

# **ACTIVITY ACCOUNT PROCEDURES**

## **PURPOSE OF ACTIVITY FUNDS**

The Activity Fund is designed to account for funds held by a school in a trustee capacity or as an agent for students, club organizations of the campus, teachers and the general administration of the school. These funds are used to promote the general welfare of each school and the educational development and morale of all students. The accounting function for all campus's Activity Funds will be delegated to the administration office. Each campus must comply with the guidelines and procedures detailed in this manual.

## **RESPONSIBILITY FOR ACTIVITY FUNDS**

- 1) The **school principal** is responsible for the proper collection, disbursement and control of all activity fund monies. This responsibility includes:
  - a) Providing for the safekeeping of monies.
  - b) Proper administration of fund transactions.
  - c) Expenditure of funds in compliance with applicable state laws, and local board policy administrative guidelines.
  - d) Adequate training and supervision of all personnel designated by the principal to administer activity funds.
- 2) The principal is not responsible for funds collected, disbursed and controlled by parent or booster organizations. These parent booster organization funds are not to be accounted for in the school's Activity Fund.
- 3) Central office personnel (finance clerk) assigned to handle all accounting of campus activity funds are:
  - a) High School Activity Funds – Superintendent's Secretary
  - b) Jr. High Activity Funds – Business Office A/P Clerk
  - c) Elementary Activity Funds – Business Office A/P Clerk

## **AUDIT OF ACTIVITY FUND**

Activity Funds are audited annually by external auditors. In addition, an internal audit is to be performed whenever there is a change in principal, secretary or financial clerk. The principal may request in writing a special audit if a situation or event warrants it.

## **RETENTION OF RECORDS**

All records should be kept current and in good order for a period of five years and available for audit any time.

## **ACTIVITY FUND CASH RECEIPTS**

Activity Fund Cash Receipts are the means of accurately recording cash received and provide support for each bank deposit. Only pre-numbered cash receipt books provided by the District are to be used.

## **PRE-NUMBERED CHECKS**

- 1) Pre-numbered checks are used to disburse all funds from the Activity Fund checking account.
- 2) These checks are obtained directly from the bank as needed (no more than a two-year supply at a time).
- 3) Checks must be printed with the school Activity Fund name.
- 4) When ordering additional checks, new check numbers should begin with the number succeeding the last check number in the old checkbook.

## **BANK DEPOSIT SLIPS**

- 1) Deposit slips, once validated by the bank, serve as a record for the specific date that receipts were credited for the bank account.
- 2) Deposit slips are obtained from the bank as needed and must be printed with the school's Activity Fund account name.

## **MONTHLY BANK STATEMENTS**

- 1) The bank statement is the official bank record reflecting all transactions affecting the cash balance on deposit during the preceding month.
- 2) When properly reconciled, the statement serves as official support for the cash balance indicated in the Activity fund records.

## **PREPARATION OF RECORDS**

All records must be completed in ink.

## **BANKING PRACTICES AND PROCEDURES**

### **BANK ACCOUNTS**

- 1) Each school shall have only one bank checking account which will be entitled "(Name of School)Activity Fund". This account title must be imprinted on all Activity Fund checks and deposit slips. All monies received will be deposited into this account, and all Disbursements will be made by a check drawn on this account.
- 2) Only activity fund transactions may be directed through the Activity fund bank account. Transactions controlled by the lunchroom or by outside organization such as the PTO or booster clubs, must be handled through these groups' own bank account.

### **CHECK SIGNATURE**

- 1) Each bank account will be a two signature required account. Each account shall have a minimum of three authorized check signers. One of the signers is required to be the principal (or in an emergency the Superintendent will sign as their designee).
- 2) Each check must be signed manually.
- 3) Under no circumstances shall checks be pre-signed.
- 4) No signatures shall be affixed until the check has been filled out in its entirety.

### **BANK RECONCILIATION**

Upon receipt, the bank statement shall be reconciled to the checkbook and ledger. Copies of Activity Fund reconciliations are to be submitted to the Premont ISD School Board for their review in a timely manner.

### **GENERAL RECEIPTING PROCEDURES**

All cash and check collections must be recorded (in triplicate) by the person receiveing the money:

Original (white) to person submitting the money.

Posting copy (yellow)

Permanent copy (pink) retained in the receipt book.

The receipt must be completed in its entirety, including:

Date and amount.

The individual or firm submitting the money, (a receipt may not be issued to more than one person).

An explanation of the purpose for which money was received

A signature of the person receiving the money. The signature must be manual; signature stamps are forbidden.

An actual cash count should be made by the person signing the receipt in the presence of the person turning in the money, whenever possible.

Post dated checks cannot be accepted from any source.

Under no circumstances shall a cash receipt be altered. If an error occurs, VOID the original receipt and all duplicates and issue a new receipt. The original of the voided receipt must be attached to the copies and retained for audit purposes.

### **LONG TERM FUNDRAISING – RECEIPT OF MONEY**

- 1) Tabulation of Monies forms and Cash Sub-Receipts may be obtained from the Finance Clerk.
- 2) A distribution record must be kept of all Cash Sub-Receipts issued to teachers, sponsors and other individuals approved by the principal to collect funds.
- 3) Money may be collected by an authorized individual other than the Finance Clerk (teachers, librarian, clerks, etc, but only as approved by the principal) for such items as books, student fees, fund raising activities, etc. In such instances, the individual collecting the monies must account for the monies collected as follows:
  - a) Tabulation of Monies must be completed with all information provided.
  - b) In the case of a fundraiser being in excess of a one day event, the authorized individual must issue Cash Sub-Receipts to payers for monies collected. The posting copy (yellow) should be stapled to a Tabulation of Monies form.
  - c) Collections shall be submitted to the Finance Clerk weekly or whenever the aggregate amount of such collections exceeds \$100.00.
  - d) The original completed Tabulation of Monies Form and the attached yellow copy of Cash Sub-Receipts, if used, shall be sent with monies collected to the Finance Clerk who will count the funds in the presence of the depositor and prepare an Activity Fund Cash Receipt once the deposit total is verified. The Finance Clerk should also sign the Tabulation of Monies Collected form.
- 4) The Finance Clerk should keep on file for 5 years for audit purposes the original Tabulation of Monies form with attached Cash Sub-Receipts, if applicable.
- 5) Individual sponsors/collectors should keep verified copies of the Tabulation of Monies collected for 5 years for audit purposes.

### **ONE DAY EVENTS – DEPOSIT OF FUNDS**

- 1) Bank deposits must be made at the conclusion of the event.
- 2) All checks accepted for deposit shall be endorsed as follows:  
(Name of School) Activity Fund  
For Deposit Only  
Account Number
- 3) It is recommended that all checks be endorsed at the time they are received or accepted.
- 4) All cash receipts supporting cash deposits shall be deposited in numerical sequence
- 5) Re-deposit of returned checks must be deposited separate from other funds collected.
- 6) All monies on hand at the end of the school year, should be deposited prior to closing the books for the year.
- 7) Supporting documentation will be turned in to the Finance Clerk for each deposit slip by the next business day after the deposit is made.

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

- 1) A bank deposit slip shall be prepared in duplicate and shall include the following:
  - a) The date and amount of the deposit;
  - b) The cash receipt number(s) issued that make up the deposit, if applicable;
  - c) A listing of each check in the deposit (or a tape).
- 2) The original copy of the deposit slip is retained by the bank and returned with the monthly bank statement. The duplicated copy is validated by the bank and returned at the time of the deposit. A validated deposit slip should be turned in to the Finance Clerk on the next business day following date of deposit for verification.
- 3) The sum of the amounts of the supporting cash receipts must agree with the amount of the deposit slip.

### **CASHING OF CHECKS**

The practice of cashing personal and/or payroll checks is prohibited.

### **RETURNED CHECKS**

Occasionally, a check which had been previously deposited is returned by the bank for a variety of reasons. A check may be returned for improper signature, insufficient funds, or account closed. When a check is returned by the bank, the following procedures shall be followed:

- 1) The Financial Clerk shall immediately notify the individual school of the returned check. The sponsor who made the deposit at the campus shall contact the maker of the returned check and request that it be redeemed with cash to include any return item fees.
- 2) If the maker of the returned check requests that it be re-deposited, such action shall be taken. A check may be re-deposited only once; after such time only cash may be accepted.
- 3) Under no circumstances should the returned check be surrendered to the maker except in return for cash.
- 4) No checks shall be accepted from a party who has not redeemed a previously returned check.
- 5) Retain all bank memorandums in the school files.

### **REDEPOSITS**

When a returned check is redeemed by the maker, the resulting deposit is known as a redeposit.

Procedures to be followed are:

- 1) Prepare a separate deposit disclosing:
  - a) Date and amount of redeposit
  - b) Name of the maker of the returned check.
  - c) The previous cash receipt number or the activity account where the check was originally deposited.
- 2) DO NOT issue cash receipt since such action would constitute a duplicate.
- 3) If a person redeems a returned check with cash, give him/her the returned check as his receipt. (Keep a photocopy for records.)

### **UNCOLLECTED CHECKS**

Individual schools are responsible for the collection of returned checks. The following procedures are for checks deposited twice in the School's Activity Account and returned the second time by the bank marked non-sufficient funds or account closed.

- A. Send a letter to the maker of the check requesting payment in cash or by cashier's check within a ten(10) day period. The letter should be sent to the known mailing address of the maker and should contain the check number, date and amount of check. DO NOT SEND ORIGINAL CHECK! The letter should stipulate the check has been re-deposited and returned again and unless payment is received within ten (10) days, the check will be turned over to the County Attorney's Office. This letter should be sent Certified Mail – Return Receipt Requested.
- B. If this second attempt fails, send copies of your notes and letters along with the check to the Finance Clerk at Central Office for issuance of final notice. Only checks of \$25.00 or more should be forwarded. Attempts should be made to collect returned checks of less than \$25.00 by the sponsor until the close of the school year. The check should then be written off.
- C. If a collection is made by the County Attorney's Office, a check will be made payable to the school for the amount received.
- D. If no collection is made, the bad check will be written off by the financial clerk.

### **DISBURSEMENTS – GENERAL POLICIES**

Income received from a specific group (student and faculty) should be expended for that group. The principal shall ensure that expenditures from these accounts are written for the intended purpose of the group and should not divert for other uses.

No expenditure of funds shall be approved by the principal unless sufficient funds are available in the appropriate activity account. Thus, no check shall be drawn on any account with a negative balance unless sufficient funds are available in the appropriate fund account, or unless funds are anticipated at a later date in the appropriate activity fund account.

## **REQUEST FOR CHECK**

A complete Check Request shall be the authority for the issuance of an Activity Fund check. It must be completed prior to issuance of a check.

A completed Request for Check form shall include:

1. The payee
2. Date and amount
3. Signature of person requesting check
4. A description of the reason
5. Activity account name to be charged
6. Approved signature of the principal, sponsor and club representative (if applicable)
7. Check number and date check was written (when approved)

The Check Request form shall be attached to the supporting documentation and kept on file for audit purposes. Proper supporting documentation shall include:

1. Vendor's original invoices. Periodic statements are not adequate supporting documentation.
2. Employees must submit original sales slip or cash register tapes when requesting reimbursement for items purchased from their own funds. Credit card statements and customer copy of charge slips are not adequate supporting documentation.
3. Other supporting documentation may include letters, announcements and renewal notices when invoices are not provided by the vendor.

Request for check forms for advances should not be issued by activity accounts.

All invoices shall be checked to ascertain that sales tax has or has not been properly charged since most purchases made by schools are tax exempt.

## **ISSUANCE OF CHECKS**

No expenditure of funds shall be approved by the principal unless sufficient funds are available in the appropriate activity account.

All payments shall be made by pre-numbered Activity Fund checks.

All Activity Fund checks must be manually signed by two authorized check signers, one of which must be the principal (or their designee).

Payment must always be made to a specific person, company or organization. Checks shall NEVER be made payable to "Cash".

Under no circumstances shall checks be pre-signed by an authorized check signer.

All checks must be typewritten or completed in ink.

"VOID" checks shall have the signature area cutoff and stapled to the appropriate check stub.

## **VENDING MACHINES – GENERAL POLICY**

Revenue from vending machines situated in all areas of the school shall be controlled by the principal and processed through the Activity Fund.

A school may contract with a firm whereby the vendor agrees to service the machine and collect the money. The school then receives a periodic commission check from the vendor. The school is not required to establish an Activity Fund account for each vending machine operator under this type of arrangement. Vending machines profits (i.e., the commission checks) may be placed directly into the account related to the location of the machine or to the intended purpose of profits from the machine.

## **TAXABLE STATUS OF PURCHASES**

Ruling No.95-0 from the State Comptroller, effective October 1, 1969 states:

“The sale, lease or rental of tangible property directly to or for storage, use or other consumption of tangible personal property directly by an educational organization.... Which property is necessary to its function as such, and paid for by the organization is exempted from the computation of (state and local sales) taxes.”

Provisions under Article 21-023 of the Federal Statutes provide tax exemption to the School District.

In accordance with these rulings:

## **TAX FREE PURCHASES**

All items purchased by a public school, school district or non-private school for the schools own use qualify for a exemption from sales tax if the items purchased relate to the educational process. The school, school district or authorized agent should provide the seller with a Texas Sales Tax Exemption Certificate. To be valid the certificate must state that the merchandise being purchased is for the organization's own use in providing education, is being made in the name of the organization, and that payment shall be made from the organization's own funds.

Purchases for their own use by individuals, even though connected with the school or school organization, are not exempt from the tax. Examples – cheerleaders purchasing their own uniforms, band members purchasing their own instruments and athletic teams purchasing their own jackets.

## **EXEMPT SCHOOL ITEMS**

- Public and non-profit private schools and school-related organizations need not collect sales tax on the following:
- 1) Fees and admission tickets, including football and drama tickets;
  - 2) Club memberships;
  - 3) Deposits;
  - 4) Sales of food and soft drinks during a regular school day, subject to an agreement with the proper school authorities;
  - 5) Sale of whole cakes or pies;
  - 6) Food and drinks sold at PTA carnivals

## **EXEMPT FOOD SALES**

The sales tax is not collected on meals or food products, including candy and soft drinks, served in an elementary or secondary school during the regular school day by a school, student organization or PTA subject to agreement with school authorities.

This exemption from the sales tax applies to guest, employees, or teachers served in a school cafeteria or teacher's lounge during the regular school day.

The sale of food, including candy and soft drinks, is exempt from the sales tax when sold by an organization associated with a public or non-profit private elementary or secondary school (4-H clubs, Future Farmers of America, Future Homemakers, etc.) IF:

1. The sale is part of a fund-raising drive sponsored by the organization; and
2. All net proceeds from the sale go to the organization for its exclusive use.

### **SCHOOL SPONSORED TRIPS**

Meals purchased by the school for athletic teams, bands, etc. on authorized school trips are exempt from the sales tax if the school contracts for meals. The school must pay for the meals and provide the eating establishment with an exemption certificate.

Individual members of the athletic team, band, etc. may not claim exemption from the sales tax on the meals they purchase while on a school-authorized trip.

An exemption may also be claimed by the school from the Hotel Occupancy Tax if the school contracts and pays for the accommodations and provides the hotel with a completed Hotel Occupancy Tax Exemption Certificate.

Teachers, coaches, etc. **MAY NOT** claim exemption from sales tax on personal purchases while on school business even though they are reimbursed by the school for expenses.

**Premont Independent School District  
Student Activity Accounts  
Authorization of Payment**

Pay To \_\_\_\_\_ Check/Trans.No. \_\_\_\_\_  
 Address \_\_\_\_\_ Date of Check: \_\_\_\_\_  
 \_\_\_\_\_ Student Group/Club: \_\_\_\_\_

Date/Invoice #	Transaction Explanation	Amount

Student Officer's Signature \_\_\_\_\_ Date \_\_\_\_\_ Attached: Invoice \_\_\_\_\_  
 Sponsor's Signature \_\_\_\_\_ Date \_\_\_\_\_ Minutes \_\_\_\_\_  
 Principal's Signature \_\_\_\_\_ Date \_\_\_\_\_ Other \_\_\_\_\_

**Premont Independent School District  
Student Activity Accounts  
Authorization of Payment**

Pay To \_\_\_\_\_ Check/Trans.No. \_\_\_\_\_  
 Address \_\_\_\_\_ Date of Check: \_\_\_\_\_  
 \_\_\_\_\_ Student Group/Club: \_\_\_\_\_

Date/Invoice #	Transaction Explanation	Amount

Student Officer's Signature \_\_\_\_\_ Date \_\_\_\_\_ Attached: Invoice \_\_\_\_\_  
 Sponsor's Signature \_\_\_\_\_ Date \_\_\_\_\_ Minutes \_\_\_\_\_  
 Principal's Signature \_\_\_\_\_ Date \_\_\_\_\_ Other \_\_\_\_\_



# PREMONT INDEPENDENT SCHOOL DISTRICT TABULATION OF MONIES

Club/Org \_\_\_\_\_ Date \_\_\_\_\_ Event \_\_\_\_\_

## Coin

(# of Coin)

_____	Silver Dollars	x	1.00	=	_____
_____	Fifty Cents	x	0.50	=	_____
_____	Quarters	x	0.25	=	_____
_____	Dimes	x	0.10	=	_____
_____	Nickels	x	0.05	=	_____
_____	Pennies	x	0.10	=	_____
	<b>Sub-total</b>				_____

## Currency

(# of Bills)

_____	Hundreds	x	100.00	=	_____
_____	Fifties	x	50.00	=	_____
_____	Twenties	x	20.00	=	_____
_____	Tens	x	10.00	=	_____
_____	Fives	x	5.00	=	_____
_____	Ones	x	1.00	=	_____
	<b>Sub-total</b>				_____

## Checks

Name on Check \_\_\_\_\_

_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____
_____	\$	_____
	<b>Sub-total</b>	_____

**Grand Total**      \$ \_\_\_\_\_

Prepared By \_\_\_\_\_

Approved By \_\_\_\_\_

**PREMONT INDEPENDENT SCHOOL DISTRICT  
REQUEST FOR APPROVAL OF FUND RAISING ACTIVITY**

**Organization** \_\_\_\_\_

**Campus** \_\_\_\_\_

**Project** \_\_\_\_\_

\_\_\_\_\_

**Vendor** \_\_\_\_\_

**Vendor's Address** \_\_\_\_\_

**Name of Vendor Representative** \_\_\_\_\_

**Date of Project** \_\_\_\_\_

**Length of Project** \_\_\_\_\_

**Expected Profit** \_\_\_\_\_

**Purpose** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
**Sponsor Signature** **Date**

\_\_\_\_\_  
**Principal Signature** **Date**

\_\_\_\_\_  
**Superintendent or designee's Signature** **Date**

**Principal's Approval:** \_\_\_\_\_

**Principal's Denial:** \_\_\_\_\_

**PREMONT INDEPENDENT SCHOOL DISTRICT**  
**FUNDRAISING ACTIVITY PROJECTION SHEET**

SCHOOL NAME: \_\_\_\_\_ DATE: \_\_\_\_\_

CLUB/ORGANIZATION NAME: \_\_\_\_\_

INCLUSIVE DATES: \_\_\_\_\_

FUNDRAISING PURPOSE: \_\_\_\_\_

TYPE OF MERCHANDISE TO BE SOLD	# OF ITEMS TO BE SOLD	SALE PRICE PER ITEM(INCL TAX)	TOTAL REVENUE

\_\_\_\_\_  
SPONSOR SIGNATURE      DATE

## PREMONT INDEPENDENT SCHOOL DISTRICT *FUNDRAISER COLLECTION REPORT*

FUNDRAISING ACTIVITY: \_\_\_\_\_

The teacher shall total the form, sign it and turn it in to the school secretary or bookkeeper. A receipt for the total amount shall be issued to the teacher.

Name	Date	Amount	Name	Date	Amount

\_\_\_\_\_  
TEACHER/SPONSOR                      DATE

\$ \_\_\_\_\_  
TOTAL COLLECTED

DATE	\$ TURNED IN TO OFC	\$ COUNTED BY OFFICE	OFFICE RECEIPT #

**PREMONT INDEPENDENT SCHOOL DISTRICT  
FUNDRAISING ACTIVITY ACTUAL REVENUE REPORT**

SCHOOL NAME: \_\_\_\_\_ DATE: \_\_\_\_\_

CLUB/ORGANIZATION NAME: \_\_\_\_\_

INCLUSIVE DATES: \_\_\_\_\_

FUNDRAISING PURPOSE: \_\_\_\_\_

TYPE OF MERCHANDISE SOLD	# OF ITEMS SOLD	SALE PRICE PER ITEM(INCL TAX)	TOTAL REVENUE

Explain difference between projected revenue and actual revenue: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
SPONSOR SIGNATURE                      DATE

\_\_\_\_\_  
PRINCIPAL SIGNATURE                      DATE