



ACTIVITY ACCOUNTS

FINANCIAL PROCEDURES MANUAL

HAMLIN
COLLEGIATE
INDEPENDENT
SCHOOL
DISTRICT

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Section 1: Introduction

This Financial Procedures Manual for Activity/Campus funds has been prepared to provide general information to campus principals, activity account sponsors, and student club officers about managing Activity and Campus accounts. A Receipt and Acknowledgement Form must be signed. Additional information may be available within the District's Board Policies and Financial Procedures Manual.

The Financial Accountability System Resource Guide (FASRG) has been used as a resource to compile this Financial Procedures Manual.

There are two (2) primary types of Activity funds; Campus (Public) and Student (Agency) Activity funds. Generally, the type of activities and sources of revenue determines the type of Activity fund.

The campus principal, or designee, is personally responsible for the proper collection, disbursement, and control of all Activity funds at the campus. This responsibility includes providing for the safekeeping of funds at the campus. The management of Activity funds includes others such as the campus secretary, sponsors, and the Business Manager.

Hamlin Collegiate Independent School District (HCISD) manages Campus (Public) and Student Activity (Agency) accounts through a combination of centralized and decentralized systems. Campuses collect all Activity funds and make purchases directly from approved vendors in accordance with state law, board policy, and District procedures. The Business Manager deposits all funds at the depository bank and also reconciles all Activity fund accounts. All deposits and disbursements are managed by the Business Office.

Campus secretaries hereinafter referred as “financial secretaries,” sponsors, and all other personnel involved in the handling of Activity funds are responsible for adhering to the policies and procedures in this manual.

Throughout this manual, we reference forms that can be found in the Appendix—Forms.

The Business Office's primary goal is to operate with the highest standard of integrity and to protect the assets of the District and to ensure that all financial transactions are performed in accordance with generally accepted accounting practices, Board Policies, and all applicable laws and regulations.

All Trustees, employees, vendors, contractors, agents, consultants, volunteers, and any other parties who are involved in the District's financial transactions shall act with integrity and diligence in duties involving the District's fiscal resources and will follow state and federal award requirements.

The District prohibits fraud and financial impropriety, as defined in their Business Procedures Manual, in the actions of its Trustees, employees, vendors, contractors, agents, consultants, volunteers, and others seeking or maintaining a business relationship with the District.

Section 2: Activity Funds (Public/Agency)

Definition and Purpose of Activity Funds (Public/Agency)

As the name implies, Activity funds (Public/Agency) direct and account for money that is used to support co- curricular and extracurricular student activities. Generally, co-curricular activities are campus-sponsored activities that directly add value to classroom instruction and curriculum. Extracurricular activities include a variety of other District directed activities, like athletic and other nonacademic competitions.

Activity funds (Public/Agency) consist of resources received and held by the campus, as trustee, to be expended or invested in accordance with the conditions of the trust. Specifically, they are funds accumulated from the collection of fees, donations, commissions, or District-approved fundraising activities. Activity funds (Public/Agency) are used to promote the general welfare of the campus and the educational development and morale of all students.

Activity Fund Types

Activity funds are unique to districts and are classified as follows:

Public Activity Funds (Campus Activity)—Public Activity Funds referred to as Campus Activity Funds support co-curricular and extracurricular activities and are controlled by the campus principal. The District has made the determination that all Campus Activity Funds will be accounted for in **Fund 461**.

Campus Activity Funds are comprised of monies raised and collected by the District or campus through fundraising efforts or donations. 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 administration activity account.

Agency Activity Funds (Student Activity)—Agency Activity Funds referred to as Student Activity funds support the activities of student organizations or clubs that meet the definition of a bona fide club or chapter. According to the State Comptroller's office, any student group that is recognized by the campus and is organized by electing officers (not just participatory captains), holds meetings, and conducts business, is a bona fide chapter of the campus, for example, the student council or Class of 2021. The District has made the determination that all Student Activity funds will be accounted for in **Fund 865** as an Agency Fund. Student Activity funds are comprised of monies raised and collected by students typically through campus- approved fundraising activities, club dues, or donations. Student Activity funds, therefore, fall into the agency (fiduciary) fund category. That is, Student Activity funds are assets held by the District as an agent for the student organization that cannot be used by the District to support its own programs. Approval to spend money from a Student Activity fund rests solely with the student organization, rather than campus administrators.

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 administration activity account.

District Activity Funds—The District funds are provided to the campus from District monies from funds collected by the campus on behalf of the District. These funds must be spent for designated purposes or sent to the District. Examples include, but are not limited to vending machines, rentals, gate receipts, concessions, lost textbook fees, and other local sources of revenue over which the District has direct control.

Parent-Teacher Organizations (PTO) and Booster Clubs—PTO and Booster Clubs are separate legal entities from the school district. These organizations must maintain separate federal tax identification numbers and bank accounts. The UIL publishes guidelines for booster clubs, as do the national umbrella organizations for parent-teacher groups.

District personnel, including campus principals, financial secretaries, sponsors, and administrators are not responsible for assets held by parent, booster, and/or Teacher Organizations. Funds derived from these organizations are external funds which cannot be commingled with the Activity funds.

District employees should not collect money for, or perform, PTO or Booster Club duties during working hours. Additionally, District employees should not handle PTO or Booster Club financial affairs (i.e. treasurer position) per Board Policy.

Section 3: Activity Funds Management

Accounting Procedures GASB 84

Activity accounts should be reported in a fiduciary fund in the basic financial statements. Activities should present a statement of fiduciary net position and a statement of changes in fiduciary net position. In order to present net position revenue, expenditures and fund balance per activity must be recorded separately. Therefore, Each activity is identified by a unique local defined code.

Expenditure of Activity Funds

The expenditure of Student and Campus Activity funds shall be in accordance with District policy and procedures. The following allowable and non-allowable expenditures are for illustration purposes only; this is not an all-inclusive list. A final decision regarding allowability will be made at the time of the purchase order and/or payment approval.

Allowable

- Student trip related expenses such as meals, entry fees, lodging, transportation, etc.
(Includes student and staff expenses)

- Staff or student meals or refreshments (infrequent and nominal cost)
- Awards/incentives (non-cash) of nominal value
- Club supplies
- Equipment, but it must be donated to the campus or District
- Rentals such as vehicles, equipment, etc.
- Contracted services such as printing, DJ services, motivational speaker, photographer, etc.
- Donations to a person or outside organization (Student Activity accounts only)

Non-Allowable

- Alcohol, tobacco or other controlled substance
- Payments of wages to District employees (exceptions may apply to Campus Activity Funds)
- Individual gifts to a specific student or staff member (exceptions may apply to Student Activity Funds)
- Campus Activity Funds may not make donations to a person or outside organization

Campus and Student Activity Funds Roles and Responsibilities

In accordance with Board Policy, CFD (Local), the Superintendent, campus 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 FASRG.

The **campus principal** is personally responsible for the proper collection, administration, disbursement, and control of all Campus and Student Activity fund monies. Responsibilities include, but are not limited to:

- Providing for the safekeeping of Campus and Student Activity fund monies;
- Proper accounting and adherence to the policies and/or procedures expressed herein;
- Adequate training and supervision of all personnel designated to administer Campus and Student Activity funds.

The campus principal may designate administrative assistants, financial secretaries, teachers, and sponsors to aid with the various functions of the fund, including club activities. All Campus and Student Activity fund forms and reports are to be signed by the campus principal where indicated. The campus principal's designee may perform all of the procedures that require the campus principal's signature unless otherwise specifically stated in the manual.

The **financial secretary** is also responsible for collecting and organizing all forms with appropriate

signatures, account names and account numbers for deposits, disbursements, transfers, and the Operating Report for fundraisers.

The financial secretary responsibilities include, but are not limited to:

- Reading and understanding the District policies described in this Manual and applying those policies to the operation of all Activity funds;
- Management and control of all documents necessary for the operation of all Activity funds;
- Disbursements records;
- Maintaining all Activity funds accounting records.

The **sponsor** of each student organization is responsible for supervising all activities of their respective Student Activity funds. Club sponsors must be faculty members who are full-time employees. This responsibility includes, but is not limited to:

- Developing fundraising plans;
- Monitoring the financial position of the student club;
- Reviewing the student account statements;
- Safekeeping student funds until they are deposited by the District.

The Business Manager's responsibilities include, but are not limited to:

- Deposits all funds at the depository bank
- Reconciles all Activity fund accounts

Opening and Closing Student Activity Accounts

To establish a Student Activity account, an organization should have an approved constitution, by-laws and elected officers. An Activity Fund Request Form shall be submitted by the sponsor to the campus principal when the need arises. If a student activity will be ending a Request to Close A Campus and/or Student Activity Account must be completed and submitted to the campus principal. Student Activity accounts must be reconciled and finalized before any changes of an existing Activity account can be made.

The assigned organization sponsor (professional staff member) shall be responsible for the proper management of the Student Activity accounts. Upon campus principal's request, the Business Manager provides annual training to assist the organization sponsors in managing their respective Student Activity account(s).

ESTABLISHING A CONSTITUTION

Once an organization is approved and prior to any activity, the group must establish a constitution (bylaws). An organization's constitution is a written document that sets forth the fundamental laws and guidelines, under which the organization operates and is organized. The constitution must contain at least the following information:

1. NAME OF ORGANIZATION – “The name of the Organization is ...”
2. GENERAL PURPOSE - general aims and objectives of the organization
3. MEMBERSHIP - criteria for membership, dues/financial obligations, removal from membership, filling vacancies, and duties and responsibilities of members
4. OFFICERS AND DUTIES - names the offices, describes the nomination and election procedure, covers criteria for filling vacancies, and outlines the duties and responsibilities of officers
5. MEETING PROCEDURES - statement of how often the organization meets, the process for calling special meetings, and instating a quorum for conducting business should be noted
6. CONSTITUTION AMENDMENT PROCEDURES - procedures for adopting and revising the constitution

ANNUAL REPORTING REQUIREMENTS

By September 30 of each year, the Activity Fund Request Form must be updated and submitted to the Campus Principal. These forms must be on file prior to the raising or expending of any funds.

ELECTION OF OFFICERS

The election of at least 2 of the following officers is required:

President	Vice President
Secretary	Treasurer

MEETINGS AND MINUTES

Regular meetings are a basic requirement of any organization. It is expected that all meetings

and activities of student organizations will be held on school property and that school regulations will be followed at all times. The sponsor or his/her designee is to be present at all meetings and activities of the organization.

An agenda should be prepared for each meeting. Official minutes (signed by 2 officers of an organization) are required for each meeting. Minutes are a written summary of actions taken. All payments from the activity account must be approved at an official organization meeting and documented in the minutes.

A copy of the minutes must be filed with the Principal immediately following each meeting.

Opening and Closing Campus Activity Accounts

To establish a Campus Activity account, an Activity Fund Request Form shall be submitted by the campus principal when the need arises. The form is located in this manual. If a campus activity will be ending a Request to Close A Campus and/or student Activity Account must be completed and submitted by the campus principal. Campus Activity accounts must be reconciled and finalized before any changes of an existing Activity account can be made.

Section 4: Campus Activity Accounts (Fund 461)

Campus Activity Funds (**Fund 461**) are campus funds managed under the direction of the campus principal. These funds shall be referred to as “Campus Activity Funds”. There may be multiple campus/department activities within the Campus Activity Fund such as the Concession Stand Account, Cell Phone Fee Account, Athletics, etc.

Campus/department activities within the Campus Activity Funds are not student club or organizational funds. The funds raised within these activities shall be used to benefit that respective activity under the direction of the teacher who oversees the account, subject to the approval of the campus principal.

Campus Activity Funds (under the control of the campus principal) shall be collected, receipted, and deposited on a daily basis. All monies collected should be recorded on the Deposit Verification Form. **[Refer to Section 6: Cash Receipts Procedures]**

Campus Activity Funds are primarily used to benefit students. Typical uses include field trip fees, awards, incentives, etc. The General fund shall not be used to generate Campus Activity funds. Generating Campus Activity funds shall not in any way compete with the District food service activities. Campus Activity funds generation shall be a passive activity and shall not detract from the District’s overall primary educational purpose. The generation and expenditure of Campus Activity Funds shall be held to the same standard and scrutiny as that of appropriated funds.

Campus Activity Funds realized on the local campus or facility may be used for the general operations of the District. Types of expenditures permitted are as follows:

- Announcement of school activities
- Breakfasts, luncheons, VIPS' dinner, refreshments and snacks for meeting where the district serves as host at school related activities for students, employees and patrons
- College night expense
- Conference attendance costs
- Cooking supplies for classes
- Employee training
- Expenditures for purposes that benefit the employee morale and provides for an atmosphere conducive to fostering harmony and cooperation
- Faculty retreats
- Field trips
- Film & film developing
- Fund-raising activity expenses and purchases
- Furniture and equipment purchase
- Guest speaker costs for students and employees
- Handbooks for students and parents
- Improvement of campus and site facilities such as plants, message boards, signs and flags
- Recognition of students, employees, volunteers, etc., for services to the district (e.g. award, certificate, or plaque. Recognitions cannot include personal gifts.)
- Retirement receptions
- Rewards and incentives for student involvement
- Scholastic magazines
- School assembly services
- Security for after hours
- Supplemental classroom instructional needs
- Support of student programs such as Dare
- Student academic competition costs
- Student body social function costs

Campus Activity funds shall be audited and must adhere to accepted business practices. Purchases made with Public funds are subject to District competitive bidding and purchasing requirements, as delineated in the Business Procedures Manual

Purchasing Order Request in Ascender is required for all Campus Activity Fund expenditures. In addition, multiple Activity accounts may be created to segregate funds by purpose.

Generation of Activity funds shall not in any way compete with the District's National Campus Lunch Program (NSLP). A Fundraising Permission Request should be submitted to the campus principal in advance of the scheduled activity. Activity funds shall be audited and must adhere to accepted business practices.

All Campus Activity account records must be maintained for the current fiscal year plus seven (7) years. This includes merchandise logs, receipt logs/books, profit/loss statements, etc. At the end of every campus year, the campus principal, as part of the closeout procedures, shall collect all club records for storage on the campus for one year, then at the records center for the rest of the archival period of time.

Section 5: Student and Faculty Activity Accounts (Fund 865)

Agency Activity Accounts (Fund 865)

Student and Faculty Activity funds (**Fund 865**) are held in a trustee capacity by the campus and they consist of funds that are the property of students or others. These funds are not campus funds, but rather custodial funds belonging to the students and/or faculty. The funds may be used in any manner to benefit the students and to the oversight and approval of the campus principal as “custodian” over the funds.

Student Organization (Fund 865)

Student Activity funds (under the control of the campus principal) shall be collected, receipted, and deposited on a daily basis. All monies collected should be recorded on the Deposit Verification Form. **[Refer to Section 6: Cash Receipts Procedures]**

Student Activity funds shall be used exclusively for the benefit of students. Typical uses include student travel, awards, banquets, supplies, DJ for a dance, end-of-the-year trips or events, club t-shirts, etc. These funds shall be used at the discretion of the student organization through designation of one or more of its officers. **Club meeting notes should be on file to support student decisions regarding the expenditure of their club funds.**

The assigned organization sponsor (professional staff member) shall be responsible for the proper management of the Student Activity accounts. All expenditures shall be decentralized through the campus and payments to vendors shall be centralized through the District’s Business and Financial Services Department.

Generation of Student Activity funds shall not in any way compete with the District’s National Campus Lunch Program (NSLP). A Fundraising Permission Request should be submitted to the campus principal in advance of the scheduled activity. Activity funds shall be audited and must adhere to accepted business practices.

Since Student Activity accounts are trust funds that the campus manages on behalf of the student, accountability for these funds is extremely high. All Student and Faculty Activity account records must be maintained for the current fiscal year plus seven (7) years. This includes merchandise logs, receipt logs/books, profit/loss statements, etc. At the end of every campus year, the campus principal, as part of the closeout procedures, shall collect all club records for storage on the campus for one year, then at the records center for the rest of the archival period of time.

Money raised by student clubs shall be used to benefit the group as a whole rather than being credited to student individual accounts. According to the IRS Publication 557, if individual

accounts are used to accumulate fundraising profits for individuals, then a) the money becomes taxable to the student; and b) the people who donate in good faith are not allowed to deduct their contributions.

For example, if students are raising money for their club to pay for an out-of-town trip, the entire amount collected should be divided by the students participating in the trip regardless of the amount that each individual student raised through fundraising activities.

Faculty Account (Fund 865)

Campuses may establish a faculty account with voluntary donations from staff. According to the FASRG, if funds are received from teachers or other employees as contributions to a “flower fund” or “hospitality fund” those funds would be categorized and accounted for as an Agency fund (Fund 865). The fund may be used in any manner to benefit the faculty subject to the oversight and approval of the campus principal.

Purchases with these funds are **subject to taxes** as they represent personal purchases and do not have an education purpose. Purchases typically include flowers for ill staff members, employee recognition awards, retirement gifts, staff incentives, etc. **No fundraising activities shall be allowed!**

Section 6: Cash Receipt Procedures

All cash receipts shall be handled in accordance with this Manual and Business Procedure Manual. The campus principal or director is responsible for following the procedures for the safe handling of cash. All money received for the District by District personnel will be deposited daily. A receipt will be issued each time funds change hands (i.e., from employee to supervisor, from supervisor to campus administrator, from campus administrator to the Business and Financial Services Department). All money is subject to audit by authorized personnel designated by the Board.

Note: A copy of all receipts shall move with the funds from the sponsor to the financial secretary.

- All monies collected from various campus activities are to be receipted, recorded, and deposited to the financial secretary on a daily basis. No post-dated checks will be accepted.
- In order to maintain effective cash control, at least two people must be involved in the functions of collecting cash, receipting cash, and depositing cash.
- Financial secretary shall never be the person collecting monies.
- The person collecting the money should never receipt the funds to themselves.
- Individuals collecting money are responsible for those funds entrusted to them. These individuals may be required to reimburse the Student and/or Campus Activity funds for any money or property purchased with those funds which is lost due to personal negligence, theft, or fraud.
- Funds should not be kept in classrooms, personal wallets or purses, or at home.
- **No cash purchases should be made – every dollar collected should be receipted and**

deposited to the financial secretary.

- No money should be submitted to the financial secretary without backup and completed Deposit Verification Form.
- **Face-to-face verification** of the amount to be deposited is required. If there is a discrepancy, it should be resolved immediately, and the corrected amounts clearly shown in the supporting documentation.
- All financial business should be conducted with integrity.

All monies received shall be acknowledged by immediately preparing a receipt. A receipt shall be issued for all cash collections, except concession sales and admission sales (dances, games, etc.). Sponsors have two (2) options to record payments:

Sales Record—Option 1

- Should be utilized for sales from fundraisers when many of the exact same item and exact same price will be purchased in high volume
- (i.e., 30 students purchasing a t-shirt, pre-package school supplies).
- Shall be generated for non-receipted cash collections
- Must be completed in its entirety, including what the money is for, the date paid, whether cash or check was received, and the sponsor's signature.
- Sales Record must be submitted with the Deposit Verification Form to the financial secretary. It is highly recommended that sponsors retain copies of their Sales Record along with their Deposit Verification Form.

Check Acceptance Policy

Hamlin Collegiate ISD 's Check Acceptance Policy is as follows: In the event that a check is not honored by the District's bank (insufficient funds, closed account, stop payment, etc.), the bank will notify the District Business Office. The Business Office will start procedures to collect the amount of the check plus the \$30 fee. This fee is subject to change based on the District's depository bank service fee schedule for returned checks. At this point, no payment for this check should be accepted at the campus. Payment must be made at the Business Office either by cash or money order. *The use of a check for payment is your acknowledgement and acceptance of these policy terms.*

The District shall reserve the right to reject future checks from makers of returned checks. These procedures shall be followed when accepting checks:

- Checks will be accepted only for the amount of the purchase
- Post-dated checks shall not be accepted by the campus for any reason
- An acceptable check should include:

- o Name of the maker
- o Current physical address and phone number
- o Driver license number of the maker
- o Name of the student and the student's ID number

• Checks accepted by HCISD for fundraisers, club functions, lost textbooks, fines, fees, etc., must have the required acceptable check information on the check. Checks missing this information shall not be accepted.

Section 7: Deposits (Activity Accounts)

General Procedures

- All money received must be submitted intact and **not held to make change**, cash personal checks, transact business, make purchases, or for any other purpose.
 - o Staff members' personal checks MAY NOT be substituted for cash collections.
- Campus staff/teacher/sponsor must count the money collected and record the information on a Deposit Verification Form.
- The sponsor should match the amount counted with the Sales Record.
 - o The sponsor must sign the Deposit Verification Form and then provide the money, and/or HCISD individual receipts to the financial secretary.
- No money should be submitted to the financial secretary without backup.
- It is the responsibility of the authorized individual collecting the money to count and organize the funds prior to submitting them to the financial secretary.
- All monies collected by the campus are to remain on the campus premises and should not be kept in off- campus locations.
 - o Contact the Business and Financial Services Department if you feel you have an unusual circumstance.
- Deposits and/or secure money that has been collected is turned in to the financial secretary so that it can be verified.
- All monies collected, including cash or checks, must be deposited daily. Financial secretary should turn in deposits to the Business Office in an accurate and prompt manner to be deposited in the bank.
- All Activity accounts funds must be deposited with the District Depository Bank. Additional bank accounts are strictly prohibited.
- All checks received for deposit are to be endorsed when accepted by the Business Manager as follows:

FOR DEPOSIT ONLY HAMLIN COLLEGIATE I.S.D. ACTIVITY FUND BANK ACCOUNT

NUMBER

Deposit Verification Form

A Deposit Verification Form shall include the following information:

- The purpose of the collection
- The activity account name and number that the funds will be deposited into
- The date of collection
- The total amount of money collected broken down by coins, currency, and checks
- The printed name and signature of the person who collected the money
- The printed name and signature of the financial secretary verifying the money

Section 8: Donations

Donations are made by outside entities or individuals for the benefit of students or faculty. Donations are made without any return consideration going back to the donor, and may be in the form of volunteer hours, materials, equipment, furniture, real property, or money.

School districts (including Campus Activity Funds) may not make donations because Public funds are prohibited by state law to give gifts and/or contributions. Student clubs (Student Activity Funds) may donate their funds to other entities, such as Red Cross, March of Dimes, etc. The student group shall document the approval to donate funds on meeting minutes and provide the minutes to the campus business office.

Section 9: Fundraising

Fundraising activities by student groups and/or for campus sponsored projects shall be allowed, with prior administrative approval and under the supervision of the project sponsor.

The District recognizes the importance and value of a positive fundraiser program. In order to provide fundraiser assistance and protection to District campuses or organizations, the following guidelines are intended to address a few of the issues the District faces. As your campus or organization prepares to conduct a fundraiser, please use these guidelines to assist in planning.

- The Fundraising Permission Request should be completed and submitted to the principal for approval prior to holding a fundraiser.
- Money received from the fundraiser must be handled as indicated in Section 6: Cash Receipt Procedures.
- If orders are taken, require that money be collected at the time orders are placed. If any returned checks are received, product can be held until the money is received for the returned checks.

Section 10: Community Services

Money Collection for Community Services Projects

- Only Student Activity Funds (student clubs and organizations) may collect funds as a community service project to donate to an approved charitable organization.
 - o Funds collected are deposited in a Student Activity account.
- The Fundraising Permission Request form must be approved by the principal before any money collection or fundraising may begin.
 - o Determine how money will be raised, such as collection of donations or having a fundraiser and donating the profits to a charity.
- Any literature must clearly state what the funds are being raised for and which charitable organization will receive the funds.
- Receipt all money received following the guidelines detailed in the above sections. On the receipt indicate the purpose of the community service project and the charity that will receive the money.
 - o If cash is collected such as dollars put in buckets, this money cannot be receipted to an individual. The money should be counted by two people before submitting it to the financial secretary for deposit.
 - o **Any checks should be made out to the charity and not the school.** In the event that a check is made payable to the school, deposit the check(s) along with any cash collected and included with the Purchasing Order Request in Ascender.
- Prepare a Purchasing Order Request in Ascender to remit the money to the appropriate charity. The check will be mailed to the charity. **Do not have the money picked up by a representative of the charity.**
- If non-monetary items such as toiletries and bottled water are collected, a school employee should be responsible for ensuring that all of the items collected are given to the selected charity.

Collections for Needy Families

- Campuses sometimes receive donations for needy families from individuals and groups. In addition, some student groups request donations for needy families as community projects.
 - o These types of collections/donations should be deposited and expended from the Student Activity fund associated with the student group conducting the community service project.

- o If the donations are not part of a community service project; the funds should be deposited in another Agency account specifically for this purpose.
- Receipt all money received. On the receipt, indicate the purpose of the donation. Request a letter from the donor indicating the purpose of the donation if it is not part of an organized collection (i.e., student council community project, staff donations, etc.).
- These collections differ from those for specific individuals and families. The District is considered a qualified organization that can receive charitable collections or donations for individuals or families in need as long as these collections are not earmarked for a particular individual or family. When collections are requested, an individual or family is **not and cannot** be identified.
- The decision as to the individuals or families that will be assisted should rest with either counselors or an outside 501(c)(3) organization that normally assists families in need. By having the counselors or one of these other organizations decide on the families that receive assistance, the decisions are independent, and they can consider all situations.
 - o Items purchased for the families must have an itemized receipt as support for the expenditure and the items purchased for each family should be documented.
 - o It is not allowable to give the needy families cash or gift cards.

Section 11: Purchasing

General Procedures

All District funds are required to follow State Purchasing Laws as addressed in the Business Procedures Manual

A class or club/agency account is a trust account that is to be used for the intended purpose that was stated when the account was created. The campus principal must ensure that expenditures from these accounts are for their intended purpose. Funds are not to be diverted for other uses.

The purchase of goods and/or services requires a District Purchasing Order Request in Ascender. A Purchasing Order Request in Ascender shall be processed via the Ascender system to request such goods/services before orders are placed or services rendered.

A Purchasing Order Request in Ascender must be completed and submitted to the campus principal for approval for a purchase order to be issued.

Money raised by clubs, classes, or other student organizations for the expressed purpose of financing activities for faculty, sponsor, and/or students to attend clinics, conferences, programs, etc. may be spent with the approval of the campus principal.

Tickets to activities where the District benefits educationally (i.e., Zoo admission tickets, etc.) may be purchased from Activity funds as long as the sponsors of the club or event use the tickets purchased for students and/or staff.

Salary advances and gifts to employees are not permitted from Activity funds.

Gifts for special occasions (i.e., baby showers, retirements, birthdays, etc.) cannot be made with Activity or General funds; however, these may be purchased with the Hospitality Account.

The purchase of gift cards to faculty or staff members from any account can only be done in nominal value.

The purchase of alcoholic beverages or tobacco with campus funds is strictly prohibited.

Maintain positive vendor relationships and ensure invoices are paid by the due date.

All items ordered with Activity monies must be shipped and/or delivered to the campus, not a personal address.

Purchases made from the Hospitality account are **not** tax exempt.

It is the responsibility of the campus principal to determine the appropriateness of expenditures from the designated Activity accounts.

Campus principals shall not approve purchases for activities without sufficient funds.

Financial secretary shall monitor Activity fund account transactions to prevent overdrawn balances and ensure an accurate, positive cash balance is maintained at all times.

Each month, the reconciled accounts and current account balances should be reviewed and approved by sponsors and campus principal.

Section 12: Sales Tax Exemption

Purchases for personal use by individuals, even though connected with a campus or campus organization, are not exempt from the tax. (Examples: cheerleaders purchasing uniforms, band members purchasing instruments and athletic teams purchasing tickets.)

Each bona fide student chapter (i.e., student organization) may have two 24-hour tax-free sales each calendar year. To qualify as a student organization, the group must be organized for some business or activity other than instruction or as a participatory group. (for example, Spanish class and Debate class do not qualify for an exempt sale, but the Spanish Club and Debate Club qualify for a tax-exempt sale. Likewise, the cheerleading team, football team and soccer team do not qualify for an exempt sale, but the Cheerleading Club, Football Club and Soccer Club do.)

For the purposes of the exemption, one day is counted as 24 consecutive hours and a calendar year is the 12- month period from January through December. See subsection (h) of Rule 3.322, “Exempt Organizations.” These days should be pre-designated so purchasers are aware of the tax exemptions. Organizations are prohibited from collecting and keeping taxes on these transactions.

The designated one-day, tax-free sale day is either the day the vendor delivers the items to the exempt organization or the day the organization delivers the items to its customers. Persons buying from surplus inventory on the designated date do not owe tax. For example, a campus selling yearbooks may accept pre-

orders without collecting tax if the day the yearbooks will be delivered to customers is designated as one of the campus' tax-free fundraisers. Surplus yearbooks sold during the same day also qualify for the exemption. Surplus yearbooks sold on other days are taxable unless sold at the campus' other tax-free fundraiser.

Sales Tax Personal Items

Purchase of personal items or items that will provide a private benefit for staff or students are not eligible for the sales tax exemption. For example, all purchases made through the Hospitality accounts, such as flowers, birthday cards, decorations, food and non-food items, etc., shall be subject to sales tax since the funds belong to the staff and not the campus. Another example shall include personal clothing and/or shoes purchased by students for their own personal use and ownership.

Sales tax should be paid on items purchased with an Activity fund check from the Hospitality account. Employees seeking reimbursement for purchases with the Hospitality account shall be reimbursed the total amount of the purchase, including the taxes paid.

The District exemption status may not be utilized by parents, patrons, or alumni organizations to secure exemption from sales tax. Parent/teacher organizations, booster clubs, etc. must apply for their own exemption.

Copies of the exemption form may be obtained from the campus finance office or the District's intranet ([Texas Sales and Use Tax Exemption Certification](#)). Taxes, which should have been exempt, will be unauthorized for reimbursement if the exemption form is not presented to the vendor at the time of the purchase.

Misuse of the exemption form for personal purchases constitutes a misdemeanor.

Remittance of Sales Tax

Campus (Buyer)—Texas public schools are exempt from sales tax under Section 151.309 of the Texas Tax Code. All public schools are exempt from state hotel tax under Section 156.102.

Campus (Acting as an Agent or Sales Representative)—When engaging in fundraising activities, an exempt organization needs to identify the seller of the taxable items in order to determine responsibility for collecting tax.

In some fundraising activities, an exempt organization will enter into a contract with a private, for-profit entity to sell taxable items. For example, a group may receive a commission for holding a book fair or for selling candy, gift wrap, or similar items, or the group will be provided with sales brochures and take orders for fulfillment by the for-profit entity. The exempt entity may collect the funds and remit an agreed portion to the for-profit entity. In these cases, the fundraising firm is considered the seller and is responsible for collection of applicable sales and use taxes. Exempt organizations are not responsible for sales taxes and does not use one of the organization's tax-free sales days for the fundraiser.

Many fundraising companies include sales tax due in the selling price of items. This practice is acceptable when the for-profit company discloses on the invoices or order brochures that Texas sales tax is included in the sales price. This allows the company to remit to the state any due sales taxes. In this instance, the exempt organization is not required to collect any tax amount over the sales price.

Campus (Seller)— The campus may purchase items tax-free but must collect the sales tax when the items are sold. Sales of tangible items by teachers and students – Teachers and students **MUST COLLECT** sales tax on merchandise and non-exempt food products they sell. If the campus assumes responsibility for the activity and/or sales, the campus is responsible for ensuring that the sales tax is paid.

The Business and Financial Services Department will assume full responsibility for transmitting all sales tax collections received to the State Comptroller's Office.

HCISD (Employee)—An employee of an exempt organization cannot claim an exemption when buying taxable items of a personal nature, even if the organization gives an allowance or reimbursement for such items.

Section 13: Vending/Concessions

Vending

The campus principal shall control the revenue from vendor-maintained vending machines located in all areas of the campus. Commissions earned shall be deposited to the appropriate activity vending account. The campus principal is responsible for providing the maximum available security for the inventory in the machines.

Vending Machines in Student Areas

- Vending machines located in common student areas at all campus contain non-carbonated beverages.
- All transactions involving commissions generated by vending machines shall be deposited into the Operational account. The individual activity accounts should relate directly to the location of the machines and the intended purpose of the profits.
- Profits resulting from vending machine sales may be transferred at the option of the campus principal to accounts related to the supporters/payers who generated the profits. The money raised, at the option of the campus principal, can be transferred to any account for student-related purposes.

Vending Machines in Teacher Lounges

Teacher lounges have both carbonated and non-carbonated beverages available. Commissions generated from faculty drink vending machines shall be deposited to the Hospitality Account Fund 865.

Concessions

Concession stands are allowed to be operated as follows:

If a coach/sponsor is not available to operate the concession stand Professional employees may donate their time, but paraprofessional employees cannot donate their time. Paraprofessional employees must be compensated for any time worked as required by the Fair Labor Standards Act.

A student group such as the Key Club, student council, etc. may assist in the concession stand, but the student group must always be supervised by the sponsor and the student group cannot handle the money collected. Only the sponsor may handle the money.

If a teacher, paraprofessional, or food service employee is not available to operate the concession stand or it is not financially feasible to hire a District employee, the coach/sponsor may utilize two (2) parents that are not related to operate the concession stand.

The coach/sponsor is responsible for taking an initial inventory of the items to be sold in the concession stand prior to the opening of the concession stand using the Fundraising Inventory Report for Concessions. The inventory prior to opening the concession stand should also be completed, separate from the coach/sponsor's inventory count, by the concession stand worker(s) and recorded on the Inventory Fundraising Report for Concessions. The beginning inventory from the coach/sponsor's count should not be provided to the concession stand worker(s) but should be used to agree what was recorded by the concession stand worker(s) on the Fundraising Activity Report for Concessions.

The concession stand worker(s) should complete the Deposit Verification Form and complete the Fundraising Inventory Report for Concessions. The Fundraising Inventory Report for Concessions should be signed by the concession stand worker(s) and secured in a tamper-proof money bag along with all the funds collected and the Deposit Verification Form.

The administrator in charge at the event will secure the tamper-proof money bag in the campus drop safe.

The coach/sponsor is responsible for planning a time to meet with the bookkeeper to count the concession stand money collected and review the completed Fundraising Inventory Report for Concessions. Upon verification of the funds, the Fundraising Inventory Report for Concessions and the Deposit Verification Form should be signed by the coach/sponsor.

The financial secretary will keep the Fundraising Inventory Report for Concessions as support for the deposit and sign the Deposit Verification Form.

Personal employee checks shall not be cashed from monies collected at the campus or District level to ensure an adequate audit trail of all funds collected

Section 14: Transfers

Transfers between Activity Accounts

Each campus can maintain an Activity fund, which encompasses the care and administration of those activities and functions relating to student and faculty programs. The administrative plan of the fund is that income received for a specific function is disbursed only for that function. However, if unusual circumstances occur, the campus principal shall ensure that any liabilities of that function are liquidated, and the remaining assets are transferred to an account with the same general activity functions as the original fund per (local policy).

Funds may be transferred between Campus Activity Funds at the discretion of the campus principal. Transfer of funds between Student Activity funds shall be approved by the members of the student clubs, the club sponsors and the campus principal. It is recommended that transfers between accounts be settled prior to the end of the school year.

If a student organization ceases to function or exist, the unexpended funds of the organization shall be credited to the General Fund.

Transfers involving related Accounts

Some Activity accounts are established for the single purpose of isolating transactions for specific activities, collections, solicitations, etc.; thereby enabling the profitability of the activity to be determined. Net proceeds remaining in such accounts are transferred to a similar account approved by the principal through a Transfer of Funds Form.

Some activity accounts are expected to be revenue-producing by the very nature of the accounts. Receipts almost always exceed possible expenditures, and the balance in these accounts will increase indefinitely unless some disposition is made of the excess revenue; for example, vending machine commission accounts. Vending machine revenue is transferred, at the option of the campus principal, to accounts related to the supporters who generated the profits. Transfers of the nature described above are recommended by the financial secretary but will only be executed after obtaining written approval from the campus principal and the club sponsor(s), head coach, or faculty chairperson, etc., when the transfer involves accounts with delegated responsibility.

Transfer involving unrelated Accounts

All transfers not covered by above, involving one or more accounts with delegated responsibility shall be executed after obtaining written approval from both: (1) the sponsor(s) in charge of the account and (2) the campus principal; for example:

- Transfers FROM or TO club and organization accounts, except as specified above.
- Division of funds from dormant accounts.

Transfers for the Purpose of Payment or Contribution

Clubs and student organizations can compensate another student group for goods purchased or services performed; for example, when a club purchases advertising in the yearbook, newspaper, etc., a transfer of funds is made between the two accounts. These types of transfers shall be executed only after obtaining approvals from both the sponsor and the campus principal.

Unallowable Transfers

Funds raised by a specific group or organization and student fees including cell phone fees and student ID's are prohibited to be transferred to the campus principal's discretionary account.

- To borrow or make loans to another account
- Donations from one account to another

Transfer Procedures

- Financial secretary to complete a Transfer of Funds Form and attach supporting documentation (i.e., reconciliation report, invoices, etc.) disclosing both the amount and the reason for the transfer and have it signed by the campus principal
- Business Manager will post the transfer in the Activity account in Ascender.
- Maintain all records in the Activity funds file, including:
 - Transfer of Funds Form
 - Any supporting documentation (invoices, statements, etc.)

Section 15: Internal Controls

Segregation of Duties

The financial secretary should not be responsible for any fundraisers, the sale of any items, or the collection of fees. Someone other than the financial secretary should handle these items to maintain segregation of duties. Inventory should not be kept in the financial secretary's office. If the financial secretary orders inventory, collects the money, and deposits the money, no safeguards exist to protect the financial secretary. By having someone else responsible for collecting the money, the campus would then have two (2) people that have verified these financial transactions.

Some financial secretaries are asked to leave the campus to purchase items at Walmart or other places. To maintain segregation of duties, having another staff person assigned to make these purchases would be better. Ordering items through the approved vendors without needing to physically go to a store would be the best option.

Section 16: Monthly Reconciliation

Monthly Review of Reconciliation Reports (Activity Funds)

At the end of each month the Business Manager will reconcile the Student/Campus Activity Bank Account. Each sponsor will be responsible to review their activity account in Ascender in the Finance Application. The campus principal will also review activity accounts in Ascender in the Finance Application.

Section 17: Records Management

Document	Format	Storage	Retention	Disposition	Protection	Location
Receipts	Paper	Filing Cabinet	7 years	Shred	Locked Office	Business Office
Disbursements	Paper	Filing Cabinet	7 years	Shred	Locked Office	Business Office
Transfers	Paper	Filing Cabinet	7 years	Shred	Locked Office	Business Office
Fundraising	Paper	Filing Cabinet	7 years	Shred	Locked Office	Business Office
Donations	Paper	Filing Cabinet	7 years	Shred	Locked Office	Business Office
Activity Fund Request	Paper	Filing Cabinet	7 years	Shred	Locked Office	Business Office

Section 18: Forms

Activity Fund Request Form

Type of Activity Fund:

☐ Campus (461)

☐ Student Organization (865)

Name of Organization

Campus

Name of Sponsor

School Year

Purpose of Organization

When will meetings be

Officers:

(complete this section for all Student Organizations)

Name	Office	Grade

Sponsor Signature	Date	Principal Signature	Date

Once fully approved, forward a completed copy to the business services department for account creation.

A copy of this form must be kept on file by the principal and Business Office.
The sponsor should also retain a copy for his/her files.

Fundraising Permission Request

Please submit to the Bookkeeper/Secretary for approval at least two weeks before the fundraising activity.

Campus: _____

Club Name: _____

Sponsor: _____

Approved Fundraising Vendor Name and/or store(s) you will utilize to purchase from:

Permission is requested to conduct the following fundraising activity (i.e., candy sale, car wash, etc.)

Specific Purpose(s) for which the net proceeds are to be used:

Note: All sales of food for immediate consumption (bake sales/sausage sales) must be approved by the CNS Director prior to the start of the fundraiser. No food sales may take place on the campus from midnight until thirty minutes AFTER the school day ends. YOU MUST BE SPECIFIC IN IDENTIFYING THE TIME OF DAY IN WHICH FUNDRAISERS WILL OCCUR to ensure that this fundraiser will comply of this TDA requirement.

Date Range of Fundraiser: _____ Time of Day: _____ P.M.

Location(s): _____

Estimated Revenue: \$ _____ Revenue Budget Code: _____

Less Estimated Expenses*: \$ _____ Expenditure Budget Code: _____

Equals Estimated Profit: \$ _____

***Do you need an advance in order to make this purchase? Yes ☐ No ☐ Amount requested: _____**

These funds will be deducted from your accounts when the recap is reconciled. Advances are not available for 865 funds.

Sales Tax Information:

1. Are items being sold taxable per State of Texas Law? (Check Activity Fund Manual for guidance) ☐ Yes ☐ No
2. If yes to #1, will this event count as a "one ☐ day, tax ☐ free" sale day? ☐ Yes ☐ No
3. If yes to #2, are you using the one of your campus's or your organization's tax-free day(s)? circle one: My Campus's My Organization's Tax ☐ Free date(s): _____
Will this be the school's/organization's 1st or 2nd tax-free sale day for the calendar year (Jan-Dec)? _____
4. If yes to #1 and you are not using a tax ☐ free day, who collects the tax? ☐ ISD ☐ Vendor
5. If ISD is liable for collection of tax, all sales prices should display "sales tax included". Tax rate is 8.25% of the sales price.
As the sponsor of this fundraiser,
I agree to adhere to the ISD procedures, policies, and guidelines as it pertains to fundraising, purchasing, and money collections

Sponsor's Name: _____ Signature: _____ Date: _____

Approved ☐ Denied ☐ Athletic Director (if applicable): _____ Date: _____

Approved ☐ Denied ☐ Secretary/Bookkeeper: _____ Date: _____

Approved ☐ Denied ☐ Principal Signature: _____ Date: _____

Approved ☐ Denied ☐ CNS Signature: _____ Date: _____

Approved ☐ Denied ☐ Business Services Signature: _____ Date: _____

For Budget Dept. Use Only		
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REQUEST FOR APPROVAL OF GIFTS/DONATIONS

To: _____, Business Manager Date _____

School _____ Tally Sheet # _____

The Board of Education meets the 3rd Monday of month. Requests for approval must be in by Wednesday of the week prior to the board meeting.

Amount of gift/donation: _____ Type gift/donation: _____

Specific purpose of gift/donation:

Donor's Name: _____

Phone: _____

Address: _____

Credit to account: _____

Date: _____

REQUEST TO CLOSE A CAMPUS AND/OR STUDENT ACTIVITY ACCOUNT

Any Campus and or Student Activity groups who will be 1) closing or, 2) whose major membership will be graduating, or 3) whose major membership will no longer be eligible to participate in future activities of the organization, must submit a "Request to Close a Campus and/or Student Activity" form. Failure to take any action regarding any unspent balance within one year of the inactivity of the student account will deem those funds to be donated to the appropriate Administrative Activity fund.

1. NAME OF ORGANIZATION: _____

2. REASON FOR CLOSING: _____

3. DISPOSITION OF FUNDS:

Does this organization have any funds remaining? Yes _____ No _____

If yes, what is the estimated ending balance? \$ _____

What disposition will be made of these funds? (Donation to another activity, purchase of equipment or other contribution to the district, etc.) All funds must be expended. _____

4. DATE OF CLOSING: _____

DATE SUBMITTED: _____ SUBMITTED BY: _____

Principal approval: _____

Business Manager approval: _____

Club Minutes

Account Name _____

Date of Meeting _____

Summary of Meeting _____

Club Secretary's Signature _____

Club Advisor's Signature _____

Please return this form to the office after each meeting. Thank you.

Student Activity Handbook Receipt and Acknowledgement

I, _____, acknowledge receipt of the Hamlin CISD

Print Name

Schools Student Activity Handbook and agree to abide by the Handbook guidelines and any applicable Board policies relating to student activity funds.

Advisor/Coach Title*

Campus

List all Clubs:

Signature

Date

*This form only needs to be filled out once, even if you are an advisor or coach for multiple clubs/sports.

Student Activity Transfer of Funds

I _____ authorize for \$_____ be transferred from

(Signature)

(Amount)

account to

(Account number/Name)

account for

(Account number/Name)

Description:

Business Office Approval:

HAMLIN COLLEGIATE INDEPENDENT SCHOOL DISTRICT

DEPOSIT VERIFICATION FORM

Date: _____
\$ _____

Total Amount of Deposit:

Sponsor responsible for counting and verification: _____

Source of
money: _____

Activity Account: _____
(List the Activity Account to be deposited into)

General Account: _____
(List the General Account to be deposited into)

Checks: \$ _____

Currency: \$ _____

Coins: \$ _____

Total: \$ _____ (This should equal the "Total amount of Deposit"
as shown at top of this page)

Sponsor/or First Count

Principal/or Second Count

Fundraising Inventory Report for Concessions

Event for Concession: _____

Date: _____ Time: _____

[illegible]