

Dumas ISD

Activity Account Manual

Introduction

This Activity Account Manual has been prepared to provide general information to campus principals, activity account sponsors, and student club officers about managing activity accounts. Additional information is included in the district's Board Policies and other Regulations.

The District manages both Campus and Student Activity Accounts through a centralized system. All deposits and disbursements are managed and recorded by the business department.

Campus Activity Funds - Fund 461

Campus activity funds are school funds managed under the direction of the campus principal. Campus activity funds (under the control of the principal) shall be collected, receipted, and deposited in accordance with the Cash Management Procedures listed below. Campus activity funds are primarily used to benefit students or the school. Typical uses include field trip fees, awards, incentives, etc.

Allowable

Field trip fees

Training/meeting refreshments

Awards/incentives such as perfect attendance, academic awards, retirement gifts, etc.

General office and classroom supplies to supplement General Fund budget

Non-Allowable

Alcohol

Gifts - to a specific student, staff member, or other individual except as described above

Donations to charities or other organizations

General Funds (Fund 199/Operating) and/or resources purchased with the General Fund shall not be used to generate activity funds. Campus staff (administrative/support) shall not perform Campus Activity Fund activities during the academic day that may incur additional cost from the General Fund such as hiring of a substitute or other additional staff. Giving of staff time to generate Campus Activity Funds shall be voluntary.

Generating activity funds shall not in any way compete with the district food service activities. Activity funds generation shall be a passive activity and shall not detract from the district's overall primary educational purpose. The generation and expenditure of campus activity funds shall be held to the same

standard and scrutiny as that of appropriated funds. Activity funds shall be audited and must adhere to accepted business practices.

A purchase order is required for all campus activity fund expenditures. The business office will set up accounts with the proper function and object codes for each approved fundraiser based on the goods or services that will be purchased with the proceeds from the fundraiser. As proceeds are deposited, they will be added to the budget for the appropriate account.

Student/Social Activity Accounts – Fund 865

Student/Social Activity Funds are held in a trustee capacity by the school and they consist of funds that are the property of students or others such as a Social Committee. These funds are not school funds, but rather trust funds belonging to the students or others. The funds must be used to benefit the students or the school at the direction of the members of the club or committee. Any use of funds is subject to the oversight and approval of the campus principal as “trustee” over the funds.

Student Organizations

Student clubs and organizations shall be defined as a student-led groups with organization documents, by-laws, and elected officers. All student clubs and organizations shall function under the sponsorship of a campus professional staff member.

Student activity funds (under the control of the principal) shall be collected, receipted, and deposited in accordance with the Cash Management Procedures listed below.

In accordance with Board Policy CFD(LOCAL) fund raising by student organizations for charitable donation to individuals or other organizations is prohibited. All funds raised through approved student fund raising events, regardless of sponsoring organization, shall benefit the students who raised the funds, the campus they attend, or the program in which they participate. Students shall make decisions regarding the expenditure of club funds. The expenditure of these funds shall be based on documented student action as evidenced by club/organization resolutions, meeting minutes, etc. Typical uses include travel, awards, banquets, supplies, etc.

Allowable

Student trip related expenses such as meals, entry fees, lodging, transportation, etc.

Awards/incentives

Club supplies

Equipment, but it must be donated to the campus
Rentals such as vehicles, equipment, etc.
Contracted services such as printing, DJ services, photographer, etc.
Memberships in related state or national organizations
Scholarships to postsecondary institutions for club members

Non-Allowable

Alcohol
Gifts - to a specific student, staff member, or other individual
Meals for staff members other than the club sponsor
Donations to charities or other organizations

The assigned organization sponsor (professional staff member) shall be responsible for the proper management of the student activity accounts. Annual training will be scheduled to assist the organization sponsors in managing their respective student activity account(s). All expenditures and payments to vendors shall be centralized through the district's business office.

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

To establish an activity account, an organization shall have approved bylaws and elected officers and the request shall be made to the principal. No fund raising may take place until the principal approves the new organization. Once approved, the principal shall notify the Business Office and a new account will be created.

Student Activity Accounts are trust funds that the campus manages on behalf of the student; therefore, accountability for these funds is extremely high. All Activity Account records must be maintained for a period of five (5) years. This includes merchandise logs, receipt logs/books, profit/loss statements, etc. At the end of every school year, the Campus Principal, as part of the closeout procedures, shall collect all club records for storage on the campus for one year, then at the records center for the rest of the archival period of time.

Social Committee Funds

Campuses may establish a Social Committee account with voluntary donations from staff. These funds are not campus funds, but rather trust funds belonging to the faculty. The funds may be used in any manner to benefit the

faculty at the direction of the Committee subject to the oversight and approval of the campus principal as “trustee” over the funds.

Purchases with these funds are subject to taxes as they represent personal purchases and not district purchases. Purchases typically include flowers for ill staff members, employee recognition awards, etc.

No fundraising activities shall be allowed in a Social Committee Fund.

Cash Management Procedures

All cash and checks shall be delivered by the employee who has collected funds to the designated cash clerk in the campus office on a daily basis or as soon as possible. Cash and checks shall not be kept in classrooms, personal wallets or purses, vehicles, or at home for extended periods of time. No post-dated checks will be accepted. The cash clerk shall deposit collected money in the bank at the end of each school day.

Receipts shall be issued for all money transactions. The example below illustrates the flow of money and proper receipting when a student pays for a yearbook:

- Student pays for a yearbook
- Yearbook Sponsor issues a receipt to the student (top copy)
- Yearbook Sponsor submits a copy of the receipt (middle copy) to the cash clerk along with the funds.
- The cash clerk issues a receipt to the Yearbook Sponsor (top copy) once they have agreed on the amount of money

There is an exception to using receipt books for high volume fund raisers where students are paying in small amounts in a short period of time. An example of this is pay-to-play days (such as hat-day) where you have many students paying a dollar to participate and they are lined up to pay. You may use the attached Fund Raiser Receipts form or a classroom roster which is initialed by the student. In addition, concession stand sales are exempt from issuing customers receipts for each sale but the organization running the concession should verify sales receipts by calculating the amount of product sold.

If this chain of money movement is “broken”, an audit exception could result. The flow of money and the receipts must support all money collected and deposited. All receipts issued shall follow the following guidelines:

- Use an official receipt book with pre-numbered, bound receipts in triplicate or the Fund Raiser Receipts form

- **Both the sponsor and the cash clerk shall be present when the money is counted and receipted**
- A copy of the receipt must be given to the person paying
- A copy of the receipt must remain in the receipt book
- Receipts shall not be altered
- Voided receipts (white original copy) must be re-attached to the receipt book
- Receipts are not to be pre-dated or pre-signed
- Receipt numbers must be used consecutively
- **All cash must be controlled in a locked area that can only be accessed by the person responsible for the cash**

Checks shall not be cashed from cash collected at the campus or district level to ensure an adequate audit trail of all funds collected by the district.

Purchasing

Activity Account purchases shall be handled in the same manner as other purchases made from other funds in the district. A requisition shall be submitted thorough the automated purchasing system and approved by the appropriate principal and other administrators as required. **No cash purchases shall be made from money collected from fund raising or other sources – all funds collected shall be deposited in the bank and all purchases shall be made through the purchase order system.**

Fundraisers

Fundraising activities by student groups and/or for school sponsored projects, including QUEST, shall be allowed, with prior administrative approval and under the supervision of the project sponsor. Before any fund raising project begins, the sponsor shall complete a Fundraiser Approval Request form on line and submit it to the principal. That form requires the sponsor to include the specific purpose for each fundraising project and the purpose listed shall not be broad categories such as “travel” or “operating expenses.” The purpose shall be narrow and specific such as “travel for student council president to annual convention.” Once the principal and superintendent approve the project, it is assigned a fundraiser project number and that is when the project can start.

All fund raisers that are planned for the year shall be submitted by October 1 each year. Fund raiser requests submitted after that date will be denied.

Generation of student activity funds shall not in any way compete with the National School Lunch Program (NSLP). All fund raisers requests will be

reviewed by the Food Service Director to insure that any food sales comply with applicable laws and regulations.

Student participation in approved fund-raising activities shall not interfere with the regular instructional program, with the exception of activities to raise funds for QUEST. Students may pay a dollar for extra privileges such as wearing funny hats or pajamas, having a longer lunch, etc.

At the conclusion of all fundraisers, the Club Sponsor shall complete a Fundraiser Profit & Loss Statement and submit to the Campus Principal for approval. Approved reports shall be forwarded to the Business Office.

All fundraising documentation shall be subject to audit and must be kept on file for five (5) years from the date of the fundraising event.

Student clubs and campuses shall be limited to two fundraisers per year. Approved student fund raising events shall be limited to two weeks (14 calendar days) per event and the same fund raising event shall be limited to one time per semester. Concession sales at athletic events and pay-to-play days (such as hat day, pajama day, etc.) are not counted toward the limit of 2 fund raisers per year and they may run in excess of 14 calendar days. **Pay-to-play days cannot be used by student clubs as a fund raiser.** Only the principal has the authority to conduct pay-to-play days for the campus activity fund or QUEST.

Student club membership fees and the sale of products (such as shirts) to club members at cost with no profit are not considered fund raisers. Admission to events such as dances, recitals, and musicals are not considered fund raisers provided the fees are set at a level to cover expenses of the event.

QUEST

Fund raising for QUEST is a district wide effort to support the Dumas Education Foundation in their effort to help students pay for postsecondary training and as such, special exceptions apply. This is the only time that students can be asked to donate money to a cause. QUEST fund raising can occur during the school day unlike other fund raisers which cannot interrupt the instructional time of students.

Individual Student Accounts

Money raised by student clubs shall be used to benefit the group as a whole rather than being credited to student individual accounts. According to the IRS Publication 557, if individual accounts are used to accumulate fundraising profits for individuals, then a) the money becomes taxable to the student; and b) the people who donate in good faith are not allowed to deduct their contributions.

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

Invoices

Vendors are required to submit all invoices to the business office, yet occasionally an invoice will be mailed directly to a campus or department. If any invoices are received at a campus or department, the invoice(s) must be signed (if the goods/services were received) and forwarded to the business office for payment.

Texas law, Texas Prompt Payment Act, requires that all invoices be paid to vendors within 30 days of receipt of the goods/services and/or the invoice, whichever is later. If the business office fails to pay promptly, the vendor can assess penalty interest charges. **If a staff member directly receives an invoice and/or packing list and neglects to submit on a timely basis, he/she may be held personally liable for the penalty interest charges.**

The business office issues invoices for reimbursement requests from outside entities as needed. The invoices are tracked so that funds are collected on a timely basis. A sample invoice is attached.

Payroll Expenditures from Activity Funds

All Dumas ISD employees shall be paid for all work performed through the payroll system. At no time shall a district employee be paid directly from an activity account, or with cash. Activity funds shall not be used to pay district staff directly and/or reimburse payroll expenditures.

Raffles

School districts are not allowed to conduct raffles. Attorney General Opinion JM-1176 ruled that independent school districts are not qualified to hold

charitable raffles. An unauthorized raffle is considered gambling under the Texas Penal Code – Class C Misdemeanor. This prohibition extends to student clubs and other campus organizations.

Roles and Responsibilities

Club Sponsor

- Attends annual training
- Maintains records
- Delivers collected funds to office on a daily basis
- Submits Fundraiser Approval Request forms as required
- Completes a Fund Raiser Profit/Loss Report for every fundraiser
- Reconciles the activity account to finance reports monthly

Cash Clerk

- Monitors approved fundraising activities and submission of funds
- Receives, counts, receipts, and deposits all funds
- Assists sponsors
- Informs Principal of problems and concerns

Campus Principal [Ultimate responsibility for Activity Funds]

- Approval of all campus and student activity fund transactions
- Safekeeping of money on campus
- Proper accounting and administration of all activity funds
- Approval of disbursements in accordance with policy and regulation

Transfers between Activity Accounts

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

If a student club or organization ceases operation, any unexpended balance in the activity account shall be transferred to the General Fund and credited to miscellaneous revenue.

Sales Tax

Public schools are exempt from paying the state sales and use tax. Therefore, public schools do not pay sales tax on items purchased for their own use. However, exemption from paying sales tax does not relieve public schools from the obligation to collect sales tax on taxable sales. In most cases when a school or school organization sells items to individuals which become the property of the individual, sales tax must be collected. Some items are specifically exempt from sales tax and there are some cases when sales which would ordinarily be taxable are exempt. These are discussed in more detail below.

Public schools and school related organizations must collect sales tax on all sales which are not specifically exempt. For example, sales tax must be collected on the following:

- School purchased supplies sold directly to students including athletic equipment, uniforms, t-shirts, jackets
- Fees for materials when the end product becomes a possession of the student
- Student publications such as yearbooks and football programs
- Items such as pencils, cups, gift wrap, candles, etc. sold through fund raisers
- Books sold to student at book fairs

Public schools and school related organizations are NOT required to collect sales tax on the following items:

- Admission tickets to sporting events and drama or musical performances by students
- Student club memberships
- Sales of food and soft drinks that are served or sold by a student club during a regular school day

Remember that the items listed above are for illustration only and are not all inclusive of taxable and non-taxable items.

Each school and each school related organization may conduct two one-day tax-free sales each calendar year. One-day tax-free sales mean that collection and remittance of state sales tax on items that would otherwise be taxable is not required on qualified sales on that day. The delivery of yearbooks to students on a single day qualifies a yearbook sale as a one-day sale tax-free sale even though the yearbooks were sold over a longer period. This rule can be applied to other fund raisers when the delivery is made to the purchasers on a single day.

Book fairs or catalog sales of tangible items usually do not qualify as one-day tax-free sales because the school organization is not actually the seller. The school organization is only acting as an agent for the vendor. The sale of items received from a vendor in which the school organization and the vendor have an agreement the vendor will take back any unsold items, would generally not qualify as a tax-free sale because the vendor is not an exempt organization.

For additional information on sales tax, please see the Sales and Use Tax Bulletin – School Fundraisers and Texas Sales Tax that is issued by the Texas Comptroller of Public Accounts.

Dumas ISD Fundraiser Profit & Loss Report

Campus _____
 Organization _____
 Sponsor _____
 Fund Raiser Number _____

Deposits:	Amount	Date
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Total _____

Expenses:	Amount	Payee
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Total _____

Profit (Loss) _____

 Sponsor's Signature

 Principal's Signature