use of a change fund for fundraising activities that will require issuance of change, such as concession sales, dances, carnivals, etc.
  - a. The sponsor completes Section A of the Change Fund Request Form and submits to the campus office business manager or agent.
    - i. Sponsor Name is required;
    - ii. Date the request is submitted to the campus business office;
    - iii. Purpose for the request of the change fund (Ex. Dance – FR 001-25-02);
    - iv. Date the change fund is needed;
    - v. Sponsor's signature and date.
  - b. Campus office business manager or business agent reviews the request and completes Section B of the Change Fund Request Form if the request is approved.
  - c. As the change fund is issued to the sponsor, the sponsor and campus office business manager or business agent should sign

and date for the change fund in Section B of the Change Fund Request Form.

- i. The change fund should be verified at collection point by the sponsor
  - d. When the change fund is returned to the campus office business manager or business agent, Section C of the Change Fund Request Form must be completed.
- 4) The change fund issued to the sponsor must be returned to the campus office business manager or business agent within 24 hours of the requested activity date.

#### **4.13 - ACTIVITY FUND AUDITS**

Activity funds are subject to audit by the District's internal auditors or district Finance Department. All records of the sponsor and campus office business manager or business agent are subject to audit and must be made available upon request. Campus office business manager's or business agent's and sponsor's records shall be kept current and in good order.

## **Section 5 - ADDITIONAL SALES TAX INFORMATION**

### **5.1 - 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

## 5.2 - 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.

### 5.2.1 - TAXABLE SALES LIST

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	



Book covers	
Books - workbooks, vocabulary, library, author (when we are the seller)	Pictures - school, group (if school is the seller)
Brochure items	Plants - holiday greenery and poinsettias
Calculators	Rentals - equipment of any kind
Calendars	Rentals - uniforms of any kind, towels
Candles	
Car - painting, pin striping	Repairs to tangible personal property (i.e., computer repair, house remodeling)
Clothing - school, club, class, spirit	
Computer - supplies, mouse pads	Rings and other school jewelry
Cosmetology products sold to customers	Rummage, yard, and garage sales
Cups - glass, plastic, paper	School publications - athletic programs, posters
Decals	School publications - brochures
Directories - student, faculty	School publications - magazines (unless > six month subscription)
Drafting – supplies	School publications - newsletters, newspapers (generally are not sold though)
Family and Consumer Science - supplies and sewing kits	
Fees - copies, printing, laminating	School publications - reading books
Flowers - roses, carnations, arrangements	School publications - sheet music, hymnals
Greeting Cards	
Handicrafts	School publications - yearbooks

Horticulture items	School store - all items (except food)
Hygiene supplies	Science - science kits, boards, supplies
Identification cards – when they are sold to entire student body (not just the fine for a lost ID card)	Spirit items
Locks - sales and rentals	Stadium seats
Lumber	Vending - pencils and other non-edible supplies when the school services the machine
Merchandise, tangible personal property	Woodworking crafts - entire sale to include parts and labor
Stationery	
Supplies – any sold to students	
Uniforms - any type to include PE, dance team, drill team, cheerleaders, athletic, club shirts	
Yard signs	

### 5.2.2 - NON-TAXABLE SALES LIST

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

### 5.3 - TAX FREE DAYS

Each school district, each school, and each bona fide chapter of each school 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 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 campus office business managers or business agents shall utilize the Tax Free Day Log to keep track of all tax free days.

Other Information

#### **5.4 - FOOD SALES**

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 fund-raising 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; if it is a fund-raiser, it is not taxable.

However, tax-exempt sales of food by a school district (i.e., food service) 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.

## **Section 6 – BOOSTER CLUBS, PTOs, and OTHER 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.

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## **Appendix A – Forms and Instructions**

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## Campus Activity Form Instructions

### Acknowledgement of Responsibilities

The Acknowledgement of responsibilities form is sign by the Sponsor and Campus Principal and submitted to the Finance Department after the sponsor has attended an annual Campus Activity Training and prior to sponsoring an activity. By signing the acknowledgement form the sponsor acknowledges that they are aware and understand their responsibilities for conducting an activity and following District policies, regulations, and procedures.

Sponsor and Principal should read, sign, and date form. Acknowledged form should be submitted to the Finance Department.

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## Conflict of Interest (FORM CIS)

### LOCAL GOVERNMENT OFFICER CONFLICTS DISCLOSURE STATEMENT

Section 176.003 of the Local Government Code requires certain local government officers to file this form. A "local government officer" is defined as a member of the governing body of a local governmental entity; a director, superintendent, administrator, president, or other person designated as the executive officer of the local governmental entity; or an employee of a local governmental entity with respect to whom the local governmental entity has, in accordance with Section 176.005, extended the requirements of Sections 176.003 and 176.004. This form is required to be filed with the records administrator of the local governmental entity not later than 5 p.m. on the seventh business day after the date on which the officer becomes aware of the facts that require the filing of this statement.

A local government officer commits an offense if the officer knowingly violates Section 176.003, Local Government Code. An offense under this section is a Class C misdemeanor.

Please refer to chapter 176 of the Local Government Code for detailed information regarding the requirement to file this form.

#### INSTRUCTIONS FOR COMPLETING THIS FORM

*The following numbers correspond to the numbered boxes on the other side.*

- A. **Name of Local Government Officer.** Enter the name of the local government officer filing this statement.
- B. **Office Held.** Enter the name of the office held by the local government officer filing this statement.
- C. **Name of person described by Sections 176.002(a) and 176.003(a), Local Government Code.** Enter the name of the person described by Section 176.002, Local Government Code with whom the officer has an employment or other business relationship as described by Section 176.003(a), Local Government Code.

- D. Description of the nature and extent of employment or business relationship with person named in item 3.** Describe the nature and extent of the employment or other business relationship with the person in item 3 as described by Section 176.003(a), Local Government Code.
- E. List gifts accepted, excluding gifts described by Section 176.003(a-1), if aggregate value of the gifts accepted from person named in item 3 exceeds \$250.** List gifts accepted during the 12-month period (described by Section 176.003(a), Local Government Code) by the local government officer or family member of the officer, excluding gifts described by Section 176.003(a-1), from the person named in item 3 that in the aggregate exceed \$250 in value.
- F. Affidavit.** Signature of local government officer.

Completed form should be submitted the Finance Department.

## Campus Activity Application

The Campus Activity Application is used to request pre-approval for the campus activity. The application identifies the organization and sponsor requesting the activity, activity start and end dates, time of day activity is to take place, product to be sold, intended purpose of the activity, whether the activity is taxable or designated as a tax free, and anticipated profit margin of the activity.

The campus activity approval process is initiated by submitting the Campus Activity Request Form to the Finance Department. The application form must be approved by the Executive Director of Financial Services before the product or services are ordered or received.

The sponsor and campus office manager must ensure that the application form is properly completed (i.e., all the blanks are filled in) before submitting the application. Approval for the activity could be delayed as a result of an incomplete form.

### INSTRUCTIONS FOR COMPLETING THIS FORM

A. The **Campus Activity Number** includes:

- Three digits for the campus,
- Two digits for the club number, and
- Two digits to identify the event (i.e., 03 would illustrate an organization's third fund raiser).

The following examples illustrate the high school's F.F.A. third fund raiser.

#### ACCOUNT EXAMPLE

0	0	1	5	5	0	3
Campus ID #			Club Account #		Activity #	

B. **Activity Account Number** – Information is completed by Finance Department.

C. **Organization/Club Name** – Enter organization or club name.

D. **Date of Request** – Enter the date of request for approval.

- E. **Campus** – Enter the Campus/Department name.
- F. **Sponsor Name** – Enter the name of the sponsor coordinating the activity. Name must be printed.
- G. **Activity Start Date** – Enter the start date of the activity.
- H. **Activity End Date** – Enter the end date of the activity. Note: The end date will determine the recap due date of the activity.
- I. **Time of day sales/activity** – Enter the time of day that the activity is going to be conducted.
- J. **Who will do the selling?** – Identify who will participate in the operation of the campus activity, such as students, teachers, staff, etc.
- K. **Product/Event to be sold** – Identify the activity or event that is proposed as the campus activity, be specific. Examples – Prepackaged Concession Sales, Yearbook Sales, Scholastic Book Fair, etc.
- L. **For what purpose(s) will the proceeds be used? (Be Specific)**  
– Specify the reason or purpose of the activity, such as:
- i. For the purchase of a marquee;
  - ii. To purchase instructional materials;
  - iii. For the teacher holiday luncheon;
  - iv. Team competition entry fees.
- The funds generated must be used for the purpose indicated on the campus activity form.**
- M. **Is the sale taxable?** – Check off the appropriate box. Please refer to the Additional Sales Tax Information section of this manual.
- N. **Is the activity designated as tax free?** – Check off the appropriate box. Please refer to the Additional Sales Tax Information section of this manual.

O. **Is this the first or second tax free day?** – Check off the appropriate box. Please refer to the Additional Sales Tax Information section of this manual.

P. **Vendor Number** – Enter the vendor number. Please contact the campus office business manager or business agent for this information.

Q. **Vendor Name** – Enter the vendor name.

**All campus activities must be conducted with approved District vendors if the campus activity is for profit. Each approved vendor will issued a vendor number by the Purchasing Agent.**

R. **Estimated Cost** – Enter the anticipated cost to conduct the activity.

S. **Estimated Profit** – Enter the anticipated profit from conducting the activity.

T. **Profit Percentage** – Enter the anticipated profit percentage.

U. **Have all previous campus activity debts been collected?** – Indicate by checking off the appropriate box if all previously approved campus activities debts have been collected. If not, in the appropriate lines identify the campus activity, outstanding amount and provide an explanation.

The sponsor must sign as requestor and the principal or assistant principal must sign to authorize the campus activity before it is submitted to the Finance Department for approval.

The Finance Department determines whether the activity is approved. Considerations include whether the provider is an approved vendor, prior losses/unaccounted variances, problem sponsor, problem vendor, number of outstanding campus activities, potential liability, and the purpose of the campus activity.

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## Activity Financial Recap Report

The Activity Financial Recap Report is used by the sponsor to record itemized purchases and sales. Based upon the itemized information, the report will calculate total cost, total sales, applicable sales tax, and activity profit margin.

- A. **Record the Activity Number in the Campus Activity Number field.**  
This number is located on the Campus Activity Application.
- B. **Is the Activity a Scholastic Book?** – Using the drop box select "Yes" if the activity is a scholastic book fair or "No" if the activity is not a scholastic book fair. Default is set to "No".
- C. **Product Description** – List the purchase item(s) to be sold as part of conducting the approved activity.
- D. **(A) Units Ordered** – Enter the total units purchased.
- E. **(B) Cost per Unit** – Calculated Field, No Entry Required. This field calculates the per unit cost of the items purchased or Extended Cost divided by Units Ordered.
- F. **(C) Extended Cost** – Enter the total cost of the purchased item.
- G. **(D) Units Sold** – Enter the total units sold per item.
- H. **(E) Selling Price** – Enter the selling price of each item.
- I. **(F) Amount Sold** – Calculated Field, No Entry Required. This field calculates the dollar amount sold per item or Units Sold times Selling Price.
- J. **(G) Quantity Return** – Enter the units returned to vendor for credit.

- K. **(H) Returned Amount** – Calculated Field, No Entry Required. This field calculates the dollar amount returned to vendor for credit or Quantity Returned times Cost per Unit.
- L. **(I) Inventory Quantity** – Calculated Field, No Entry Required. This field calculates the units left over after sales are complete and items are returned to vendor or Units Ordered minus Units Sold minus Quantity Returned.
- M. **(J) S&H Charges** – Recorded shipping and handling charges from activity purchases.
- N. **(K) Other Charges** – Include charges related to re-stocking, security, disco, band, rentals, decorations, etc.
- O. **(L) Other Charges** – Include charges related to re-stocking, security, disco, band, rentals, decorations, etc.
- P. **(M) Less Discounts** – Enter any reductions to total invoiced received from vendors for purchases usually made in bulk quantities.
- Q. **(N) Sales Tax** – Enter the applicable sales tax percentage. Sales tax percentage will be used to calculate the amount of applicable tax to remit to the State.
- R. **(O) Cash & Check Sales** – Enter the cash & check sales identified on the scholastic book fair invoice.
- S. **(P) Credit Card Sales** – Enter the credit card sales identified on the scholastic book fair invoice.
- T. **(Q) Sales Tax** – Enter the sales tax amount identified on the scholastic book fair invoice.

U. **(R) Less Scholastic Dollars** – Using the drop box select "Yes" if the profit option is Scholastic Dollars. Default is "No".

V. **(S) Less Profit** – Using the drop box select "Yes" if the profit option is Cash. Default is "No".

**This worksheet should be printed and all pertinent signatures obtained.**

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## Activity Receipts – Invoices Worksheet

The Activity Receipts Worksheet is used by the sponsor to record vendor receipts or invoices. The information recorded in this worksheet is used to provide assurance that all itemized cost are accurately recorded on the Activity Financial Recap Report.

- A. **Date** – Record the date purchase was made.
- B. **Vendor** – Record the name of the vendor from which activity purchase(s) were made.
- C. **Amount** – Record the total receipt or invoice amount.

**This worksheet should be printed, attached to copies of activity receipt(s) or invoice(s) and included as part of the Activity Financial Recap support documentation.**

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## Activity Deposit Worksheet

The Activity Deposits Worksheet is used by the sponsor to record the activity deposits made to the campus office business manager or business agent. The information recorded in this worksheet is used to provide assurance that all itemized sales recorded on the Activity Financial Recap Report were deposited by the sponsor and campus.

- A. **Date** – Record the deposit date.
- B. **Office Receipt Number** – Record the Office Receipt Number of the deposit made.
- C. **Amount** – Record the amount deposited.

**This worksheet should be printed, attached to copies of activity receipt(s) or invoice(s) and included as part of the Activity Financial Recap support documentation.**

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## Outstanding Inventory Sheet

The Outstanding Inventory Sheet is used by the sponsor to account for product outstanding, lost, stolen, missing, collectible, uncollectible, etc. The Outstanding Inventory Sheet documents how inventory will be used. The Principal must approve all instances where surplus/damaged inventory is disposed of.

- A. **How inventory will be used** – If applicable, the sponsor should identify how left over inventory will be used or disposed of.
- B. In the appropriate area the sponsor must identify and itemize all surplus/damaged product or outstanding amount owed by students/staff.
- C. Principal must approve all instances where surplus/damaged product is disposed of.

**This worksheet should be printed and included as part of the Activity Financial Recap support documentation.**

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## Items Provided At No Cost

The Items Provided At No Cost Sheet is used by the sponsor to document items that were provided to students at no cost while conducting the activity. A line item for “Items Provided At No Cost” should be included on the Activity Financial Recap Report (R).

- A. **Date** –Record the date item(s) were provided to the student.
- B. **Student Name** – Record the name of the student that items were provided to.
- C. **Product Provided at No Cost** – Record the product that was provided to the student at no cost.
- D. **# of Items Provided** – Record the number of product(s) that was provided to the student at no cost.
- E. **Student Signature** – Have the student sign in the appropriate to acknowledge receipt of the products.

Note: Students in kindergarten through 3rd do not have to provide a signature. His/her grade or section should be written on the signature line.

**This worksheet should be included as part of the Activity Financial Recap support documentation.**

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## Donated Items for Sale

The Donated Items for Sale Sheet is used by the sponsor to record all items that were donated and sold as part of the activity.

- A. **Date** – Record the date item(s) were donated by the student, parent, or sponsor.
- B. **Name** – Record the name of the individual donating the item(s).
- C. **Donated Item** – Record the donated item.
- D. **# of Items** – Record the quantity of the donated item.
- E. **Estimated Value** – Record an estimated value for the item(s) that were donated.

**This worksheet should be included as part of the Activity Financial Recap support documentation.**

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## Community Service Outreach Form

The Community Service Outreach Form is required for all Community Service Outreach activities. The Community Service Outreach form is used by the sponsor to provide an accounting of the amount of goods, hours of service, or monies donated to a Charitable Organization.

- A. **Date** – Enter the date community service outreach form was completed.
- B. **Charitable Organization Receiving Donation** – Identify the Charitable Organization for which community service was performed.
- C. **Person Accepting Donation** – Identify the individual from the Charitable Organization that will be accepting the donation.
- D. **Organization Contact Person** – Identify the contact person from the Charitable Organization.
- E. **Title** – Identify the contact person’s title at the Charitable Organization.
- F. **Telephone** – Provide a contact number for the Charitable Organization.
- G. **Address** – Enter the street address or P.O. Box of the Charitable Organization.
- H. **City** – Enter the city of the Charitable Organization.
- I. **State/Zip Code** – Enter the state and zip code of the Charitable Organization.
- J. **Goods/Services Donated** – Identify the goods or services donated to the Charitable Organization.
- K. **Total Hours Contributed** – Enter the total hours contributed to the Charitable Organization.

L. **Date** – Enter the date goods, services or hours were donated to the Charitable Organization.

M. **Market Value of Goods/Services** – Enter an estimated value for the goods or services donated to the Charitable Organization.

N. **Donations Given by** – Identify the campus or campus organization providing the community service outreach.

**The sponsor and principal should sign, date and submitted completed form and support documentation to the Finance Department.**



## Deposit Tally Sheet

The Activity Deposit Sheet is used to facilitate the depositing of activity funds to the campus office business manager or business agent by the sponsor. This form should be completed and submitted along with activity fund deposits to the campus office business manager or business agent.

- A. **Activity Description** – Enter the description of the activity conducted from which monies were collected. Example – Concession Sales, dance admission fees, yearbook sales, etc. Please refer to the Product/Event To Be Sold information from the campus activity application.
- B. **Campus Activity Number** – Enter the campus activity number. Please refer to the campus activity application.
- C. **Activity Fund Account No.** – Enter the activity fund account no. to which deposited funds should be credited to. Please refer to the campus activity application.
- D. **Miscellaneous Receipts or Ticket/Bracelet Sequence** – Enter the miscellaneous receipts sequence, collection log, ticket/bracelet sequence or product sold and calculate the appropriate deposit total. Example: Miscellaneous Receipts 1234 through 5678 - \$500.00.
- E. **Tally Boxes** – Complete these sections by entering a count for each currency and coinage denomination and calculate the appropriate total of currency, coinage, and checks collected.
- F. **Office Receipt No.** – After making the deposit with the campus office business manager or business agent the office receipt number should be recorded.

**The sponsor and campus office business manager or business agent should sign and date the activity deposit sheet. A copy of the signed form should be provided to the sponsor and kept as part of the activity documentation.**

# OTHER DOCUMENTS

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## CASH RECEIPT AND DEPOSIT GUIDELINES

### GENERAL INFORMATION

1. All transactions that involve the collection of cash and checks must be supported with adequate documentation. District employees collecting cash and checks on-behalf of the district **MUST** use a collection log or issue receipts for cash and checks collected at the collection point.
2. The District uses Collection Logs and Miscellaneous, Office, and Master receipts to document and record the collection and depositing of cash and checks.
3. Article 3, Section 52 of the Texas Constitution prohibits the lending of credit or anything of value for private purposes. Therefore, checks cannot be cashed and money cannot be borrowed OR lent from cash received.
4. Miscellaneous, Office, and Master Receipt Books must be tracked using a receipt book inventory log from the time they arrive at the campus. These logs should be maintained as a perpetual record.
5. Each club must be issued a separate Miscellaneous Receipt Book (Example - A sponsor who has two or more clubs must be issued a Miscellaneous Receipt book for each club).
6. All cash and checks collected must be deposited into the District's Financial Institution.
7. Documentation of cash and checks collected must be submitted to Financial Services for posting in the District's accounting system.

### RECEIPT BOOKS

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1. The District uses Miscellaneous, Office, and Master receipts to document and record the collection and depositing of cash and checks.
  - **Miscellaneous Receipts** are issued by trained District employees to record the collection of cash and checks from various District approved activities.
  - **Office Receipts** are issued by the office manager/business agent to record the receipt of payments, donations, or collections made by individuals.
  - **Master Receipts** are prepared by the office manager/business agent to aggregate all Office Receipts issued and are the basis for making a bank deposit.
2. Miscellaneous, Office, and Master Receipt Books must be tracked using a receipt book inventory log from the time they arrive at the campus.
3. Receipt books **must not be issued** to other schools, the Parent Teacher Organization (PTO), Booster clubs, or other outside organizations.

In emergency situations receipt books may be lent to another school as long as proper documentation is completed. Please contact the Accountant in Financial Services for details.

4. The office manager/business agent must plan properly and order receipt books/deposit slips as needed.

## **RECEIPT BOOK INVENTORY LOGS**

There are three receipt book inventory logs (Miscellaneous, Office, and Master) that are maintained by the office manager/business agent to track issuance and usage of the different types of receipt books ordered and used by the campus



1. The office manager/business agent must inventory all receipt books received and log the receipt number sequence on the appropriate **Miscellaneous, Office, or Miscellaneous [Receipt Book Inventory Log](#)**.
2. A copy of the warehouse requisition should be filed along with inventory log(s) to support any additions to the log.
3. These logs should be maintained as a perpetual record – unused receipt books should be tracked year after year.
4. An inventory of completed and unused receipt books will be conducted at year end.

## **MASTER AND OFFICE RECEIPT INVENTORY LOGS**

1. Used to inventory the receipt and usage of Master or Office receipts ordered by the campus.
2. The following information must be logged in numerical order for each receipt book ordered:
  - a. Beginning Receipt Number
  - b. Ending Receipt Number
  - c. Warehouse Requisition Number
  - d. Office manager/business agent initials next to each receipt book ordered acknowledging receipt of each book.
3. The following information must be logged during the usage of each receipt book:
  - a. In Use field must be checked to identify that the receipt book is currently being used by the campus.
  - b. Office manager/business agent will then initials acknowledging that the receipt book is in use.
  - c. Once all receipts have been used or voided the office manager/business agent will then check the Fully Used Book field

- to identify that the receipt book has been fully used and is no longer being used by the campus.
- d. Office manager/business agent will then initials acknowledging that the receipt book is no longer in use by the campus.
  - e. If the receipt book is still in use at the end of the year the office manager/business agent will identify the receipt number sequence of receipts issued/voided during the fiscal year in the Comments field.

## **MISCELLANEOUS RECEIPT BOOK INVENTORY LOG**

1. Used to inventory the issuance and usage of Miscellaneous receipt books ordered by the campus.
2. The following information must be logged in numerical order for each receipt book ordered:
  - a. Beginning Receipt Number
  - b. Ending Receipt Number
  - c. Warehouse Requisition Number
  - d. Office manager/business agent initials next to each receipt book ordered acknowledging receipt of each book.
3. The following information must be logged during the issuance and usage of each receipt book:
  - a. Activity club name.
  - b. Activity club number.
  - c. Printed name of the individual being issued the miscellaneous receipt book.
  - d. Acknowledgment of the issuance of the receipt book is made by having the individual initial in the Issued To Initials field.
  - e. When the individual returns the receipt book, the individual will acknowledge return by initialing in the Returned Initials field.
  - f. When the receipt book is returned, the office manager/business agent must identify the receipt number sequence for all receipts issued or voided in the Comments field.

## **ORDERING RECEIPT BOOKS**

Miscellaneous, Office and Master Receipt Books are requested by the Office Manager/Business Agent by submitting a warehouse requisition to the Warehouse Department. A warehouse requisition can be obtained by contacting the Warehouse Department.

## **CASH AND CHECK COLLECTIONS**

All transactions that involve the collection of cash or check must be properly receipted at collection point and supported with adequate documentation by all individuals collecting money on behalf of the District.

For check collections please refer to the **Personal Check Guidelines**.

## **MISCELLANEOUS RECEIPTS**

1. Trained district employees accepting cash (sponsors, coaches, librarians, etc.) issue Miscellaneous Receipts.
2. Miscellaneous Receipts must be used and maintained in date and sequential order.
3. When money is received from any source, a pre-numbered Miscellaneous receipt (duplicate) is prepared.
4. Miscellaneous receipts must be issued when money collected is greater than \$10.00.

5. **Receipts are prepared and issued at collection point.** The monies must be counted in the presence of the payer and a receipt issued immediately. The individual remitting the money must be provided with the original (white) receipt before they leave the collection point.
  
6. The campus office manager/business agent may choose to use Miscellaneous Receipt Books for certain activities where numerous receipts are written for the same activity in one day (school-wide fundraisers, yearbook sales, etc.).
  - a. The office manager/business agent assigns a specific title to the Miscellaneous Receipt book such as Brochure Fundraiser 001.48.005 - #1.
  - b. The office manager/business agent writes Miscellaneous Receipts for each student turning in money throughout the day.
  - c. The office manager/business agent prepares an Office Receipt at the end of the day for all Miscellaneous Receipts written that day.
  - d. In the "Received From" space of the Office Receipt, the office manager/business agent should record the Miscellaneous Receipt book title (see (a) above).
  - e. The description must contain the number sequence of Miscellaneous Receipts.
  - f. The original Office Receipt is attached to the last Miscellaneous Receipt of the deposit

### **How to Complete a Miscellaneous Receipt**

- a. White Copy is issued to Payer at point of collection.
  - b. Yellow Copy remains in the receipt book. Sponsor must present the receipt book with money for deposit to the office manager.
1. The following information must be recorded on the Miscellaneous and Office Receipt:
    - a. Campus Name;
    - b. Date the money was received;

- c. Name of individual from whom the money was received;
  - d. The amount received;
  - e. The account number(s) where the receipt is to be recorded. Please note the entire account number must be included (ex. 865.00.2198.62.001.2.00);
  - f. An explanation of the purpose for which the money was received;
  - g. The amount for each item included in the deposit.
  - h. The signature of the person making the deposit. Signature stamps are not allowed.
2. If applicable, add the information next to the boxes:
    - a. The fundraiser number and description.
3. A receipt may not be issued to more than one person.
  4. The preparer cannot issue him/herself a receipt. It must be issued by the principal or trained alternate who has received training in the receipt process.

## OFFICE RECEIPTS

1. Only the campus office manager/business agent, Principal and trained alternate may issue Office Receipts.
2. Office Receipts must be used and maintained in date and sequential order.
3. When money is received from any source, a pre-numbered [Office Receipt](#) (triplicate) is prepared.
4. **Receipts are prepared and issued at the collection point.** The monies must be counted in the presence of the payer and a receipt

issued immediately. The individual remitting the money must be provided with the original (white) receipt before they leave the collection point.

5. If the office manager/business agent is assisting a club sponsor by receipting monies for yearbook, fund raising projects, etc. directly from students or parents then the office manager/business agent must provide the sponsor with copies of the Office Receipts used.

**How to Complete an Office Receipt** (for office manager/business agent use ONLY)

- a. White Copy is issued to Payer at point of collection.
  - b. Yellow Copy is attached to the Master Receipt (white) that will be sent to Financial Services for posting.
  - c. Pink Copy must remain in the receipt book.
1. The following information must be recorded on the Miscellaneous and Office Receipt:
    - a. Campus Name
    - b. Date the money was received
    - c. Name of individual from whom the money was received
    - d. The amount received
    - e. The account number(s) where the receipt is to be recorded. Please note the entire account number must be included (ex. 865.00.2198.62.001.2.00)
    - f. An explanation of the purpose for which the money was received
    - g. The amount for each item included in the deposit
    - h. The signature of the person making the deposit. Signature stamps are not allowed.
  4. If applicable, add the information next to the boxes:
    - a. The fundraiser number and description.

- b. Collection Log description and purpose when funds received over the course of the day for a specific activity (i.e., collections for a field trip). In this case, the receipt is not made out to an individual.
  - c. The ticket number sequence for the sale of athletic tickets, prom tickets, etc. (first and last ticket sold).
  - d. Miscellaneous Receipt number sequence when miscellaneous receipts are being used.
5. A receipt may not be issued to more than one person.
  6. The preparer cannot issue him/herself a receipt. It must be issued by the principal or trained alternate who has received training in the receipting process.

## **MASTER RECEIPTS**

1. A Master Receipt is prepared by the campus office manager/business agent and is used as the basis for the bank deposit.
2. The original Master Receipt is attached to the Office Receipt(s) that corresponds to that Master Receipt. The carbon copy must be left in numerical sequence in the book.
3. Documentation must be submitted to Financial Services for posting and reconciliation in a timely manner.
4. Master Receipts are used and maintained in date and sequential order.

**How to Complete a Master Receipts** (for office manager/business agent use ONLY)

- a. White Copy is sent to Financial Services (attach the yellow copy of the Office Receipt(s) that correspond to the deposit).
- b. Yellow Copy must remain in the receipt book.

The following information must be recorded on the Master Receipt:

- a. Campus Name
- b. Date the money was received
- c. The beginning and ending number of the corresponding Office Receipts.
- d. The total amount of the deposit (total amount of Office Receipts included in the deposit).
- e. The signature of the person making the deposit. *Signature stamps are not allowed.*

## **VOIDED RECEIPTS**

1. Never erase or otherwise alter a Master, Office, or Miscellaneous Receipt in the areas of the payer's name or amount. *If an error is made, write the word "VOID" across the face of the receipt. Leave all copies intact and write another receipt.*
2. Any other corrections should be neatly lined through and the correct information placed clearly in the general area of the error and initialed. For example, an incorrect date should be lined through and the correct information placed.
3. Do not use liquid paper to correct errors.
4. Corrections should be kept to a minimum. Excessive corrections will be noted.



## COLLECTION LOGS

1. A [Collection Log](#) may be used for small individual sales where receipts would not be cost effective. The Collection Log is to be used for individual sales or collections less than or equal to \$10.00.
2. The Collection Log may be used for individual campus fines, classroom sales, field trip collections, and small fund raising payments. Collection Logs cannot be used for payments for lost textbooks, lost or damaged library books, or any transaction where the total to be collected is greater than \$10.00 (Example: Yearbooks). All individual sales or collections greater than \$10.00 must be receipted.
  - a. The person collecting money should print the payer's name and amount received.
  - b. The payer should sign and date in the appropriate columns.
  - c. Students in Kindergarten through third grade are not required to sign. His/her grade or section should be written on the signature line.
3. A Library [Fine Collection Sheet](#) is required for library fine collections.
4. Employees using either a Collection Log or Library Fine Collection Sheet will submit the log and funds for deposit to the campus office manager/business agent. The campus office manager/business agent ensures that the total on the log agrees to the funds submitted. An Office Receipt is issued to the individual submitting the log and funds. The campus office manager/business agent must staple the original Collection Log or Library Fine Collection Sheet to the related Office Receipt (Pink Copy).
5. The office manager/business agent may choose to use a Collection Log for certain types of activities. In these cases, the campus office manager/business agent assigns a specific title to the Collection Log.

**EXAMPLE:** INSIGHTS FIELD TRIP (\$4.50 each) - Week Ending September 12, 20xx. The Collection Log would be handled as follows:

- a. The individual's name and total transaction amount is recorded on the log and signed by the payer.
- b. The campus office manager/business agent must consider the guidelines that govern deposits. At appropriate intervals, the campus office manager/business agent completes an Office Receipt for the activity.
- c. For example, the campus office manager/business agent has \$108.00 in trip collections on September 10, 20xx. On September 10, 20xx, the clerk prepares an Office Receipt. The clerk records "INSIGHTS FIELD TRIP LOG September 12, 20xx" in the "Received From" space.
- d. The original Collection Log is stapled to the Office Receipt (Pink Copy).

**Use of this log is restricted to individual receipts less than or equal to \$10.00.**

## **DEPOSITS**

### **GENERAL OPERATING PROCEDURES**

1. Deposits must be made when funds collected:
  - During a given day are greater than or equal to \$100.00 (excluding petty cash funds); or
  - At the end of the week, regardless of the amount collected.
2. District employees (sponsor, coaches, librarians, etc.) are required to submit cash or checks collected to the office manager/business agent when:
  - a. The aggregate amount collected during a given day exceeds \$50.00, or
  - b. At the end of the week, regardless of the amount collect.

All District collections, regardless of amount, are subject to this requirement.

**In the event that cash on hand does not exceed the \$50 threshold, funds collected must be secured in locked cabinet or closet.**

3. A tally sheet must be used to prepare or submit cash and checks for deposit
4. **The campus office manager/business agent must ensure that the Miscellaneous Receipts/Collection Logs and cash remitted agree. Any differences must be reconciled immediately and noted on the Office Receipt. Any significant difference must be reported in writing to the Financial Services Accountant.**
5. The campus office manager/business agent must ensure that funds receipted are deposited in numerical and date sequence.
6. The principal should require that all employees submit funds to the campus office manager/business agent for deposit on or before 1:00 p.m. This will enable the campus office manager/business agent to count and receipt the funds before school closes.
7. All funds received must be receipted or the 'after hour fund collection' process must be followed before being placed in the vault for safekeeping. Periodic vault checks will be conducted by Financial Services personnel.
8. The Financial Services Accountants will inform the campus office manager/business agent of any NSF Checks.
9. **Refunds cannot be made from cash collections.**

## **AFTER HOUR FUND COLLECTIONS**

After Hour collections are those in which the office manager/business agent is not able to perform a cash count at collection point but monies are placed in the vault as required by deposit guidelines. When following the after hour

process, it is still necessary to have the cash count verified by the sponsor prior to submitting the tamper resistant deposit bag to the administrator for safe keeping.

Funds collected must be secured in a tamper resistant deposit bag and locked in the school's safe/vault until the next business day. As soon as possible, on the next business day, the bookkeeper must count the money in the presence of the individual who remitted the funds and issue an office receipt.

All transactions that involve the collection of cash must be supported with adequate documentation. The sponsor responsible for the after hour activity **MUST** issue receipts for cash collected at the collection point.

The process noted below is allowable for evening and weekend academic and athletic events. The tamper resistant deposit bags are available through the campus office manager/business agent. Before the monies collected are placed in the school's safe/vault, the monies must:

- 5) The funds collected must be counted by the sponsor and noted on the Deposit Tally Sheet. The tally sheet must be signed by the sponsor to confirm funds were verified.
- 6) The collection log and miscellaneous receipt book must be submitted with the funds in the tamper resistant deposit bag, if applicable.
- 7) The tamper resistant deposit bag must be completely sealed before submitting to the campus administration for placement in the safe/vault.
- 8) The After Hour Fund Collection Log must be signed by the sponsor to confirm the receipt of funds by the administrator.

## **BANK DEPOSIT PREPARATION**

1. Bank [Deposit Slips](#) are prepared in 3-part forms for campuses and 4-part forms for lunchrooms.

### 3-Part Deposit Slips for Campuses

- a. The White Copy is submitted to the bank with the monies being deposited.
- b. The Yellow Copy is sent to Financial Services attached to the Master and Office Receipts related to the deposit.
- c. The Pink Copy is maintained in the deposit booklet for the campus' records.

#### 4-Part Deposit Slips for Lunchrooms

- a. The White Copy is submitted to the bank with the monies being deposited.
  - b. The Yellow Copy is sent to Financial Services attached to the Master and Office Receipts related to the deposit.
  - c. The Pink Copy is sent to Food Services Department.
  - d. The blue copy is maintained in the deposit booklet for the lunchroom's records.
2. The following information must be recorded on the bank deposit slip.
- a. Date of the deposit;
  - b. Amount of currency and coins in the deposit;
  - c. Total # of checks to deposit. In the event that the deposit slip does not have enough spaces for all the checks being deposited, attach a list of checks with the maker's name and amount. Write "see list" on the front of the deposit slip. Make sure to attach a copy of the list to your copy of the deposit slip. Checks may be listed on the deposit slip if only a few are being deposited but **DO NOT** send more than one deposit slip for each deposit.
  - d. Total amount of deposit (includes currency, coins & checks);
  - e. The deposit bag number must be included on the deposit slip.
  - f. ALWAYS use one deposit slip per deposit bag – **DO NOT** use one deposit slip for two or more bags.
3. Paper clip or rubber band the completed deposit slip, currency and checks. Currency should be in wrapped when possible (bills of the

same denomination per wrapper). Roll coin or place in coin envelope and seal. Place the deposit in a disposable bank bag. Be sure to seal the bag.

4. Document the following information on the front of the [deposit bag](#):
  - a. Customer name: Canutillo ISD
  - b. Location: Campus Name or Lunchroom
  - c. Date: Date of Deposit
  - d. Deposit Said to Contain: Amount Enclosed
  - e. Identify Deposit Contents: Place a check mark next to Currency, Coins, or Checks
  - f. The top detachable section of the deposit bag should be retained for your records, attach to the deposit slip copy.
  
5. **Once the deposit is processed and picked up by the courier service. The deposit documentation must be submitted to the Finance Department for posting to the TEAMS system, must be submitted in the order listed below:**
  - a. **Deposit slip (yellow copy)**
  - b. **Master receipt (white copy)**
  - c. **Tally Sheet**
  - d. **Office Receipts (yellow copy)**
  - e. **Copies of checks**
  - f. **Adding Machine Tape (optional)**
  
6. Lunchroom deposits will be prepared by the cafeteria manager, recorded on the Lunchroom Bank Deposit Log and left with the office manager/business agent for safekeeping in the vault until picked up by the carrier service. The office manager/business agent will sign the lunchroom's log and record the deposit on the Carrier Log.

## **CARRIER SERVICE**

1. Document the following data on the Carrier Log:
  - a. Bag number (last 4 digits);
  - b. Deposit date;
  - c. Total deposit amount; and
  - d. Signature of deposit maker.
  
2. The carrier will sign and date the log when he/she picks up the sealed deposit bag.
  
3. The log should be filed and maintained in date order sequence.

## **DEPOSITS - CAMPUS CLERK ABSENCE OR OFF DUTY (CAMPUS FINANCIAL CLERK'S ABSENCE (greater than three days))**

1. The principal and/or campus office manager/business agent is encouraged to notify the Financial Services Accountants of cases where the campus office manager/business agent expects to be absent more than three days.

## **CASH CONTROL/TRAINING**

1. The principal must ensure that annual training on cash receipts and deposits are provided to the following employees: Sponsors, librarian, alternate, and any other employee the principal designates to accept and record cash from students, parents, community, etc.

## PERSONAL CHECKS & RETURNED CHECK GUIDELINES

### AT COLLECTION POINT

- Checks accepted should be for a specific purpose and should be for a specific amount. Checks which are in excess of the amount due (i.e., cash given back to the check writer) **MUST NOT** be accepted.
  
- District personnel (sponsors, office managers, coaches, etc.) accepting checks (at collection point) must ensure that they record on the front of the check being received:
  1. The check-maker's driver's license number and date of birth;
  2. The check-maker's home/work/cell number.
  
- Temporary Checks must not be accepted.
  
- Post-dated checks will not be accepted.
  
- Checks drawn on foreign banks (outside the U.S.) will not be accepted.

### DEPOSIT PREPARATION



- The campus office manager/business agent is responsible to include information on all checks received:
  - **The Office Receipt # must be written on the bottom-left corner, on the Purpose section of the check.**

## **NON SUFFICIENT FUNDS (NSF) CHECKS**

- All returned checks will be processed by the Financial Services Division. The office manager/business agent will receive notification of the returned check as well as a copy of the NSF check.
- It is the office manager/business agent's responsibility to inform all sponsors of any returned check(s) and advise them that under no circumstances should additional checks be accepted from that individual until further notice from the Financial Services Accountant.
- If the check-maker attempts to pay the returned check at your campus, they should be directed to the Financial Services Division for payment – **DO NOT accept any payments from the individual at your location**

- The Financial Services Accountant will notify the campus upon receiving payment of the NSF check.
- Canutillo Independent School District will comply with the El Paso County Attorney's suggestions illustrated in the "HOW TO DEAL WITH HOT CHECKS" brochure.

## **COUNTY ATTORNEY'S POSTERS**

The campus office manager/cafeteria manager must ensure that the County Attorney's *hot check and returned check fee* posters, provided by the District, are placed in a highly visible area. These posters should be placed in an area close to where the cash is receipted. Call the Financial Services Accountant if you need these posters.

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# Overview of the USDA Smart Snacks Rule

Guidance for School Principals and Staff

The Healthy, Hunger-Free Kids Act required the USDA to establish nutrition standards for competitive foods sold in schools. USDA’s interim final rule “Nutrition Standards for All Foods Sold in School,” is **effective July 1, 2014**. These science-based nutrition standards promote a healthy school environment and apply to all foods and beverages sold outside of the reimbursable school nutrition program meals, such as:

A la carte cafeteria sales

School stores

Snack bars

Vending machines

Fundraisers

## HOW WILL THIS IMPACT MY SCHOOL?

### Fundraisers

Foods and beverages that meet Smart Snacks standards may be sold to raise funds for school sponsored events, clubs, and activities. Foods and beverages that do not meet Smart Snacks **may not** occur at any time during the school day. These standards do not apply to items sold off-campus or during non-school hours. Schools may adopt stricter standards through their Local School Wellness Policy. These standards should be communicated to

### A La Carte

Menu items sold individually and, therefore, not part of the school nutrition program’s reimbursable meals

parent organizations and extracurricular groups that wish to sell foods or beverages for fundraising purposes. Such groups are encouraged to sell non-food items or items not meant to be consumed at school.

## **Beverages**

Allowable beverages for all grades include plain water, low-fat (1%) milk (unflavored), nonfat milk (flavored and unflavored) and 100% fruit and/or vegetable juice. Although federal regulations allow high schools the additional flexibility to sell other flavored and/or carbonated diet and low-calorie beverages, including those that contain caffeine, the Texas Public School Nutrition Policy does not currently allow carbonated beverages of any kind. Additional state regulations are forthcoming to further clarify beverage requirements

## **Record-Keeping**

Schools must keep accurate documentation of compliance with the Smart Snacks rule. Compliance will be determined during the time of the district's Administrative Review.

## **A Team Approach**

These nutrition standards extend beyond the scope of the school food service operation. It is important for school leadership and staff to partner alongside school nutrition professionals in order to communicate information about the new standards, as well as develop a plan to ensure compliance.



**All other food items must meet the following criteria, for all age/grade levels:**

General Criteria (must be one of these 4 items)

Whole grain-rich (50% or more whole grains by weight or first ingredient whole grain); **OR**

Have as the first ingredient fruit, vegetable, dairy or protein (meat, beans, nuts, eggs etc.); **OR**

A combination food with at least ¼ cup fruit and/or vegetable; **OR**

Contain 10% of the Daily Value of one of the four nutrients of public health concern: calcium, potassium, vitamin D, dietary fiber

**AND meet the following additional nutrient standards**

Nutrient	Standard
<b>Calories</b>	<b>Entrée:</b> ≤350 calories per item
<b>Sodium</b>	<b>Entrée:</b> ≤480 mg sodium per item
<b>Total Fat</b>	≤35% of total calories from fat per item as packaged/served
<b>Saturated Fat</b>	<10% of total calories per item as packaged/served
<b>Trans Fat</b>	Zero (<0.5 g) grams of trans fat per portion as packaged/served
<b>Total Sugar</b>	≤35% of weight from total sugars per item (dried/dehydrated fruits/vegetables exempt)

## NUTRITION STANDARDS FOR ALLOWED BEVERAGES

Beverage	Elementary School	Middle School	High School
Plain water, with or without carbonation	No size limit	No size limit	No size limit
Low fat milk (1%), unflavored	≤ 8 oz	≤ 12 oz	≤ 12 oz
Nonfat milk, unflavored or flavored	≤ 8 oz	≤ 12 oz	≤ 12 oz
100% fruit/vegetable juice <sup>(A)</sup>	≤ 8 oz	≤ 12 oz	≤ 12 oz
Caffeinated beverages	Not allowed <sup>(B)</sup>	Not allowed <sup>(B)</sup>	Allowed
Calorie free <sup>(C)</sup> and low-calorie beverages <sup>(D)</sup>	Not allowed	Not allowed	Limited Allowability per State Regulations <sup>(E)</sup>

fruit/vegetable juice and 100% fruit/vegetable juice diluted with water, with or without carbonation, and no added sweeteners

Foods and beverages must be caffeine-free, with the exception of trace amounts of naturally occurring caffeine substances

Other flavored and/or carbonated beverages (≤20 fl oz) that are labeled to contain ≤5 calories per 8 fl oz, or ≤10 calories per 20 fl oz

Other flavored and/or carbonated beverages (≤12 fl oz) that are labeled to contain ≤40 calories per 8 fl oz, or ≤60 calories per 12 fl oz

Texas regulations do not allow certain calorie free and low calorie beverages to be sold during the school day

**This product was funded by USDA. This institution is an equal opportunity provider.**