

GODLEY I.S.D.

ACTIVITY FUND

ACCOUNTING MANUAL

Updated July 1 , 2025

July 1, 2025

School Administrators
Godley Independent School District
Godley, Texas

Godley Independent School District's *Activity Fund Accounting Manual* is being implemented July 1, 2025. You are responsible for ensuring that you and your staff follow the revised procedures.

This manual is the stated regulations of the Godley Independent School District administration and is to be followed for all transactions involving activity funds at your campus. Any questions or comments regarding the implementation of activity fund regulations and procedures should be directed to the Business Office. Your comments and suggestions are always welcome.

Your cooperation in ensuring the procedures in this manual are applied throughout the year consistently across the District ensures that the resources of the District as a whole are properly accounted for and protected. As always, your ongoing commitment is greatly appreciated.

Sincerely,

Spencer Davis, RTSBA,
Chief Financial Officer

General Policy

A. Definition and Purpose of Activity Fund

Activity funds are defined as funds consisting of resources received and held by the school as trustee to be expended or invested in accordance with conditions of the trust. Specifically, they are funds accumulated from various school-approved money-raising activities and the receipt of student dues or fees, vending commissions, investment interest and donations. These funds are to be used to promote the general welfare of the school and the educational development and morale of all students. All funds collected by District personnel from students are defined as activity funds and must be handled through the activity funds accounts.

B. Responsibility for Activity Funds

The **principal** at each campus is personally responsible for the proper collection, disbursement and control of all activity funds at the school. All GISD employees are required to follow the rules prescribed in this manual. Failure to follow the rules is cause for disciplinary action including termination. This responsibility includes:

1. Providing for the safekeeping of monies
2. Proper accounting and administration of transactions
3. Approval of expenditure of funds in compliance with Board policy (CFD local) and District guidelines as outlined in this manual
4. Adequate training and supervision of all personnel designated by the principal to administer activity funds

The **school secretary/bookkeeper** is responsible for maintaining an adequate supply of various activity fund forms. This person is responsible for issuing numbered cash receipt books as needed to teachers and other persons authorized by the school. This individual must keep a distribution record of all receipt books issued, which is part of the official activity fund records. Tally sheets are to be available to sponsors/teachers. The bookkeeper is responsible for entering in receipts in Skyward Student to give to the individual making payment. The school secretary/bookkeeper is commonly responsible for the depositing of activity funds into the bank, accounting and reporting for activity fund activities and cash management. For simplification purposes, this role is referred to throughout this document as bookkeeper.

The **individual activity fund -865- sponsors** are responsible for managing their respective activity funds. This responsibility can include developing fund raising plans, monitoring the financial position of the activity fund, reviewing the activity fund financial statements, safekeeping activity fund money until it is deposited by the District, properly filing meeting minutes with campus bookkeeper/secretary and other fiduciary responsibilities.

The principal and campus personnel are not responsible for funds collected, disbursed and controlled by parents, patrons and booster or alumni organizations. These funds should not be accounted for in a District's activity funds (i.e., PTA, Parent Teacher Organizations, athletic and band boosters clubs, etc.). Although such groups or activities are closely related to school functions or events, officers of the outside group itself should handle funds.

C. Activity Fund Types

1. **Campus Activity Funds 461 (CAF)** – Consist of funds generated locally at the school or donated to the school controlled directly by the principal and used for the general welfare of the school and the morale of all the

school's students. These funds include the "GA" accounts such as general or school operations, fundraisers, pictures, etc. These funds are accounted for in **Fund 461** and are considered District funds. **Campus activity funds are considered local, public funds.** The expenditure of these funds must comply with board policy (CFD local) and guidelines outlined in this manual.

All policies that apply to the administration of District funds also apply to the administration of campus activity funds; therefore, expenditures of funds must be in compliance with all applicable federal and state laws and local Board policy and administrative guidelines.

- a. Cumulative expenditures for \$100,000 or greater require Board approval and must go through District bid procedures.
 - b. Items may not be "split" on two or more orders to circumvent this policy. If there are no approved vendors for the commodity, quotations from non-approved vendors are acceptable.
 - c. Sound business practices should be used when making these purchases and are subject to internal audit. Competitive bid laws are designed to guard against favoritism, improvidence, extravagance, fraud, conflict of interest and corruption and to foster honest competition so that a political subdivision obtains the best goods and services at the lowest possible price. All purchases regardless of dollar amount should follow this rule.
 - d. The Business Office is available as a resource at any time the campus needs assistance in making a purchase. Many times the Business Office can save the campus money by using certain approved vendors. Please be aware of this resource and utilize it.
2. **Student Activity Funds 865 (SAF)** – Consist of funds generated by specific student groups, not by the District or campus. These funds include the "SA" accounts such as band, senior class, student council and various clubs, etc. These funds are accounted for as agency funds in **Fund 865** and are **not owned by the District**. Student activity funds are not subject to purchasing and bid laws; they belong to the students. However, please check with the Business Office for approved travel vendors that must be used.

The student group controls decisions about the expenditure of these funds with the assistance and supervision of a District sponsor. Sponsors of these organizations have fiscal responsibility to ensure proper collection, proper expenditure of funds and professional stewardship and guidance in operational/financial matters. All sponsors must be familiar with policies and procedures in this manual.

The basic purpose for raising and expending activity funds that belong to a particular student group must be for the direct benefit of the students belonging to that group or for the general benefit of the school as a whole (e.g., Senior Class campus beautification project). Within this scope, funds are to be used for financing the purchase of supplies, services, equipment, and activities that add to the general welfare of the group members. The following guidelines apply to student activity funds:

- a. Student activity funds are to be used to finance a program of non-curricular school activities augmenting, but not replacing, the activities provided by the District.
- b. Projects for the raising of student activity funds shall contribute to the educational experience of students.
- c. Before purchase or requisition of goods and services, the organization's treasurer, the sponsor, and the campus principal must approve the expenditure. These signatures can be added on to the copy of the minutes that will

be attached to the PO requisition in Skyward Q. The meeting minutes must include the expense being voted on authorizing expenditure.

- d. The faculty sponsor must submit all monies collected by student groups daily to the campus bookkeeper/secretary.
 - e. School personnel who are associated with student activity funds could be responsible for replacement of money lost or improperly spent.
3. **Faculty Funds** - Consist of funds generated solely by and used for the specific purpose of benefiting faculty members, commonly known as Sunshine/Flower Funds. Faculty funds must be accounted for in a separate account established specifically for that purpose. Faculty funds may be spent in any manner that is approved by the principal as long as the expenditure falls within the boundaries of District policy. However, based on the political ramifications of misusing student activity funds, the best advice concerning the depositing and expending of faculty funds is to proceed with caution.

Not only must a campus be careful how faculty funds are expended (i.e., in accordance with prescribed District policy and overall philosophy), but campus personnel must make certain that only faculty funds are deposited to the faculty account. In the event faculty funds are misused, or if student funds are inappropriately diverted to the faculty account, a shadow of doubt is cast on all faculty members associated with the campus and disciplinary actions may be taken.

All expenditures for hospitality, condolences, or other purposes, which is for the sole benefit of the faculty, should be paid out of faculty funds. The school faculty/staff members may contribute these funds voluntarily or generated from designated faculty fundraisers such as campus night at a local restaurant. Faculty fundraisers must be advertised as such and the campus must be able to show proof the public is aware the fundraiser supports faculty.

Faculty funds may be expended at the staff's own discretion with principal approval. It is best policy for the campus to form a committee that makes decisions and approvals concerning the use of faculty funds. Faculty funds are not subject to purchasing and bid laws because they are not considered District funds; they belong to the faculty. However, this fund must follow the District policy of no gift cards.

The sales tax exemption cannot be claimed for purchases from this fund.

D. Accounting for Receipts and Disbursements

Receipts must be accounted for according to how the money was raised. Disbursements must be accounted for according to how the money was expended. As an example, if the student council conducts a fundraiser, proceeds from that fundraiser must be recorded under the student council activity fund account. Likewise, if the student council subsequently votes to purchase new benches for the campus corridor, this expenditure must be recorded under the student council account. In all cases the appropriate level of supporting documentation must be retained for audit purposes for all transactions involving activity funds.

E. Purpose of Control Procedures

School personnel are placed in a position of extraordinary trust by parents and students when student funds are placed in their care. Adequate measures to control these student funds will assure parents and students that the

funds are being handled properly. It is for the purpose of providing this assurance and protection that activity fund control procedures have been established.

The various control procedures are also designed to help protect the individuals who work with activity funds. Each step in the control procedures (writing and delivering cash receipts, preparation of purchase orders, maintaining accounts, reconciling accounts in a timely manner, etc.) plays a vital part in the overall system of controls. Strict adherence to control procedures is the “safe harbor” of protection for all individuals who work with activity funds.

An adequate system of controls that is appropriately followed casts a favorable perception to the community concerning the individuals associated with activity funds, as well as the entire campus and the District as a whole.

F. Reviews of Activity Fund Records

The activity fund financial records and procedures of all schools will be subject to review at any time throughout the year with little or no advance notice to the campus. These reviews will be performed by the Business Office or a professional contracted auditor and reviewed by the District's "outside" independent auditors. The independent auditors may perform additional test work on various activity funds during their annual audit of the District's financial statements. Written responses to the audit reports may be required from the auditors. The responses should describe actions that will be taken to correct any deficiencies or errors noted in the audit report.

Upon entering a new assignment, a principal should study the activity fund records. The principal should determine the financial condition of their activity funds and become aware of any deficiencies or errors. Since principals are charged with custodial responsibilities for their activity funds, they should continually monitor the financial condition of the funds through the proper review and approval of monthly reports. The principal may also request a special review if a situation or event warrants it.

G. Retention of Records

The campus records should be maintained for seven years after the conclusion of the fiscal year and remain available for review at any time.

H. Defunct Student Activity Accounts

Occasionally a student group attached to a designated student activity fund is no longer functioning; therefore, the group is considered defunct. Student activity groups must provide a section in their bylaws that determines how remaining funds will be used if the group becomes defunct. If the bylaws do not include instructions, if the group becomes defunct, funds can be moved to a similar student activity account to provide financial benefit to existing student groups with the approval of the Principal and Business Office. *A Defunct Student Activity Account Transfer* request must be made by email and sent to the Business Office for Approval.

1. Defunct Student Activity Account Transfer Email Request
2. A typical occurrence with student activity fund accounts at the high school level is the “class of” accounts needing to be defunct. These groups must have in their bylaws what will happen to the remaining funds as of graduation date (such as campus beatification).

I. Miscellaneous Guidelines

The following are policy statements intended to lay a framework for detailed procedures related to accounting for activity fund and capital asset transactions at the various campuses. These policies will be discussed in greater detail in the following chapters of this manual. Any doubts about how a specific transaction is affected by the detailed procedures that follow should be cleared with the director of financial services prior to entering into the transaction.

1. It is the intention of the Board and administration that each of the procedures set out in this manual be strictly adhered to, to avoid disciplinary action up to and including termination of employment for all involved parties.
2. Money collected through activity funds are public funds and should be safeguarded as such. The same concept applies to physical properties at each campus. Funds should be locked up in the main office if the deposit can not be done the day the funds are collected.
3. Student activity funds are not to be used for the general convenience of any individuals. Accordingly, no loans may be extended, stamps are not to be sold, checks must not be cashed, and change may not be made.
4. A Requisition Request Form must support all disbursements. The recommendation would be for this form to be digital where it is accessible by the backup not just the secretary/bookkeeper.
5. A Skyward student receipt must support all money received, even if received via postal mail.
6. Activity fund money shall not be expended for goods or services in conflict with official Board policy. These accounts shall not be used to bypass District procedures for expending budgeted District funds.
7. Activity fund money must coincide with the campus administration's plan for the overall campus goals. At no time should activity fund money be used to circumvent general fund desires of said administration.
8. Borrowing money to purchase items at the campus level is not allowed. This includes items acquired on an installment or lease-purchase plan.
9. An original copy of this manual is to be maintained at each campus for use by the head administrator and bookkeeper/secretary. In addition, copies of relevant chapters of the manual should be made available to anyone affected by the policies or procedures mandated by this manual.
10. Do not co-mingle personal funds and District funds for any reason.
11. The principal or bookkeeper/secretary of a new campus should contact the Business Office in setting up the campus activity fund.
12. New bookkeepers/secretaries must review this manual. If questions arise, then contact the Business Office, for assistance. The campus is responsible for having a backup for the bookkeeper/secretary on site during business hours.

Collecting District Funds

A. Definition of District Funds

Funds collected at campuses that have been defined by central administration as District revenue, rather than activity fund revenue.

B. Types of District Funds

TCC Dual Credit Fees, Technology Fees, Lost and Damaged Textbooks, SAT/ACT Testing Fees, Pre-K Tuition, etc.

C. Process for Collecting and Remitting District Funds

1. A Skyward student receipt must be issued for each collection of District funds.
2. District fund collections must be deposited into the school's code 461 R 00 5749 00 XXX 0 00 000 on the Skyward cash receipt.

D. Refunds for District Fund Items

In the event a District fund item must be refunded to a parent (e.g., lost textbook is found after paying fine or transfer is revoked) follow the below instructions.

1. The original deposit backup to the campus activity account must be pulled and a copy made to be sent to the Business Office
2. The campus must: (1) Contact the Business Office by email and attach a copy of the original deposit. (2) If the vendor is not in skyward please forward the info of who the refund is to (full legal name) along with the info requested above in #1 so the Business Office can enter the vendor in Skyward Finance. (2) Campus/department will then enter a Purchase Order/Check Request in the Purchase Order Module in Skyward using the appropriate code the funds were initially deposit too for the Business Office to approve. The Business Office will change the code if needed.

Cash Disbursements

A. General Policy Guidelines

1. The principal shall approve no expenditure unless sufficient funds are available in the appropriate activity fund account.
2. Campus activity funds must be spent to benefit students and should never be diverted for faculty use (except for professional development trainings that will in turn benefit the students).
3. Rubber stamps, forged signatures or typed names are not acceptable forms of approval and may lead to disciplinary action up to and including termination of all involved parties.

4. If a purchase must be made at a store that you will not know in advance the exact cost of the items to be purchased, then the bookkeeper/secretary can process a requisition for a rounded-up lump sum. All fund 461 and fund 865 expenditures must go through Skyward for a purchase order.
5. For 461 or 865 Approved Purchase Orders must be in place prior to any purchases or payments being made. All payments should be made by check from the business office or Campus Activity credit card (with approved PO already in place) via accounts payable (Skyward).
6. For 865 purchase requests, minutes from the meeting where the expense was approved must be signed by the members present at the meeting along with approval signatures from the sponsor and the principal and attached to the Purchase Order Request in skyward approving the expense and a quote for the purchase must also be attached in skyward.
7. All invoices/receipts should be submitted to accountspayable@godleyisd.net in a timely manner -within 48 hours of receipt of the invoice is requested. Delinquent payments to vendors reflect the entire District and could result in late payment fees or interest charged to the account. Texas Government Code Chapter 2251 required the District to pay vendors within 45 day of the latter of: the date the goods are received; the date of the performance of the service; or the date we receive the invoice.
8. School personnel making any purchase in the name of the school without getting prior approval from the Business Office may be personally liable for the purchase. **Purchase orders are to be approved before any expenditures happen! NOTE: If the campus does not adhere to the purchasing cut-off dates each fiscal year, then the campus must fill out the PDSA form to attach to the purchase order.**
9. Unallowable Expenses - Activity funds shall not be used for the expenses detailed below. The list is not complete and should only be used as a guide.
 - a. Medical or hospital expense
 - b. Loans to employees, parents, or students for any reason
 - c. Individual's professional dues, personal bills, or memberships into private clubs
 - d. Payment of expenses for spouses or other non-employees
 - e. Purchase of any gift for any person or organization except as allowed for awards/recognition or purchased from faculty funds.
 - f. Extravagant or high-priced award/recognitions (these should be of nominal value - \$25 maximum)
 - g. Abuse of light refreshments/snacks and lunches at staff development or campus meetings. Meals are allowed for long workdays such as open house as well as two times throughout the fiscal year in which one must have a meeting agenda, sign in sheet, and professional development occurred for a minimum of 6 hours.
 - h. Donations to individuals, organizations, or scholarship funds. This is considered a gift or public funds, which are prohibited under Article III, Section 52 of the Texas Constitution. These items would be allowable from student activity and faculty funds.
 - i. Alcoholic beverages, tobacco products, controlled substances, lottery tickets, firearms, or other weapons

- j. Extra compensation or bonuses to employees whether in the form of cash or gifts
- k. Replacement of an individual's property that was lost, stolen or damaged on District premises or at a District function. The Texas Tort Claims Act prohibits use of funds in this manner.
- l. Meals for day travel, unless sponsoring students.
- m. Any other expenditure prohibited by federal or state law, Texas Education Agency (TEA), or Board policy.

B. Overview of Use of Funds

In accordance with state law and Board policy (CFD Local), campus activity funds shall be expended for the benefit of the District or its students and shall be related to the District's educational purpose. The expenditures, to the extent possible, shall be expended to benefit those students currently in school who are associated with the group that accumulated such money. The principal shall use reasonable discretion in expending funds in harmony with the stated basic purpose of the various funds. The collection and expending of activity funds such as student vending, pictures, etc., should have as its basic purpose the promotion of the general welfare of the school and the education, development, and morale of all students of the campus.

The collecting and expending of student activity accounts such as band, student council, etc., should be in accordance with the stated purpose of the group. Funds from student activity accounts belong to the students. Accordingly, student funds may not be diverted to a faculty-controlled account for the purpose of spending the funds on the faculty (i.e. funds from a student account may not be deposited/transferred to a faculty account).

In general, expenditure of activity funds should be able to pass the public scrutiny test. If you must ask for permission, it is likely an inappropriate expenditure.

C. Appropriate Expenditures

Activity funds shall, to the extent possible, be expended to benefit those students currently in school who are associated with the group that accumulated such money. The principal shall use reasonable discretion in expending funds in harmony with the stated basic purpose of the various funds. The collecting and expending of activity funds such as student vending, pictures, etc., should have as its basic purpose the promotion of the general welfare of the school and the education, development and morale of all the school's students.

Funds from student accounts, whether controlled by the principal or by the student group (SA or GA accounts), must be used to benefit students. Accordingly, student funds may not be diverted to a faculty controlled account for the purpose of spending the funds on the faculty (i.e., funds from a student account may not be deposited or transferred to a faculty account).

- 1. School assemblies, student body social functions and field trips
 - a. Deposits for field trips are allowed; however, the campus must be aware that it could be out of funds if the vendor goes out of business.

2. Awards/recognitions/incentives such as plaques, caps, certificates, etc. for students or volunteers as well as teacher appreciation gifts of nominal value (\$25 maximum) that can be used on campus.
3. Classroom and office supplies
4. Spirit or faculty t-shirts if teachers/staff are required to wear the items during certain activities (i.e. Meet the Teacher, Open House, Friday Spirit Day, etc.) A limit of \$25 per staff member per year can be used from Campus Activity Funds (this \$25 is funded by the commission checks)

D. Purchase Order Approval

1. The following information must be included on each purchase order request to the campus secretary/bookkeeper:
 - a. If it is a 461 purchase there will need to be a written quote from an approved vendor – please make sure that the Purchasing Coop name and contract number are listed on the quote. If it is an 865 purchase there will need to be a written quote attached along with a copy of the minutes signed by the student officer of the club where the expense was voted on.
 - b. Detailed description of item(s) being purchased, where and when; when expenses are being incurred as part of a school event, the name of the event should be included in the description (e.g., awards assembly, perfect attendance party or band banquet)
 - c. Cost of total amount to be paid.
 - d. Name or number of the activity fund account that will be charged for the purchase.
 - e. Signature of the person requesting the purchase (usually club sponsor or principal) and the student treasurer signature if using student activity funds and club minutes detailing use of funds must be provided as backup.
 - f. The secretary/bookkeeper will enter the purchase order into Skyward and submit to record the time.
 - g. The principal and Business Office will approve the purchase order via Skyward finance.
 - h. Once the Purchase Order is approved the Business Office will submit the Po to the vendor to place the order or email it to the campus if it is a Credit Card Purchase.

Requisitions

The only difference would be the budget codes would start with fund 461 or fund 865.

There must be an approved purchase order in place for vendors for ANY fundraisers including Yearbooks before the fundraiser begins.

All fundraisers must have an approved fundraiser form before any Purchase Orders for the fundraiser can be entered into skyward. Approved fundraiser form must be attached to the PO requisition in skyward.

Fundraiser form can be found here:

https://resources.finalsite.net/images/v1744214047/godleyisdnet/nmvesh1jz5oyxqkhaqt/Fund_Raiser_Application.pdf

All fundraiser purchase orders must be out of function 36 and object 6499 for fund 461 and 865.

Please attach all backup documentation to the requisition.

- a. Make sure you include shopping lists of all items to be purchased on purchase orders requisition to vendors such as Sam's, Hobby Lobby, and Kroger.
- b. Every fiscal year there will be requisition cut off dates for fund 461 and 865 purchase orders. Please watch the calendar of deadlines that will be sent out by email.
- c. Any deposits that campus activity accounts pay for is at the risk of the campus such as prom venue deposits and field trip deposits.
- d. Plan Do Study Act Forms
- e. Reminders regarding food purchases:
 - i. Please check the Godley ISD Incentive and awards Procedures.
<https://resources.finalsite.net/images/v1744213195/godleyisdnet/sofum2w5rrecplbdzn39/Procedures-IncentivesandAwards.pdf>

Purchase Order – 1410 Deferred Expenditures for Next Fiscal Year

A 1410 purchase order is used to pay deferred expenditures/expenses that will occur in the next fiscal year. They are named 1410 due to the object code in the account code structure. These are necessary as GISD can't spend this year's budget money for goods/services to be used for next fiscal year. There will be deadlines for all purchase orders including 1410 purchase orders on the business services outlook calendar.

- 1 Why might a 1410 purchase order be needed?
 - a. To reserve a FY 26-27 professional development date
 - b. To purchase airfare, rent vehicles, or reserve hotels for July 2026 travel.
 - c. Have software and membership renewals with term dates that begin in July.
 - d. To take advantage of special pricing for items to be used in FY 26-27 (planners)
 - e. Have 461 or 865 expenses for July 2026 prior to fund availability.
- 2 How to find out if a 1410 purchase order is needed?
 - a. Talk to your campus principal or department head and student group sponsors about anticipated expenses next July and August
 - b. Run a ***Fiscal Year Budget Detail*** report to search for recurring expenses
 - c. Look up past fiscal year 1410 PO activity.
- 3 What needs to be on a 1410 purchase order?
 - a. You must have a narrative stating "This purchase is for FY 26-27 and will be paid out of account code XXX".
 - b. You must have the 1410 account code 100% allocation
- 4 Once the approved 1410 purchase order is sent to the vendor, the campus/department is responsible for ensuring that the expense account code(s) listed on the purchase order are fully funded when the next year's budget is available. The accounting department will submit a journal entry to clear the 1410 accounts with the expense codes listed on the 1410 purchase order in July.

Sales Tax

A. General Policy Guidelines

Campuses should not pay sales tax or reimburse individuals for sales tax paid because the District is generally exempt from paying sales tax. Approval from the Business Office is needed if sales tax is to be reimbursed.

B. School Purchases

School purchases, leasing or renting of equipment, supplies, materials, and services for educational or instructional use, or for use necessary to the function of the school (e.g., office supplies and copy paper) are exempt from state and local sales tax. The school, District or an authorized agent should provide the vendor a *Texas Sales and Use Tax Exemption Certificate*.

A *Texas Sales and Use Tax Exemption Certificate* may not be issued to secure exemption from sales tax for the purchase of items to be used for personal benefit (e.g., drill team purchasing makeup/earrings or athletics purchasing jackets to be given to a student). Further, an exemption certificate may not be issued by the campus for purchases by parents, patrons or outside organizations (e.g., PTA's and booster clubs).

In cases where the campus is purchasing items using activity funds, and the items will be resold to individuals, the campus should issue a *Texas Sales and Use Tax Resale Certificate* that then allows the campus to make a non-taxable purchase (i.e., because the intent is to resell the items to individuals). In these cases the campus must collect, report and submit sales tax when individuals buy the items that were purchased tax-exempt, unless a One-Day Tax-Free day is used.

C. School Sales/Fundraisers (such as t-shirt sales)

Fundraiser reconciliation recap must be completed within two weeks of the end date of the fundraiser. Pre-sales of t-shirts are highly encouraged – this will eliminate extra that do not get sold. There will be a 2 week minimum turn time for checks to be cut after a fundraiser reconciliation recap is received

D. One-Day Tax-Free Sales

Each school and each bona fide student chapter may have two one-day tax-free sales each calendar year. The delivery day is a 24-hour period that is tax-free. Please note anything outside of the 24-hour delivery day period is taxable.

E. School Sponsored Trips: Meals, Lodging

Sales tax is not due on meals purchased by a school for an athletic team, band, debating club or any similar school-supervised organization on a school-approved trip. The school must pay for the meal using a District check or credit card to be exempt. Individual purchases of meals by students while on a trip are not tax exempt.

A school or other qualified exempt organization is exempt from the state portion of the hotel occupancy tax. These groups are not exempt from paying the hotel occupancy tax imposed by each city or county. The school, District, or District employee should provide the hotel with a *Hotel Occupancy Tax Exemption Certificate* located under Travel in the business and financial services manual. The hotel should then exclude the state hotel occupancy tax from the final bill.

F. Collection and Remittance of Sales Tax

The school shall collect sales tax on all taxable sales. Be certain the campus is applying the correct percentage when calculating sales tax. When imposing sales tax, the school has the option of:

1. Adding the tax to the selling price of the item

If the selling price of an item is \$5.00 and the tax rate is 8.25%, the school would collect \$5.41 (\$5.00 x 1.0825) from the buyer for each item sold. The sales tax on this item would equal 41 cents.

2. Including the tax in the selling price of the item

a. Divide total sales by 1.0825 to determine total taxable sales.

$$\begin{array}{rclcl} \text{Total Sales} & / & \text{1+Tax Rate} & = & \text{Total Taxable Sales} \\ \$100.00 & / & 1.0825 & = & \$92.38 \end{array}$$

b. Then subtract total taxable sales from the total sales amount to arrive at the total sales tax due. For example, if the tax rate is 8.25% and total sales are \$100.00, including tax, the school will retain \$92.38 and remit \$7.62 for sales tax.

$$\begin{array}{rclcl} \text{Total Sales} & - & \text{Total Taxable Sales} & = & \text{Sales Tax Due} \\ \$100.00 & - & \$92.38 & = & \$7.62 \end{array}$$

c. Note that when items such as t-shirts are sold to students “at cost” and this method is used to compute sales tax, the activity fund is actually reselling the items at a loss.

The secretary/bookkeepers will deposit sales tax to 461 L 00 2114 00 XXX 0 00 000 on the cash receipt. The activity accountant will transmit the total sales tax collected from their schools to the Chief Financial Officer no later than the 10th of each month. This will allow time for the sales tax and purchases to be reported to the State Comptroller's Office monthly.

G. Gift Cards

The purchase of gift cards is **not allowed** from any activity fund, which includes faculty funds. There are instances where a community member may bring to a campus a gift card as a donation. When this occurs, the campus is to keep the gift card in the safe with the intent to accept form until the gift card is spent entirely (note: the purchases will have tax assessed). The receipt (it is best to spend all at once) will be placed with the used gift card and intent to accept form to be filed by the campus secretary/bookkeeper in that month's financial paperwork. Campus administration should speak with PTA, boosters, etc. regarding this policy.

H. Change Fund Guidelines

A change fund may be established at the discretion of the principal at the high school campuses for up to \$100. Change funds exist for the sole purpose of making change for parents, students, or staff. The cash remains on the school premises; it is the responsibility of the principal to exercise the maximum available protection of these funds. The change fund should always be secured with only appropriate personnel having access to the cash and must be vaulted daily.

Taxable, Nontaxable Sales and Items Not Considered a Sale

Taxable Sale	Nontaxable Sale	Not a Sale
	Ad sales in yearbooks, programs, posters, etc.	
Animals that do not ordinarily constitute food or food products, such as hamsters, mice, cats and dogs	Fees and admission tickets--athletics, dances, dance performances, theatre productions, summer camps, clinics, workshops	Collection of money from students to pay a company for admission or service (i.e. Fort Worth Zoo, PSAT, etc.
Art - supplies and works of art	Admission - prom, homecoming	Commissions received, i.e. Dr. Pepper, Scholastic Book Fairs
	Agricultural products (plants and seeds), the products of which ordinarily constitute food for human consumption	
Auction items		Donations of money to the school
Automobile repair parts (a separately stated charge for parts is taxable; a separately stated charge for repair labor is not taxable)	Automobile repair (a lump-sum charge for parts and labor)	Fees-Musical Instrument maintenance, lab, cleaning, transcripts
Bakery products sold with plate/utensil	Bakery products for a bake sale (without plates/utensils)	Fines received-textbooks, library books, parking, etc.
Books sold at student book fairs (unless acting as an agent for the vendor and the vendor is collecting/remitting sales tax		Lost payments - books, handbooks, student ID cards
	Banquet fees	
Brochure Items		Marathon fundraisers--lift-a-thon; jump rope for heart; basketball hoops
Calculators	Concession-Stand food sales if all net proceeds go to the activity fund	Student Club Membership fees
Calendars		Summer School tuition and fees
Candles		
Car carpet shampooing	Car washes	
Catered Food Sales not sold to the district		
Clothing-tshirts, spirit items		
Cosmetology products such as shampoo, conditioner and nail polish sold to customers	Cosmetology services such as haircuts, shampoo, manicures, and pedicures	
Cups, glass, plastic, paper	Discount entertainment cards and books	
Decals		
Donated items that are sold		
Fees for materials when the end product becomes a possession of the student: i.e., cheerleader uniforms, drill team accessories, t-shirts, etc.		
Horticultural products such as flower arrangements, roses, carnations, holiday greenery and poinsettias	Farm animals such as pigs, cows, chickens and other livestock	
ID cards--when they are sold to the entire student body (not just the fine for a lost ID card)		
Magazines (single issue or subscription less than six months)	Magazine subscriptions for six months or longer	
	Parking permits for public school students, faculty and staff	
Parking permits for the general public		
Pictures - school or group if the school is the seller		
Publications such as football, basketball or volleyball programs		
Rental of tangible personal property such as locks, musical instruments, calculators and computers	Rental of real property such as a gymnasium, auditorium, library or cafeteria	
School purchased supplies sold directly to students: i.e. athletic equipment, physical education uniforms, planners, agendas, musical instrument reeds, etc.		
School rings or other jewelry		
Student publications: yearbooks, football programs, etc.		
Vending - pencils and other non-edible supplies when the school services the machine		
Yard signs		

Cash Receipts

A. General Policy Guidelines

1. A receipt should be issued at the time a payment is received. The receipt should be exchanged for the cash/check payment. Even if the check is received by mail a receipt must be issued. If a receipt is asked for when a teacher/sponsor is using a tally sheet, then the teacher can either send the student to the secretary/bookkeeper for them to receipt or if they possess a GISD receipt book, then the receipt can be written (with the yellow being turned into the campus secretary/bookkeeper).
2. Postdated checks shall not be accepted by the school from any source. All checks must include a pre-printed name, address (unless it is a police officer then the address may not be on the check), and check number. If there is not a phone number of the check please write it on the check. Out-of-country checks may not be accepted.
3. Checks should be restrictively endorsed at the time they are received using the general operating deposit stamp. Please make sure that the checks are made out properly to the campus. Also, always go by the written amount on the check.
4. Money collected by sponsors, department heads, etc., must be submitted to the bookkeeper/secretary on the day it is collected along with the properly filled out tabulation sheet (the date on the tabulation sheet is the date the funds are taken in). This practice precludes the problem of delaying or forgetting to turn in the money, and further safeguards the money from theft or loss. Employees should not keep money unsecured in the classrooms or take money off District property. Campus administration is responsible for making sure after-school event funds are placed in the campus safe and notifying the campus secretary/bookkeeper as the fund must be deposited within one business day.
5. Deposits must match the amount collected and be supported by bank validated receipts.
6. All funds must be deposited before an extended break such as spring break, Thanksgiving, Christmas, etc.

B. Purpose of Receipts

A receipt should be written for all cash collections. Every penny collected on a campus must have a receipt issued by the person who collects the funds, regardless of who is collecting the money (e.g., teacher, campus secretary or principal). For example, when a teacher collects funds from a student, the teacher must issue a receipt to the student, document the collection on a *Deposit Form*. A separate deposit form needs to be used for each type of funds that are collected. Do not put multiple types of funds on a single deposit form. Then, later that same day, the teacher must submit the money and deposit form to the campus secretary. The total of the cash/checks, must match to both the receipts and the deposit totals. The funds will be verified in the presence of the person turning in the funds. Run a calculator tape of all checks to verify amount. (Calculator tape will be attached to the deposit slip.) Once all cash and check totals have been verified the campus secretary can sign the form and receive the money. Funds should not be accepted until they are verified.

C. Issuance of Individual Receipts (Secretary/Sponsor/Teacher/Student)

Money should always be given directly to the campus secretary. Funds must never be placed on the secretaries' desk and left without funds being verified. Funds must be deposited within one business day of receiving them.

1. Receipts should be filled out completely, including:
 - a. Date received.

- b. Name of the person from whom the money was received.
- c. Amount received.
- d. Amount received by type cash, check. The total of cash and checks should be shown separately.
- e. Record the check number on the receipt.
- f. Simple description for the payment

D. Deposit Form (Sponsor/Teacher)

1. Sponsor/Teacher turning in money to the campus secretary should complete a deposit form including any additional backup documentation (such as check stubs, fundraiser forms, etc.) as well as a receipt for each individual payment. Make sure the date on the tabulation sheet is the date the funds were taken in – not the date taken to the campus secretary/bookkeeper.

The individual who collects the money must turn the money into the bookkeeper/secretary on the day it is collected along with the signed *Deposit Form and the receipts*.

1. The secretary must count the money in the presence of the individual who turned it in to verify that the amount turned in agrees to the total amount collected, the receipts and the total on the *Deposit Form*.
2. The form must be filled out completely before submitting to the campus secretary or the form will not be accepted.
 1. The purpose on the tally sheet is necessary to determine if the funds collected are required fines/fees or optional fees.

Deposit Preparation for Bank

A. General Policy Guidelines

1. A deposit must be prepared each day money is collected and must be deposited at the bank on a daily basis. It is the responsibility of campus personnel to ensure funds are locked up until they are taken to the bank.
2. All cash deposits must be verified by a second GISD staff member.

Deposits may be made only in accounts authorized by the administration and approved by the School Board. District employees may not open or maintain any other accounts for the purpose of holding funds collected through activity funds.

B. Deposit Procedures

1. Prepare deposit slips in triplicate. White copy must be included in the deposit bag. The yellow copy must be included with the campus backup documentation such as a deposit sheet.
2. If a deposit requires multiple deposit tickets be sure to record “1 of 2” and “2 of 2” on the appropriate ticket.
3. No cashing checks! The type of funds received must be deposited in the same form.

4. Checks must be listed on the deposit slip including the check number and amount. Care must be taken to ensure all checks are restrictively endorsed "For deposit only" with your deposit stamp at the time it is received.
5. In the event money needs to be turned in at the end of the day and the campus secretary is no longer present, the money must be turned in to a campus administrator or backup GISD staff designee. If it is anticipated that this will be after hours, advance notice must be given to the campus administrator. Funds for deposit may not be kept anywhere on campus except the front office.

All Sponsors must sign the Sponsor responsibility form each year for student activity accounts they assist with monitoring. This ensures that no miscellaneous expenditures occur before purchase order approval on any item.