

# **HAYS CISD**

# **STUDENT ACTIVITY FUND**

**FUND 876  
ELEMENTARY SAF**

**FUND 877  
SECONDARY SAF**

**FUND 878  
EXTRA  
CURRICULAR**

## Contents

<b>SECTION 1 – GENERAL INFORMATION .....</b>	<b>3</b>
1.1    DEFINITIONS AND PURPOSE OF ACTIVITY FUNDS .....	3
1.2    RESPONSIBILITY FOR ACTIVITY FUNDS .....	3
1.3    REVIEW OF ACTIVITY FUNDS .....	4
<b>SECTION 2 – ACTIVITY FUND TYPES.....</b>	<b>5</b>
2.1    ACTIVITY FUND TYPES.....	5
2.2    TRANSFER OF FUNDS BETWEEN ACTIVITY ACCOUNTS .....	6
2.3    Athletics and Fine Arts Activity Funds .....	7
<b>SECTION 3 – BASIC RECORDS.....</b>	<b>8</b>
3.1    INTRODUCTION .....	8
<b>SECTION 4 – BANKING PRACTICES AND PROCEDURES .....</b>	<b>9</b>
4.1    CHECKING ACCOUNTS .....	9
4.2    BANK RECONCILIATION .....	10
<b>SECTION 5 – CASH RECEIPTS .....</b>	<b>10</b>
5.1    RECEIVING CASH.....	10
5.2    GENERAL RECEIPTING PROCEDURES.....	10
5.3    RECEIPT OF MONEY BY PERSONS OUTSIDE THE CAMPUS OFFICE .....	12
5.4    RECEIPT OF MONEY IN THE CAMPUS OFFICE.....	13
5.5    CASH DONATIONS FROM PRIVATE SOURCES.....	13
<b>SECTION 6 – DEPOSIT OF FUNDS .....</b>	<b>13</b>
6.1    GENERAL PROCEDURES .....	13
6.2    GENERAL PROCEDURES FOR PREPARATION OF BANK DEPOSITS .....	13
<b>SECTION 7 – RETURNED CHECKS AND REDEPOSITS .....</b>	<b>15</b>
7.1    RETURNED CHECKS.....	15
7.2    RE-DEPOSITS .....	15
<b>SECTION 8 – DISBURSEMENTS .....</b>	<b>15</b>
8.1    GENERAL PROCEDURES .....	15
8.2    PURCHASE INPUT REQUEST.....	16
8.1    REIMBURSEMENTS .....	18
8.2    REFUNDS.....	18
8.3    SUPPLEMENTAL PAYMENTS TO STAFF MEMBERS FOR SERVICES.....	18
8.4    PAYMENTS TO NON-STAFF MEMBERS FOR CONTRACTUAL SERVICES .....	18

8.5	CASHING OF CHECKS .....	19
8.6	CANCELLATION OF CHECKS .....	19
<b>SECTION 9 – BOOSTER CLUBS AND PARENT GROUPS .....</b>		<b>19</b>
9.1	SEPARATE ENTITY .....	19
9.2	ACCOUNTING RESPONSIBILITIES.....	19
9.3	FUNDRAISING.....	20
<b>APPROPRIATE AND INAPPROPRIATE USE OF ACTIVITY FUNDS .....</b>		<b>20</b>
<b>STUDENT ACTIVITY FUNDS SPONSOR SUPPLEMENT .....</b>		<b>23</b>
<b>Hays Consolidated Independent School District.....</b>		<b>27</b>
<b>Acknowledgement of Rights and Responsibilities of .....</b>		<b>27</b>
<b>Faculty Sponsors of Student Groups.....</b>		<b>27</b>

## **SECTION 1 – GENERAL INFORMATION**

### **1.1 DEFINITIONS AND PURPOSE OF ACTIVITY FUNDS**

The Activity Funds have been defined as funds consisting of resources received and held by the school, as trustee. Specifically, they are funds accumulated from the collection of student fees and various school-approved, money-raising activities. Activity funds are used to promote the general welfare of the school and the educational development and morale of all students. The accounting function for the activity funds is delegated to each campus and must comply with the guidelines and procedures described in this manual.

### **1.2 RESPONSIBILITY FOR ACTIVITY FUNDS**

A. The school principal is responsible for the proper collection, disbursement and control of all activity funds on the campus. This responsibility includes:

- 1) Providing for the safekeeping of monies in the school.
- 2) Proper accounting, administration and authorization of transactions of the activity funds.
- 3) Expenditure of funds in compliance with applicable state laws, local board policy and administrative guidelines.
- 4) Adequate training and supervision of all personnel designated by the principal to administer activity funds.

The principal may appoint administrative assistants to aid with the various functions of the activity funds.

B. The campus bookkeeper and/or another designated employee is responsible for the following:

- 1) Maintaining the accounting records as required in this manual.
- 2) Issuing purchase orders, request for check or use of a purchasing card when properly authorized by the principal.
- 3) Receiving money and issuing receipts.
- 4) Depositing into the school's bank account in a timely manner.
- 5) Sending the Monthly Accounting Report to the sponsor of each student activity fund account.

C. The faculty sponsor of a student activity group is responsible for safeguarding and accounting for all student activity funds entrusted to him or her. The faculty sponsor is obligated to follow the procedures presented in the *Student Activity Funds Sponsor Supplement*. The sponsor will also sign the form titled *Acknowledgement of Rights and Responsibilities of Faculty Sponsors of Student Groups* at the beginning of each school year. These forms will be kept on file at each campus. A copy of all should be scanned and emailed to the Accounting Specialist responsible for activity funds. The

*Student Activity Funds Sponsor Supplement and the Acknowledgement of Rights and Responsibilities of Faculty Sponsors of Student Groups* can be found in Appendix B of this handbook.

- D. The school principal is not responsible for funds collected, disbursed and controlled by parent or booster organizations. These parent and booster organization funds are not to be accounted for in the Activity funds.

## **1.3 REVIEW OF ACTIVITY FUNDS**

### **A. PERIODIC REVIEWS**

Periodic review of activity fund records assures principals that their procedures in handling funds entrusted to them are reasonably adequate for the protection of themselves and their personnel. Reviews are often requested by persons responsible for large sums of money to prove themselves careful and to prevent the development of any weakness in their financial procedures or records. It is the purpose of the activity fund review to provide the principal with this type of protection. There are two types of reviews that could occur on the activity funds:

- 1) Audits by the external auditors.
- 2) Random internal reviews.

### **B. SPECIAL REVIEWS**

Certain events may necessitate a special review of the activity fund. Examples of such events include:

- 1) Change of principal.
- 2) Change of Financial clerk and/or campus secretary. The principal should submit a written request for the review to the Chief Operations Officer & Student Activity Fund Manager two weeks prior to the change.
- 3) Special request by the principal.

### **C. RETENTION OF RECORDS**

- 1) All records should be kept current and in good order for a period of five years after the conclusion of the fiscal year in which the transaction occurred and should be available for review at any time.
- 2) It is recommended that the campus keep the prior year and current year on site for review.
- 3) Records not needed at the campus should be sent to the offsite record retention facility during the district pick-up in June each year.

## **SECTION 2 – ACTIVITY FUND TYPES**

### **2.1 ACTIVITY FUND TYPES**

There are three types of funds that campus secretaries/bookkeepers may handle. They are Student funds, Faculty and Staff funds and District funds. Each of these is discussed in more detail below.

#### **A. STUDENT FUNDS**

Student Activity Funds are the property of student groups. The school district is required to provide stewardship by properly accounting for these funds. Decisions on the use of club funds are the concern of the specific student groups to whom the funds belong, as long as the decisions regarding the use of the funds do not conflict with Board policy and/or legal regulations and restrictions. Following is a list of general concepts for student funds:

- 1) Student funds consist of monies collected from students for club or classroom dues and from various school-approved money-raising activities.
- 2) Student funds may also be received as donations.
- 3) The funds financial decisions rest with the student organization and their sponsors.
- 4) These funds are used to promote the general welfare of the school and the educational development and morale of all students via their respective clubs, class levels and the school as a whole.
- 5) Income received for a specific purpose shall be disbursed only for that purpose. If a specific purpose is not designated when the income is received, it may be spent for any lawful purpose that the club or class officers and members decide.
- 6) These funds are not subject to recall by central office administrators.

#### **Examples of Student Funds:**

Individual class accounts or club accounts such as Science Club, Math Club, Student Council, Cheerleaders, 8<sup>th</sup> Grade Class and all other student organizations.

#### **B. FACULTY AND STAFF FUNDS**

Faculty and Staff Funds are property of groups organized to benefit faculty and staff members in some manner. The funds of these groups are not required to provide any enrichment to students. Decisions on the use of faculty and staff funds are the concern of the principal and/or other school employees to whom the funds belong, as long as the decisions regarding the use of the funds do not conflict with Board policy and/or legal regulations and restrictions. Following is a list of general concepts for faculty and staff funds:

- 1) Includes monies generated or contributed solely by the school faculty and staff.  
Faculty and Staff Funds are property of groups organized to benefit faculty and staff members in some manner.

- 2) Faculty and Staff Funds may also be received by donation.
- 3) Control and decision-making rest with the principal and/or other school employees. These monies may be utilized and expended at their discretion.
- 4) These funds may be used in a manner that does not directly benefit the students.
- 5) Disbursements may be made for gifts, donations, hospitality, condolences, lounge facilities or any other lawful purpose for the sole benefit of faculty and staff or for the benefit of others as determined by the principal, faculty and staff representatives.
- 6) These funds are not subject to recall by central office administrators.

Examples of Faculty and Staff Funds:

Benevolence/Social Funds, Flower Club, Faculty and Staff Vending Account

**C. DISTRICT FUNDS**

District Funds are monies received in the campus office that will be sent to the central office. These funds are accounted for in the district budget and the decisions on the use of these funds remains with central office administrators. Following is a list of general concepts for district funds:

- 1) The monies provided to the campus by the central office or are collected by the campus on behalf of the central office. District funds are funds that may be used for educational projects and materials and staff development. District funds in an activity account are considered public funds.
- 2) These monies must be either expended for purposes designated by the central office or forwarded to the central office.
- 3) Any excess fund balances in these accounts are subject to recall into the district's general fund for general school district use.

Examples of District Funds:

Sales Taxes, Attendance Incentives provided by the central office, collections for lost district-owned textbooks, summer school tuition collected at the schools, if any.

- D. Additional examples of appropriate and inappropriate expenditures for each type of funds may be found in Appendix A.

**2.2 TRANSFER OF FUNDS BETWEEN ACTIVITY ACCOUNTS**

- A. Periodically it may be necessary to adjust accounts due to errors in posting or to record the transfer of funds between accounts. Appropriate supporting documentation must be attached to all transfers. Examples would include a signed request by the sponsor and club president to transfer funds, invoice copy, Frontline report, etc. The principal must approve all transfers.

- B. Funds may not be transferred between accounts in order to circumvent any restrictions placed on disbursements from a particular activity fund. In other words, if a particular disbursement is not allowed from a particular activity fund, monies may not be transferred from that account to an activity fund from which the disbursement is allowed.

Example:

Flowers sent to a staff member for appreciation or condolence is not an acceptable disbursement from the Student Activity Fund; therefore, monies may not be transferred from the Student Activity Fund to the Faculty and Staff Activity Fund from which payment for the flowers is acceptable.

## **2.3 Athletics and Fine Arts Activity Funds**

- A. All middle school campus receipts for the Athletics or Fine Arts accounts should be made using the appropriate deposit book
- a. Middle School Athletics Fund – for use with any deposits for the athletic activity fund, these expenditures require Athletic Director approval. (Goes into the feeder high school athletic activity fund)
    - i. The exception are funds for Athletic meals, these will still be accounted for at the individual campus level.
  - b. Middle School Fine Arts Fund - for use with any deposits for the fine arts activity fund, these expenditures require Fine Arts Director Approval. (Goes into the feeder high school Fine Arts activity fund)
    - i. The exception are funds for Fine Arts meals, these will still be accounted for at the individual campus level.
- B. Appropriate supporting documentations for athletic gate ticket sales must be emailed to the Accounting Specialist responsible for accounts receivable, and saved to the X: drive Athletics or Fine Art's appropriate folder. These files will be used by Finance office or Athletic Director to reconcile.
- C. Coaches/Sponsors must have each student sign off on the HCISD Athletic SAF Cash Receipts form to account for all meal money/meals received.
- D. For deposits into the Athletic or Fine Arts Activity funds, please pony the original to the appropriate high school Athletic or Fine Arts secretary.
- E. Appropriate supporting documents for all purchases should be emailed to the athletic or fine art's secretary, who will complete the purchase process in Frontline.
- F. Monthly assignment reports should be emailed for meal funds, to the appropriate secretary at the high school level.



- G. High school Athletic and Fine Art's secretaries will provide monthly reports to their assignment sponsors at the middle school level (MS Athletic coach or Fine Arts director) to account for funds.
- H. Middle School sponsors should maintain their activity fund binders as a check and balance to match with their monthly reports.

### **SECTION 3 – BASIC RECORDS**

#### **3.1 INTRODUCTION**

The following basic records comprise the Activity Fund Records. A general description is provided for each record.

##### **A. CASH RECEIPTS**

Activity Fund Cash Receipts are the means of accurately recording cash received and provide support for each bank deposit. Only pre-numbered receipt books are to be used. Each number sequence MUST be accounted for. Voided receipts are to be retained for audit purposes.

##### **B. ACTIVITY FUND PURCHASE INPUT FORM**

The Activity Fund Purchase Input Form is used to request a disbursement authorization for the issuance of an Activity Fund check, requisition or procurement card purchase.

##### **C. Frontline is used to disburse all funds from the Activity Fund checking account.**

##### **D. BANK DEPOSIT SLIPS**

Deposit slips, once validated by the bank, serve as a record for the specific date that receipts were credited to the bank account. Deposit slips are obtained from the bank as needed and must be pre-printed with the name of the district and the school's name followed by "Activity Fund." A copy of the deposit slip remains in the book as a record of deposits.

##### **E. MONTHLY RECONCILIATION**

The Frontline Period Summary report which reflects all transactions affecting the cash balance on deposit for a given month should be run by assignment on the first business day of each month and reviewed for accuracy of the cash balance indicated in the Activity Fund records. The principal/director and secretary/bookkeeper should sign monthly and be scanned to [saf@hayscisd.net](mailto:saf@hayscisd.net).

##### **F. ACTIVITY FUND SPONSOR RECONCILIATION**

The activity fund account inquiry by assignment is a summary of all financial transactions related to the activity funds of the school.

- Each month, the sponsor should compare his or her balances from the Sponsor's Detailed Activity Fund Ledger to the balances on the Frontline report kept by the campus secretary/bookkeeper. If there is a discrepancy, the sponsor should promptly contact the bookkeeper. If necessary, the Student Activity fund Manager or the Chief Financial Officer may be requested to assist.
- At least 3 times per year (Beginning of the year, Middle of the year (January) and End of year (before sponsors go off contract) the principal shall require each sponsor to sign the report with a statement acknowledging their agreement with the account balances. The principal and bookkeeper should also sign the report. The principal should sign for those accounts without sponsors. Scan signed copies in assignment number order to [saf@hayscisd.net](mailto:saf@hayscisd.net).

#### G. ADDITIONAL RECORDS

The records described above are the basic records required by the district. Any additional records may be utilized either for a specific purpose or for better control over Activity Funds in general, provided the additional records are not used to replace the official records.

#### H. MONTHLY REPORTS DUE TO THE STUDENT ACTIVITY FUND MANAGER

- 1) Frontline Period Summary report sorted by Assignment, reviewed and signed by bookkeeper and principal
- 2) The reports should be emailed to [saf@hayscisd.net](mailto:saf@hayscisd.net) no later than the 10<sup>th</sup> of each month.

### **SECTION 4 – BANKING PRACTICES AND PROCEDURES**

#### **4.1 CHECKING ACCOUNTS**

- A. The Elementary, Secondary and Extra Curricular accounts shall each have one checking account, which shall be entitled with the name of the district and the school's name followed by "Activity Fund." This account name shall be pre-printed on all Deposit Slips. ***All monies received will be deposited into this account and all disbursements will be made from these accounts. No other checking accounts are permitted if related to the Activity Funds.***
- B. Only Activity Fund transactions may be directed through the Activity Fund bank accounts. Transactions controlled by outside organizations, such as Parent Booster Clubs, PTA-PTO, and so on, must be handled through their own separate bank accounts.
- C. Only the Board approved school district depository bank shall be used for checking account purposes.

- D. Schools and school organizations are prohibited from borrowing funds or entering into deferred payment contracts from any and all sources without the expressed written consent of the CFO.

## **4.2 BANK RECONCILIATION**

- A. Prompt reconciliation of the activity fund records to the Frontline report is critical. The principal is responsible for assuring that the campus secretary/bookkeeper has adequate opportunity to complete the reconciliation on time each month. At the end of the monthly bank statement, the balance indicated on the Frontline Period Summary report shall be reconciled by the campus/secretary bookkeeper. The report shall be signed and dated by the person completing it and by the principal. A copy of the reconciliation report, will be submitted to the Student Activity Fund Manager by email to [saf@hayscisd.net](mailto:saf@hayscisd.net) by the 10<sup>th</sup> of the month.

## **SECTION 5 – CASH RECEIPTS**

### **5.1 RECEIVING CASH**

All cash and checks received by the campus must be deposited in the school activity fund upon receipt. In order to maintain effective cash controls, at least two persons must be involved in the functions of collecting, documenting and depositing cash. This is accomplished by having teachers or sponsors collect money from the students and support the amount collected by completing the Teacher/Sponsor Deposit Record Form and other supporting documentation, then submitting the collections to the campus secretary/bookkeeper for receipt and deposit. Deposits shall be made daily except when amounts on hand are less than \$300 at an elementary campus or less than \$600 at secondary campuses.

### **5.2 GENERAL RECEIPTING PROCEDURES**

General Rule of Thumb: All deposits should be accompanied by a Teacher/Sponsor Deposit Record, receipt or other substantive tally sheet that supports the amount presented for deposit.

- A. The receipt or Teacher/Sponsor Deposit Record must be completed in its entirety, including:
- 1) Date and amount.
  - 2) The individual or firm submitting the money. A receipt may not be issued to more than one person.
  - 3) An explanation of the purpose for which the money was received.
  - 4) The activity assignment to be increased by the amount of the receipt.
  - 5) Campus name.

- 6) The signature of the person receiving the money. The signature must be manual; signature stamps are prohibited.
- B. Receipts must be prepared in ink and be legible.
- C. Under no circumstances shall a cash receipt be altered. If an error occurs, void the original receipt and all duplicates and issue a new receipt. The original of the voided receipt must be retained for audit purposes.
- D. Receipts are not to be written when money is collected in sealed envelopes to be turned over to a third party, unopened.
- E. When checks are received, the following rules apply:
- ☐ Checks may be accepted only for the amount of purchase.
  - ☐ An acceptable check should contain the maker's:
    - Name
    - Address
    - Phone number
    - Driver's license number
  - ☐ Post-dated checks are not acceptable under any circumstances.
  - ☐ Do not accept temporary checks.
  - ☐ Checks received for deposit will immediately be endorsed with the statement "For Deposit Only" and the name and account number of the school.
  - ☐ Checks are not to be held for more than 3 days.
- F. All money collected must be deposited in the same form as collected. Cash collected must equal cash deposited; but denominations may differ from those collected (e.g., refreshing change in a cash drawer). Checks collected must be deposited into the activity fund as received.
- ☐ Employee's check cashing is prohibited.
  - ☐ Cash should not be removed from activity fund collections and replaced with anyone's personal check.
  - ☐ Cashing checks received as part of the activity fund collections is strictly prohibited.
  - ☐ Cash collections must not be used to purchase supplies, refreshments or for any other purpose. Proper purchasing procedures must be followed.

Receipt books provide written proof that cash has been received. They are pre-numbered and must always be used in consecutive order. When not in use, the receipt books should be secured in a locked drawer. The campus secretary/bookkeeper is responsible for maintaining an adequate supply of receipt books.

### 5.3 RECEIPT OF MONEY BY PERSONS OUTSIDE THE CAMPUS OFFICE

Money may be collected by an authorized individual other than the campus secretary/bookkeeper for such items as books, student fees, textbook fines, fund-raising activities, etc. This individual may be a sponsor, teacher, secretary, clerk, etc., who has been approved by the principal. In such instances, the individual collecting the funds must account for them as follows:

- 1) Pre-numbered receipts or Teacher/Sponsor Deposit Records should be used when monies are collected.
- 2) Teachers and account sponsors are responsible for funds collected and are required to turn them into the bookkeeper *daily* for safekeeping. Money collected *should not* be kept overnight in a desk or file cabinet, nor should the sponsor take it home. If, for some reason, all records cannot be completed and recorded before the end of the day, the funds should be enclosed in a sealed bag and stored in the campus safe or vault. The sponsor should initial the seal of the envelope to ensure security until the sponsor can complete the deposit record. When activity funds are lost due to carelessness, theft or fraud, the account sponsor will be held personally liable and will be required to reimburse the account.
- 3) The completed, signed and dated Teacher/Sponsor Deposit Record must be presented to the campus secretary/bookkeeper when money is given to the bookkeeper for deposit. The Teacher/Sponsor Deposit Record will be signed by the campus secretary/bookkeeper and a photocopy will be made and retained in the sponsors activity fund binder. The original is to kept by the bookkeeper as a record of the funds turned in for deposit.
- 4) All money collected must be submitted to the campus secretary/bookkeeper in the same form as collected.
  - ☐ Employee's check cashing is prohibited.
  - ☐ Cash should not be removed from activity fund collections and replaced with anyone's personal check.
  - ☐ Cashing checks received as part of the activity fund collections is strictly prohibited.
  - ☐ Activity fund collections must not be used to purchase supplies, refreshments or for any other purpose.
- 5) Once the deposit has been verified, the campus secretary/bookkeeper should sign the Teacher/Sponsor Deposit Record and issue a receipt to the teacher for the amount of the deposit. A copy of the signed and verified Teacher/Sponsor Deposit Record may be given to the teacher as an official receipt of the deposit in lieu of a pre-numbered receipt from a receipt book.
- 6) The campus secretary/bookkeeper should keep the original of the Teacher/Sponsor Deposit Record form on file for five years for audit purposes.

- 7) Individual sponsors/collectors should keep the copy of the Teacher/Sponsor Deposit Record form in the sponsor binder to be turned in at the end of each school year.

#### **5.4 RECEIPT OF MONEY IN THE CAMPUS OFFICE**

The Activity Fund receipts issued by the campus secretary/bookkeeper provide the basic support for Activity Fund bank deposits. The following procedures are to be observed in addition to those in Section 5.1.

When funds submitted to the campus secretary/bookkeeper have previously been counted and totaled by a teacher or sponsor and tabulated on a Teacher/Sponsor Deposit Record form, the campus secretary/bookkeeper shall:

- A. Count the monies submitted and verify that the calculated total matches the total shown on the Teacher/Sponsor Deposit Record form that accompanies the deposit. All discrepancies must be documented and resolved.
- B. The campus secretary/bookkeeper shall issue an official activity fund receipt to the teacher or sponsor when the monies received have been satisfactorily verified. A copy of the signed and verified Teacher/Sponsor Deposit Record may be given to the teacher as an official receipt of the deposit in lieu of a pre-numbered receipt from a receipt book.

#### **5.5 CASH DONATIONS FROM PRIVATE SOURCES**

- A. Cash donations given to a campus for a specific activity fund purpose shall be retained in the campus Activity Fund.
- B. Donations of any amount for the general use of the district shall be sent to the Finance Office, Accounts Receivable Specialist, for deposit into the appropriate budgetary fund.
- C. An acknowledgement of receipt of any donated funds will be issued to the donor by the principal.

### **SECTION 6 – DEPOSIT OF FUNDS**

#### **6.1 GENERAL PROCEDURES**

- A. Any monies not deposited and left at the school must be stored in a combination lock safe.
- B. Checks should be endorsed “For Deposit Only” using the name of the activity fund bank account and the account number at the time they are received.

#### **6.2 GENERAL PROCEDURES FOR PREPARATION OF BANK DEPOSITS**

- A. Documentation supporting the amount for each deposit slip should be kept together and retained. The following should be included:
- 1) Teacher/Sponsor Deposit Records included in the deposit.
  - 2) Cash receipt number(s) from the activity fund receipt book included in the deposit and a total amount for the receipts.
  - 3) A listing of each check in the deposit, including the maker's name or a photocopy of the checks received.
  - 4) A calculator tape or spreadsheet totaling the Teacher/Sponsor Deposit Records and cash receipts issued to support the amount on the bank deposit slip.
- B. The bank deposit slip shall be prepared in triplicate and shall include the following:
- 1) The date and amount of the deposit.
  - 2) A listing of each check in the deposit. A calculator tape is acceptable. The total must agree with the amount shown on the deposit slip.
  - 3) The control number from the deposit bag used to make the deposit written on the yellow and pink copies of the deposit slip.
- C. Complete the required information on the depository's tamper-evident deposit bag, following the instructions printed on the bag.
- D. Put the cash, checks and white copy of deposit slip inside the numbered deposit bag, following the instructions printed on the bag.
- E. Close the deposit bag as shown on the bag. DON'T OVERLOAD.
- F. Verify that the bag is properly sealed.
- G. Send the deposit to the finance department via the pony daily.
- H. E-mail a *copy* of all deposits as follows to the SAF Finance Specialist [saf@hayscisd.net](mailto:saf@hayscisd.net), and the Accounts Receivable Specialist [accounts.receivable@hayscisd.net](mailto:accounts.receivable@hayscisd.net).
- Deposit Back-Up form
  - Security bag tear-off and yellow copy of deposit slip (on one sheet) Make sure it is legible.
  - Teacher/Sponsor deposit record signed by staff & bookkeeper
  - Copies of all checks
- I. The tamper bag tear-off and the yellow copy of the deposit slip should be attached to the bookkeeper's backup.
- J. The pink copy should remain in the deposit book for audit purposes.

## **SECTION 7 – RETURNED CHECKS AND REDEPOSITS**

### **7.1 RETURNED CHECKS**

For a variety of reasons, the bank returns checks, which had been included in a deposit. A check may be returned for improper signature, insufficient funds, or the account is closed. When the bank returns a check, the following procedures shall be followed:

- A. Hays CISD has an agreement with Envision Payment Solutions and Wells Fargo Bank. All returned checks are sent directly to Envision from Wells Fargo.
- B. All checks accepted from individuals shall contain the following required information.
  - Name
  - Address
  - Phone number
  - *If the check does not have these three elements, Envision will not accept. It is acceptable to write the phone number on the check.*
- C. Under no circumstances should the returned check restitution be made at district/campus. The individual is contacted by Envision to make restitution directly to them.
- D. No checks shall be accepted from a party who has not redeemed a previously returned check.
- E. Retain all bank debit memoranda in the school files.

### **7.2 RE-DEPOSITS**

- The agreement with Envision and Wells Fargo will be responsible for all collections.
- Envision will contact the individual directly.
- Do not accept restitution at the campus, direct them to [www.envisionpayments.com](http://www.envisionpayments.com) or (877) 290-5460

## **SECTION 8 – DISBURSEMENTS**

### **8.1 GENERAL PROCEDURES**

- A. A student activity account is a trust account to be used for the intended purpose stated at the time the account was created. The principal must ensure that expenditures from these accounts are within the intended purpose and should not divert funds for other uses.
- B. No expenditure will be made nor any check written without prior authorization by the campus principal. The Purchase Input Request should be completed and submitted to the bookkeeper in order to obtain this authorization. Digital principal approval will be obtained in Frontline for requisitions & request for checks. A Procurement Disbursement



Request (PDR) should be completed for all credit card purchases, and signed by the principal.

- C. The principal shall approve the expenditure of funds only when sufficient funds are available in the corresponding activity account of the club or group requesting the disbursement.
- D. All expenditures shall be paid using Frontline purchasing procedures. Expenditures will not be made directly from fund raising proceeds.
- E. Contracted Service vendors must have a vendor number in Frontline for proper reporting at the end of each calendar year to IRS. An IRS Form W-9 must be on file with the business office.
- F. Activity funds will not be used to cash personal checks.
- G. No sales tax will be paid; exemption certificates are available.
- H. The district's tax-exempt status should not be used to avoid paying sales tax on personal items.
- I. Principals desiring to spend funds for items or activities not allowed by these guidelines must obtain written approval from the Chief Financial Officer before the expenditure is made. This includes the rare case where a campus makes an emergency purchase of an item that would normally be purchased through budgeted funds.
- J. The following expenditures may not be made with activity funds:
  - 1) Purchase of meals or entertainment for school employees or guests except as allowable from the Faculty Activity Funds.
  - 2) Travel expenses including lodging and meals associated with attendance at meetings and conferences of professional organizations.
  - 3) Purchases of clothing for sponsors from student accounts.
  - 4) Personal loans.

## **8.2 PURCHASE INPUT REQUEST**

The HCISD Purchase Input Request form must be completed for all expenditures regardless of the amount. It must be completed prior to the purchase. A copy of the request should be returned to the sponsor after the disbursement is made to provide a method for the organization to account for their expenditures on the Sponsor Deposit Ledger.

- A. The *Expenditure Approval* section of the Purchase Request form shall be completed in its entirety including:
  - 1) The date.

- 2) The name of the organization to be charged.
- 3) Vendor name & Number.
- 4) A description of the reason/justification for the purchase.
- 5) Any quotes, estimates or online shopping carts shall be attached for review by the principal
- 6) The estimated cost.
- 7) The current account balances.
- 8) Original signatures by the account sponsor.

The purpose of this form is to provide the principal with adequate information to approve or reject the expenditure.

- B. Once approved by the principal the campus secretary/bookkeeper shall review the supporting documentation and complete the purchase. Before processing the payment, the bookkeeper will ensure that proper purchases were made, no sales tax was charged and that the amount of the purchase does not exceed the amount approved by the principal. If the amount presented for payment exceeds the approved amount, the principal should review the purchases and inquire about the circumstances that created the overage. The principal shall determine if the overages will be paid by the person who made the purchase or by the activity fund. If the overage is approved, the principal shall initial the purchase request form.
- C. The HCISD Purchase Input Form will be kept on file to document the expenditure with the proper supporting documentation attached. Requests should be filed with the campus purchases for records retention.
- D. Proper supporting documentation shall include:
  - 1) Vendors' original invoices. Periodic statements are not adequate supporting documentation.
  - 2) Original itemized receipt, sales slip or cash register tapes from teachers or other employees who request reimbursement from their own funds. Credit card statements and customer copy of charge slips are not adequate supporting documentation.
  - 3) Other supporting documentation may include letters, order forms, announcements and renewal notices when the vendor does not provide invoices.
- E. Each invoice shall be checked to determine that applicable discounts are taken.
- F. All invoices shall be checked to ascertain that sales tax has or has not been properly charged since most items purchased for schools are tax exempt.
- G. It is the responsibility of the principal to determine whether the payment is permissible from the designated activity fund.

### **8.3 REIMBURSEMENTS**

- A. On occasion, checks may be issued to students or employees to reimburse them for personal funds expended for school purposes, provided proper supporting documentation is presented to the campus secretary/bookkeeper for consideration. Reimbursements over \$100 require approval of the Chief Financial Officer before payment is made.
- B. The school is under no obligation to reimburse purchases not properly approved by the principal in advance.
- C. Keep reimbursements to a minimum to safeguard against unauthorized purchases by individuals.

### **8.4 REFUNDS**

- A. It may be necessary to make refunds due to the cancellation of field trips, overcharges on books, club dues, etc.,
- B. In addition to the normal check requirements, the refund check request should indicate:
  - 1) Reason for refund.
  - 2) The activity fund assignment the refund is drawn on.
  - 3) The date of the original deposit or the date of the event for which the money was collected, and a copy of the student receipt or deposit record.

### **8.5 SUPPLEMENTAL PAYMENTS TO STAFF MEMBERS FOR SERVICES**

The principal may occasionally agree to compensate teachers or other staff members for additional services performed. Such auxiliary services are those discharged by the staff member in addition to their normal, specified duties and will usually be performed outside of the regular school hours. Such payments should NOT be made directly to the staff member from the activity fund. The prescribed procedures are as follows:

- A. Complete a Request for Special Assignment Pay form using the appropriate account code to charge the expenses.
- B. Forward the Special Assignment Pay form to the Payroll Department.

### **8.6 PAYMENTS TO NON-STAFF MEMBERS FOR CONTRACTUAL SERVICES**

- A. Payments for services performed by individuals not employed by the HCISD must be paid through Accounts Payable.
  - 1. The vendor must complete an IRS Form W-9, to be entered into Frontline.
    - Contracted Service object code 6290, may require an IRS Form 1099-NEC at the end of the calendar year.

2. Enter a purchase requisition to the vendor in the amount to be paid.
3. The use of a purchase card may be used to pay for contracted services with the exception of Grant or Bond purchases. Those require the use of a purchase order.

## 8.7 CASHING OF CHECKS

Personal and /or payroll checks shall not be cashed.

## 8.8 CANCELLATION OF CHECKS

It will be necessary to cancel a check which is outstanding for a period in excess of three (3) months (90 days), which has been lost, or has been returned.

When a check is cancelled, it should also be offset in the bank reconciliation. The offset should occur in the month it is discovered. If you have the original check, no stop payment is required. If you do not have the original check, a stop payment should be completed by the accounting specialist responsible for activity funds. Email the control copy of the check to the finance office as backup for the stop payment request. The accounting specialist will email a copy of the stop payment to be included in your reconciliation file.

## **SECTION 9 – BOOSTER CLUBS AND PARENT GROUPS**

### 9.1 SEPARATE ENTITY

*While booster clubs might feel like they're all fun and games there is a lot of rules, regulations, and guidelines set by the federal government that must be followed to a T. The IRS booster club guidelines are possibly the most important, especially with the financial nature of a booster club. <https://booostr.co/booster-club-management/irs-booster-club-guidelines-and-what-you-need-to-know/>*

Booster clubs, parent organizations and other associated groups are separate entities from the school district. By law, these groups must obtain their own tax exemption status and employer identification number independent of the school district.

These groups associated with the school district may qualify to obtain a federal 501c(3) exemption under the federal Internal Revenue Service (IRS) code. These organizations must also apply to the Texas Comptroller's office to be recognized as exempt entities. They should complete an IRS form SS-4 to obtain their own employer identification number (EIN).

### 9.2 ACCOUNTING RESPONSIBILITIES

The accounting of booster clubs and other similar activities should not be accounted for or reported by the school district in its annual financial audit. The principal is not responsible for funds collected, disbursed and controlled by parents, patron or alumni organizations. It is the responsibility of the organization to maintain its own accounting records.

It is recommended that the booster clubs and other associated groups follow procedures similar to those outlined in the Activity Fund Administration Manual for cash receipts, deposits, cash disbursements and bank reconciliation in order to maintain adequate control over the funds of the group.

### 9.3 FUNDRAISING

All groups must follow the Hays CISD Fundraising Guidelines for Schools/PTA/PTO /PTSA/PTSO.

An IRS letter ruling has indicated that funds raised by 501c(3) organizations cannot be used for a perceived individual benefit. Funds raised by the group must be available to all members (i.e., money raised by individual band and choir members or their parents cannot be credited to an individual account for the benefit of one person).

#### **APPROPRIATE AND INAPPROPRIATE USE OF ACTIVITY FUNDS**

- A. When using activity funds, it is important to remember that how the money is spent is determined by the way the money is derived. The management of activity funds shall be in accordance with sound business practices, including established accounting, purchasing procedures and budgetary procedures.
- 1) Money earned or paid by students must be spent for the benefit of those students. Funds derived from the student body, as a whole shall be expended in a manner benefiting all students. Activity fund money held in trust for a student organization is the property of the organization. It is not considered public funds.
  - 2) Money earned or paid by the faculty and staff employees can be spent on those employees as they wish.
  - 3) Money provided to the campus by the central office must be spent in accordance with the purpose designated by the District (e.g. attendance incentives). Money collected by the campus on behalf of the District must be remitted to the central office (e.g. sales tax).

#### B. STUDENT ACTIVITY FUNDS

Following are some examples of **appropriate uses** of student activity funds:

- 1) Purchasing supplies and materials to be used by the student members of the group
- 2) Entry fees and other expenses associated with student competitions and meetings
- 3) Travel expenses and meals consumed by the student members and their adult sponsors provided that the expenditures do not exceed the reimbursable limits established by the District's travel policy and do not exceed the employee rate

- 4) Scholarship for students unable to participate due to financial reasons.
- 5) Membership in student related organizations
- 6) School furnishings and equipment, which will benefit the student body
- 7) Awards such as plaques in recognition of students
- 8) Field trips and other activities planned for the benefit of students either in recognition of an accomplishment or for purposes of enrichment

Following are examples of **inappropriate uses** of student activity funds:

- 1) Any purchase not approved by the student membership of the group
- 2) Any purchase or expenditure benefiting only an individual student or students as opposed to all students participating in an organization, except as described above.
- 3) Cash prizes or cash awards

#### C. FACULTY AND STAFF FUNDS

Following are some examples of **appropriate uses** of Faculty and Staff funds:

- 1) Flowers, cards, plaques or other expressions of appreciation or condolence
- 2) Parties, lunches and entertainment not to exceed \$25 per individual per year

Following are examples of **inappropriate uses** of Faculty and Staff funds:

- 1) Loans to anyone
- 2) Purchase of alcoholic beverages
- 3) Political contributions
- 4) Fees or dues to participate in a fundraiser for a political candidate
- 5) Membership in private clubs
- 6) Paying for traffic citations, auto repairs, etc.
- 7) Stipends or monetary awards to employees
- 8) Cash prizes or cash awards

#### D. DISTRICT FUNDS

District funds are only to be used for the purpose expressed by the District. Any questions concerning the propriety of a disbursement should be directed to the Chief Financial Officer.

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## Appendix A

### **STUDENT ACTIVITY FUNDS SPONSOR SUPPLEMENT**

The policies and procedures that govern student activity funds are set forth in the Activity Funds Administration Manual. This supplement contains excerpts from the Manual that are relevant to sponsors of clubs and organizations.

#### **Student Activity Funds (SAF)**

Activity funds consist of monies received and held by the campus to be expended for the benefit of students in accordance with District policy.

There are two types of Activity Funds that are common for Texas public schools.

The first type is a clearing account that is used for such things as school pictures and yearbooks. These funds shall be used to promote the general welfare of each school and the educational development and morale of all students.

The second type consists of funds that are the property of student organizations such as student council, choir, and pep squad. The District is required to provide stewardship by properly safeguarding and accounting for these funds. Decisions on the use of student funds are the concern of the specific student groups to whom the funds belong, as long as the decisions regarding the use of funds do not conflict with Board policy and/or legal regulations or restrictions.

#### **Sponsors' Responsibilities**

- The sponsor of each student organization is required to sign a Sponsor Acknowledgement of Responsibilities form and submit to bookkeeper each year.
- The sponsor of each student organization is required to maintain adequate records in the sponsor SAF binder to support the financial activities of the group. These records are subject to review during the audit of the school's activity funds and should include, at a minimum, the following:
  - Copies of monthly reports for the organization
  - Copies of money receipts and Teacher/Sponsor Deposit Records
  - Copies of invoices and disbursement requests
  - Copies of fund-raising applications
  - Detailed records of fund-raising proceeds, listed by student
  - Minutes of the organization's meetings which detail, at a minimum, attendance, discussion of fund-raising activities, and review and approval of expenditures and financial status.
- Each month, the sponsor should compare his or her balances from the Sponsor Ledger to those kept by the campus secretary/bookkeeper. If there is a discrepancy, the



## Appendix A

sponsor should promptly contact the bookkeeper. If necessary, the Student Activity Fund Manager or the Chief Financial Officer may be requested to assist.

- At least 3 times per year (August, January and May) the principal shall require each sponsor to sign the report with a statement acknowledging their agreement with the account balances. The principal should sign for those accounts without sponsors.
- Sponsor binders and receipt books should be turned in to the secretary/bookkeeper for records retention at the end of each school year.

### Collection of Money

All money collected by an organization or club for fees, dues or other fund-raising activities must be recorded in detail using pre-numbered money receipts, Teacher/Sponsor Deposit Record forms, *or* collection forms provided by fund raising vendors. All collections must be deposited in the school activity fund.

Money collected should not be kept overnight in a desk or file cabinet, nor should the sponsor take it home. If, for some reason, all records cannot be completed and recorded before the end of the day, the funds should be locked in a locking bank bag or a tamper-evident bag and stored in the campus safe or vault. The sponsor should keep the key to the bag if a locking bag is used and the funds should remain secured until the sponsor can complete the deposit records. This must occur promptly, however, and under no circumstances should personal checks be held for more than 3 days before being submitted to the campus bookkeeper for deposit.

Personal check cashing by faculty members is prohibited by District policy. Likewise, cash should not be removed from activity fund collections and replaced with the sponsor's personal check. In addition, cash collections may not be used to purchase supplies, refreshments or for any other purpose. Activity fund collections must be deposited intact, in the same manner in which they were received.

Sponsors will often be collecting money for more than one activity. Each activity should be clearly documented on the collection records. This will assist the campus secretary/bookkeeper in determining the sales tax due at the end of each month. It will also help the sponsor measure the profitability of fund-raising efforts.

### Depositing Funds Collected

When a sponsor submits funds collected to the campus secretary or bookkeeper for deposit, the funds should be verified by the bookkeeper in the sponsor's presence. This is simply a prudent cash-handling procedure that protects both the bookkeeper and the sponsor. After counting the funds, the bookkeeper must provide the sponsor with a pre-numbered money receipt or a copy of the Teacher/Sponsor Deposit Record form documenting the amount of the deposit. The sponsor will bear responsibility for any missing deposits or deposit shortages if funds are not verified in the presence of the bookkeeper.

## Appendix A

- If money cannot be counted by the campus secretary/bookkeeper at the time the sponsor submits the funds collected, the deposit can be left with the campus secretary/bookkeeper in a tamper-evident bag. The teacher or sponsor should include their name, the date and the amount of the deposit *inside* the bag.
- The campus secretary/bookkeeper must initial and detach the numbered bag receipt stub and provide it to the sponsor as evidence of turning in the bag. Later, in the presence of the sponsor, the campus secretary/bookkeeper will count the money and reconcile the amounts to the Teacher/Sponsor Deposit.

**Note:** If the sponsor cannot view the opening of the bag, the Principal or a designee can witness the opening and counting.

### Expenditures of Activity Funds

All expenditures from activity funds must be made using the district purchasing methods. This allows properly tracking of Vendor spend and contracted services. Contracted service vendors require a vendor number and IRS Form W-9 on file with the business office. No expenditures should be made using un-deposited cash. Prior to the expenditure of funds, the HCISD Purchase Input Request form must be completed and authorized by the principal. Under no circumstances should purchases be made without proper approval.

To the greatest extent possible, purchases should be planned in sufficient time to allow them to be made using purchase orders, or other approved purchasing methods. Hays CISD is not required to reimburse a sponsor for purchases not properly approved in advance by the principal. Therefore, sponsors' requests for personal reimbursement should be limited in nature. In addition, requests for reimbursement should be submitted within 30 days of the date of purchase. Remember, too, that the principal is not required to reimburse any part of a purchase, including sales tax paid by a sponsor if a purchase was not properly approved in advance.

Club and organization funds should be used for the benefit of the students who participate in the club's activities. These funds should be expended on an annual basis so that the students who generated the funds can have the benefit of their use.

Grade level funds not expended at the end of each school year shall roll up to the next grade level.

Prior Year funds for rising grade levels should be rolled into the Prior year student funds (assignment AF051 to be used only on students as scholarship, indigent purposes. The funds cannot be used to benefit a specific student group.

### District Contracts and Agreements Signature POLICY/PROCEDURE:

a. By CH (Local) policy, the District Superintendent holds delegated contract signature authority on all Contracts and the ability to delegate this authority.

## Appendix A

The District Chief Financial Officer and the District Director of Purchasing have in turn been delegated contract signature authority by the District Superintendent. In addition, signature authority for construction-related contracts has been delegated to the Chief Operations Officer.

Any contracts and/or agreements contractually binding the District for services and or supplies can only be signed by one of the individuals listed above. \* **Please note any contracts signed by any District personnel other than those authorized individuals listed above are void and non- enforceable, and are the personal liability of the individual who signed the contract.** \*

The full Hays CISD Contracts and agreements Signature policy and procedure and signature transmittal form in its entirety is available for review and is located on the Hays website under {Staff Resources-Purchasing Resources}. Staff login is required to access. The attached shortcut link is sited below for your reference.

[https://www.hayscisd.net/cms/lib/TX02204837/Centricity/Domain/58/HaysCISD\\_Contracts\\_Agreements\\_Transmittal\\_092617.pdf](https://www.hayscisd.net/cms/lib/TX02204837/Centricity/Domain/58/HaysCISD_Contracts_Agreements_Transmittal_092617.pdf)

## Appendix A

### **Hays Consolidated Independent School District** **Acknowledgement of Rights and Responsibilities of** **Faculty Sponsors of Student Groups**

The purpose for the raising and expending of funds by student groups is for the direct benefit of the students. Fund raising activities will contribute to the educational experience of the students and will not conflict with the instructional program. Money raised by student groups and organizations will be held by the school as trustee. The faculty sponsor of a student club or group is responsible for maintaining adequate financial records as evidence of proper custodianship of money received by and disbursed by club accounts.

I hereby acknowledge that I have read the “Student Activity Funds Sponsor Supplement” and that I am responsible for complying with it. In particular, I acknowledge that:

1. I am responsible both for safeguarding and accounting for funds received from or on behalf of students.
2. Student activity money will be turned in to the office daily in the same form as it was received.
3. All purchases made on behalf of the student organization will be made using the district purchasing methods and approved in advance by the principal using the HCISD Purchase Request Form. Cash collected can not be used to make purchases.
4. I will maintain a positive balance in my organizations account.

I understand that I will be held responsible for any student activity funds entrusted to me. I understand that I have an obligation and a right to ask for assistance with or clarification of any policy or procedure concerning activity funds that I do not understand.

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Sponsor Signature

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Date

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Student Club or Organization

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Campus