



**DALLAS ISD
ACTIVITY FUNDS
SPONSOR/STAFF
HANDBOOK**

Updated February 2022

An appendix of the Dallas ISD Activity Funds Manual

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Finance & Accounting Support to Campuses (FASC)

FASC is the department charged with providing support, assistance and training on all financial operations to campus principals, office managers, financial clerks and all staff. We also provide training opportunities to department administrative assistants and office managers.

We are here to help ensure that funds are used in compliance with District policy and procedures.

Please let us assist you by contacting us at any time, for any reason

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PURPOSE

This handbook is designed to assist campus sponsors and staff in managing and accounting for funds collected for campus & student activities. Activity fund money should promote the general welfare, education, and morale of all students currently attending the school and finance legitimate extracurricular activities.

All staff collecting activity funds must be trained annually and receive a copy of the Activity Fund Manual and this handbook. Each sponsor must pass an exam and have a signed Activity Funds Teacher/Sponsor Agreement on file in the principal's office.

SPONSOR/STAFF RESPONSIBILITY FOR ACTIVITY FUNDS

The sponsor/staff for each club, group, organization, etc. is responsible for managing the assigned activity funds account. Only full-time district employees may serve as activity funds sponsor at their assigned campus. No employee shall serve as sponsor for more than one activity fund group. All records are district records and must be maintained at the assigned campus. A change in sponsor requires, all records for the group/or organization be turned in to the principal. The principal will issue the records to the new sponsor. The principal may request an audit of the records prior to issuing the records to the new sponsor.

Sponsor responsibilities include:

1. Requesting approval for all activity funds activities
2. Developing fundraising plans, preparing fundraiser financial recaps
3. Monitoring the financial position of the account
4. Ensuring sufficient funds are available prior to a purchase request
5. Reviewing the DISD Activity Fund Balance – Detail report monthly, at minimum
6. Comparing the transactions in the DISD Activity Fund Balance –Detail to sponsor records
7. Notifying the principal and bookkeeper of any unresolved differences
8. Safekeeping activity funds monies until they are deposited with the activity funds bookkeeper
9. Taking all collections, with required forms, to the bookkeeper daily
10. Counting the money with the bookkeeper to verify form accuracy
11. Waiting in the office for the bookkeeper to provide an Oracle receipt
12. Maintaining accurate financial records of all monies collected by the club, organization, or group
13. Preparing the Financial Recap within 10 days of the end of the fundraiser and submitting to the bookkeeper
14. Maintaining all information supporting financial activities for seven years plus the current year; records should include:
 - a. Sponsor records documenting beginning balance, income, expenditures and ending balance
 - b. Copies of receipts, *Tabulation of Monies Form* (CAF 2062) and *Sponsor's Deposit Slips* (CAF 2063)
 - c. Copies of quotes or invoices, Requests for Purchases, etc.
 - d. Copies of *Fundraiser Permission and Financial Recap* forms (CAF 2081)
 - e. Minutes of a student group's meetings, with details of attendance, review and approval of fundraising activities and expenditures

ACTIVITY FUND ACCOUNTS

Activity Funds are accounted for in two funds:

1. Student Activity Funds (865) – Monies controlled (both collection and disbursement) by a bonafide group governed by a representative student body. Student Activity Funds are funds held by the school district in a trustee capacity and are defined by TEA as agency funds. **Student Activity Funds must meet three qualifications: student elected student officers, hold regular meeting, show evidence of financial responsibility as noted in minutes of meetings held. A handling charge cannot be assessed to these funds.**

All funds raised by student organizations must be expended for the benefit of those students currently attending the school. All members of a student organization must have the same opportunity to benefit equally from funds raised by the organization; including those members who do not participate in the fundraising activities. The Internal Revenue Service prohibits the use of individual accounts which may be established to provide credit to only those students who participate in fundraising activities.

All funds are used upon majority vote of the student group members, under the guidance of the sponsor. All activities, fundraisers, purchases must be approved by the principal and School Leadership Executive Director (ED), as required. Student Activity Funds accounts are identified by the student group name in fund 865 in Oracle (i.e., Band, Cheerleaders, Student Council, etc.)

Faculty Accounts (865) – A type of 865 account with monies contributed or generated solely by members of the school's faculty. These funds should be utilized or expended at the faculty discretion by majority vote. These funds are not that of the principal.

Board policy allows for the commissions of vending machines are accessible only to faculty (i.e., located in the faculty lounge or workroom) to be deposited into a Faculty Vending account to be used at the discretion of the faculty.

2. Campus Activity Funds (461) - Monies that are raised by the school and controlled by the principal. Funds controlled by the principal are to be used for the general welfare and benefit of the campus and student body as a whole. Campus Activity Funds are identified by the campus account in Oracle (i.e: ID Badge, Cell Phone, Library Funds, General, Donations, etc). UIL-governed activities are also held within the 461 fund account and controlled by the appointed coach with principal approval (i.e.: Football, Band, Volleyball, etc).

Unallowable Accounts - Monies generated or contributed solely by parent, alumni, or non-school organizations in support of the school's co-curricular activities, such as girl scouts, booster clubs, dad's club, PTA, etc. **Unallowable Accounts shall not be maintained within the school's activity funds for these organizations. The principal, activity funds bookkeeper or other school employees must not be involved with collecting, receipting, depositing, or accounting for funds of any non-faculty adult group or restricted organization. The organization must have a representative(s) on campus to collect funds for dues and funds collected during sponsored fundraising activities. The organization must identify in writing how funds raised through fundraisers will benefit the campus or group being supported via cash or product donation.**

CASH RECEIPTS

RECEIPTING CASH

Money collected must be counted prior to being submitted to the activity funds bookkeeper. **The sponsor shall receive an Oracle activity funds receipt from the bookkeeper for the total amount of monies turned in.** Checks received from parents or patrons for payment of goods received must be made payable to the school and must have the club's or group's name and account number indicated on the "for" or "memo" line on the face of the check. This coding is helpful in the event the bank returns the check for insufficient funds or non-payment. **All funds must be deposited into the school's bank account. Activity funds must never be deposited in a district employee personal account or any other bank accounts.**

All monies collected by a teacher, club sponsor, or other staff must be turned in to the principal or his appointed bookkeeper on the same day funds are collected and an oracle receipt obtained at the time of deposit. This procedure will improve security and prevent the problem of delaying or forgetting to turn the money in to the activity funds bookkeeper. **Sponsors shall not take money home or keep it in classrooms or other areas in the school after school hours.**

All monies must be counted, totaled and submitted to the activity funds bookkeeper in the same form as collected (i.e., cash, checks, etc.) For example, if cash is collected cash must be deposited. The cash must not be replaced with the sponsor's personal check.

Cash collected shall not be used to purchase supplies, fundraiser supplies, refreshments, make cash payments to vendors, or for any other purpose.

The Tabulation of Monies Collected from Students; Form A-47, must be used to record and reconcile/balance cash collected from students for events such as fundraisers, class parties, etc. and for small, multiple collections (\$14.99 and below) for an activity. This form must be completed by the person responsible for collecting funds from students or parents. **Information recorded on Form A-47 must not be changed or altered.** If an error occurs in recording the information, the teacher or sponsor must write "VOID" over all information written on that line and write the correct information (payer's name and amount) on the next blank line. The principal must approve the correction by recording his/her initials in the margin next to the line containing the error and correct information. The A-47 form and cash collected must be submitted to the principal or bookkeeper on the day funds are collected. An Oracle activity funds receipt must be received from the activity funds bookkeeper for the total amount of funds remitted.

Sponsors must issue an A-747 or S-1 receipt whenever the amount collected from a student or parent is \$15.00 or more, or when one is requested if funds are under \$15.00. An A-747/S-1 receipt is a triplicate booklet of receipts in which sponsor/staff must write legibly, hard enough that all information on top copy of receipt transfers to the second and third copy of the receipts. The preparer must manually sign the receipts and issue the appropriate copy to the respective party. The original (white) of the receipt is issued to the payor; second copy (canary) is turn in to the bookkeeper with the appropriate required deposit paperwork with the collections; and the third copy (pink) of each receipt is retained with the campus staff/sponsors records. A-747 and S-1 receipts must be prepared in sequential order. **Under no circumstances shall information on an A-747 or S-1 receipt be altered.** If an error occurs in the preparation of an A-747 or S-1 receipt, write "VOID" on the original and all duplicates and issue a new receipt.

The bookkeeper shall issue A-747 or S-1 receipt books to sponsors to be used in issuing individual receipts to parents or students. Issuance of A-747 or S-1 receipts by the sponsor or teacher does not eliminate the requirement for completing a Tabulation of Monies Collected from Students form (*Form A-47*). A form must be completed and turned in to the activity funds bookkeeper. An activity funds cash receipt must be issued for the total amount reported. **Store purchased receipt books must not be used to receipt monies collected by teachers and sponsors.** Control of the A747 or S-1 receipt book shall be the teacher's or sponsor's responsibility.

The school's librarian must prepare a receipt using The Library Connection (TLC) automated system for all funds collected for lost library books. Completion of A-747 or S-1 receipts and the Tabulation of Monies Collected from Student forms are not required for funds collected for lost library books. Each TLC receipt must be printed or copied in triplicate and the preparer must manually sign each copy. The original must be issued to the individual paying for the lost library book. The second copy must be turned in to the activity funds bookkeeper with the funds collected. The bookkeeper must issue a receipt for the total amount received. The librarian must retain the third copy of each TLC receipt for his/her records. Students who transfer to another DISD campus may pay for a previously lost library book at the new campus. The funds shall be turned in to the bookkeeper at the student's new campus and must be deposited into that campus library activity funds account. The bookkeeper will not issue a check to the student's previous campus. Refunds for lost library books require the student or parent to present a copy of the receipt received at the time payment was made for the lost library book.

Funds collected during a book fair may be receipted using the vendor's automated cash receipting system if the system generates a printed receipt or cash register summary of sales report. The receipt must be printed in triplicate. The original must be issued to the individual purchasing the book(s). The second copy must be turned in to the bookkeeper with the funds collected and a Teacher's/Sponsor's Deposit Slip (CAF 2063). The activity funds bookkeeper must prepare a receipt for the total amount received. The librarian must retain the third copy or a photocopy of each receipt for his/her records. If the cash register generates a cash register summary of sales report, a copy of the report should be turned in to the bookkeeper with the funds collected and a Teacher's/Sponsor's Deposit Slip (CAF 2063).

CASH DISBURSEMENTS

GENERAL

All purchases or payments shall be processed via the districts Oracle procurement system, with a check to be issued by the Accounts Payable Department. Purchase orders and check requisitions must be used if the vendor will accept. Reimbursements are by exceptions only to vendor's that do not accept a purchase order or check request from the District. **At no time shall monies be withheld from cash collections to pay a vendor.** A Request for Purchase or Payment Form (CAF 2071) must be complete for all requests for payment.

Any purchase made without prior written approval will require the employee/sponsor to complete a Procurement Unauthorized Purchase Form prior to payment to the vendor. If the purchase is deemed to be invalid and/or the employee/sponsor has signed a contract or agreement with the vendor/business, the employee/sponsor will be responsible for making payment to the vendor/business.

Teachers and sponsors must have the principal's written approval before making any purchases in the name of the school. Teachers and sponsors shall not make purchases with personal funds and submit a request for reimbursement unless prior approval was

granted by the principal. The teacher or sponsor must complete a Request for Purchase or Payment Form (CAF 2071) and obtain the principal's written approval of the form.

All requests for reimbursement shall be submitted via iExpense within 10 calendar days of the date of purchase. Prior approval is required for the purchase to be reimbursed. The principal is not required to approve reimbursement for a teacher, sponsor or staff member for purchases that were not authorized and properly approved on a Request for Purchase or Payment Form (CAF 2071). Itemized and legible receipts must be provided for reimbursement to be made.

The sponsor or staff must manually sign all check request forms prepared for purchases from the club or organization activity funds account. Approval of all payments from a Student Activity Funds account must be documented in minutes of a meeting held by the club or organization.

Collections received for a specific group (e.g., *student or faculty*) must be expended for that group. The principal and teacher/sponsor shall ensure that expenditures from the group's account comply with the intended purpose of the group and funds are not diverted for other uses. Student Activity Funds shall be used for the benefit of the students currently attending the school and who are members of the group, club or organization. It is recommended that these funds be expended on an annual basis so those students who participate in fundraising activities sponsored by the club or organization can have the benefit of their use.

The vendor's original invoice or receipt must be submitted to Accounts Payable for all purchases. Monthly statements such as credit card statements, past due statements, and non-itemized credit card slips are not acceptable as supporting documentation for expenditures.

Acceptable documentation for transactions conducted via the internet and charged to the staff member's personal credit card must include **both** a printed copy of the online invoice or purchase form **and** the packing slip for the merchandise received. All documents must be signed by the principal.

All purchases must be made in accordance with District policies and procedures.

Parents of students or relatives of employees may not be reimbursed for purchases made on behalf of the school.

Reimbursement requests from teachers, sponsors and other employees for payments made to individuals or vendors for services rendered will not be paid from the activity funds account. All payments to contractual services vendors must be paid directly to the vendor with a district check.

Booster clubs, PTAs, other non-school organizations, and officers or members of these organizations must not execute contracts on behalf of the school or make purchases or payments on behalf of the school with the expectation or intent of receiving a reimbursement. Such purchases or payments will be considered a donation to the school.

Loans, payments or reimbursements will not be made to any parent or other non-profit organization whose sole purpose is to benefit the campus and/or student group, e.g., booster clubs, PTAs, etc.

REFUNDS

Occasionally, it may be necessary to make refunds to parents or students, for cancellations of events, overcharges on books or recovered lost textbooks, etc. Collections should not be made until all the required approvals have been received.

Refunds may be made with funds advanced to the sponsor or via single refund request sent to the FASC department and processed by the Account Payable department.

A copy of the receipt (Oracle receipt and/or A-747 receipt), as well as the Tabulation of Monies Collected from Students form (CAF 2062), in the case of multiple collections, should be used as support for refund(s). All refunds must be handled in the office.

The bookkeeper will be responsible for issuing all refunds. In cases of multiple refunds, the teacher or sponsor must obtain prior approval and shall prepare a Cash Refunds/Awards Form (CAF 2061), and provide the list to the activity funds bookkeeper. An Advance will be issued to the sponsor to process refunds to students/parents. Payments shall be handled in accordance with the following procedures:

1. The sponsor shall prepare a Refunds/Awards Form (CAF 2061) listing printed names of all students to receive a refund.
2. The sponsor shall enter the advance request via iExpense made payable to the sponsor using the list as temporary supporting documentation.
3. Each student receiving a refund must acknowledge amount received, sign and date the form verifying they received the funds.
4. The sponsor must reconcile the advance using the Refunds/Awards Form (CAF 2061) with student signatures acknowledging issuance of refunds.
5. Any funds not picked up by student to be refunded must be returned to the campus bookkeeper to receipt back into the account from which the refund was obtained.

No monies raised in the school's name (during a fundraising event) will be refunded to students, unless a product purchased was not received.

UNALLOWABLE EXPENDITURES

Teachers and sponsors shall use reasonable discretion in expending activity funds. The following list of unallowable expenditures is not all inclusive but is offered as a guide:

1. Reimbursement for the cost of student cell phones lost or damaged while in custody of a campus staff for disciplinary reasons
2. Medical or hospital expenses
3. Loans to employees or parents
4. Individual professional dues (allowable if required or related to student participation in the organization)
5. Membership in private clubs
6. Donations or contributions (Allowable to choirs, theatrical groups, etc. of DISD schools for performance. Also, allowable to 501 © (3) organizations from funds raised/collected for that specific purpose.)
7. Payments, donations, loans or reimbursements to any organization whose non-profit status approved by the IRS is for the sole benefit of the campus or a student group, e.g., PTA, PTSA, PTO, PTSO or booster club
8. Benevolence donations to help defray funeral or medical expenses for students, parents, staff or an individual (schools and student organizations shall not collect or accept any funds donated for medical or benevolence expenses)
9. Advertisements in periodicals, yearbooks, etc. (allowable from student funds when documented in minutes of a meeting held by the organization)
10. Alcoholic beverages, bar fees or bar service
11. Luncheons or entertainment not related to school activities

12. Meals or expenses relating to any organization who non-profit status approved by the IRS is for the sole benefit of the campus or a student group, e.g., PTA, PTSA, PTO, PTSO, booster club or to any non-faculty adult group
13. Banquet tickets (allowed one adult ticket per event, where a student is being honored or from student funds when documented in minutes of a meeting held by the organization)
14. Traffic citations and auto repairs
15. Stipends or cash awards/prizes to employees
16. Additional pay for coaching to employees receiving coaches pay
17. Payments for preparing and maintaining the activity fund records
18. Payments for maintaining D.E. store, bookroom, etc. (except under guidelines established by the Distributive Education Department)
19. Overtime to custodians and other staff for activities not related to the benefit of the activity funds
20. Flowers for death, illness (except in the case of a student), or leave of absence (allowable only via Faculty accounts)
21. Retirement gifts, flowers, holiday gifts and food gifts (only from faculty accounts)
22. Daily snacks, coffee or other beverages for the faculty or staff (only from faculty accounts)
23. Gift cards or gift certificates to employees (allowable only from donations for this specific purpose or faculty vending and hospitality accounts)
24. Apparel or clothing items for teachers or sponsors (allowable from funds raised when documented in minutes of a meeting held by the group or organization. The apparel for this specific purpose or faculty vending and hospitality accounts)
25. Cost of repair or reimbursement for damage to a District employee's property as a result of accident, theft or vandalism
26. Payments for meals or other expenses incurred by spouses and other relatives of school employees
27. The use of charter bus services that have not been approved by the Dallas ISD Purchasing department. (Please review the Term Contracts list on the Purchasing department's website)

ADVANCE PAYMENTS

Advance payments may be requested only for expenses anticipated by clubs or organizations for student travel and travel-related expenses only (including food). An Advance Payment Form (CAF 2040) must be completed and submitted to the principal for his/her approval and reviewed by BOC. **The School Leadership Executive Director and campus principal must approve all advance payment requests over \$2,500 for teachers and sponsors.**

All unused funds and supporting documentation for purchases or expenses shall be reconciled and a copy given to the bookkeeper no later than ten (10) business days. Only original, itemized invoices or receipts shall be used to support expenditures paid from cash advancements. Failure to return receipts and unused funds may result in disciplinary action including forfeiture of future advance payments to the employee and payroll deduction.

ALLOTMENTS FOR STUDENT TRAVEL

Cash allotments may be made to each student from the club or organization account if voted on by members and documented in minutes of a meeting held by the group/organization. Payments shall be handled in accordance with the following procedures:

1. The sponsor shall prepare a Student Allotment Form (CAF 3004) listing printed names of all students to receive a refund.

2. The sponsor shall enter the advance request via iExpense made payable to the sponsor using the list as temporary supporting documentation.
3. Each student receiving an allotment must sign and date the form, verifying they received the funds.
4. The sponsor must reconcile the advance using the Student Allotment Form (CAF 3004) with student signatures, date and amount acknowledging receipt of funds.
5. Any remaining funds must be returned to the campus bookkeeper to receipt back into the account from which the funds were obtained.

The signed list must be reconciled to the advance with copies provided to the bookkeeper as final supporting documentation for the expense. The sponsor should not provide individual detailed receipts as supporting documentation for the expenses paid with the students' cash allotments.

PURCHASES OF GOODS AND SERVICES

The school principal is fully responsible for all purchases and commitments requiring the present or future disbursement of activity funds monies. Teachers and other staff must have written approval from the principal before making any purchases in the name of the school. Teachers and staff will not be reimbursed for unauthorized purchases.

All district employees and vendors must comply with Board Policy DBD (Legal/Local) regarding the avoidance of conflict of interest and other ethical standards of the Dallas ISD.

Rebates or refunds received from vendors for purchases of goods or services from a specific activity funds account must be deposited in that account.

In accordance with Board Policy CH (*Local*), "Unless waived in writing by the Superintendent of Schools or designee, **all vendors shall be identified by a photographic identification badge**, used by a District-approved third-party company at the vendor's expense." The third-party company, as detailed in the Purchasing and Financial Activities Manual, shall verify the criminal record history information, and may be used to verify compliance with the federal Drug Free Workplace Act of 1988 or its successor, and the federal Education Department General Administrative Regulations, current edition, in its testing and review process.

All schools must use an employee of the Dallas ISD Police and Security department to provide security services for a school event or activity. Schools must not contract with nondistrict employees or companies to provide security services.

Purchases from a Campus Activity Funds account (461) must be made from a vendor who has received a contract with Dallas ISD (price agreement) to provide such goods and services. (View the Term Contract List on the district's intranet site.)

Payments for goods and services are processed by the district's Accounts Payable department. All vendors must be district-approved vendors and must be properly set up in the district's vendor database prior to submitting a check requisition. Payments for contracted services must be in compliance with Board Policy CH (*Local*). All payments to non-district employees or companies for services must be made with DISD check. Payments must not be made from the school's change fund. Teachers, sponsors and other staff members must not pay an individual or company for services with personal funds or with cash collected from a fundraiser or school activity. To become a vendor in the district, the vendor must complete the documentation via iSupplier. Information on becoming a vendor is available on the Purchasing department's website. District employees are not allowed to serve as district vendors.

1. **Payments under \$10,000 (\$1-\$9999) to non-educational service providers (services which do not have an impact on the curriculum or academic performance) require completion of a Service Contract Form P1-C (Dallas ISD stock number 0301496).** All pertinent details regarding the services must be listed on the vendor's invoice. Board Policy CH (Local) Examples of non-educational service providers include, but are not limited to the following:
 - Motivational speakers
 - Magicians
 - Referees and time keepers (The P1-C may be completed and approved after the date of the activity if the name of the individual is not provided until the date of the game or event.)
 - Consultants
 - Performers (bands, soloists, accompanists, etc.)
 - Piano tuners
 - UIL judges
 - Catering services
 - Disc jockey
 - Trophies (if the cost includes set-up or engraving)
 - T-Shirts (if the cost includes services such as set-up, imprinting, embroidering, etc.)
 - Rentals (equipment, etc.)
 - Chartered transportation services (district approved vendors only)
 - Equipment repairs
2. **All payments of \$10,000 or more for the rental of a facility, hotel banquet hall or ballroom for proms, banquets, dances, etc. require the completion of a Purchasing Acknowledgement Routing Form.** The vendor's contract and Purchasing Acknowledgement and Contract Routing Form must be reviewed and approved by Legal Services at least 90 days prior to the date of the activity and before the school makes any financial commitments with the vendor. The Purchasing Acknowledgement and Contract Routing Form must be approved by the principal, executive director and Legal Services before services are rendered and prior to issuance of any payments to the vendor, including a deposit to secure a facility. A copy of the vendor's contract and Purchasing Acknowledgement and Contract Routing Form must be attached to the check requisition and disbursement voucher. In accordance with Board Policy FMD (Regulation) all dances sponsored by the school or any school organization, with the exception of the spring prom, shall be held at the school. The principal and executive director shall approve activities held at a non-school site.
3. All out-of-district and out-of-state field trip proposals and contracts must be submitted to Legal Services at least 90 days prior to the date of the trip and before the school makes any financial commitments with the vendor. A Purchasing Acknowledgement and Contract Routing Form must be completed and attached to the field trip proposal and contract.
4. A Dallas ISD Professional Services Contract Form and Purchasing Acknowledgement and Contract Routing Form must be completed for all other payments from \$10,000 to \$49,999 to non-educational service providers. If the vendor has a formal contract, it may be used in lieu of the DISD Professional Services Contract Form. In this case, the school will need to attach the vendor's contract to the Purchasing Acknowledgement and Contract Routing Form and submit to Legal Services for review and approval. The Dallas ISD Professional Services Contract Form and/or Purchasing Acknowledgement and Contract Routing Form must be approved by the principal, executive director and Legal Services before services are rendered and prior to issuance of any payments to the vendor. A copy of the Dallas ISD Professional Services Contract Form, and/or Purchasing Acknowledgement and Contract Routing Form and vendor's contract must be attached to the check request and disbursement voucher.

5. **No payment shall be made prior to obtaining written approval of the principal, executive director and Legal Services on the applicable documents as required. The school must ensure the vendor has a valid vendor number.**

TRANSFERS

A transfer is the movement of part or all of an account balance to another account within the activity funds ledger. Transfers may be executed for the following reasons:

1. Correction of errors in recording or depositing
2. Closing of a dormant account (1 year inactive)
3. 865 Class movement (Jr to Sr, etc.)
4. Payment for a service or product purchased by one activity fund group from another. For example, the Library purchases a Yearbook from that student group; a campus Athletic group attends/participates in the Athletic event of another campus, etc.
5. Reimbursement to 199 accounts or Administrative departments for costs incurred on behalf of the campus for activity fund related expenses (very limited exceptions)

Transfers require the written approval of the principal and club sponsors or a representative of the student group. The request must also be reviewed by BOC. An excel Transfer Authorization Form (CAF 2034) and minutes of meeting must be used as evidence of written approval. Sufficient documentation to support the necessity for a transfer must be included.

FUNDRAISING ACTIVITIES

DEFINITION OF FUNDRAISING ACTIVITIES

A fundraising activity is an activity involving participation of the student body or student group undertaken for a specific purpose. In accordance with Board Policy FM (*Regulation*) the week of May 1 of each year is proclaimed as Child Health Week. Traditionally, field days are held on this occasion. **Fundraising activities shall be held on days other than field day.**

In accordance with Board Policy FJ (Legal), “The Dallas Independent School District is not a “qualified nonprofit organization” for purposes of the Charitable Raffle Enabling Act and shall not sponsor or conduct raffles, i.e., award one or more prizes by chance at a single occasion among a pool or group of persons who have paid or promised a thing of value for a ticket that represents a chance to win a prize.”

ADMINISTRATION OF FUNDRAISING ACTIVITIES

Board Policies FJ (*Local*) and FJ (*Regulation*) address fundraising activities.

1. Fundraising activities shall be allowed, only with prior administration approval and under the supervision of the project sponsor.
2. **Door-to-door sales and solicitations by students are specifically prohibited.**
3. **The sale of magazines by students in the name of the school is specifically prohibited.**
4. Tickets may be sold to or by students as a school-sponsored activity for admission to approved school activities and parent organization sponsored programs.
5. Commercial photographers may take pictures of individuals, school organizations, and/or classes once each year to be sold to students. Commercial photographers may also take pictures of students at dances, proms, and graduation. All profits shall be deposited in the activity funds account.

6. No collection of funds for any purpose may be taken from students without written approval of the appropriate executive director.
7. The collection of items, such as clothing or food for distribution during the holidays requires the written approval of the executive director.

All fundraising activities must be reviewed by BOC and approved by the principal and executive director prior to the beginning date of the activity. All fundraisers must be properly supervised by an adult sponsor, which must be a teacher or staff member assigned to the campus. The Superintendent of Schools may elect in certain situations to approve fundraising activities. **All fundraisers must have a purchase order number prior to receiving items.** The District strongly recommends campuses to use direct online orders to the vendor (pre-sales) for yearbook sales for parent payments, for which the District earns a commission and no PO is needed. Alternatively, yearbook sales may be conducted on a pre-sale basis. In this case, campuses are to issue a PO to the vendor prior to the fiscal year-end based on pre-sold units to avoid an unauthorized purchase. A Fundraiser Permission and Financial Recap form (CAF 2081) must be prepared for each fundraiser (one fundraiser per form) and must be manually signed and dated by the sponsor, principal and executive director. The financial recap section must be completed within 10 days of the last day of the fundraiser. The financial recap section of the form is not required for fundraisers conducted on commission basis. Commission-based fundraisers are those fundraisers that are handled by the company and the company provides a check for the school portion (e.g., Scholastic Bookfair, Josten's, Lifetouch, etc)

Student participation in approved fundraising activities shall not interfere with the regular instructional program.

Funds shall be receipted, deposited, and disbursed in accordance with the Activity Funds Manual. **Funds must never be withheld for making cash payments to individuals or vendors for services or materials received.** All payments to individuals or vendors for services or materials must be paid with a DISD check through the Accounts Payable department.

Funds should only be used for the purposes for which they were raised. Funds raised during a fundraiser conducted in the name of the school become school funds and belong to the schoolsponsored group responsible for raising the funds. All members of a student organization must have the same opportunity to benefit equally from funds raised by the organization; including those members who do not participate in the fundraising activities. The Internal Revenue Service prohibits the use of individual accounts which may be established to provide credit to only those students who participate in fundraising activities.

It is the responsibility of the teacher/sponsor to maintain and submit accurate records of goods and services invoiced, assigned, returned, and sold. **The sponsor must complete the financial recap section of the Fundraiser Permission and Financial Recap form for each fundraiser, except those conducted on commission basis, within 10 days of the last day of the activity. The proposed commission should be reported on the permission form.** A Fundraiser Distribution Report (CAF 2080) should be prepared for items assigned to each student if the vendor does not provide distribution forms.

Student organization fundraisers must be conducted for the benefit of student participants of the club or organization.

Each student group, club or organization and each class may carry money forward from year to year. **However, the senior graduating class cannot request the remaining funds for class reunions, parties, etc. or to establish a bank account. The senior class shall establish a budget of planned costs/expenditures by October 30 to be used as a guideline for the total amount of funds that will need to be raised through fundraisers, prom ticket prices, etc. By May 1st, the senior class shall provide a written letter to the principal indicating the**

disposition of excess funds remaining in the account after the date of graduation. The senior class may use their excess funds to purchase a gift to the school or donate the funds to another student group(s). In the absence of a written letter indicating the disposition of their senior funds, on August 1st following the date of graduation, the available balance will be transferred to the general activity funds account to benefit all students.

The collection of monies that take the time of the students or teachers during school hours is strictly forbidden, except for monies collected for school lunches, monies that will benefit the school or its students, or other authorized fees. (See Board Policy FP (Legal) for a list of authorized fees.)

In accordance with Board Policy CFD (*Local*), “When a class graduates, or when any school-sponsored club or organization ceases to function or exist and is dormant for 1 year, any unexpended funds of the school-sponsored club or organization shall be credited to the school’s activity funds general account.”

In accordance with Board Policy DHA (*Local*), employees shall not sell any merchandise or products on school property during working hours, except those authorized by the principal. All unauthorized sales must be done after working hours and off the school premises.

In accordance with Board Policy CH (*Local*), “The resale of materials purchased from budgeted funds is prohibited, except as part of the instructional program.” Funds collected from students for projects constructed with materials purchased with budgeted funds for personal ownership must be returned to the District office for deposit to the general operating fund.

In accordance with Board Policy FMD (*Regulation*), all dances, except for the spring prom, which are sponsored by the school or any school organization, shall be held in the school. Locations other than the school shall be approved by the principal and executive director.

Schools must use printed, **two-part pre-numbered tickets** during fundraising activities that require a fee (at the door) or the purchase of a ticket for admission to the activity. Ticket stubs for all tickets that are issued or sold for admission must be remitted to the activity funds bookkeeper as support for funds collected during the sale. The amount of funds collected must agree with the total of the ticket stubs. Ticket stubs must be maintained with the activity funds records.

Other than two weeks prior to the first day of school, as identified on the District’s approved school calendar, schools and school-sponsored clubs and organizations shall not conduct fundraising activities during the summer break. This does not apply to UIL competitions or athletic games or relays.

In accordance with Board Policy FME (*Regulations*), only three paid assemblies per year are permitted during school hours. No division of proceeds with paid entertainers may be made, and no entertainers may be employed for a fee or guarantee.

1. Faculty members must not conduct faculty fundraisers or solicit funds from students to use in a faculty-related account (i.e., faculty hospitality, faculty vending, etc.). This includes items sold in the home economics class and school store, even though faculty members may also purchase items. No funds generated by the school store shall be transferred or deposited into a faculty account.
2. Food prepared by home economic classes may be sold to teachers and staff during the school day. The prepared food may be sold to students only **after the end** of the regular school day. An activity funds fundraiser form must be prepared and properly approved. Texas Administrative Code, Title 4, Part 1, Chapter 26, Subchapter A states teachers may

use foods for instructional purposes if the food items are not considered to be FMNVs or candy. Students may consume food prepared in class for instructional purposes. However, this should be on an occasional basis, and food may not be provided or sold to other students or classes.

3. Change funds may be established for on-going activities such as the library, school store, etc. An Activity Funds Request for Change Fund form (CAF 2064) must be prepared and approved by the principal. A change fund is obtained via iExpense. Change funds should be small but set at an amount ample enough to handle the activity efficiently. Change funds for fundraisers or special events must be returned to the bookkeeper on the last day of the activity. **Purchases and reimbursements from a change fund are prohibited.** Change funds must be locked in the school's safe each night. The teacher or sponsor is personally responsible for the maximum protection of the funds at all times.

NON-SCHOOL ORGANIZATION FUNDRAISERS

- A. Fundraisers sponsored by non-faculty adult groups or non-school organizations (i.e. booster clubs, dad's clubs, and PTAs, girl scouts, etc.) shall require prior approval of the principal and School Leadership Executive Director. The use of the proceeds from the fundraiser must be identified in writing how those funds will support (cash/product donation) the campus or group funds are being raised for.
- B. Fundraisers sponsored by non-faculty adult groups shall not be conducted during school hours.
- C. Funds raised from activities planned, implemented, and sponsored by non-faculty adult groups or non-school organizations (i.e. booster clubs, dad's clubs, PTAs, girl scouts, etc.) are to be deposited to the external organization account and not to any activity funds account.
- D. **The principal, activity funds bookkeeper, or other staff members may not be involved in receiving, receipting, or depositing monies raised during a fundraiser that is sponsored solely by non-faculty adult groups or non-school organization. In accordance with Board Policy GE (Local), District employees shall not be involved in the governance or financial aspects of booster clubs. Funds collected or disbursed by a parent or alumni group, PTA or booster club shall be the sole responsibility of that group or organization.**
- E. No outside organizations may solicit contributions of any type from students, within the schools.
- F. Use of the Dallas ISD's tax identification number for business or banking transactions by and for a non-school organization is strictly prohibited.
- G. In accordance with Board Policy FME (Regulation) only two fundraiser events involving students in the evening may be held each year by the PTA. Student participation is on a voluntary basis only, cannot be deemed "mandatory".

JOINT FUNDRAISERS

Student and campus activity funds may co-sponsor school-wide fundraising projects, provided each fund receives a predetermined percentage of the net profits and shares equally in the expenses and losses.

SALES TAX

GENERAL REQUIREMENTS

Sales tax is a tax on the sale, lease, or rental of taxable, tangible personal property, and taxable services within the state of Texas. Sales tax must be paid on all taxable items sold by any group or organization at the school.

The State Comptroller's Office maintains a toll-free tax information number for quick response to any state tax questions you may have. The toll-free number is 1-800-252-5555.

TAXABLE SALES

All non-food items sold through a school-sponsored outlet or by a school-associated organization are subject to sales tax. The school organization selling items is required to have a copy of the Texas Sale and Use Tax Permit. The sale of student publications, such as football programs, is subject to sales tax.

The total amount of sales tax incurred on any sale will be deducted from total collections at the time each receipt is recorded in Oracle. The sales tax is automatically routed to Accounts Payable to be submitted to the State.

The responsibility for collecting sales tax during a taxable sale first requires determining who the actual seller of the taxable items is. Please use the following information in determining the school's responsibility for collecting and reporting sales tax. Only those sales in which it is determined that the school is the actual seller qualify as exempt sales under the one-day tax-free sale provisions in section 6.4.

- A. If the school enters into a contract with a vendor to sell taxable items, and the school takes orders, collects money on the orders and only keeps their share of the commission from the sale, the school is not the actual seller, the vendor is. The school is merely acting as a sales agent or representative of the vendor. In this case, sales tax must be collected from the purchaser; thus, the school must collect taxes from individuals purchasing the items and forward the taxes to the vendor. The vendor is responsible for reporting the sales tax to the state office.
- B. If the school does not share or split the proceeds with the vendor, the school is the actual seller. The school is responsible for collecting and reporting the sales tax to the Dallas ISD.
- C. If the school purchases sales inventory from a retailer for a certain price and then resells the items at its own price, the school is the actual seller. The school is responsible for collecting and reporting the sales tax to the Dallas ISD.
- D. If the school collects funds from a sale, remits all funds to the vendor, and the vendor issues a commission check to the school, the school is not the actual seller. The school

must collect sales tax on the taxable sales and then forward the tax collected on the sales to the vendor. The vendor is responsible for reporting the sales tax to the state office.

The following list of taxable sales is not all inclusive but is offered as a guide:

1. Agenda books
2. Athletic equipment and uniforms
3. Band equipment, supplies, patches and badges
4. Book covers
5. Books – workbooks, vocabulary, library, etc. (when the school is the seller)
6. Calculators
7. Calendars
8. Clothing, uniforms, T-shirts, etc.
9. Cups – glass, plastic and paper
10. Flowers and flower arrangements
11. Handicrafts
12. Identification cards – when sold to entire student body (fines for lost ID cards are not taxable)
13. Locks – sales and rentals
14. Pictures
15. Rentals – uniforms, towels and equipment of any kind
16. School publications – athletic programs, posters, yearbooks, etc.
17. School store items, except food
18. Science kits, boards and supplies
19. Supplies – art, drafting, musical, school supplies, etc.
20. Vending – pencils and other non-edible supplies when the school services the machine

TAX-FREE SALES

Public schools and school-related organizations are not required to collect sales tax on the following:

1. Food products, meals, soft drinks, and candy for human consumption are exempted from the taxes if:
 - a. Sold by a public or private school, student organization, or parent-teacher association under an agreement with the proper school authorities in an elementary or secondary school during a regular school day or by a parent-teacher association during a fund-raising sale when the proceeds of which do not benefit an individual.
 - b. Sold by a person under 19 years of age who is a member of a non-profit organization devoted exclusively to education, physical, or religious training, or by a group associated with a public, or private elementary, or secondary school as part of a fund-raising drive sponsored by the organization for its own use.
2. Student club memberships
3. Fees and admission tickets, if the event is entirely for educational purposes.
4. Movie tickets, if the movie theatre is giving the school a commission on the sales of its tickets.

ONE-DAY TAX-FREE SALES

- A. Each school and each organization or club within a school may hold two one-day tax-free sales each calendar year (January – December). According to the State Comptroller's office a bona fide chapter is a group 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 are bona fide chapters of the school. Groups meeting for classroom instruction or team sports are not categorized as bona fide chapters and do not qualify for 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 the 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

- B. **Tax-free sales must be designated at the time of approval and the date must be noted on the Fundraiser Permission and Financial Recap form.** Only one day shall be recorded on the permission form. 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 or organization) receives the order. The designated one-day tax free sale day is either the day the vendor delivers the items to the school or the day the organization delivers the items to its customers. Individuals buying from surplus inventory on the designated date do not owe tax. However, individuals buying from surplus stock on subsequent dates after the tax-free day owe tax on the items.

For Example: If yearbooks, T-shirts, or other taxable items are delivered to the school on a single day and the school or organization designates the particular sale as a one-day tax-free sale, then the school or organization will not be required to collect tax from the students, even if cash was receipted for orders taken over an extended period of time. The items must be delivered to the buyers during the designated 24-hour period. The merchandise cannot be delivered over an extended period of time and still be part of the tax-free sale.

- C. While the sale of yearbooks can be selected as a tax-free fundraiser, a book fair is usually not a qualified sales event because the school is not the seller and acting as an agent for the vendor. The sale of items received from a vendor, in which the school and the respective vendor have an agreement that the vendor will take back any unsold items, would not qualify as a one-day tax-free sale. Schools may purchase books tax free for their own use because educational organizations have a statutory exemption. However, when students or other individuals purchase books, the purchase price is taxable, and sales tax should be collected at the time of the sale.
- D. When the school or organization receives a commission from the vendor, the tax-free day sales provisions cannot apply because the sale is the vendor's sale, not the school's or organization's sale. The school would collect and remit tax to the vendor, and the vendor would report the sale and remit tax to the Comptroller's office.
- E. The group or club may designate any two sales to be tax-free sales. The comptroller does not have any restrictions regarding the items sold at the tax-free sales.

- F. If two or more organizations jointly hold a tax-free sale, each organization may hold only **one** additional tax-free sale during the calendar year in which the joint sale was held.
- G. The seller may accept a valid and properly completed resale or exemption certificate from an exempt organization that is holding a qualifying one-day tax-free sale. Public schools that have obtained exempt status as an educational organization from the Texas State Comptroller would qualify.
- H. It is the responsibility of the principal and the bookkeeper to track the one-day tax-free sales per review of the approved fundraiser request form.

TAXABLE PURCHASES

- A. An organization which is not school-sponsored and school-supervised must pay sales tax on taxable items purchased unless the organization separately qualifies under the law as an exempt organization.
- B. Purchases from faculty accounts for hospitality, condolence, etc., are not tax exempt, as these expenditures are not related to the basic educational or instructional function of the school.
- C. **The purchase of items for personal use by students/individuals, even though connected with a school or school organization, is not tax exempt.** For example, cheerleaders purchasing their own uniforms, band members purchasing their own instruments, and athletic team members purchasing their own jackets.

TAX-FREE PURCHASES

All items purchased by a public school for the school's own use are exempt from the Texas sales tax if the items purchased relate to the educational or instructional process, or administrative use necessary to the educational function of the school. The school or school's employees should provide the vendor with a *Texas Sales Tax Exemption Certificate*. This certificate does not require a number to be valid. Reimbursements shall not be made to employees for sales tax paid on purchases made on behalf of the school.

Schools often purchase goods and materials from out-of-state vendors for resale. Should an out-of-state vendor charge sales tax on the goods or materials purchased, the school should not pay the invoiced sales tax to the out-of-state vendor. A Texas Sales Tax Resale Certificate must be completed and sent to the vendor

SCHOOL TRIPS, MEALS AND LODGING

- A. Sales tax is not due on meals purchased by a school for an athletic team, band, debating club, and similar school-supervised organizations on a school approved trip. The school must pay for the meals with a district check and must provide the restaurant with an exemption certificate. **Individual members of the traveling group may not claim the exemption.**
- B. A school or other qualified exempt organization may claim exemption from hotel and motel occupancy tax (**Texas state tax only**) if the organization contracts and pays for the lodging and issues an exemption certificate claiming the exemption.

- C. A District employee traveling on official business is required to pay sales tax on meals and hotel tax on lodging. The employee should be reimbursed Texas local hotel tax or out of state hotel taxes which are not tax exempt.

TAXABLE FEES

- A. Fees for copies, printing, and laminating are taxable as the sale of tangible personal property. Taxes are due on the total fee charged for the copy or item.
 - B. Fees charged for palm reading, fortune telling, and other amusements related activities are exempt from sales tax when the services are provided by a nonprofit organization. Fees charged for face painting are not taxable.
 - C. Fees for materials are taxable when the end product becomes a possession of the student.
 - D. Fees for admission and admission tickets for events such as banquets, proms, camps, tournaments, homecoming, academic competition, athletic competition, dances, concerts, and performances are not taxable.
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