
Mathis Independent School District



School Activity Funds Policy and Procedure Manual

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Roles & Accountabilities

Definition of School Activity Funds

Activity funds are held by the school, as trustee, and are accumulated from the collection of student fees and various school-approved money raising activities. All funds collected by District personnel from students are defined as activity funds and are to be handled through the School Activity Fund accounts.

School activity funds are to be used to finance a program of school activities augmenting, but not replacing, the activities provided by the District. The purpose of raising and expending student activity funds is the promotion of the general welfare, educational development, and morale of students and assistance in financing the normal legitimate activities associated with the operation of a public school, including the approved extracurricular activities of authorized student organizations.

Roles:

Principal -The school principal is personally responsible for the proper collection, disbursement and control of all school activity monies in his/her trust. This responsibility includes providing for the safekeeping of all monies in the school, the proper accounting and administration of the same, as well as disbursing monies for any legal purpose in accordance with state and local law.

Campus Secretary or District Designee- The Campus Secretary/District Designee serves in the day-to-day bookkeeping and treasury support role for the Principal. As such the Campus Secretary maintains the books and records, processes deposits and prepares reconciliations and reports for review. The Campus Secretary shall not have signature or approval authority regarding any specific school or group transaction or activity. **The Campus Secretary/District Designee shall maintain accurate and up-to-date books and records with all transactions recorded within two days of processing, and supporting documents organized and retained for 4 years.**

Sponsor - The Sponsor of each school club or group works with and ensures all fundraising and expenditures of the Group's funds benefit the students within the Group. The Sponsor serves as the Group's representative for coordinating any and all activities on the school campus, including:

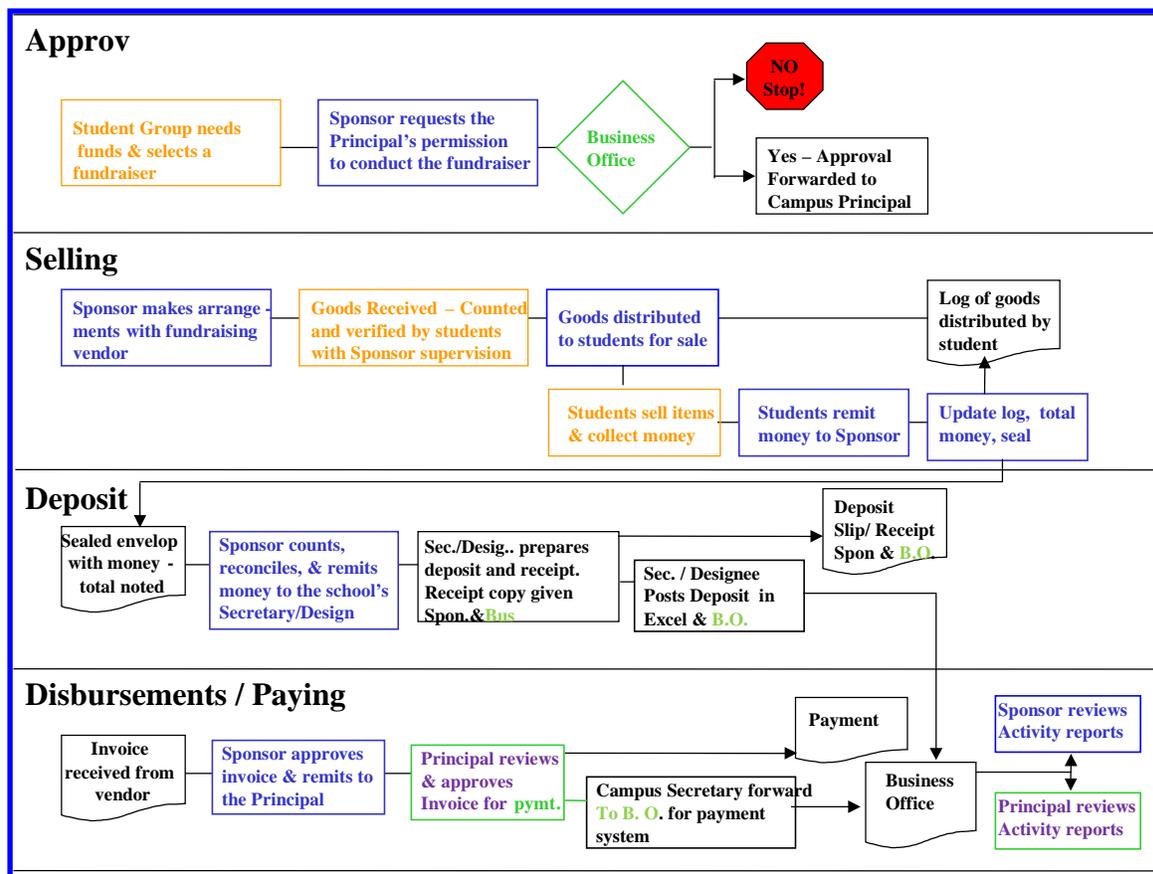
- Obtaining approvals for fundraisers from the Business Office
- Obtaining approval and scheduling the use of any school property outside the use
- Maintaining control over fundraising assets (goods for sale as well as funds received)
- Submitting all funds raised to the Campus Secretary prior to the end of the school day for immediate deposit

- Approving and submitting appropriate invoices for payment to the Business Office.
- Reviewing, at least monthly, the Group’s financial activity report.

Process Overview

The following provides an overview of the activity fund process.
The tasks are coded as follows:

- Students – orange
- Sponsor - blue
- Principal – purple
- Campus Secretary – black
- B.O. is Business Office - green



The above flow illustrates the expected segregation of duties and general flow of information.

Explanation of Accounts

Assets:

Activity fund asset accounts represent all activity fund cash held at the bank. Types of cash accounts are:

- Checking account:
 - Used to record the routine daily receipts and disbursements.
 - Will reflect the running balance of the bank checking account.
 - It is the account that will be reconciled to the monthly bank statement.

Liabilities:

- Agency fund accounts:
 - These are the student group accounts. Funds in these accounts are to support activities of an appropriate student group or to record receipts and disbursements for activities such as fund-raising projects, yearbooks, etc.
 - Revenues are generated by the activities of the group such as fundraisers, collection of funds as donations, etc.
 - Resulting expenditures are for the benefit of the group or activity, and not for the general operations or benefit of the school as a whole.

Student Activity Accounts with oversight in the Business Office.

These accounts are used to record expenditures incurred for the benefit of the students.

- Allowable expenditures are expenditures that are for the direct benefit of the Students** and follow the instructional purchase guidelines of the General Operating Fund as set forth by the Texas Education Agency, State and Federal Law.
 - Materials, supplies, and equipment to aid instruction;
 - Awards, rewards, incentives or motivational materials for students and related reception expenditures; (**any awards or rewards are limited to \$25.00**);
 - Expressions of sympathy or appreciation to students;

 - Refreshments or meals for parents, students, and staff advisory groups during regular meetings;

- Student body assembly;
- Printing charges for student/parent newsletters, handbooks, directories, etc.
- Emergency health or safety needs of students;
- School furnishings and equipment;
- School landscaping;
- Postage and office supplies not reimbursable through the instructional budget;
- Check printing fees and bank service charges.

Expenditures not permissible include:

- Staff travel, entertainment, or any general expenditures for staff,
- Equipment or furnishings for administrative or staff areas,
- Remodeling, and/or
- Loans to employees.

Allowable receipts are:

- Net proceeds generated for the purpose of providing funds for general operation of the school and/or benefit of the students such as:
 - Operation of vending machines,
 - School-wide and non-organizational fundraisers,
 - Operation of a school store,
 - Proceeds from class picture sales,
 - Interest earned on checking account,
 - Unrestricted donations.

→The receipts and related expenditures for these activities can be maintained in separate individual general fund accounts with any net proceeds available for transfer to the School Operating account (A.2001) upon approval by the Principal.

- **Reserved school operating accounts (processed through the district general operating account in fund 465)**—These accounts are for a general operation purpose of the school, except these balances cannot be used for anything other than the designated purpose. The

→Library:

- Collections from students for lost or damaged library books must be used to purchase new library books.
- Fines collected from students must be used to fund expenditures for the general operation of the library.
- Specified donations and/or grants—Receipts from PTA, Adopt-a-School programs, or school wide fundraisers that are for a specific purpose should be maintained in separate accounts in order to determine that the proceeds are disbursed as intended.
- Faculty **accounts**:--The funds in these accounts should be used to promote the general welfare, professionalism and morale of the staff. The hospitality faculty funds are non-public funds which are derived from dues or fees paid by campus staff, or collections of funds taken up for a specific purpose. Funds in the hospitality accounts do not have the restrictions that regular faculty funds have.

Other

*In addition to the above restrictions on the uses of different accounts in the activity fund, the following expenses **cannot** be charged to the activity fund. These types of expenses must go through the process noted:*

- Fixed assets: The requisition/purchase order process must be used. A fixed asset is defined as a technology device with a value of \$500 or more, and useful life of one year or more; and other equipment with a value of \$1,000 or more and useful life of one year or more. Technology devices with a value of \$499 or less, and other equipment with a value of \$499 or less can be purchased directly out of the activity fund.
- Payments to employees for compensation for work cannot come out of activity funds. If an employee does extra work for the school (outside of their regular job), they must either report their hours to payroll, or they must be set up as a vendor and paid through accounts payable.
- Out of district travel related expenditures for staff travel are only allowed if the teacher/sponsor is traveling with the students for a school related event. Otherwise, this type of expense should be charged to the school's budget or a grant fund budget, and teachers/sponsors must go through the Business Office.
Staff travel expenditures for staff development events are not allowed through the activity fund.

Limits on Prizes, Incentives, Gifts, Gift Cards, Awards

→Prizes, incentives, gifts, gift cards or other awards to any one student are limited to \$25.00 if paid out of any activity account other than a student club account;

Limitation of Outside Fundraisers Conduct on Campuses.

No students should be buying/selling items, including T-shirts, Caps, Mugs, MISD Spirit Products, on MISD campuses, unless it is approved and coordinated through a MISD Admisitrator. All student organization activities are to be approved prior to activity.

No student shall be allowed to collect money on campus from other students for any purpose including Charities, Fundraisers, Class Activities, etc. Only MISD Faculty can collect monies from students for school sponsored activities. These monies are to be appropriately documented by the use of receipts, turned into Campus Secretary/District Designee, and deposited according to district/campus policies and procedures. **(This is a Legal issue and Professional and Educator Ethics Responsibility)**

Distribution of school sponsored approved merchandise/items and or activities, is to be appropriately coordinated through an MISD Faculty member/sponsor.

No student should be directed/allowed to contact a local vendor, to order merchandise, or handle business matters for MISD organizations. If this is a school sponsored activity, it is the responsibility of the MISD Sponsor/Faculty member.

All MISD Fundraisers are required to be approved by MISD Business Administration. Student organizations are allowed two approved fundraisers per calendar year.

Bank Accounts

Policies:

- Student Activity Funds must be maintained in one bank account per campus.
- No other organization (PTA or Booster Club) may use the District's tax ID number.
- No non-school funds should be commingled with the Activity Fund moneys / bank account.
- All checks must be manually signed at the time of issuance.
- A check should never be pre-signed with the amount and payee left blank.
- Blank check stock shall be secured at all times.
- The bank account is to be reconciled monthly.
- Once reconciled all Principals and sponsors shall receive an updated account balances. .
- The Principal and appropriate designees may be authorized to sign checks. However, the Campus Secretary and sponsors may not sign checks.
- Within 10 business days of an authorized signer no longer being an employee of the **school**, the bank signature card must be updated with that individual removed.

Guidance

Bank Accounts

- Each school may have only one bank checking account which shall be entitled "Mathis Independent School District, (Name of school) School Activity Fund Account."
- The school district, the school name, the school address and telephone number and School Activity Fund Account must be imprinted on all activity fund checks and deposit slips.
- All accounts must have bank issued deposit slips with the school district, school address, telephone number and School Activity Fund Account must be imprinted on deposit slip.
- All monies received will be deposited into this account and all disbursements will be made by a check drawn on this account. No other checking accounts are permitted if related to the school's activity funds. In addition, no check cashing is allowed against this account.
- Only student activity fund transactions may be directed through the school activity fund bank account. Outside organizations such as PTA or Booster Clubs must maintain a separate bank account to record their activity.
- Schools and school organizations are not permitted to execute external debt instruments of any kind. School activities or projects requiring financing on any deferred or installment repayment basis must submit a requisition to the Business Office so a purchase order can be issued.
- The tax identification number for MISD is used for School Activity Fund Accounts. To obtain this number, call the Business Office. This number cannot be used by any other school related organization such as booster clubs, PTAs, etc.

Check Signatures and Checks

- Each bank account shall have a minimum of two authorized signers, one of which must be the Principal. All checks must be signed with manual signatures. Under no circumstances shall secretaries sign a check. In addition, no endorsement authorization is allowed.
- **Under no circumstances should a check be pre-signed with the amount and payee left blank.** There will be instances when the actual cost of an item will not be known in advance. A check may be issued to the person authorized to make the purchase in an amount adequate to cover the estimated cost of the item. The teacher/sponsor then will be required to bring back any excess cash of the purchase price, plus a bill of sale or invoice documenting the amount of the purchase. The teacher/sponsor should be given a receipt to acknowledge return of the difference between purchase price and the amount advanced. An additional check will be issued if the estimated cost did not cover the purchase.
- Blank checks are to be secured under lock and key with only the persons authorized to sign checks having access to them.
- Voided checks are to have the word **VOID** written in bold letters with ink across the face of the check. The voided checks are to be filed in numerical order with the canceled checks or attached to the checkbook stub in the Business Office.

Bank Reconciliation

Upon receipt of the monthly bank statement, the balance indicated on the statement shall be reconciled to the checkbook balance and the balance as found in the activity fund general ledger. All secretaries will forward an email copy of their excel student activity ledger to the Business Office. The bank account will be reconciled with the ledgers. Once the reconciliation is complete the excel ledger will be email back to campus Principals and Secretaries to forward to each sponsor monthly.

Activity Fund Balances/Reports

Policies:

- Monthly reports must be submitted to the Principal and Sponsors for review by the 15th of the next month.
- Discrepancies (known or suspected) should be brought to the attention of the Principal, who has the authority to request an Internal Audit.
- Student groups are required to maintain positive balances – any temporary negative balances must be pre-approved by the Business Office.
- **Any overdrawn club/group balances requires a written action plan to have it resolved within 30 days.**

Monthly Reporting

- Monthly Excel reconciled reports to the Campus Secretary, Principals and Business Office Accountant must ensure all transactions have been processed within the system.
- Reconcile the bank account and post any correcting entries in the Business Office.
- Print all reports and provide to the parties in parenthesis:
 - Reconciled Excel from campus to the Business Office (*Principal & the Business Office Accountant*)
 - The Business Office and Campus Secretary will reconcile the spreadsheet with the bank reconciliation. (*Campus Secretary and Business Office Accountant*)
 - Detail monthly activity report by student group / account (*Sponsors*)
 - All sponsors must review and approve the detailed monthly activity report by signature.
 - Bank reconciliation (*Business Office*)
 - Adjustment History and Transfer History reports (*Principal & Business Office*)

Reviewing the reports – Principal

- The Principal must review the Excel bank reconciliation to ensure:
 - The reconciled balance cash balance on the monthly basis
 - Any correcting adjusting entries are adequately explained and supported.
 - Any transfers between accounts within the activity fund are adequately supported.
 - Changes in long-outstanding items resulted from items actually clearing the bank.
- The Principal must review the monthly Excel bank statement and question the following, if noted:
 - Determine why bank fees have been charged - especially overdraft charges
 - Any wire transfers in or out of the account
 - Determine the nature of any debit or credit memos
 - Determine whether NSF checks have been properly accounted for and what the actual collection results are.

- Deposits should be reviewed for fundraising activities that have not been approved.
- The Principal should review each group balance amount for negative balances.
- The Principal should ensure all student groups still exist.
- The Principal should question any “Reimbursement Account” balances to ensure amounts have been submitted to the Business Office for processing of the reimbursement.
- If there are any discrepancies, the Principal should work with the Business Office to resolve the difference and/or request an Internal Audit.

Reviewing the reports - Sponsor

- The Sponsor must double check that all deposits are reflected. Use the receipts issued by the Bank to double check as well as any other schedules maintained for your tracking purposes.
- The Sponsor must double check that all disbursements or transfers are appropriate and reflect those incurred on behalf of the club or group.
- If any goods were returned for credit, the Sponsor must monitor to ensure the credit is received from the vendor and is appropriately reflected on the account.
- The Sponsor must review the balance amount and project whether funds are adequate to carry out the club or groups upcoming activities. If not, the Sponsor should be proactive in addressing whether another fundraiser is needed.
- If there is a discrepancy, the sponsor must work with the campus secretary and Business Office to resolve the difference.

Overdrawn Club Accounts

- Clubs are not to operate with overdrawn balances. Occasionally, this can't be avoided. When this occurs, the sponsor MUST obtain written permission from the principal and business office to overdraw their account. An explanation why the account will be overdrawn and an action plan within that ensures the account will return to a positive balance within generally 30 days must be documented and kept on file.

Backup of Data

The following procedures are recommended to adequately safeguard automated activity fund data:

- Daily, the data files should be electronically backed up to the school's server.
- Monthly the activity reports and bank reconciliation should be printed and maintained using the District's normal record retention policies.

All records should be retained for 4 years.

Deposits

Policies:

- Prior to any fundraising starting, the Principal and Business Office must approve all fund raising activity.
- All funds collected must be submitted to the Campus Secretary in the same form as collected.
- All collections must be deposited into the school activity fund and submitted to the Business Office within 2 days – **no cash should be left in a classroom or taken home by the Sponsor.**
- School office personnel must secure any undeposited funds overnight in the campus safe.
- **No collection jars or jars of money are allowed for any fundraiser.**
- Sponsor's personal checks may not be substituted for cash collections.
- Postdated checks shall not be accepted from any source or for any reason.
- Payments, purchases or refunds may not be made with undeposited funds. (no net depositing)
- **The Campus Secretary must provide a receipt for the cash submitted for deposit.**
- Sales tax must be collected on taxable sales, (if the fundraiser is not one of the two annual tax free approved fundraisers) unless written notification is received from the vendor that clearly indicates that the vendor is assuming this responsibility.

Guidance

Definition of Fundraisers: Unstructured vs. Structured—an unstructured fundraiser is one where a vendor does not supply order and collection forms, and the total amount of proceeds from the fundraiser is less than \$1,000. Examples of unstructured fundraisers include car washes, pizza sales, Walk-a-Thons, etc. **Please note though, that if a Walk-a-Thon or any of these types of fundraisers raises \$1,000 or more, it is considered a structured fundraiser,** and will count as one of the two allowed per school or club. A structured fundraiser is one where typically the vendor supplies the forms (order forms), the amount of the proceeds are \$1,000 or more, and it is counted as one of the two fundraisers allowed per school or per club. Examples include catalog sales, chocolate bar sales, cookie dough sales, etc.

- Each approved student organization shall be limited to 2 tax free structured fundraisers per school year; and a reasonable amount of small unstructured fundraisers. (Keep in mind that class accounts set up in the activity fund, i.e. First Grade, Second Grade can only have small unstructured fundraisers, since this is not an approved student organization.)
- Prior to beginning any fundraiser, the club sponsor must get written approval for the activity from the school principal and Business Office. This approval is to be maintained within the club's fund-raising file in the principal's office and Business Office.

Segregation of Activities

Many sponsors will be collecting money for more than one activity within a club. For example, the FFA sponsor may collect fund raising money and dues from club members. Funds from each activity should be submitted with a separate deposit slips or the amounts for each activity should be clearly indicated on all forms. This will assist the Business Office in determining the sales tax due at the end of each month if applicable. Additionally, activities should be separated so that profits and losses can be more easily identified.

Collection of Fundraising Proceeds

- All cash collections received by the club must be recorded on triple-copy cash receipt form.

For festivals or dances held by the school, pre-numbered tickets or bracelets will be used to track money collected. Written documentation must be on file that shows the number of tickets or bracelets purchased, who they were assigned to, and the resulting amount of money and tickets or bracelets left over.

For Walk-a-Thons, a detailed list of money collected from the students must be prepared by the classroom teacher. The Multiple Transmittal form must be used for this purpose. When this form along with the money is given to the financial secretary, one receipt will be issued by the secretary.

- Funds collected for club activity or during fundraisers should be verified and signed by two individuals before submitting funds to the Campus Secretary. Those individuals verifying funds may be the club sponsor, a teacher, a student officer or treasurer.
- In those instances where students collect funds (yearbooks, dues, etc.), the Sponsor should provide adult supervision.
- **The Sponsor must verify the cash to the sale receipts, vouchers or tickets to confirm the cash/deposit amount.**

Depositing Funds -

- **Receipts should not be held overnight in the classroom or at the sponsor's home.** Rather amounts should be remitted to the Campus Secretary as early as possible during the school day for deposit. **Any funds received too late for processing of a deposit should be sealed and stored in the school's locked safe by the Campus Secretary and Principal.**
- Monies submitted should be counted and wrapped (dollars) or rolled (coins) before being submitted to Campus Secretary.

- All collections turned into the Campus Secretary must be accompanied by a Cash Receipts (the yellow copy from the triplicated receipt book) completed in its entirety which clearly indicates:
 - breakdown of the amount in coins, currency and checks,
 - type of revenue (sales, dues, fees, reimbursement, etc.), and
 - explanation (what was sold, purpose of collection, etc.).
- An actual cash count should be made by the office personnel accepting the funds, as well as the sponsor/account representative turning in the money. If this is not feasible, the funds and all supporting documentation should be sealed in an envelope and secured in the campus safe. Within twenty-four hours from the time it was turned in for deposit, the envelope should be opened in the presence of both individuals to verify the amount and issue a cash receipt to the sponsor.
- The school's Campus Secretary must provide a receipt for the cash submitted for deposit. The receipt should document the club account name written in the upper left hand corner of each check for identification purposes should it be returned by the bank.
- The school's Campus Secretary **must list the receipt numbers making up a deposit to the bank on the deposit slip.** For example, if receipts #8700 to 8703 will make up one deposit, those receipt numbers must be listed on the bank deposit slip and attached for backup support.

Issuing Receipts for Fundraising –

- Triplicate pre-numbered receipt books are available from the Campus Secretary. Receipt books should be secured at all times. Clubs should maintain records of all pre-numbered receipt forms used and unused during the year to properly control cash receipts.
- Under no circumstances shall a cash receipt be altered. If an error occurs in the preparation of a cash receipt, void both the original and the duplicate of the incorrect receipt and issue a new receipt.
- The original of a voided cash receipt must be attached to the carbon copy and clearly marked as “void.” The voided cash receipts should be kept in the receipt book.
- The original copy of the cash receipt shall be given to the person paying the money. The yellow copy is to be with the deposits. The pink copy remains in the receipt book.
- Cash receipts are not to be pre-signed or predated.
- The cash receipt book should be submitted with the funds collected and a properly prepared report to the Campus Secretary noting the receipt numbers making up the deposit.

- At the end of the school year, the Campus Secretary shall recall all outstanding receipt books so that all books issued during the school year are accounted for. **The receipts MUST be turned into to the business office on or before the last day of instruction.**

Summer Collections

For drill team sponsors and coaches who conduct athletic camps during the summer, they will be allowed to take deposits of money to the Campus Secretary or the Business Office during the summer break. The deposits must be deposited into the bank within 2 days of collection. Documentation on the deposit and a copy of the deposit slip must be given to the Campus Secretary when the secretary returns from summer break. All policies on securing funds and depositing funds in a timely manner apply to summer collections.

Additional Procedures

- All club sponsors must review and sign a Club Sponsor Responsibility Affidavit prior to conducting any club activities.
- Complete and submit the Fund Raiser Authorization to Conduct a Fundraiser for review and approval prior to any fund raising efforts or commitments.
- Utilize the Fund Raiser Documentation and Tracking Form or the Concession Stand Reconciliation Form is applicable.
- When the fundraiser is completed, the Fund Raiser Profit/Loss Statement will be completed and signed by the club sponsor, student representative, and the school principal. Once complete the Profit/Loss Statement, the Fund Raiser Documentation Tracking Form and/or the Concession Stand Reconciliation form must be attached as supporting documentation.
- The Sales Tax Reporting Form **MUST** be completed following all fund raising events regardless if sales tax was collected. If sales tax was collected please complete the form accordingly, if no tax was collected please indicate as such.
- Activity Account Purchases must be supported by a student activity requisition form. All requisitions will be followed with an approved purchase order. All purchased from the Student Activity accounts **MUST** have an approval purchase order prior to any orders or purchases.
- The Donation form must be completed for any monetary or tangible item donations to any student group, campus or district.
 - Donations must be clear donations from an outside party including but not limited to corporate, individual or non-profit organization donations.

Sponsor List

At the beginning of each school year, a list of the sponsors from each school that will be conducting fundraisers for the upcoming school year shall be provided to the Business Office. The list should have the name of the sponsor, the club or organization the sponsor is assigned to, and the type of fundraisers that will be conducted, if known, (i.e. catalog sales, entertainment books, etc.) **The principal will also be required to know if each sponsor on the list has received a fundraising manual, and by signing the list will certify that each sponsor has reviewed the manual and submitted signed acknowledgement (see page 23).** A memo will be sent out after the beginning of each school year from the Business Office requesting this information.

Sales Tax

Taxable Status of Purchases

All purchases made for the exclusive use of a school should be made tax exempt. A “Texas Sales and Use Tax Exemption Certificate” form should be issued to the vendor.

Note: When reimbursing a district employee for purchases made on behalf of and for the exclusive use of a school, sales taxes should not be reimbursed to that person. To keep the person who makes the purchase from having to absorb the sales tax, please provide a purchase order. The PO is also sufficient proof of a school’s exempt status. The certificate/purchase order authorizes the vendor to make the sale tax exempt. The vendor should keep the certificate/purchase order on file to show state comptroller auditors if they are audited.

All items purchased to resell during a fund-raising event or as part of student activities such as P.E. uniforms, school supplies, locks, and tee-shirts should be made as non-taxable purchases from the vendor. A “Texas Sales Tax Resale Certificate” showing the District’s sales tax permit No. 1-74-6001710 should be given to the vendor unless the vendor already has one on file. Generally, a school should not pay the vendor for sales taxes unless the school is reasonably sure the sales taxes will not be paid to the state twice, once to the vendor and once to the Finance Office.

Note: PTOs, booster clubs, parents and associations are prohibited from using the District’s sales tax permit number. These groups should apply for their own sales tax permit number. These groups are responsible for collecting, reporting and remitting their own sales taxes to the State.

Meals during school trips – Sales taxes are not due on meals purchased by a school for an athletic team, band, debating club or similar school-supervised organization on a school approved trip. For a school district to take advantage of this rule, a completed “Texas Sales and Use Exemption Certificate” should be given to a school district representative traveling with the

group. The exemption certificate should be presented at the restaurant prior to the bill being prepared. This applies only to the group as a whole when there is one bill. This exemption does not apply to an individual traveling with the group that may want to go to a separate restaurant to eat. Payment can be made by District check, activity fund check, district credit card, or cash (currency and/or coin) advanced to an employee for that purpose. The District's travel procedures apply in all of these situations.

Ownership – The purchase of a taxable item is only exempt from tax if the item remains school property and ownership does not pass to an employee, student, or other individual. Therefore, purchases for their own use by individuals, even though connected with school or school organizations, are not exempt from tax. Examples: Cheerleaders purchasing their own uniforms. Band members purchasing their own instruments.

Lodging – School employees and students traveling on official business should issue a hotel tax exemption certificate to the hotel/motel in lieu of paying the state hotel occupancy tax. (Note: The hotel exemption “exempts” only the state portion of hotel occupancy taxes, not the city or county portions.)

Taxable Sales

Generally, most tangible goods in consumable form have been identified as being taxable when sold or sponsored by a school, by an organization within a school. If you have any questions, check with the District Business Office.

Not Taxable

The following represents a list of items or activities have been identified as being “Not Taxable” when sold or sponsored by a school, by an organization within a school. The list is not all-inclusive. If you have any questions, check with the Campus Secretary or the Business Office.

- Discount cards – laminated gold, green, etc.
- Dues
- Coupon books
- Fees – clinics and workshops, club membership (Note: items attendees keep are taxable and taxes should be remitted)
- Fines – textbooks, library books
- Gym usage fees
- Jog-A-Thons
- Labor for auto repairs
- Lost textbook payments
- Magazine subscriptions sold for 6 months or longer
- Newspapers
- Summer school tuition fees
- Summer school bus fees
- Tickets for admission to athletic events, dramas, dances, carnivals, and entertainment events
- Vending machine sales of soft drinks and candies (during the school day in elementary and secondary schools)
- Food – (Candy, Soft Drinks, Cookies, etc.), however all athletic event concession sales are taxable unless the sales are part of a fund-raising event.

One-Day Tax-Free Sales

Each school (school wide), each organization within a school (student council, national honor society, band, senior class, FFA), can have two (2) one-day tax-free fundraisers per calendar year.

Items sold at one-day tax-free sales should be purchased tax-free by issuing a Texas sales tax resale certificate to the seller.

An organization is not required to obtain a sales tax permit if it does not sell other taxable items during a calendar year.

The sale of yearbooks can be chosen by a school to be one of its two (2) one-day tax-free fundraisers. Yearbooks fall under an old “special provision” of the state comptroller’s rules that is still in effect today. Yearbooks are taxable unless chosen to be a tax-free sale.

A one-day tax-free fundraiser can add to the profitability of a fundraiser and/or reduce the total costs to the buyers. Proper planning can qualify an organization’s fundraisers as one-day tax-free sales. One way to qualify a fundraiser as a tax-free sale would be to deliver the items being sold to the buyers on a single day. Orders and/or collections could be taken over an extended period before delivery is made.

A fundraiser that does not qualify as a one-day tax-free sales is a book fair. The reason book fairs do not qualify as a one-day tax-free sale is that the school is not the seller and it acts in the capacity of an agent for the vendor. As an agent, we receive only a commission and are not eligible for the one-day tax-free sale.

If items for a fundraiser are received from a vendor under an agreement that the vendor will take back the items that do not sell, then those type fund raisers do not qualify as a one-day tax-free sale.

Workshops and Clinics

A flat fee charged by a school’s organization to put on a workshop or a clinic is not taxable. Tangible items incidental to putting on the clinic/workshop that the attendees keep are not considered taxable when included in the flat fee. However, sales taxes are due on the costs of the items purchased for distribution to attendees at the workshop/clinic if the attendee keeps the items.

If taxable items are sold to attendees during the clinic/workshop, taxes must be collected on those sales.

State Sales Tax Reports

Although the District is a “tax-exempt” organization, this term is mostly applicable to purchases

made by the District that are for the exclusive use of the schools. The District is required to collect and remit state sales taxes on certain items or activities that have been identified as being taxable when sold or sponsored by a school or an organization within a school.

Requirements:

- All sales tax collected by the school shall be reported following each fund raising event on a Sales Tax Reporting Form and submitted to the Business Office by the 10th of the following month.
- Zero dollar reports are required for months in which a school has no taxable sales.
- The sales tax report for the month of June must be submitted before office personnel leave for the summer break.
- The Business Office is responsible for reporting sales tax collections to the State Comptroller's Office.

Procedures:

- The Sales Tax Report will be used to issue payment to the Texas State Comptroller's Office for all sales tax due for the appropriate student activity account.
- Each school has the option of imposing sales tax or absorbing the cost in the Activity fund. For example, if an item for one dollar is sold, the school can either collect the eight cents due for sales tax from the buyer, for a total amount of \$1.08 collected, or the school can take the eight cents out of the school operating account, or the club account that sold the items. Either way, a check for the sales tax liability must be done each quarter.

Expenditures

See the process overview on page 3. Generally, there are two types of disbursements, an advance and a normal expense whenever goods or services have been received. Advances may be requested for expenses to be incurred by club or student groups engaged in out-of-town travel or any instance when the actual cost of an item will not be known in advance.

Policies:

- All activity fund expenditures will be made by check or credit card (if needed)
- No disbursements may be made from undeposited cash. (No Net Depositing)
- All disbursements require supporting documentation and approval.
- The Sponsor and Principal must approve all disbursements.
- Any payments to students must be documented and signed by the student as received.
- No personal expenses may be paid from activity funds.
- Checks may not be pre-signed or post-dated.
- The Business Office must file and retain all supporting documents of disbursements for 4 years.

Guidance

Appropriate Supporting Documentation

- Before a check can be written, a requisition/PO or a requisition with a check requested section must be completed. All PO and check requests must be authorized by the person requesting payment, such as the sponsor or teacher, and approved by the Principal or his/her designee and processed by the Business Office.
- All purchases must have the proper documentation attached, which consists of the following:
 - Original invoice, sales receipt, grocery tape, or cash receipt;
 - Certified original receipt, signed by the only vendor or his employee;
 - List of student disbursements with students' signatures confirming receipt of the funds;
 - List of students by name (for payment of dues or entry fees) providing the check is made out to an organization, company, or school and not to an individual;
 - Itemized receipt printed from the internet, (portions can be blacked out), and packing slip;
 - Completed book fair report with the Principal's signature;
 - Letter/Memo from the librarian or person handling textbooks requesting a refund be paid for a found book, including when the student has lost the original cash receipt;

- Confirmed statement or letter from college/university verifying enrollment of a scholarship receipt;
 - Copy of subscription renewal notice when no invoice will be sent by company;
 - Original sales receipt, along with the list of names of who received any gift cards; list of names must be attached to the check request; both students and employees must sign that they have received the gift card; if the student is in grades one through five, they do not have to sign, but their name must be on the list;
 - Date and time of meeting for any food purchases for staff or parent meetings must be on the check request form;
 - List of students and adults, attached to the check request form, for any registration, lodging or food expenses for student field trips.
- The following are **NOT** considered support for checks:
- Statements rather than the invoice they reference;
 - Note from sponsor detailing costs to be reimbursed without receipts or invoices attached.

Travel Advances

- The activity sponsor (teacher, club sponsor, etc.) shall make a written request for an advance stating the amount needed, the date(s), the place, and/or the purpose for which the advance is required. Advances for trips that are for staff development must go through the Business Office.)
- The Travel Form must be presented for the Principal's and Business Office approval.
- At the completion of the activity or purchase, the sponsor shall submit all original invoices, sales slips, etc., supporting the actual amount of expenses, and shall return any unused funds to the Business Office.
- The settlement of all advances shall be completed no later than one business day after the purchase or termination of the activity for which the money was advanced.
- Advances for change funds needed for special events must be issued by check from the Business Office upon approval by the principal. It is the responsibility of the sponsor to re-deposit this change fund to the Business Office immediately following the event.

Transfers

- On occasion, a club will need to transfer money to another activity fund account. An example is when a club purchases space in the yearbook.
- To make the transfer, a budget transfer is submitted to the campus secretary, approved by the Principal and forwarded to the Business Office for processing.

Consequences of Not Following Procedures

Sponsors will be held responsible for both safeguarding and accounting for funds received from or on behalf of students. If it is determined that the sponsor did not follow procedures on handling money and controlling fundraising assets and there is no determinable loss of money, the sponsor will be reprimanded with written documentation. If it is determined that the sponsor did not follow procedures on handling money and controlling fundraising assets, and there is a loss of the assets or funds, the sponsor will receive a written reprimand and will not be allowed to conduct fundraisers for a period of one year. **If it is determined through an internal audit or other means that assets or funds are unaccounted for, the sponsor will be liable for the shortage.**

If it is determined that the principal failed to follow procedures, documentation of failure to follow procedures will be done.

Acknowledgement Form

An acknowledgement form must be signed and dated by any sponsor conducting fundraisers or handling money. These forms must be kept on file at the school as long as the sponsor conducts fundraisers or handles money.

SIGNATURES REQUIRED:

ORIGINAL SIGNED FORMS MUST BE SUBMITTED TO THE BUSINESS OFFICE WITHIN TWO (2) DAYS OF SIGNATURES.

Staff Sponsor

Date

Principal

Date

Business Manager

Date

Forms – (attached forms are for reference only) All forms are available on the MISD District Web Site. Please use the forms from the web site to ensure the completion of the most updated forms.

MATHIS INDEPENDENT SCHOOL DISTRICT



CLUB SPONSOR RESPONSIBILITY AFFIDAVIT

According to the Texas Education Agency's Financial Accountability System Resource Guide (FASRG), an *individual activity fund sponsor shall be responsible for managing their respective activity fund. This responsibility can include:*

- ✓ *Developing fund raising plans*
- ✓ *Monitoring the financial position of the activity fund*
- ✓ *Reviewing the activity fund financial statements*
- ✓ *Safekeeping activity fund money until it is deposited by the school district, and*
- ✓ *Other fiduciary responsibilities.*

As the sponsor for the _____ activity fund, I certify that I will comply with the school district's activity policies and procedures. Specifically, I agree that I will:

- ✓ Conduct an annual election of officers and submit the list to my campus principal
- ✓ Submit a fund raising plan
- ✓ Conduct authorized fund raisers to include submission of an Authorization to Conduct a Fund Raiser Form and Fund Raiser Profit/Loss Statement
- ✓ Collect, receipt, and submit **all** funds to the Campus Secretary/Bookkeeper.
- ✓ Comply with all school district purchasing policies and procedures to include:
 - Submitting a requisition or Activity Fund Voucher for all expenditures
 - Obtain approval from student activity club members for all club purchases/expenditures
 - Document receipt of goods/services and sign-off on all invoices
- ✓ Review, monitor and reconcile club account receipts and expenditures
- ✓ Retain all club account records, such as fund raising forms, receipt books, etc., and submit to the Campus Secretary/Bookkeeper at the end of the school year.

Print Name

Signature

Club Account Name

Date

MATHIS INDEPENDENT SCHOOL DISTRICT



FUND RAISER AUTHORIZATION TO CONDUCT A FUNDRAISER

General Information:

Campus: _____ Club: _____

Fund Raiser Information:

Fund Raiser Title: _____

- A. What type of merchandise or service will be sold or provided?

- B. How will the merchandise or service be sold or provided (e.g. catalog sales, individual sales to students on campus, prepaid orders, etc.)?

- C. Vendor _____ Representative _____
Address _____ Phone _____
- D. Fund raiser will be conducted from _____ to _____
(Month/Year) (Month/Year)
- E. Funds generated will be used for _____

Projected Sales and Expenses:

Total Projected Sales	\$ _____
Total Projected Expenses	\$ _____
Projected Net Profit	\$ _____

Sponsor Certification:

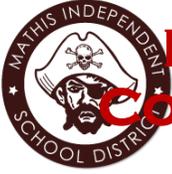
I hereby certify that a profit/loss statement will be completed and submitted to the campus principal within 30 days after the termination of the fund raising activity. In addition, I certify that all monies collected will be deposited to the campus secretary/bookkeeper in accordance with the district's cash handling procedures.

Sponsor's Signature: _____ Date: _____

Authorization:

() Approved Principal: _____

() Disapproved Date: _____



MATHIS INDEPENDENT SCHOOL DISTRICT CONCESSION STAND RECONCILIATION FORM



Date: _____ Sport: _____

Level: _____

Mathis vs. _____

Concession Stand Profits go to: _____

Total starting cash: \$ _____

Cash left in vault: - \$ _____

Cash checked out: \$ _____

-----**To be filled out by persons in charge of Cash Box at the game.**

Cash Box after Game

_____ x \$100 = _____

_____ x \$0.25 = _____

_____ x \$50 = _____

_____ x \$0.10 = _____

_____ x \$20 = _____

_____ x \$0.05 = _____

_____ x \$10 = _____

_____ x \$0.01 = _____

_____ x \$5 = _____

_____ x \$1 = _____

Grand Total: \$ _____

Signature of Sponsor
Date

Date

Signature of Verification to Cash Box

-----**To be filled out by person receiving the Cash Box.**

Date cash box returned: _____

Total cash returned: \$ _____

Cash left in vault: + \$ _____

Total Starting Cash: - \$ _____ *remains in cash box*

TOTAL PROFIT: = \$ _____ *deposit into bank account*

Signature of Person Returning Cash Box Date

Signature of Person Receiving Cash Box Date

MATHIS INDEPENDENT SCHOOL DISTRICT



FUND RAISER PROFIT/LOSS STATEMENT

School: _____

Club: _____

Fund Raiser Title: _____

Actual Sales:

<u>Receipt No.</u>	<u>Amount Deposited</u>	<u>Sales Tax (if required)</u>
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
Total Sales/Tax	\$ _____	\$ _____

Actual Sales (Amount Deposited – Less Sales Tax) \$ _____

Actual Expenses:

<u>Invoice Number</u>	<u>Invoice Amount</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total Expenses	\$ _____

Net Profit/Loss (Total Sales less Total Expenses) \$ _____

Club Treasurer: _____ Date: _____

Sponsor: _____ Date: _____

Principal: _____ Date: _____

MATHIS INDEPENDENT SCHOOL DISTRICT



SALES TAX REPORTING FORM STUDENT ORGANIZATION—FUND RAISING FORM

Campus: _____

Date: _____

Club Name: _____

Sponsor: _____

Beginning date of sale: _____

Ending Date of Sale: _____

Purpose of sale: _____

Describe the product or activity: _____

CALCULATION OF GROSS SALES AND PROFIT

Was this sale on of your two tax-free sale days for this calendar year:

January 1, 2012 to December 31, 2012? Yes ___ No ___

Gross Sales: _____.

Taxable Sales: _____.

Sales Tax Collected _____.

Submitted by: _____

Sponsor

Date

Approved by: _____

Principals or Designee

Date

MATHIS INDEPENDENT SCHOOL DISTRICT



DONATION FORM

Receipt No. _____

Received From: _____

Description of Property Received:

Dollar Value \$ _____ (Valuation of Property Is the Responsibility of the Donor)

No Goods or Services Were Provided In Exchange for This Gift.

This Document Is Necessary To Qualify You For Any Available Federal Income Tax Deduction On Your Contribution. Please Retain It For Your Records.

Receipt Issued On: ____/____/____

Receipt Issued By:

Name: _____

Charity: _____

Address: _____

City: _____ State: _____ Zip: _____

Signature

MATHIS INDEPENDENT SCHOOL DISTRICT



Activity Requisition Form

DATE: _____

Business Office Use Only
Check # _____
Amt: \$ _____
PO #: _____
BBal: \$ _____
ABal: \$ _____

Campus: _____

Account (circle one): Student Activity Teacher Courtesy

Organization: _____ Balance: \$ _____

Check Needed for Prepay? (circle one): Yes No If yes, date needed: _____

Name of the Company: _____ Ship To: _____

Address : _____ City: _____ State: _____ Zip: _____

Phone Number: _____ Fax Number: _____

Quantity	Stock Number	Description	Unit Price	Total Price
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
Notes/Other Information: _____			Total	\$0.00

Requested by: _____ Date: _____

Principal Signature: _____ Date: _____

Approved by: _____ Date: _____

