



CONROE INDEPENDENT SCHOOL DISTRICT

# Accounting for Student Activity Funds

## **ACCOUNTING FOR STUDENT ACTIVITY FUNDS**

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## **PREFACE**

This manual is designed to provide a set of standardized accounting guidelines and procedures for the administration of Student Activity Funds in all elementary and secondary schools of the Conroe Independent School District.

Principals, financial secretaries, sponsors and other personnel involved in the handling of Student Activity Funds are responsible for following the instructions prescribed in this manual.

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

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## I. GENERAL INFORMATION

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1. Campus activity funds are generally made up of two separate funds, the student activity fund and the faculty activity fund. The student activity fund contains monies raised by or for students. The faculty activity fund contains monies raised by or for faculty and staff members.
2. The student fund should be used to promote the general welfare, education, and morale of all students and to finance the extracurricular activities of the student body.
  - a. **This fund may not be used for the purchase of gifts for any individual or for the purchase of personal items for staff members.**
3. The purpose of the faculty fund is to finance activities such as get well cards, sending flowers to faculty and staff members, retirement activities, luncheons, employee incentives, etc.
4. No other funds should be co-mingled with the student and faculty funds on a campus (i.e., PTO, Booster Club, and other organizations' monies should be accounted for and be in safekeeping by members of those organizations, not by the school).
5. Cash accounts include checking, change funds, and investments.
6. The total of all cash accounts should equal the total of all campus activity fund accounts.
7. The school's postage stamp inventory should be used solely for the school's official business and not for selling to employees.
8. The cashing of personal or payroll checks from student or faculty activity funds, receipted or un-receipted, is prohibited.
9. Donations to a school (cash or property) should be in compliance with board policies and administrative directives. A separate activity fund account should be established to provide a good audit trail of expenditures.
10. Donations to the school should be used for students unless the donor specified that the donation is for teachers. The only way a donation/fundraiser or portion of a donation/fundraiser can be deposited into the teacher account is for the donor to specifically indicate, in writing, either on the check or a cover letter, the amount that they would like to go to the teacher account.
11. Any cash collected in schools for special purposes, and not related to activity funds, should be given to the Principal or designees in a locking bank bag to be secured in the school safe. The employee who collected the funds should keep the key to the bank bag while it is stored in the safe.

## II. RESPONSIBILITY FOR ACTIVITY FUND

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1. Each principal is personally responsible for the proper collection, disbursement, and control of all activity funds. This responsibility includes providing for the safekeeping of monies in the school, proper accounting, and administration of fund transactions.
2. The expenditure of funds must be in compliance with applicable federal and state laws and CISD policies, procedures, and administrative guidelines.
3. The principal is responsible for adequate training and supervision of all personnel designated by him or her to administer activity funds.
4. Principals, activity fund secretaries, sponsors and other personnel involved in the handling of activity funds are responsible for following the guidelines and procedures prescribed in this manual.

## III. AUDITING OF ACTIVITY FUND RECORDS

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1. Activity funds are reviewed regularly by the Activity Fund Accountant and are subject to audit at any time by the district's Internal Auditor or by the district's external auditors.
2. The Activity Fund Accountant or Internal Auditor should be notified when there is a change in principals or financial secretaries so that there will be sufficient time to conduct an audit prior to the change.
3. A principal can request an audit at any time he/she deems one is needed.
4. The Internal Auditor may make unannounced visits to count change funds, to make general observations of safekeeping practices, or to audit activity fund records.
5. Activity fund records may be audited at CISD Administration Building or at your campus.
6. The possibility of misappropriated or stolen school district funds must be reported orally to the CISD Internal Auditor the instant it is suspected. Written confirmation by the effected administrator is required no later than the following business day.

## IV. INDEMNITY BOND AND LOSSES

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1. Activity funds are insured against dishonest acts of employees under a Public School System Employees Blanket Bond carried by the Conroe Independent School District. This bond protects the District to a limit of \$100,000 for each employee handling activity fund monies. Coverage in excess of this amount required or desired on any individual employee or student should be acquired separately under an excess bond by the individual school. This coverage provides no protection to the employee.
2. In the event that a loss or dishonest act involving activity fund monies is uncovered, it shall be reported immediately to the Internal Auditor and the CISD Police Department for investigation and to the Chief Financial Officer who will advise the bonding company.
3. The indemnity bond does not cover burglary, theft by a non-employee, mysterious disappearance or accidental destruction of money or property. Therefore it is very important for each school principal to provide the maximum security available for the protection of activity funds.

## V. ACTIVITY FUND RECORD RETENTION

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1. All activity fund records should be kept in good order and available for review for five years.
2. Activity fund records should be kept in the school for the current and prior school years.
3. Activity fund records may be sent to the Harris County archives to be held for years three through five.

## I. BANK RECORDS

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1. **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 an approved vendor for printed forms as needed and must be printed with the school activity fund account name.
2. **Monthly Bank Statements:** The bank statement is the official bank record reflecting all transactions affecting the cash balance on deposit during the preceding month. When properly reconciled, the statement serves as official support for the cash balance indicated in the activity fund records.
3. **Cash Disbursement/Cash Receipt Support Package:** This file is composed mainly of check copies and deposit slips bound in order of sequence as they are written or voided and placed in the file for the month in which they were written along with the proper documentation. Detail in setting up the files will be listed in the Cash Disbursement and Cash Receipt sections.

## II. BANK DEPOSITS

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1. **No** money should be left in **any** school building after duty hours unless it is locked in the school's safe or vault. However, if your school has a safe inside a vault, the money should be locked in the safe.
2. Small change funds and money received for depositing after the week's last deposit has been made should be the only monies remaining in a school's safe/vault over weekends and holidays.
3. If large amounts of money are received after the week's last deposit has been picked up, call the CISD Police Department for a special pick-up.
4. Only activity fund transactions may be directed through the activity fund bank account. Transactions controlled by the cafeteria or by outside organizations, such as the PTA, PTO or booster clubs, must be handled through these groups' own bank accounts.
5. All cash receipts numbers included in a deposit should be written on the face of the deposit slip. The computer system does not record voided cash receipts. In this event, you should print a report of voids so that you can account for all CR numbers just like checks. A deposit breakdown form and check detail form should be included in the deposit bag.

### III. COLLATERALIZED DEPOSITS

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1. Any portion of school deposits, including accrued interest, in a single banking institution exceeding federal insurance limits \$250,000 must be collateralized with pledged securities which are held by a third party independent institution.
2. The CISD monitors the collateralization of deposits for all funds kept at the district's depository bank.

### IV. AUTHORIZED CHECK SIGNERS

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1. Each bank account is allowed three authorized check signers, one which must be the Principal. The Activity Fund Secretary should **not** be one of the authorized check signers.
2. All checks must be signed with two manual signatures. One signer should be the Principal whenever he/she is available.
3. Authorized check signers cannot sign their own personal reimbursement checks.
4. In the event of absence of the Principal or Assistant Principal, one or both of the remaining two authorized signers will be acceptable.
5. If a second check signature is difficult to obtain during the summer vacation, the CISD Chief Financial Officer is authorized to cosign all activity fund checks.
6. If one of the authorized check signers leaves the District or changes positions, a new bank signature card must be completed to remove the above individual and add a replacement authorized signer.
7. Contact the Activity Fund Accountant for a new bank signature card. Do not contact the bank for a signature card as there is a specific type of card that must be completed for governmental entities.
8. Forward the completed signature card to the Activity Fund Accountant in the Finance Department.
9. Signature cards must be approved by the Chief Financial Officer before the bank will process the signature card.

## V. DEPOSIT PICK-UP

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1. The CISD Police Department picks up at each school daily and delivers any deposits to the District's depository bank.
2. Questions and/or problems with this pick-up service should be directed to the CISD Finance Department at 936-709-7874.
3. Each disposable deposit bag should be listed on a separate line in the log book at each school. Be sure to list each bag number even if a space is not provided.

## VI. BANK RECONCILIATION

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1. One of the most important aspects of the Financial Secretary's job is the prompt reconciliation of the activity fund bank account. It is the Principal's responsibility to see that the Financial Secretary has adequate time to complete the bank reconciliation on time each month.
2. The bank statement is reconciled using School Cash. The completed bank reconciliation must be sent to the Activity Fund Accountant by the 15<sup>th</sup> of each month for review. The completed reconciliation should be signed by the preparer and the Principal.
3. A copy of the bank statement should be attached to the signed reconciliation report. If there were any adjustments per the bank statement; attach a copy of the adjustments report and all supporting documents.
4. The Activity Fund Accountant should be contacted for assistance if the deadline cannot be met.
5. Reconciliation Steps:
  - a) Use School Cash to balance your bank statement against your general ledger cash account
  - b) Enter the ending balance from the current month's bank statement and the bank statement ending date
  - c) Clear all items on the screen that appears on your bank statement. If there is a missing item (i.e. deposit or checks) you will need to add it. When all items are cleared, the calculated bank balance and the statement ending balance must match or you will not be able to update your bank reconciliation
6. Troubleshoot the Bank Reconciliation:
  - a. Adjustments – When making adjustments, be sure the date falls within your reconciliation period and is posted for the correct amount (positive/negative) and the correct type (debit/credit).
  - b. Non-Zero Variance (or out of balance) – This is because there is an item with an amount that does not match the statement; you have missed clearing an item all together, or an adjustment is wrong. Check that you entered the correct ending balance from the bank statement.

## I. FACE-TO-FACE COUNTING

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1. All money turned into the Activity Fund Secretary should be counted in the presence of the person turning in the money. A cash receipt sheet should be completed for this process and signed by both the Secretary and the person turning in the money.
2. All sponsors should sort and organize all coins and bills by denomination to facilitate a quick count of the money with the Activity Fund Secretary.
3. When face-to-face count cannot be done at the time the money is turned in to the Activity Fund Secretary, **locking money bags** should be used to secure the monies until a face-to-face count can be done (maximum of 48 hours).
4. Procedures for using locking money bags:
  - a. Purchase a reasonable quantity of locking money bags that are keyed **separately**. You can order locking money bags from an approved CISD vendor of your choice.
  - b. Buy two keys per bag. One key for each bag should always be kept in the Principal's office under lock and key
  - c. The Activity Fund Secretary should **never** have any locking bag keys except for the bags that are **empty**. It is for the protection of the Activity Fund Secretary to not have a key to a bag which contains un-receipted, unverified money being held for counting later.
  - d. The Activity Fund Secretary should give an empty locking bag, which has a key in it, to the person who has the money to turn in.
  - e. The person turning in the money places the money in the locking bag, locks the bag, and keeps the key to the bag. The Activity Fund Secretary becomes the custodian of the bag. The sponsor and the Principal are the only two people who should have a key to a bag when a locked bag is in the safe.
5. Uses for Locking Bags
  - a. The Activity Fund Secretary can use a locking bag for securing money already in her custody that has been verified and receipted.

- b. To secure start-up change.
- c. To secure a change fund.
- d. To secure money collected after regular school hours and on weekends such as a fundraiser.
- e. To encourage sponsors to turn in all money they have collected rather than leave it in a desk, file cabinet, or to be kept on their person until it can be turned in to the Activity Fund Secretary for deposit.
- f. To secure money collected on a campus for special purposes, not related to activity funds.
- g. Locking money bags should not be used to circumvent regular deposits.
- h. Locking bank bags should always be stored in the safe.

## II. PREPARING CASH RECEIPTS

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1. All activity fund money, student and faculty, should be immediately receipted.
2. No portion of cash receipts from sales should be kept on hand, thus not deposited for the purpose of making change, conducting business, or making purchases.
3. Unreceipted money should not be held by the Activity Fund Secretary. Even if no deposit will be prepared that day, a cash receipt should be prepared for all money received.
4. School Cash will number the cash receipts. The Activity Fund Secretary should not complete a hand-written receipt, but should prepare an online receipt whenever money is received.
5. Cash receipts must be issued in numerical sequence on the day the monies are received. Acceptable methods of receipting monies are as follows:
  - a. Issue online CISD official cash receipt using School Cash.
  - b. Utilize cash receipt sheet if the issuance of individual CISD official cash receipts would not be practical and the money is collected by someone other than the Activity Fund Secretary. Ex. (collections of class fees, class pictures, library fines, club/social committee dues, etc.) A cash receipt sheet should never be used for the payment of lost textbooks.

*NOTE:* The cash receipt sheet and the monies collected should be turned in to the Activity Fund Secretary and then would be receipted to the sponsor for the total funds turned in. A copy of the cash receipt sheet should be kept by the Activity Fund Secretary to attach as support to the deposit.



- c. Issue an alternate CISD receipt if money is received by librarian or other employee authorized to receive cash.
  - d. School Cash Close Out Summary
- 6. Both the cash receipt sheet and alternate CISD official cash receipt should be completed in their entirety. Cash or check must be indicated on either of these type receipts.
- 7. The date of receipt should be the date the cash or checks were actually received in hand by the Sponsor/Activity Fund Secretary and not necessarily the deposit date.
- 8. The date portion of the cash receipt sheets must be completed. If a cash receipt sheet is used for receipting monies, the “date paid” portion must be completed for each student name. The sponsor should also indicate whether the money is cash or a check. If payment is a check, the check number should be recorded in the “Check” box.
- 9. The cash receipt should be made out in the name of the person turning in the money, not PTO, book fair, teachers, etc.
- 10. The purpose of the funds, or their source should be indicated (i.e., fines, fees, lost textbooks, etc.).
- 11. Reference Section 8 regarding the collection of any cash receipts including sales tax.
- 12. A cash receipt can be voided **if and only if** a mistake is discovered immediately after the cash receipt is issued and a corrected receipt can be handed to the person turning in the money.
- 13. The original and all copies of a voided CISD official cash receipt should be stapled in the cash receipts support and "void" written on the receipt.
- 14. Monies received for lost textbooks or library books should not be held in anticipation of the student finding the book. The cash receipt should **never** be voided if the student finds his/her book. These monies should be receipted and deposited into the bank. All refunds should be made with a school check or through School Cash.
- 15. A cash receipt should never be corrected with white-out.
- 16. The acceptance of a post-dated check is **prohibited**.
- 17. All collections turned in to the Activity Fund Secretary must be accompanied by the supporting documents – either an Alternate Cash Receipt, Cash Receipt sheet or School Cash Closeout Summary.
- 18. When funds submitted to the Activity Fund Secretary have previously been receipted by the sponsor using alternate cash receipts:
  - a. Count monies collected and reconcile to receipts issued from the sponsor.

- b. Issue a cash receipt to the sponsor when the monies have been satisfactorily verified.
- c. Note the alternate cash receipt numbers that make up the total on the cash receipt.
- d. Initial and date the sponsor's receipt.

### III. SAFEGUARDING OF MONIES

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1. Each Principal is personally responsible for proper collection, disbursement, and control of all activity funds including safekeeping.
2. No money should be left in any school building after duty hours unless it is locked in the school's safe or vault. However, if your school has a safe inside a vault, the money should be locked in the safe.
3. Small change funds and money received for depositing after the week's last deposit has been made, should be the only monies remaining in a school's safe/vault over weekends.
4. Deposits must be made daily, or whenever schools have collected. Schools should always make a deposit before weekends and holidays.
5. Money that is found on campus, turned in to the office, and goes unclaimed, should be receipted, deposited, and credited to the general student activity fund account.
6. The safe or vault should be locked whenever it contains money, deposit slips, blank checks or anything of value.
7. Only the Principal and Activity Fund Secretary should know the safe combination or have keys to the school safe. The principal may assign a bank signature card signer as a designated replacement if he/she is unavailable.
8. Safe keys should not be left in the building overnight, on weekends or holidays. They should be taken home with the Principal and Activity Fund Secretary.
9. The safe combination or keys should be changed by an awarded locksmith (who is not a district employee) every three years and after either the principal or secretary leave their jobs. If AP's are given the safe combination, then the combination or keys should be changed when they leave as well.

## IV. MAKING DEPOSITS

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1. All checks received should be endorsed stamped immediately.
2. The receipt numbers included in each deposit should be recorded on the face of the deposit slip.
3. A list of the makers of the checks should be included from School Cash. If the number of checks collected for deposit is such that making a list would not be practical, the total from the School Cash listing the amounts of the checks would suffice.
4. Preparation of money for deposit:
  - a. All coins must be rolled in their proper amounts per roll.
  - b. All bills should be wrapped in their proper amounts per wrapper.
  - c. Loose coins remaining must be placed in Ziploc or rolled.
  - d. Loose bills remaining must be clipped together and labeled as to the amount included in the bundle.
5. Deposit slips should be ordered from awarded vendor.
  - a. Two copies of the deposit slip should be put in the disposable money bag provided to the bank and one copy should be kept to match against bank records.
  - b. A bank deposit journal should be printed and attached as support to the deposit.
6. The deposit support/package should include the following:
  - a) School copy of deposit slip
  - b) Deposit receipts, deposit breakdown from School Cash
  - c) Manual CISD official cash receipts/cash receipt sheet(s)
  - d) Any other items supporting or indicating the source of the receipt such as student picture commission reports or vending commission check stubs.
  - e) These items should be bond together for each deposit with deposit slip on top, followed by a deposit breakdown and any other supporting documents.
7. All monies on hand at the end of the school year must be deposited.
8. Deposit Corrections:
  - a. The bank will contact the Activity Fund Accountant concerning differences between their cash count and the school's deposit slip and deposit breakdown.
  - b. If the deposit slip is in error, the bank will issue a debit or credit memo for the difference. All differences between the school's deposit records and the bank validated deposit slips should be investigated **immediately**.

- c. If the school's books are in error, the books should be corrected with an adjustment (see Section 15)

## V. FILE PROCEDURES

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1. Each month's cash receipts, deposit slips and deposit reports should be filed together in the following manner:
  - a. Cash Receipt copy
  - b. Support for cash receipt such as:
    - i. Check stub
    - ii. Cash receipt sheet
    - iii. Alternate cash receipts
    - iv. School Cash close-out report
  - c. Any other cash receipt reports printed from School Cash
  - d. Copy of deposit slip
2. For each deposit, combine all of the above into a packet in cash receipt number order. Attach the deposit slip to the top of each deposit packet.
3. File all deposit packets in each monthly folder along with month end reports (bank statement, bank reconciliation, bank reconciliation reports, transfers and journal entries, sales tax reports, void and manual check reports).

## I. PAYMENT AUTHORIZATION

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1. Approved purchase requisitions serve as an authorization to purchase items through the district Purchasing Department. An activity funds check **must** be sent to the Finance Department for deposit into the school's AF budget account before an online purchase requisition can be completed.
2. For activity fund purchases, a check request form should always be prepared in its entirety and signed by the Principal, or his/her designee, indicating his/her approval **prior** to ordering merchandise, making a purchase and/or issuing a check.
3. No gift certificates or gift cards may be purchased with student funds, teacher funds or departmental funds.
4. The check request form should be prepared by the campus employee wishing to make a purchase, should have all supporting documents attached, and must equal the amount of the requested check.
5. Proper supporting documentation includes:
  - a) The vendor's original invoice. Statements, duplicate invoices, copies of invoices/receipts, etc. are not acceptable support.
  - b) Completed CISD Consultant Agreement or Authorized Payment for Supplemental Services form for non-CISD employees who perform services for the school. These forms should contain their business name and either SS# or EIN.
  - c) Original sales slips or register tapes that are legible and contain the name of the vendor and a detail of the items purchased.
  - d) Certified original invoices if a copy or fax of an invoice has written across it and is signed and dated by the vendor, not by the sponsor or a CISD employee.
  - e) List of student names, for payment of dues or entry fees, if the check is made out to an organization, company or school and NOT to an individual.
  - f) Completed Book Fair report with the Principal's signature.
  - g) Copy of the original cash receipt for a lost library or textbook, when the student has found a book that they had previously paid for.
  - h) Document from a college/university verifying enrollment of a scholarship recipient. Also included should be a copy of the letter notifying the student of their scholarship award.
  - i) Copy of a subscription renewal notice when no invoice will be sent by the company.
6. Unacceptable support for checks
  - a. Xerox copies of invoices, receipts, etc.

- b. Statements rather than the invoices they reference. Payments from statements often cause double payments when the original invoice is submitted for payment at another time.
  - c. Notes from CISD employees requesting payment to themselves, another employee or a vendor.
7. Purchases of used furniture, equipment, etc., from individuals are questionable as arms-length transactions. It is difficult to ascertain their monetary value and if that value is reasonable. The CISD Finance Department should be contacted for guidance on purchases of used items. If approved, these purchases should be well documented to support the purchase as indeed an arms-length transaction and to indicate the purchase is a good value. Documentation should be able to stand the test of outside party scrutiny if ever questioned.

## II. ISSUING CHECKS

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1. All checks should be used in the proper numerical sequence.
2. Payments **must** always be made to a specific person, company or organization, never to cash or to the paying school.
3. Checks should not be post-dated (dated later than the date they are prepared).
4. If errors are made on the face of the check, the check should be voided and another issued. Errors can be corrected on the check stub.
5. When making payment for goods/services that are preapproved by the Chief Financial Officer to be reimbursed from the District budget, the original support will be sent to the District Finance Office. The school should maintain a copy of the support attached to their copy of the approved check request and check copy.
6. All employee reimbursements made by a school activity fund check should be made within **30 days of the purchase.**
7. Purchases from the school activity fund must be administered in the same manner as school district funds as they relate to bids and quotations for supplies, equipment, and services. Purchases from activity funds should be made from CISD bid vendors if the district has obtained a bid for the item being purchased.
8. All vendor invoices should be paid within 30 days of the latter of receipt of a correct invoice or receipt of the merchandise in acceptable condition. Interest begins accruing on the 31<sup>st</sup> day.
9. All cash disbursements from school activity funds made to Conroe ISD employees for additional services performed must be processed through the Payroll Office. A school activity fund check must accompany documentation required by the Payroll Office.

10. Advances must be approved by the Principal in writing before a check is issued. Check requests signed by the Principal constitute approval if it is clear on the request that the payment is an advance. Examples of acceptable documentation for an advance could be
  - a) a copy of the flyer advertising a seminar or training class plus a copy of the teacher's application form
  - b) A letter from an entertainment facility (zoo, park, etc.) detailing the date of the proposed field trip, cost per person and a list of the students and adults who plan to attend.

The documentation should always agree to the approved check request for the advance. Original documentation must be provided immediately upon return. Under no circumstance should a sponsor be given another advance if support has not been provided for a previous advance.

11. Travel expenses paid from school activity funds must be supported by the same type documentation as required if sent through CISD Accounts Payable for payment. Those required documents are a travel request form, expense report, and invoices to support the expenses claimed.
12. The sponsor must obtain an approved travel request before checks can be issued for travel advances, hotel rooms, travel expenses, or fees related to an out of district trip.
13. An authorized payment for supplemental services form must be completed and signed by the person providing the service before a check can be issued to a nonemployee for contracted services.
14. Checks should not be pre-signed. In other words, a signature should not be affixed to a check until all blanks (date, payee, and amount) have been completed.
15. Documents in support of checks should be canceled when payment is made to prevent a duplicate payment by using the same document again.

- a. Stamp or write in ink **PAID**, check number and date paid on the front of the invoice, sales slip, register tape, etc. that supports each check.

16. The cash disbursement support/package should include, at least, the following documentation:
  - a. Check Copy
  - b. Approved Check Request Form
  - c. All original invoices, paid receipts, etc. If a check is supported by multiple invoices or receipts, it is helpful to attach an adding machine tape to calculate the amount to be paid
  - d. Proof of receipt of goods and/or services (date and signature).
17. This cash disbursement package can be filed by check number sequence, by school organization or by vendor.
18. A check written for the wrong amount which has already been mailed should be handled in the following manner:

- a. If the amount the check was written for was **less** than what is actually owed, a second check should be written for the underpayment. The disbursement support should include a copy of the invoice showing the amount originally owed, the amount the first check was written for, and the check number and date of the first check.
  - b. If the amount the check was written for was **more** than what was actually owed, the school should request an immediate refund for the amount of the overpayment and deposit the check into the same account.
19. Refunds
- a. **All** refunds must be made with a school activity fund check, never with cash.
  - b. The original cash receipt number should be indicated on the check requisition form and the original cash receipt attached as support. If the original is not available, a copy is permitted.

### III. VOIDING CHECKS

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1. If it is necessary to void a check, the check signatures must be torn or cut from the check and **VOID** clearly marked across the check.
2. There should be documentation attached to the check as to why the voiding of the check was necessary (i.e., check written for wrong amount).
3. The original voided checks and all check copies should be filed in numerical sequence in the monthly file with the void check report.

### IV. STALE DATED CHECKS

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1. A stale dated check is a check written by the school which has remained outstanding (not cashed) for an extended period of time. Stale dated checks should not be written off.
2. The outstanding check list from your school's bank reconciliation should be reviewed monthly by the Activity Fund Secretary for stale dated checks written the prior month.
  - a. The payee should be contacted to determine the status of the check. All communication with the payee should be documented.
  - b. If the check is correct and has not been deposited, request the payee deposit the check within 10 days.
  - c. If the check is incorrect (does not agree with the invoice), request the payee return the check to the school, void the check, and issue a new check.



- d. The support from the incorrect check should be attached to the new check and so noted on the copy of the incorrect check.
  - e. If the check has not been deposited because the vendor invoice is incorrect, the vendor should return a revised original invoice with the check.
  - f. If the check was lost, follow the procedures below under Lost Checks
3. Checks that have been outstanding for 1 year, as of 6/30/xx, should be paid to CISD.
- a) By 9/15/xx, send a report to the Finance Department of all uncashed checks that were more than 1 years old as of 6/30 of that year.
  - b) Along with the report, send all supporting documentation including copies of all letters, returned mail, certified mail receipts, forms verifying your letter was received and notes indicating phone calls you made and responses you received.
  - c) With this documentation, send an activity fund check payable to CISD for the total of the outstanding checks greater than 1 year old as of 6/30.
  - d) Charge the check to the account(s) from which the outstanding check(s) were written. Void the first check and then write a check to CISD.
  - e) After voiding the check(s), they will be removed from the outstanding checks list.
  - f) Enter information about these checks into an Excel file that contains:
 

i. Payee name	Mailing address
ii. Account number charged	Payee phone number
iii. Payee SS# or FID# if available	Purpose of payment
iv. Check date	Check number

## V. LOST/DESTROYED CHECKS

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1. A stop payment should be placed on all lost checks. Send stop payment request form to Activity Fund Accountant for processing. Document on the form what happened to the check such as lost in mail, destroyed, etc.
2. Once the stop payment has been processed you will be notified that you can void the check and reissue a new check.
3. The support from the lost check should be attached to the new check and so noted on the stub/copy of the lost check.

## VI. PROCEDURE FOR PAYMENTS OF 1099 INDIVIDUALS

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1. Individuals who are non-CISD employees and operate an unincorporated business should receive a Form 1099 from the district if they have been paid a total of \$600.00 or more from **ALL** CISD schools and departments during the same **calendar** year.
2. Service only examples: playing the piano, storytelling, moving textbooks, authors, etc.
3. A non-Conroe ISD employee is considered to be paid for a service that includes parts and materials if they are **incidental** to providing the service (i.e. – build a trophy case).
4. An IRS Form W-9 must be completed by the individual for the services rendered and an invoice must be provided.
5. The CISD Consultant Agreement agrees to pay a flat fee for services. Consultants must handle payment for their meals, lodging and transportation on their own.
6. This procedure does **not** apply to payments to individuals for merchandise or reimbursement for supplies.
7. If the PTO, a booster club, etc., directly pays a non-Conroe ISD employee for a service (individual not paid with an activity fund check), it is the organization's (PTO, booster club, etc.) responsibility to report the information to the IRS.
8. A sponsor should not issue a personal check to pay non-Conroe ISD employees for professional services and then request reimbursement from the activity fund.

## VII. ACCOUNTS WITH NEGATIVE BALANCES

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1. No cash disbursement should be approved by the principal unless **sufficient funds are available in the appropriate activity fund account** or unless funds are anticipated at a later date, **not to exceed 60 days**, in the appropriate activity fund account.
2. The balance in the General Student account or other student accounts should **not** be used to cover expenses/losses associated with an unrelated individual student group.

## VIII. PURCHASING

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1. Purchases from activity funds should follow district purchasing policies.
2. Purchases from activity funds should be made from vendors who have been awarded a bid when bids have been solicited by the Purchasing Department for the item being purchased.
3. If bids have not been solicited for the item being purchased, purchasing procedures should be followed regarding obtaining quotes, sole source items, etc.
4. Purchasing procedures are available online and are detailed in the Finance Manual.
5. All computer, laptop and camera purchases with Activity Funds must be processed with a district purchase order.
  - a. Send Activity Fund check to Administration to be deposited in to budget account. [Note: be sure to include the budget number on the check].
  - b. Process requisition/purchase order for the items.

# See the Finance Manual for Purchasing Guidelines

## IX. THEFT OR DESTRUCTION OF COMPUTER/CAMERAS

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1. The destruction or theft of laptops, computers or cameras must be reported IMMEDIATELY to both the Chief of CISD Police and the Activity Fund Accountant.
2. Complete Lost or Stolen Equipment Form.

## I. RETURNED CHECKS

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1. Returned checks are checks previously deposited which are returned unpaid by the bank because insufficient or uncollected funds, account closed, stop payment, etc.
2. PayTek Solutions will handle all return checks and the collection of those items. Do not accept payment at your campus for the returned item. Refer all check writers directly to PayTek for payment arrangements.
3. You will receive notification from the Activity Fund Accountant when you have a returned check. You will record the return item in School Cash as a non-sufficient fund. All return items will be posted to the account originally deposited into.
4. Once the returned item is collected by PayTek, you will receive payment. The monies will be deposited directly into your activity fund account. The ACH will be receipted to account originally deposited into and the fees to account 13060 Returned Check Fee. The purpose should be listed as Returned Ck. # and the person's name.
5. Once a school has accumulated three consecutive returned checks from the same check writer, the school will no longer accept checks for payment. The Activity Fund Accountant will let the Activity Fund Secretary know when this has occurred.

## II. CHECK TAKING TIPS

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1. Having the person taking the original check **write** the following information **on the check** will assist the Activity Fund Secretary in collecting returned checks:
  - a. Student's full name & ID
  - b. Club and/or purpose of check.
  - c. Address line, Check makers name is complete and legible
  - d. Home or cell phone number
  - e. Driver's license number

## I. DEFINITION OF FIXED ASSETS

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1. Fixed assets are purchased or donated items that are tangible in nature, have a life longer than two years, have a unit value of \$5,000 or more and/or may be reasonably identified and controlled through physical inventory system.

## II. PURCHASE

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1. All fixed assets may be purchased indirectly with activity funds by donating the amount needed to the budget. The school may choose the particular equipment and vendor (as long as District purchasing and bidding guidelines are met), but may not issue a check to the vendor nor order the item directly.
  - a. Complete a purchase requisition coded to the appropriate 6600 account. (Purchasing department will place the order).
  - b. Write an Activity Fund check payable to Conroe ISD for the amount of the purchase.
  - c. Forward the check and requisition to the Activity Fund Accountant, in the Finance Office by the end of each month.

## III. DONATIONS

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1. The District Fixed Asset Clerk must be informed of any donation of a fixed asset by a parent group, individual or other organization so that the item can be recorded and insured.
2. Complete the Donations of Equipment form

## IV. DESTRUCTION OR THEFT OF FIXED ASSETS

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1. The destruction or theft of fixed assets must be reported IMMEDIATELY to both the Chief of Police and the Activity Fund Accountant.
2. Complete Lost or Stolen Equipment Form.

## V. DISPOSAL OF FIXED ASSETS

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1. Fixed assets are owned by the District and cannot be sold, traded in or disposed of without permission of the Chief Financial Officer
2. For fixed assets that have been approved for auction, complete the Equipment to be Auctioned form and send to the Finance Department. Follow instructions on the form for the pick-up of these items by the Custodial Department.
3. If fixed assets are to be transferred to another school or department, complete the Transfer of Equipment form and send to the Finance Department. Follow instructions on the form for moving the item to another location.

See the Finance Manual for more detail  
on Fixed Assets.

## I. ESTABLISHING BUDGET ACCOUNTS

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1. With the principal's approval, each instructional department head may transfer up to 10% of their General Operating supply budget (6399) to the Activity Fund. Budget account transfers are only allowed for functions 11 and 12; and certain Special Ed (sub-object 22) accounts. The Science department is allowed to transfer 15%. All transfers need to be in by September 30<sup>th</sup>.
2. In addition, the librarian may transfer funds from the General Operating book budget (6325) to the Activity Fund : \$600/Secondary, \$300 Elementary
3. Procedures for transferring general supply monies:
  - a. Each department head should complete the Request for Budget Account form
  - b. The form must be signed by the department head and forwarded to the principal for approval
  - c. Once all requests are received and approved, a requisition for the TOTAL AMOUNT to be transferred for the campus is prepared, listing each department's budget account code and amount to be transferred
  - d. The requisition is made to: (name of school) Activity Fund
  - e. All the request forms are sent to Purchasing as support for the payment and are noted as attachments in the comments section of the requisition
  - f. When the check is received from the District, it is receipted into the various budget accounts. The sub-object of each account listed on the check will match the sub-object of the budget supply account in the activity fund. The account code for the Budget-Library account is 3190
  - g. Disbursements cannot be made until the funds are deposited into the activity fund budget account

## II. ISSUING CHECKS FOR BUDGET ACCOUNTS

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1. Before an Activity Fund check can be written from the budget accounts:
  - a. Original invoices, receipts, etc. must be submitted as documentation for payment
  - b. The items purchased must be SUPPLIES, except that librarians may purchase BOOKS that are cataloged in the library
  - c. Each purchase cannot exceed \$100
  - d. Funds must be available in the budget account

## III. RETURNING UNUSED BUDGET FUNDS AT YEAR END

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1. All budget accounts with a balance at August 15<sup>th</sup> must be closed and the funds returned to the District
2. Write an Activity Fund check payable to Conroe ISD for the total to be returned and send to CISD Finance office.
3. Overdrawn accounts:
  - a. It is the responsibility of the department head to maintain a record of the current balance in the budget account
  - b. Overdrawn accounts will not be tolerated. Approval to transfer funds to the campus will NOT be granted to those persons who have abused this privilege.



## I. PURCHASES

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1. **All purchases made for the exclusive use of a school should be made tax exempt.** A Texas Sales and Use Tax Exemption Certificate form (see Exhibit 8-A) should be issued to the vendor. *Sales and use tax exemption numbers or tax exempt numbers* do not exist. Exemption forms require no number to be valid.
2. 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 a person who makes the purchase from having to absorb the sales tax, complete and give them a Texas Sales and Use Tax Exemption Certificate before they make the purchase. The certificate authorizes the vendor to make the sales tax exempt. The vendor should keep the certificate on file to show state comptroller auditors if they are audited.
3. **All items purchased to resell** during a fundraising event or as part of student activities such as PE uniforms, school supplies, locks, and T-shirts should be made as non-taxable purchases from the vendor.

*NOTE: PTO's, PTA's, Booster Clubs, and associations are prohibited from using the district's Sales Tax Permit. These groups should apply for their own Sales Tax Permit through the state Comptroller's office. These groups are responsible for collecting, reporting, and remitting their own sales taxes to the state.*

4. **Teacher Funds** - When teacher funds are used to make purchases of flowers, greeting cards, and items for individuals, sales taxes **should be paid** to the vendor. Since the purchases described above should be taxable, reimbursement of sales taxes is permitted from the faculty fund.
5. **Book Fairs & Catalog Sales** –these types of sales are not subject to sales tax when receipting into School Cash. The school is not the seller and it acts in the capacity of an agent for the vendor. As an agent, we only receive a commission and are not required to report tax for the sales. The sales tax is included in the vendor invoice and is paid to the vendor.

## II. TAXABLE SALES

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1. The following list of items or activities have been identified as being *taxable* when sold or sponsored by school, by an organization within a school, PTOs, Booster Clubs, and employee associations. Sales taxes must be paid even if items were not sold at a profit. The list **is not** all inclusive.
  - Art supplies
  - Athletic equipment and uniforms
  - Automotive - parts and supplies (not labor)
  - Auctions - items sold at silent auctions
  - Band equipment and supplies - reeds, recorders
  - Books, the sale of cookbooks, library books, workbooks, textbooks, etc. are taxable (payments for lost textbooks/calculators are *not taxable*)
  - Calculators
  - Candles
  - Clothing - T-shirts, all other clothing items
  - Concession sales (except when part of a fundraiser)
  - Copies - collections from coin or manual copiers
  - Cups - glass, plastic, paper, etc.
  - Dinners - when catered as a fundraiser
  - Directories - student
  - Drafting supplies
  - Flower sales
  - Gift wrap paper, balloons, etc.
  - Handicrafts
  - Horticulture items
  - Identification cards
  - Lock sales
  - Lock rental fees (not the deposit portion)
  - Magazines - when sold individually
  - Magazine subscriptions
  - Musical supplies - recorders, reeds
  - Pennants
  - Pictures – school
  - Plant sales
  - Pompoms
  - Publications - yearbooks, football programs
  - Pre-vocational lab sales - printing, paper goods, etc.
  - Programs - athletic, etc.
  - Recorders - musical
  - Reeds- band
  - Retirement plaque
  - Rings - school
  - School Store - all items sold by school stores
  - Stationery
  - Towel rentals to students - towel rentals *to a school* are *not* taxable; gym usage fees are *not* taxable

- Transcripts (duplicate)
- Tickets sold to play a game at a booth for a prize
- Uniforms - PE, cheerleader (when student property)
- Vending - pencils and other non-edible supplies
- Yearbooks - unless one of two, one-day tax-free sales
- Cheerleader uniforms are taxable unless sold to an exempt entity. The Conroe ISD is exempt; however, students attending the schools are not exempt. Therefore, if a school buys two uniforms for each cheerleader and each cheerleader pays for one of the uniforms, then the uniform paid for by the cheerleader is taxable.

### III. NOT TAXABLE

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1. The following 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, PTO, Booster Club, or employee association. The list is not all inclusive.
  - Advertisements, such as those sold for school newspapers, athletic programs, and Booster Club programs are not taxable
  - Art Fees
  - Bake sales
  - Business Education - lab and keyboarding fees
  - Car wash
  - Cooking lab fee
  - Computer science fee
  - Cosmetology fee
  - DECA fee
  - Deposits for lock rental fee
  - Dinners - when prepared by parents as a fundraiser
  - Discount cards - laminated gold, green, etc.
  - Drafting fees
  - Dues
  - English writing lab fees
  - Gold-C coupon books
  - Golf tournament entry fees
  - Gym usage fees
  - Fees - clinics and workshops, club membership (*NOTE: items attendees keep are taxable and taxes should be remitted*)
  - Fines - textbooks, library books
  - Gym usage fees
  - Floral Design lab fee
  - Jog-a-thon
  - Labor for auto repairs
  - Lost textbook/calculator payments
  - Parking permits (student)
  - Photo journalism fees

- Raffle tickets
- ROTC uniform maintenance fee
- Summer school tuition fees
- Summer school bus fees
- Tickets for admission to athletic events, dramas, dances, school carnivals, and entertainment events
- Vending machine sales of soft drinks and candies (during the school day in elementary and secondary schools)

#### IV. FOOD - INCLUDING CANDY, SOFT DRINKS, COOKIES, ETC.

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1. Regardless of whom the seller is, food (including soft drinks and candy) sold *in* elementary or secondary schools *during a regular school day*, is exempt from sales tax. This exemption from the sales tax applies to guest and employees served in a school cafeteria or teacher's lounge during the regular school day...
2. Food sales are exempt when sold by a person under 18 years of age who is a member of a nonprofit organization of group associated with an elementary or a secondary school (Grades K-12) as a part of a fundraising drive sponsored by the organization for its exclusive use.
3. Soft drinks, candy, popcorn, etc., are not taxable when sold at campus dances or similar events after regular school day if the sales are part of an organizations fundraiser
4. All athletic event concession sales *are* taxable unless the sales are part of a fundraising event
5. *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 (must have overnight stay). 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, employee 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.*

## V. REPORTING SALES TAX COLLECTED

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1. Sales tax rates: Vary upon location of campus. You can contact the Activity Fund Accountant or the State Comptroller Office to verify the tax rate for your campus.
2. Sales tax is automatically calculated when you mark the Tax Payable button when receipting in School Cash.
3. When collections from taxable sales are receipted, the sales tax amount is separately listed on the bottom portion of the cash receipt and coded to account number 13065- Sales Tax.
4. Sales taxes for all taxable transactions should be properly collected, reported and remitted each month, *including the summer months, to the Finance Department by the fifth of each month.*
5. Sales Tax Report Deadlines
  - a. The report and check for any taxes due is sent to the Activity Fund Accountant in the District Administration Office by the 5<sup>th</sup> of the following month.
6. Preparation of the Sales Tax Report
  - a) Activity Fund Accountant will issue a Sales Tax Invoice by the 3rd of each month if your campus owes Sales Tax.
  - b) Write a check payable to Conroe ISD for the total state & city tax due from 13065.
7. Transfer of Discount on Activity Fund Records
  - a. Activity Fund Accountant will transfer the discount from Sales Tax account at year end from the 13065 into your campus 6000 (General Student).

## VI. ONE-DAY TAX-FREE SALES

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1. Each school and each **Bona Fide** organization within a school (Student Council National Honor Society, Senior Class, and FFA) *can have two (2) one-day tax-free fundraisers per calendar year.* Departments within the school such as Art, English, Library, etc. do not qualify for tax-free days.
2. In order to be a bona fide chapter the group must be organized for some activity other than instruction or a participatory group. Bona Fide chapters include student groups recognized by the school and organized by electing officers, holding meetings and conducting business. See following examples of what groups would qualify:
  - a. Classes such as Art Class, Spanish Class, etc. are not allowed tax-free days, but Art Club and Spanish Club would be allowed tax-free days.
  - b. Whole grade levels such a Senior Class or Junior Class would be eligible, but specific

Classes such as Senior English or Biology II would not qualify.

c. Cheerleading, choir, football team, soccer team, etc. would **NOT QUALIFY**.

3. One-day tax-free fundraisers can add to the profitability of a fundraiser and/or reduce the total Cost to the buyers. One-day tax-free sales means the sales tax does not have to be collected and remitted to the state on the items sold. In order to qualify as a one-day tax-free sale the items have to be distributed in a one day which is counted as 24 consecutive hours. Orders and/or collections could be taken over an extended period before deliver is made.
  - a. The criteria for a “one-day tax-free sale” is when possession goes from the school to the buyer.
4. Items sold at one-day tax-free sales should be purchased tax-free by issuing a Texas Sales Tax Resale Certificate to the seller.
5. The sale of yearbooks can be chosen by the 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.
6. Book Fairs and Catalog sales do not qualify as a one-day tax-free sale because 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.
7. If a second order is placed with the vendor after the tax-free day, then sales tax will have to be collected when these items are sold.

## I. DEFINITION OF TEACHER ACCOUNTS

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1. Teacher accounts are defined as funds generated or contributed solely by the school faculty to be utilized by faculty. All disbursements for hospitality, condolence, lounge facilities or any other purpose for the sole benefit of the faculty shall be paid out of Teacher Funds. Also included would be teachers' social clubs, which may be included in the General Teacher account or set up as a separate account. Teacher accounts should follow the Purchasing guidelines in regards to purchasing procedures.

## II. TAXABLE STATUS OF EXPENDITURES

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1. Any item **purchased for the personal use of an individual is not tax-exempt**, and state sales tax must be paid. You must pay sales tax on all personal items purchased with teacher funds. That would include flowers, meals, gifts, parties, lunch and coffee supplies if they are used mainly for the faculty and staff. Personal items should not be purchased from student funds. Sales tax should never be paid from student funds.

## III. PROFIT FROM STUDENT PICTURE SALES

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1. All proceeds from student pictures must be deposited into the Student Activity Account. Proceeds from school pictures cannot be deposited into the Teacher account.

## IV. PROHIBITED

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1. No gift certificates, gift cards or i-tunes may be purchased with student funds, teacher funds or departmental funds.

## I. CONTROL OF TRAVEL REQUEST FORM

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1. The financial secretary maintains the blank travel request forms
  - a. Travel Request requisition numbers are recorded when the form is issued to the sponsors

## II. RESPONSIBILITY FOR COMPLETING TRAVEL REQUEST FORMS

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1. It is the Employee/Sponsor's responsibility to complete the initial Travel Request Form and get approval from the campus principal and Assistant Superintendent completed 15 days prior to the event.
2. No more than 5 days after the trip is completed, the employee/sponsor will complete the Expense Report, and meet with the financial secretary for assistance if necessary
3. Travel and training expenses for a school principal or assistant principals should not be paid from General Student activity funds. They should use the school's budget money for these expenses.

## III. ISSUANCE OF CHECKS FOR TRAVEL EXPENDITURES

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1. The financial secretary cannot issue any checks related to travel, including advances and registration fees, until the sponsor presents an Approved travel request form. Copy of the **Approved** form must be attached with the Check Request Form.
2. Activity fund checks are normally issued only for travel expenses TO BE PAID BY THE CLUB. When a teacher or librarian attends a conference or class; these can be paid by the General Student Activity Fund. Checks cannot be written out of the club account and then reimbursed by the budget without FIRST obtaining approval from the Chief Financial Officer.
3. For auto leasing or bus charter, follow the guidelines from Purchasing. An activity fund check will be issued to CISD for the AF budget and a requisition/purchase order should be used. See Purchasing for more detail.
4. A breakdown of expected expenses must be provided to support a travel advance BEFORE a check can be written.



5. Only ONE INDIVIDUAL PER TRIP [the sponsor-in-charge) should be advanced funds or reimbursed for student travel.
6. Travel advances ARE NOT ALLOWED if the sponsor has any incomplete Travel Requests from previous trips.

#### IV. ASSISTING WITH THE FINANCIAL RECAP

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1. Each sponsor must complete an Individual Sponsor Expense Report. The total of all reports is entered in column A and/or B on the Financial Recap
  - a. A Student Travel Expense Report is completed for the students and the total is entered in column A and/or B on the Financial Recap. Each student's signature is REQUIRED on the Student Expense Report if meal allowances were given.
  - b. The Financial Recap must be completed within 15 days from the end of the trip.

**See Chapter 2 in the Finance Manual  
For Travel Guidelines**

## I. CONTROL OF FUNDRAISING APPLICATION FORMS

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1. The financial secretary maintains the approvals.
  - a. Each school organization is allowed to hold TWO (2) fundraising projects a year.
  - b. They must be approved by the principal and by either the Assistant Superintendent for Elementary or Secondary Education prior to the event. You may NOT have a third fundraiser unless special permission is obtained from the principal and the Assistant Superintendent. Before a THIRD form is issued, the sponsor must obtain written approval from the principal.
2. Responsibility for Completing Fundraising Application
  - a. It is the sponsor's responsibility to complete the initial fundraising application online in Eduphoria. Please see instructions on the Activity Fund Web Page under Fundraisers.
  - b. After the fundraising project is completed, the sponsor will complete the Recap portion on Eduphoria and print and give a copy to the financial secretary on their campus.

## II. VERIFICATION OF THE FINANCIAL RECAP

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1. The financial secretary signs the Financial Recap after the following items are verified:
  - a. The TOTAL EXPENSES on the Financial Recap equal any checks written out of the club account that relate to the fundraising project.
  - b. The TOTAL RECEIPTS on the Financial Recap equal the total of all deposits that relate to the fundraising project.
  - c. The following two entries, if used to reconcile, SHOULD HAVE AN EXPLANATION ATTACHED
2. Under INVENTORY, if there are a number of items unaccounted for or retained

3. Under ACTUAL INCOME, if there is a cash difference.
  - a. A list of any students owing money or holding fundraising items should be attached. This list is turned in to the principal.

### III. INDIVIDUAL ACCOUNTS

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1. Student groups, booster clubs nor PTO's can keep individual records of their fundraiser profits that allow those student with the highest number (or dollar value) of sales to receive any benefits not available to the entire student group.
2. Individual accounts cannot be used to benefit the parents or guardians of students with the highest number (or dollar value) of fundraiser sales.
3. Individual account of the number of hours worked at fundraiser activities cannot be used to benefit specific students, parents or guardians.
4. This is an IRS rule, not a district rule. Revenue from these groups must be used to benefit the group as a whole; no part of the revenues of non-profit organizations can be used to benefit an individual member.

### IV. FUNDRAISING GUIDELINES

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1. District Policy
  - a. In order to provide administrative control over the extensive fundraising activities promoted by the various school organizations the Fundraising Application and Financial Recap should be used. This form is completed online through Eduphoria. The application section of the form provides detailed information concerning the fundraiser, which will aid the Principal and the Assistant Superintendent for Elementary or Secondary Education in evaluating the request. The financial recap provides the financial results of the sale, which may then be evaluated by the sponsor, Principal, and Internal Auditor.
2. Guidelines
  - a. Each school organization is allowed to hold up to two (2) approved fundraising projects each school year.
  - b. All fundraising projects must be approved by either the Assistant Superintendent for Elementary or Secondary Education prior to the event.
  - c. Sales of candy or other food items are prohibited on a campus until lunch period is over.
  - d. Contracting students to work for private businesses must be approved by either the Assistant Superintendent for Elementary or Secondary Education, and the contract

reviewed by the Director of Human Resources for potential liability of the District and proper contract terms.

## V. FUNDRAISING APPLICATION

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1. Before a club can engage in a fundraising activity, the sponsor must complete a Fundraising Application online through Eduphoria. AN APPROVAL MUST BE RECEIVED BACK FROM THE PRINCIPAL AND CENTRAL OFFICE BEFORE ANY FUNDRAISING COMMITMENTS CAN BE MADE.
2. Complete the Fundraising Application Spreadsheet online and save to desktop. It can be found on the Finance/Activity Funds/Fundraiser on the CISD Web page.
  - a. Estimated number of items serviced – How many items do you think will be sold
  - b. Price per Item – general price of all items
  - c. Total cost of merchandise or services - sponsor should obtain from vendor, or estimate.
  - d. Expected profit - Expected income less total cost. (the spreadsheet will automatically calculate it for you)
3. In cases where there is no product being sold, such as car washes or drama productions, the sponsor should estimate the expected profit by filling in as much of the “EXPECTED INCOME” section as possible.
4. Completing the ***Financial Recap*** online in Eduphoria
  - a. After approval has been obtained and the fundraising activity is over, the sponsor completes the FINANCIAL RECAP portion of the Fundraising Application.
5. Inventory- There should be documentation to support the following:
  - a. Total number of items to be sold - total received from the vendor
  - b. Price per item sold
  - c. Actual Sales made. That documentation will be on the invoice and will attached and given to the finance secretary on your campus.
  - d. Less: The total deposit made for the fundraiser (That report can be obtained by the deposit receipts and Detail Activity Fund report given to you by the Finance Secretary).
  - e. Cash difference
  - f. Actual Cost of the Merchandise

g. Profit or Loss.

6. The FINANCIAL RECAP must be completed and submitted to the principal within two weeks after the end of the fundraising activity.

**Cash receipts should be turned into the Activity Fund Secretary daily to be deposited with an Internal Deposit Form. Please note on the Cash Receipt is this is a TAX-FREE fundraiser at the top of the page.**

## VI. CROWDFUNDING

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1. The District allows the use of crowdfunding by school employees on behalf of their school, program or classroom. Currently, only DonorsChoose.org can be used for this purpose. Employees may request that another donation based crowdfunding site be vetted for District approval by submitting its name to the District's Communications Department for review.
  - a. You must fill out a fundraising application.

## I. END OF THE SCHOOL YEAR CLOSE-OUT PROCEDURES

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1. Pay all current bills.
2. Receipt and deposit all cash/checks on hand.
3. Close out and deposit all Change Fund accounts.
4. Close out all Budget accounts and send any balances to the District Finance Office By August 15.

## II. FISCAL YEAR-END CLOSE-OUT PROCEDURES FOR AUGUST AND THE YEAR

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1. Pay all bills received during the summer.
2. Close out all DUE TO ADMINISTRATION accounts. The check must be in the Business Office NO LATER THAN AUGUST 15.
  - a. Determine the amount owed to CISD by adding the August receipts to the July print-out balances
  - b. DO NOT write or send any checks to the District between August 29 and September 1.
3. Clear all DUE FROM ADMINISTRATION accounts. Contact the Activity Fund Accountant for assistance if necessary. THIS IS CRUCIAL FOR YEAR END BALANCING.
4. Reconcile the August bank statement and send to the Activity Fund Accountant by September 20. Have the principal sign and retain a copy for your files.

## I. GENERAL

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1. The sponsor of each school club or organization is required to maintain adequate financial records as evidence of proper custodianship and supervision of fundraising activities, receipts of club funds, and the disbursement of club funds. These records are subject to review by the Principal, the Activity Fund Accountant and the Internal Auditor for evaluating the sponsor's performance in meeting the financial responsibilities associated with the operations of the club or organization. All Activity Fund Sponsors must sign the Activity Fund Sponsor Agreement form and return to Activity Fund Secretary.
2. Bank Account Each campus has an authorized Activity Fund bank account for deposit / disbursement of club funds. No other bank account is allowed to exist, nor should any disbursements be paid from un-deposited cash collected by the club. The campus bank account is to be used only for student activity fund transactions; parent or other groups must maintain a separate account in their own name.
3. Student Treasurers: In cases where a student treasurer is elected or designated by the sponsor to handle the funds of the club, it is the sponsor's duty to provide adequate training and supervision to ensure the safekeeping and accuracy of the club funds.
4. Deposit of Funds: Monies collected from the students are to be turned into the Activity Fund Secretary THE SAME DAY for deposit. Under no circumstances should money be kept overnight at the campus or at the sponsor's house. Any lost or stolen funds should be reported immediately to the Principal.
5. Students Owing a Club: The Principal should be notified in writing of any student who owes a club money and/or merchandise after a fundraising activity.
6. Summer Activities: For all employees who agree to sponsor a student activity and the related financial account, their responsibility is extended from August 1 through July 31 of the following year.
  - a. For those student activities that require a sponsor's involvement/supervision during the summer, the sponsor is expected to give adequate notice if unable to fulfill their duties. Supplemental payments will be reduced for sponsors who are unable to complete their summer responsibilities.

## II. REVIEW PROCEDURES

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1. When notified that the club account is to be reviewed, the following records should be prepared for review:
  - a. Club Financial Record (all months' transactions)
  - b. Alternate Cash Receipt books
  - c. Cash Receipt Sheets
  - d. School Cash Closeout
  - e. Original support for each disbursement (obtain from the Activity Fund Secretary)
  - f. Work orders (vocational)
  - g. List of any student owing the club fundraising money / items.
  - h. Inventory of unsold fundraiser items
  - i. Monthly reconciliation to the General Ledger

## III. BASIC RECORDS

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1. Conroe ISD Pre-Authorization and Check Request
  - a. Check Requests constitute the authority for the issuance of an Activity Fund check when properly completed, signed by the sponsor, and approved by the principal.
2. Alternate Cash Receipts
  - a. Alternate Cash Receipts are used to receipt monies received from students, parents, or other individuals. These are obtained from the Activity Fund Secretary and are pre-numbered. All receipts used or voided must be accounted for during the year.
3. Cash Receipt Sheet
  - a. This form may be used instead of Alternate Cash Receipts when a large number of students are submitting monies for one purpose, such as yearly dues. Each student's signature is required as support for the amount turned in.



4. Club Financial Record
  - a. The Club Financial Record is intended to provide the club or organization sponsor with a basic financial record of club transactions. It is required for sponsored clubs in the secondary schools.
5. Tabulation of Monies Disbursed to Students [Form can be ordered from Print Shop, CISD-280]
  - a. This form is used when club funds are disbursed in cash to a large number of students (instead of issuing a check to each one). Each student's signature is required as evidence that they received the funds.
6. School Cash Closeout Summary

## IV. COLLECTIONS OF CLUB FUNDS

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1. All cash collections received by the club for fees, dues, fundraising activities, etc. must be recorded on one of the following:
  - a. Alternate Cash Receipts
  - b. Cash Receipt Sheet
  - c. Cash Collection forms provided by fundraising vendor
  - d. School Cash Closeout Summary
2. All collections must be submitted to the Activity Fund Secretary as soon as possible, but at least by the end of the school day.
3. Sales tax must be collected on taxable sales.
4. Restrictions
  - a. Payments, refunds, or purchases may not be made from undeposited funds.
  - b. Personal checks may not be cashed from undeposited funds.
  - c. Receipts may not be held overnight in the classroom or at the sponsor's home.
5. Procedures
  - a. Complete the Alternate Cash Receipt, Cash Receipt Sheet, Fundraising collection forms or School Cash Closeout in its entirety. Students' signatures must be obtained where indicated.
  - b. Complete the Internal Deposit form and attach copies of Alternate Cash Receipts or Cash Receipt Sheet that support the day's receipts.
  - c. Take the cash / checks to the Activity Fund Secretary for deposit along with a completed internal deposit form and any deposit support. When you take money to the Activity Fund Secretary, you **must remain until the funds are counted and a cash receipt is issued**. If you are not able to count your deposit with the Secretary, ask her to lock your

money, internal deposit form and deposit support in a locking bank bag in the school safe until you can come back, count the money with her, and wait for your receipt. You should return as soon as possible so that your funds can be deposited in the bank. The sponsor should take the locking bank bag's key and leave the bag to be secured in the safe. When you return, you can count the money with the Activity Fund Secretary and she will prepare you a cash receipt.

- d. Attach a copy of the cash receipt received from the Secretary to the copy of the alternate cash receipt, cash receipt sheet or fundraising form and retain with the account records.

## V. CLUB FINANCIAL RECORDS

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### 1. Purpose

- a. The Club Financial Record is intended to provide the club or organization sponsor with a basic financial record of club transactions. It is organized to provide a current balance of club funds, a record of all cash receipts and checks written, and detail for fundraising projects.

### 2. Requirements

- a. All sponsors are **REQUIRED** to maintain a Club Financial Record during the year. This worksheet can be obtained from either the Financial Secretary or the Activity Fund Accountant.
- b. **THE CLUB BALANCE** on the Club Financial Record must be balanced to the computer reports provided by the Activity Fund Secretary at the end of the month. If the Club Financial Record does not agree to the print out, the sponsor and the Activity Fund Secretary should compare transactions during the month to determine the difference. Corrections to the Club Financial Record can be made after the latest entry. Corrections to the print out will appear the next month.

## VI. DISBURSEMENT OF CLUB FUNDS

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1. Requirements
  - a. The Activity Fund Secretary must make all disbursements for the club with an activity fund check.
  - b. Club funds must be available before a check will be issued, unless written approval is obtained from the Principal.
  - c. Proper documentation must be provided to support the payment.
  - d. The payment must be for the direct benefit of the club or students.
  
2. Restrictions
  - a. Payments or purchases from un-deposited collections are NOT allowed.
  - b. Purchases to be reimbursed from the District budget cannot be made without FIRST obtaining written approval from the CHIEF FINANCIAL OFFICER.
  
3. Procedures
  - a. The club balance on the Club Financial Record is checked to determine that adequate funds are available.
  - b. A check request is completed and signed.
  - c. Original documentation is attached to the check request and submitted to the Activity Fund Secretary.
  - d. Except for travel, cash advances are not allowed. Sponsors should make purchases and then submit receipts for reimbursement from the club funds.
  
4. Purchases from the school activity fund must be administered in the same manner as School District funds as they relate to **bids and quotations** for supplies, equipment, and services. Purchases from activity funds should be made from CISD bid vendors if the district has obtained a bid for the item being purchased.

## VII. YEAR END PROCEDURES

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1. Submit all invoices and unpaid bills to Activity Fund Secretary for payment.
2. Turn in all cash/checks and change for deposit.
3. Make sure your account balance is positive and agrees to the balance on the Activity Fund Secretary's report.
4. Close out the May club financial record and submit copies to the Activity Fund Secretary.
5. Submit any of the following that are due in before the end of the contract period:
  - a. Outstanding Travel Request / Financial Recaps
  - b. Outstanding Fundraising Application / Financial Recaps

## I. NEW CAMPUS/ESTABLISHING ACCOUNTS

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### 1. All Campuses

- a. When a new campus is opened, funds shall be divided from the existing general student activity accounts of the campus or campuses losing students to the new campus. The percentage of funds will be determined by the percentage of students being transferred to the new campus. For example, if 30% of campus A and 21% of campus B were moving to the new campus C, the 30% of the activity fund of campus A and 21% of the activity fund from campus B would be transferred to campus C. The funds shall be distributed at the close of the academic school year based on the balances of the last day of school.

- i. Exceptions to these rules will require Assistant Superintendent approval.

## II. BANK ACCOUNT & CHECKS

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1. Finance will set up the opening of the new accounts.
2. The first order of checks and deposit slips are paid for by the district. The startup budget is used for this purchase. Use the approved vendor(s) for activity fund checks/deposit slips. More detail can be obtained from the Purchase shopping A-Z guide.

## I. TRANSFERS

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1. A **transfer** is an authorized relocation of monies between activity accounts and it does not affect revenue/ expenses at year end reporting.
    - i. It cannot be used between cash and activity accounts
    - ii. It cannot be used to correct positing errors
    - iii. It cannot be used to cover expenses/losses associated with a student group such as Spanish Club, cheerleaders, etc.
  - b. Some transactions that should be handled as a **transfer** are:
    - i. Transfers from one student activity account to another student activity account; i.e., transfers of net profits from fundraisers to general revenue and transfers between accounts as a donation.
    - ii. Transfers from one faculty activity account to another faculty activity account.
  - c. The reason for the transfer must be indicated.
2. The transfer report must be signed by the principal and financial secretary at month end.
    - i. The principal need only approve (manual signature) the transfer report rather than each individual transfer.
    - ii. After posting transfers between the accounts, file support in the monthly file folder.

## II. JOURNAL ENTRIES AND BANK ADJUSTMENTS

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1. A **journal entry/ bank adjustment** corrects a posting error and/or adjusts a balance and may affect the total cash account balance and the total activity account balance.
2. When adjusting in School Cash,
  - a. You are creating a series of transactions for posting to at least two accounts (double entry) and the total of the cash accounts must still equal the total of the activity accounts.
  - b. Some transactions that should be handled as an **adjustment** are:
    - i. Recording of interest income.
    - ii. Recording a bank service charge.
    - iii. Recording a reversed bank service charge.
    - iv. Recording a bank debit or credit.
  - c. Some transactions that should be handled as a **journal entry** are:
    - i. Correcting a deposit that was posted to an incorrect account
    - ii. Correcting a check that was posted to an incorrect account
  - d. The reason for the **adjustment/ journal entry** must be indicated on the form.
3. The **journal entry report** must be approved and signed by the principal and financial secretary.
  - i. The principal need only approve (manual signature) the journal entry report rather than each individual entry.
  - ii. After posting journal entries to the accounts, file support in the monthly folder.

## I. ACCOUNTING: ACTIVITY FUNDS MANAGEMENT

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1. **Student Funds:** The Superintendent or designee shall ensure that a student activities account is maintained to manage all class funds, organization funds, and any other funds collected from students for a school-related purpose. Receipts shall be issued by the principal or designee for all funds prior to their deposit into the appropriate District account at the District depository.
2. **Fiduciary Responsibility:** The principal and sponsor shall be responsible for the proper administration of student funds in accordance with state and local law, District-approved accounting practices and procedures, and the TEA Financial Accountability System Resource Guide. Student activity funds shall be included in the annual audit of the District's fiscal accounts [See CFC].
3. **Use and Expenditure:** Funds collected by student groups shall be used only for purposes authorized by the organization or upon approval of the sponsor. The principal or designee shall approve all disbursements. All funds raised by student organizations must be expended for the benefit of the students.
4. **Campus Activity Fund:** The principal shall be authorized to expend funds from the campus administrative activity fund to be used for activities of the students, faculty, staff or campus.
5. **Approval:** Approval from the immediate supervisor or designee shall be obtained prior to disbursement being made to the principal.
6. **Carryover Funds:** All funds shall be left in the appropriate account and each sponsoring group shall retain the carryover funds for the next fiscal year. If an organization ceases to function or exist, the unexpended funds of the organization shall be credited to the appropriate administrative activity account.

## II. RELATIONS WITH PARENT ORGANIZATIONS

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1. **Use of District Facilities:** District-affiliated school-support or booster organizations may use District facilities with prior approval of the appropriate administrator. Other parent groups may use District facilities in accordance with policy GKD.
2. **Purchases for the School:** Before parent groups or other groups working with the school purchase equipment for the schools, including computer hardware and software, they shall notify the principal of their plans. In consultation with the Superintendent or designee, the principal shall determine the type or brand of equipment to buy to ensure compatibility with current District equipment.
3. **Booster Organizations:** District-affiliated school-support or booster organizations shall organize and function in a way that is consistent with the District's philosophy and objectives, within adopted Board policies, in accordance with applicable UIL guidelines and financial and audit regulations. [See also CFD]
4. **Data Required:** Each organization shall furnish the Superintendent or designee the following information and update that information whenever there is a change.
  - a) Purpose(s) and operational guidelines of the organization. These may include a constitution, bylaws, and/or a simple list of purposes, goals, and guidelines.
  - b) Booster organization shall submit to the Board for approval a constitution or guidelines for operation. Organizations shall operate with the understanding that a school-sponsored activity is under the control of the director, coach, or sponsor, and with the understanding that the employment, pay and duties of the director, coach, or sponsor are regulated by the administration and the Board.
  - c) List of officers.
  - d) Financial goals, including anticipated income and expense. All fundraising projects must be approved by the school principal by October 1.



## Report Checklist

Due Date	Report	Due To
As soon as available	Meeting & Activity Calendar	Principal & Post for All
Sept 1, & update after any changes	PTA/PTO/Booster Club Information Sheet	Principal  CISD Internal Auditor
Sept 1	Year-end financial report prepared by Treasurer	Principal CISD Internal Auditor
Sept 1	Year-end financial audit prepared by Review Committee or accountant	Principal CISD Internal Auditor
Sept 1	Send 990 or 990EZ to IRS if fiscal year ended 5/31 and your group meets the standards for one of these forms. Check the IRS web site for these amounts as they have been changed. <a href="http://www.IRS.gov">www.IRS.gov</a>  <b>Strongly suggest filing these documents as soon as possible after the fiscal year-end, before turning books over to new officers.</b>	IRS CISD Internal Auditor
Sept 1	Complete 990N online and file electronically if fiscal year ended 5/31 and gross receipts for prior year were less than \$25,000.  <b>Strongly suggest filing these documents as soon as possible after the fiscal year-end, before turning books over to new officers.</b>	IRS CISD Internal Auditor
Oct 1 (If not a member of CISD Educational Support Groups, Inc.)	Articles of Incorporation, By-laws, Determination Letter for 501(c)(3) status from IRS  <b>Only required once for each organization unless documents are changed.</b>	Principal  CISD Internal Auditor
Oct 1	Fundraiser application for fall fundraisers	Principal
March 1	Fundraiser application for spring fundraisers	Principal

5. **Audit of Funds:** The Superintendent or designee may order an audit of all funds at any time that there is cause for the records of the organization to be reviewed.
6. **Specific Guidelines:** Parent/booster organizations shall function under the following guidelines:
  - a. The Superintendent and/or principal have veto power over any action of a school-related club or organization.
  - b. School-related organizations have no authority to direct any school employee in any of his or her duties. Further, they have no authority to guide, direct, or establish guidelines for any school or student activity.
  - c. All meeting of school-related organizations shall be public meetings
  - d. All individuals who legally reside in the District shall be eligible for membership. Election of officers shall be on a systematic basis so that any eligible person may be nominated.
  - e. If any organization approved by the Superintendent or designee disbands, ceases to operate, chooses to withdraw from association with the District, or fails to be re-approved by the Superintendent or designee, all funds and property of the organization shall become property of the District.
  - f. Booster clubs shall abide by the UIL guidelines and the administration shall determine which organizations might be considered as “booster.” In order to avoid violation of the amateur rule, money given to the school cannot be earmarked for any particular request. The booster club may suggest or recommend how the money is to be spent, but cannot require the Superintendent or principal to spend the money in any specific way. A gift of cash shall be used by the District at its discretion.
  - g. Any organization that fails to adhere to any Board policies or any administrative regulations may be disbanded and shall cease to be recognized by the District as a legitimate school-related club or organization.

### III. GIFTS AND SOLICITATIONS

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1. **School-Sponsored:** Fundraising activities by student groups and/or for school-sponsored projects shall be allowed, with prior administration approval and under the supervision of the project sponsor, for students in all grades.
2. All fundraising projects shall be subject to the approval of the principal and Superintendent.
3. Student participation in approved fundraising activities shall not interfere with the regular instruction program. [See EC] Funds raised shall be received, deposited, and disbursed in accordance with CFD (Local).
4. **For Outside Organizations:** Student shall not be permitted to participate in fund drives for non-school charitable organizations as official representatives of their school.
5. **By Outside Organizations:** No outside organizations of any sort may solicit contributions of any type from students, within the schools.

6. **Loss of Class Time:** The collection of monies that takes the time of the students or teachers during school hours is strictly forbidden, unless the monies collected represent payment for school lunches, monies that will benefit the school or its students, or other authorized fees. [See also FP].
7. The Board shall regularly be informed of approved fundraising projects and shall periodically review the effect of such activity on the student body, the instruction program and the community.

## I. ATHLETICS FEES

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### 1. General Information

- a. Athletic fees are collected from students and deposited into the activity fund account
- b. These fees are receipted in one of the following accounts:
  - i. Due to Administration                      P.E. Uniforms
  - ii. Due to Administration                      Athletic Uniforms
- c. A check for the amount collected is sent to the Finance Office, not to the Athletic Department

### 2. Requirements

- a. The coach or P.E. teacher is responsible for collecting fees for each class and either issuing an Alternate Cash Receipt or completing a Cash Receipt Sheet.
- b. The fees collected each day **MUST BE TURNED INTO THE FINANCIAL SECRETARY THAT DAY.**
- c. The Financial Secretary will verify that the amount turned in agrees to the total of the alternate cash receipts issued or the total on the tabulation form.
- d. A check for all fees collected is sent to the Finance office **BY THE END OF THE MONTH**, with a breakdown attached (or typed on the check stub) detailing each type of fee collected.

## II. ATHLETIC GAME REVENUE

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### 1. General Information

- a. Athletic game revenue is collected at the campus (pre-game ticket sales) and at the game site, and deposited in the Activity Funds bank account.
- b. Athletic game receipts are receipted to account Due to Administration – Athletic Receipts

- c. A check for the amounts collected is sent to the District Athletic Department by the 1<sup>st</sup> of each month with game reports attached along with a print out of all deposits from the previous month supporting the check.
2. Requirements
  - a. Gate sales must be deposited or placed in the bank's night depository for safekeeping on the same day as the game.
  - b. The deposit slip must be given to the Financial Secretary the next working morning after the deposit is made.
  - c. The receipt numbers related to the deposit must be written on the deposit slip.
3. Deadlines
  - a. Athletic receipts for all sports except high school football must be sent to the District Athletic Office AT LEAST MONTHLY.
  - b. High School football receipts must be sent to the District Athletic Office MONTHLY.
  - c. All athletic revenue (including season ticket sales) collected in the first three weeks of August must be RECEIVED in the District Athletic Office by August 28<sup>th</sup>.

### III. CHANGE FUNDS

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1. Change funds can be issued whenever money will be collected and change will be needed. Examples: library, startup money for fundraiser, athletics, concession stand.
2. Request must be in writing with explanation of what it will be used for, and approved by the principal.
3. Check will be made out to the person in charge of the funds, and they will sign the Change Fund Custody Receipt.
4. Personal checks cannot be cashed from change funds.
5. Purchases of supplies or inventory should not be made out of the change fund.
6. All funds collected should be turned in for deposit after each event, leaving only the original small change fund in the cash box or bag. Change fund should always be the same.
7. All change funds should be turned in at the end of the school year, season, or when no longer needed.
8. For steps on creating a Change Fund – see Activity Fund Accountant.

## IV. CONTRACTED SERVICES

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1. Payments for services performed by individuals NOT employed by the Conroe Independent School District may be made directly from the Activity Fund.

### Services include:

- Judging
- Speaking or performing
- Repair Work
- Catering
- Authors

### Procedures:

- Complete an Authorized Supplemental Payment for Services form, being sure to obtain the individual's mailing address, social security number and signature.
- File the original alphabetically in a separate file.
- Maintain the file for the calendar year –January 1 through December 31
- Send the file to the Activity Fund Accountant by January 10 of the following year so that a 1099 can be issued if necessary.

### Restrictions

- Individuals cannot be paid from the Activity Fund and then reimbursement requested from the budget funds.
- Individuals cannot be paid if they do not submit their home address and social security number.
- Due to IRS Regulation, all payments to UNINCORPORATED companies, businesses, partnerships or individuals for service must be reported on form 1099. In addition, a taxpayer identification number (TIN) or social security number must be obtained BEFORE payment is made.

## V. DONATIONS

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### 1. Requirements

- a. Cash donations to a club must be properly receipted IN FULL and the original receipt given to the donor.
- b. Donations of furniture and equipment valued at \$5,000.00 or more must be recorded IMMEDIATELY on the Districts Fixed Assets inventory for insurance purposes (See Fixed Assets)
- c. The principal must be notified of any donation, scholarship donations or donations for memorial funds.

### 2. Restrictions

- a. A club or group cannot endorse or promise to endorse in any way a particular vendor or product in exchange for a donation
  - b. Temporary “donations” by the PTA/PTO or other parent groups of funds that are later given back (in full or part) for the outside group’s use are NOT ALLOWED
3. Donations from Students to groups such as Leukemia Foundation, American Cancer, Disaster Relief, Etc.
- a. Campuses must notify parents that funds are for donation [Foundation Name] and not the benefit of the student.
  - b. Donations can be handled 1 of 2 ways
    - i. Funds should be collected and paid directly to the Foundation by the sponsor. Funds can be placed in a locked bank bag and kept in the vault until payment is made to the Foundation. Sponsor should keep the key.
    - ii. Funds can be deposited in the Teacher account any payment can be issued from the teacher account. Must have good documentation such as a cover letter from the Foundation, Sponsor, Etc.

## VI. DRIVER’S EDUCATION FEES

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- 1. General Information
  - a. Driver’s Education fees are collected at the campus and deposited into the Activity Fund bank account.
  - b. Driver’s Education fees are receipted into account Due to Administration – Drivers Education.
  - c. A check for the amount collected is sent to the Finance Office at the end of the month.
- 2. Requirements
  - a. The Driver’s Education instructor is responsible for collection of the fees for each class and issuing an Alternate Cash Receipt to each student.
  - b. The fees collected each day **MUST BE TURNED INTO THE FINANCIAL SECRETARY THAT DAY.**
  - c. The Activity Fund Secretary will verify that the amount turned in agrees to the total of the Alternate Cash Receipts issued.
  - d. Refunds are issued from the Finance office not the Activity Fund.
  - e. The instructor and the principal should be notified of any returned check for Driver’s Education fees.

## VII. DUE FROM ADMINISTRATION

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1. This account is to be used for expenditures for which the activity fund will be reimbursed from the budget. Prior approval from the Chief Financial Officer must be obtained before a check can be written to pay for budgeted expenditures.
2. Acceptable Uses
  - a. Postage stamps for EMERGENCY communications to parents may be purchased through this account
  - b. Expenses for ABOVE DISTRICT travel when students have qualified to compete at the next level and there is less than three days between levels.
3. Unacceptable Uses
  - a. Fees and dues, including entry fees for district competitions. Failure of a sponsor to submit entry fees on time is not a valid reason for use of this account
  - b. Postage for normal use
  - c. Travel advances or expenses for any trip that has one week prior knowledge
  - d. Note: Checks should not be written out of any other activity fund account for expenditures to be reimbursed from budgeted funds.

## VIII. DUE TO ADMINISTRATION

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1. The Due to Administration accounts (13000s) reflect collections by school personnel for payment to the General Fund. All collections should be remitted to the Finance office each month to bring the account balances to zero.
  - a. List of Accounts:

13075	Summer School Tuition
13020	Child Care
13050	P.E. & Uniform
13010	Athletic Receipts
13015	Band Maintenance Fees
13030	Lost Textbooks
13035	Orchestra
13060	Return Check Fees
13040	Due to Other Campuses
10365	Sales Tax
13021	Cost Recovery
2. Requirements
  - a. All collections due to CISD must be receipted into one of the above accounts



- b. The checks written to CISD to close the accounts monthly should contain adequate information to ensure the receipt of funds into the correct revenue account. (See specific rules for each type of receipt)

## IX. EMPLOYEE REIMBURSEMENT

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### **Payment Authorization:**

All payments/purchases made from the Campus Activity Fund must first be **approved** by the School Principal. This approval is obtained by completing the **Check Request Form** in its entirety, **prior** to purchasing and/or issuing a check.

### **Employee Purchase Reimbursements**

In the event that an employee is required to make a purchase that requires reimbursement the following steps should be followed. These purchases should be for infrequent purchases of \$200 or less.

1. A Check Request Form must be completed in its entirety and approved by the Principal, prior to, ordering merchandise, or making a purchase.
2. Meals- All original receipts must be turned in for reimbursement of meals. The cost of alcoholic beverages is not a reimbursable expense. In the case of group meals, gratuities are not reimbursed. No tip will be paid unless mandatory gratuity is added for groups of eight or more.

Purchases that **exceed \$200** should be made from a vendor who will accept a Purchase Order from the District budget or bill the Campus Activity Fund directly.

### **Employee Purchase Reimbursements that exceed \$200**

The campus should make every effort to purchase items from a vendor who will accept a District Purchase Order for purchases that exceed \$200. However, if an instance arises, the campus principal can approve for an employee to be reimbursed for purchases exceeding \$200 by following the procedures listed above, along with a detailed explanation as to why the purchase is being handled outside of the purchasing guidelines. This method should not be used in any way to circumvent the district purchasing policies.

## XI. GIFTS

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1. Allowable Gifts
  - a. Gifts purchased out of Teacher's or Social fund.
2. Restrictions
  - a. Sales tax **MUST BE PAID** on all gifts purchased from Teachers' or Social funds.
  - b. Gifts for employees are **NOT ALLOWED** from the General Student Account.
  - c. Sponsors may **NOT** accept or approve gifts valued \$50.00 or more from their student's club account. Gifts purchased with student funds must show club minutes to prove that the students voted to make the purchase.
  - d. No gift certificates, gift card or iTunes cards for any reason.

## XII. INVESTMENTS

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1. It is recommended that the bank balance be closely monitored by the principal for investment possibilities. The excess funds may be invested in a CD in order to earn the maximum interest. All schools are encouraged to consider investing their excess funds over the summer when very few checks are written.
2. The interest income earned on the investments may be deposited in the General Student Account. However, in the case of a campus that has a large balance in a memorial or scholarship account, it is recommended that a pro-rated portion of interest income be allocated to these account.

## XIII. LIVESTOCK PURCHASES

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1. Requirements
  - a. Funds collected from students prior to purchase of livestock
  - b. Sponsor's advance cashed in Traveler's checks.
  - c. Receipts obtained from seller for all livestock purchases.
  - d. Receipts indicate clearly the number of animals/breed and cost of each.
2. Restrictions
  - a. Advances to sponsors for purchasing livestock may not exceed the amount collected from the students.
  - b. Advances must be made payable to the SPONSOR, not to "Cash" or to a bank.

## XIV. MISCELLANEOUS REVENUE

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1. General Information
  - a. Miscellaneous revenue is collected at the campus and deposited into the Activity Fund account. Some examples of this type of revenue are:
    - i. Money collected from a student or parent reimbursing the District for property damaged by the student.
    - ii. Money collected from students for lost athletic equipment.
    - iii. Fees collected from students that do not fall into any specific Due To Administration account.
  - b. These collections are receipted into one of two accounts:
    - i. Due to Administration
    - ii. Due to Administration – Miscellaneous Athletic
  - c. A check for the amount collected is sent to the Finance Office at the end of the month. Miscellaneous ATHLETIC collections are NOT sent to the Athletic Department.
2. Requirements
  - a. Cash Receipts, Alternate Cash Receipts, or Tabulation of Monies Collected from Students should be used to receipt miscellaneous collections due to the District.
  - b. Collections should be turned in and deposited the SAME DAY they are collected.
  - c. The check sent to the Finance Office should have a breakdown attached (or typed on the check stub) describing the type (s) of collection(s) such as “reimbursement for broken window” or “student payment – lost football pad”.

## XV. OVERDRAWN ACCOUNTS

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1. Club / Organization Accounts
  - a. It is the SPONSOR’S responsibility to maintain a Club Cash Journal so that current balance of club funds is known.
  - b. Checks should NOT be written for a sponsor whose account is overdrawn without the principal’s written approval.
  - c. Vocational Shop accounts are allowed to be TEMPORARILY overdrawn when supplies must be purchased before a work order can be completed and the charges collected.
  - d. ADVANCE AND EMPLOYEE REIMBURSEMENTS ARE NOT ALLOWED WHEN A CLUB ACCOUNT IS OVERDRAWN.

2. General Student Account
  - a. Checks CANNOT be written out of the General Student Account if the account is overdrawn.
  - b. Funds may be transferred from certain other accounts, such as concession, disbanded clubs, or teacher accounts.
  - c. Donations from club accounts are allowed IF THE STUDENT MEMEBERS SO VOTE.
3. Teacher/Coach/Concession Account
  - a. Checks **cannot** be written out of these accounts if they are overdrawn.
  - b. The account must first be increased by teacher/coach donation, social dues, or vending machine revenue.
  - c. Transfers from club accounts or General Student are NOT allowed.

## XVI. REFUNDS

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1. Requirements
  - a. Before a refund can be given, the original receipt showing proof of payment should be attached to the payment request. If the original receipt has been lost, then a copy of the original receipt may be used as support for payment.
    - i. Use a check request form
    - ii. Attach original cash receipt to request.
    - iii. Phone Calls and notes are not sufficient support for a refund.
  - b. The Financial Secretary must make refunds with an Activity Fund check.
  - c. Refund checks are coded to the same account indicated on the original receipt.
2. Restrictions
  - a. Cash refunds may not be made from undeposited cash on hand.
3. Refund Checks
  - a. Refunds for the following are charged to the appropriate Due to Administration account, reducing the amount owed to the district at the end of the month:
    - i. Athletic insurance fees
    - ii. Athletic laundry fees
    - iii. Found textbooks
  - b. Checks for other refunds not listed above can be written from the individual accounts, such as refunds to students for an order that was cancelled.

## XVII. SCHOLARSHIPS

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1. Requirements
  - a. Checks made payable to College or University
  - b. Proof of enrollment by the student
  
2. Restrictions
  - a. Under Federal Income Tax Law, scholarships are NOT taxable income to the student when they are used for tuition, class fees, books and supplies, or building fees. HOWEVER, if the scholarship is used for room and/or board it IS taxable income to the student and may require the school district to issue a 1099.
  - b. In order to avoid the necessity of issuing a 1099, it is recommended that the following statement be added to the scholarship requirements:
  - c. “This scholarship is to be used for tuition, fees, books and supplies and is not intended to be applied to room and/or board or any other non-educational use. It is the recipient’s responsibility to report the taxable portion of any excess scholarship funds returned by the university and used by the student for purposes not designated above.”

## XVIII. SUMMER SCHOOL TUITION

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1. General Procedures
  - a. Summer school tuition is collected at the campus and deposited daily into the activity fund account. School Cash is used to receipt payments.