



**MULLIN ISD
ACTIVITY FUND
MANUAL**

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Approved: _____

Kristi Mickelson, Superintendent

Date

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INTRODUCTION

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

Activity Funds – Fund 865

Student and Faculty activity funds (FUND 865) are held in a trustee capacity by the school and they consist of funds that are the property of students and others. These funds are trust funds belonging to the students and/or faculty. The funds may be used in any manner to benefit the students and/or faculty at the direction of the students and /or Hospitality/Sunshine Committee subject to the oversight and approval of the campus principal as “trustee” over the funds.

Student Organizations

Student clubs and organizations shall be defined as a student-led group with formation documents, by-laws, and elected officers. All student clubs and organizations shall function under the sponsorship of a campus staff member, i.e. teacher or other staff member.

Student activity funds shall be collected, receipted, and deposited to the district's business office on a daily basis. All monies collected should be receipted in a receipt book or on the Fundraising Collections Record Form.

Student activity funds shall be used exclusively for the benefit of students. Typical uses include student travel, awards, banquets, and supplies, DJ for a dance, end-of-the-year trips or events, club t-shirts, etc. These funds shall be used at the discretion of the student organization through designation of one or more of its officers. **Class/club meeting notes should be on file to support student decisions regarding the expenditure of the class/club funds.**

The assigned organization sponsor (professional staff member) shall be responsible for the proper management of the student activity accounts. All expenditures and payments to vendors shall be centralized through the district's business office.

Generation of student activity funds shall not in any way compete with the district's National School Lunch Program (NSLP). An **Authorization to Conduct a Fundraiser form** should be submitted to the campus principal in advance of the scheduled activity. In addition, at the end of the fund raising activity, a **Fundraiser Profit Loss Statement** should be filed with the Business Office.

Since Students Activity Accounts are trust funds that the campus manages on behalf of the student, accountability for these funds is extremely high. All activity account records must be maintained for a period of (5) years. This includes merchandise logs, receipt logs/books, profit/loss statements, etc. At the end of every school year, as part of the closeout procedures, shall collect all club records for storage on the campus.

Sunshine Funds

Campuses may establish a staff account (Sunshine Fund) with voluntary donations from staff. These funds are trust funds belonging to the faculty. The funds may be used in any manner to benefit the faculty at the direction of the Sunshine Committee subject to the oversight and approval of the campus principal as "trustee" over the funds.

Purchases with these funds are subject to taxes as they represent personal purchases and not district purchases. Purchases typically include flowers for ill staff members, employee recognition awards, etc. These funds shall be deposited and expended from an agency fund (fund 865). **No fundraising activities shall be allowed in a Sunshine Fund.**

Cash Management

A receipt shall be issued for all cash collections. All cash and checks shall be deposited on a daily basis. No post-dated checks will be accepted. Funds will not be kept in classrooms, personal wallets or purses, or at home for more than 24 hours after receipt of the funds. **No cash purchases should be made – every dollar collected should be receipted and deposited by the Business Office.** All funds collected will be deposited on a daily basis or secured in a locked cabinet until the next day.

Check Processing

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

The appropriate forms shall be used for travel disbursements all other purchases will be submitted using a Payment Authorization Form.

Consultants or Contracted Services

Consultants (Independent Contractors) are non-employees who are contracted to perform a personal or professional service such a DJ services, alterations, repairs, etc. A written contract is required for all contracted services. All contract shall be subject to legal review by the Director of Business Services. The Superintendent shall sign the contract on behalf of the district. **The Superintendent is the only individual authorized to sign contracts on behalf of the district.** An employee who signs a contract or agreement, without proper authorization, may be personally liable for the terms of the contract or agreement.

Credit Card

The District utilizes credit card for purchases of goods and services required by the district. Activity account expenditures may be made with the Director of Business Services or Accounting Clerk credit card only. All appropriate documentation is required prior to purchase. All credit card receipts (detailed, itemized) shall be submitted to the business office with five (5) days of the purchase to ensure prompt payment to the vendor. If receipts are not submitted on a timely basis, these charges may become the responsibility of the purchaser.

Fundraisers

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

The authorization to Conduct a Fundraiser form shall be completed by the club sponsor and submitted to the Campus Principal for approval. The form will be forward to the Business Office for recordkeeping with the sponsor keeping a copy. A fundraising flowchart is depicted below:

1. Authorization – Sponsor completed Fundraising Authorization Form and submits to Campus Principal for approval.
2. Conduct Fundraiser – Distribute merchandise, collect and deposit all funds.
3. Close-out Fundraiser – Complete a Fundraiser Profit and Loss Report

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

Raffles

Raffles are not considered by the district to be a legal form of fundraising. Attorney General Opinion JM-1176 ruled that independent school districts are not qualified to hold charitable raffles. The Charitable Raffle Enabling Act which has been in effect since September 1, 1999, establishes the guidelines for conducting a legal raffle in the State of Texas. A raffle that violates the Charitable Raffle Enabling Act is considered illegal gambling under the Texas Penal Code. Conducting an illegal raffle is a Class A misdemeanor and participation is a Class C misdemeanor.

Opening and Closing Activity Accounts

To establish an activity account, an organization should have an approved constitution, by-laws and elected officials. The principal shall submit a list of all clubs and organizations with the elected officers to the business office on an annual basis. A Request to Open/Close a Student Activity Account shall be submitted by the principal when the need arises. The assigned organization sponsor (staff member) shall be responsible for the proper management of the student activity accounts. Every sponsor should complete and submit a Sponsor Responsibility Affidavit form to the principal.

Individual Student Accounts

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

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

Returned Checks

All makers of returned checks will be charged a \$25.00 fee. The fee is subject to increase based on the district's depository bank service fee schedule for returned checks. The district shall reserve the right to reject future checks from makers of returned checks.

Upon receipt of returned checks, the Accounting Clerk shall adjust the cash balance of the appropriate account(s). The Accounting Clerk shall forward a Returned Check Notification Letter to the maker of checks that are returned by the depository bank.

If the maker fails to make payment within the (10) ten day period, the Accounting Clerk shall refer the non-payment to the Director of Business Services for initiation of collection and/or legal processes.

Roles and Responsibilities

Club Sponsor

- Maintains Records
- Submits funds collected to Business Office daily

- Submits Requests to Conduct Fundraiser forms as required
- Completes a Fund Raiser Profit/Loss Report for every fundraiser
- Reconciles the activity account to finance reports monthly
- Signs a Responsibility Affidavit

Business Office

- Monitors approved fundraising activities and submission of funds
- Receives, counts, receipts and deposits all funds collected
- Assists sponsors
- Informs Principal of problems and concerns

Campus Principal

- Approval of all campus and student activity fund transactions
- Proper accounting and administration of all activity funds
- Approval of disbursements in accordance with procedures

Sales Tax Exemption Form

The Sales Tax Exemption Form shall be used for school-related purchases **only**, such as instructional supplies, items for resale, club/organizations supplies, general equipment, etc. Purchase of personal items or items that will provide a private benefit for staff or students are **not** eligible for the sales tax exemption. For example, all purchases made through the Sunshine accounts, such as flowers, birthday cards, decorations, food and non-food items, etc., shall be subject to sales tax since the funds belong to the staff and not the campus.

Transfer between Activity Accounts

Funds may be transferred between Student Activity Accounts shall be approved by the members of the student clubs, the club sponsors and the campus principal. If a student organization ceases to function or exist, the unexpended funds of the organization shall be dispersed equally among all accounts.