

San Angelo ISD

SCHOOL ACTIVITY FUND ESSENTIALS

May 2015

PREFACE

This manual is designed to provide a set of standardized accounting guidelines and procedures for the administration of the San Angelo Independent School District Activity Funds.

Principals, financial secretaries, campus clerks, sponsors and other personnel involved in the handling of Activity Funds are responsible for following the guidelines and procedures prescribed in this manual.

This manual supersedes all prior publications regulating the administration of Activity Funds.

The campus principal shoulders the full responsibility for the proper administration and maintenance of his/her campus activity funds. While the faculty sponsor(s) of a student group are responsible for maintaining adequate financial records as evidence of proper custodianship of money received by and disbursed from club accounts, the principal is ultimately responsible for assuring procedures, guidelines, and laws are followed.

The purpose for the collecting or raising and expending of funds by student groups is for the direct benefit of the students and/or their campus. Funds are to be used to finance activities that supplement the District's educational program as designated in the S.A.F.E. Manual. Fundraising activities will contribute to the educational experience of students and will not conflict with the instructional program as outlined in board policy.

I hereby acknowledge that I have read the San Angelo Independent School District Student Activity Fund Essentials and that I am responsible for complying with it. In particular, I acknowledge that I will be held responsible for all campus and student activity funds entrusted to me. Violations committed through willful neglect, irresponsibility, or fraudulent actions shall be dealt with through the appropriate board policies and district employment practices.

Principal Signature

Date

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I. ALL CAMPUSES (Sections 1-5)

SECTION 1 GENERAL INFORMATION

1.1 PURPOSE OF ACTIVITY FUNDS

The Student/Faculty Activity Fund (SAF) is designed to account for funds held by a school in a trustee capacity or as an agent for students, clubs, or organizations of the school. These are funds collected by a student or staff groups for a particular purpose. They are reported as an agency fund in the District's financial statements. The campus records only the liability to the student or staff group for those funds held in trust. Examples of type of fund would be Student Council Funds, or Faculty-Hospitality/Condolence Funds. Faculty Funds are defined as funds generated solely by and for the use of the school faculty, to be utilized and expended at their own discretion. The school faculty may contribute these funds. Vending Machines accessible only to staff would also be an allowable source of revenue for Staff Hospitality/Condolence Funds. All expenditures for hospitality/condolence that is for the sole benefit of an individual faculty member shall be paid out of the Faculty Funds.

The Campus Activity Fund (CAF) is composed of various non-tax generated local monies coming in to the school or raised at the campus level from various sources, such as campus vending machines, assemblies, picture sales, school wide sales, donations to the campus, and various fees collected at the campus. Fees collected on behalf of the district for district educational program tuition or restitution for damages to property, shall be forwarded to District administration for deposit in the general fund. Textbook fines are held on campus for payment of textbook replacement costs billed by the textbook coordinator, or may be used to purchase books or ancillary materials. Other fees assessed on campus remain in the campus fund. Campus activity funds are reported as revenue and expenditures in a special revenue fund on the District's financial statements. These funds may be used as authorized by the Board of Trustees in Policy CFD local to promote the general welfare of the school and the educational development and morale of all students. Principals must be able to justify expenditures of those funds by answering the following: **Is there a public purpose in the realm of education?**

The following criteria should be upheld for all campus activity fund expenditures:

- The expenditure must serve a public purpose and not a private purpose;
- The expenditure should be for the benefit of all students or to enhance employee morale. Equity does not mean everyone is doing the same thing; it means dealing with everyone's needs at the level of their need;
- The campus must perceive that they will receive something of public benefit in exchange for the expenditure;
- The campus must exercise reasonably adequate controls to ensure that the benefit is in fact received; and
- The campus must be able to correlate the expenditure to a legitimate educational purpose.

Section 3.1.3 of the TEA Financial Accountability System Resource Guide (FASRG) states “ethical standards should be incorporated into the foundation of all purchasing functions”. School district personnel should be aware that there are penalties for violations of purchasing laws and ethics which may include criminal prosecution and loss of employment opportunities.”

Campus Activity Funds are public funds according to Texas Education Agency and are subject to Constitutional and statutory controls. Campus funds are subject to all District regulations.

Purchases of a personal nature shall not be commingled with purchases made for District use. Personnel cannot use the District’s tax-exempt status to avoid paying sales tax on personal items. If an employee makes both personal and reimbursable school related purchases during the same visit, the two purchases shall be handled separately and two cash register receipts obtained.

1.2 RESPONSIBILITY FOR ACTIVITY FUNDS

The school principal is responsible for the proper collection, disbursement and control of all activity fund monies. This responsibility includes:

- A. Providing for the safekeeping of monies for deposit to district activity fund account or the Student Funds Account.
- B. Proper accounting and administration of fund transactions.
- C. Expenditure of funds in compliance with applicable state laws, local board policy and administrative guidelines.
- D. Adequate training and supervision of all personnel designated by the principal to administer activity funds. Student groups must have a district employee to serve as a sponsor for fund raising activities. Each sponsor shall be informed of his/her fiscal responsibilities regarding student funds, provided with access to the SAFE manual, and required to sign a Responsibility Statement (SAFE form AD) which is to be kept at the campus and available for audit.

The principal is not **directly** responsible for funds collected, disbursed and controlled by parent or booster organizations. Parent and booster organizations funds are not to be accounted for in the school’s Activity Fund nor shall they be allowed to use the district’s tax identification number.

1.3 AUDIT OF ACTIVITY FUNDS

The district’s independent auditor audits activity funds annually on a test basis. The district comptroller may conduct periodic reviews of transactions and procedural compliance. In addition, an audit may be performed whenever there is a change in principal or financial clerk. The principal may request in writing a special audit if a situation or event warrants it.

1.4 RETENTION OF RECORDS

All records should be kept current and in good order for a period of five years and available for audit at any time.

1.5 APPROPRIATE AND PROHIBITED EXPENDITURES OF CAMPUS ACTIVITY FUNDS

EXAMPLES OF APPROPRIATE EXPENDITURES – (principals should use discretion to assure expenditure serves a public purpose and benefits the school district overall). **Awards and incentive costs should be reasonable and complement the recognition being given.**

- Expenses and purchases related to approved fund raising activities
- Training for staff
- Scholastic magazines and books
- Supplemental classroom instructional needs and general office supplies
- Improvement of campus and site facilities such as plants, bulletin boards, signs and flags
- Tickets for school-related functions when attendance is required by the Principal
- District approved conference attendance and travel costs for employees subject to District policy
- Organizational or institutional memberships for administrators. However if an individual membership is necessary for students to participate in certain activities, then the expenditure is acceptable only if a notation is made to document the necessity
- After hour security or facility maintenance
- School assemblies or field trips
- Student body social functions
- Incentives for student involvement and attendance
- Awards such as plaques, caps, certificates, etc. in recognition of students, staff, or volunteers for services to the school or to SAISD. **Awards should not exceed \$25 per person. Student awards may be regulated in other areas of law or UIL rules and the principal must act accordingly.**
- Supplementing of student organizations' activities
- Incentives designed to enhance employee morale such as meals provided for all staff, light snacks for staff meetings, or small incentives as recognition for attendance, accomplishment, or retirement recognition. **Retirement awards are not to exceed \$100 per employee.**
- Meal costs should not exceed district per diem per employee. Current per diem amounts are breakfast-\$9, lunch-\$12, and dinner-\$15. The request form should state the purpose of the gathering as well as include the number of meals purchased.

PROHIBITED EXPENDITURES

- Any expense prohibited by federal or state law, TEA, U.I.L., Board policy, or SAISD regulations
- Any expense that appears to benefit private individuals or entities in ways so out of proportion to the overall public benefit that they amount to a virtual donation
- Alcoholic beverages, tobacco products, controlled substances, firearms, and other weapons.
- Extravagant or high priced awards.

- Purchase of a gift for any person or organization other than those permitted to enhance employee morale as noted above.
- Payment of an individual's personal bills
- Donations to individuals, organizations, or scholarship funds [proceeds of an authorized fund raiser specifically for that purpose should be accounted for under the student group (trust and agency) fund]. Central and Lake View High Schools are permitted to award scholarships from proceeds of cell phone fines as directed by Site Based Committee recommendation and campus-established parameters.
- Loans to employees, parents, or students for any reason
- Reimbursement for luncheons or dinners while attending civic organization's meetings
- Payment for professional organization liability insurance on any individual
- Fund raising dinner tickets
- Payment of expenses of spouses or other non-employees
- Extra compensation or bonuses to employees in the form of cash or gifts. (See procedures outlined for request for after hours pay through the normal payroll process)
- Replacement of an individual's property that was lost, stolen, or damaged on the school or district's premises or while being used at a school or district function. If a circumstance bears consideration due to district custody or responsibility seek approval from the Finance Department.

SECTION 2 FUND RAISING ACTIVITIES

2.1 AUTHORIZATION FOR FUND-RAISERS

A fund-raising activity may be defined as any activity involving participation of a student body or a school-recognized student group undertaken for the purpose of deriving funds for a school or a school-sponsored group.

Fund-raisers are held only to raise funds for the benefit of the student body or an individual student group and are governed by District Policy FJ (Legal) and FJ (Local).

REQUESTS FOR FUND-RAISING ACTIVITIES

Teachers or sponsors must secure approval of fund-raising activities prior to making any commitments to stakeholders. Materials or merchandise for a fund-raising project may not be ordered without prior approval from the campus principal or designee.

Approved fund-raising projects will be placed on the Campus activity calendars.

The campus principal has full authority to limit the number and types of fund-raising activities for each organization.

SOLICITING FUNDS FROM STUDENTS

The following rules will govern collections and sales in the schools:

1. No collection of funds for any purpose may be taken from students unless authorized by the principal or designee.
2. Collection of items, such as clothing or food for distribution at holidays, may be made only upon written approval of the campus principal.
3. Sales, including candy or other articles, for funds to be used by schools or related organizations will not be made in the school or in the name of the school without the approval of the campus principal.

SERVICE PROJECTS

When no solicitation is involved and class time is not interrupted, an organization may have an unlimited number of service projects.

CHARITABLE RAFFLES

The District is not a "qualified nonprofit organization" for purposes of the Charitable Raffle Enabling Act and shall not sponsor or conduct raffles, i.e., award one or more prizes by chance at a single occasion among a pool or group of persons who have paid or promised a thing of value for a ticket that represents a chance to win a prize. Occupations Code 2002.001 et seq.; Atty. Gen. Op. JM-1176 (1990) [See also GE]

All collections and disbursements associated with any fund-raising activity coordinated by the school or a school-recognized student group shall be transacted through the appropriate Activity Fund. Activities of Bona Fide student groups or faculty groups will be transacted through the Student Activity Fund.

RELATIONS WITH PARENT ORGANIZATIONS

PTA/PTO/Booster Clubs	<p>Parent organizations and booster clubs may be formed (with the approval of the campus principal) to promote the school program or to complement a particular student group or activity.</p> <p>Such organizations must agree to abide by all applicable UIL, District, and campus rules.</p>
LIAISON	<p>The faculty sponsor of a student group will serve as the liaison between any organization formed in connection with that student group and the District. If no specific student group is involved, the principal will serve as the liaison.</p> <p>A current list of officers of each organization will be kept on file in the principal's office of the school involved.</p>
OPERATIONS	<p>District and campus organization booster clubs will:</p> <ol style="list-style-type: none"> 1. Be voluntary and support student activities of the school. 2. Use school facilities only with the prior approval by the campus principal or designee. 3. Not attempt to influence District employees in the administration of duties. 4. Comply with administrative regulations, Board policy, and any applicable UIL rules when offering money or gifts to the District. [See CDC] 5. Pay all taxes and other debts incurred by the organization. 6. Assume liability for any and all personal injuries or property damage arising from their activities.
CHARITABLE RAFFLES	<p>A "qualified nonprofit organization" for purposes of the Charitable Raffle Enabling Act may conduct raffles in accordance with the Act to benefit the District or school. A parent-teacher organization may be qualified to hold such raffles if it meets the requirements of the Act. <i>Occupations Code 2002.003, 2002.051; Atty. Gen. Op. JM-1176 (1990)</i> [See also FJ]</p>
U.I.L.	<p>Booster Clubs should reference the U.I.L. web site for guidelines and regulations regarding limitations and guidelines for operating.</p>

SECTION 3 SALES TAX

3.1 PAYING SALES TAX

Public schools are exempt from paying the state sales and use tax when purchasing items used in providing education. The school should provide a vendor with a Texas Sales Tax Exemption Certificate if it is requested.

Purchases made by individuals for their own use are not tax exempt even though they are related to the school or a school function. For example, cheerleader uniforms, athletic jackets, and school shirts which become personal property of students or staff members are not exempt from sales tax.

3.2 COLLECTING SALES TAX

Public schools and school-related organizations must collect sales tax on all sales that are not specifically exempt. For example, sales tax must be collected on the following (subject to one-day tax free exemption):

- A. School-purchased supplies sold directly to students including athletic equipment and PE uniforms
- B. Pencils and items sold in the school store
- C. Fees for materials when the end product becomes a possession of the student
- D. Student publications such as yearbook and football programs
- E. School rings
- F. Books sold to students at book fairs

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

- A. Admission tickets if the event is entirely for educational purposes including interscholastic athletic events
- B. Student club memberships
- C. Sales of food and soft drinks that are
 - Sold or served during the regular school day
 - Sold or served by a parent-teacher association during a fundraising sale, when the proceeds do not benefit an individual
 - Sold by a person under 19 years of age who is a member of an organization devoted to the exclusive purpose of education, and groups associated with public or private elementary or secondary schools as a part of a fundraising drive sponsored by the organization for its exclusive use.
- D. Newspapers whose sales price per copy does not exceed \$ 1.50 ; that are printed and distributed periodically at intervals of four weeks or less; for the dissemination of news of a general character and of a general interest.

3.3 ONE-DAY TAX-FREE SALES

Each school in the District, each organization within that school, and each outside organization affiliated with that school are allowed to have two one-day tax-free sales during a calendar year. One-day tax-free sales mean that collection and remittance of state sales taxes 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 tax-free sale even though the yearbooks were sold over a longer period. This rule can be applied to other fundraisers when the delivery is made to the students on a single day.

Book fairs do not generally qualify as a tax-free event because the school is selling books on consignment for a vendor, not a tax-exempt organization.

The tax-free status of a one-day tax-free fundraiser must be designated on the Application for Fundraiser form and approved in advance by the principal.

3.4 REPORTING SALES TAX

Each organization, class or club will indicate on the Sponsor Deposit Slip whether the proceeds of a sale are taxable or nontaxable.

The bookkeeper will generate a quarterly sales tax report of taxable and nontaxable sales and complete the Combination Sales Tax Report. The report and sales tax due will be sent to the SAISD Finance Department. The sales tax due from elementary campuses will be charged to the campus accounts that collected sales tax.

TOLL FREE NUMBERS

The State Comptroller's office maintains a toll-free tax information number for quick response to any state tax questions you may have. You can reach the Comptroller's Office from anywhere in Texas by dialing: 1-800-252-5555.

3.5 SCHOOL SPONSORED TRIPS

Meals purchased by the school for athletic teams, bands, etc. on authorized school trips are exempt from the sales tax if the school contracts for meals. The school must pay for the meals and provide the eating establishment with an exemption certificate.

Individual members of the athletic team, band, etc. may not claim exemption from the sales tax on the meals they purchase while on a school-authorized trip.

An exemption may also be claimed by the school from the Hotel Occupancy Tax if the school contracts and pays for the accommodations and provides the hotel with a completed Hotel Occupancy Tax Exemption Certificate .

SECTION 4 RETURNED CHECKS AND REDEPOSITS

4.1 RETURNED CHECKS

Occasionally, the bank will return a check, which had been previously deposited. A check may be returned for improper signature, insufficient funds, or account closed. The District has contracted with a collection agency to handle returned checks for all of the District's checking accounts.

When a check is returned to the bank it is automatically sent to the collection agency. The agency pays the district the face amount ("purchases") any checks for up to \$50.00 if they have the proper identification required for collection. When a check is returned, the general ledger cash balance is credited (reduced) and a receivable from the collection agency is debited. When the agency purchases or remits the collected amount of the check the receivable is credited and the cash account is debited with the deposit of the agency payment.

When the agency collects a check there is a \$25.00 fee is collected from the check writer. A portion of the fee collected (\$5.00) is rebated to the District. Rebates collected become revenue to the campus activity fund that deposited the check.

The check collection agency and city law enforcement officials are asking for proper identification to aid in collection and prosecution:

- A. Must be first time deposited
- B. Name and address must be pre-printed on the check (i.e. no temporary checks)
- C. Home telephone number and daytime phone number written on check
- D. Driver's license number written, not pre-printed on the check (assures that it was examined)
- E. Date of Birth written on the check.

The use of proper identification on each check deposited helps assure that the activity funds will not lose the amount of any check for up to \$50.00.

SECTION 5 INVENTORY ASSETS

Inventory assets are purchased or donated items that are tangible in nature, have a life longer than two years, have a unit value of \$500.00 or more, and/or may be reasonably identified and controlled through a physical inventory system. Electronic items such as cameras should be included in the inventory as well.

5.1 PURCHASE FROM ACTIVITY FUNDS

Activity fund purchases of inventory assets are required to be added to the campus inventory. For elementary activity fund requisitions inventory items should be requisitioned as a separate line item to enable the purchasing department to recognize them and add them to the campus inventory. Secondary campuses should notify the inventory clerk (Purchasing Department) and add inventory assets to their inventory list when purchased.

5.2 DONATIONS

- A. Donated assets as well as all other donations must be submitted to the Board of Trustees for approval by completion of a Donation Form (Appendix Form AC). The Donation Form must be submitted electronically (via e-mail) to the Director of Financial Services.
- B. Donated assets must be added to the campus inventory.

II ELEMENTARY CAMPUSES (Sections 6-12)

SECTION 6 BASIC RECORDS

6.1 ACTIVITY FUND CASH RECEIPTS

Activity Fund Cash Receipts are the means of accurately recording cash received and provide support for each bank deposit. **Beginning in 2005-06**, only **district-issued** pre-numbered cash receipt books are to be used. **In the office**, a written receipt provides auditors a trail to trace cash back to campus deposits.

6.2 BANK DEPOSIT SLIPS

Deposit slips, once validated by the bank, serve as a record for the specific date that receipts were credited for the bank account. Three part deposit slips are obtained from the bank and will reference the campus in addition to the District activity fund cash account in the MICR code.

6.3 DEPOSIT SUMMARY (appendix EA)

The form summarizes receipts and deposits for posting to the general ledger.

6.4 PURCHASE REQUISITION

On-line request for expenditure of funds accessed through Pentamation Purchasing Module

6.5 PRE-NUMBERED CHECKS

Pre-numbered checks will be used to disburse all funds from the Activity Fund checking accounts. Checks will be issued weekly by financial services under the normal purchasing procedures for campus activity funds. The petty cash reimbursement check will be issued monthly to the campus principal.

6.6 PETTY CASH VOUCHER (appendix EB)

Form used to describe and indicate account coding for a single petty cash disbursement.

6.7 PETTY CASH RECONCILIATION (appendix EC)

Form used to request reimbursement of petty cash to the campus. It must be accompanied by vouchers and supporting documentation and submitted monthly to Financial Services.

6.8 MONTHLY BANK STATEMENTS

The bank statement is the official bank record reflecting all transactions affecting the cash balance on deposit during the preceding month. When properly reconciled, the statement serves as official support for the cash balance indicated in the Activity Fund records.

6.9 GENERAL LEDGER - COMPUTER PRINTOUTS

The General Ledger for Elementary Campus and Student Activity Funds is maintained on the District's central computer system (i.e. Pentamation Financial System) The General Ledger summarizes all transactions of the Activity Fund during the month. Reports may be generated at the campus at any time. See appendix EE for a listing of general ledger fund codes for each campus.

SECTION 7 BANKING PRACTICES AND PROCEDURES

7.1 BANK ACCOUNTS

The elementary campus activity funds and elementary student/faculty funds shall be maintained in a district wide account at the District's depository bank. All monies received will be deposited into this account using a deposit slip that references the campus making the deposit. Disbursements will be made by a check issued by the District's requisition/payment procedure. Emergency expenditures may be made from Activity Fund petty cash when necessary. Only activity fund transactions may be directed through the activity fund bank accounts. Transactions controlled by outside organizations such as the PTA or booster clubs, must be handled through these groups' own bank account. Such outside group accounts are not authorized to use the District tax ID number.

7.2 CHECK SIGNATURE

The Elementary Campus Activity Fund checks issued by Financial Services shall have two authorized check signers, those authorized for all district accounts. Check signature is a part of the Financial Services payment process.

7.3 BANK RECONCILIATION

The Campus Activity Fund bank account will be reconciled monthly by the Financial Services department. Campus administration will be able to determine the activity fund cash balance by query of the Pentamation general ledger using the appropriate campus cash account code. Note: There is no encumbrance of the cash balance so the ledger will reflect payments made but not items requisitioned but not yet paid. Campus clerks should keep a cash balance list to reflect the reduction in cash as items are requisitioned. See appendix ED for an example form.

7.4 INVESTMENTS

- A. The Principal is responsible for managing campus and student activity funds. The Principal may ask the District Cash Manager to invest the funds in the District's interest-bearing accounts. The Principal must monitor the checking account cash balance to assure that cash is available for purchases when requisitions are submitted.
- B. Earnings on the invested Student Group funds may be allocated back to the student groups or transferred to the Campus's Activity Fund as campus revenue at the discretion of the campus principal. Financial Services will transfer the interest revenue as directed by the Principal.

SECTION 8 ISSUING RECEIPTS

8.1 GENERAL RECEIPTING PROCEDURES

On all campuses there shall be cash receipt books for the campus and student activity funds. **Beginning in 2005-06, only district-issued pre-numbered cash receipt books are to be used.**

GUIDELINES	The following guidelines apply to the handling of cash: <ol style="list-style-type: none"> 1. The S.A.F.E manual details procedures to follow in handling cash. The principal of each campus is responsible for implementing procedures for the proper handling of cash. 2. An audit trail will be established at the campus level to clearly indicate the source of funds received. 3. Procedural Controls should be in place to ensure timely collection and deposit of all receipts (preferably daily).
RECEIPTS / DEPOSIT SLIPS	A receipt should be issued each time funds change hands from the club, group, or sponsor to the campus office and/or from the campus to the district's business office.
AUDIT	All monies are subject to audit by authorized personnel designated by the Board.

- A. The person receiving money (normally the campus clerk) prepares a receipt (in triplicate) for all cash collected.
- B. The receipt forms will be used as follows:
 1. Original (white) to person submitting the money.
 2. Posting copy (yellow) attach to pink copy of deposit slip for forward along with a deposit summary to financial services department.
 3. Permanent copy (pink) retained in the receipt book.
- C. The receipt must be completed in its entirety, including:
 1. Date and amount
 2. The individual, firm or student group submitting the money.
 3. An explanation of the purpose for which the money was received

4. The signature of the person receiving the money. The signature must be manual; signature stamps should not be used.
- D. An actual cash count should be made by the person signing the receipt in the presence of the person turning in the money, whenever possible.
 - E. Post-dated checks cannot be accepted from any source.
 - F. Under no circumstances shall a cash receipt be altered. If an error occurs, VOID the original receipt and all duplicates and issue a new receipt. The original of the voided receipt must be attached to the copies and retained with the receipt book copy for audit purposes.

SECTION 9 DEPOSIT OF FUNDS

9.1 GENERAL OPERATING PROCEDURES-DEPOSITS

- A. Personal and/or payroll checks shall not be cashed with activity monies.
- B. Procedural Controls should be in place to ensure timely collection and deposit of all receipts (preferably daily).
- C. All checks held for deposit shall be endorsed as follows:
 - Campus Funds:
 - For Deposit Only
 - San Angelo ISD Campus Activity Fund
 - Account Number
 - Student Group Funds:
 - For Deposit Only
 - Campus Name Student Activity Fund
 - Account Number

It is recommended that all checks be endorsed at the time they are receipted or accepted.

- D. Re-deposits of returned checks from the collection agency should be deposited separate from other funds collected.
- E. All monies on hand at the end of the school year, including petty cash (identified as such), must be deposited at the end of the school year.
- F. **The district provides daily, armored security deposit pick-up for each campus. Campuses are strongly encouraged to use the service except in unusual circumstances. District staff is available to aid in implementation, if needed.**

9.2 PROCEDURES FOR PREPARATION OF BANK DEPOSITS

- A. A bank deposit slip shall be prepared in triplicate and shall include the following:
 - 1. The date and amount of the deposit
 - 2. The source/purpose of the deposit (amount of each if more than one).

A tape of checks deposited will aid the bank during this process

- B. All cash receipts supporting cash deposits **should** be deposited in numerical sequence. **It is recommended** that a ***deposit summary report (appendix EA)*** be prepared that references the deposit slip, its supporting receipt numbers, and tabulation sheets, when applicable. A copy of the deposit summary is forwarded to accounting when the deposit is made to the bank. The sum of the amounts of the supporting cash receipts must agree with the amount of the deposit slip.
- C. The original copy of the deposit slip is retained by the bank. The yellow duplicate copy is validated by the bank and returned at the time of the deposit. The campus clerk should verify the validated amount.

SECTION 10 PURCHASES FROM ACTIVITY FUNDS

10.1 GENERAL PROCEDURES-PURCHASES

- A. The school principal is fully responsible for all purchases and commitments requiring the present or future disbursement of Activity Fund monies. Teachers should not make purchases and then request reimbursement from the campus activity fund.
- B. No purchases shall be made unless sufficient funds are available in the proper Activity Fund Account
- C. SAISD purchasing policies and procedures must be followed when making purchases through the Campus Activity Funds. Refer to SAISD Purchasing Procedures for information. Upon request the SAISD Purchasing Department will assist in quote, bid and contracting processes by:
 - 1. Supplying information on existing contracts.
 - 2. Publishing, receiving and tabulating quotes and bids for review and recommendation of the budget manager.

10.2 REQUISITION- ELEMENTARY CAMPUS FUNDS

- A. Campus personnel will follow the normal purchasing procedures by requesting the purchase (through the Pentamation requisition system) from the applicable activity fund budget code. Occasional emergency expenditures may be made from petty cash. Petty cash expenditures should not exceed \$100.00 per purchase unless approved by Financial Services. Section 11 details the petty cash procedures. A listing of budget codes is provided at **Appendix EE**.
- B. The Principal shall not approve expenditure of funds unless sufficient funds are available in the appropriate activity cash account. No check shall be drawn on any account with a negative balance. Cash balances will be accessible in the Pentamation Financial System.
- C. Elementary Student or Faculty Group monies will be expended through the general purchasing procedures outlined above. A liability account code will be provided for use in the requisition process. A listing of liability account codes is provided at **Appendix EE**.

10.3 SUPPLEMENTAL PAYMENTS TO EMPLOYEES FOR SERVICES

The principal may occasionally compensate District employees for additional services performed. Such auxiliary services are those discharged by the employee in addition to his normal, specified duties and will usually be performed outside of regular work hours. Such payments should not be made directly to the employee. The correct procedures are as follows:

Consult the District Compensation Plan for appropriate pay rate.

For Exempt Employees:

- A. Complete an Billable Time Form –Exempt Employees (SAISD SAFE Form AA-1)
- B. Forward the Billable Time Form to the Payroll Department.
- C. Payment will be made to the employee on their next regular paycheck.
- D. Financial Services will charge the Campus Fund and notify the campus of the amount charged for salary and benefits.

For Non- exempt employees subject to overtime:

- A. Complete a Billable Time Form-Non Exempt Employees (SAISD SAFE Form AA-2)
- B. Indicate the billable services with a shift note in Time Clock Plus.
- C. Payment will be made to the employee on their next regular paycheck.
- D.. Financial services will charge the Campus fund and notify the campus of the amount charged for salary and benefits.

10.4 PAYMENTS TO NON-EMPLOYEES FOR CONTRACTED SERVICES

- A. Payments for services performed by individuals not employed by the District may be made from the Activity Fund. The social security number of the person hired must be provided to obtain a vendor account to allow the business office to handle tax-reporting requirements. The social security number and tax reporting status of the person hired must be provided via IRS form W-9. The W-9 must be provided to the Purchasing Department in order to create a vendor account for payment. Payment to individuals for services with petty cash is prohibited.

SECTION 11 PETTY CASH

11.1 GENERAL POLICIES

- A. A petty cash account will be established for Elementary Campus Activity Funds for the cash purchase of small miscellaneous items whenever time does not permit use of the requisition and purchase order system. Purchases are to be made from approved vendors.
- B. Each petty cash account cannot exceed:
 - Elementary schools-- \$ 200.00
- C. It is the principal's responsibility to ensure the maximum protection of these funds.
- D. Disbursements from petty cash should not exceed \$100 for an individual purchase.
- E. Employee or other checks will not be cashed from petty cash funds.
- F. Request for replenishment to petty cash may be made twice each month by submission of a petty cash reconciliation and all supporting vouchers with invoices and receipts. The request should be submitted to Financial Services by Monday in order to receive a replenishment check in Thursday's accounts payable check run.

11.2 OPERATING PROCEDURES –PETTY CASH

- A. The petty cash account is established at the beginning of each year by issuing a check in the desired amount (not to exceed the maximum stated in Section 11.1) payable to petty cash followed by the name of the Principal. For example: Petty Cash - Jane Doe. The Principal shall then endorse the check and cash it at the bank.
- B. Cash disbursements may be made from the petty cash account not to exceed \$100. Original invoices or other suitable documentation must be obtained for all petty cash expenditures.
- C. Replenishment of the petty cash account may be requested twice each month. A check is written to increase the cash to the amount originally approved and set up.

Example: Actual cash on hand	\$ 90.
Amount to be replenished	<u>110.</u>
Original petty cash amount	\$200.

- D. The original invoices or other suitable documentation supporting the petty cash disbursements (totaling \$110. per the above example) should each be attached to a separate Petty Cash Voucher and the vouchers attached to the Petty Cash Reconciliation form to be completed authorizing the issuance of the check.

- E. When recording the check issued to replenish petty cash in the General Ledger, the proper general ledger account will be charged for the expenditures.
- F. At the close of each school year, the final petty cash request and invoices should be sent to Financial Services. The remaining petty cash on hand should be receipted and deposited into the Activity Fund bank account. The final request and the receipt will be coded to the Petty Cash account returning the account balance to zero. A new petty cash account will be established at the beginning of the next school year.

SECTION 12 CHANGE FUND ACCOUNTS

A school may require a change fund for on-going sales events, such as school stores or fund-raisers. A change fund may be established by contacting Financial Services Department. Only one change fund account per campus will be established. The amount of change will be limited to \$100.00. All change funds shall be recorded as a separate cash account.

The principal may request a change fund by submitting a written (or email) request to Financial Services for the amount requested. Financial Services shall issue a check payable to the Principal from the appropriate Activity fund account and increase the school's change fund ledger account. The principal shall then endorse the check and cash it at the bank.

Each campus is responsible for maintaining their funds in locked bags at all times. When not in use, all change funds will be stored in the vault. Change Funds are to be used **only for making change and the funds are not to be used to reimburse expenditures.**

When the sales event has concluded, a separate receipt is written to the Principal or sponsor for the amount of change and re-deposited into the appropriate Activity Fund account. The school's change fund account is decreased accordingly.

III SECONDARY CAMPUSES (Sections 13-18)

SECTION 13 BASIC RECORDS

Secondary campuses will use QuickBooks software to record all transactions of campus and student activity funds. Separate trial balances will be used to report campus and student funds. Each campus should maintain a monthly reports file consisting of its bank statement, bank reconciliation report, Campus Fund trial balance, and Student Fund trial balance.

The campus is responsible for monthly bank reconciliation in the Quickbooks software. After the bank statement has been reconciled the campus bookkeeper should make certain that the campus and student trial balances are correct. **An electronic copy of the Quickbooks file must be stored on the District W drive and a copy of the bank statement must be forwarded to Financial Services.**

13.1 ACTIVITY FUND CASH RECEIPTS

Activity Fund Cash Receipts are the means of accurately recording cash received and provide support for each bank deposit. Only pre-numbered cash receipt books are to be used. A written receipt must be issued for every receipt of cash.

13.2 BANK DEPOSIT SLIPS

Deposit slips, once validated by the bank, serve as a record for the specific date that receipts were credited for the bank account. Three part deposit slips are obtained from the bank and will reference the campus in addition to the District activity fund cash account in the MICR code.

13.3 REQUEST FOR ACTIVITY FUNDS (APPENDIX SA)

- A. Income received from a specific group (student and faculty) will be expended for that group only. A check request signed by an authorized student representative or the club sponsor must be presented. The principal shall ensure that expenditures from these accounts are written for the intended purpose of the group and not diverted for other uses.
- B. A completed Request for Activity Funds (Appendix SA) shall be the authority for the issuance of an Activity Fund check. It must be submitted to the campus clerk prior to issuance of a check.
- C. A completed Request for Check form shall include:
 1. The payee
 2. Date and amount
 3. A brief description of the reason
 4. Club that is requesting the check if student funds

5. Signature of student representative or faculty sponsor if student funds
 6. Approved signature of the principal or designee
 7. Check number (when approved and issued) and signature or initial of issuer
- D. The Request for Activity Funds form shall be attached to the supporting documentation. After the check is issued the documentation will be kept on file for audit purposes. Proper supporting documentation shall include:
1. Vendors' original invoices. Periodic statements are not adequate supporting documentation.
 2. Sales slip or cash register tapes from club sponsors or members who request reimbursement for items purchased from their own funds. Credit card statements and customer copy of charge slips are not adequate supporting documentation.
 3. Other supporting documentation may include letters, announcements and renewal notices when the vendor does not provide invoices.

SECTION 14 BANKING PRACTICES AND PROCEDURES

14.1 BANK ACCOUNTS

Secondary Campuses may maintain a separate bank account at the District's depository bank to handle campus activity funds and funds of bona fide student groups. The account shall be entitled (Appropriate Campus) Activity Fund.

Only activity fund transactions may be directed through the activity fund bank accounts. Transactions by outside organizations such as the PTA or booster clubs, must be handled through these groups' own bank account. Such outside group accounts are not authorized to use the District tax ID number.

14.2 CHECK SIGNATURE

The (Secondary Campus) Activity Fund bank accounts shall require two signatures one of which shall be the campus principal or his/her designee. The designee must be a vice principal or other professional staff.

14.3 BANK RECONCILIATION

The designated campus clerks will reconcile the Activity Fund bank account monthly by using the QuickBooks software. Copies of bank statements and the QuickBooks backup file containing the reconciliation must be provided monthly to Financial Services.

14.4 INVESTMENTS

- A. The principal is responsible for managing campus and student activity funds. The Principal may ask the District Cash Manager to invest the funds in the District's interest bearing accounts. The principal must monitor the checking account cash balance to assure that cash is available for purchases when requisitions are submitted.
- B. Earnings on the invested Student Group funds may be allocated back to the student groups or transferred to the Campus's Activity Fund as campus revenue at the discretion of the campus principal. Financial Services will transfer the interest revenue as directed by the Principal.

SECTION 15 ISSUING RECEIPTS

15.1 GENERAL RECEIPTING PROCEDURES

Beginning in 2005-06, only district-issued pre-numbered cash receipt books are to be used. A written receipt provides auditors a trail to trace cash back to campus deposits.

GUIDELINES	The following guidelines apply to the handling of cash: <ol style="list-style-type: none"> 1. The S.A.F.E manual details procedures to follow in handling cash. The principal of each campus is responsible for implementing procedures for the proper handling of cash. 2. An audit trail will be established at the campus level to clearly indicate the source of funds received. 3. Procedural Controls should be in place to ensure timely collection and deposit of all receipts (preferably daily).
RECEIPTS / DEPOSIT SLIPS	A receipt should be issued each time funds change hands from club/ group sponsor to the office and/or from the campus to the business office.
AUDIT	All monies are subject to audit by authorized personnel designated by the Board.

- A. The person receiving money (normally the campus clerk) must prepare a receipt
- B. The receipt forms will be used as follows:
 1. Original (white) to person submitting the money.
 2. Permanent copy held for audit purposes.
- C. The receipt must be completed in its entirety, including:
 1. Date and amount
 2. The individual, firm or student group submitting the money.
 3. An explanation of the purpose for which the money was received
 4. The signature of the person receiving the money. The signature must be manual; signature stamps are forbidden.
- D. An actual cash count should be made by the person signing the receipt in the presence of the person turning in the money, whenever possible.

- E. Post- dated checks cannot be accepted from any source.
- F. Under no circumstances shall a cash receipt be altered. If an error occurs, VOID the original receipt and all duplicates and issue a new receipt. The original of the voided receipt must be attached to the copies and retained with the receipt book copy for audit purposes.

SECTION 16 DEPOSIT OF FUNDS

16.1 GENERAL OPERATING PROCEDURES

- A. Personal and/or payroll checks shall not be cashed with activity monies.
- B. *Procedural Controls should be in place to ensure timely collection and deposit of all receipts (preferably daily).*
- C. All checks held for deposit shall be endorsed for deposit to the Activity Fund.
It is recommended that all checks be endorsed at the time they are receipted or accepted.
- D. All cash receipts supporting cash deposits shall be deposited in numerical sequence.
- E. Re-deposits (of returned checks) must be deposited separate from other funds collected.
- F. All monies on hand at the end of the school year should be deposited at the end of the school year.

16.2 PROCEDURES FOR PREPARATION OF BANK DEPOSITS

- A. A bank deposit slip shall be prepared in triplicate and shall include the following:
 - 1. The date and amount of the deposit.
 - 2. Source/purpose of deposit (amount of each if more than one).

A tape of checks deposited will aid the bank during this process.
- B. When deposits consist of numerous receipts a deposit summary shall be prepared to indicate the sequence of receipt numbers included on the deposit and the source of funds being deposited. The sum of the amounts of the supporting cash receipts must agree with the amount of the deposit slip.
- C. The original copy of the deposit slip is retained by the bank. The yellow duplicate copy is validated by the bank and returned at the time of the deposit. The campus clerk should verify the validated amount.

SECTION 17 PURCHASES FROM ACTIVITY FUNDS

17.1 GENERAL PROCEDURES

- A. The school principal is fully responsible for all purchases and commitments requiring the present or future disbursement of Activity Fund monies. Teachers should not make purchases and then request reimbursement from the campus activity fund.
- B. No purchases shall be made unless sufficient funds are available in the proper Activity Fund Account
- C. SAISD purchasing policies and procedures must be followed when making purchases through the Campus Activity Funds. Refer to SAISD Purchasing Procedures for information. Upon request the SAISD Purchasing Department will assist in quote, bid and contracting processes by:
 - 1. Supplying information on existing contracts.
 - 2. Publishing, receiving and tabulating quotes and bids for review and recommendation of the budget manager.

17.2 REQUEST FOR ACTIVITY FUND

- A. The request for activity fund form should be used for campus or student activity expenditures.
- B. The original invoice must be attached to the request form and kept for audit.
- C. Expenditures will be recorded in the Quickbooks software.

17.3 SUPPLEMENTAL PAYMENTS TO EMPLOYEES FOR SERVICES

The principal may occasionally compensate District employees for additional services performed. Such auxiliary services are those discharged by the employee in addition to his normal, specified duties and will usually be performed outside of regular work hours. Such payments should not be made directly to the employee. The correct procedures are as follows:

Consult the District Compensation Plan for appropriate pay rate.

For Exempt Employees:

- A. Complete an Billable Time Form –Exempt Employees (SAISD SAFE Form AA-1)
- B. Forward the Billable Time Form to the Payroll Department.
- C. Payment will be made to the employee on their next regular paycheck.
- D. Financial Services will charge the Campus Fund and notify the campus of the amount charged for salary and benefits.

For Non- exempt employees subject to overtime:

- A. Complete a Billable Time Form-Non Exempt Employees (SAISD SAFE Form AA-2)
- B. Indicate the billable services with a shift note in Time Clock Plus.
- C. Payment will be made to the employee on their next regular paycheck.

D. Financial services will charge the Campus fund and notify the campus of the amount charged for salary and benefits.

17.4 PAYMENTS TO NON-EMPLOYEES FOR CONTRACTED SERVICES

- A. Payments for services performed by individuals not employed by the District may be made from the Activity Fund.
- B. The social security number of the person hired must be provided via IRS form W-9. The Quickbooks vendor code must be maintained to reflect the social security number, address, and 1099 eligibility status of the vendor. By January 20th, campuses will provide a 1099 report to the Financial Services Department which will generate 1099 Tax Forms to qualified vendors.

SECTION 18 CHANGE FUND ACCOUNTS

A school may require a change fund for on-going sales events, such as school stores or fund- raisers. A change fund may be established by contacting Financial Services Department. Only one change fund account per campus will be established. The amount of change will be limited to \$250.00. All change funds shall be recorded as a separate cash account.

The principal may request a change fund by submitting a written (or email) request to Financial Services for the amount requested. Financial Services shall issue a check payable to the Principal from the Student Activity fund account and increase the school's change fund ledger account. The principal shall then endorse the check and cash it at the bank.

Each campus is responsible for maintaining their funds in locked bags at all times. When not in use, all change funds will be stored in the vault. Change Funds are to be used **only for making change and the funds are not to be used to reimburse expenditures.**

Appendix - Activity Fund Forms

Form	Title
All Campuses	
AA	Billable Time Forms 1 and 2
AB	Fund Raising Application
AC	Donation Form
AD	Responsibilities of Activity Fund Sponsors
Elementary Campuses	
EA	Deposit Summary
EB	Petty Cash Voucher
EC	Petty Cash Reconciliation
ED	Activity Fund Cash Balance
EE	Fund and Account Codes
Secondary Campuses	
SA	Request for Activity Funds



Billable Time Form – Exempt Employees

Employee Name: _____ Date: _____

Employee ID#: _____

Flat Rate Fee: \$ _____ **OR** Amount per hour \$ _____

Total Amount to be Paid: \$ _____

Location	Purpose	Total Hours

I certify these hours to be accurate and true

Employee Signature: _____ Date: _____

Approved By: _____ Date: _____

Title: _____

Budget Code to Charge: _____

Billing / Remittance Address:



Billable Time Form – Non Exempt Employees

Employee Name: _____ Date: _____

Employee ID#: _____ Total Amount to be Paid: \$ _____

Time In	Time Out	Location	Purpose	Total Hours

I certify these hours to be accurate and true

Employee Signature: _____ Date: _____

Approved By: _____ Date: _____

Purpose for Extra Pay: _____

Budget Code to Charge: _____

Billing / Remittance Address:

School Activity Fund Essentials

APPLICATION FOR FUNDRAISER

Organization _____ Date _____

Sponsor/Teacher name _____

Dates of sale: From _____ To _____

For what purpose will the proceeds be used? _____

Items to be sold _____

Will community solicitations be involved? _____

Company/vendor _____

Address _____ City _____

Salesperson _____ Telephone _____

I understand that as sponsor/teacher, I am personally responsible for all money, sales, and audit. I am also familiar with the school and District policies regarding the sale of merchandise at school and in the community. The organization will sell only during the specified time as authorized by the principal.

Sponsor/teacher signature

Approved by: _____
Principal's signature

San Angelo Independent School District

DONATION/GIFT REQUEST

TO:

FOR:

FROM:

Principal/Department Head

School/Department

DONATION/GIFT

SUBJECT:

Name of Donor (if organization, include name of president)

Mailing Address

City

Zip Code

Description of Donation/Gift:

Value:

Permission is requested to accept this donation/gift for our school/department. The donor understands that this donation/gift will become the property of the San Angelo Independent School District and will be under the jurisdiction of the school/department in accordance with Board policy and administrative rules and regulations. Approved donations/gifts should be added to fixed assets inventory if applicable.

REMARKS:

Revenue Account Code

Expenditure Account Code

() Approval

() Disapproval

Assistant Superintendent for Business & Operations

Date

Form #101

Originated 1/98

Responsibilities of Activity Fund Sponsors

The purpose for the collecting or raising and expending of funds by student groups is for the direct benefit of the students. Funds are to be used to finance activities that supplement the District’s educational program. Fundraising activities will contribute to the educational experience of students and will not conflict with the instructional program. The school holds student group monies in a trustee capacity. The faculty sponsor of a student group is responsible for maintaining adequate financial records as evidence of proper custodianship of money received by and disbursed from club accounts.

I hereby acknowledge that I have read the San Angelo Independent School District Student Activity Fund Essentials and that I am responsible for complying with it. In particular, I acknowledge that:

1. All fundraising activities will be approved in advance by the principal using the designated form.
2. I am responsible for both safeguarding and accounting for funds received from and/or on behalf of students.
3. Student activity money will be turned in to the office in the same form in which it was received **and in a timely manner.**
4. All purchases made on behalf of the student organization will be made by check and approved in advance by the principal using the Check Request form.
5. I will maintain a positive balance in my organization’s account at all times.

I hereby acknowledge that I have read the San Angelo Independent School District Student Activity Fund Essentials and that I am responsible for complying with it. In particular, I acknowledge that I will be held responsible for all campus and student activity funds entrusted to me. Violations committed through willful neglect, irresponsibility, or fraudulent actions shall be dealt with through the appropriate board policies and district employment practices.

Signature

Date

Student Group

San Angelo ISD

Elementary Activity Fund Petty Cash Voucher

Please attach each bill, receipt, or other documentation to a separate voucher sheet and indicate account to be charged.

Summarize all vouchers for the month on the Petty Cash Reconciliation and attach to the Reconciliation for request of reimbursement.

Campus: _____

Month, Year: _____

Voucher Number: _____
(month-# example 01-01)

Vendor _____
(attach invoice)

11-6399	Instructional Supplies	_____
23-6399	Office Supplies	_____
11-6499	Instructional Misc. Operating Costs	_____
23-6499	Administrative Misc. Operating Costs	_____
51-6499	Maint. & Operations Misc. Operating Costs	_____
_____	(student/faculty group)	_____
_____	(name of group)	_____

Total This Voucher _____

Expenditure Purpose: _____

San Angelo ISD

Elementary Activity Fund Essentials Petty Cash Reconciliation

Campus: _____

Campus Code: _____

Request Date: _____

(9xxxx)-xx-xxx
fund - cost ctr - org code

Expenditure Coding

Attached
Voucher
Numbers

_____	11-6399	Instructional Supplies	_____
_____	23-6399	Office Supplies	_____
_____	11-6499	Instructional Misc. Operating Costs	_____
_____	23-6499	Administrative Misc. Operating Costs	_____
_____	51-6499	Maint. & Operations Misc. Operating Costs	_____
_____	00-2190	Due to student or faculty groups	_____
_____		Student/faculty group	_____
_____		Student/faculty group	_____
		Total Vouchers	_____
		(should = amount to be replenished)	_____
		Plus petty cash on hand today	_____
		Total must equal \$200.00	_____

Signed: _____
Principal

General Ledger Funds- Elementary Activity Funds

	Campus	Student Group
Alta Loma Elementary School	907	947
Austin Elementary School	908	948
Belaire Elementary School	909	949
Bonham Elementary School	911	951
Bowie Elementary School	912	952
Bradford Elementary School	913	953
Crockett Elementary School	914	954
Fannin Elementary School	916	956
Ft. Concho Elementary School	917	957
Glenmore Elementary School	918	958
Goliad Elementary School	919	959
Holiman Elementary School	920	960
McGill Elementary School	921	961
Reagan Elementary School	922	962
Lamar Elementary School	924	964
San Jacinto Elementary School	925	965
Santa Rita Elementary School	926	966
Carver	978	

Expenditure Codes

Function	Object	Description
11	6343	Instructional -Purchase of Fund Raising Items
11	6399	Instructional- Supplies
11	6499	Instructional-Other Costs
11	6396	Instructional-Student Computers
11	6699	Instructional-Assets for Student Use, \$5000 or more
23	6399	Administrative-Supplies
23	6499	Administrative-Other Costs
23	6396	Administrative-Office Computers
23	6699	Administrative-Assets for Office Use, \$5,000 or more
51	6499	Plant Maintenance-Other Costs

Code Sequence for Requisition

Fund	Year	Function	Cost Center	Campus	Program	Intent	Optional	Object
XXX	X	XX	XX	XXX	99		999	XXXX-0000

REQUEST FOR ACTIVITY FUNDS

Check Payable To: _____

For services performed by non-employees W-9 is required to provide Social Security number.

Purpose of Expenditure:

Fund

Amount

Total Amount of Check

--

Adequate Funds Available?

Yes	No

Originator/Sponsor Date

Principal or Designee Date

Check Issuer Date

Check Number

Note: Invoice or purchase documentation must be attached to check request and held for audit purposes.