

SONORA ISD

# Student Activity 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 may be available within the district’s Board Policies or other resources.

HB 3646, 81<sup>st</sup> Regular Legislative session, required school districts to adopt a policy governing the expenditure of local funds from vending machines, rentals, gate receipts or other local sources of revenue over which the district has direct control. The policy must require discretionary expenditures of local funds to be related to the district’s educational purpose and provide a commensurate benefit to the district or its students and meet the standards of Section 52, Article III of the Texas Constitution regarding expenditure of public funds. The Sonora ISD School Board of Trustees adopted policy CFD Local in response to the legislative change.

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

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

If assistance is needed in any area of our business operation, please contact either

Diane Jacoby	Business Manager	Extension 3002
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### Activity Funds (Campus)—Fund 461

Campus activity funds (under the control of the principal) shall be collected, receipted and deposited to the district’s Business Office on a daily basis. Refer to cash/check handling procedures.

Campus activity funds are primarily used to benefit students. Typical uses include field trip fees, awards, incentives, etc. These funds shall not be used for “gifts” to students and/or staff. Budgeted funds shall not be used to generate activity funds, nor shall staff (administrative/support) earn wages while generating activity funds. Giving of staff time to generate activity funds shall be voluntary.

Generating activity funds shall not in any way compete with the district’s National School Lunch Program (NSLP). 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.

### Activity Accounts (Student Organizations)—Fund 865

Student activity funds (under the control of the principal) shall be collected, receipted and deposited to the district’s Business Office on a daily basis. All monies collected should be receipted in a receipt book (bound and pre-numbered receipts) or on the Fundraising Collections Record form.

Student activity funds shall be used exclusively for the benefit of students. Typical uses include travel, awards, banquets, supplies, etc. These funds shall be used at the discretion of the student organization through designation of one or more of its officers. 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 Application should be submitted to the campus principal in advance of the scheduled activity. In addition, at the end of the fundraising activity, a profit/loss statement should be filed with the principal who shall forward a copy to the Business Office. Activity funds shall be audited and must adhere to accepted business practices.

To establish an activity account, an organization should have approval of campus principal and superintendent and elect officers. Students shall make decisions regarding the expenditure of club funds. The club minutes shall support all expenditures. The assigned organization sponsor (professional staff member) shall be responsible for the proper management of the student activity accounts. Annual training will be provided to assist the organizations' sponsors in managing their respective student activity account(s).

Since Student Activity Accounts are trust funds that the campus manages on behalf of the students, accountability for these funds is extremely high. All Activity Account records must be maintained for a period of seven (7) 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. New receipt books shall be issued to staff members for each fiscal year.

## **Cash Management**

All cash and checks shall be deposited to the district's Business Office on a daily basis. No post-dated checks will be accepted. Funds should not be kept in classrooms, personal wallets or purses or at home for extended periods of time. No cash purchases should be made—every dollar collected should be receipted and deposited to the Business Office. A Student Activity Deposit Form should be included with all deposits.

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 (white top copy)
- Yearbook Sponsor submits a Student Activity Deposit Form to the District Accountant
- District Accountant issues a receipt to sponsor
- District Accountant prepares a bank deposit slip for delivery to the bank and forwards supporting receipts to the Business Manager
- Deposit is delivered to the bank and the validation receipt is returned to the Business Manager
- Business Manager posts the deposit to the appropriate account (Yearbook account)

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:

- An official receipt book with pre-numbered, bound duplicate receipts shall be used
- Receipts should 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

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

[\*\*Fundraising Application\*\*](#)

[\*\*Fundraising Collection Form\*\*](#)

[\*\*Fundraiser Profit Loss Statement\*\*](#)

[\*\*Student Activity Deposit Form\*\*](#)

[\*\*Campus Activity Deposit Form\*\*](#)

[\*\*Fundraising Merchandise Distribution Record\*\*](#)

## **Check Processing**

Business Office checks will be printed and released on a weekly basis. Generally checks will be generated on Thursday afternoons. At times checks may be processed earlier or later, due to holidays, staff work schedules or unforeseen events. All Activity Account check requests shall be approved by the appropriate principal or administrator and input into the requisition system. Related invoices must be submitted to the Accountant by 12:00 noon on Tuesdays, including all documentation and the related purchase order number. Requests received after this time will be processed the following week. Check requests without all of the supporting documentation will not be accepted, nor processed. The Business Office shall determine the date that vendors will be paid, so employees should not make prior commitments to vendors about check disbursements.

State law requires that the district pay all invoices within 30 days to avoid penalty and interest charges, so all invoices should be submitted to the Accountant on a timely basis for payment.

## **Credit Cards**

The district utilizes a credit card for purchases which may not otherwise be charged. All credit receipts (detailed, itemized) shall be submitted to the Campus Secretary within 5 days of purchase to ensure prompt payment to the vendor. If receipts are not submitted on a timely basis, these charges will be posted to the campus activity account until supporting documentation is received. District credit card usage may be suspended and/or revoked if receipts are not submitted on a timely basis.

## **Fiscal Year**

The fiscal year begins on September 1<sup>st</sup> and ends on August 31<sup>st</sup>. All goods and/or services received and invoiced during these dates must be paid from current fiscal year funds.

### **Fixed Assets and Inventory**

All fixed assets and inventory (equipment) purchased with Campus or Student Activity funds become the property of Sonora ISD. All assets and inventory shall be tagged and tracked in accordance with the district's fixed asset procedures.

### **Fundraisers**

Fundraising activities by student groups and/or for school sponsored projects shall be allowed, with prior administration approval and under the supervision of the project sponsor, for students in all grades.

All fundraising projects shall be subject to the approval of the Campus Principal and Superintendent. The Fundraising Application form shall be completed by the Club Sponsor and submitted to the Campus Principal for approval. The secretary shall keep a copy of all approved fundraiser forms to ensure that funds are deposited on a timely basis.

Student participation in approved fundraising activities shall not interfere with the regular instructional program (see Board Policy FJ (Local)).

Merchandise ordered for resale should be distributed to students on a written distribution log (see Fundraising Merchandise Distribution Record). The merchandise distribution record should reconcile with the corresponding invoice and/or packing list.

At the conclusion of all fundraisers, the Club Sponsor shall complete a Fundraiser Profit/Loss Statement and submit it to the Campus Principal for approval. The Campus Principal shall forward a copy of the Profit/Loss Statement to the Business Office.

All fundraising documentation shall be subject to audit and must be kept on file for seven (7) years from the date of the fundraising event.

### **Gift Cards**

District funds shall not be used to purchase gift cards. Gift cards shall not be issued to staff without prior approval from the Business Manager. Gift cards, in any amount, are taxable to the employee and must be processed through the employee's paycheck.

Gift cards donated to the district by outside sources are also taxable to the employee according to IRS regulations.

### **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 the campus or department, they should be signed (if the goods/services were received) and forwarded to the Campus Secretary for processing.

Texas law requires that all invoices be paid to vendors within 30 days of receipt of the goods/services. If the district fails to pay promptly, the vendor can assess penalty and interest charges. If a staff member neglects to submit an invoice on a timely basis, he/she may be held personally liable for the penalty and interest charges.

## **Payroll Expenditures from Activity Funds**

All Sonora 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.

## **Purchase Requisition and Order Forms**

A purchase order form is used to purchase supplies, equipment, or services from an external vendor. Requisition forms should be created by the requesting sponsor and submitted to the Campus Secretary who inputs the requisition into the TXEIS system for approval and subsequent issuance of a purchase order. Budget codes must be noted on all requisitions.

After the requisitions pass all electronic approval paths, the purchase order form is automatically numbered for audit tracking purposes. No employee shall order or receive goods without an approved purchase order. A system requisition cannot be used to place an order. According to Board Policy CH (Local), employees who violate the district purchasing procedures shall be held personally liable for the debt incurred.

### **[Requisition Form](#)**

## **Purchasing Laws**

The Texas Education Code (TEC) addresses the requirement to competitively bid purchases that exceed \$50,000, in the aggregate, over a 12-month period. Since non-compliance may result in criminal penalties, this requirement will be strictly enforced.

Anticipated purchases, which may exceed these limits, should be brought to the attention of the Business Manager well in advance of the need for the goods or services. The bidding process may take approximately two to three months, from bid specification development to School Board approval.

Good practice recommends a minimum of three quotes for all individual purchases exceeding \$10,000; the written (faxed or emailed) quotes should be attached to the purchase requisition.

### **Returned Checks**

All returned checks shall be deducted from the appropriate account balance until the outstanding amounts have been collected from the payee. To minimize returned checks, all checks accepted must have proper identification.

Makers of returned checks will be charged a return check fee if the bank charges a fee. The district shall reserve the right to reject future checks from makers of returned checks.

### **Roles and Responsibilities—Club Sponsor**

- Attends annual training
- Maintains records
- Deposit funds collected daily
- Submits Fundraiser Application forms as required
- Completes a Fundraiser Profit/Loss Report
- Reconciles account to reports monthly

### **Roles and Responsibilities—Campus Secretary**

- Monitors approved fundraising activities and submission of funds
- Assists sponsors
- Informs Principal of problems and concerns

### **Roles and Responsibilities—Campus Principal**

- ULTIMATE responsibility for:
- SAF & CAF funds and transactions
- Safekeeping money
- Proper accounting and administration
- Approval of disbursements in accordance with procedures manual.

### **Sales Tax Exemption Form**

The sales tax exemption form shall be used for school-related purchases only. Misuse of the exemption form for personal purchases constitutes a misdemeanor.

Copies of the exemption form may be obtained from the Business Office or via the web link below. Taxes, which should have been exempt, will be unauthorized for reimbursement if the exemption form is not presented to the vendor at the time of the purchase.

Purchase of personal items for staff or students are not eligible for the sales tax exemption.

[\*Sales Tax Exempt Form\*](#)

### **Transfers between Activity Accounts**

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

### **Vendors**

The district participates in several cooperative purchasing programs. A list of these programs is available from the Admin Office. Priority should be given to these vendors since the goods and/or services have been subjected to the rigor of a competitive bid process.

Requests to add new vendors shall be accompanied by the vendor name, address and phone numbers.