

Activity Account Manual

2017-2018



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Introduction

This Activity Account Manual has been prepared to provide general information to campus principals, activity account sponsors, and student club officers about managing activity accounts. Additional information may be available within the district's Board Policies, Fiscal Manual, Administrative Procedures, or other web resources.

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

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

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

If assistance is needed in any area of our business operations, please contact any of the staff members listed below.

Business Office Staff

Victoria V. Gonzalez	Business Manager	Extension 1403
Norma Muniz	Finance Director	Extension 1404
Iracema Enriquez	Data Processing Specialist (PEIMS)	Extension 1410
Angelica Sanchez	Administrative Secretary	Extension 1400

Activity Funds (Campus) – Fund 461

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

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

Generating activity funds shall not in any way compete with the district food service activities. Activity funds generation shall be a passive activity and shall not detract from the district's overall primary educational purpose. The generation and expenditure of campus activity funds shall be held to the same standard and scrutiny as that of appropriated funds. Activity funds shall be audited and must adhere to accepted business practices.

A purchase order or class fund request are required for all campus activity fund expenditures, except for small, emergency purchases through a Petty Cash Account. The primary Campus Activity Account (461-23-6499-00-XXX-X99000) shall be used for campus-level purchases made by the campus principal. In addition, multiple campus activity accounts may be created segregate funds by purpose.

Activity Accounts (Staff Hospitality or Flower Fund) – Fund 865

Campuses may establish a staff account (Hospitality) with voluntary donations from staff. These funds are not district funds and may be used in any manner. Purchases with these funds are subject to taxes as they represent personal purchases and not district purchases. Purchases typically include flowers for ill staff members, employee recognition awards, etc.

According to the FASRG, if funds are received from teachers or other employees as contributions to a "flower fund" or "hospitality fund" those funds would be categorized and accounted for as an agency fund [Fund 865].

Activity Accounts (Student Organizations) – Fund 865

Student activity funds (under the control of the principal) shall be collected, receipted, and deposited to the district's business office on a daily basis. Refer to cash/check handling procedures. All monies collected should be receipted in a receipt book [bound and pre-numbered receipts].

Student activity funds shall be used exclusively for the benefit of students. Typical uses include travel, awards, banquets, supplies, etc. These funds shall be used at the discretion of the student organization through designation of the sponsor and an officer. All expenditures and payments to vendors shall be centralized through the district's business office.

Generation of student activity funds shall not in any way compete with the district's National School Lunch Program (NSLP). An Authorization to Conduct a Fund Raiser should be submitted to the campus principal in advance of the scheduled activity. In addition, at the end of the fund raising activity, a Profit Loss Statement should be filed with the business office. Activity funds shall be audited and must adhere to accepted business practices.

To establish an activity account, an organization should have an approved constitution and elected officers. The Request to Open/Close Student Activity Account form shall be submitted by the campus principal prior to allowing the sponsor or students to raise funds. Students shall make decisions regarding the expenditure of club funds. The club minutes shall support all expenditures. The assigned organization sponsor (professional staff member) shall be responsible for the proper management of the student activity accounts. Annual training will be scheduled to assist the organization sponsors in managing their respective student activity account(s).

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

Cash Management

All cash and checks shall be deposited to the central office/bookkeeper on a daily basis. No post-dated checks will be accepted. Funds should not be kept in classrooms, personal wallets or purses, or at home for extended periods of time. No cash purchases should be made – every dollar collected should be receipted and deposited to the central office/bookkeeper. The sponsor shall forward all monies on a daily basis to the district's business office, or secure overnight in a locked campus safe if the deposit cannot be made the same day.

Receipts shall be issued for all money transactions.

The flow of money and the receipts must support all money collected and deposited. All receipts issued shall follow the following guidelines:

- An official receipt book with pre-numbered, bound receipts in duplicates
- Both the sponsor and secretary/bookkeeper should be present when the money is counted & receipted
- A copy of the receipt must be given to the person paying (sponsor)
- A copy of the receipt must remain in the receipt book
- A copy of the receipt should be attached to the deposit documentation
- Receipts should not be altered
- Voided receipts (white original copy) must be re-attached to the receipt book
- Receipts are not to be pre-dated or pre-signed
- Receipt numbers must be used consecutively

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

Student Organization Revenue Form
Campus Activity Revenue Form

Check Processing

Business Office checks will be printed, endorsed, and released on a weekly basis. Generally, checks will be generated on Friday afternoon of each week. At times, checks may be processed earlier or later in the week, due to holidays, staff work schedules or unforeseen events. All Fund Requests/Purchase Orders shall be approved by the appropriate principal or administrator and submitted to the business office by 12:00 noon on Fridays, including all supporting documentation. Requests received after this time will be processed the following week. Fund Requests and Purchase Orders without all of the supporting documentation will not be accepted, nor processed. The Business Office shall determine the date that vendors will be paid, so employees should not make prior commitments to vendors about check disbursements.

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

Checks not cashed by the expiration date (90 days) will be voided. A new check will be reissued at a fee of \$30.00 if the payee is located and requests a reissue.

Consultants or Contracted Services

Consultants and Contracted Vendors are non-employees who are contracted to perform a personal or professional service such as DJ services, alterations, repairs, etc. A Consultant Service Contract is required for every contractor. The Superintendent is the only individual authorized to sign contracts on behalf of the district. An employee who signs a contract or agreement, without proper authorization, will be personally liable for the terms of the contract or agreement. Contracts that exceed \$50,000 shall be approved by the Board of Trustees.

Please follow these procedures when submitting a Consultant Service Contract:

- Submit a completed Transmittal Form and Consultant Service Contract form to the Business Manager for review. The Business Manager will forward to the Superintendent.
- Obtain the following documents from the consultant:
 - A Vendor Application Form
 - A completed W-9 form
 - Conflict of Interest Questionnaire
 - A Felony Conviction Form
 - If the consultant will work directly with students, a Criminal Check Authorization form and State Board of Educator Certification fingerprinting documentation.

Documentation of insurance, such as general liability, workers compensation, and auto liability, shall be submitted to the business office with the purchase order. The Certificate of Insurance shall name "Fort Hancock ISD" as additional insured.

Vendor Application

Consultant Service Contract Forms

W-9 Form

Felony Conviction Form

Criminal Check Authorization form

Contracts and Service Agreements

All contracts for rentals, yearbook orders, service agreements, etc. must be signed by the Superintendent. **No other employee is authorized to sign a contract or agreement on behalf of the district.** An employee who signs a contract or agreement, without proper authorization, will be personally liable for the terms of the contract or agreement. Contracts that exceed \$50,000 shall be approved by the Superintendent and Board of Trustees.

Donations and Gifts

Donations or gifts of cash or cash equivalents (gift cards), equipment, or materials to individual schools or to the district by individuals or organizations shall become property of the district. The Donation Form shall be completed by the donor. District employees are prohibited by law from intentionally or knowingly offering, conferring, agreeing to confer on another, soliciting, accepting, or agreeing to accept a personal gift or benefit.

Cash donations shall be deposited to the appropriate account in accordance with the cash/check handling procedures. Neither campus nor student activity funds may be used to purchase gifts for students or employees. A gift is a gratuitous offering for personal benefit that does not serve a legitimate educational interest. For example, birthday presents, Christmas presents, wedding or new-baby acknowledgements for individuals are considered gifts. Employees and students may, however, donate personal funds to be applied toward the purchase of a gift.

Donated equipment shall have an inventory tag affixed to it if the unit value is greater than \$100. In addition, the equipment shall be added to the district inventory.

All donations shall be approved by the Superintendent. All donations for technology equipment shall be approved by the Technology Director, the Superintendent and the School Board [if the value equals or exceeds \$1000].

District funds may not be donated to another entity; therefore, donations are not allowed from the Campus Activity funds. Student Clubs may donate their funds to other entities, such as Red Cross, March of Dimes, etc.

Donation Form

Fiscal Year

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

All invoices for goods received before August 31st, shall be submitted to the Business Office by September 5th for processing and payment.

Fixed Assets & Inventory

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

Fundraisers

Fund-raising activities by student groups and/or for school sponsored projects shall be allowed, with prior administrative approval and under the supervision of the project sponsor.

All fund-raising projects shall be subject to the approval of the principal. The Authorization to Conduct a Fundraiser form shall be completed by the Club Sponsor and submitted to the Campus Principal for approval. The secretary/bookkeeper shall keep a copy of all approved fundraiser forms to ensure that funds are deposited on a timely basis.

Student participation in approved fund-raising activities shall not interfere with the regular instructional program.

Merchandise ordered for resale should be distributed to students on a written distribution log (refer to Fundraising Documentation Forms). The merchandise distribution log should reconcile with the corresponding invoice and/or packing list. For example, if an invoice reflects that 200 yearbooks were purchased from a vendor and receipts reflect that 180 yearbooks were sold, there must be a total of 20 yearbooks on hand at the end of the fundraiser.

At the conclusion of all fundraisers, the Club Sponsor shall complete a Fundraiser Profit/Loss Statement and submit to the business office.

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

Authorization to Conduct a Fund Raiser

Fund Raiser Profit/Loss Statement

Fundraising Documentation Forms

Gift Cards

District funds [Campus Activity Funds] shall not be used to purchase gift cards. Gift cards shall not be issued to staff without prior approval from the Superintendent.

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

Individual Student Accounts

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

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

Invoices

Vendors are required to submit all invoices to the business office, yet occasionally an invoice will be mailed directly to a campus or department. If any invoices are received at a campus or department, the invoice(s) must be signed (if the goods/services were received) and forwarded to the business office for payment within three (3) days of receipt of the invoice.

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

Payroll Expenditures from Activity Funds

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

Petty Cash Account

A petty cash account shall be established for each campus, the food service department and the business office only. The expenditures from campus funds shall be reimbursed to the General Fund petty cash account.

Purchasing Deadlines

In an effort to maximize the use of budgeted funds during the current fiscal year, the purchasing deadline for supplies and equipment shall be May 1st. Purchasing documents for services and travel should be submitted by July 31st. At times, the purchasing deadlines for Campus and Student Activity Funds may be extended to support campus or organization activities.

Purchase of Food and Non-Food Items

When food and non-food items are utilized for faculty, site-based meetings, etc., the expense shall be coded to the Campus Activity Account (Fund 461). All other uses, such as professional development, should be coded to the appropriate account code.

Purchase Requisition and Purchase Order Forms

A purchase order form is used to purchase supplies, equipment, or services from an external vendor. Requisitions, Class/Activity Fund Requests, and Purchase Orders Forms can be found on the website.

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

Purchase Requisition Form – Sample template

Purchasing Laws

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

The district has implemented an administrative procedure to solicit quotes for purchases, which exceed \$10,000, in the aggregate, over a 12-month period. The written (faxed or emailed) quotes should be attached to the purchase requisition.

Anticipated purchases, which may exceed these limits, should be brought to the attention of the business department well in advance of the need for the goods or services. The competitive procurement process may take approximately 2 to 3 months, from bid specification development to School Board approval of a contract.

The purchasing laws apply to all purchases with Campus Activity funds, but do not apply to the purchases with Student Activity funds.

Raffles

School districts are not allowed to conduct raffles. Attorney General Opinion JM-1176 ruled that independent school districts are not qualified to hold charitable raffles. An unauthorized raffle is considered gambling under the Texas Penal Code – Class C Misdemeanor.

Receiving of Goods

The district utilizes a centralized receiving system – all goods must be delivered to the Technology Building. A copy of every purchase order for goods (supplies/equipment) will be forwarded to the receiving clerk. Upon receipt of the goods, all items that require an inventory or fixed asset tag will be tagged [by the receiving clerk] before delivery to the appropriate campus/department. All orders will be delivered to the respective campus or department with a packing list for “check-off” and verification of receipt. Discrepancies, if any, should be reported to the business office. Upon receipt of the receiving report and the invoice, the vendor will be paid for the order. Staff members that receive authorization to pick-up goods directly from a vendor shall submit written confirmation of receipt to the receiving clerk.

Returned Checks

All returned checks shall be deducted from the appropriate activity account balance until the outstanding amounts have been collected from the payee. To minimize returned checks, all checks accepted must have the proper identification of the payee, such as name, address, driver's license number, and phone number.

All makers of returned checks will be charged a \$30.00 fee. The fee is subject to increase based on the district's depository bank service fee schedule for returned checks. The district shall reserve the right to reject future checks from makers of returned checks.

Roles and Responsibilities

Club Sponsor

- Attends annual training
- Maintains records
- Deposits funds collected on a daily basis
- Submits Requests to Conduct Fundraiser forms as required
- Completes a Fund Raiser Profit/Loss Report for every fundraiser
- Reconciles the activity account to finance reports monthly
- Signs a Responsibility Affidavit

Campus Secretary/Bookkeeper

- Monitors approved fundraising activities and submission of funds
- Receives, counts, and receipts all funds for campus activities
- Assists sponsors
- Informs Principal of problems and concerns
- Deposit funds on a daily basis (for activity funds)

Campus Principal [Ultimate responsibility for Activity Funds]

- Approval of all campus and student activity fund transactions
- Safekeeping of money on campus
- Proper accounting and administration of all activity funds
- Approval of disbursements in accordance with the procedures manual.

Sales Tax Exemption Form

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

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

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

Sales Tax Exemption Form

Student Trips

All student trips shall be submitted by completing a requisition at least two (2) weeks prior to a field trip. The field trip request will be forwarded to the appropriate administrator for approval. The final approval will rest with the Superintendent. A purchase order shall be submitted for admission fees, meals, etc., if any. In addition, a Field Trip Lunch Request form shall be completed and submitted two (2) weeks prior to the field trip to the Cafeteria Manager.

If a district-owned vehicle or school bus is requested, specific details regarding the destination, type of vehicle, departure and return times shall be provided. If the requestor will be driving a district-owned vehicle, he/she

must be listed on the Authorized Driver List.[The Transportation Director compiles the annual list of Authorized Drivers, please contact him at 769-3811 for more information.]

The Club Sponsor shall follow all Travel Guidelines in requesting travel funds for student trips.

Field Trip Lunch Request form

Transfers between Activity Accounts

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

Travel Expense – Advances & Settlements

Campus Activity funds shall not be used to pay for professional development activities. All professional development expenses shall be paid from the General Fund or other available funds subject to the District's Travel Guidelines.

Student Activity funds may be used to pay for student and travel expenses for organization/club-related expenses, such as Student Council, Spanish Club, etc. The District's Travel Guidelines shall be adhered to in requesting funds for travel expenses. Travel expenses may include registration fees, meals, mileage, lodging, and transportation costs.

Vendors

Purchases from vendors that operate on a cash basis (do not accept purchase orders) will not be allowed. The district participates in several cooperative purchasing programs. A list of these programs is available from the business department. Priority should be given to these vendors since the goods and/or services have been subjected to the rigor of a competitive bid process.

Requests to add new vendors shall be accompanied by the Vendor Application and all new vendor forms such as: W-9 Form, Felony Conviction form and Conflict of Interest Questionnaire (CIQ).

Vendor Conflict of Interest Questionnaire W-9 Form

Approved uses of Funds

In addition to the expenditures explicitly permitted above, allowable uses of campus activity funds include but are not limited to:

- The cost of field trips, including items such as admission fees, snacks and other costs.
- Expenses for snacks, favors and other incidentals used in seasonal or holiday parties and programs for the students
- Cost of school assemblies and special programs, class picnics, student dances, etc.
- Expenses for the sponsor and chaperones for an approved event.
- The cost of legitimate contest entry fees.
- The cost of building use fees and security fees for an approved event.
- Cost of inexpensive symbolic awards.
- Expenses associated with the senior prom, senior day, graduation, etc.
- Awards for student achievement (subject to "cash benefit")
- Items designated to beautify the school, the classrooms and playgrounds or other school property.
- Items for classroom use or for school operations.
- Campus after school programs.