Kentucky Department of EDUCATION

Accounting Procedures for Kentucky School Activity Funds

"Redbook"

Incorporated by Reference 702 KAR 3:130

Effective August 1, 2026

Table of Contents

INTRODUCTION 4

BUDGETS 5

DISTRICT ACTIVITY FUNDS 5

RECEIPTS 6

- General guidelines 6
- Fundraising 8
- Ticket sales – Paper Tickets 9
- Ticket sales – Electronic Ticket System (Only if no cash accepted) 10
- Donations 11
- Charitable Gaming 11

EXPENDITURES 12

- General Guidelines 12
- Purchasing 14
- Cash Advances & Travel Reimbursements 14
- Payment for Services 15
- Petty Cash 15
- Credit Cards 16
- Capital Assets 16
- Allowable Expenditures (This is a guideline and not all inclusive of allowable expenditures.) 16
- Disallowed Expenditures (This is a guideline and not all inclusive of disallowed expenditures.) 17
- Title IX 18
- Inactive Account Balances 18

ELECTRONIC RECEIPTS AND PAYMENTS 19

TRANSFERS 19

REPORTING 20

- Account Balances 20
- Bank Statement Reconciliation 20

Monthly Reports 21
Annual Reports 21
Other Reporting Requirements 21
Financial Records 22
EXTERNAL SUPPORT/BOOSTER ORGANIZATIONS 22
Creation/Disassociation 22
Membership/Authority 22
General Guidelines 22
Expenditure Guidelines 23
Insurance 23
Fundraising 24
Reporting 25
Title IX 25
SCHOOL BANKS 25
DEFINITIONS 27
FORMS 32
Appendix A - Segregation of Duties 57
Appendix B - Fundraiser Types and Corresponding Forms Needed 59

INTRODUCTION

School activities are provided by local boards of education and often involve collecting fees and organizing fundraisers to support various group activities. Examples of school activities include athletics, clubs, and field trips. School activities serve several important purposes:

- **Enrichment**: They enhance the overall quality of the curriculum, offering students a richer educational experience.
- **New Learning Opportunities**: Students gain exposure to new learning experiences beyond the traditional classroom setting.
- **Increased Engagement**: Participation in these activities can boost students' interest and involvement in their classroom work.
- **Morale and Discipline**: Help build students' morale and discipline.
- **Life Skills**: Students acquire essential life-preparation skills by participating in planning and executing club activities.

The *Accounting Procedures for Kentucky School Activity Funds ("Redbook"),* as mandated and referenced in 702 KAR 3:130, Section 2, establishes uniform procedures for the accounting of school activity funds. Therefore, ensuring proper reporting of all monies received and expended, as required by 702 KAR 3:130 Section 3. By following the "Redbook", schools can efficiently account for and publicly present all financial transactions related to school activity funds.

Districts must comply with the minimum standards set forth in the "Redbook." However, local boards of education have the authority to enhance and expand upon these procedures to ensure accurate financial records and appropriate use of school activity funds. The effectiveness of safeguarding and accounting for these funds relies on the robustness of board of education policies and guidelines.

BUDGETS

Budget development for the school activity accounts is similar to the budget cycle for the school district. Information provided in the budget shall include estimated beginning balance; anticipated receipts from all sources, including fundraising; anticipated expenditures by category; and estimated ending balance.

1) Each club, organization and activity account shall prepare a tentative budget for the next school year on the Individual Activity Account Budget Worksheet (Form F-SA-4A).
   a) The Individual Activity Account Budget Worksheets are due to the principal by April 15.
   b) The sponsor shall work with the officers of the club in this process to assure continuity of programs.
   c) The principal or designee shall prepare budgets for activity accounts without sponsors for SBDM approval. If the school does not have an SBDM, then no approval is required.

2) The principal shall prepare the Principal's Combining Budget (Form F-SA-3).
   a) The Principal's Combining Budget will list the summary budget information for each activity account in the school activity fund.
   b) The Principal's Combining Budget is due to the district finance officer by May 1.
   c) The district finance officer will work with the superintendent to submit all school budgets to the local board for approval by the end of May.
   d) Within 30 days of the beginning of the school year, the principal shall adopt the board approved tentative activity fund budget for the current year.

DISTRICT ACTIVITY FUNDS

What is considered an operating expense?
Operating costs are the expenses which are related to the operation of a school district, or to the operation of a device, component, or a piece of equipment or facility. They are the cost or resources used by a school district just to maintain its existence.

- Textbooks, required technology, instructional materials, office supplies, school forms, postage, copy paper, copiers (lease or purchase), furniture, cell phones, software, software agreements, hand held radios, carpet, scoreboards, school signs, etc. *(there are exceptions)
- Safety related equipment and supplies *(there are exceptions)
- Repairs and maintenance to the building and grounds, or gym floor, and fields
- Structural additions or improvements to the building and grounds
- Items permanently attached to a structure or a school facility
- Professional development and staff development expenses

Funds that **are not raised by students or parents** can be sent (swept within 60 days of receipt) to the district finance department, and recorded as District Activity Funds. This money can be spent on operating expenses listed above.

*What funds **must be sent to the district** as District Activity Funds?*

- Locker/parking fees, class fees, textbook rental fee, lab fee, technology fee, or any other fee that is collected for general instruction
- Lost textbook fees, lost or damaged technology fees
- Donations, if donated specifically for instructional materials, or an operating expense
- Staff generated fundraiser for operating expenses

*What funds **can** be sent to the district as District Activity Funds?*

- School store/Bookstore (if not operated by students or student group)
- Gate receipts
- Picture profits

- Disability determination checks
- Advertising revenue in the gym or on fields (if not solicited by students or parents)
- Interest earned on school bank account
- Any other funds that are not generated by students or parents selling or soliciting

Funds raised by students or parents for a student activity shall stay in the school activity fund account and be spent for the purpose it was raised for and benefit the student group that raised the funds.

*What funds **shall stay** in the School Activity Fund?*

- All student fundraisers, if the students or parents are involved by selling or soliciting
- Field trip, class trip, athletic trip money
- Club dues or money designated for a student group/team/class or club to support their activity

Hospitality funds – these funds may be raised by staff contributions, staff lounge vending, or donations received specifically for the staff account.

District Activity Fund Procedures

School activity funds managed through Enterprise ERP (Munis) may be recorded directly into Fund 21, 22, or 25. If school activity funds are not managed through Enterprise ERP (Munis) the following rules apply:

1. Each school must have at least one activity account specified as a district activity fund Sweep account.

2. Within 60 days of receipting funds, the principal designates the District Activity Fund (DAF) amount needing to be transferred out of the receipted activity fund account, to the appropriate DAF activity fund account.

3. At the end of each month, the school treasurer will write one check to the district office for the total monies transferred into a DAF activity fund account. The check will zero out any balance that was initially transferred to the DAF activity fund account; this is known as "sweeping" your funds to the district.

4. The "District Activity Fund Monthly Submission Form" shall be submitted to the district office along with the check (F-SA-16).

5. A District Purchase Order will be created to expend the DAF money. Payment of DAF invoices will be paid at the district level.

6. District Activity Fund monies carried over at year end, are subject to board policy.

RECEIPTS

General guidelines

1) All money collected by a teacher or sponsor shall be given to the school treasurer on the day collected or, if the money is collected after school business hours for evening or weekend events, on the next business day.
   a) The school treasurer shall not collect money directly from a student or parent.
   b) The school treasurer shall not open the mail; any checks that come through the mail shall be annotated on the Multiple Receipt Form (Form F-SA-6) by the person opening the mail and then submitted to the school treasurer.
   c) The school treasurer and the person turning in the money shall jointly count the money.

2) A pre-numbered receipt shall be issued to the payer immediately any time money is received, and all receipt numbers shall be accounted for (if electronic receipts are issued, print a copy for the payer).

3) Teachers, sponsors, and coaches shall use the Multiple Receipt Form (Form F-SA-6) or pre-numbered receipts when collecting money.
   a) Students in sixth grade and above must sign the Multiple Receipt Form, unless physically unable to sign.
   b) A copy of the Multiple Receipt Form (Form F-SA-6) and a copy of the pre-numbered receipt shall be retained by the teacher or sponsor and the original shall be given to the school treasurer.
   c) A two part (carbonless) Multiple Receipt Form is recommended, with the white copy given to the bookkeeper and the yellow copy remaining with the person turning in the money.

4) Immediately upon receipt, the school treasurer shall endorse all checks: "For Deposit Only".

5) When school activity funds are managed outside the Enterprise ERP (Munis) system (such as through EPES), each school is required to maintain a single checking account that is interest earning at a bank approved by the local board of education. This account will serve as the official school activity bank account. Additionally, each school must designate a school treasurer to oversee all school activity fund transactions and records.
   a) The only exception to having one checking account shall be when a school participates in charitable gaming.
   b) A separate bank account is required for depositing gross receipts from charitable gaming. See Charitable Gaming section.

6) Receipts shall be filed monthly in numerical order with supporting documentation attached to the receipt stub.

7) All interest income must be reported on the Monthly/Annual Financial Report Form (F-SA-15A) if it is not being transferred into the district activity fund.

8) The school treasurer shall prepare deposit slips containing the issuer's name and the amount of each check or retain a copy of all checks to be deposited. The deposit slip shall note the receipt numbers in the deposit.

9) An employee other than the treasurer shall verify the daily deposit.
   a) Verify the total deposit amount equals the total receipts written since the last deposit.
   b) Verify the bank validation matches the deposit slip amount.

10) All monies collected shall be deposited on a daily basis except for:
   a) A deposit shall be made on any day in which at least $250 is on hand to deposit. In the event that less than $250 is on hand to deposit, smaller amounts may be held in a secure location until the earlier of when $250 is collected or the weekly deposit is made as required by paragraph c) of this item. If not deposited the day the money is collected, the treasurer still must write the receipt the day the money is collected.
   b) Money collected after school business hours shall be placed in a night depository or night drop at a bank or in the locked school safe and processed for deposit the following business day by the school treasurer.
   c) At a minimum, deposits shall be made on the last business day of the week, even if the deposit amount is less than $250.

11) Personal checks shall not be cashed using cash on hand for deposit. The school is not a bank.

12) The school treasurer shall record receipts in the Principal's Combined Activity Fund Ledger (Form F-SA-11), as well as in the appropriate Individual Activity Account Ledger (Form F-SA-12) or in their accounting software.

13) Charging a fee for checks returned for insufficient funds is permissible if such policy is clearly posted in a conspicuous location where funds are collected. Districts may use collection agencies to collect checks deemed uncollectible.

14) Checks returned for insufficient funds shall be re-deposited on a separate deposit slip indicating negative and positive entries in order to prevent receipts from being overstated. Documentation relating to returned checks shall be filed with the bank statements for audit trail.

15) Schools are not authorized to borrow money from nor loan money to anyone, including district employees.

16) No grant monies, day care fees, adult education fees, or tuition fees shall be deposited in the school activity fund as they must be handled through the central office bank account.

17) All student fees and charges shall be adopted by the board. All student fees and charges adopted by the board shall be used for the purposes set forth in the motion and shall not be spent for any other purpose, and shall be deposited into the school activity fund account or directly into the district activity fund. **No dues, fees, or charges are allowed by external support/booster organizations**.

18) Proper segregation of duties shall be maintained. An example of proper segregation of duties among school staff is provided in Appendix A- Segregation of Duties.

Fundraising

1) Fundraising refers to the organized effort of soliciting or collecting money or items for school or student organizations. Monetary contributions derived from school-sponsored fundraising activities shall be deposited in the school's activity fund bank account or district bank account as applicable.

2) The local board shall approve all school-wide fundraisers, including the proposed use of funds. The Fundraiser & Crowdfunding Approval (Form F-SA-2A) shall be completed before the fundraiser begins.

3) The principal or his or her designee shall approve of all other fundraisers in the school, including the proposed use of funds. The same Fundraiser & Crowdfunding Approval (Form F-SA-2A) shall be completed before the fundraiser begins.

4) Crowdfunding for student activities using services such as GoFundMe, Donor's Choose, and Give Send Go is permissible. All crowdfunding proceeds must be deposited directly into the school's checking account via check or electronic ACH transfer. The school may also utilize services such as Amazon Wishlist for collecting donations for student activities with the designated shipping address as the school.

5) Income from a fundraiser must be used for the purpose indicated on the Fundraiser & Crowdfunding Approval (Form F-SA-2A).

6) Fundraising activities are to benefit students. Fundraisers to cover staff payroll and other operating costs are not permitted. Fundraisers cannot be used to supplement a staff account in the school activity fund. However, the following three ways are allowed to supplement staff accounts:

   a) Profits from vending machines used only by staff
   b) Donations from the staff for this purpose
   c) Donations from a third party specified for the staff account (must be in writing)

   Fundraising shall be administratively efficient or serve an important instructional purpose. The effort and cost of administering the fundraiser, including record-keeping, counting money, and making bank deposits, should be less than the expected revenue unless the value of the instructional purpose outweighs the cost of administration.

7) Fundraising proceeds must benefit the entire group of students involved, regardless of participation in the fundraising activity. There will be no fundraisers tracked by individual students. Vendor tracking by individual student for the purpose of offering sales rewards from the vendor is permissible.

8) KRS 367.515 requires magazine sales be approved in writing by the superintendent.
   a) The approval shall identify the product or products being sold, solicitors involved, and duration of sales.
   b) The approval letter must be filed with the county clerk as a Miscellaneous Recording.

9) All fundraisers conducted where items are sold, whether they are purchased or donated or both, require the use of the Fundraiser Summary (Form F-SA-2B), which is used to recap the profitability of a fundraiser sales cycle.

10) The activity sponsor shall complete the Fundraiser Summary (Form F-SA-2B) and forward the report to the principal for review and filing within one week of the completion of the fundraising period or event.

11) Fundraiser activities such as concessions, bookstores, pencil machines, and other activities involving inventory require the Fundraiser & Crowdfunding Approval Form (Form F-SA-2A) but are not required to complete the Fundraiser Summary (F-SA-2B). For these activities the Monthly Inventory Control Worksheet (Form F-SA-5) is required. The Monthly Inventory Control Worksheet recaps the flow of monthly inventory and identifies overages or shortages; it is not designed to measure profits. The person filling out this form cannot be the same person that collects monies and completes the Sales from Concessions/Bookstore/Pencil Machine Form (Form F-SA-17).

12) The Sales from Concessions/Bookstore/Pencil Machine Form (Form F-SA-17) is to be used each time money is collected from these activities and turned in with the money to the school treasurer.
   a) The form must be completed for each event and each time the machine is serviced or money from these activities is collected. There shall be two different individuals involved: one individual to collect and count the monies from sales and a separate individual to complete the Monthly Inventory Control Worksheet (F-SA-5).
   b) The original form shall be given to the school treasurer with the money and a copy kept with the Inventory Control Worksheet.
   c) The form shall be signed by the individual preparing the form and by the school treasurer.

13) Appendix B – Fundraiser Types and Corresponding Forms Needed lists types of fundraisers and the forms necessary to account for the activity.

Ticket sales – Paper Tickets

1) Pre-numbered tickets shall be used with **ALL** events for which admission is charged (including athletic events, dances, concerts, plays, prom, or season passes). Change or rotate ticket colors with each event. (Not necessary if there are two games played back-to-back).

2) Unused tickets shall be stored in a secure location.

3) The Requisition and Report of Paper Ticket Sales (Form F-SA-1) is to be used to report and reconcile the number of tickets sold and the funds collected.

4) The school treasurer, who shall not be the person in charge of sales, is to have safekeeping of the pre-numbered tickets (be the ticket controller). The school treasurer shall not sell tickets either.

5) The person in charge of sales requests one or more rolls of tickets (more than one color if there are to be different adult and student ticket prices) from the ticket controller. The first ticket from each roll is attached to the Requisition and Report of Ticket Sales (Form F-SA-1) as the tickets are picked up.

6) The person in charge of sales verifies the beginning ticket numbers and notes the amount of change received or "none" if none is received, and signs the Ticket Requisition section of Form F-SA-1.

7) Two people (ticket seller, ticket taker) are required to work the gate. The ticket seller gives the entire ticket to the customer and collects the entrance fee.

8) The customer gives the entire ticket to the ticket taker. The ticket taker tears the ticket in half, gives half back to the customer and retains half until after the Report of Sales section of Form F-SA-1 is completed. Non-paying customers should not receive a ticket (for reconciliation purposes).

9) The number of tickets collected is reconciled with the number of tickets sold on Requisition and Report of Ticket Sales (Form F-SA-1). The amount of cash collected and the total sales amount is compared to the amount to be deposited. The total amount of cash and checks collected is compared to the number of tickets sold with any Cash Over/Short identified before turning the form and money into the school treasurer.

10) The person in charge of sales is responsible for the safekeeping of the ticket sales money collected until it is given to the school treasurer.

11) The person in charge of sales, the ticket taker, and the school treasurer sign the Requisition and Report of Ticket Sales (Form F-SA-1).

12) The money and the report are to be given to the school treasurer on the first business day following the event.

13) The school treasurer will retrieve or confirm with the bank amounts placed in the night deposit or night drop, if applicable.

14) The person in charge of sales and the school treasurer shall verify the beginning and ending numbers of tickets and account for money collected. Discrepancies must be resolved immediately.

15) The school treasurer prepares a receipt and attaches a copy to the Requisition and Report of Ticket Sales (Form F-SA-1) and the original signed receipt is given to the person in charge of sales.

16) A change fund shall be initiated with a check written to the sponsor or person responsible for the student activity. For athletics, the change fund money shall be kept in a secure location between games and redeposited at the end of the season on a separate receipt and not commingled with gate or concession receipts. For all other student activities, the change fund money shall be kept in a secure location and redeposited at the end of the event on a separate receipt and not commingled with gate or concession receipts.

17) An activity account (titled Start-up or Change Fund) shall be created to track all change issued for athletic gate, concessions, and any other events that require start-up change. Activity Fund transfers are not allowed from this account.

Ticket sales – Electronic Ticket System (Only if no cash accepted)

1) One person may work at the gate.

2) The customer gives the electronic ticket to the ticket taker. The ticket taker electronically accepts the ticket. Non-paying customers should not receive a ticket (for reconciliation purposes).

3) The number of tickets collected is reconciled with the number of tickets sold on Requisition and Report of Electronic Ticket Sales (Form F-SA-1.1) or comparable system report produced by the electronic ticketing system. The amount of money collected and the total sales amount is compared to the amount to be deposited.

4) The person in charge of sales, ticket taker, school principal, and school treasurer sign the Requisition and Report of Electronic Ticket Sales (Form F-SA-1.1) or comparable system report produced by the electronic ticketing system.

5) The report is to be given to the school treasurer on the first business day following the event.

6) The school treasurer shall reconcile the bank amounts deposited with the online ticketing platform for the event.

7) The school treasurer files the reconciliation for audit purposes.

Donations

1) Donations refer to gifts of real or personal property given to the school from persons or entities outside the school system for the school's use or for the benefit of the students.

2) Local boards shall comply with KRS 160.580, which states that local boards shall receive any gift for the benefit of schools in the district and hold and use them as requested, provided that the purpose for which it is used shall be in harmony with the aims and general program of public education in this state. Schools receive contributions and donations from a variety of sources, including external support/booster organizations. Boards shall ensure the purpose of the contributions and donations is clear and the donor and school staff all understand and agree upon the purpose for which the funds will be used.

3) However, the local board may give the responsibility for the donations to the schools by establishing a policy allowing schools to maintain their own donations. If the board allows donations to be kept at the school level, the principal or bookkeeper shall produce a listing of donations for submission to the school board at year-end using the Donation Acknowledgment Form (F-SA-18).

4) The Donation Acknowledgment Form (Form F-SA-18), when the monetary value is at least $250 according to IRS guidelines, shall be completed stating the purpose of and any restrictions on the donation received. A copy of the donation acceptance form may be sent to the donor. A donation acceptance form may also be used to monitor the acceptance of non-monetary items.

5) Cash donations to the school for a specific purpose (restricted purpose), when value is at least $250 according to IRS guidelines, shall be maintained in a separate activity account and expended as indicated by the donor as long as the board has approved a policy for the donation to be maintained at the school level. Tracking this balance as a separate account with proper supporting documentation for expenditures will reflect that the donor's wishes were met.

6) Cash donations to the school for general use (unrestricted purpose) shall be deposited in a general account as long as the board has approved a policy for donations to be maintained at the school level. The principal and SBDM council will decide the use of these donations. These donations must be used to support student activity.

7) Donated gift cards shall be accounted for on Form F-SA-19 (one form for school and one for staff/students)

8) Equipment or other property donations to the school will remain at the school and be included on school inventory records and become the property of the local board. These donated items shall be reported at year-end along with cash donations to the school board.

9) Schools may accept promotional items from companies for giveaways such as t-shirts to be thrown into the stands at basketball games.

Charitable Gaming

1) Charitable gaming refers to fundraisers that involve games of chance for a charitable purpose. KRS 238.505 defines charitable gaming.

2) The Office of Charitable Gaming regulates all charitable gaming in the state. These activities must be in compliance with KRS Chapter 238 and KAR Title 820.

3) Schools and external support/booster organizations must each abide by the requirements issued by the Office of Charitable Gaming.

4) Any organization participating in charitable gaming that is regulated by the Office of Charitable Gaming must have one (1) checking account devoted exclusively to charitable gaming receipts as stated in KRS 238.550(2).

5) Below is a table of gaming activities (not inclusive of all possibilities) and the licensing requirements:

No Exemption or License Necessary **(deposited in school activity fund bank account)**	**Certificate of Exemption** **(Combined gross receipts cannot exceed $25,000 per calendar year and must be deposited in a charitable gaming bank account)**	**Charitable Gaming License** **(Combined gross receipts exceed $25,000 per calendar year and must be deposited in a charitable gaming bank account)**
Three or less raffles held per calendar year with none of the raffles having gross receipts over $500 each	Bingo Raffles including Split the Pot Wheel Games Cow-pie Bingo Ker-Plunk Pre-Recorded Horse Races Horse Race Bingo Golf Ball Drop Other Charity Fundraising Games of Chance	Bingo Raffles Pull-Tabs Wheel Games

6) The following activities **are not** considered charitable gaming and do not require a license or exemption: sale of items and games of skill such as Dart Throw, Basketball Shot, Golf Putt, Bean Bag Toss, Bean Count, Milk Bottle Throw, Ring Toss, Cake Walk, Duck Pond (all players win prize equal to or greater than cost to play), and Auctions (individuals bid - high bid wins).

7) It is imperative that any organization conducting charitable gaming activities be knowledgeable of all requirements and regulations pertaining to gaming. The requirements apply to any organization participating in charitable gaming as a fundraising tool.

8) A school's exemption or license covers actions of the internal activity accounts, not the external support/booster organizations. The external support/booster organization's exemption or license covers actions of the external support/booster organization and not the school.

9) The Office of Charitable Gaming offers training courses that may be utilized by personnel engaged in charitable gaming.

10) The licensing requirements for charitable organizations are found in KRS 238.535 and applications are available at the Office of Charitable Gaming website. Any questions concerning charitable gaming, licensing, or recordkeeping for these activities may be directed to the Office of Charitable Gaming.

EXPENDITURES

General Guidelines

1) The use of pre-numbered checks is required for all disbursements.

2) Signature stamps are not permitted to be used for approving school activity fund checks or any other financial documents. All school level checks should contain the signatures of an authorized school administrator and the

school treasurer. If either the school administrator or the school treasurer is absent for an extended period, a central office administrator with check signing authority may sign school level checks. All central office checks must contain the signatures of board approved signatories.

3) The school treasurer shall be bonded.

4) Checks should be mailed on the same day as written. Checks cannot be held for more than three business days prior to mailing or delivering the check.

5) Checks **shall not** be made payable to "CASH", to the "School" or to the "Bank." Petty cash or change fund checks shall be made payable to the sponsor or to the person responsible. The only exception is when closing a bank account, at which point the check should be made payable to the school.

6) Schools are exempt from the payment of sales tax in Kentucky. The only exception is reimbursing tax on meals and hotel expenses for employees and students during travel for school activity fund purposes. Employees purchasing items for the school cannot be reimbursed for sales tax. A copy of the Tax Exemption Certificate is to be sent to any vendor requesting one for a school activity fund purchase. Support/booster organizations shall not make tax-free purchases using the school's tax exemption, unless their funds are maintained in the school activity fund.

7) The vendor invoice or Standard Invoice (Form F-SA-8) must have a confirmation signature of the person receiving the goods or services. In the case of refunding a student or parent, the bookkeeper can write "check mailed" on the vendor signature line of the person receiving the goods or services.

8) The school treasurer shall match up the purchase order, shipping document (if applicable), and vendor or standard invoice and verify that all items ordered have been received, services have been satisfactorily performed, all amounts agree, and that all necessary approvals and signatures have been obtained. Any problems or discrepancies shall be resolved before a check is written.

9) If the activity fund bookkeeping is not automated, then the school treasurer shall post the disbursement to the Principal's Combined Activity Fund Ledger (Form F-SA-11), as well as to the appropriate Individual Activity Account Ledger (Form F-SA-12) or to their accounting software.

10) The check number and date paid shall be noted on the invoice, or the invoice shall be stapled to the purchase order and check stub.

11) The school treasurer shall file all documents for a disbursement together by month, in check numerical order.

12) To void checks, print the word VOID across the face of the check and tear the signature portion off. If the check was entered in the account ledgers, the entry shall be marked VOID or alternatively, post an entry reversing the payment. Amounts shall be recorded as negative expenses, NOT RECEIPTS. Void checks or Stop Payment Orders must be filed with the monthly records.

13) Outstanding checks shall not be carried out for longer than 12 months.

14) If there is a need to disburse or refund cash monies to multiple students, use the Student Refund/Cash Disbursement Form (F-SA-14) and have students sign as they receive their disbursement or refund. Return the form to the school treasurer to be included as documentation for the expenditures. If issuing a check for a refund, the standard invoice (F-SA-8) must be used. Cash disbursements for student meals may use the student refund/cash disbursement form (F-SA-14) as the supporting documentation for situations where students eat at a location where no receipt is provided.

15) Proper segregation of duties shall be maintained. An example of proper segregation of duties among school staff is provided in Appendix A – Segregation of Duties.

Purchasing

1) School activity fund purchases shall comply with Kentucky Revised Statutes (KRS), Kentucky Administrative Regulations (KAR), and local board policies.

2) Bidding and purchasing is a local board's responsibility. Individual schools do not have the authority to advertise and award bids. A school does not operate as a separate entity, but as a part of the school district. The local board is accountable for funds maintained and expended at the school level. Aggregate expenditures of the district are examined for adherence to procurement laws.

3) Schools may legally purchase items from the central office bid list, the cooperative bid list, the Governmental Services Administration (GSA) bid list, or the Kentucky state bid list. All purchases shall be made in accordance with the board's purchasing policies.

4) Follow the district's purchasing procedures for any school activity fund purchases. Use requisitions if required by the district, but always use a Purchase Order (Form F-SA-7) to initiate a purchase. The purchase order shall be prepared and approved by the sponsor and principal before the payment is made. The principal shall not be the vendor on a purchase order, with the only exception being for authorized travel expenses. The sponsor's signature indicates there are sufficient funds available in the specific activity account to cover the purchase. The purchase order must be filed with the school treasurer after the order is placed. The employee requesting the purchase shall also retain a copy of the purchase order.

5) Packing slips for merchandise ordered shall be compared to the purchase order.

6) Before being processed, each disbursement shall be documented by a completed purchase order and an original vendor invoice. If a vendor invoice is not available, the disbursement shall be supported by a Standard Invoice (Form F-SA-8), which must be signed by the payee.

Cash Advances & Travel Reimbursements

1) Cash Advances - A sponsor/teacher/coach may receive cash advances only if there are **students** participating in a class trip, athletic trip, or club outing.
    a) Cash advances shall only be permitted when a purchase order cannot be used.
    b) Cash advances must be utilized only for travel expenses (e.g. hotels, meals, snacks, drinks, tolls, and parking), except when used for community-based instruction (e.g. student field trip "learning to shop").
    c) Cash advances shall be supported by the Advance Report (Form F-SA-9).
    d) Related receipts and other support documents shall be attached to the Advance Report (Form F-SA-9) and unused cash shall be returned by close of the next business day after the trip.

2) Travel Reimbursements - Reimbursement of travel expenses incurred by employees performing special duties, such as attending a Beta Club convention, shall be consistent with local board policy.
    a) Reimbursement may be made from the school activity fund with submission of a District Travel Voucher approved by the principal.
    b) Travel Vouchers shall be submitted within one week of the travel and shall follow the local board's and school's policies. Employees may be reimbursed for sales tax on food and hotel expenses.
    c) District and school administrators cannot be reimbursed expenses for travel from the activity fund unless students are on the trip.
    d) Schools are permitted to use debit cards through banks to cover travel related expenses. Funds are to be loaded onto a card by the school treasurer. The employee using the card must keep receipts and submit them to the school treasurer after the trip. Funds not used are removed from the card and put back into the activity account.

Payment for Services

A determination of worker status must be made by the principal and approved by the district finance officer as to whether individuals performing work for the school are acting as employees of the district or as independent contractors.

Independent Contractors

Payments to persons who are independent contractors, not employees, may be made by school check from the school activity fund bank account with an accompanying invoice or Standard Invoice (Form F-SA-8) signed by the payee. A copy of the invoice with the independent contractor's federal employer identification number (FEIN) or social security number shall be submitted to the board office for the purpose of issuing IRS Form 1099. An IRS *Form W-9, Request for Taxpayer Identification Number and Certification* must be on file at the school for each independent contractor prior to making payment.

Employees

Payments to any employee for extra duties or extra services must be made from the central office, not the school. Documentation of services rendered must be submitted to the central office payroll staff to initiate payment to district employees (for example, timesheet). Reimbursement to the central office, if applicable, shall be made from the school activity fund bank account for all payroll related costs incurred for extra duty work performed to be paid at the school level from the school activity fund. Base pay, contracted salary, and pay for district created positions, including stipends, shall not be paid from school activity funds.

Petty Cash

1) With local board approval, a petty cash account may be maintained for miscellaneous small purchases, such as stamps, and making change.
2) The board policy shall establish the maximum amount of any petty cash account.
3) The principal or their designated representative shall be in charge of the petty cash account.
4) To first establish the account, a Standard Invoice (Form F-SA-8) shall be prepared and a check written to the person responsible for the petty cash account in the amount agreed upon. The general activity account shall be charged.
5) The cash obtained shall be safeguarded at all times. It must be stored in a secure location.
6) All cash disbursed from petty cash requires a receipt stating the amount and reason. The receipts are stored with the cash. At any time, the amount of cash and receipts shall total the established account balance.
7) When the cash in the account must be replenished, the receipts are totaled and a Standard Invoice (Form F-SA-8) is prepared for the amount of the receipts. All receipts are attached to the Standard Invoice.
8) A check made payable to the person responsible is written for the total amount of the receipts on hand to replenish the petty cash.
9) Reconciliation of the account shall be done before and after replenishment. The reconciliation shall be filed with the Standard Invoice (Form F-SA-8).
10) Personal checks shall not be cashed using the petty cash account.
11) The petty cash account shall not be used to loan money to anyone for any reason.
12) The petty cash account shall be closed at the end of the fiscal year (June 30). The cash is deposited and an entry is made to the general activity account originally charged when the petty cash account was created.

13) The petty cash account shall appear on the Monthly/Annual Financial Report (Form F-SA-15A).

Credit Cards

1) Credit cards (including store cards) may be used only if allowed by board policy.

2) An employee shall not make personal purchases using the school credit cards.

3) Credit cards must be safeguarded and kept under lock and key to protect against unauthorized use.

4) Cards shall be checked out to individual employees (each card has different last four digits) using Credit/Procurement Card Sign-In/Out Log (Form F-SA-13). There shall be separate identification for each type of credit card. Each card shall have a separate Credit/Procurement Card Sign-In/Out Log (Form F-SA-13).

5) All charges on the card require a prior-approved purchase order and a signed itemized store receipt. Employees shall be responsible for reimbursing any charges made without prior approval.

6) The card, approved purchase orders and itemized store receipts shall be submitted no later than the close of the next business day.

7) Loss of cards shall be reported immediately to the appropriate district office and the district finance officer.

Capital Assets

1) Capital assets are defined as real or personal, stand-alone property that has an estimated life of greater than one year and an original cost equal to or greater than the capitalization level set by the local board. KDE recommends a threshold of $5,000.

2) Each district's board may set the threshold for tracking capital assets at any amount up to $5,000.

3) Workstations/Laptops are not required to be capitalized, unless they meet the district's threshold, but may be tracked for control purposes. Any technology purchases may be approved by the Chief Information Officer or District Technology Coordinator.

4) Purchases of capital assets with school activity funds require notification of the district finance officer, who will give the proper procedures for each capital asset purchase. Direction shall be given by the district finance officer to do one of the following:
    a) Capital assets are purchased with school activity funds and then detailed information about the item is sent by the school treasurer to the appropriate person tracking capital assets in the district.
    b) The school treasurer remits school activity funds for the purchase of the asset to the central office so the acquisition can be recorded in the same manner as other capital asset purchases in the district and pulled directly into the capital asset module for reporting.

5) Any equipment purchased with school activity funds shall become the property of the school district and assets over the threshold set by the local board must be included in the inventory of the district.

Allowable Expenditures (This is a guideline and not all inclusive of allowable expenditures.)

1) Emblems of membership for students who are members of an organization.

2) Awards such as merit certificates, trophies, plaques, or other means of recognition for behavior, athletic, or academic achievement for students.

3) Student incentives for athletics, specialized area performance, school spirit, involvement, academics, and other achievements.

4) Equipment, playground equipment, supplies, library books, band instruments, and materials used by a student organization.

5) Athletic field striping, quick dry materials.

6) Staff meals from staff generated funds.

7) Expenditures for student activities approved on the Fundraiser & Crowdfunding Approval Form (F-SA-2A).

8) Entry fees and other expenses associated with competitions and meetings for student groups.

9) Travel expenses and meals consumed by the student members and their adult sponsors and bus drivers during an official school trip.

10) Membership in related organizations for student groups.

11) Charitable contributions and donations made with funds collected specifically for that purpose including community service projects for charitable or non-profit purposes such as "Angel Tree".

12) Parent/student functions such as open house, back to school bash, parent night, or orientation.

13) Other allowable expenditures approved by members of the student organization or by the principal and SBDM council for accounts without student involvement.

14) Expenses for trainings which are required for sponsors/coaches of a student group. For example, CPR training required for coaches would be an allowable purchase.

15) Coach's cards purchased for district employees who are specifically paid for coaching duties or volunteer coaches who are eligible under Kentucky High School Athletic Association (KHSAA) and Kentucky High School Coaches Association (KHSCA) requirements to coach.

16) Promotional Credits from vendors for purchasing equipment and attire must benefit students, not adult coaches and sponsors.

Disallowed Expenditures (This is a guideline and not all inclusive of disallowed expenditures.)

1) Cash awards, gift cards, prepaid vouchers, and prepaid credit cards.

2) Personal purchases for staff members even with a reimbursement agreement.

3) Renovation or maintenance of school facilities or buildings; regular care and upkeep of school property.

4) Attendance incentives for the compulsory instructional day, unless the incentives are considered instructional, (i.e., instructional field trips, books, magazines, or other instructional materials); attendance incentives such as t-shirts, parties, or non-instructional field trips shall be funded by non-tax, non-board controlled dollars such as donations from local businesses, external support/booster organizations such as the PTA or PTO.

5) Gifts, services, or donations to district employees or external support/booster organizations, unless using staff generated funds, such as proceeds from snack machines in staff areas (not used by students at any time of the day) or money donated by staff for this purpose.

6) Loans to employees, parents, students, or sponsors or organizations for any reason.

7) Any purchase that benefits the adult sponsors or district personnel and not the student organization.

8) Payment of an individual's organization dues or fees that do not provide a direct benefit to the student, or group of students.

9) Extra compensation or bonuses to district employees whether in the form of cash or gifts.

10) Alcoholic beverages, tobacco products, controlled substances.

11) Furniture for administrative offices.

12) Structural additions or improvements to the buildings or grounds.

13) Books, magazines, and memberships not benefiting the students.

14) Expenditures related to professional development or staff development.

15) Any expenditure prohibited by federal or state law or regulations.

16) Payment or reimbursement of costs associated with parents, volunteers, or chaperones participating on school trips (unless the chaperone is required by district policy due to adult/student ratio for out of district field trips).

17) State tournament tickets and associated expenses for coaches and administrators; unless the school's student or team is participating in the tournament (only for coaches participating in the tournament and administrative oversight).

18) Fund raising or crowdfunding for an individual's or family's personal benefit (bereavement, illness, injury, natural disaster, extreme loss, etc.).

Title IX

1) Title IX of the Education Amendments of 1972 is a federal law that prohibits sex discrimination in education programs that receive federal funds.

2) All school activity fund expenditures for athletics must be reported to the district personnel responsible for preparing the Annual Verification of Title IX Procedures report (Title IX Report). The Title IX report must include all expenditures for student athletics including external support/booster organizations, school activity fund monies, SBDM allocations, and grants.

3) Ensure appropriate administrative oversight of booster activities and expenditures.

Inactive Account Balances

1) An inactive student organization, club, or activity account may be closed at any time. The principal shall be notified of the termination by the student organization's sponsor.
    a) The student organization shall vote on the distribution of the remaining funds.
    b) After the vote, the student organization's leadership or the sponsor may designate in writing to the principal how the unobligated funds shall be disposed of.
    c) Under no circumstance may the funds from an inactive account be transferred to an entity or bank account outside the school.
    d) If the student organization did not designate in writing how the unobligated remaining funds shall be disposed, then the funds shall be transferred to the school activity general account and used for the general benefit of all students attending that school.
    e) Graduating senior class accounts cease to exist at graduation since the graduated students are no longer part of the student body and, therefore, cannot have an account in the school activity fund.
        i. Senior class accounts become inactive on commencement day.

ii. The members of the senior class must decide how to distribute their remaining funds before commencement day.
iii. If no decision is documented in an official class meeting, the remaining funds will be transferred to the school activity general account and used for the general benefit of all students.

f) The sponsor and principal shall sign the Transfer Form (Form F-SA-10) to distribute the remaining funds of the inactive account.

2) An activity account will be considered inactive if there has been no activity during the preceding 12 months.
   a) If the student organization did not designate in writing how the unobligated remaining funds shall be disposed, then the funds shall be transferred to the school activity general account and used for the general benefit of all students.
   b) The sponsor and principal shall sign the Transfer Form (Form F-SA-10) to distribute the remaining funds of the inactive account.

3) If an inactive account has a negative (deficit) balance, the school activity general account shall be used to cover the deficit prior to the inactive account being terminated. The sponsor and the principal shall sign the Transfer Form (Form F-SA-10) and have it completed by June 30.

ELECTRONIC RECEIPTS AND PAYMENTS

School districts may use electronic banking to collect school activity fees using the following process:

1) The local board of education must adopt a policy permitting online banking activities and electronic fund transactions. The policy must address the following:
   a) What online banking and electronic activities will be used;
   b) Who is authorized to accept electronic transactions;
   c) Who will approve electronic transactions;
   d) Who will transmit electronic transactions;
   e) Who will record electronic transactions; and
   f) Who will review and reconcile electronic transactions.

2) The local board of education shall approve the service or vendor contract for use by the school district.

3) Proper segregation of duties shall be maintained for electronic receipts and payments whenever possible. An example of proper segregation of duties among school staff is provided in Appendix A – Segregation of Duties

4) ArbiterPay, or similar platforms, can be utilized for referees, umpires, officials and security positions that are independent contractors. If the extra duties and services are provided by a district employee, they shall be paid through payroll at the district level.

5) Sponsors/coaches/teachers shall not use personal Venmo/PayPal/Cash App, etc. to accept payment for fundraised items or donations. When conducting fundraisers, sponsors/coaches/teachers must remit payment to the school treasurer in the same form as payment was made (i.e., if parent/student paid in cash, then cash is submitted to school treasurer).

TRANSFERS

1) Transfers Between Activity Accounts - Amounts may be transferred between activity accounts only by proper completion of a Transfer Form (Form F-SA-10). If, for example, a portion of athletic receipts is given to the band for its participation, an entry is made to reduce one account balance and increase the other. Such a transfer does not affect the school activity fund as a whole nor the bank account balance. The sponsor of the

remitting (paying) activity account and the principal shall sign the Transfer Form. The explanation on the Individual Activity Account Ledger (Form F-SA-12) shall state which account is affected and why.

2) Transfers from the Local Board - While transfer of local board monies to the school for any purpose is highly discouraged, the practice is a local issue. If a transfer is made, it shall be clearly described in the Principal's Combined Activity Fund Ledger (F-SA-11). If the money is restricted to a specific use, it shall be posted to a new Individual Activity Account Ledger (F-SA-12) or their accounting software for audit trail purposes.

3) No transfers or reimbursements are allowed from the school activity fund:
   a) To external support/booster organizations
   b) To staff accounts.

4) If staff or sponsor separates from their school, whether by transferring to another school, retirement, or any other cause, any goods, capital assets, donations or other items received during the staff or sponsor's tenure, shall remain at the departing school for the benefit of that activity.

REPORTING

Proper segregation of duties shall be maintained for reporting. An example of proper segregation of duties among school staff is provided in Appendix A – Segregation of Duties.

Account Balances

Prior year balances shall be entered at the beginning of each fiscal year (July 1). The ledger and checkbook shall be maintained on a daily basis to ensure current balances.

1) School activity funds are raised for a specific function or purpose during a specific fiscal year and must be used for that specific function during that period.

2) Due to timing of fundraiser activities, a school may have to carry forward funds from year to year. Two reasons for carryforward funds are: funds raised for a specific future purpose or funds needed at the beginning of a fiscal year.

3) The school principal or designee shall review the school activity account balances monthly for excessive amounts and evaluate if specific student organizations shall be prohibited from fundraising, until the excessive balances have decreased appropriately.

4) Individual school activity accounts and the school activity fund bank account as a whole shall not end the fiscal year with a negative (deficit) balance.

5) If the school activity fund bank account ends the year with a negative balance (after taking receivable and accounts payable into consideration), then the district's general fund shall cover any deficit by June 30.
   a) A written request signed by the principal requesting general funds to cover the deficit in the school activity fund bank account shall be submitted to the district's finance officer. The written request and finance officer's signature to transfer general fund monies shall be maintained at the school.

Bank Statement Reconciliation (used on Monthly/Annual Financial Report Form F-SA-15A):

The bank statement of the school activity fund bank account must be reviewed by the school principal and the school treasurer.

Principal

1) Each month the bank statement shall be e-mailed directly (if electronically) or opened (if mailed or picked up) by the principal prior to the treasurer having access to it.

2) Review the bank statement, sign and date the front page after review.

3) Give the reviewed bank statement to the school treasurer for account reconciliation and financial report preparation.

School Treasurer

1) The school treasurer shall prepare the Monthly/Annual Financial Report (Form F-SA-15A) or equivalent software generated financial report at the close of each month or as directed by local board policy.

2) Upon receipt of the monthly school activity fund account bank statement (after principal review), the statement balance is to be reconciled to the monthly report. The school treasurer may use the reconciliation section on the Monthly/Annual Financial Report (Form F-SA-15A).

3) The original Monthly/Annual Financial Report (Form F-SA-15A) shall be signed and reviewed for accuracy and reasonableness by the principal.

4) The Monthly/Annual Financial Report (Form F-SA-15A), or electronic copies shall be submitted to the district finance officer and a copy retained in the school files.

Several reports are filled out by the treasurer and will be submitted to the principal and then forwarded to the district finance officer.

Reports to be submitted to the District Finance Officer

Monthly Reports

1) Monthly Financial Report (Form F-SA-15A);

2) Copy of bank statement;

3) List of expenditures;

4) List of receipts;

5) List of journal adjustments; and

6) List of activity account transfers.

Annual Reports

1) Annual Financial Report (Form F-SA-15A);

2) Accounts Receivable and Accounts Payable (Form F-SA-15B);

3) List of payments made to non-employees for federal compliance (calendar year); and

4) List of donations.

Other Reporting Requirements

1) Copies of the Monthly/Annual Financial Report (Form F-SA-15A) shall be sent to each club, class, team sponsor, or coach along with the Individual Activity Account Ledger (Form F-SA-12) showing all activity during that month. The principal must confirm that reports have been distributed monthly.

2) The school treasurer shall prepare the June Monthly/Annual Financial Report (Form F-SA-15A) and the June Accounts Receivable and Accounts Payable (Form F-SA-15B) by July 25.

Financial Records

1) Pursuant to 702 KAR 3:130 Section 3, the school activity fund shall be audited by a certified public accountant (CPA) annually.
    a) The audit report shall be reviewed and accepted by the local board of education, and appropriate action taken.

2) School activity fund financial records are to be retained for three (3) years.

EXTERNAL SUPPORT/BOOSTER ORGANIZATIONS

External support/booster organizations are adult/parent organizations established to enhance school programs or supplement student activities, (i.e., PTA, PTO, booster organizations, etc.). An external support/booster organization's purpose may be to support a student group or program at a particular school or various student groups or programs at various schools. Even though an external support/booster organization works very closely with the district, it is a separate legal entity and is responsible for adherence to IRS guidelines and Title IX regulations.

Creation/Disassociation

1) Created by the parents, external support/booster organizations provide support for school programs. Generally, fundraising efforts are planned and carried out by the parents.

2) External support/booster organizations must receive local board approval to establish, lend support, seek assistance, or fundraise in the name of the district, school, students, or a district or school program.

3) Each external support/booster organization must submit the Federal Employer Identification Number (FEIN) and the names of the organization's officers to the principal on form F-SA-4C at the beginning of the school year or within thirty days of the first transaction of the organization.

4) The school may disassociate with any external support/booster organization at any time if approved by the local board of education. If the school disassociates with the external support/booster organization, the external support/booster organization shall not use the school name for its activities, conduct any fundraising in the name of the school or group, and shall not use the school facilities to conduct such activities.

Membership/Authority

1) No district employee shall serve as the treasurer or any other officer with check signing authority on the external support/booster organization's bank account.

2) Local board members may serve on external support/booster organizations as a general member, but shall not serve as an officer of the organization.

General Guidelines

1) An external support/booster organization must use external bank accounts and shall obtain its own FEIN specifically and only for its use. External support/booster organizations shall not use the FEIN of the school or district.

2) An external support/booster organization is exempt from federal tax, and donations made to the organization are tax-deductible to donors, only if it obtains its own federal tax exempt status.

3) External support/booster organizations shall not use the state tax exempt number of the school or district. Sales made by external support/booster organizations may be subject to the collection and remittance of sales tax. An external support/booster organization may apply for sales tax exemption by filling out an online application at: 51A125 - Purchase Exemption Application.

4) It is recommended that each external support/booster organization have written by-laws which include the offices and their terms.

5) The school or district, with approval of the local board of education, may establish additional guidelines/requirements for the external support/booster organizations.

6) External support/booster organization officers are solely responsible for ensuring that their group is in compliance with district policies, external support/booster organization guidelines in the *Redbook*, and state and federal regulations. A district, including any district employee, shall not be held responsible for any deficiencies by the external support/booster organization.

Expenditure Guidelines

1) All funds expended by an external support/booster organization shall be from its fundraising activities and donations. No dues, fees, or charges shall be assessed to students or parents. However, PTAs can charge dues per member to cover membership fees they have to pay forward to national/state/district/local chapters.

2) The school activity fund shall not reimburse any external support/booster organizations for any purchases.

3) No external support/booster organization shall pay the fee for any referees or officials of athletic events regulated by the Kentucky High School Athletic Association (KHSAA) and counted on the school's record. External support/booster organizations may, however, donate to the district/school for these purposes.

4) External support/booster organizations shall not pay or enhance salaries or stipends for any district employee, nor can they create paid positions. External support/booster organizations may, however, donate to the district/school for these purposes as long as the salaries paid are under the district's salary or stipend schedule. External accounts cannot reimburse district employees for personal and external support/booster organization purchases.

5) Anything purchased by an external support/booster organization for the school, in the name of the school or for the student activity group it supports, becomes the property of the school district upon acceptance by the district. If the district accepts the item, then the district is responsible for the maintenance and repair. If the district does not accept the item, the external support/booster organization shall be responsible for maintaining and repairing the item.

6) A booster account may be considered to have an excessive balance if the balance surpasses the total of the previous twelve (12) months of expenditures. The determination of an excessive balance is made by the school principal and the district finance officer, and it may vary depending on the type and timing of activities. If an account holds an excessive balance, written justification and spend down plan must be provided to the principal. - See Excessive Balance in the Definitions section.

Insurance

1) It is recommended that treasurers of external support/booster organizations be bonded.

2) All external support/booster organizations are required to carry separate insurance for general liability with the appropriate coverage to operate their organization. External support/booster organizations are not covered by the district liability insurance.

3) Proof of liability insurance coverage must be submitted to the principal prior to commencing any fundraising activities.

Fundraising

1) The local board's approval of all school-wide fundraisers proposed by external support/booster organizations, including the use of funds, is required. The Fundraiser & Crowdfunding Approval (Form F-SA-2A) shall be completed and approved before the fundraiser begins.

2) The principal or a designee's approval of all other fundraisers proposed by external support/booster organizations, including the use of funds, is required. The Fundraiser & Crowdfunding Approval (Form F-SA-2A) shall be completed and approved before the fundraiser begins.

3) The external support/booster organization must ensure funds are expended in accordance with only the purpose and intended use stated on the Fundraiser & Crowdfunding Approval (Form F-SA-2A). The Fundraiser approval shall be obtained prior to commencing the fundraising activity.

4) External support/booster organization fundraising must benefit the members of the group as a whole; no fundraising monies shall be applied to individual student accounts. Accounting by student places the external support/booster organization tax status in jeopardy as stated in the Internal Revenue Service document called Compliance Guide for 501(c)(3) Public Charities, on Page 4 under the heading "Private Benefit and Inurement". The document can be found at http://www.irs.gov/pub/irs-pdf/p4221pc.pdf.

5) The IRS prohibits tax-exempt organizations from **requiring** participation in fundraisers. Likewise, support/booster organizations **shall not** require an amount be "donated" in lieu of participating in a fundraiser.

6) Individuals choosing not to participate in a fundraiser shall not be excluded from benefitting from the fundraiser and shall not be penalized in any way.

7) District employees shall not be involved with an external support/booster organization by ordering or receiving goods, receipting, depositing funds, paying vendors, or otherwise disbursing funds. External support/booster organization funds remaining on school property must be kept in a secure location which cannot be accessed by any school personnel.

8) Students may handle funds during a fundraiser conducted by an external support/booster organization.

9) If a fundraiser involves stations (carnival or fall festival, for example), tickets shall be sold at a central ticket booth. Patrons purchase tickets from the central ticket booth and remit a ticket at each station.

10) External support/booster organizations may provide financial support to student groups by donating funds to the school for expenditure or by expending the funds directly.

11) If the external support/booster organization donates funds to the school for expenditure, the external support/booster organization writes a check to the school where the student group is located. The school deposits the funds into the student group's activity account, as long as the board has given the school authority to maintain donations at the school level. The funds then belong to the members of the student group, to be spent at their discretion (under the supervision of the sponsor). All accounting and safeguarding of the funds is the responsibility of the school, once the school has received the funds and all *"Redbook"* guidelines must be followed.

12) If the external support/booster organization expends the funds directly, the external support/booster organization writes checks to the individual vendors for the expenses related to the student group through the

organization's bank account. All accounting and safeguarding of the funds is the responsibility of the external support/booster organization.

Reporting

1) External support/booster organizations must provide the principal a copy of the organization's bank statements within thirty days upon request.

2) Each external support/booster organization must submit an annual School Activity Fund Support/Booster Organization Budget worksheet (Form F-SA-4B) to the principal within the first thirty days of the school year or within thirty days of the first transaction of the group. The budget shall contain, at a minimum, estimated revenues from admissions, fundraisers, dues, concession sales, and other categories and estimated expenditures by category.

3) Each external support/booster organization must submit an annual financial report for the fiscal year ending June 30 to the principal by **July 25.** The annual financial report shall contain, at a minimum, cash beginning balance, cash ending balance, and revenues and expenditures by category (i.e. admission revenues, concession revenues, items for resale, supplies).

Title IX

1) External support/booster organizations must ensure compliance with Title IX. Title IX of the Educational Amendments of 1972 is a federal law that prohibits sex discrimination in educational programs which receive federal funding. Since all public schools in Kentucky receive federal funding, Title IX applies to all programs in the public schools.

2) Benefits provided by boosters are viewed under Title IX as being provided by the school and the school's administration is responsible for ensuring equity.

3) Expenditures made by external support/booster organizations must be reported to the principal annually by **July 25**.

SCHOOL BANKS

School banks may be used as a learning tool for students where they can be taught the fundamentals of banking. It is a positive and valuable experience for students. The following are general guidelines for school banks which are typically located in the high school.

1) Supporters will be an important component of a school bank. District level supporters shall include the local board of education, high school principal and sponsor.

2) The Financial Supporter of the school bank may be a bank or credit union. Ask federal and state regulatory agencies for suggestions on institutions that meet the criteria you have established. Federal regulators can give you a list of local institutions that have "outstanding" Community Reinvestment Act (CRA) ratings and a reputation for being active in the community. (The bank's location near the school facilities would be ideal.)

3) A financial institution that participates in school banking shall be licensed to conduct banking, investment, and other financial business in the Commonwealth of Kentucky.

4) All school banks are to be created and operated under the federal employer identification number (FEIN) of the supporter bank or credit union.

5) The necessary applications to apply for an additional branch must be submitted by the Financial Supporter. Banks must follow the branching requirements of both their federal regulatory authorities and of the state where the bank is chartered and where the in-school bank branch will be located.

6) Any dividends/interest in school bank accounts shall be subject to IRS Form 1099 reporting requirements.

7) Before opening a school bank, a written partnership agreement must be obtained between the Financial Supporter and the local board.

8) The school must obtain written permission forms from the parent or guardian of each student before the student may participate in the school bank. Parents must agree to be responsible for any financial obligations incurred by the student through the student's participation in the school bank.

9) Account balances and cash must be reconciled daily.

10) School activity fund money shall not be deposited into a school bank.

11) School bank sponsors shall not have a personal account in the school bank.

12) Other school employees may have a personal account if the bank's policy allows.

13) An account in the school bank is considered dormant after no activity for three (3) years. Once dormant, the bank must follow escheatment laws:

    a) Attempt to contact the account holder.
    b) If no response, transfer the funds to the Kentucky State Treasury's Unclaimed Property Division.

14) If the sponsoring bank merges or is acquired, the school branch may transition to a new institution, and accounts remain active under the new bank's terms.

15) The school bank is not included in the district's annual financial audit.

DEFINITIONS

Accounts Payable - Goods or services that have been received but that have not been paid for by month or year-end.

Bank Reconciliation – A schedule prepared at the end of each month detailing any differences between the bank balance and the school's recorded cash. (Examples: outstanding checks, deposits in transit.) The bank statement balance is to be reconciled to the school's monthly report.

Change Fund- An amount of money obtained by issuing a check to a designated individual for the purpose of making change for a specific event or series of events where an admission fee is charged or goods are sold. No expenditures are to be made from these monies.

Club (Student Organization) - Group of students organized into a single body for the purpose of pursuing common goals and objectives including various types of student clubs and class organizations, which are under the direct supervision of authorized personnel.

Deficit - The excess of the liabilities of a fund over its assets.

District Finance Officer - The district finance officer, under the control of the superintendent, manages the control of all receipts and expenditures in the school activity fund, except as otherwise directed by the superintendent or board policy. The finance officer's control of the funds **shall not** be construed as authority to sign checks. Check signing must be performed by the school treasurer, principal or designee, but the finance officer may be used as an alternate signatory, if the school treasurer, principal or designees are not present.

District Activity Funds – Non-student generated funds collected at the school level. This includes fees to be used for operating costs which are the expenses related to the operation of a school district, or to the operation of a device, component, or a piece of equipment or facility.

Excessive Balance – An account may be considered to have an excessive balance if the balance exceeds the total of the previous twelve (12) months of expenditures. The determination of an excessive balance is made by the school principal and the district finance officer, and it may vary depending on the type and timing of student activities. If an account holds an excessive balance, written justification and spend-down plan must be provided to the principal.

External support/booster organization – An organization outside of the school that provides financial support for various school activities and groups. These organizations must obtain their own federal and state tax exemption and federal employer identification number and may not use the district's state sales tax exemption or federal employer identification number.

Fees and Charges - An amount charged to a student that is board approved for a specific purpose. Funds collected must be spent for that purpose. (Examples include Chromebook fees, locker fees, etc.)

Fiscal Year – The consecutive 12-month period for which financial statements are prepared to report results of operations. Schools and school districts operate on a July 1 – June 30 fiscal year.

Fundraiser - An organized activity of soliciting and collecting money for school or student organizations.

Fundraiser & Crowdfunding Approval (Form F-SA-2A) - Approval form for each individual fundraising activity, including charitable gaming. The approval form must be signed to indicate approval. The signature necessary depends on the fundraiser.

Gift - Something of value received for which no repayment or special service to the contributor is expected.

Gift Cards/ Prepaid Cards – Prepaid credit/merchant card or gift certificate that enables the recipient to purchase goods or services up to the value of the card. Gift cards or prepaid cards are not permitted to be purchased with school activity fund money.

Individual Activity Account Budget Worksheet (Form F-SA-4A) – An internal budget report of individual activity accounts with projected beginning balance, receipts, expenditures and ending balance for the upcoming school year.

Individual Activity Account Ledger (Form F-SA-12) –A transaction list for each activity account prepared by the school treasurer and combined in the Principal's Combined Activity Fund Ledger (Form F-SA-11). The total of all individual activity account ledger balances must equal the balance in the Principal's Combined Activity Fund Ledger (Form F-SA-11).

Insufficient Funds (NSF Check) - Check returned by the bank because sufficient funds are not available in the payor's bank account to process the payment.

Internal Control – A plan of organization under which employees' duties are arranged, and records and procedures are designed, to make it possible to exercise effective accounting control over assets, liabilities, revenues, and expenditures. Internal control procedures call for proper authorizations by designated officials for all actions performed. Work must be subdivided so that no one employee performs a complete cycle of operations in a transaction class.

Inventory - A detailed list or record showing quantities, descriptions, and values of property on hand at a given time. A physical inventory is the actual count of the items.

Investment - Securities or other property held for the production of revenue in the form of interest, dividends, rentals, or lease payments; funds placed in interest earning accounts to be used to offset expenses for maintaining school activity funds and accounts payable **or** in accordance with board investment policy.

Invoice - A detailed statement of goods or services purchased. In the case of credit card purchases, the cash register receipt is considered the invoice. The invoice is used to record the accounts payable or disbursement for the transaction in the financial system of the school.

Ledger – An accounting of bookkeeping entries in which transactions are recorded. If the school has an automated accounting system, manual ledgers are not required as long as the computer program is capable of printing this information out in numerical/chronological order.

Maintenance – Activities that keep the physical plant open, comfortable, and safe for use and in effective working condition and state of repair.

Monthly/Annual Financial Report (Form F-SA-15A) - A report completed by the school treasurer monthly, signed by the principal and submitted to the finance officer or as directed by local board policy, which details each school activity account. The monthly report includes the beginning balances, receipts, expenditures, and ending balances as well as reconciliation to the bank statement and accounts receivable and accounts payable for each month. The June monthly report is considered the annual report for the fiscal year.

Monthly Inventory Control Worksheet (Form F-SA-5) –An report that details the beginning and ending inventories, quantities, descriptions, values, units of measure, and unit selling prices for each individual activity involving the sale of stocked items held for resale such as concessions, vending machines sales, and bookstore sales.

Multiple Receipt Form (Form F-SA-6) – Form used to record monies collected for a particular event by teachers or sponsors from a group of students. This form is used as documentation of the receipt of funds in lieu of individual receipts. This form will be given to the school treasurer by the teacher or sponsor collecting the funds and a receipt will be written for the total on the form to the teacher or sponsor.

Operational Expenses – Operating costs are the expenses which are required to implement and carry out the essential functions of a schools (I.e. Base pay, contracted salary, and pay for district-created positions, including stipends).

Outstanding Checks - Checks issued and recorded which have not yet been recorded ("cleared") by the bank.

Principal - The principal is the school administrator and acts as the school activity fund "supervisor". As supervisor of the school activity fund, the principal has an overall responsibility to ensure compliance of all school activity fund requirements. This includes supervising the collection and deposit of school activity fund monies, approving disbursements of school activity fund monies, and supervising selected designees who handle the bookkeeping responsibilities.

Principal's Combined Activity Fund Ledger (Form F-SA-11) - A combined listing of all transactions prepared by the school treasurer, which are posted to the appropriate activity account ledgers. The form is used to reconcile monthly the school activity fund with the bank statement.

Principal's Combining Budget (Form F-SA-3) – A report compiling all projected budget information from each Form F-SA-4A in order for it to be submitted to the district finance officer. The report details the projected receipts and expenditures of each activity and their beginning and ending balances. The finance officer will work with the superintendent to present these reports to the board by the end of May.

Procurement - The purchasing, buying, renting, leasing, or otherwise obtaining any supplies, services, or construction. It also includes all functions that pertain to the obtaining of any public procurement, including description of requirements, selection, and solicitation of sources, preparation and award of contract, and all phases of contract administration.

Professional Development—Includes such activities as seminars and conferences, continuing professional education, courses for college credit, and other activities related to the ongoing growth and development of personnel.

PTA/Parent-Teacher Association – A parent group affiliated with the state's PTA. PTA is an external support/booster organization of the school. PTA is a separate legal entity that has a cooperative agreement between the school and the PTA which must be approved by the superintendent and all projects and plans must be carried out in cooperation with the principal.

PTO/Parent Teacher Organization - A parent/teacher organization that promotes the welfare of children in the school. PTO is an external support/booster organization. PTO is a separate legal entity that has a cooperative agreement between the school and the PTO which must be approved by the superintendent and all projects and plans must be carried out in cooperation with the principal.

Purchase Order (Form F-SA-7) - A document, approved by the sponsor and principal, issued to an authorized vendor approving the delivery of goods or services which indicates funds have been obligated.

Receipt – A written acknowledgment of having received a specified amount of money.

Receivable - An asset created when goods or services are delivered prior to the end of the accounting reporting period, but for which payment has not yet been received.

Reconciliation - Process of explaining, usually with the preparation of a schedule, the differences in financial balances.

Reimbursement - Repayment of authorized expenditures made on behalf of another party.

Requisition and Report of Ticket Sales (Form F-SA-1 and F-SA-1.1) - Form used by person in charge to record the issuance of tickets for sale at an event, and the ticket sales realized. The form is reconciled and signed with explanation of shortages/overages and is submitted by the person in charge to the school treasurer on the first business day following the event.

School Activity Accounts or Activity Accounts – Individual accounts that as a whole make up the school activity fund. These monies support endeavors for the students' benefit. The receipts and expenditures are maintained separately for each activity account. Examples of school activity accounts include Beta Club, Cheerleading, Marching Band, Library, Class of 2027, etc. Students not only participate in the activities of organizations, but also are involved in managing and directing the organization's activities.

School Activity Funds – All school funds including funds derived from fundraising activities sponsored under the auspices of the school and does not mean funds raised or received by organizations that do not come under the direct supervision of school authorities. (702 KAR 3:130, Section 1). The school activity fund is reported on the district financial statements as required by GASB. Examples of revenues that are school activity funds and therefore must be accounted for in the school activity bank account include fees collected and expended by student groups (band, FFA, photography club) and fundraising activities for student groups. The school activity fund does not include funds raised or received by organizations which do not come under the direct supervision of school authorities such as legally separate external support/booster organizations.

School Activity Fund Bank Account –One centralized interest bearing bank account used for all school activity fund money representing all student clubs and student organizations. All monies received are deposited into this account and all expenditures are made by a check drawn on this account.

School Bank - A centralized bank used for educational purposes only. This bank will be with the depository bank selected by the local board of education and high school principal. The school bank must have a sponsor at the high school at which it is located.

School Based Decision Making Council (SBDM) -A body comprised of educators and parents who make decisions regarding instruction, curriculum, extracurricular programs, personnel, and other aspects of school management.

School Treasurer – The school treasurer is responsible for maintaining the financial records of the school activity fund.

School-wide Fundraiser – A fundraiser benefiting all students of a school.

Secure Location – A secure, locked location designated to house cash, until deposited, or other valuable items. Unlocked desk drawers or file cabinets are NOT secure locations. Money is to be deposited according to *Redbook* guidelines or those established by the local board if more stringent.

Segregation of duties - Organizational structure and alignment of job duties that provide adequate separation of duties to prevent a single individual from controlling or processing transactions from beginning to end. This will reduce the opportunities for any person to be in a position to both perpetrate and conceal errors or irregularities in the normal course of the duties.

Sponsor -The individual responsible for supervising, planning, and implementing activities of the student organization or activity to ensure compliance. The sponsor may be a teacher or an administrative employee of the district. The sponsor will work with the principal and school treasurer to maintain financial records in a timely and accurate manner.

Standard Invoice (Form F-SA-8) - A form which serves as an invoice if one is not provided or is not available and is used as supporting documentation for disbursement. This form must have a confirmation signature of the person receiving the goods or services before the payment can be processed.

Student Generated – Any fundraising money generated by students or parents working, selling, or soliciting and the proceeds are received and deposited into the school activity fund checking account.

Superintendent - The superintendent is responsible for administering all board policies, ensuring compliance and school activity fund budget submission to the board.

Supplier – A person or business used to furnish goods or services.

Support/Booster Organizations –An organization of parents or community members that support a school activity financially or by other means. Examples of external support/booster organizations include PTA, PTO, band boosters, cheer boosters and athletic boosters**.** The principal must approve all activities of the external support/booster organization.

Supporting Documentation – Evidence to attest to the authenticity, accuracy, and authority of a financial transaction.

Tax Exempt Status – Designation granted to entities with state sales tax exemption status; could also indicate exemption from federal tax when 501(c)(3) status is granted by the Internal Revenue Service. External support/booster organizations shall **not** use the school district sales tax exemption or federal employer identification number unless their funds are deposited in the school activity fund bank account.

Transfer Form (Form F-SA-10) - Authorized transfer of monies between activity accounts. Transfers are not receipts or expenditures. No transfers are allowed to staff accounts.

FORMS

All transactions shall, at a minimum, be in accordance within the guidelines of this document, Accounting Procedures for Kentucky School Activity Funds *(Redbook),* and use the forms contained in this Forms section or the equivalent of a form specified in this section. The equivalent must contain, at a minimum, the information listed on the forms, however, additional information may be added, if desired. Schools utilitizing an automated accounting program for managing school activity fund money are not required to maintain manual ledgers, provided the system captures all the information specified in the *Redbook* forms.

For an Excel version of the following forms, please visit the Kentucky Department of Education Redbook webpage.

Document Number	Document Description	Page
F-SA-1	**Requisition and Report of Paper Ticket Sales**	33
F-SA-1.1	**Requisition and Report of Electronic Ticket Sales**	34
F-SA-2A	**Fundraiser & Crowdfunding Approval**	35
F-SA-2B	**Fundraiser Summary**	36
F-SA-3	**Principal's Combining Budget**	37
F-SA-4A	**Individual Activity Account Budget Worksheet**	38
F-SA-4B	**School Activity Fund Support/Booster Organization Budget**	39
F-SA-4C	**Booster Group Officer Information**	40
F-SA-5	**Monthly Inventory Control Worksheet**	41
F-SA-6	**Multiple Receipt Form**	42
F-SA-7	**School Activity Fund Purchase Order**	43
F-SA-8	**Standard Invoice**	44
F-SA-9	**Advance Report**	45
F-SA-10	**Transfer Form**	46
F-SA-11	**Principal's Combined Activity Fund Ledger**	47
F-SA-12	**Individual Activity Account Ledger**	48
F-SA-13	**Credit/Procurement Card Sign In/Out Log**	49
F-SA-14	**Student Refund / Cash Disbursement Form**	50
F-SA-15A	**Monthly/Annual Financial Report**	51
F-SA-15B	**Accounts Receivable and Accounts Payable**	52
F-SA-16	**District Activity Funds – Monthly Submission Form**	53
F-SA-17	**Sales from Concessions/Bookstore/Pencil Machine Form**	54
F-SA-18	**Donation Acknowledgment Form**	55
F-SA-19	**Donated Gift Card Log**	56

SCHOOL ACTIVITY FUND
REQUISITION AND REPORT OF PAPER TICKET SALES

School	**Event**
Activity Account/Sport	**Date**
Boys Girls Grade _____Varsity JV Fresh	**Receipt #**

TICKET REQUISITION

This is to acknowledge receipt of the tickets to be sold for the event listed above. The first ticket number sold (not the one attached to this form) is recorded in Column B. The unsold end ticket number will be recorded in Column C on completion of ticket sales.

Receipt of start up $_____ (I) for change is also acknowledged.

Attach full unsold start tickets here

Attach full unsold end tickets here (C)

_____
Acknowledge Receipt of tickets and change fund

REPORT OF SALES

		A	B	C	D	E	F
		Ticket Color	**Beginning Ticket Number**	**Next Available Ticket Number**	**Number of Tickets Sold (C-B)**	**Price Each ($)**	**Total (D x E)**
Advance Sales	**Adults**						
	Students						
	Other						
Gate #_____	**Adults**						
	Students						
	Other						
						Total Sales	**(G)**

Checks	
Currency	(+)
Coin	(+)
Total of all money	(=)
Less Start Up money (I)	(-)
Money Collected (H)	(=)

Money Collected (H)	
Total Sales (G)	(-)
Cash Over/Short (H-G)	(+ or -)
Amount to Receipt (H)	

Ticket Seller_____ Date:_____ RECEIVED BY: _____Date: _____
School Treasurer

Ticket Taker: _____Date:_____

Person in Charge of Sales:_____Date:_____

***Form and money must be turned in to school treasurer the first business day following the event.**
***Money is to be locked in school safe or taken to bank. Use one Form F-SA-1 per gate.**

SCHOOL ACTIVITY FUND
REQUISITION AND REPORT OF ELECTRONIC TICKET SALES

School					
Activity Account/Sport					
Boys	**Girls**	**Grade _____**	**Varsity**	**JV**	**Fresh**

Event	
Date	**Electronic Ticketing Platform used**
Receipt #	

ELECTRONIC TICKET REQUISITION
This is to acknowledge use of electronic tickets to be sold for the event listed above.

_____
Acknowledge use of electronic tickets (Sponsor)

REPORT OF SALES

		Price Each ($)
GATE #	**Adult**	**(+)**
	Student	**(+)**
	Other	**(+)**
Total Net Sales per electronic format printout	*	**(=)**

Electronic Deposit	**(+)**
Check	**(+)**
(Amount of Deposit)	**(=)**

Total Net Sales	
Amount of Deposit	(-)
Difference (should be $0)	(=)

Ticket Seller:_____Date:_____ RECONCILED BY:_____Date:_____
School Treasurer: Total net sales vs. bank deposit
*** A printout of the event sales shall accompany this form.**

Ticket Taker: _____Date:_____

Person in Charge of Sales: _____Date: _____

***Form must be turned in to school treasurer the first business day following the event.**

SCHOOL ACTIVITY FUND
FUNDRAISER & CROWDFUNDING APPROVAL

School	
Activity Account	
External Support/Booster Organization	
Name of Fundraiser	
Website (if applicable)	
Sponsor	
Date Submitted	

Purpose of fundraising activity:

_____

_____

Items to be sold or items requested for donation:

_____

_____

Beneficiary/sport of fundraising activity:

_____

Anticipated profit and plans for excess funds:

_____

_____

Date(s) scheduled:

_____

Names of adult supervisors at activity (chaperones, custodians, etc.):

_____

_____ _____

Sponsor **Date**

Circle One: **Approved** **Not Approved**

_____ _____

Principal **Date**

_____ _____

SBDM Council (If Council Policy) **Date**

_____

Board Approval Date
(if applicable)

SCHOOL ACTIVITY FUND
FUNDRAISER SUMMARY

School _____ **Pre-Number** _____

Location No. _____

Activity Account: _____ **Fundraiser:** _____
Sponsor's Signature: _____ **Date(s):** _____
Bookkeeper's Signature: _____ **Principal's Signature:** _____

Inventory Summary

1. Total Starting Inventory (Retail Value) (A)	$ -
2. Total Ending Inventory (Retail Value) (B)	$ -
3. Expected Cash Receipts (1) Minus (2) =	$ -
4. Actual Cash Receipts (C)	$ -
5. Cash Over/Short (4) Minus (3) = (Explain shortage on back of sheet)	$ -

Starting Inventory

Item	Quantity Received	Sales Price Per Unit	Total Price
(A) Total			**$ -**

Ending Inventory

Quantity Not Sold	Total Price
(B) Total	**$ -**

Profit Summary

Cash Receipts

Date	Receipt No.	Amount	Date	Receipt No.	Amount

(C) Total Receipts **$ -**

Expenditures

Date	Check No.	Amount	Date	Check No.	Amount

(D) Total Expenditures **$ -**

Net Profit/(Loss) (C) Minus (D) **$ -**

SCHOOL ACTIVITY FUND
PRINCIPAL'S COMBINING BUDGET

School	Year

Activity Accounts	Beginning Balance	Estimated Receipts	Estimated Expenditures	Balance
Totals				

Principal _____ **School Treasurer** _____

Date _____ **Date** _____

Submit to District Finance Office by May 1

SCHOOL ACTIVITY FUND
INDIVIDUAL ACTIVITY ACCOUNT BUDGET WORKSHEET

School		**Year**	
Activity Account			

Description	Estimated Receipts	Estimated Expenditures
Beginning Cash Balance		
Totals		

Sponsor/Club Treasurer _____ **Principal** _____

Date _____ **Date** _____

Submit to Principal by April 15

SCHOOL ACTIVITY FUND
EXTERNAL SUPPORT/BOOSTER ORGANIZATION BUDGET

School		**Year**
Organization Name		
Organization Address		

Description	Receipts Budget	Expenditures Budget
Beginning Cash Balance		
Totals		

Organization Treasurer **Principal**

Organization President **Date**

BOOSTER GROUP OFFICER INFORMATION

Year:	FEIN#	-

Please fill in the name, address, and phone number of all newly elected or returning officers of your booster group. Please send this information as soon as your officers have been elected. The deadline for having this information to the school principal is September 1st or within the first thirty days of the first transaction of the organization. You should keep a copy for the Booster Group records as well.

Tax Name of Organization_____

Name of School and Principal_____
School Address_____

Name of Group_____

Organization President_____
Address_____
Phone_(____)_____E-mail_____

Name of Vice President_____
Address_____
Phone_(____)_____E-mail_____

Name of Secretary_____
Address_____
Phone_(____)_____E-mail_____

Name of Treasurer_____
Address_____
Phone_(____)_____E-mail_____

If your organization President changes any time during the year, please notify the Principal at once.

**** Please attach a copy of your External Support Organization's proof of liability insurance coverage.**

SCHOOL ACTIVITY FUND
MONTHLY INVENTORY CONTROL WORKSHEET

School	
Activity Account	
Type of Inventory	
Vendors	
Reporting Period	

1. Beginning Inventory (What you start with)

Item	Count x	Sales Price	= Total
Cash in machine or on hand.			

Total Value Beginning Inventory

2. Deliveries (What you purchase and receive to sell)

Date	Item	Count	x	Sales Price	= Total

Total Value Deliveries

Subtotal A

3. Collections (Collected to turn in to Bookkeeper/Treasurer)

Date	Initials	Amount	Date	Initials	Amount

Total Value Collections

4. Ending Inventory (What you end with)

Item	Count	x	Sales Price	= Total
Cash in machine or on hand.				

Total Value Ending Inventory

Subtotal B

If Subtotal A > Subtotal B, there is a shortage. Explain if significant.
List retail value of items lost, damaged, or given away.

Must be completed monthly.

If Subtotal B > Subtotal A, there is an overage. Explain if significant.

_____ _____

Signature of Person Completing Inventory **Date**

SCHOOL ACTIVITY FUND
MULTIPLE RECEIPT FORM

School	**Receipt #**
Activity Account	**Purpose**
Grade (Circle one) K-5 6 7 8 9 10 11 12 Multiple	**Teacher/Sponsor**

#	Signature or Printed Name	Cash Amount	Check Amount	Check #	#	Signature or Printed Name	Cash Amont	Check Amount	Check #
1.					16.				
2.					17.				
3.					18.				
4.					19.				
5.					20.				
6.					21.				
7.					22.				
8.					23.				
9.					24.				
10.					25.				
11.					26.				
12.					27.				
13.					28.				
14.					29.				
15.					30.				

Total Cash	
Total Checks	
Total	

Students in 6th grade and above must sign form as they turn in money. K-5th grade: Teacher/sponsor may print names. The form and collected money must be given to the school treasurer daily. The school treasurer will complete the Recapitulation section and issue a receipt. Printed name acceptable for any student unable to sign.

Office Use Only **<u>Recapitulation Section</u>:** **Total Amount Remitted**	

Person Remitting Money

Date

White copy: School Treasurer

School Treasurer

Date

Yellow copy: for Teacher or Sponsor

SCHOOL ACTIVITY FUND
PURCHASE ORDER

Request Date:	**Purchase Request Payment Details:**
School:	**Check #:**
Activity Account:	**Check Date:**
Vendor Name:	**Amount Paid: $**
Vendor Address:	**PO #**
(Street Address):	
(City, State):	
(Zip):	

MODEL PROCUREMENT

Bid Law ☐ **Non-Competitive D&F** (ATTACHED) ☐ **Small Purchase D&F** (ATTACHED) ☐ **Intergovernmental** ☐ **N/A** ☐

Bid Law # ☐

PURCHASES

Quantity	Item(s)	Unit Cost ($)	Total ($)
		Total:	

APPROVALS

By signing below, I authorize this order and have verified there are sufficient funds available for this purchase. Hand-written signatures and date ONLY (not typed).

Requested By: _____
(Sponsor Requesting Purchase)

Bookkeeper Review: _____
(Certifies funds are available/being collected)

Principal Signature: _____ **Date Approved:**_____

SCHOOL ACTIVITY FUND
STANDARD INVOICE

School		**Date**	
Activity Account			

Vendor's Name		**Y**	**N**	Are you an employee of this school district?
Address				
Phone				
Fax				
FEIN or Social Security No.				

Quantity	Item Description	Unit Cost	Total Cost
		Total	

Vendor's Certification

I hereby certify that the above is a correct statement of amount due from the above named school for articles furnished or services rendered as itemized.

_____
Vendor Signature

Approval for Payment

_____
Sponsor

_____
Principal

Amount Paid: _____
Date Paid: _____
Check No.: _____

* Form to be used any time invoice not provided
* For use with check refunds*

SCHOOL ACTIVITY FUND
ADVANCE REPORT

Date

School

Activity Account

Function Description:

Date	Advance Description	Amount

Attach Receipts

Total Allowed Advances_____
Amount Advanced (Check No._____)_____
Other Adjustments (please explain):_____
Amount Returned (Receipt No. _____)_____
Amount Reimbursed (Check No. _____)_____

Approval

_____
Sponsor

_____
Principal

_____
School Treasurer

Must be submitted by close of the next business day after the trip.

SCHOOL ACTIVITY FUND
TRANSFER FORM

School	

Transfer No.	
Date	

Transfer Amount	Transfer Account	
	From	To
$		
$		
$		

Explanation

_____

_____

Approval

****Form must be completed prior to the transfer****

_____
Transfer-From Sponsor (If Applicable)

_____ _____
Principal **Date Approved**

SCHOOL ACTIVITY FUND
PRINCIPAL'S COMBINED ACTIVITY FUND LEDGER

School	

Date	Check No.	Receipt No.	Acct. Posted	Item Description	Receipts	Expenditures	Balance
				Balance Forward			

SCHOOL ACTIVITY FUND
INDIVIDUAL ACTIVITY ACCOUNT LEDGER

School	
Activity Account	

Date	Check No.	Receipt No.	Item Description	Receipts	Expenditures	Balance
			Balance Forward			

SCHOOL ACTIVITY FUND
CREDIT/PROCUREMENT CARD SIGN IN/OUT FORM

School	
Credit Card Type	
Credit Card Account No.	

I request permission to use the credit card identified above to procure supplies or pay for travel expenses as approved by separate documentation, which is in my possession. I understand that disciplinary action may result from my use of the credit card when its use violates board policy or purchasing procedures.

I agree to be personally liable for any charges on the card for which I have not obtained prior approval before making said charges.

I further agree I will promptly reimburse the school district upon notification that a charge made by me has been determined to be inappropriate, made without prior approval, or otherwise determined to be my responsibility. The school district may withhold said funds from my paycheck at its option.

Employee's Name Checking Out Credit Card (Please Print)	Employee's Signature	Date & Time of Issuance	Date & Time of Return	Purchase Order No.	Employee Witnessing Return of Credit Card

SCHOOL ACTIVITY FUND
STUDENT REFUND/CASH DISBURSEMENT FORM

School	
Activity Fund	
Purpose	
Teacher or Sponsor	

	Student Signature	Amount		Student Signature	Amount
1.			**16.**		
2.			**17.**		
3.			**18.**		
4.			**19.**		
5.			**20.**		
6.			**21.**		
7.			**22.**		
8.			**23.**		
9.			**24.**		
10.			**25.**		
11.			**26.**		
12.			**27.**		
13.			**28.**		
14.			**29.**		
15.			**30.**		

Students in 6th grade and above must sign this form as they receive the refund. K-5 grade: teacher/sponsor may print names. The form must be returned to the school treasurer after all funds are disbursed.

Office Use Only **Recapitulation:**	**Total Amount Disbursed $**

Person Distributing Money _____ **School Treasurer** _____

Date _____ **Date** _____

White copy to School Treasurer ***Yellow Copy for Teacher or Sponsor***

This completed document serves as supporting documentation for expenditure.

SCHOOL ACTIVITY FUND
MONTHLY/ANNUAL FINANCIAL REPORT

School	

Month	
Year	

Activity Accounts	Beginning Balance	Receipts	Expenditures	Ending Balance

		Reconciliation	
Beginning Balance		**Balance Per Bank Statement**	
Add: Receipts		**Add: Investment Balance**	
Subtotal:	**0**	**Add: Deposits in Transit**	
Less: Expenditures		**Subtotal**	**0**
Ending Ledger Balance *	**0**	**Less: Outstanding Checks**	
		Other Adjustments (Explain)	
		Actual Cash Balance *	**0**
		Add: Accounts Receivable	
June Report is considered the Annual Financial Report		**Less: Accounts Payable**	
		Add: Petty Cash	
		Total Balance *	**0**
*** These three numbers must agree.**		**June Report is considered the Annual Financial Report**	

The above information is a true statement of the financial condition of the various activity fund accounts of this school.

Principal	**School Treasurer**
Date	**Date**

SCHOOL ACTIVITY FUND
ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE

School		Month	
		Year	

Accounts Receivable	Purpose	Activity Account	Amount
Total			

Accounts Payable	Purpose	Activity Account	Amount
Total			

Due with Annual Financial Report

DISTRICT ACTIVITY FUNDS - MONTHLY SUBMISSION FORM

School: _____ **Month:** _____

MUNIS OBJ	*ORIGINAL SOURCE OF REVENUE TO TRANSFER TO DAF*	DOLLAR AMOUNT
(District Use)		
1740	Student Fees (Instruction, Locker, Class, Parking)	
1740T	Textbook Fees (includes lost textbook charges)	
1720	Library (technology or supplies)	
1750	Donations (if donated specifically for operating)	
1790F	Fundraiser (Operating - students not involved)	
1790S	School Store (daily sales non-student generated)	
1790C	Concession (Athletic/Special Event Sales)	
1710	Gate Receipts	
1790P	Picture Profits	
1790A	Advertising Revenue (if not be sold by students)	
1790	Other (Itemize Below)	
	TOTAL REVENUE TO TRANSFER TO DAF	**(A)**
EPES Acct#	***INTENDED USE OF DAF REVENUE***	
2818	INSTRUCTION	
2825	ATHLETICS	
2835	PROFESSIONAL DEVELOPMENT	
2859	LIBRARY/TECHNOLOGY	
2887	BUILDING/GROUNDS MAINT & REPAIRS	
	TOTAL: INTENDED USE OF DAF REVENUE	**(B)**
	(A & B MUST MATCH)	

ATTACH CHECK EQUAL TO (B) AND MADE PAYABLE TO THE DISTRICT BOARD OF ED
SUBMIT MONTHLY WITH MONTHLY REPORT
KEEP COPY FOR YOUR RECORDS

PRINCIPAL'S SIGNATURE **DATE**

FOR FINANCE USE ONLY:

Date Received: _____ **Check #:** _____ **Amount:**_____

Form verified for accuracy by: _____

Any funds remaining in school DAF funds on 06/30 will be handled per board policy.
Money swept up to the district must be swept up within 60 days of collecting the funds.

SCHOOL ACTIVITY FUND
SALES FROM CONCESSIONS/BOOKSTORE/PENCIL MACHINE FORM

Receipt # _____

School		**Date**	
Activity Account		**Turned in By**	

Activity Fund	Start-up Change	Ending Balances
COINS		
CURRENCY		
CHECKS		
TOTAL		
	Less Start Up	
	Total Sales	

Explanation:

_____

_____

_____ _____

School Treasurer **Preparer**

Original to school treasurer

Tally Sheet

Ones:	
Fives:	
Tens:	
Twenties:	
Fifties:	
Hundreds:	
Change:	
Checks:	
TOTAL:	

Counted by: _____

Date: _____

Concession stand worker:

1) Count all money

2) Complete tally sheet

3) Sign and date tally sheet

SCHOOL ACTIVITY FUND
DONATION ACKNOWLEDGMENT FORM

School:

School Address:

RECEIPT #

Fiscal Year Ending:

School Federal ID #

Date of Gift:

Donor Name:

Donor Address:

Street Address

Street Address (Continued)

City **State** **Zip Code**

Donor Phone Number:

Type of donation: (circle one) Cash Check Amount: Other

Other gift description including purpose and restrictions on donation:

Was anything of value received in exchange for donation? Yes ☐ No ☐

If yes, description and dollar value:

Federal ID # (if applicable)

_____ _____

Person accepting donation **Principal**

_____ _____

Date **Date**

***Form shall be filled out for all donations valued at $250 or more**

SCHOOL ACTIVITY FUND
DONATED GIFT CARD LOG

If gift card donation is for school purposes, retain receipts on file for audit.

Store/Description	Amount	Received By	Received Date	Given to or used for school purpose

Total:

Appendix A - Segregation of Duties

The segregation of duties demands that more than one person be involved in satisfying accounting procedures. The following are recommendations for achieving proper segregation of duties and do not represent requirements of the Redbook.

Reasons for Segregation of Duties

1) Because significant amounts of school activity fund cash receipts are collected as currency.
2) Internal control procedures designed to safeguard monies collected should be especially emphasized.
3) Although the foregoing general principles are helpful in addressing concerns about monetary safety, additional attention should be given to segregating the duties related to school activity funds.
4) Specifically, three critical duties should be segregated for internal control purposes:
    a) Signing checks;
    b) Maintaining fund accounting records; and
    c) Reconciling bank statements.

Responsible Parties for Segregation of Duties

Principal

1) Designated administrator of the school activity fund.
2) Important to identify, describe, and monitor the duties of the school treasurer in relation to the segregation of duties.

School treasurer

1) Typically assigned the task of collecting school activity fund monies from other school staff
    a. Associated financial tasks include:
        i. Preparing the deposit slip;
        ii. Depositing monies; and
        iii. Preparing checks for disbursements.
    b. Associated reporting tasks include:
        i. Bank reconciliation as used on the monthly/annual report;
        ii. Monthly/Annual financial reporting for all school activity accounts; and
        iii. Yearly financial reporting for all actions in the school activity fund.
2) Same person generally maintains the school activity fund accounting records
    a. These tasks demand adequate training and require the school treasurer to have a thorough knowledge of the process of accounting, auditing, and reporting.
    b. Work of any person handling money should be subject to appropriate checks and balances.
3) Signature controls are an important aspect of accounting procedures, therefore two signatures should be required on all checks that result in a disbursement from the school activity fund bank account. For districts utilizing Enterprise ERP (Munis) to manage school activity funds, signature controls should mirror procedures used for districtwide payments.

Third Person (someone other than the school treasurer and principal)

1) Responsible for reconciling bank statements.
2) Verifying receipts and expenditures.

Segregation of Duties Detailed

Essential to the process of segregation of duties are internal accounting controls over the school activity fund cash collections.

1) Adequate procedures should be established for completing an audit trail that creates sufficient documentary (physical) evidence for each step in the flow of transactions within the school activity fund.

2) These procedures include:
    a) Using pre-numbered forms and receipts;
    b) Using purchase orders;
    c) Issuing receipts and tickets;
    d) Depositing receipts intact; and
    e) Making timely deposits.

Precautions must be taken to protect school activity fund money from loss and limit the liability of persons handling the money.

Appendix B - Fundraiser Types and Corresponding Forms Needed

Any activity used as a fundraiser **must** be approved and documented on the Fundraiser & Crowdfunding Approval (Form F-SA-2A).

Description of Fundraiser or Collection of Funds	*Form Required	**Additional Form Required
Field Trip	Multiple Receipt Form F-SA-6	
Pictures	Multiple Receipt Form F-SA-6	
Trip Collections	Multiple Receipt Form F-SA-6	
Uniform/Shoe etc. Collections	Multiple Receipt Form F-SA-6	
Misc. Fee Collections	Multiple Receipt Form F-SA-6	
Checks for Fees (that come through the mail)	Multiple Receipt Form F-SA-6	
Library Fee Collections (Late/Lost Books)	Multiple Receipt Form F-SA-6	
Assembly (collected in classroom)	Multiple Receipt Form F-SA-6	
Yearbook Sales	Multiple Receipt Form F-SA-6	
Vendor Bookfair (i.e. Scholastic)	Sales Collection Form F-SA-17	Fundraiser Summary F-SA-2B
Fundraiser Money Collected from Students	Multiple Receipt Form F-SA-6	Fundraiser Summary F-SA-2B
Collections for Specific Donations (i.e. Red Cross)	Multiple Receipt Form F-SA-6	Fundraiser Summary F-SA-2B
Penny War	Sales Collection Form F-SA-17	Fundraiser Summary F-SA-2B
Hat Day, Candy Grams, etc.	Multiple Receipt Form F-SA-6	Fundraiser Summary F-SA-2B
Fundraiser Checks (that come through the mail)	Multiple Receipt Form F-SA-6	Fundraiser Summary F-SA-2B
Sale of Purchased Merchandise	Sales Collection Form F-SA-17	Fundraiser Summary F-SA-2B
Sale of Donated Items	Sales Collection Form F-SA-17	Fundraiser Summary F-SA-2B
Fall Festivals	Report of Ticket Sales Form F-SA-1 or Report of Ticket Sales Form F-SA-1.1	Fundraiser Summary F-SA-2B
Prom/Dance (must be pre-numbered tickets)	Report of Ticket Sales Form F-SA-1 or Report of Ticket Sales Form F-SA-1.1	Fundraiser Summary F-SA-2B
Gate Receipts	Report of Ticket Sales Form F-SA-1 or Report of Ticket Sales Form F-SA-1.1	
Season Tickets (must be pre-numbered tickets)	Report of Ticket Sales Form F-SA-1 or Report of Ticket Sales Form F-SA-1.1	
Assembly (collected at the door)	Report of Ticket Sales Form F-SA-1 or Report of Ticket Sales Form F-SA-1.1	
Concession/Snack Sales	Sales Collection Form F-SA-17	Inventory Control WS F-SA-5
Pencil/Paper Machine	Sales Collection Form F-SA-17	Inventory Control WS F-SA-5

Description of Fundraiser or Collection of Funds	*Form Required	**Additional Form Required
Green House Sales	Sales Collection Form F-SA-17	Inventory Control WS F-SA-5
School Store/Bookstore	Sales Collection Form F-SA-17	Inventory Control WS F-SA-5
Vending Machine Collections (not full service)	Sales Collection Form F-SA-17	Inventory Control WS F-SA-5
Program Sales (at ballgames)	Sales Collection Form F-SA-17	Inventory Control WS F-SA-5
T-Shirt/Clothing Sales (at ballgames)	Sales Collection Form F-SA-17	Inventory Control WS F-SA-5
Ice Cream, Slush Puppy, Popcorn Sales	Sales Collection Form F-SA-17	Inventory Control WS F-SA-5

*These forms are required at the time the money is collected.
**Fundraiser Worksheet Form F-SA-2B is due at the completion of the fundraiser event.
**Inventory Control Worksheet F-SA-5 is due monthly.