



**ACTIVITY FUND MANUAL
2023-2024**

**240 North Crockett Street
San Benito, Texas 78586**

Activity Fund Manual

2023-2024

Table of Contents

Section 1 - General Information

1.1	Introduction	4
1.2	Activity Funds	4
1.3	Responsibility for Activity Funds	5
1.4	Retention of Records	7
1.5	Basic Records	7
1.6	Activity Fund Accounting System	9
1.7	Donations	9
1.8	Vending Commission	9
1.9	Petty Cash	10

Section 2 - Bank Practices

2.1	Bank Accounts	12
2.2	Bank Reconciliation	12
2.3	Courier Service	13

Section 3 - Receipts

3.1	Cash Receipts	15
3.2	General Receipting Procedures	15
3.2	Receipt of Money by Sponsors or Others	16

Section 4 - Deposit of Funds

4.1	Deposits	18
4.2	Deposit Preparation Procedures	18

Section 5 - Returned Checks

5.1	Returned Checks	21
-----	-----------------	----

Section 6 - Expenditures

6.1	Expenditures	23
6.2	Issuance of Checks	23
6.3	Advance Payments	24
6.4	Payments to Non-Employees for Contracted Services	24
6.5	CAF Allowable and Unallowable Expenditures	25
6.6	Transfer of Funds between Activity Accounts	25
		26

Section 7 - Fundraising

7.1	Fundraiser General Information	29
7.2	Fundraising Activities for a Campus	29
7.3	Accounting for Fundraising Activities	30
7.4	Food Fundraisers	31
7.5	Prohibited Fundraisers	32

Section 8 - Texas Sales & Use Tax

8.1	Taxable Status of Purchases	34
8.2	Revenue	35
8.3	Taxable vs. Non-Taxable Sales	36
8.4	Texas Sales and Use Tax	38
8.5	One-Day, Tax-Free Sales	38

Appendix

Activity Fund Forms

Sponsor Acknowledgement of Responsibilities
 Fund-Raising Application for Activity
 Activity Funds Operating Report
 Activity Fund Detailed Deposit Slip
 Donation Gift Form
 Returned Check Notice
 Transfer of Funds Authorization
 New Vendor Listing
 Consultant Contract for Non-District Employees
 W-9 Request for Taxpayer Identification
 Number & Certification

Board Policy

CFD (LEGAL) - Activity Funds Management
 CFD (LOCAL) - Accounting: Activity Funds Management
 CH (LEGAL) - Purchasing and Acquisition
 CH (LOCAL) - Purchasing and Acquisition
 FFA (LEGAL) - Student Welfare Wellness and Health Services
 FFA (LOCAL) - Student Welfare Wellness and Health Services
 FJ (LEGAL) - Gifts and Solicitations
 FJ (LOCAL) - Gifts and Solicitations
 GKB (LEGAL) - Community Relations: Advertising and Fund-
 raising in the Schools

SECTION 1 - GENERAL INFORMATION

1.1 INTRODUCTION

This manual serves to provide a set of standardized accounting and procedural guidelines for administering the San Benito Consolidated Independent School District (SBCISD) Activity Funds. Campus Principals, Campus Bookkeepers, Club Sponsors, and all other personnel involved in the handling of Activity Funds are responsible for adhering to the policies/procedures in this manual. This publication supersedes all prior literature regulating the administration of Activity Funds.

Principals, teachers, sponsors, bookkeepers, student activity clerks and other employees involved in the handling of these funds should become knowledgeable of the instructions prescribed in this manual.

Principals, teachers, sponsors, bookkeepers, and clerical staff are placed in a position of trust by parents and students when funds are placed in their care. Adequate measures to control these funds will assure parents and students that funds are managed properly.

The High School Bookkeeper is responsible for maintaining the activity funds at their campus; at all other campuses, the Principal's Secretary is responsible for maintaining activity funds. For the purpose of this manual, Bookkeeper refers to all Principal's Secretaries responsible for activity funds as well as the High School Bookkeeper.

1.2 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 used to promote the general welfare of the school, education development and morale of all students. There are two types of activity funds, campus activity (461) funds and student activity (865) funds.

CFD (LEGAL) - Activity Funds Management Requires the District to adopt a policy governing the expenditure of campus activity funds that must ensure:

1. Discretionary expenditures of local funds be related to the District's educational purpose and provide a commensurate benefit to the District or its students;
2. Expenditures meet the standards of Section 52, Article III, Texas Constitution, regarding public funds

Campus Activity Funds (CAF) are funds raised locally at the school or donated to the school and include school office and departmental accounts. Campus activity funds are considered by TEA to be District general funds. The expenditure of these funds must comply with State and Board

Policy, District Regulations and are thus subject to the procurement laws of the State of Texas. See **CH (LEGAL) – Purchasing and Acquisition** and **CH (LOCAL) – Purchasing and Acquisition**.

Activity funds generated from vending machines, gate receipts, concessions, and other local sources over which the District has direct control shall be expended for the benefit of the District or its students and shall be related to the District's educational purpose; reference **CFD (LOCAL) - Accounting: Activity Funds Management**.

Student Activity Funds (SAF) are funds 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 assistance of a school district employee sponsor. All club and student funds are accounted for in this grouping. These funds are accounted for as fiduciary trust funds not owned by the district; reference **CFD (LOCAL) - Accounting: Activity Funds Management**.

1.3 RESPONSIBILITY FOR ACTIVITY FUNDS

All campus personnel including principals, teachers, sponsors, bookkeepers, and principal's secretaries will be held responsible for any campus and student activity funds entrusted to them. Money (or property purchased with campus or student activity money) which is lost due to carelessness, theft or fraud will be reimbursed by the responsible party. In the event that a possible violation/potential misappropriation is suspected to have occurred, it is important to notify the Finance Department or the Fraud Hotline 1-833-310-0030.

Link to Fraud Hotline:

https://www.sbcisd.net/apps/pages/index.jsp?uREC_ID=884590&type=d&pREC_ID=1300999

The responsibilities of the various people involved in handling and accounting for activity funds are outlined below. Specific roles and responsibilities for each group will be detailed in this manual.

CAMPUS PRINCIPALS

Campus principals have ultimate responsibility for the proper handling of activity funds on their campus, the correct accounting for these funds, and overall adherence to procedures in this manual.

1. Providing for the safekeeping of funds;
2. Proper accounting of transactions and administration of funds;
3. Expenditures of funds in compliance with applicable state laws, board policy and district regulations;
4. Adequate training and supervision of all personnel designated by the principal to maintain the bookkeeping of activity funds;

5. It is the principal's obligation to see that all faculty sponsors have signed the *Sponsor Acknowledgement of Responsibilities* form and that these forms are kept on file;
6. Review and approve/disapprove all fundraising activity, sign "*Fundraising Application for Activity Funds*" form;
7. Sign final Fundraiser "*Activity Funds Operating Report*" form;
8. Campus Principals are **not** responsible for assets held by Parent, Booster, and/or Teacher Organizations. External funds cannot be commingled with the Activity Funds.

This list is by no means intended to be all-inclusive but will help ensure basic accounting procedures are followed. The delegation of duties to other personnel does not relieve the Principal of responsibility for compliance with the manual and District Policy.

ACTIVITY FUND BOOKKEEPERS

Bookkeepers are responsible for following these policies and procedures in processing transactions. Such responsibilities are:

1. Maintain the accounting records as required in the policies and procedures manual;
2. Maintain a distribution record of all receipt books issued to teachers and other person authorized by school principal;
3. Depositing activity funds on a timely basis (daily or weekly);
4. Reviewing monthly activity summary report and/or detailed general ledger;
5. Reporting monthly activity summary reports to sponsors on a monthly basis.

The bookkeeper shall advise the principal of situations where club sponsors continue to disregard required procedures. Due to internal controls, the campus Bookkeeper or Principal's Secretary should not participate in the collection of funds from fundraising activities.

CLUB SPONSOR

Club sponsors are responsible for following the policies and procedures for sponsors as set out in this manual. Such responsibilities are:

1. Required to sign a "*Sponsor Acknowledgement of Responsibilities*" form;
2. Developing fundraising plans;
3. Safeguarding and accounting for all student activity funds entrusted in him/her;
4. Maintain detailed financial records to support the financial activities of the club;
5. Completing the "*Fundraising Application for Activity Funds*" form and "*Activity Funds Operating Report*" form to account for all fundraisers;
6. Maintain a positive balance in his/her club account;
7. Reviewing monthly activity summary report provided by Bookkeeper.

Note: To run the *Monthly Activity Summary* report go to Account -> Monthly Activity Summary (under the Reports grouping)

Club Sponsors must be faculty members who are full-time employees.

BUSINESS AND FINANCE OPERATIONS

SBCISD Business and Finance Operations is responsible for maintaining and updating the activity fund manual, providing training for principals, bookkeepers, campus staff and club sponsors, posting activity fund transactions into finance system, processing activity fund checks and final approver of “*Fundraising Application for Activity Funds*” form.

1.4 RETENTION OF RECORDS

Records must be kept current and in order; for a period of five years and must be available for audit anytime.

1.5 BASIC RECORDS

PREPARATION OF RECORDS

Records must be completed in ink, be legible and organized, and readily available to be audited. Any changes must be marked and initialed.

COLLECTION OF MONEY

Money collected should not be kept overnight on a desk or file cabinet, nor should it be taken home by the sponsor. If for some reason, all records cannot be completed and recorded before the end of the business day, the funds should be secured in the campus safe or vault.

An acceptable check should contain the writer’s name, address, phone number and driver’s license number of the individual issuing the check. **Under no circumstances should personal checks be held for more than five days before being submitted to the campus for deposit.**

Personal check cashing by faculty members is prohibited. Activity fund collections must be deposited intact, in the same manner in which they were received.

Cash is never to be held and spent on expenses. All disbursements must be made with a check as a result of a purchase order request. Expenditures must be made in compliance with existing purchasing rules, laws, and regulations. SBCISD is not required to reimburse a sponsor for purchases not approved or within school guidelines. In addition, sales tax is not a reimbursable item.

ACTIVITY FUND CASH RECEIPTS

Cash receipts are the only means of accurately recording cash received and provide support for deposits. All money collected must be recorded in detail. Receipts issued should be signed by club sponsors not students. **Only pre-numbered cash receipt books** approved or provided by the District are to be used.

DEPOSITING OF FUNDS WITH CAMPUS BOOKKEEPER

When money from any source is received by the bookkeeper, a receipt must be issued in triplicate.

1. An original (white) receipt to the Sponsor
2. First copy (yellow) to Business Office
3. Second copy (pink) remains in the receipt book.

Receipt

White → Sponsor

Yellow → Business Office

Pink → Remains in receipt book

Funds should be verified in the sponsor's presence. This is simply a prudent cash handling procedure that protects both the bookkeeper and sponsor.

The bookkeeper must provide a receipt to the sponsor; it should be initialed by both parties, documenting the amount of the deposit.

If for some reason immediate verification is not possible, the funds should be sealed in a tamper-proof bank bag and placed in vault or safe until both individuals are present for cash verification. The sponsor will bear responsibility for any missing deposits or shortages if funds are not verified in the presence of the bookkeeper.

CHECKS

Activity fund checks are used to disburse all funds from the Activity Fund checking account. Activity fund expenditure transactions must be paid with a check.

BANK DEPOSIT SLIPS

Deposit slips, once validated by the bank, serve as a record for the specific date that receipts were credited for the bank account. Deposit slips are obtained from the Business Office as needed.

MONTHLY BANK STATEMENTS

The bank statement is the official bank record reflecting all transactions affecting the cash balance on deposit during the preceding month. When properly reconciled, the statement serves as official support for the cash balance indicated in the Activity Fund records. The activity fund bank statement is received and reconciled monthly by the Business Office. Reconciling items must be cleared up on a timely basis.

MONTHLY ACCOUNT BALANCES REPORTS

The accounting for Activity Funds is maintained daily by the Business Office using the District's Finance System. The campus administration needs to review their activity fund detail **at least** on a **monthly basis** and notify the Business Office of any discrepancies. Campus administration should run the Detail General Ledger using the appropriate fund, organization code and sub-object code. Any discrepancies should be reported as soon as possible so that the Business Office can verify and make any necessary adjustments.

Documentation (receipts, fund raising related forms, and expenditures) must be maintained and filed for audit purposes.

1.6 ACTIVITY FUND ACCOUNTING SYSTEM

SBCISD uses a centralized accounting and bank reconciliation system. Activity is reviewed, input, and processed by the Business Office into the finance system. This allows campus to collect funds at the campus level but provides centralized control and oversight for posting deposits and expenditures.

1.7 DONATIONS

The recipient of the donation must complete the “*San Benito CISD Donation*” Form and the bookkeeper should keep it filed. All donations must be approved by the Superintendent or Board of Trustees and must be in accordance with **Board Policy CDC(Local)**.

Link to Donation Form:

<https://4.files.edl.io/59c0/09/06/19/164708-ee392478-6d29-4250-aa39-1cc5e44961f4.pdf>

Once donations are approved, they must be deposited in the Activity Fund Account and only allowable items can be purchased with these donated funds. If the donor is donating for a specific purpose that is not considered allowable as per the Activity Fund Manual, they must purchase and donate the items directly.

External donor websites such as *Go Fund Me*, *Donors Choose*, *Adopt a Classroom*, *Fuel my School* and *Pledge Cents* are not allowed to be utilized by the district.

1.8 VENDING COMMISSION

Revenue from vending machines situated within the schools, whether school-serviced or vendor-serviced, shall be controlled by the campus principal and processed through the activity fund. The campus receives a periodic commission check from the vendor. Vending machines' profits (i.e., the commission checks) may be placed directly in the account related to the location of the machine or to the intended purpose of profits from the machine.

1.9 PETTY CASH

Petty cash is not allowed.

SECTION 2 – BANKING PRACTICES & PROCEDURES

2.1 BANK ACCOUNTS

One bank account for activity funds will be maintained for all campuses at the district's depository bank. The school district's current bank depository is First Community Bank. Activity funds must be kept with the District's designated depository bank and be subject to all regulations.

Student activity funds and campus funds are accounted for separately. Monies received will be deposited into this account, and disbursements will be made by a check drawn on this account. **No transactions should be made from cash.**

Only activity fund transactions may be directed through the Activity Fund bank account. Transactions controlled by outside organizations such as the PTA/PTO or booster clubs, must be managed through these groups' own bank account. PTA/PTO's or Booster Clubs must obtain a separate Federal I. D. number to establish a checking account. **These organizations cannot use the District's Federal I. D. number.**

2.2 BANK RECONCILIATION

MONTHLY BANK STATEMENT

The bank statement is the official bank record reflecting all transactions during the preceding month. The statement serves as the official support for the cash balance.

ACTIVITY FUND

Cash receipts are posted by the Business Office on a daily basis as the validated deposit slips and supporting documentation are received.

BANK RECONCILIATION

The Activity Fund bank account is reconciled on a monthly basis by the Business Office. Campus Principals must review their activity "Monthly Activity Summary" report and contact the Business Office if there are any questions or issues.

One of the most important aspects of the bookkeeper's job is the review of the Activity Fund accounting detail within the Finance System. It is the principal's responsibility to see that the bookkeeper/principal's secretary has adequate time to review and report any discrepancies. **All activity fund discrepancies are due by the 5th of the following month.**

Discrepancies between District ledger balance and Campus' sub ledger balance must be researched and cleared in a timely manner.

2.3 BANK COURIER SERVICE

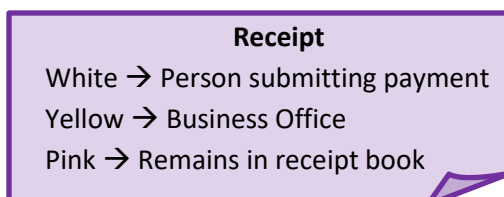
Bank courier service is provided by SBCISD Police Department. This service must be used to transport Activity Fund monies to and from the Business Office and the bank. SBCISD will collect funds on an as needed basis. Circumstances requiring special courier service may be arranged with the SBCISD Police Department. Issues regarding the Police courier service should be consulted with SBCISD Chief of Police at (956) 361-6475.

SBCISD Police will only transport deposits that are in plastic tamper proof bags. SBCISD Police Department will not transport employees to and from the bank or Business Office.

SECTION 3 – RECEIPTS

3.1 CASH RECEIPTS

The receipts issued will be pre-numbered and prepared in triplicate. Pre-numbered receipts must be in consecutive order so that each receipt in a book is accounted for. The original (white) receipt is issued to the individual who submitted payment. The first copy (yellow) is provided to the business office. The second copy (pink) remains in the receipt book to provide a chronological record of cash received.



Receipts will be prepared in ink and will always be legible. If it is necessary to make a correction to a receipt, the bookkeeper will void receipt by writing “void” across the face of the receipt and begin a new receipt. The original and all copies of voided receipts will be maintained in the receipt book. A receipt may not be issued to more than one person for the same transaction.

Receipts provide written proof that cash has been received in the office. When not in use, the receipt books should be secured in a locked drawer. The bookkeeper is responsible for maintaining an adequate supply of receipt books and monitoring use in numerical order.

3.2 GENERAL RECEIPTING PROCEDURES

Receipts must identify the campus and the club generating such documents.

- A. All cash and check collections must be recorded (in triplicate) by the person receiving the money:
 - 1. Original (white) receipt given to person submitting payment.
 - 2. First copy (yellow) receipt sent to Business Office.
 - 3. Permanent copy (pink) receipt retained in receipt book at the campus.

- B. The receipt must be completed in its entirety, including:
 - 1. Date, campus, and amount.
 - 2. The individual or company’s name (issuer) submitting the money. A receipt may not be issued to more than one person for the same transaction.
 - 3. An explanation of the purpose for which the money was received.
 - 4. The correct Activity Fund club name to be credited.
 - 5. The signature of the person receiving the money. The signature must be manual; signature stamps are forbidden.

3.3 RECEIPT OF MONEY BY SPONSORS OR OTHERS AUTHORIZED

- A. The bookkeeper is responsible for maintaining an adequate supply of deposit slips and receipt books.
- B. A distribution record must be kept of all receipt books issued to club sponsors, teachers, and other individuals approved by the principal to collect funds.
- C. Money may be collected by an authorized individual other than the bookkeeper (club sponsors, teachers, librarian, clerks, etc., but only as approved by the principal) for such items as books, student fees, fund-raising activities, etc. In such instances, the individual collecting the monies must account for the monies collected as follows:
 - 1. Deposit slip (Student Activity Fund – Detailed Deposit Slip) must be completed with all information provided.
 - 2. A cash receipt must be issued to individuals for monies collected.
 - 3. Collections shall be submitted to the Bookkeeper weekly or when the aggregate amount of such collections exceeds \$100.00.
 - 4. The original completed deposit slip and the attached yellow copy of cash receipts, if used, shall be sent with monies collected to the Bookkeeper who will count the funds in the presence of the depositor and prepare an activity fund cash receipt once the deposit total is verified. The Bookkeeper should also sign the deposit slip.
 - 5. The Business Office should keep file for five years for audit purposes. The original deposit slip with attached cash receipts should also be filed.
 - 6. Individual sponsors should keep verified copies of the deposit slip collected for five years for audit purposes.

SECTION 4 – DEPOSIT OF FUNDS

4.1 DEPOSITS

Deposits shall be made to the Bookkeeper or other designated employee on a daily basis, unless there is less than \$100.00 to be deposited; however, all money received should be deposited at least once a week, regardless of the amount. All campuses must have a safe. It is to be used to safeguard all the money until it is properly deposited at the bank. The Bookkeeper will count all cash and checks on hand. This total should agree with the total of receipts issued since the last deposit and the deposit slip/recap.

- A. High school and middle schools must make daily deposits. Elementary level collections must be deposited whenever the aggregate amount reaches \$100.00.
- B. Deposits must be made on Friday even though the cash on hand does not exceed the maximum allowable.
- C. All cash receipts supporting cash deposits shall be deposited in numerical sequence.
- D. Re-deposits of returned checks must be deposited separate from other funds collected.
- E. All monies on hand at the end of the school year must be deposited prior to closing the books for the year.

4.2 DEPOSIT PREPARATION PROCEDURES

SPONSOR

- A. A "Student Activity Fund - Detailed Deposit Slip" form shall be prepared in triplicate and shall include the following:
 1. Date
 2. Receipt numbers (s) issued
 3. Campus name
 4. Organization/Club name
 5. A listing of each check in the deposit (or a tape).
 6. Checks must be endorsed on the back and the payee section must show the campus and club.
 7. Account Code – *Please make sure to write down the correct account. This is where the funds will be deposited*
 8. Deposit total amount
 9. Signature of Sponsor
 10. Signature of Verified
 11. Submitted to Bookkeeper

Detailed Deposit Slip

White → Business Office
Yellow → Principal's Secretary/Bookkeeper
Pink → Club Sponsor

BOOKKEEPER

B. A "Student Activity Fund - Detailed Deposit Slip" **RECAP** shall be prepared in triplicate and shall include the following:

1. Date
2. Receipt number(s) issued
3. Campus name
4. Place "RECAP" in Organization/Club field
5. A listing of each check in the deposit (or a tape).
6. Ensure checks are endorsed on the back and the payee section shows the campus and club.
7. Account Code – *Please make sure to write down the correct account. This is where the funds will be deposited*
8. Deposit total
9. Signature of Bookkeeper

C. Bank deposit slip shall be prepared in triplicate format and shall include the following:

1. Date
2. Campus name
3. Deposit total
4. Tamper proof bag #

Bank Deposit Slip

White → Sent to Bank

Yellow → Sent to Bank and returned to Business Office

Pink → Kept by Bookkeeper

D. Plastic Tamper Proof Bag

5. Monies remitted for deposit must be placed in plastic tamper proof bags.
 - a. All monies need to be neatly organized.
 - b. Bill and coin wrappers are not required. However, if needed, the campus will be responsible for purchasing these.

E. Campuses must call SBCISD PD for deposit pick-up.

F. Submit completed "Student Activity Fund- Detailed Deposit Slip" **RECAP** with support to the Business Office for recording in Finance System.

BUSINESS OFFICE

- A. Activity Fund deposits must be in the Business Office no later than 3:00 pm for processing. Deposits received after 3:00 pm will be processed for the next business day.
- B. The original copy of the deposit slip is retained by the bank. The duplicate copy is validated by the bank and returned to the Business Office.
- C. Business Office will post to Finance System using the bank validated deposit slip.
- D. The sum of the amounts of the supporting cash receipts must agree with the amount of the deposit slip.

SECTION 5 – RETURNED CHECKS

5.1 RETURNED CHECKS

Checks may be returned for improper signature, Non-Sufficient Funds or Account-Closed.

ACCOUNTING FOR RETURNED CHECKS

Campus Administration shall attempt to collect NSF's.

1. The Business Office will process a negative deposit for the returned check and apply it to the account to which it was originally posted.
2. A copy of each returned check will be sent to the Campus. All certified copies will be kept by the Business Office.
3. The Bookkeeper shall send the issuer a *Returned Check Notice* via Certified Letter - Return Receipt Requested. The *Returned Check Notice* includes the following information:
 - a. Name, address, phone number, check #, amount, date
 - b. A copy of the returned check
 - c. The new amount with \$10 processing fee

The issuer is given ten (10) business days, after the date noted on the *Returned Check Notice*, to make restitution.

SECTION 6 – EXPENDITURES

6.1 EXPENDITURES

Expenditures shall be processed through the Business Office and paid by check from the Activity Fund checking account. **Cash transactions are strictly prohibited.**

Income received from a specific group (student and faculty) should be expended for that group. The principal shall ensure that expenditures from these accounts are written for the intended purpose of the group and **should not divert for other uses.**

No expenditure of funds shall be approved by the principal unless sufficient funds are available in the appropriate activity account. Thus, no check shall be drawn on any account with a negative balance.

Persons making unauthorized purchases shall assume full responsibility for all debts.

Per the Prompt Payment Act, State law requires the District to pay within 30 days of receipt of goods/service or final invoice whichever is later.

6.2 ISSUANCE OF CHECKS

All activity fund expenditures shall be paid by check. No check will be written without prior authorization from the principal and sponsor.

No check shall be drawn on any account with a negative balance.

A check may be issued to the person authorized (sponsor or other designated person) to make the purchases in an amount adequate to cover the estimated cost of the purchase. The sponsor or designated person will then be required to submit an invoice documenting the amount of the purchase. **Note:** Checks may be made payable to an employee when taking students on educational field trips.

In the event that the amount of the check exceeds the cost of the purchase, a cash deposit must be completed, and the excess money deposited into the account from which the check was issued. The bookkeeper will then issue a receipt to acknowledge the return of the excess money. An additional check will be issued when the estimated cost did not cover the expense.

Purchases of a personal nature shall not be commingled with purchases made for District use. Personnel cannot use the District's tax-exempt status to avoid paying sales tax on personal items. If an employee makes both personal and school related purchases from a vendor at the same time, the two purchases shall be made separately. **Sales tax will not be reimbursed.**

Checks are processed weekly on Thursdays.

Items cleared for check processing after Wednesday will be part of the following week's check run. PLEASE PLAN ACCORDINGLY.

6.3 ADVANCE PAYMENTS

1. Advance payment may sometimes be requested for necessary expenses to be incurred by clubs or other student groups engaged in out-of-town travel or activities requiring pre-payment (movie tickets).
2. Upon completion of the activity, the sponsor shall return unused funds to the bookkeeper for issuance of a receipt. The supporting documentation and the receipt for unused funds shall be attached to the original *Purchase Order*.
3. The settlement of all advances (original receipts due) must be completed no later than five (5) working days after the completion of the activity for which the advance was made, except in cases deemed necessary by the principal. In all cases, settlement should be attained prior to the end of the school year.

6.4 PAYMENTS TO NON-EMPLOYEES FOR CONTRACTED SERVICES

1. Payments for services performed by individuals who are not employees of the District may be made directly from the Activity Fund, only if you will not be requesting reimbursement from the budget funds.
2. For employment of non-district personnel as a consultant/instructor, the *Non-District Consultant Contract* form must be completed prior to the services being rendered. The form should be attached to the *Purchase Order* and *New Vendor Listing Form*.
3. Vendor/Consultant needs to complete the Internal Revenue Service *W-9 Request for Taxpayer identification Number and Certification* and submit to campus Bookkeeper. Bookkeeper should attach W-9 to the *Purchase Order*.

6.5 CAF ALLOWABLE AND UNALLOWABLE EXPENDITURES

CAF ALLOWABLE EXPENDITURES	CAF UNALLOWABLE EXPENDITURES
School assemblies, student body social functions, and fieldtrips	Reimbursement for luncheons or dinners while attending civic organization's meetings
Organizations 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.	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.
Awards such as plaques, caps, mugs, in recognition of students, staff or volunteers for services to the school or SBCISD.	Extravagant or high-priced individual awards such as watches or other jewelry.
Incentives for student involvement.	Payment of individual's personal bills.
Training for staff.	Payment of 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 sale of items or fund-raising activities.	Payment of expenses of spouses or other non-employees.
Supplementing of 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.
Approved travel costs for employees, subject to travel limitations.	Abuse of number of appreciation meals furnished to staff.
Refreshments and snacks for teaching 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. Appropriate documentation indicating who was at the meeting (STAFF SIGN-IN SHEET) and what was discussed (AGENDA) is required for the IRS.	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, 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.
Required school apparel for staff.	Any expenses that appear 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, Board policy or SBCISD regulation.

6.6 TRANSFER OF FUNDS BETWEEN ACTIVITY ACCOUNTS

GENERAL

Campuses may do inter-account transfers for the purchase of goods, services, etc. A transfer of funds shall be made between accounts by first completing the *“Request for Internal Transfer of Funds”* form. Copies of the form must be filed in both club accounts’ records.

Transfers require the approval in writing of the principal and club sponsors or account custodians when the transfer involves accounts with delegated responsibilities.

DOCUMENTATION OF TRANSFERS

1. Each transfer shall be initiated by preparation of the *“Request for Internal Transfer of Funds”* form disclosing both the amount of and the reason for the transfer.
2. When all required approvals have been obtained, the bookkeeper may proceed by sending the form to the Business Office to process the funds transfer request.
3. All copies of the *“Request for Internal Transfer of Funds”* form shall be maintained with the School Activity Fund Records. This documentation takes the place of a check.

SECTION 7 – FUNDRAISING

7.1 FUNDRAISING

Fundraisers can put a great deal of stress on parents and staff because often they end up doing most of the selling and buying. Therefore, each secondary bona fide club, as approved by the principal, will be allowed to conduct a maximum of two (2) fundraisers in each school year. No fundraisers will be initiated without written authorization of the Principal and Executive Director of Finance and Operations. In order to establish control over the funds raised by the students or other groups, all faculty sponsors are required to complete a “*Fund-Raising Application for Activity Funds*” form for each fund-raising project. Although the report is the obligation of the club sponsor, the Principal is responsible for enforcing compliance with this requirement.

Each elementary campus is allowed in-house fundraisers only, examples are dances, fall/spring festival, pictures, etc.

Each secondary campus and or club will be allowed two fund raising activities per year, which involve an outside vendor.

DEFINITION OF FUND-RAISING ACTIVITIES

Fundraising is an organized activity to raise funds for a club/organization or campus.

7.2 FUNDRAISING ACTIVITIES FOR A CAMPUS

Fundraising activities are not confined to regular school hours but are considered an extension of the school program. 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.

1. In September of each year, each Principal shall submit to the Business Office a listing or calendar of major fundraising and the organizations that will engage in fundraising activities along with the intended use of the funds specified.
2. Prior to any fundraising activity, all campuses and clubs must complete a “*Fund- Raising Application for Activity Funds*” form to begin fund raising activity. This application details the vendor, product to be sold or service rendered, and the estimated sales proceeds. Sponsors who do not properly manage their activities and have large monetary amounts outstanding will not be allowed to conduct subsequent fundraising activities.
3. Within one week of the close of the fundraiser, the “*Activity Funds Operating Report*” form must be completed and submitted to the Bookkeeper as well as a copy to the Business Office. This form details the total receipts and expenditures of the sale.

4. All fundraising activities involving a vendor or requiring public solicitations must first be approved by the Principal. Under no circumstances should door-to-door solicitation be allowed, nor should the organization enter into a contract with a solicitation firm.
 5. Any sale of food must be approved by the Child Nutrition Program Department and comply with the child nutrition guidelines.
 6. Funds generated from the sale of prepared food purchased from outside vendors must be deposited into the activity account and any expenditure must be paid by the issuance of a check.
 7. Deposits from fundraising activities must identify the source of such funds by separating amounts and indicating the source. **Do not commingle funds from different fundraising activities.**
 8. For fundraisers done for campus Principal accounts, 80% of the funds will be deposited to the campus Student account and 20% will be deposited to the Principal account.
 9. Concession/Ice Cream sales and Book Fairs do not count towards a club's allotment of 2 yearly fundraisers; however, a "*Fund- Raising Application for Activity Funds*" form must still be submitted to Business Office for documentation purposes.
 10. Only high school varsity teams may conduct sales of co/extracurricular support posters.
- Reference: **FJ (LOCAL) – Gifts & Solicitations.**

7.3 ACCOUNTING FOR FUNDRAISING ACTIVITIES

1. Collections and Disbursements:
 - d. Collections must be receipted, and payments must be made in accordance with Section 3 of this manual.
 - e. Collections and disbursements associated with any fund-raising activity coordinated by the school, or a school-recognized student group shall be transacted through the Activity Fund. **No cash payments for merchandise are allowed.**
2. Upon completion of all fundraising, an "*Activity Funds Operating Report*" form will be completed by the sponsor with a white copy to be filed with the Bookkeeper and the yellow copy to be retained by the sponsor. This report must indicate gross collections and list any expenses incurred relative to the activity merchandise (advertising, sales tax, prizes, etc.). Disposition of the net proceeds (profits) should also be disclosed if funds were collected for a specific purpose. The Bookkeeper is ultimately responsible for maintaining the completed records (application, operating report, copy of invoices and payments); however, the person requesting permission to conduct the fund-raising activity must prepare the above-mentioned reports.
3. The club sponsors are responsible for keeping accurate records for all money-raising activities. Such records should include at minimum:

- a. Distribution Lists
 - b. Fund-raising Forms Tabulation
 - c. Copy of deposit slips for money turned in to the Bookkeeper
 - d. Receipt book for moneys turned in by students to the sponsor
4. At the conclusion of the fund raising activity, all records should be turned in to the campus Bookkeeper along with “*Fund-Raising Application for Activity Funds*” form and retained for audit purposes.

7.4 FOOD FUNDRAISERS

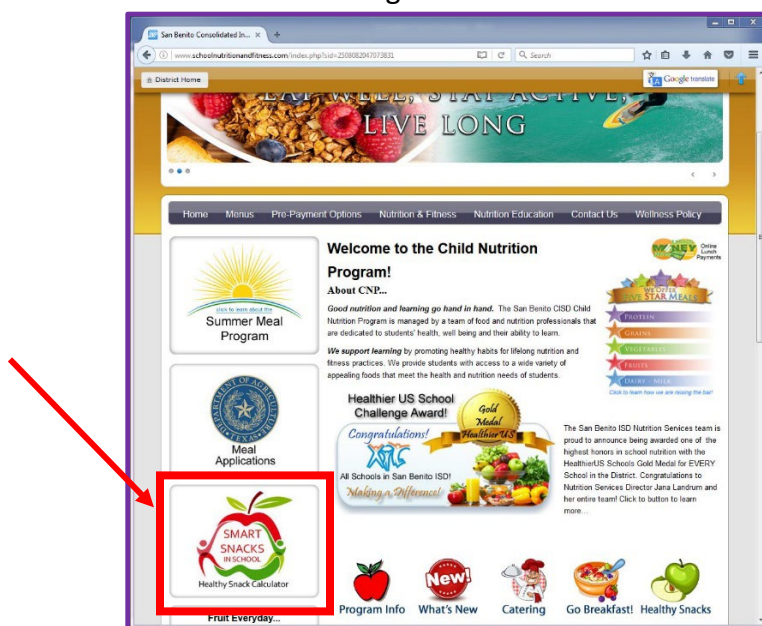
Food fundraisers need to be emailed to the Child Nutrition Program (CNP) for review. CNP will review to determine compliance with the Texas Department of Agriculture (TDA) competitive food standards. An email response will be sent to Campus originator. If approved, this email should be attached to the “*Activity Funds Operating Report*” form.

TDA requires the District to keep complete and accurate documentation or records for competitive beverages and foods sold. The Campus is responsible for maintaining this documentation and should be kept in the Principal or Principal’s Secretary Office.

This documentation is the District’s method to demonstrate that food and/or beverage items that were sold met the Competitive Food Nutrition Standards. Documentation includes 1. nutrition value calculations, 2. nutrition fact labels, 3. invoices and 4. forms or records indication portion size and number of servings.

The Smart Snacks Calculator is located on San Benito CISD’s website:

Departments → A-E → Child Nutrition Program → Smart Snacks Calculator (left 3rd icon down)



The Smart Snacks Product Calculator Results MUST be kept on file, see sample below:

**SMART SNAKKS
PRODUCT CALCULATOR**

**Smart Snacks
Product Calculator Results**

Brand:
NORTH STAR

Product Name:
FUDGE BAR

Serving Size:
70.00 g

First Ingredient:
SKIM MILK

Your non-beverage dairy product meets all nutrient standards for entrees or snack foods.
for snacks.

Nutrition Facts

Serving Size 70.00 g ±
Servings Per Container

Amount Per Serving

Calories 100
Calories from Fat 0

Total Fat (g) 0
Saturated Fat (g) 0
Trans Fat (g) 0
Sodium (mg) 90

Carbohydrates
Sugars (g) 17

Vitamin D (%) NA
Calcium (%) NA
Potassium (%) NA
Dietary Fiber (%) NA

The person or group responsible for the point of sale to students on campus should verify a product's compliance and print their own Calculator results for documentation intended for compliance purposes. Results from this calculator have been determined by the USDA to be accurate in assessing product compliance with the Federal requirements for Smart Snacks in Schools provided the information is not misrepresented when entered into the Calculator.

LEADING THE WAY FOR CHILDREN'S HEALTH

FOUNDED BY: American Heart Association, CLINTON FOUNDATION

BOARD POLICY:

FFA (LOCAL) – Student Welfare Wellness and Health Services

NUTRITION GUIDELINES: The District's nutrition guidelines for reimbursable school meals and all other foods and beverages sold, otherwise made available, or marketed to students during the school day shall be designed to promote student health and reduce childhood obesity and shall be at least as restrictive as federal regulations and guidance.

7.5 PROHIBITED FUNDRAISERS

- **Raffle** – The District is **not** a "qualified nonprofit organization" for purposes of the Charitable Raffle Enabling Act and shall **not** sponsor or conduct raffles; reference **GKB (LEGAL) – Community Relations: Advertising and Fund raising in the Schools**, and **FJ (LEGAL) – Gifts and Solicitations**. Raffle fund-raisers are strictly prohibited.
- **Door-to-Door Sales** - Students are **strictly prohibited** from making door-to-door sales; reference **FJ (LOCAL) – Gifts and Solicitations**
- **Bingos**

SECTION 8 – TEXAS SALES & USE TAX

8.1 TAXABLE STATUS OF PURCHASES

All purchases made for the **exclusive use of a campus** must be tax exempt. A *Texas Sales and Use Tax Exemption Certification* must be remitted to the merchant. Personal items that will be kept by students/staff are **NOT** tax exempt.

Sales tax paid on behalf of the campus will *not* be reimbursed.

Note: PTA/PTO, Booster Clubs, or any other external associations are strictly prohibited from using the District's Sales Tax Permit Number.

8.2 REVENUE

Sale vs. Not a Sale

A determination must be made regarding the status of all revenues and whether or not they constitute a sale. A sale is the transfer of title or possession of tangible personal property for consideration, i.e., pencils, food, etc.

At times, the campus merely acts as a sales agent for a retailer; tax must be collected and remitted to the retailer who would claim the sale and remit the tax to the State Comptroller's Office. Campuses need not report this type of revenue as a sale, i.e., vendor-owned vending machines, school pictures, book fairs, etc. Other examples include money collected for field trips, library fines, etc. Only when campuses purchase inventory/merchandise for resale are they considered the reseller.

Catalog fundraisers are another example in which the campus acts as a sales agent for a retailer. If the catalog fundraiser includes taxable products, sales tax must be collected and remitted to the vendor. We suggest you have the retailer include sales tax in the catalog prices so that you are not responsible for charging sales tax on top of each listed price. If the retailer agrees to do so, the catalogs must indicate that sales tax is included in the price.

The following list is intended as general guidance and is not all-inclusive:

Sale	Not a Sale
Admissions - athletic, dances, dance performances, drama performances	Collection of money from students to pay a company for admission or service (i.e., Movies Theatre, Sea World, PSAT test)
Admissions - summer camps, clinics, workshops, project graduation	Commissions received
Donated items that are sold	Donations of money to the school or school group or donations for a commemorative brick
Fund-raisers where the school or school group is the seller, not just the middle-people	Fees - musical instruments maintenance, lab, uniform cleaning, transcripts
Rentals of items	Fieldtrip collections
Rental of facilities	Fines received - textbook, library books, parking, locker, uniforms, calculators, obligations
Sales of food	Fund-raiser - when the school group merely receives a commission (i.e., library book fairs, some author sales)
Sales of merchandise (to include items made by students)	Lost payments - books, handbooks, calculators, ID cards
Sales of services	Marathon fund-raisers - these are donations (i.e., lift-a-thon, jog-a-thon,)
School publication sales	NSF check redeposit
	Summer School, Saturday School

8.3 TAXABLE VS. NON-TAXABLE SALES

Texas Sales Tax Statutes impose tax on the sale, lease, or rental of tangible personal property that can be seen, weighed, measured, felt, touched, or that is perceptible to the senses in any other manner. Whenever an individual purchases a tangible, it becomes personal property and is taxable. It is irrelevant if the Campus/District logo is affixed to the item or in what capacity the item will be utilized.

Districts, campuses, and/or campus groups selling taxable items must collect and remit sales tax on a monthly basis. As a seller, you are responsible for collecting and remitting the correct amount to the Comptroller's Office. If you do not collect and remit the correct amount, you can owe any additional tax and you may be assessed penalties and interest.

The items or activities on the following lists have been identified as being taxable or non-taxable by the State Comptroller's Office when sold or sponsored by a school. The lists are not all-inclusive but may help in making determinations on other similar items.

Non-Taxable Sales
Admissions - athletic, dances, dance performance, drama and musical performances
Admissions - summer camps, clinics, workshops, project graduation
Admission - banquet fees
Admission - bids, prom, homecoming
Admission - tournament fees, academic competition fees
Cosmetology services (products sold to customers are taxable)
Discount/Entertainment cards and books
Facility rentals for school groups
Food items sold during fund-raisers
Parking Permits
Identification Cards - when they are sold to entire student body (not just the fine for a lost ID card)
Labor - automotive, upholstery classes (parts are taxable)
Magazine subscriptions greater than six months
Services - car wash, cleaning

TAXABLE SALES	
Agenda books	Magazines - subscriptions less than six months
Agricultural sales	Magazines - when sold individually
Art - supplies and works of art	Musical supplies - recorders, reeds
Artistic - CDs, tapes, videos	Parts - Career & Technology classes (not to include products used in cosmetology)
Athletic - equipment and uniforms	Parts - Upholstery
Auction items sold	PE - uniforms, supplies
Automotive - parts and supplies	Pennants
Band - equipment, supplies, patches, badges, uniform sales or rentals	Pictures - school, group (if school is the seller)
Book covers	Plants - holiday greenery, poinsettias
Books - workbooks, vocabulary, library, author (when the school/school group is the seller)	Rentals - equipment of any kind
Brochure items	Rentals - uniform of any kind, towels
Calculators	Repairs to tangible personal property (i.e., computer repair)
Calendars	Rings and other school jewelry
Candles	Rummage, yard, and garage sales
Car - pin striping	Safety supplies
Clothing - school, club, class, spirit	School publications - athletic programs, posters
Computer - supplies, mouse pads	School publications - brochures
Cosmetology products sold to customers	School publications - magazines (unless six month subscription)
Cups - glass, plastic, paper	School publications - newsletters, newspapers (generally not sold)
Decals	School publications - reading books
Directories - student, faculty	School publications - sheet music, hymnals
Drafting - supplies	School publications - yearbooks
Family and Consumer Science - supplies and sewing kits	School store - all items (except food)
Fees - copies, printing, laminating	Science - science kits, boards, supplies
Flowers - roses, carnations, arrangements	Spirit items
Greeting Cards	Stadium seats
Handicrafts	Stationary
Horticulture items	Supplies - any sold to students
Hygiene supplies	Uniforms - any type to include PE, dance team, drill team, cheerleaders, athletic, club shirts
Locks - sales and rentals	Vending - pencils and other non-edible supplies when the school services the machine
Lumber	Woodworking crafts - entire sales to include parts & labor
Merchandise, tangible personal property	Yard signs

8.4 TEXAS SALES AND USE TAX

Collection and Remittance of Sales Tax

The sales tax rate is 8.25%; 6.25% State and 2% Local.

Sales tax shall be collected as follows:

- 1) Add the tax to the price of the item, i.e., if the price of the item is \$1.00 and the tax rate is 8.25%, the school would collect \$1.08
- 2) Absorb the tax into the price of the item, i.e., if an item is sold for \$1.00 including tax, the school would retain \$.92 and remit \$.08 for sales tax

The Business Office will forward sales tax collections to the State Comptroller's Office.

8.5 ONE-DAY, TAX-FREE SALES

Definition

Effective August 30, 1993, all school **districts**, campuses, and campus **bona fide chapters** are permitted two one-day, tax-free sales each calendar year. During these tax-free sale days, an organization may sell any taxable item tax-free. The exemption does not apply to items sold for more than \$5,000.

A **bona fide chapter** is a campus group organized for activities other than instruction. Any student group that is recognized by the campus and that has elected officers, holds meetings, and conducts business are bona fide chapters of the campus. Groups meeting for classroom instruction or team sports are not considered bona fide chapters and thus do not qualify for the tax-free day sales.

- The school-wide fund-raiser qualifies for a tax-free day
- The Basketball Club qualifies, but the basketball team does not
- The Cheerleader Club qualifies, but the cheerleader team does not
- The Debate Club qualifies, but the debate team does not
- The French Club qualifies, but the French class does not
- The Senior Class Club qualifies, but not one particular class that has seniors in it

One-day, tax-free fund-raisers may add profitability. One way to qualify a fund-raiser as a one-day, tax-free sale would be to deliver the sellable items on a single day. Pre-paid orders and/or collections could be taken over an extended period before delivery.

Non-One-Day, Tax-Free Sales

Book Fairs - *do not* qualify as one-day tax-free sales as the school is not the actual seller but merely an agent for the vendor. As an agent, the school receives commissions only and is not eligible for the one-day tax-free status.

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 also generally not qualify as a one-day tax-free sale.

APPENDIX

(Include appendix in PDF)