



**Belton ISD**  
**Activity Fund Manual**  
**A Guide for District Staff**

<b>INTRODUCTION</b>	<b>3</b>
OVERVIEW	3
WHAT ARE ACTIVITY FUNDS	3
ACTIVITY FUND ACCOUNTING	4
BANK ACCOUNTS	4
DOCUMENTATION & FORMS	4
<b>RESPONSIBILITIES</b>	<b>5</b>
CAMPUS PRINCIPALS	5
CAMPUS SECRETARIES/BOOKKEEPERS/ADMINISTRATIVE ASSISTANTS	6
SPONSORS	7
BUSINESS OFFICE	8
<b>FUNDRAISING GUIDELINES AND PROCEDURES</b>	<b>8</b>
ACTIVITY FUND COLLECTION PRE-APPROVAL & RECORD	10
COMPETING FOOD SALES	12
SALES TAX COLLECTION AND PAYMENT	13
COLLECTING MONEY	15
RECEIPTING MONEY	15
DEPOSITING MONEY	16
CHECK ACCEPTANCE GUIDELINES	17
PAYMENTS FROM ACTIVITY FUNDS	17
REIMBURSEMENTS	17
WHAT CAN BE PURCHASED	18
EXTRA DUTY PAY TO DISTRICT EMPLOYEES	20
GIFTS OF PUBLIC FUNDS	20
GIFT CARDS	20
AWARDS	21
DONATIONS	21
ACTIVITY FUND AUDITS	21

## INTRODUCTION

### OVERVIEW

The Activity Fund guidelines and procedures have been prepared to assist in the proper handling and accounting of Activity Fund monies.

Campuses and campus organizations frequently have a need for activity funds in addition to their normal operating budget to carry out their goals, purposes, activities, and functions. Activity funds consist of monies received and held by the campus to be expended or invested for the benefit of students in accordance with district policy. See [BISD Local Policy CFD \(Accounting: Activity Funds Management\)](#).

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.

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

### WHAT ARE ACTIVITY FUNDS

Activity funds are funds generated and accumulated by the school from the collection of student fees, school-approved fundraising, and other activities. These funds are held in trust by the school and are used to promote the general welfare of the school and the educational development and morale of all students.

There are two categories of activity funds:

1. **STUDENT ACTIVITY FUNDS** (Fund 865) - funds held in a trustee capacity that are generated by specific student groups, not by the district or campus. Decisions about the expenditures of student activity funds are made by the students with the assistance of a school district employee sponsor. All club and student funds are accounted for as fiduciary funds that do not belong to the district.

TEA guidelines also allow a limited number of other types of accounts to be accounted for as Student Activity Funds. These include funds received from teachers or other employees as **voluntary** contributions to a **faculty hospitality/sunshine fund**, provided that **no student-generated revenue** is used to supplement these funds.

These sunshine funds are not district funds and may be used in any manner. Purchases with these funds are **subject to sales tax** since they are not considered to be district purchases.

2. **CAMPUS ACTIVITY FUNDS** (Fund 461) - funds generated locally at the school or donated to the school. Campus activity funds, managed under the direction of the campus principal, are considered by TEA to be district funds. The expenditure of these funds must comply with state and board policy and with district regulations. These funds are accounted for with the special revenue governmental funds of the district.

### **ACTIVITY FUND ACCOUNTING**

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

### **BANK ACCOUNTS**

Activity funds are deposited into the general fund bank account.

The District is required to comply with state laws regarding the selection of a depository bank and the investment of district funds. All questions or requests regarding banking services should be directed to the Business Office. All financial transactions for campus clubs and activities must be accounted for through the general fund bank account at the depository bank. The opening of additional bank accounts or purchases of investments with activity funds is not allowed.

### **DOCUMENTATION & FORMS**

The documentation of the receipt and disbursement of all financial transactions is essential to maintaining accurate financial records and safeguarding assets.

Forms to assist with documenting transactions can be found on the [Business Office Webpage](#).

## RESPONSIBILITIES

### CAMPUS PRINCIPALS

Campus principals are ultimately responsible for the proper collection, disbursement, accounting, and control of all Activity Funds for the campus, ensuring:

1. All campus staff handling Activity Funds read and follow the [Business Office Policies and Procedures](#) found online.
2. All campus staff handling Activity Funds attend the annual training and submit their [Acknowledgement of Responsibilities](#) form to the campus bookkeeper/campus secretary BEFORE handling any Activity Funds.
3. All Activity Fund collection events will be approved IN ADVANCE by a principal AND the campus bookkeeper/campus secretary using the online [Fundraising Activity Application](#) PRIOR to the solicitation of any funds.
4. The safekeeping of all funds at the campus until picked up by the courier for delivery to the district's bank.
5. All faculty sponsors and other related parties turn in Activity Funds including the appropriate supporting documentation (Tabulation of Monies Form, receipts, etc.), to the bookkeeper DAILY in the same form it was received.
6. At the completion of all Activity Fund collection events (fund-raisers, sales, tournaments, etc.), an online Fundraising Recap will be system-generated and sent to the campus to be completed and submitted to the business office within 30 days after the end of the event.
7. All purchases made on behalf of the campus/student organization are approved **in advance of the commitment of funds**.
8. Finance is notified immediately if any type of fraud is suspected concerning Activity Funds.
9. Activity fund records are retained for the current fiscal year and five preceding fiscal years.

Principals are NOT responsible for funds collected, disbursed, and controlled by parents, patrons, or alumni organizations, and these funds should NOT be accounted for in a school district's Activity Funds (i.e. Parent Teacher Organizations, athletic and bank booster clubs, etc.).

## **CAMPUS SECRETARIES/BOOKKEEPERS/ADMINISTRATIVE ASSISTANTS**

1. Attending the annual Activity Funds training and collecting the original signed [Acknowledgement of Responsibilities](#) forms from all campus staff handling Activity Funds BEFORE processing any Activity Fund transactions.
2. Reviewing and submitting the [Fundraising Activity Application](#) forms to ensure they are complete and approved IN ADVANCE by a principal and the business office before solicitation of any funds. However, all funds received should be immediately deposited.
3. The safekeeping of all funds at the campus until picked up by the courier for delivery to the district's bank AFTER acknowledging receipt and verifying the funds with the Activity Fund sponsor.
4. Reviewing and verifying all Activity Funds turned in for deposit, along with the appropriate supporting documentation (receipts, Tabulation of Monies Form, etc.) and depositing the money in the same form it was received by the NEXT courier pick-up date.
5. Verifying and reporting Texas Sales and Use Tax for all Activity Funds, including the monthly reporting required for Student Activity Funds by the designated due dates.
6. After all Activity Fund collection events (fund-raisers, sales, tournaments, etc.) complete the Fundraising Recap and submit it to the business office within 30 days after the end of the event.
7. All purchases made on behalf of the campus/student organization will be approved in advance of the commitment of funds by the principal using a district purchase order or check request AND paid by district check.
8. Communicating and relaying information to sponsors to ensure accurate and timely record keeping is accomplished for activity accounts.
9. Notifying the principal and the business office immediately if any type of fraud is suspected concerning Activity Funds.
10. Ensuring that original Activity Fund records are retained for the current fiscal year and five preceding fiscal years.
11. Attending all business office meetings and trainings, keeping campus staff informed of any updates to procedures and guidelines, and contacting the business office if additional help is needed.

## SPONSORS

Activity Fund Sponsors are responsible for managing their respective Activity Funds, including:

1. Attending the annual Activity Funds training and signing and submitting the original [Acknowledgement of Responsibilities](#) form to the campus bookkeeper/administrative assistant BEFORE handling any Activity Funds.
2. Getting the principal/director's PRE-APPROVAL of all Activity funds to be collected PRIOR to the solicitation of any Activity Funds by completing the [Fundraising Activity Application](#) and submitting it to the campus bookkeeper/administrative assistant.
3. Safeguarding and accounting for all funds and inventories received from and/or on behalf of students by using the appropriate district-approved supporting deposit documentation and verifying all receipts are accounted for when funds are submitted to the campus bookkeeper/administrative assistant for deposit. **A sponsor shall never use undeposited cash to purchase merchandise or services. Using undeposited cash for purchases will result in appropriate disciplinary action.**
4. Turning in all funds received, along with the required supporting documentation and deposit form to the campus bookkeeper/administrative assistant DAILY in the same form it was received. **Responsibility for funds and documentation remains with the sponsor until the campus bookkeeper/administrative assistant verifies receipt.**
5. Submitting all purchases for approval in advance of the commitment of funds by the campus bookkeeper/administrative assistant and principal using a district purchase order or check request AND paid by district check. [Local Board Policy CH](#) states that **“persons making unauthorized purchases shall assume full responsibility for all such debts.”**
6. Planning will be completed in advance of all activities accordingly and all payment requests will be submitted to the campus bookkeeper/administrative assistant at least one **week** before the check needs to be issued.
7. Communicating and relaying information to the campus secretary to ensure accurate and timely record keeping is accomplished for activity accounts. Maintaining a positive balance in the Activity Fund by tracking the fund balance, keeping copies of all transactions to verify the monthly Activity Fund reports, and working with the campus bookkeeper/administrative assistant to immediately resolve any discrepancies. If the sponsor feels that the circumstances warrant, the principal should be contacted to help resolve any issues. **Please note that accurate financial records on the sponsor's part ensure self-protection should any discrepancy arise.**
8. Example for a fundraiser:

- a. Record of what merchandise was issued to each student.
  - b. Record of what merchandise was returned by each student.
  - c. Amount of money turned in by each student.
9. Example for uniforms:
- a. Record of what each student ordered.
  - b. Amount each student has paid.
  - c. Record the remaining balance for each student.
10. Notifying the principal and the business office immediately if any type of fraud is suspected concerning Activity Funds.
11. Retaining original Activity Fund records for the current fiscal year and five prior fiscal years.

### **BUSINESS OFFICE**

1. Relaying any information regarding activity account procedures and expectations.
2. Processing purchase orders and issuing checks in a timely manner.
3. Posting deposits to the general ledger in a timely manner.
4. Reconciling the bank statement monthly.
5. Collecting any information requested by the external auditors.
6. Submitting sales tax collections to the State Comptroller's office.

### **FUNDRAISING GUIDELINES AND PROCEDURES**

A fundraising activity is defined as any activity involving the participation of a student body or a school-recognized student group undertaken for the purpose of deriving funds for a school or a school-sponsored group.

Fundraisers provide resources for campuses and student groups that do not exist within their budgeted allocations. However, when too many fundraisers are being conducted at the same time or over the course of a school year, results may be limited. In order to lessen the burden on the community and to ensure fundraising activities are successful, the following guidelines have been set for conducting fundraisers. **These guidelines apply to ALL fundraisers.**

- Fundraising activities in the name of the school occur when students from a club or the student body as a whole are the sellers of fundraising merchandise or services. For



example, if the cheerleaders are the actual sellers of cookie dough, then this fundraiser is a fundraising activity in the name of the school. At the elementary level, if every student on the campus receives an order form to sell merchandise, this type of fundraiser is also classified as a fundraising activity in the name of the school. The TEA Financial Accountability System Resource Guide states “When fundraising activities are in the name of the school, all funds raised become school funds, belonging to the school-sponsored group responsible for raising the money.”

- During fundraising activities where students are selling merchandise, school district personnel are responsible for collecting these funds from the students to hold in a trustee capacity and expending these funds in accordance with federal and state laws, school board policies, and district regulations and procedures. The TEA Financial Accountability System Resource Guide states “All funds collected by school district personnel from students are defined as activity funds and must be handled through the activity funds accounts.”
- PTO/Booster Club fundraisers are defined as fundraising sales/events where the PTO/Booster Club parents are the sellers of fundraising merchandise or actively participate in the fundraising event. Examples of such fundraisers include sock hops, carnivals, t-shirts, mat sales, concession sales, silent auctions, etc. Funds raised from such fundraisers belong to the PTO/Booster Club responsible for raising these funds and must be deposited into a PTO/Booster Club bank account. The PTO/Booster Club can then make a donation to the campus or student group from the fundraiser profit.
- School districts are NOT qualified to hold **raffles, bingo, or other games of chance** as fundraisers according to Texas Attorney General Opinion JM-1176 (1990) which states in its summary that “Independent school districts are not qualified to hold charitable raffles under the Charitable Raffle Enabling Act, article 179f, V.T.C.S.”
- Fundraising activities are not confined to regular school hours. However, they are considered an extension of the school program.
- Fundraising activities should contribute to the educational experience of students, and shall not interfere with the instructional program or time.
- Students cannot be required to participate in fundraisers and cannot be required to raise a certain amount or sell a certain number of items. All money raised must be used to benefit all students of the group or school.

- The campus should not have a fundraiser for the sole purpose of accumulating funds in their activity account. Fundraisers should be conducted to fund a specific purpose.
  - The proceeds raised must then be used for the specific cause/purpose. For example, if a car wash is held to fund a field trip, then the funds must be used for the field trip.
- Each school may choose to participate in an annual fundraiser to support a non-district organized group such as the Red Cross, United Way, etc. ALL net proceeds must be distributed to the charitable organization. Be sure to exclude sales tax paid to the state the following month for taxable sales.
- NO PayPal or GoFundMe ACCOUNTS ARE ALLOWED.
- This district currently uses RevTrak for collecting debit/credit card payments.
- Crowd fundraising services may be used to support instructional-based campus-wide initiatives. At this time, DonorsChoose is the only option that can be utilized by BISD campuses/departments. These fundraisers must be preapproved and overseen by the campus principal/department director.

### **ACTIVITY FUND COLLECTION PRE-APPROVAL & RECORD**

The campus principal must pre-approve all fundraisers using the Fundraising Activity Application. Athletics fundraisers must be approved by the Athletic Director. The Fundraising Activity Application is routed to the business office to review sales tax information and track fundraising recaps for all approved fundraisers.

The following items must be selected from drop-down menus in order to complete the form:

- Campus/Department
- Club Name or Activity (select “Campus” for a campus-wide fundraiser.
- Sponsor Email
- Start and End Date of Sale or Fundraising Activity
- Describe the purpose of the sale
- Describe the product or activity
- Is the vendor on the BISD-approved vendor list?
- Vendor Name
- Estimated Profit
- File Upload - Upload the Acknowledgement of Responsibilities, fundraising flyers, or other documentation as necessary.

All expenses associated with a fundraiser including, but not limited to, supplies and custodial services must be paid out of the activity funds collected for the fundraising event.

The fundraiser proceeds must never be overspent thereby causing the activity fund to have insufficient funds. Items purchased for resale must be appropriately priced to include sales tax, transaction fees, and any profit or margin desired. Under no circumstances should an item be sold at cost.

NO CASH prizes can be awarded for any fundraiser. This includes small cash incentives. (See [Staff and Student Incentives and Awards](#) for more information on allowable and prohibited uses of Activity Funds.)

**PAYMENT SHOULD NEVER BE MADE FOR ANY EXPENSE USING UNDEPOSITED FUNDS.**

The recap section at the bottom of the Fundraising Activity Application must be completed to reconcile the deposit total with the vendor sales summary (for vendor sales) or reconcile the inventory of items sold. Any differences must be explained.

The FINAL completed form will be routed to Finance within thirty (30) days of completion of the fundraiser. Original forms or electronic forms are to be kept at the campuses.

Items may be purchased on a pre-order basis using vendor sales brochures and order forms. For pre-order sales, the sponsor should receive a sales summary from the vendor, which indicates the amount of funds to be collected. This amount should be entered on the Tabulation of Monies Collected form and a copy of the sales summary from the vendor should be stapled to that form. The vendor's sales summary amount is compared to the total amount collected and any differences must be explained on the Tabulation of Monies Collected form.

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

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

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

Sponsors should take care to select a reputable company and maintain a good relationship with district vendors by submitting the bills to the Business Office for payment in a timely manner.

Sponsors must keep control of the merchandise and money. Both should be secured at all times. Deposit the collected funds with the secretary daily. Funds are not to be kept in classrooms, filing cabinets, purses, wallets or at home.

Sponsors should keep good records of who purchased items and the funds received. Collect all money due to the activity account and keep a detailed list of any amounts due from students. Notify your campus administrator if student obligations are not paid.

When fundraising, schools must keep in mind the rules regarding Competing Food Sales.

### **COMPETING FOOD SALES**

The Texas Department of Agriculture (TDA) defines competitive foods and FMNV's as such according to the Texas Public School Nutrition Policy:

1. **Competitive Foods:** Foods and beverages sold or made available to students that compete with the school's operation of the National School Lunch Program or School Breakfast Program. This definition includes, but is not limited to food and beverages sold or provided in vending machines, in school stores, in the classroom or as part of school fundraisers. School fundraisers include food sold by school administrators or staff (principals, coaches, teachers, etc.), student or student groups, parents or parent groups, or any other person, company, or organization.
2. **FMNV:** Foods of Minimal Nutritional Value: Refers to the four categories of foods and beverages (soda water, water ices, chewing gum, and certain candies) that are restricted by the U.S. Department of Agriculture under the child nutrition programs. (Please contact the food service director for a complete list of FMNV's)

Guidance for Competitive Food Standards is found on the TDA Square Meals website under Section 20 of the Administrator's Reference Manual (ARM). The following link should be used for reference: [squaremeals](#)

Any sale in competition with the National School Breakfast or Lunch programs will take funds away from these programs.

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

For more information, please contact Christ Teager, Director of School Nutrition.

**1. Elementary Competitive Foods and Snacks**

May not serve competitive foods or provide access to them through direct or indirect sales anywhere on school premises throughout the school day until the end of the last scheduled class. Elementary classrooms may allow one nutritious snack per day under the teacher's supervision. The snack may be in the morning or afternoon but may not be the same time as the regular meal periods for that class. The snack must comply with the fat and sugar limits of the Public School Nutrition Policy and may not contain any FMNVs or consist of candy or dessert-type items.

**2. Middle School Competitive Foods**

May not serve competitive foods or provide access to them through direct or indirect sales to students anywhere on school premises during meal periods. This does not pertain to food items made available by the food service department. The competitive foods included in this policy do not include FMNVs, which are not allowed until the end of the last lunch period.

**3. High School Competitive Foods**

High Schools may not serve or provide access to competitive foods during meal periods in areas where reimbursable meals are served and/or consumed. This does not pertain to food items made available by the school food service department. All competitive foods sold or provided to students must meet the nutrition standards listed in the School Nutrition Policy.

**SALES TAX COLLECTION AND PAYMENT**

All funds received and deposited to the activity fund must be reviewed to determine if sales tax should be collected and paid to the state. Some funds collected through the activity fund are classified as sales and other funds are not. The information below is provided to assist you in understanding the rules for sales and sales tax collection.

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. Texas sales tax statutes impose a tax on the sale, lease, or rental of tangible personal property and selected services.

4. Public schools and school-related organizations must collect sales tax on all sales which are not specifically exempt. For example, sales tax must be collected on the following:
  - School-purchased supplies sold directly to students including athletic equipment and physical education uniforms that become the property of the student.
  - T-shirts
  - Fees for materials when the end product becomes a possession of the student.
  - Student publications such as yearbooks.
  - School rings.
  - Books sold at student book fairs (unless acting as an agent for the vendor and the vendor is collecting and remitting sales tax).
  - Charges to the general public for parking (Rule 3.315).
  - Sales of regular publications, records, or general information sold by the district. The sale of District or campus directories, the campus newspaper, or other information available and sold to the general public is taxable (Rule 3.341).
  - Rentals-Band equipment and uniforms.
5. Public schools and school-related organizations are not required to collect sales tax on the following:
  - Fees and admission tickets
  - Library fines
  - Student Club membership fees
  - Parking permits and fees charged to students, faculty, or staff for parking (Rule 3.315)
  - Food items & concessions
  - Copies of documents that the district is required to provide through an Open Records Act (Rule 3.341)
  - Ad sales in yearbooks and athletic programs
6. This list is not comprehensive. Other taxable sales may be made by a school district for which sales tax must be collected, reported, and paid.
7. In some fundraising activities, such as book fairs, 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.
8. Each school district, each school, and each bona fide organization (student group organized by electing officers) within the district is allowed to have two one-day tax-free sales or auctions during a calendar year. Tax-free days are to be scheduled in advance, not after the fact. 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 presold, such as yearbooks, items delivered from the vendor within one 24-hour period are non-taxable.

9. All sales must be reported on the [monthly sales report](#) and sent to Business Services by the 10th of each month.
10. PTOs and Booster Clubs are responsible for remitting their sales tax to the Comptroller.

### **COLLECTING MONEY**

1. For control purposes, there should be at least two people involved in the collection of funds. All activity funds must have a sponsor who is a District employee.
2. All money collected must be deposited daily in the same form as collected. Personal checks may not be substituted for cash collected. Cashing of personal checks is prohibited.
3. Cash collected may not be used to make purchases or payments of any kind. All purchases must be paid by the business office.
4. Do not commingle personal funds and District funds for any reason.
5. Sponsors are not to take collected money home or keep it unsecured in classrooms. Large collections should be deposited with the campus secretary each day. Smaller amounts, \$30 or less, may be secured by the sponsor in a locked location each day and deposited with the campus secretary at least by the end of the week. Sponsors should never hold more than \$30 overnight. All funds must be deposited by August 31st at the end of the fiscal year.
6. The campus secretary may want to establish set times each day for collected funds to be turned in. Please check with the secretary on your campus and help them by complying with their schedule. All funds should be properly receipted and counted before they are brought to the secretary for deposit.

### **RECEIPTING MONEY**

1. The sponsor must provide a receipt, using the [Tabulation of Monies Collected form](#), for all funds that are received for the activity fund. Entries are to be made on the sheet as money is collected.
2. One of the following receipt forms may be used by sponsors. Each form is designed to facilitate proper documentation of funds received and facilitate the receipting process for

different situations. The sponsor should keep a copy of each receipt form turned in to the activity fund secretary:

- a. The *Tabulation of Monies Collected* form may be used by the sponsor when receiving small amounts from multiple individuals for the same purpose. The sponsor will list each person who paid, the date, the amount, and indicate whether cash or check was used. Before delivery to the secretary, the sponsor will tally the funds received on the form and verify that the counted cash and checks total the amount listed on the form. The activity fund account number must be listed by the sponsor at the top of the form.
- b. The *Tabulation of Monies Collected* form may be used by the sponsor when collecting money for activities where it is not feasible or not possible to list each individual payee. These events may include sales of items at a table such as food, book fairs, tickets for dances or events, and school store sales. Before delivery to the secretary, the sponsor will list the items, quantities and price of items sold, tally the funds received on the bottom of the form and verify that the counted cash and checks total the amount listed on the form. The activity fund account number must be listed by the sponsor on the top of the form.
- c. Individual receipt books may be issued to sponsors for funds collected individually. Only district-issued receipt books may be used and can be obtained from the campus secretary. When individual receipt books are used, the sponsor provides the original receipt to the payee, retains one carbon copy in the receipt book, and submits the second carbon copy of the receipt along with the Deposit Record form to the secretary with the deposit. The Deposit Record form should indicate the sequence of receipt numbers for the attached receipt. It is not necessary to list each receipt individually. The sponsor must verify that the cash and checks delivered to the secretary for deposit equal the total of the receipt copies turned in. Receipt books are subject to audit at any time, and should be returned to the campus secretary when all receipts are used.

### **DEPOSITING MONEY**

1. Campus secretaries have been instructed not to accept funds for deposits that have not been properly counted and receipted by activity fund sponsors.
2. The campus secretary will count the deposit and verify the totals on the *Tabulation of Monies Collected* using the *Deposit Reconciliation Form*. A signed copy of the *Tabulation of Monies Collected* will be provided to the sponsor.
3. All money (cash and checks) collected must be deposited into the activity fund bank account.



## **CHECK ACCEPTANCE GUIDELINES**

The district has established the following practice for accepting checks and collecting insufficient checks: *All checks must include a current and accurate name, address, telephone number, driver's license number, and state.*

If the check is returned for non-payment, the Business Office will notify the campus to follow up and possibly recover the face value of the check. Additionally, the maker is responsible for the \$20.00 overdraft fee and must pay both the fee and restitution with money order or cash. ***Payment of an insufficient funds check with a replacement check is not allowed.*** Unrecovered funds will be debited back to the activity fund account where the original deposit was made.

## **PAYMENTS FROM ACTIVITY FUNDS**

All purchases and payments from the activity fund must be requested and authorized in advance using the Purchase Requisition Form or electronic submission of a Skyward requisition.

1. The activity fund sponsor should request the campus bookkeeper/administrative assistant to enter a purchase order or check request for the expenditure.
2. The secretary will check to see if the vendor is currently on the district's vendor list and if sufficient funds are available for the purchase. If the vendor is not on the district's approved vendor list, a different vendor from the district's list will be substituted. The sponsor will have to appeal to the business office and give justification as to why the original vendor is the best option. The Director of Purchasing will have final approval on the addition of new vendors.
3. The secretary will enter a requisition, or check request, in the accounting software. The requisition is first approved by the campus administrator, the business office, and then the purchasing department for final approval. The requisition becomes a purchase order after the purchasing department approves and batches the requisition in Skyward.
4. The purchasing department will then email the purchase order, directly to the vendor.

## **REIMBURSEMENTS**

Purchases should be made from approved vendors only in accordance with purchasing laws. Please do not spend money out of your own pocket and request reimbursement in an effort to circumvent this rule or the purchasing process as laid out in this manual. The Business Office should be contacted if you find it necessary to make a purchase in this manner before proceeding. Failing to get prior approval may result in denied reimbursement requests.

## **WHAT CAN BE PURCHASED**

Student Activity funds can be spent on most anything the student group decides to spend funds on provided that the expenditure is legal and that the vendor and purchase have been authorized by district administrators.

Campus Activity funds are subject to the district's purchasing policies and follow the same criteria as general budgeted funds. Below is a chart to assist in determining whether an expenditure is appropriate (has a public purpose in the realm of education) from the Campus Activity fund. The listing is not all-inclusive but is designed to provide you with a basis for Campus Activity fund spending.

<b>CAF Appropriate Expenditures</b>	<b>CAF Prohibited Expenditures</b>
School assemblies, student body social functions, student travel, and field trips. Student meals are limited to \$10. Overages must be charged to an activity fund.	Purchase of any gift for any person or organization; this includes gift certificates, retirement gifts, flowers, holiday gifts, and food gifts. Gifts of public funds are prohibited under Article III, Section 52 of the Texas Constitution.
Organization or institutional memberships. However, if an individual membership is only available or is necessary for students to participate in certain activities, then the expenditure is acceptable if a notation is made to document the necessity.	Cash awards or debit cards used as such.
Awards such as plaques, caps, certificates, in recognition of students, staff, or volunteers for services to the school or District. (limited to \$35)	Extravagant or high-priced individual awards such as watches or other jewelry.
Incentives for student involvement.	Payment of an individual's personal bills.
Training for staff.	Donations to individuals, organizations, or scholarship funds.
Scholastic magazines and books.	Loans to employees, parents, or students for any reason.
Supplemental classroom instructional needs and general office supplies.	Parties for staff, including food, decorations, and favors; simple receptions are fine.

Improvement of campus and site facilities such as plants, bulletin boards, signs, and flags.	Alcoholic beverages, tobacco products, controlled substances, firearms, and other weapons.
Expenses and purchases related to sales of items or fund-raising activities.	Payment of expenses of spouses or other non-employees.
Reasonably supplementing student organizations' activities.	Payment of professional organization liability insurance on any individual.
After-hour Security.	Appreciation and fundraising dinner tickets.
Tickets for school-related functions when attendance is required by the Principal.	Extra compensation or bonuses to employees, whether it be in the form of cash or gifts.
Refreshments and snacks for teacher in-service and staff meetings. Appropriate items might include pastries, tacos, fruit, cookies, & drinks.	Appreciation meals furnished to employees which exceed the reasonable limitations based on meal reimbursements during overnight travel.
On-site business meals for staff. For reasonable cost comparisons, the per diem amounts are: breakfast - \$11, lunch - \$13, dinner - \$24. Appropriate documentation indicating who was at the meeting and what was discussed is required for the IRS. (sign in sheet and agenda)	Replacement of an individual's property that was lost, stolen, or damaged on the school or district's premises or while being used at a school or district function. Use of funds in this manner is prohibited by the Texas Tort Claims Act.
Retirement reception costs such as refreshments, plates, napkins, and utensils for a retiring member of the school's staff.	Meals for day travel. IRS considers this income that must be reported on the annual Form W-2.
Refreshments and snacks for meetings where the school serves as host for related activities for students, staff, and patrons.	Transfers of funds to the hospitality/faculty accounts (unless the transfer is to correct a prior error).
Required school apparel for staff.	Any expense which appears to benefit private individuals or entities in ways so out of proportion to the overall public benefit that they amount to a virtual donation.
Award presentations for students, volunteers, or district employees.	Any other expenditure prohibited by federal or state law, TEA or Board policy, or BISD regulation.
Payment of supplemental duties paid to staff for working events ( <b>requires preauthorization from CFO</b> ).	

## **EXTRA DUTY PAY TO DISTRICT EMPLOYEES**

The principal or department director may agree to compensate district employees for services performed in addition to their normal, specified duties and performed outside of the regular work hours. All employee compensation will be made through payroll services. Under no circumstances may a payment to an employee for supplemental services be made directly to the employee from the activity funds. Such payment shall follow these procedures:

1. The employee will complete an Other Earnings Form.
2. The campus bookkeeper/administrative assistant will enter the activity fund budget code (object code 6499) on the form that will reimburse payroll for extra duties.
3. The campus principal or director will review the form to ensure duties align with the activity's purpose and the accuracy of duties performed. Principals' or directors' approval is required for payment.
4. Payroll will review the form to ensure all non-exempt employees are compensated at time and a half for all hours worked over forty in a workweek.
5. Approved forms will be included in the employee's check based on the payroll calendar and through an extra duties' payroll budget code.
6. After month-end, the activity fund identified on the other earnings form will be charged to reimburse payroll for the amount of the extra duty payment. Please note it can take up to six weeks before the activity fund will be charged for the extra duties.

## **GIFTS OF PUBLIC FUNDS**

1. Gifts of public funds are prohibited.
2. Public funds are "any funds from taxes or fees imposed by a governmental entity to raise revenues and any funds under the control of the governmental entity."
3. Gifting of public funds is defined as granting money, appropriating, or making donation, to an individual, association of individuals, corporations, or to become a stockholder in a corporation, association or company.
4. The Texas Education Code limits the use of school district local funds to purposes necessary in the conduct of the public schools determined by the board of trustees. The district may not spend public funds in a manner that is not specified in the adopted budget by the board.

## **GIFT CARDS**

Activity (461) and (865) accounts can be used to purchase gift cards as incentives on a limited pre-approved basis from an approved vendor. Gift cards cannot exceed \$10. The purchase order must clearly state the type and amount of the gift card(s) and the intent of the award, for example: "Award for top seller of cookie dough."

Students must be informed as to how to "earn" the reward or award and it must be documented as to whom the "award" went to and why regardless of where the expense is coded.

Gift cards cannot be purchased from vendors or establishments that sell prohibited items (alcohol, tobacco, etc.). Please refer to the [Gift Cards](#) section of the Business Office Policies and Procedures for additional information.

## **AWARDS**

The awarding of items must follow the same guidelines as that of gift cards.

## **DONATIONS**

Donations are gifts or contributions to an organization. Donations can be given to a specific student group, a campus, or to the district at large. All donations, cash or noncash (no exceptions), must be brought to the attention of the Business Office as soon as possible. Gift cards to the district are cash donations and must be treated as such. Complete a [Gifts, Grants, and Bequests Form](#) documenting the cash or market value amount, name of the donor, and group the donation is intended for. Sign and send the form to the Chief Financial Officer's Executive Assistant for approval. The Donation Form will be returned after all signatures have been obtained. This form is to be kept with all other activity fund records on campus. Donations to student accounts should not have any restrictions. Donations that have restrictions must be recorded in a campus or district fund.

## **ACTIVITY FUND AUDITS**

Activity funds will be audited regularly by the District's independent auditors and district Business Office staff. All records of the sponsors and secretaries are subject to audit and must be made available upon request. All activity fund records shall be kept current and in good order by the sponsor and the campus secretary.