

CROSBY ISD



**CENTRALIZED
ACTIVITY FUND
MANUAL**

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Crosby Independent School District

Activity Fund Manual

Section 1

General Information

PURPOSE OF MANUAL

This manual is designed to provide a set of standardized accounting guidelines and procedures for the administration of the Crosby Independent School District (CISD) Activity Funds. These procedures are designed to comply with existing federal and state laws, and local board policy.

Principals, Assistant Principals, Bookkeeper / Office Professionals, Activity Sponsors and other personnel involved in the administration and handling of activity funds are responsible for following the guidelines and procedures set forth in this manual.

This manual supersedes all prior publications and communications regulating the administration of activity funds in the Crosby Independent School District.

DEFINITION OF ACTIVITY FUNDS

Activity funds are defined as funds accumulated from various school-approved money-raising activities and the receipt of student dues or fees, commissions, investment interest and donations. These funds are to be used to promote the general welfare of the school and the educational development and morale of all students. All funds collected by school district personnel from students are defined as activity funds and must be handled through the activity funds accounts. Activity funds are also designed to account for funds held by the school in a trustee capacity or as an agent for club organizations of the campus, teachers, and the general administration of the school.

MAJOR CLASSES OF ACTIVITY FUNDS

There are two types of activity funds: student activity funds and campus activity funds.

- **Student activity funds** are related to a specific club or class (such as the Student Council, Class of 20XX, etc.), and the primary decision-making (revenue generation and expenditure authorization) for these funds rests with the students. The District serves only in a custodial capacity over the student group's money, safeguarding the assets of the group. These clubs are usually extracurricular in nature, may have a student governing body and provide a source of funding for students to participate in extracurricular activities. Other persons (sponsor, principal, teacher, etc.) do not have access to use the money in a manner that does not directly benefit the students involved in the club. The transactions for these funds are recorded in Fund 865.

- **Campus activity funds** are generated in the name of the campus /department, and the primary decision-making (revenue generation and expenditure authorization) for these funds rests with the administrative staff.

These funds usually come from standard fees collected from students which are published in the Student Handbook or an allocation given at the discretion of the principal from the campus activity general fund. These funds are allocated/raised with the intent of providing a supplemental source of funding for general expenditures. The District exercises managerial authority over campus activity funds through the campus Principal. The transactions for these funds are recorded in fund 461. A school should consider the following questions to determine the proper method and fund in which individual activity funds accounts should be recorded:

- Do other persons besides the students involved in the activity fund (teachers, sponsors, principals, administrators, etc.) have access to activity fund money to use in a manner that does not directly benefit the students involved in the activity funds? If so, this money should be accounted for in *Fund 461 - Campus Activity Funds*.
- Does the activity fund financial decisions rest with the students? If so, this money should be accounted for in *Fund 865 - Student Activity Funds* which serves as an agency account for student club or class funds.

RESTRICTIONS TO ACTIVITY FUNDS

Campus Activity Funds (Fund 461) –

Campus activity funds are considered public funds and must be expended for educational related purposes. According to the Texas Education Agency (TEA), *campus activity funds* may be spent on *items to boost employee morale, such as staff appreciation breakfasts or lunches. No gifts for employees* can be purchased from any fund 461 account. The TEA warns that excessive rewards to faculty may appear to be gifts of public funds, which is prohibited by Article III, Section 51 of the Texas Constitution. The TEA recommends that District personnel exercise professional judgment.

Money in student activity funds may be transferred to another account within Fund 865, but generally not to an account in fund 461. Transfers from Fund 865 to Fund 461 are exceptions and must be approved in advance by the Accounting & Financial Reporting Department.

As public funds, expenditures from fund 461 must comply with the District's competitive bidding process as well as other District policies and procedures.

Student Activity Funds (Fund 865) –

Student activity funds are considered private funds and may be expended for any purpose decided by the students except as stated in this manual. Crosby ISD has fiduciary responsibility and must ensure expenditures comply with federal, state and local laws. Expenditures from fund 865 do not have to comply with the District's competitive bidding process. However, all other District policies and procedures must be followed.

Money in campus activity funds may be transferred to another account within fund 461 as well as to an account in fund 865.

Gift Card Rules and Other Incentives –

District Employees

No cash, clothing (shirts, shoes, hats, socks, etc.), loans, payment of personal living expenses (utility bills, groceries, medical bills, etc.) can be purchased for District employees from fund 199, 461, or any special revenue fund. **IRS law requires** that the cost of these items be included on an employee's W-2; therefore, these items are not allowed.

Gifts may be purchased for district employees with vending commissions, fund 865. The aggregate total allowable to an individual district employee is \$50 per school year.

Students

From Fund 865, rewards to students may be given if:

- a. Every student participating has an equal chance to earn the reward.
- b. If in the form of gift cards, then vendors must be age appropriate.
- c. The members of the club must approve in advance to grant awards and the type of award in the minutes of the meetings prior to accomplishment of the achievement for which the awards will be presented.
- d. The reward may be in the form of food, property, or gift card but **not** cash.

Vendors

Gift cards to vendors are not permitted from any fund.

Outside Organizations –

No other funds are to be comingled with activity funds. Funds belonging to PTAs, PTOs, Alumni Groups, Booster Clubs, or other outside organizations must be collected by the organization.

Teachers are not allowed to sell items and/or collect money for any outside organization in the classroom. District personnel are not allowed to collect or hold funds for outside organizations. Upon approval of the building principal, it is the responsibility of the outside organization to ensure the security of all funds collected. The District is not responsible for any communications or transactions related to the activity of outside organizations.

Cashing Checks/Loaning of Funds –

The cashing of personal or payroll checks from an activity fund or change fund is prohibited. The loaning of funds to an individual from an activity fund or change fund is prohibited.

RESPONSIBILITY FOR ACTIVITY FUNDS

Principal –

Each Principal is ultimately responsible for:

1. Properly collecting, disbursing, and controlling all activity funds.
2. Providing for the safekeeping of monies in the school.
3. Expending funds in compliance with all applicable federal and state laws, and local board policies.
4. Appointing and supervising reliable and capable personnel for the physical handling of receipts, deposits, disbursements, and other duties associated with activity fund operations as specified in this manual.
5. Ensuring that all debts of a closing club or group are paid, and that any remaining funds are designated and transferred to a similar club or group within the same fund series. Remaining funds of any 4XX group that closes can be transferred to Fund 865. Remaining funds of any 865 club or group that closes cannot be transferred to fund 4XX.
6. Notifying the Assistant Superintendent of Finance at least two weeks in advance if there will be a change in Principal or Bookkeeper / Office Professional, or if there are any significant problems with regard to their campus activity fund.

Sponsors –

The sponsor of each school club or group is responsible for:

1. Filing an annual budget with the Principal detailing revenue and expenditures.
2. Monitoring the financial position of the activity fund.
3. Reviewing the “Club” activity fund report(s) for accuracy provided by campus bookkeepers. Submitting activity fund money **daily** to the Bookkeeper /Office Professional/Office Professional.
4. Keeping the Principal informed of projects and activity dates and having these posted on the school activity calendar.
5. Developing fund-raising plans and obtaining the proper approval in accordance with the established process.
6. Completing all necessary forms as prescribed in this manual.
7. Maintaining adequate financial records of all cash received by the club or group for fees, dues, fund-raising activities, etc. These records are subject to review during the audit of the campus’s activity funds.

All Student Organization and Club sponsors should read, sign and submit the Responsibilities of activity Fund Sponsors form to the campus bookkeeper.

Bookkeeper / Office Professionals

The Bookkeeper / Office Professional / Office Professional is responsible for:

1. Preparing activity fund deposits for delivery to the bank.
2. Accounting and reporting for activity fund activities.
3. Activity fund cash management.
4. Keeping an adequate supply of deposit slips, cash receipt books, and activity fund forms on campus.

DISTRICT POLICIES

The following policies apply to activity funds and should be referred to when administering activity funds. The Legal and Local policies can be found on the CISD website at www.crosbyisd.org

CDC(Legal) Other Revenues-Grants from Private Sources

CFD(Legal) Accounting: Activity Funds Management

CFD(Local) Accounting: Activity Funds Management

CH(Legal) Purchasing and Acquisition

CH(Local) Purchasing and Acquisition

CHE(Legal) Purchasing: Vendor Relations

CLC(Legal) Buildings, Grounds, and Equipment Management-Traffic and Parking Controls

CMD(Legal) Equipment and Supplies Management-Instructional Materials Care and Accounting

CNC(Legal) Transportation Management-Transportation Safety

DEE(Legal) Compensation and Benefits-Expense Reimbursement

DEE(Local) Compensation and Benefits-Expense Reimbursement

DL(Legal) Workload

FJ(Legal) Gifts and Solicitations

FJ(Local) Gifts and Solicitations

FM(Legal) Student Activities

FM(Local) Student Activities

FMF(Local) Student Activities: Contests and Competitions

FMG(Local) Student Activities: Travel

FNA(Legal) Student Rights and Responsibilities – Student Expression

FNA(Local) Student Rights and Responsibilities – Student Expression

FNCB(Legal) Student Conduct: Care of School Property

FP(Legal) Student Fees, Fines and Charges

FP(Local) Student Fees, Fines and Charges

GE(Legal) Relations with Parent Organizations

GE(Local) Relations with Parent Organizations

GKB(Legal) Community Relations-Advertising and Fund Raising in the Schools

GKB(Local) Community Relations: Advertising and Fund Raising in the Schools

GKD(Legal) Community Relations-Nonschool Use of School Facilities

GKD(Local) Community Relations-Nonschool Use of School Facilities

BASIC RECORDS

Basic activity fund records include:

- Cash receipt books
- Bank deposit slips and supporting documentation
- Disbursements and supporting documentation
- Activity fund forms as prescribed in this manual

All activity fund records must be completed in blue or black ink. The dates on all records (correspondence, support, rosters, etc.) must contain the year, not just the month and day. For example, write June 30, 20XX or 6/30/XX, not just 6/30.

AUDITING OF ACTIVITY FUND RECORDS

The Assistant Superintendent of Finance will conduct periodic audits of activity funds. One purpose of these audits is to determine if the policies and procedures established for activity funds are being followed correctly. Another purpose is to determine that the transactions and balances as reported on the annual reports are an accurate summary of activity fund receipts and disbursements.

Regularly scheduled audits will take place as follows:

- High School - Yearly
- Middle/Intermediate Schools - Every 18 months
- Elementary Schools - Every 2 years

Finance must be notified **at least 2 weeks in advance** when there is a **change in Principal or Bookkeeper / Office Professional** so that they will have sufficient time to conduct an audit prior to the change. The purpose of the audit is to insure that new personnel assume no pre-existing discrepancies.

A Principal may request an audit at any time he/she deems necessary. In addition, Finance may make unannounced visits for cash counts and to make general observations of safekeeping practices.

At the conclusion of the audit, the Assistant Superintendent of Finance will discuss the results with the Principal and a report will be submitted to the Superintendent, and Principal.

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Section 2
Receipts

ISSUING RECEIPTS

Rules –

All activity fund money must be immediately receipted. All receipts must be prepared in black or blue ink.

The Bookkeeper / Office Professional is responsible for ordering triplicate receipt books and keeping an adequate supply at all times.

Predating and pre-signing receipts is prohibited.

The acceptance of a post-dated check is prohibited.

It is at the Principal's discretion whether to continue to accept checks from a parent or anyone else who has had a written a check that has been returned.

All sponsors should sort and organize all bills by denomination to facilitate a quick count/verification of the money by the Bookkeeper / Office Professional.

All money submitted to the Bookkeeper / Office Professional should be counted/verified in the presence of the person turning in the money. When face-to-face verification cannot be done at the time the money is submitted to the Bookkeeper / Office Professional, the money should be secured until a face-to-face count can be done.

Procedures for Teachers and Sponsors –

Monies may be collected by an authorized individual other than the bookkeeper (when approved by the Principal – teachers/sponsors, office professionals, etc.) using Tabulation Sheets.

Steps in Using Tabulation Sheets

1. Utilize a Tabulation Sheet if the issuance of individual cash receipts is not practical (small, multiple collections such as yearbooks, library fines, class pictures bus trips, etc.).
2. Date the Tabulations Sheet with the date the cash or checks were actually received in hand by the sponsor, which may not necessarily be the same as the deposit date.
3. Indicate the purpose of the funds or the source of the funds (i.e., class fees, fundraiser, etc.) on the Tabulation Sheet. Use a separate Tabulation Sheet for each source of funds. Also indicate the tax status of the collections (taxable or non-taxable). Refer to Section 8 regarding the collection of any cash receipts that include sales tax.

4. Count all cash and coins in the presence of the person turning in the money. **For checks, make sure the maker's name, address and current phone number is clearly printed on the face of the check.**
5. List students' names if paying with a check in the left column and students' names in the right column if paying with cash. Individual receipts to students are not necessary. If the maker of the check is someone other than the person turning in the money, such as a parent, write the check maker's name on the same line. Students paying with cash, are required to initial next to their name.
6. Verify that the total cash and/or checks turned in agree with the total amounts on the Tabulation Sheet. The sponsor must print his/her name and manually sign Tabulations Sheet. The bookkeeper/office professional will also sign the Tabulation Sheet. Stamped signatures are prohibited.
7. Collections must be submitted to the bookkeeper/office professional daily.

Procedures for Bookkeeper / Office Professionals –

1. Count all cash and coins in the presence of the person turning in the money. **Verify that each check has a maker name, address and phone number.**
2. If a teacher or sponsor has previously received the funds being submitted, verify that the total cash and/or checks turned in agree with the total amounts on the Tabulation Sheet.
3. Date the receipt with the date the cash or checks were actually received in hand from the sponsor, which may not necessarily be the same as the deposit date.
4. Fill in the amount, both numeric and written.
5. Receipts must be issued in the name of the person turning in the money. A receipt may not be issued to more than one person. A receipt may not be issued to the person that is preparing the receipt. Issue a separate receipt for each source of funds. If the maker of the check is someone other than the person turning in the money, such as a parent, include the check maker's name somewhere on the receipt, and issue the receipt to the person turning in the money.
6. Indicate the purpose of the funds or the source of the funds (e.g., class fees, fundraiser, etc.) with the appropriate **budgetary Charge code #** on the receipt. Also indicate the tax status of the collections (taxable or non-taxable). Refer to Section 8, Sales Tax Reporting, regarding the collection of any cash receipts that include sales tax.
7. The person issuing the receipt must manually sign as the person receiving the money. Stamped signatures are prohibited.
8. Under no circumstances should a receipt amount or signature be altered. If either of these is written in error, void the receipt and issue a new one. See the section on Voiding Receipts (below).
9. Give the original white copy to the person submitting the money. Attach the posting yellow copy to the supporting documentation in the Deposit Documentation Packet. Leave the permanent pink copy in the receipt book.

Write the following information on the check to facilitate collecting on returned checks:

- Student's full name (may only write one student's name if the person is a parent paying for several children)
- **The appropriate budgetary charge code #.**

VOIDING OF RECEIPTS

Rules –

A cash receipt can be voided if and only if a mistake is discovered immediately after the cash receipt is issued and a corrected receipt can be handed to the person turning in the money.

Do not void a cash receipt given for a lost textbook if the student finds the book after the deposit has been sent to the bank. The librarian must not void a cash receipt given for a lost library book if the student finds the book after the money has been turned in to the Bookkeeper / Office Professional. Refund the money from the appropriate activity fund account with a Request for Refund Form according to the guidelines in Section 4, Disbursements. If the money is still in the hands of the employee who originally took it, the employee may void the cash receipt and refund the cash or original check to the student.

Procedures –

Staple the original and all copies of the voided cash receipt in the cash receipts book and write "VOID" on the receipt.

SAFEGUARDING OF FUNDS

Rules –

Never leave money in any school building after hours unless it is locked in the school's safe or vault. If the school has a safe inside a vault, the money must be locked in the safe.

Small petty cash funds (applicable only for specific programs), change funds, and money received for depositing after the week's last deposit has been made should be the only monies remaining in a school's safe/vault over weekends or holidays.

Money that is found on campus should be turned in to the front office. If the amount exceeds \$5 and it remains unclaimed after one week, it must be receipted, deposited, and credited to the 865 office account.

LOST TEXTBOOKS

Rules –

Money received for lost textbooks should not be held in anticipation of the student finding the book. Receipt the money and deposit it into the bank immediately.

Procedures -

Documentation of a lost textbook shall include the following:

1. Evidence that the book was issued by number (ISBN).
2. Evidence that the book was inventoried at the end of the term immediately preceding its loss.

DONATIONS

Rules – Until the 461 accounts are established for 2014-2015 use the 865 accounts

According to CISD Policy, all monetary gifts and donations to a campus or department must be deposited into the campus / department activity fund. If the donor does not specify the purpose of the donation, the Principal should use the donation to benefit the largest possible number of students. These deposits should be deposited into a campus activity fund account, 461.

Monetary gifts and donations to a student group may be deposited into a student activity fund, 865.

The campus librarian must review all donations of library books before the books are shelved.

Nonmonetary, non-consumable gifts and donations that are related to the campus site or property must be approved by the Director of Maintenance **prior to acceptance** in order to ensure compatibility with existing District equipment, the health and safety of students and staff, compliance with all building codes, adequate insurance coverage, and accurate accounting for fixed assets.

Each donation should be acknowledged by the campus / department by sending a “Contribution Acknowledgement Form to the Business Office.

Procedures –

If a monetary donation is made to a campus, department, or student activity fund, the Bookkeeper / Office Professional must follow these steps:

- Make a copy of the check for filing
- Deposit the check
- Complete a “Contribution Acknowledgement Form and send to the Business Office.

Prior to acceptance (receipt) of a non-monetary donation, the Bookkeeper / Office Professional must send the completed Request for Acceptance of Donation Form and any additional supporting documentation to the Assistant Superintendent of Finance.

Checks received from retail establishments (e.g. Target, Kroger, etc.) that are paid based on a percentage of sales made are not considered donations.

VENDING MACHINES

Rules –

The Building Principal (in accordance with Federal guidelines) will approve the number and location of soft drink and food vending machines within the building.

The Building Principal must notify the Purchasing Manager in writing via e-mail when vending machines are added to or removed from the premises, or when vending machines are transferred from one location to another.

Problems / issues with vending machines should be directed to the Purchasing Manager.

Procedures –

Vending commissions will be deposited into the appropriate activity fund 865. These funds are considered private funds and do not have to comply with the District's purchasing policies and procedures and state purchasing laws. However, all other District policies and procedures must be followed.

INTEREST EARNINGS

Rules –

The Assistant Superintendent of Finance will manage the investment of surplus funds in accordance with the Public Funds Investment Act.

Procedures –

Monies in campus, department, and student activity fund bank account will be invested in the district Investment Pool account. The allocation of the interest in the Investment Pool Account will be calculated by the Accounting Department and posted to the campus / department account on a monthly basis.

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Section 3
Deposits

DEPOSIT PROCEDURES

Rules –

All deposits must be made into the District’s depository bank. No campus or department may open any account (banking, credit, retail account, investment, etc.).

All checks received must be endorsed with the campus / department endorsement stamp as soon as possible. **The appropriate budgetary charge Code # must be written on the memo line of ALL checks.**

The District has only one activity fund bank account. Only activity fund transactions may be directed through the activity fund accounts. Transactions controlled by outside organizations (e.g. PTAs, Booster Clubs, etc.) must be conducted through the organization’s bank account.

Questions or problems with the District’s depository bank should be directed to the Business Office.

Procedures –

Cash and checks may be deposited on one deposit slip.

Place only one deposit slip per sealed deposit bag. However, multiple receipts may be included on one deposit slip.

Date the deposit slip with the current date.

Fill in total currency and coin, if applicable.

List each check on the deposit slip. If this is not practical due to the number of checks collected for deposit, using a calculator tape to list the amounts of the checks is permitted.

RETURNED CHECKS

Rules –

Returned checks are checks that were previously deposited which the bank returns unpaid due to insufficient funds, a closed account, stop payment, etc. The District’s depository bank will send a check through only once. The Accounting Department will post returns on a monthly basis during the bank reconciliation process.

BANK STATEMENT RECONCILIATION

The District has only one activity fund bank account, which is in the District's depository bank. The bank statement will be reconciled monthly by the Accounting & Financial Reporting Department.

A check is considered a stale dated check when it has remained outstanding (not cashed) for more than 90 days. Information on outstanding checks may be obtained from the Accounts Payable Department.

As part of the year end closing process, outstanding checks that are older than one year will be VOIDED and the funds will be reclassified to an Unclaimed Property Liability Account by the Accounting Department.

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Section 4
Disbursements

GENERAL POLICIES

All purchase commitments shall be made by the Superintendent or designee on a properly drawn and issued purchase order, in accordance with administrative procedures.

District employees shall not be permitted to purchase supplies or equipment for personal use through the District's purchasing department or via special discounts and arrangements made between the District and its qualified vendors.

The District shall require vendors to provide proof of appropriate levels of insurance in order to contract with the District for the provision of goods or services. The Risk Department shall determine the levels and types of insurance vendors will be required to provide, including when insurance is not required or may be waived.

Expenditures from fund 461 must comply with the District's competitive bidding process. However, expenditures from funds 865 are exempt from the competitive bidding process.

Some contracts with vendors as well as cooperative contracts are written for specific items and do not cover all of the items offered by that particular vendor.

Income from a particular group (i.e., Spanish Club, cheerleaders) must be expended on that group. Income from campus-wide activities should be expended on the student body as a whole. Income from vending machine sales is available for faculty or student expenditures, subject to Principal approval.

Account balances will be monitored by the Bookkeeper / Office Professional ensuring that any negative balances are resolved.

AUTHORIZATION

Rules –

All purchase commitments must be encumbered. The Budget Manager must approve all encumbrances, and must ensure that funds are expended for the intended purpose of the group and are not diverted for other purposes. *In accordance with District policy, the person who orders merchandise without approval shall assume full responsibility for payment of the bill.*

Procedures –

A requisition must be entered into Skyward, approved by the appropriate budget manager, and converted to a purchase order prior to the ordering of merchandise.

If an account is not available as an option when processing the requisition in Skyward, please contact the Business Office.

ISSUANCE OF CHECKS

Rules –

All disbursements will be made by the Accounts Payable Department subsequent to receipt of the goods or service. Receiving will be in accordance with the established District process.

Procedures –

Activity fund checks will be generated weekly. All disbursements must be entered in accordance with the established District Accounts Payable process which can be located on the CISD website.

VOIDING CHECKS

Procedures –

If it is necessary to void a check, the Bookkeeper / Office Professional should contact the Accounts Payable Manager.

VENDOR ADDITIONS

Procedures

If a campus needs to add a new vendor into Skyward, the Bookkeeper /Office Professional must complete the New Vendor / Vendor Change Information Form in its entirety along with a completed W-9 Form and submit to the Purchasing Manager.

The IRS requires that the District send an IRS Form 1099 to any unincorporated person performing services valued at \$600 or more in a calendar year. The Purchasing Manager consolidates all vendor information to determine which individuals must be sent an IRS Form 1099.

REFUNDS

Rules –

All refunds must be paid from the revenue account to which the original receipt was deposited. A Check or Refund Request must be completed, signed by the appropriate Budget Manager, and submitted to the Director of Campus and Departmental Support. A refund is not the same as a reimbursement. Some examples of refunds are:

- Refunding the payment for a field trip that the student did not attend

- Refunding the payment for a conference or seminar that was
- cancelled
- Refunding the payment for a class fee that the student did not take

A W-9 will not be needed for refunds payments. Refunds will be processed as a “One Time Payment” which will not require a Vendor Information Form.

Procedures –

For refunds, indicate the original cash receipt number on the Check or Refund Request Form and attach a copy of the cash receipt as support. If a Tabulation Sheet was used, attach a copy of the sheet and highlight the name of the person receiving the refund. On the pink copy of the cash receipt that was left in the cash receipt book, or on the Tabulation Sheet, indicate that the money was refunded to prevent duplicate refunding. **Refunds must be made payable to the parent of the student** unless the student originally made the payment from their own checking account.

EMPLOYEE TRAVEL

Rules –

All employees must follow the same procedures listed in the finance manual for all travel.

Procedures –

Follow the additional rules and procedures outlined in the District Travel Guidelines found on the CISD website.

STUDENT TRAVEL AND FIELD TRIPS

Rules –

All *student travel* requests must be submitted in Skyward. Examples of student travel are: students participating in a sports activity or a fine arts performance. **Travel does not include field trips.**

Student field trips are educational trips **taken during the school day** where the students are visiting a location such as a museum for educational purposes. Requisitions should be entered into Skyward by the campus / department. For information on reserving a bus, contact the Transportation Department.

If a check is needed prior to the event process a check requisition.

SUPPLEMENTAL PAYMENTS TO EMPLOYEES FOR SERVICES

Rules -

All disbursements to CISD employees for extra duty services performed must be processed through the **Payroll Department**.

PAYMENTS TO NON-EMPLOYEES FOR CONTRACTED SERVICES

Rules –

Examples of non-employees who perform services are authors, speakers, contest judges, DJ's, and consultants. The service must first be encumbered. A District Contract Routing Form and applicable Consultant / Contracted Services Agreement must be completed and sent to the Purchasing Department prior to any form of commitment with the vendor. For the appropriate Consultant / Contracted Services Agreement, please refer to the Purchasing Department website.

In order to add a vendor to pay the non-employee, a completed New Vendor / Vendor Change Information Form along with a W-9 Form must be sent to the Purchasing Department. The IRS requires that the District send an IRS Form 1099 to any unincorporated person performing services valued at \$600 or more in a calendar year.

The Purchasing Manager consolidates information from all of the campuses and departments to determine which individuals must be sent an IRS Form 1099.

SCHOLARSHIPS

All scholarships to students must be encumbered in accordance with established District procedures within Fund 865.

PURCHASING

Rules

Campus activity funds within Fund 461 are considered public funds. Expenditures from Fund 461 must comply with the District's purchasing policies and procedures and state purchasing laws.

Procedures –

- 1) Check to see if the item or service is currently under bid.
- 2) Current Crosby ISD awarded bids may be found on the Business Office website.

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Section 5
Change Funds

GENERAL POLICIES FOR CHANGE FUNDS

A campus or department may have a change fund for the school store, library, and special events such as fundraisers. Change funds should be small but ample enough to handle an activity efficiently. Change funds should be deposited after the special event (fundraisers) or at the end of the school year (school store or library). Deposit the change fund separately and code to the expense account in which it originated.

A library or school store change fund should always have an amount in it equal to the established amount plus all the money collected since the last time money was turned in to the Bookkeeper / Office Professional. Cash receipts should support all money collected. Verify change fund contents monthly by preparing a Cash Count Sheet. All shortages must be reconciled, with a written explanation furnished to the Principal and a copy sent to the Assistant Superintendent of Finance.

A change fund for a fundraiser or special event must be deposited on the next business day following the conclusion of the fundraiser or special event. This change fund deposit should be separated from the revenue of the fundraiser or special event. Deposit the change fund and code to the expense account in which it originated. It will be posted into SKYWARD as a deposit to the expense account that was charged when the change fund was ordered. Change funds must be secured under lock and key at all times. The appropriate teacher or sponsor is responsible for the maximum protection of their change fund.

Deposit all change funds at the end of the school year. The amount deposited must equal the amount that was withdrawn. The description on the deposit should be “Change Fund Deposit” It is prohibited to retain money on campus during the summer if it is not necessary to the summer campus operations.

Purchases and reimbursements from a change fund are prohibited. The cashing of checks from a change fund is prohibited. The loaning of any money from a change fund to anyone is prohibited.

ESTABLISHMENT OF A CHANGE FUND

Rules –

A change fund may be established for:

- Transacting business, such as the sales of a school store
- Making change for a fundraiser or special event

The creation of a change fund is optional and must be approved by the Principal.

Procedures

After the Principal has approved the establishment of a change fund, the money should be secured by the teacher or sponsor during school hours. All money must be secured in the building vault / safe overnight.

Crosby Independent School District
Activity Funds Manual
Section 6
Transfers of Funds

GENERAL POLICIES

Budgetary transfers should be utilized for the following types of situations and initiated by the Bookkeeper / Office Professional:

- Transportation Charges
- Child Nutrition Services
- Net profits from school-wide fundraisers need to be distributed to participating clubs or groups on the same campus
- A club or group wishes to donate money to another club or group on the same campus or a different campus
- A campus is hosting an in-service or clinic for several campuses and those other campuses need to share the costs or pay an entry fee
- To cover negative balances
-

If the campus is requesting **a transfer of funds between accounts or to another campus / department**, it is the Bookkeeper / Office Professional's responsibility to enter the budget transfer into SKYWARD.

When a PO has already been paid and the expenditure budget code needs to be changed, a journal entry should be utilized. Request a journal entry for the following situations and submit to the Assistant Superintendent of Finance:

- A club or group wishes to reimburse goods or services purchased by another club or group on the same campus or a different campus.
- A club or group needs to pay the Fine Arts Department for solo and ensemble entry fees
- A campus needs to pay their cafeteria for the purchase of ice cream or student or teacher meals
- Miscoded field trips, postage, etc.
-

Inactive Accounts

Campus Activity Fund (461)

Money remaining in inactive accounts may be transferred to a corresponding account within 461 or 865.

Student Activity Fund (865)

Money remaining in inactive accounts may be transferred to a corresponding account within 865, or as specified by the dissolving student group. Money in student activity funds may be transferred to another account within fund 865, but generally not to an account in fund 461. Transfers from fund 865 to fund 461 are **exceptions** and must be approved in advance by the Assistant Superintendent of Finance.

Crosby Independent School District
Activity Funds Manual
Section 7
Fund Raisers

GENERAL POLICIES

Fund-raising projects and activities that will directly benefit the campus and/or student body are considered allowable. Building administration must approve all fund-raising projects and activities prior to the event. Approved fund-raising projects and activities should be placed on the campus activity calendar as soon as approval has been granted by the building administration.

Fund-raising projects and activities that benefit **outside third party organizations** (i.e. American Heart Association, American Diabetes Association, PTA/PTOs, Red Cross, etc.) can only be done before or after school, unless there is documented evidence that the project or activity is aligned with Texas Essential Knowledge and Skills (TEKS). None of the funds generated from outside third party organizations should ever be deposited in any district account which includes activity funds.

The teacher or sponsor is responsible for:

- Completing the Fund-Raiser Request Form no later than the date established by the Principal
- Verifying that the fund raising company representative is approved by the District Purchasing Department.
- If the fund-raiser requires a contract routing form, the sponsor/teacher must comply with the district's policy and procedures related the contractual routing process.
- Determine whether the items to be sold are taxable so that the revenue is properly recorded in Skyward.
- Once the items are received, the invoice and/or packing slip must be submitted to the Bookkeeper / Office Professional to match with the PO for payment.
- Completing the Fund-Raiser Request Form within one week after the completion of the fundraiser, checking that the form is in balance, and turning it in to the Bookkeeper / Office Professional. The sponsor should attach support from the vendor indicating the total sales amount. The total sales amount should equal the total amounts deposited from the fundraiser.

The Bookkeeper / Office Professional is responsible for verifying that total sales and total expenses on the Fund-Raiser Request Form match the revenue and disbursement posted to Skyward for the fundraiser, and notifying the teacher or sponsor if they do not balance. Send a copy of completed Fund Raiser Request Forms to the Accounting Department.

The fund-raising project cannot be implemented until the sponsor receives a Fund Raising Request Form approved by the Principal. All purchases must be done on a PO. Materials or merchandise for a fund-raising project may not be ordered without prior approval of

the Principal. *The person who orders merchandise without approval shall assume full responsibility for payment of the bill.*

To ensure compliance with the amateur athletics UIL rules and regulations, student athletes are allowed to participate in school fund-raising; however, students may not accept prizes for raising the most money when fund-raising efforts are limited to athletes only.

To comply with IRS regulations, individual student accounts are not allowed. An individual student account is an account where the money raised by an individual is “set aside” (or accounted for) to offset the cost of a particular item, such as a class trip. All fund-raising profits shall benefit “the student body or organization” as a whole.

RECEIPTS

All collections associated with any fund-raising activity coordinated by the school or a school-recognized student group must be transacted through the activity fund and must be receipted in accordance with Section 2, Receipts.

DISBURSEMENTS

All payments associated with any fund-raising activity coordinated by the school or a school-recognized student group must be transacted through the activity fund and must be made in accordance with Section 4, Disbursements.

Payments to the vendor for items sold should never be made in cash or from undeposited receipts. If the vendor is selling product in the school and the checks are made out to the vendor, this is the vendor’s sale and the vendor is responsible for reporting and paying sales tax to the Texas Comptroller’s Office.

Funds collected by student groups shall be used only for purposes authorized by the organization or upon approval of the sponsor. The principal or designee shall approve all disbursements. All funds raised by student organizations must be expended for the benefit of the students. All funds collected from the sale of items to students and/or parents must be expended for the benefit of the students. All funds raised from the sale of items to teachers must be expended for the benefit of the teachers. Income received from a specific group should be expended for that group. The principal shall ensure that the expenditures from these accounts are expended for the intended purpose of the group and are not diverted for other purposes.

RAFFLES

The District is not a “qualified nonprofit organization” for purposes of the Charitable Raffle Enabling Act and *must 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.

Crosby Independent School District
Activity Funds Manual
Sales Tax Rules and Reporting
Section 8

PURCHASES MADE

Any purchases made in the name of the school district or group of the school district are exempt from sales tax. Exempt organizations are entitled to an exemption only on items purchased and used directly and exclusively in pursuit of the exempt purpose. For school districts, items purchased must relate to the educational process. Employee associations and any other association of employees of the District are not tax exempt. There is no exemption number assigned to exempt organizations.

Purchases made by individual members or teachers/coaches of classes or teams for their own use or ownership cannot claim exemptions even though they are connected with a school or a school organization. Examples are: cheerleaders purchasing their own uniforms, band members purchasing their own instrument, athletic teams purchasing their own jackets, or science students purchasing a science board.

In order to be afforded the sales tax exemptions, various certificates should be presented:

Tax Exemption Certificates – The Texas Sales and Use Tax Exemption Certificate should be presented each time a purchase is made. It must state that the merchandise being purchased is for the organization's own use in providing instruction and is being made in the name of the organization. Payment will be made from the organization's own funds.

Hotel Certificates – Educational organizations and their employees traveling on official business of the organization are exempt from the *Texas state* hotel tax: the organization and their employees must pay *local* tax. The Texas Hotel Occupancy Tax Exemption Certificate must be presented at the time of registration at the hotel. **One per room occupied.** When traveling **out of state**, district employees or groups are **not exempt** from any hotel taxes. (When individuals request reimbursement for the Texas local or out-of-state hotel taxes paid, reimburse any tax that could not have been exempted.)

Note that meals purchased by the school for group student travel on authorized school trips are exempt from the sales tax only if the school contracts for meals. (This would also apply for banquets for school groups.) Generally, the meal must be paid for with a school check and the eating establishment must be provided with an exemption certificate. Individual members of the groups may not claim exemption from sales tax on meals they purchase while on a school or school district authorized trip.

REVENUE RECEIVED

Often times, there is confusion as to whether something is a sale or not. For all revenue received, we must decide if it is a sale, or if it is not a sale.

A sale is the transfer of title or possession of tangible personal property for consideration (usually money). A sale also includes the performance of a taxable service for consideration.

In some fund-raising activities, the school or school group is merely acting as a sales representative for a retailer, and tax must be collected. The tax would be remitted to the retailer, and the retailer would claim it as their sale and they would pay the tax to the Comptroller's office. The school would not report this type revenue as a sale. Examples are vending machine sales where the vendor services the machine, school pictures, and library book sales. Only when the school or school group purchases the merchandise and then resells these items to their customers is the school the seller.

EXAMPLES

Sale	Not a Sale
Admission – athletics, dances, dance performances, drama performances	Collection of money from students to pay a company for admission or service (i.e., Main Street Theatre, Sea World, PSAT test)
Admission – summer camps, clinics, workshops	Commissions received
Donated items that are sold	Donations of money to the school or school group
Fundraisers where we are the seller, not just the middle-people	Dues received
Rentals of items	Fieldtrip collections
Rental of facilities	Fines received – textbooks, library books, parking, locker, uniforms, calculators, obligations
Sales of food	Fundraisers when the school group merely receives a commission (i.e. library book fairs, some author sales, recycling)
	Fees – Musical instrument maintenance, lab
Sales of merchandise	Lost payments – books, handbooks, calculators, locks, ID cards
Sales of services	Marathon fundraisers – these are donations (i.e., lift-a-thon, jog-a-thon, jump rope for heart, basketball hoops)
School publication sales	NSF check redeposit

NON-TAXABLE SALES VS. TAXABLE SALES

Texas sales tax statutes impose tax on the sale, lease, or rental of tangible personal property and selected services. Tangible personal property includes personal property that can be seen, weighed, measured, felt, touched, or that is perceptible to the senses in any other manner. When an individual purchases a tangible item and it becomes the personal property of someone, it is taxable. It is irrelevant if the school logo is on the item or that the item will be utilized by a student in a school group for a school function.

School districts, schools, and school groups making sales of taxable items that do not have a specific exemption must collect and remit the tax. The following lists of items or activities have been identified as being taxable or non-taxable by the Comptrollers' Office when sold or sponsored by a school, by an organization within a school, PTAs, Booster Clubs, and employee associations. The lists are not all-inclusive but may help make determinations on other similar sales; however, tax law is a collage of political decisions. Call the Director of Campus and Departmental Support if uncertain if something is taxable.

NON-TAXABLE
Ad sales - in yearbooks, athletic programs, newspapers, posters
Admission – athletics, dances, dance performances, drama and musical performances
Admission – summer camps, clinics, workshops
Admission - banquet fees, prom, homecoming
Admission - tournament fees, academic competition fees
Cosmetology services (Products sold to customers are taxable)
Deposits (lockers, etc.)
Discount/Entertainment cards and books
Facility rentals for school groups
Food items sold during fundraisers, including at a PTA carnival
Labor - automotive, upholstery classes (parts are taxable)
Magazine subscriptions greater than six months
Parking permits
Services - car wash, cleaning
Student Club Memberships
Transcripts

TAXABLE
Agenda books
Agricultural sales
Art - supplies and works of art
Artistic - CDs, tapes, videos
Athletic - equipment and uniforms
Auction items sold
Automotive - parts and supplies
Band - equipment, supplies, patches, badges, uniforms
Book covers
Books - workbooks, vocabulary, library, author (when we are the seller)
Brochure items
Calculators
Calendars
Candles
Car - painting, pin striping
Clothing - school, club, class
Computer - supplies, mouse pads
Cosmetology products sold to customers
Cups - glass, plastic, paper
Decals
Directories - student, faculty
Drafting – supplies
Dry Cleaning Services for Uniforms
Family and Consumer Science - supplies and sewing kits
Fees - copies, printing, laminating
Flowers - roses, carnations, arrangements
Greeting Cards
Handicrafts
Horticulture items
Hygiene supplies
Identification cards – when they are sold to entire student body (not just the fine for lost card)
Locks - sales and rentals
Lumber
Magazines – subscriptions less than six months
Magazines - when sold individually
Merchandise, tangible personal property
Musical supplies – recorders, reeds
Parts - career & technology classes (not to include products used in cosmetology)
Parts – upholstery

PE - uniforms, supplies
Pennants
Pictures - school, group (if school is the seller)
Plants - holiday greenery and poinsettias
Printing fee – computer
Rentals - equipment of any kind
Rentals – towels
Rentals - uniforms of any kind
Repairs to tangible personal property (i.e., computer repair, house remodeling)
Rings and other school jewelry
Rummage and garage sales
Safety supplies
School publications – athletic programs, posters
School publications – brochures
School publications – magazines (unless > six month subscription)
School publications – newsletters, newspapers (unless printed on newsprint more than once/month & is <\$.75/copy)
School publications – reading books
School publications - sheet music, hymnals
School publications - yearbooks
School store - all items (except food)
Science - science kits, boards, supplies
Spirit items
Stadium seats
Stationery, note pads, etc. produced in the classroom or vocational class
Supplies - any sold to students
Uniforms - any type to include PE, dance team, drill team, cheerleaders, athletic, club shirts
Vending - pencils and other non-edible supplies when the school services the machine
Wood
Woodworking crafts - entire sale to include parts and labor
Yard signs

TAX FREE DAYS

Each school district, each school, and each **bona fide chapter of each school** is allowed to have two, one-day tax-free sale each calendar year. There is no limit on the number of bona fide groups at a school or school district. However, if two or more bona fide groups combine to have a one-day tax-free sale, this day counts for each group as a one-day tax-free sale. Employee associations are not allowed to have one-day tax-free sales.

A **bona fide chapter** is a group that must **be organized for some business or activity other than instruction or a participatory group**. Essentially, any **student group that is recognized by the school and is organized by electing officers (not just participatory captains), holding meetings, and conducting business are bona fide chapters of the school** and each group may have one one-day tax-free sale per semester. Groups meeting for classroom instruction or team sports are not categorized as bona fide chapters and do not qualify for the tax-free day sales.

For example:

- The school district qualifies for a tax-free day.
- The school-wide fundraiser qualifies for a tax-free day.
- The Basketball Club qualifies, but the basketball team does not.
- The Cheerleader Club qualifies, but not the cheerleader team.
- The Debate Club qualifies, but debate teams and classes do not.
- The French Club qualifies, but the French classes do not.
- The Senior Class qualifies, but not one particular class that has seniors in it.

One-day means 24 consecutive hours; the delivery should be made on a single day. Generally title passes to the purchaser when the item is given to the purchaser. In the case of pre-ordered and pre-paid sales, title can transfer as soon as the seller (school) receives the order. Therefore, the date the items are delivered by the vendor to the seller is designated as the one-day for the purposes of the tax-free sales. However, persons buying from surplus stock on subsequent dates after the tax-free day owe tax on the items.

When the school or school group receives a commission, the tax-free day sale provisions cannot apply because the sale is the vendor's sale, not the school's sale. The school group would collect and remit tax to the vendor, and the vendor would report the sale and remit tax to the Comptroller's office. Also, the sale of items received from a vendor, in which the school and the vendor have an agreement that the vendor will take back any unsold items, would generally not qualify as a one-day tax-free sale.

FOOD SALES

The sales tax statute exempts the sales of food, including meals, soft drinks, and candy, by a group associated with a public or private elementary or secondary school when the sales are part of a fund-raising drive sponsored by the organization and all net proceeds from the sale go to the organization for its exclusive use. Student groups, PTAs and booster clubs are included in the provision. It does not matter if the sale is during the school day, the evening, or on a weekend; if it is a fund-raiser, it is not taxable.

Tax-exempt sales of food by a school district (i.e., food service) are limited to the regular school day. Catered food sales by the district's food service are taxable unless sold to the school district. All athletic event **concession sales are taxable** unless the sales are part of a fund-raising event.