KILGORE
Independent School District

Activity Fund Manual

August 6, 2025

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KISD School Board Policies

CFD (LEGAL)

Discretionary Funds
The District shall adopt a policy governing the expenditure of local funds from vending machines, rentals, gate receipts, or other local sources of revenue over which the District has direct control.
A policy under this section must:
Require discretionary expenditures of local funds to be related to the District's educational purpose and provide a commensurate benefit to the District or its students; and
Meet the standards of Section 52, Article III, Texas Constitution, regarding expenditure of public funds.
Education Code 44.908

CFD (LOCAL)

Fiduciary Responsibility
The Superintendent, principal, and sponsor, as applicable, shall be responsible for the proper administration of District and campus activity funds and student activity funds in accordance with state law and local policy, District-approved accounting practices and procedures, and the TEA Financial Accountability System Resource Guide.

Student Activity Funds
The Superintendent or designee shall ensure that student activity accounts are maintained to manage all class funds, organization funds, and any other funds collected from students for a school-related purpose. The principal or designee shall issue receipts for all funds prior to their deposit into the appropriate District account at the district depository.
Student activity funds shall be included in the annual audit of the district's fiscal accounts. [See CFC]

Use and Expenditure
Funds collected by student groups shall be used only for purposes authorized by the organization or upon approval of the sponsor. The principal or designee shall approve all disbursements. **All funds raised by student organizations must be expended for the benefit of the students.**

District and Campus Activity Funds

The Superintendent shall establish regulations governing the expenditure of District and campus activity funds generated from vending machines, rentals, gate receipts, concessions, and other local sources of revenue over which the district has direct control. Funds generated from such sources shall be expended for the benefit of the district or its students and shall be related to the district's educational purpose.

Approval

Approval from the immediate supervisor or designee shall be obtained prior to a disbursement being made to any employee, including the principal.

Carryover Funds

All funds shall be left in the appropriate account and each sponsoring group shall retain the carryover funds for the next fiscal year. If an organization ceases to function or exist, the unexpended funds of the organization shall be credited to the appropriate administrative activity account.

INTRODUCTION

This Activity Fund Manual has been developed to provide procedures and accounting controls to help sponsors and those related to Activity Funds safeguard district and student assets and ensure reliability of financial records. By adhering to these internal controls, persons responsible for Activity Funds can help prevent the misappropriation of funds, violations of federal state and local regulations, acts of fraud or negligence and to avoid any negative consequences if questions should arise. Additional information may be available within the district's Board Policies, Fiscal Manual, Administration Procedures, or other web resources.

ACTIVITY FUND OVERVIEW

What am I responsible for?

Campus activity sponsors are responsible for maintaining accurate records of all financial transactions of the club, organization or campus account. Campus activity funds/groups are subject to all State and District purchasing policies applicable to budgeted funds, including proper account coding per TEA guidelines and the use of District-approved vendors.

Student activity sponsors are responsible for maintaining accurate records of all financial transactions of the club or organization. Bylaws should be established that address how monies raised are to be expended. Money belongs to the students in the group and therefore, should be spent under their direction. The sponsor shall have authority over the fund but must involve the students in the decision making. Minutes from club meetings must be kept in order to verify student approval of expenses.

What is a campus activity fund/organization?

- Funds belong to the campus/district.
- Campus principal, organizational sponsor or department head directs how funds are spent.
- Money is raised locally at the school or donated to the school.
- Expenditures **primarily benefit the student body**.
- Expenditures must adhere to State and Board policy and District procedures.
- Expenditures are subject to all purchasing and bid laws.

What is a student activity fund/organization?

- Student organizations must have a faculty sponsor.
- Student organizations must have bylaws and officers and hold regular meetings.
- Student Organizations must turn in officer names to the principal.
- A signature card for current year's officers must be turned in before any disbursements are allowed.

- Additional Budget: All requests must have two original officer's signatures before money will be disbursed.
- Each student organization must retain minutes of the organization's meetings.
- All funds raised by a student organization are to be expended at the discretion of the students and documented in the minutes.

- Sponsors must keep detailed records of the organization's activities as well as the organization's collection and disbursement of funds.

- A student organization to be disbanded may determine the use of the remaining balance in its activity fund. Funds remaining from an organization which made no such documented determination may be transferred by the principal to a campus activity fund and used at the principal's discretion.

- Student organizations benefit a specific club or organization, i.e., band, cheerleading, choir, math, science, etc.

- Flower or Bereavement Funds in which money is collected from participants for such purposes are also classified as student activity funds.

- Examples:
    - The Basketball Club qualifies, but the basketball team does not.
    - The Cheerleader Club qualifies, but not the cheerleader team.
    - The Debate Club qualifies, but debate teams and classes do not.

FUNDRAISERS

The Approval Process "**may not solicit sponsorships**

- All fundraising activities must **be approved in writing by the Principal and the Superintendent. Every effort should be made to get this approval 60 days prior to the start of the fundraising event** by completing a KISD Request for Fundraiser form.

- Fundraisers that are done each year must be approved annually **before the fundraiser begins**.

- A fundraiser may not begin until you receive an e-mail notification from the business office stating that the Superintendent has approved the fundraiser.

- Material or merchandise for a fundraising project may not be ordered prior to receiving this approval. Any person ordering merchandise without the prior approval will assume full responsibility for the expenditure.

- Fundraisers that **WILL NOT** be approved include: Raffles, "Go Fund Me" type fundraisers, Bingo, any game of chance and anything else deemed unacceptable or inappropriate by the district leaders. [**Raffles – School districts are NOT allowed to conduct raffles. Attorney General Opinion JM-1176 ruled that independent school districts are not qualified to hold charitable raffles. An unauthorized raffle is considered gambling under the Texas Penal Code and is classified as a CLASS C MISDEMEANOR.]**

- Any ready to eat food fundraisers, (ex. Candy bars, snack foods, chips) must follow The Texas School Nutrition Policy. As the sponsor you will be required to sign an acknowledgement stating that you have read the policy and agree to the parameters set out in that policy. **Effective July 1, 2014, the United States Department of Agriculture (USDA) will limit the types of foods and beverages that may be sold to and consumed to students at school during the school day.** [Note: The school day is defined by the USDA as: the period from midnight before, to 30 minutes after the end of the official school day. These standards will impact all those responsible for selling food to students including: food service departments, fundraisers, school clubs, and groups. The Smart Snack standards do not apply to food sold during non-school hours, foods sold to adults, parents, staff and foods brought to school by a student for personal consumption.]

<u>REVTRAK</u>

- RevTrak is our online store that is currently being utilized by Kilgore ISD. This site gives our activity funds another avenue to collect payments from students for things such as dues, t-shirts, trips, fundraisers, etc. Sponsors can run reports to see which items have been purchased and by whom. Almost anything we sell or fees we collect across the district can be done through RevTrak.

- With the addition of RevTrak – Make sure you are using the most current Fundraiser Request Form. If you would like items added to RevTrak for collection/sale, contact your campus secretary or Melody Richers in the Business Office for help.

- When using RevTrak, there is a service fee. On most items, we prefer that you upcharge the item to cover the fee. However, if up charging the item is not possible, contact Melody Richers to see if the fee can be passed along to the end user.

- Ex: T-shirt costs you $10.00, you sell it for $20. If you used RevTrak, there is a 3.49% fee for every sale. $20.00 x .0349 = $0.70 fee so you would net $9.30 per shirt. To upcharge, you would charge $21.00 per shirt. $21.00 x .0349 = $0.73 fee so you would net $10.27 per shirt.

Use of Funds (See – Expenditure of Funds)

If a fundraiser is promoted for a particular cause, you *must* do exactly what you promote. In other words, if a car wash is held to help pay the way to contest, then the funds raised must be used for expenses related to the contest trip. If you promote the fundraiser in *general* terms, you have more flexibility. For example, you may want to sponsor a car wash to "help *support* the cheerleaders."

- **Funds should not be used for:**
  - Gifts/gift cards for faculty (except as authorized through social funds which are generated solely by campus personnel contributions).
  - Donations to charitable organizations, unless specifically raised for that purpose. (Student groups may not vote to donate funds to charities unless a fundraiser was approved and held specifically for the purpose.)
  - Gift cards for students valued at more than $50. (See Gift Card information.)
  - Student awards that were not included in the "Intended Use of Funds" section on a Request for Fundraiser Approval form.

- Financing the attendance of school personnel at meetings, *except* in the capacity of faculty sponsor on student trips.

- Payment of professional dues for school personnel.

- Any activity that does not promote the general welfare of the school or the educational development and morale of students.

- Scholarships (Activity funds are for improving the experiences students have while in school- not for furthering their education after school.)

- **Funds may be used for:**
  - Trips
    - Monies raised by clubs, class/student groups to finance trips *related to student activities* for faculty sponsors and students may be expended with approval of the principal.

  - Awards and Prizes
    - Monies raised in the school's name may not be used to pay cash awards or to buy cash prizes for students unless noted in the Intended Use of Funds section of a KISD Request for Fundraiser Approval. Awards must be kept to a nominal amount of less than $50. Cash awards or prizes include currency, checks, savings bonds, money orders, gift cards or certificates, or any other medium which can be readily converted to cash.

- Awards such as merit certificates, trophies, plaques or other means of recognition with nominal value are preferred and may be purchased from Student Activity Funds or Campus Activity Funds in recognition of scholastic achievements, attendance, or fundraising activities for students.

- Gifts
  - Monies raised in the school's name by the student body or student groups **may not** be used to purchase gifts for school personnel (example - gift certificates).
  - Students *may* contribute personal money toward the purchase of a gift for school personnel, but there must be a **very clear** audit trail of approval, deposit, and expenditure of the funds.
  - Monies raised in the school's name may *not* be used by the school or school group to make cash contributions to charitable or other outside organizations.
  - Donations may be made when money is raised specifically for a charity (as documented on the fundraiser approval form) and is well noted in the advertising for the fundraiser.

CLOSING OUT A FUNDRAISER

A fundraiser is conducted to raise as much money as possible for the student group. In order to evaluate the success of a fundraiser, proper procedures must be followed. Also, activity funds are subject to both internal and external audit. Records that are not in good order indicate poor management of the activity fund and could result in an audit of prior years' fundraisers and possible cancellation of the activity fund.

Fundraiser Financial Recap

This report must be sent to the School Office at the conclusion of the fundraiser and then forwarded on to the Business Office after being signed off on by the principal. The report is designed to help the sponsor evaluate the effectiveness of the fundraiser. After all, you will not want to repeat a fundraiser if the profit does not justify the time and effort it took to complete it.

Records to Retain

- Activity Fund records shall be retained for a period of five (5) years.
  - All records and documents of the district are considered to be governmental records and the intentional destruction, concealment, removal or other impairment of a governmental record which renders the record untrue, illegible or unavailable is an offense. (Section 37.10, Texas Penal Code).

- Tampering with governmental records is considered a felony of the third degree if it is shown at trial that the governmental record was a public-school record, report or assessment instrument required under Chapter 39, Education Code.

- Request for Fundraiser Approval forms.
- Fundraiser Activity Distribution lists.

- Daily collection reports and list of students with outstanding receipts.

- Tabulation of sales tax collections.

- Cash receipts received for money turned into the Business Office.

- Receipts of expenditures.

GIFT CARDS

Gift cards may be purchased for the following purposes:

Acceptable Uses

- Student recognition/awards (not exceeding $50 each) may be bought from principal fundraiser accounts/campus activity funds if the expense was included on a previously submitted Request for Fundraiser Approval form.

- Student recognition/awards (not exceeding $50 each) may be bought from student activity fund accounts if voted on by the student members and recorded in the student activity club minutes.

- Staff appreciation gift cards may only be purchased from **social** fund accounts such as courtesy funds where all revenue has been **generated solely by campus personnel contributions**.

Unacceptable Uses

- Monies raised in the school's name by the student body or student groups **may not** be used to purchase gifts for school personnel.

- Staff appreciation gifts (except as authorized through social funds which are generated solely by campus personnel contributions). This includes staff meals.

- Gifts to individuals for services performed

- Staff benevolence or retirement gifts (except as authorized through social funds which are generated solely by campus personnel contributions)

When a gift card is purchased for an acceptable use, the following policies and procedures will apply:

- Student awards bought with campus activity funds, including gift cards, should be nominal in value (not exceeding $50 each) and should tie directly in with the Intended Use of Funds description on the original KISD Request for Fundraiser Approval form.
    - **Example** - Intended Use of Funds: *The proceeds from this fundraiser will be used to purchase playground equipment, nominal awards, such as gift cards for miscellaneous student recognition awards, and nominal prizes, such as gift cards for fundraiser prizes.*
- Student awards bought with student activity funds, including gift cards, should be nominal in value (not exceeding $50 each) and should be voted on by the student members and recorded in the student activity club minutes.
- All fundraiser prizes, including gift cards, are to be accounted for on the KISD Fundraiser Financial Recap form as Other Costs and purchased through the appropriate campus activity account.
- A completed KISD Gift Card Receipt Form shall be submitted to the campus secretary for all gift cards purchased using campus activity funds or student activity funds within one week of disbursing gift cards. This form must then be attached to the original Activity Fund Check Request Form.

REFUNDS

- Refunds are allowable if money was contributed directly by the individual. The original deposit must be clearly identifiable in the accounting records and referenced in the refund paperwork.
- Money raised in the school's name may ***not*** be refunded to students.
- Refunds can be the result of cancellation of field trips, overcharges on books, etc.
- **Multiple Refunds**
    - One check may be issued to the activity fund sponsor, who will distribute the refunds to each student.

- Each individual due a refund shall sign the CASH ISSUED TO EMPLOYEES OR STUDENTS form verifying that a refund was issued and the date that it was received.
- The activity fund sponsor will return the signed CASH ISSUED TO EMPLOYEES OR STUDENTS form and any undistributed refund to the school office.

OUTSIDE ORGANIZATIONS

This information is for general information only. For more details, please refer to the Booster Club Manual on the Business office webpage.

Outside organizations should be valid stand-alone organizations with their own identities and Employer Identification Numbers. There should be no confusion of their identity with that of the school. Therefore, the outside organizations **may not use the school's tax ID number or names of school employees in conducting business.** There are two types of independent outside groups:

- Parental – Parent-Teacher Organization (PTO)
- Outside organizations such as Booster Clubs

Outside organization (Booster Club) fundraiser campaigns may **not** take place during school hours, but PTO/PTA fundraisers **may** take place during school hours. ALL fundraisers must be approved by the campus principal and Superintendent the same as any school-sponsored fundraiser. *This important step places the event on a district-wide calendar and helps us to avoid duplicate events that stress our parents and greater school community.*

General Guidelines

- Outside organizations shall manage and assume responsibility for their own activities and finances.

- Outside organizations *may* involve participation by the students (as a whole) and school personnel either as contributors (consumers) or fundraisers (workers) only *after* the approval of the Superintendent. **Fundraising by District personnel for these organizations should not interfere with the employee's work duties.**

- All fundraising activities require prior approval of the Principal, Business office and Superintendent.

- The principal or school staff may **not** be involved with:
  - Receiving goods for the outside organization.

- Receipting, depositing or accounting for money raised by the outside organization.

- A sponsor or other district employee may **not**:
  - Have signature authority on any bank account of an outside organization in their capacity as a school employee without the proper approval form being signed off by both principals/directors and turned into the Business Office.
  - Commingle money belonging to an outside organization in personal checking or savings accounts.

  - Maintain a checking or savings account that contains money belonging to an outside organization.
  - Maintain a safety deposit box for any money that belongs to an outside organization.

- Money raised by an Outside organization (Booster Club) must be deposited to the account of the Outside organization (Booster Club) - **never** the school's Activity Fund account.

- Parent-teacher groups should cooperate fully with the principal in planning activities for raising money.

- Outside organizations may make donations to the school or to a student club either for a specific purpose or to be used at the discretion of the principal. Use discretion in limiting such fundraising activities to those necessary for the school.

SALES TAX ON SCHOOL FUNDRAISERS

Although schools may purchase items tax-free, public schools and school-related organizations must collect the sales tax on all sales that are not specifically exempted.

The majority of activity fund collections fall into one of two categories: A sale or not a sale. The following information may be used as a general guideline in determining whether to classify revenue as a sale or not:

- Sale
  - Admission fees collected at our own events – athletics, dances, performances, clinics, workshops, summer camps, Project Graduation
  - Donated items that are not sold
  - Fundraisers for which we are the seller, not just the middleman

- Rental of items (when we are the lessor)
- Sales of food
- Sales of merchandise – including items made by students
- Sales of services
- School publication sales
- Agricultural Sales (Farm Animals or Plants in which the products of which ordinarily constitute food for human consumption.)

- Not a Sale
  - Collections from students to pay a company for admission (i.e., Movie ticket)
  - Commissions received
  - Donations received (i.e., Commemorative brick)
  - Dues
  - Fees – lab fees, transcripts, uniform cleaning
  - Fieldtrip collections
  - Fines (i.e. – library)

Once the activity has been determined to be a sale, the issue then becomes to tax or not to tax.

- <u>Taxable Sales</u>
  - Yearbooks, directories, football programs, and other student publications
  - Any type of materials such as pennants, pencils, ribbons, pom-poms, etc.
  - Any other item(s) sold as personal property
  - Fees for materials when the end product becomes a possession of the student
  - School rings
  - Books sold to students at book fairs
  - All sales of items such as handicrafts, T-shirts, candles, cups, books, and school supplies sold by a school-associated organization during a fundraising drive
  - School-purchased supplies sold directly to students including athletic equipment and physical education uniforms
  - Plants – holiday greenery and poinsettias
  - Rummage, yard and garage sales
  - School Publications – athletic programs, posters
  - Spirit items
  - Uniforms
  - Vending – pencils and other non-edible supplies when the school services the machine
  - Supplies – Any sold to students
  - Other items defined as taxable by the State Comptroller's Office

- Non-Taxable Sales
  - Agricultural sales (Farm Animals such as pigs, cows, chickens and other livestock.)
  - Vending machine sales – Food
  - Ad sales – yearbooks, programs
  - Discount cards
  - Parking permits
  - Services – car washes
  - Bake sales
  - Admission tickets (such as athletics, etc.)
  - Food, including candy and soft drinks
  - Two one-day fundraisers (See One-Day Tax-free Sales Category).

Texas sales tax statutes impose tax on the sale, lease or rental of tangible personal property and selected services. Tangible personal property includes personal property that can be seen, weighed, measured, felt, touched or that is perceptible to the senses in any other manner. When an individual purchases a tangible item and it becomes the personal property of someone, it is taxable. It is irrelevant if the school logo is on the item or that the item will be utilized by a student in a school group for a school function. If someone other than Kilgore ISD or the student group itself owns the item in the end, it is taxable.

School districts and school groups making sales of taxable items that do not have a specific exemption must collect and remit the tax. The items or activities on the lists above have been identified as being taxable or non-taxable by the Comptrollers' Office when these items are sold or sponsored by a school, by an organization within a school, PTAs, Booster Clubs and employee associations. **Whether taxable or not, all sales are reportable as sales on line 1 of the Texas Sales and Use Tax Return.** These lists are not all-inclusive but may help determine the tax status of other similar sales.

One-Day Tax-free Sales

Each school district, each campus, and each bona fide chapter of each school is allowed to have two, one-day tax-free sales each calendar year. During the tax-free sales, the organization may sell any taxable item tax-free when the price of the item is $5,000 or less. There is no limit on the number of bona fide groups at a school or school district.

- The school district qualifies for a tax-free day;
- The school-wide fundraiser qualifies for a tax-free day;
- The Basketball Club qualifies, but the basketball team does not.
- The Cheerleader Club qualifies, but not the cheerleader team.
- The Debate Club qualifies, but debate teams and classes do not.
- The French Club qualifies, but the French classes do not.
- The Senior Class qualifies, but not one particular class that has seniors in it.

A bona fide chapter is a group that must be organized for some business or activity other than instruction or a participatory group. Essentially any student group that is recognized by the school and is organized by electing officers (not just participatory captains), holding meetings and conducting business are bona fide chapters of the school and each group may have two, one-day, tax-free sales in a calendar year. Groups meeting for classroom instruction or team sports are not categorized as bona fide chapters and do not qualify for the tax-free day sales.

One-day means 24 consecutive hours; the delivery should be made on a single day. Generally, title passes to the purchaser when the item is given to the purchaser. In the case of preordered and prepaid sales, title can transfer as soon as the seller (school) receives the order. Therefore, the date the items are delivered by the vendor to the seller is designated as the one-day for the purposes of the tax-free sales. However, persons buying from surplus stock on subsequent dates after the tax-free day owe tax on the items. (Example – All yearbooks sold and delivered on the one delivery day are considered part of the one tax-free day. Purchases of yearbooks at a later date are not and are fully taxable.)

When the school or school group receives a commission, the tax-free day sale provisions cannot apply because the sale is the vendor's sale, not the school's sale. The school group would collect and remit tax to the vendor, and the vendor would report the sale and remit tax to the Comptroller's office.

School personnel should communicate with the vendor to determine how they want to handle the sales, from collection to remittance of the proceeds.

The following provisions apply:

- Properly identify on the deposit slip the deposit(s) that are being claimed as the one-day exemption sale.
- When using a one-day sale, a new tax exemption certificate must be issued to the vendor *each year*.

Items bought for resale to students, such as pencils, paper, t-shirts, or supplies for class are taxable, just as if they were bought by the student from a store. There are two options in handling these transactions: 1) purchase tax free and collect and remit sales tax, or 2) pay sales tax to the vendor and be reimbursed by the student for the cost-plus sales tax.

<u>Collection and Remittance of Sales Tax</u>

- The school/student group should collect sales tax of 8.25% on all taxable sales.

- There are two options when imposing sales tax:
  - **Adding the tax to the selling price of the item**. If the selling price of an item is $4.00 and the tax rate is 8.25%, the school will collect $4.33 ($4.00

plus $0.33 tax) from the buyer. Multiply tax rate of .0825 by selling price to determine amount of tax to collect. Round up to the next penny.

- **Absorbing the tax in the selling price of the item**. If an item sells for $4.00 including tax, the school keeps $3.67 and remits $0.33 for sales tax. Using this method multiplies the total collections by .0825 to determine the total state and local taxes due.

Please reach out to the Business Office if you need help or have any questions about sales tax.

- The Business Office sends out a quarterly sales tax report form to be completed by each school group.

- The Business Office will assume full responsibility for transmitting to the State Comptroller's office all sales tax collections reported. Each group is responsible for paying their sales tax burden in the form of a check issued to the district.

RECEIPT OF FUNDS

Deposit Preparation

- Prepare official pre-numbered, three-part deposit slips in ink for all cash and/or checks received.

- At least two people MUST be involved in cash handling and deposits with both individuals verifying the deposit and initialing the cash received documentation.

- Issuing receipts to individuals submitting money is not required, but it the sponsor's best interest.

- Voided deposit slips should be returned and noted in three-part receipt book.

- Whenever possible, the person preparing the deposit should count the cash in front of the person submitting the money. If not possible, the money should be sealed in front of the person turning in the money, placed in the vault until it can be opened, and counted when a second party is available to witness and verify the deposit.

- Total of cash and checks should be shown separately on deposit slip.

- Copies of all checks should be kept with record of deposit.

- A copy of the receipt should be given to the person submitting the money.

- Keep third copy of receipts (including voided ones) in the three-part receipt book for future reference.

- If collections are numerous and small in size, a KISD Tabulation of Monies Collected form should be used as money is collected from students. In such cases this form should be treated in the same manner as the receipts noted above.

- Completed receipt books should be turned in to the campus office upon completion.

- **Cashing of personal checks from funds received is not permitted. Money must be deposited in the <u>same form</u> in which it was received.**

- Do not spend ***any*** of the collections. (Receipts must be deposited and checks written for expenditures.) See SECTION 7 for proper expenditure procedures. **ALL CASH SHOULD BE DEPOSITED PROMPTLY!!! AGAIN: <u>DO NOT SPEND ANY CASH PROCEEDS!!!</u>**

<u>The district does not allow the use of payment apps such as PayPal, Venmo, Cash App, etc. for activity funds. REVTRAK should be used for this purpose as we have proper controls in place for this application.</u>

<u>DEPOSIT OF FUNDS</u>

<u>Bank Deposits</u>

- Deposits should be made daily by the organization sponsor or given to the school secretary for deposit. Not only is this safer for you as a sponsor to not have money in your possession, but it will prevent many checks from bouncing.

- Check with your campus office to determine at what time each day your deposits must be received in order to be deposited the same day.

- **Do not keep cash for <u>any</u> reason**. Remember- this is not the sponsor's money and you have a responsibility to those whose money it is to handle with maximum care. Protect yourself by following noted guidelines.

- Never deposit money into a personal account or bank deposit box.

- Submit all money to be deposited in the same form as collected. (I.e., Do not make change or cash checks.)

- Deposit slips or money turned in to the office must be accompanied by copies of Receipts/Deposit Summary prepared by you. The designated person on your campus will count the deposit in your presence, sign off on your Summary and issue you a receipt.

- **Checks over $10,000 require two signatures.**

EXPENDITURE OF FUNDS

General Information

- All purchase request must have an ***approved Purchase Order*** (PO) in place prior to the purchase of any goods or services. Purchases made without a PO may result in the purchaser being held ***personally responsible*** for any incurred cost. This policy is being implemented to ensure proper financial oversight and accountability.
- Do not make any purchase unless sufficient funds are available in the proper Activity Fund account. If funds are not available when payment is due, the principal will be asked to make payment arrangements.

- All purchases require **prior** sponsor and principal approval. Any purchase made without prior permission could result in the sponsor / purchaser becoming liable for the bill.

- Approved (Region VII or other co-op) vendors **are not** required for Student Activity Fund expenditures.
    - All Student Activity fund purchases must have two Club Officers' and Sponsor's original signatures.

- Approved (Region VII or other co-op) vendors **are** required for Campus Activity Fund expenditures.
    - Purchasing Laws – The Texas Education Code (TEC) addresses the requirement to competitively procure purchases that exceed $50,000, in the aggregate, in a 12-month period. Since non-compliance may result in criminal penalties, this requirement will be strictly enforced.

- Regardless of approval status a vendor packet must be on file for all vendors. Please secure and send to the Business Office purchasing@kisd.org when requesting a vendor be set up in Skyward. This includes any service providers, including contest judges……. Any vendor potentially having contact with students will need to have a background check run prior to being set up and used. Please allow plenty of time for this to take place. Contact HR to arrange Background Checks.

- Do **not** spend any of the cash collections. **Sponsors are not authorized to hold a petty cash fund.** Expenditures of money must be made using checks issued by the school office.

Flow Thru Funds on Behalf of Students

What are Flow thru funds? Flow thru funds are considered anything that the school district or club purchases for a student and the student then reimburses the district. We often do this so that there is one check to the vendor and it makes the ordering process simpler. Examples of these type of purchases are: Club Shirts, Cheer Uniforms and Equipment, Ag Mechanics Projects, etc.

- All items for Student Purchases must be paid in full before the purchase can be made.
- Payment arrangements may be made for large purchases, but only items that have been paid for 100% can be purchased.
- All Deposits must be tracked by labeling with the students name to ensure total balance is paid in full.
- All check requests should list students' names of who we are purchasing for.
- Items that will be kept by students are taxable. (Ex: pencils, paper, t-shirts, or supplies for class)
- REVTRAK allows payment plans for certain activities, please contact the Business Office to arrange.

If students are involved in fund raising activities, they may not earn credit for any rewards based upon amount of money raised in fundraising event. **According to IRS restrictions placed on tax-exempt organizations the organization must benefit the organization/group as a whole instead of benefiting individual members of the group.**

Example:

Underwater Basket Weaving Booster Club is having a fundraiser to help with the cost of sending their club to Sea World. Of the 100 total students in the group only 50 participated in the fundraising event raising $1,000. The $1,000 must be allocated to all students participating in the field trip. If all 100 students attend, they could be credited $10 each. (This may not be what many people consider fair, but it's the law – the booster club is formed to benefit the entire group.)

SUBMITTING PAPERWORK TO SCHOOL OFFICE

- Determine the cost of service / product requested. Be sure to include shipping.

- Submit a Request to Purchase form to the campus principal.

- Find out if the vendor will charge the products or services to the activity fund with an invoice or if a check will be required at the time of product or service delivery.

- If products or services are charged be sure that vendor so notes the campus name and student group / activity fund on the billing rather than KISD.

- If a check is required, it must be noted on the authority to purchase form with an exact amount for the purchase. **School offices are not allowed to issue blank checks for any purpose.**

- In either case - check or charge - original receipts or invoices must be submitted for backup for audit.

- **In no case may a check for services be written to a District employee**. If services are to be provided by a District employee you must contact the Business Office for details on how to handle the transaction.

- A completed W-9 must be secured from any vendor providing products or services **before** an order can be placed. NO EXCEPTIONS. An electronic copy of the form (PDF/scanned) should be e-mailed to purchasing@kisd.org. All vendors must provide a valid phone number and e-mail address.

- Products purchased with activity funds must be picked up or delivered to the school address- never to the sponsor's home or another address.

What Are the Travel Guidelines?

Activity Funds can only be used for employee travel in the capacity of a faculty sponsor on student trips or for activity sponsor training.

Travel using activity funds must follow the same policies and procedures as other District travel. Sponsors are encouraged to read the full KISD travel policy prior to making any travel arrangements.

- The Sponsor **must** ensure that:
  - Each student receiving cash shall sign the Cash Issued to Employees or Students form verifying that the cash was received and date received.
  - The Activity Fund Sponsor will return the signed "Cash Issued to Employees or Students" form and any undistributed cash to the school office.
  - Signature sheet and any remaining funds should be returned to the business office or campus secretary within 10 days of returning. You will turn forms and money into original funding source.

Can I buy Merchandise with My Own Money and Be Reimbursed?

Only in emergency situations and only after approval is received. Remember: Doing so without prior approval could result in the sponsor/purchaser becoming personally liable for the bill! Prior approval must be obtained by completing the Request to Purchase and be Reimbursed form.

What do you do when there is no way to estimate a product cost prior to a necessary purchase?

In cases where there is no way to determine an amount to write a check for prior to the purchase a product you should use the "Request for Non-Travel Advance" form. This form should only be used when there are no alternatives. It should not be issued to someone for purchase at local vendors, etc. In such cases a detailed listing of items to be purchased must be included on the form prior to issuing the check. Immediately upon return receipts for all purchases should be returned along with all unused cash. Only items listed should be bought. A reminder should be given to requestor that purchasing items not pre-listed could result in them having to repay or their paycheck being docked. Another option is to use the Request to Purchase and be Reimbursed form. Remember, this is for extenuating circumstances only. (Examples of when this form would be necessary: purchasing animals at auction for Ag students, purchasing required unknown music at conference for UIL competitions.)

CONTRACTORS

The IRS defines a contractor as an entity (person or business) who is "hired" for a specific purpose **AND** who is not an employee of the company (Kilgore ISD.) All contactors with Kilgore ISD must have a background check. This process is to ensure our students stay safe. Please contact Michelle Kopp in HR to begin this process.

INTERNAL AUDIT

As recommended by the district's external financial auditors, the Business Office will conduct periodic audits of transactions made by each of our groups. Each year a sample of transactions, both fundraisers and expenditures, will be selected and group sponsors will be asked to provide information to support that they were conducted according to guidelines.

HELP

- ✓ If you need help or do not understand something, ask your principal or call the Business Office.

- ✓ If you are not receiving proper documentation and/or adequate cooperation from anyone involved in the activity fund process, discuss the problem with your principal.

- ✓ If you are asked to do anything you do not believe is correct or proper, notify your principal, or the Business Office.

BUSINESS OFFICE CONTACT INFORMATION

Business Office Phone Number: 903-988-3900

Trish Hall, Chief Financial Officer, thall@kisd.org, ext. 2013
Melody Richers, Coordinator of Business Services, mrichers@kisd.org, ex. 2018
Stacey Hudman, Administrative Assistant, shudman@kisd.org, ext. 2002

COMMONLY USED FORMS

Please see KISD website for the following forms:

- Fundraiser Approval Form
- Report of Quarterly Taxable Sales
- Activity Fund Check Request
- Fundraiser Financial Recap
- W-9 Request for Taxpayer Identification Number
- Student Travel Form
- Travel Expense Report
- Receipts/Deposit Summary
- Tabulation of Monies Collected
- Request to Purchase and be Reimbursed
- Request for Non-Travel Advance
- Student Gift Card Receipt Form
- Request for Payment