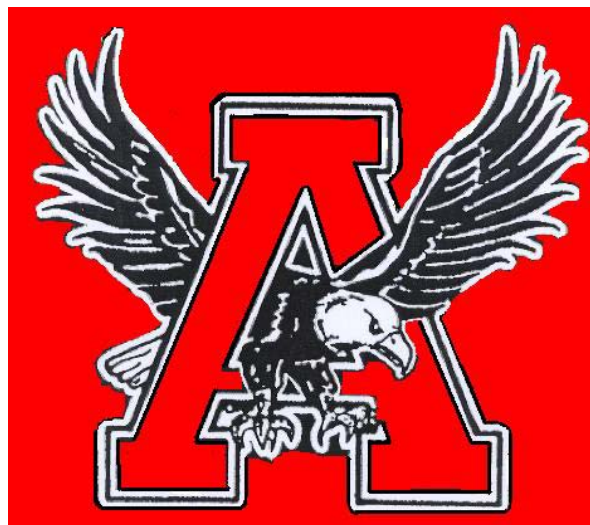


Argyle Independent School District

Activity Fund Guidelines



Activity Funds

Activity Funds consist of monies received and held by the campus to be expended or invested for the benefit of students in accordance with District policy. Specifically, activity funds accumulate from the collection of student fees and various school approved fund raising activities.

Activity Fund Types

There are two types of activity funds that are common for Texas Public Schools. The first is a clearing account that is used for items such as school pictures, vending, etc. These funds shall be used to promote the general welfare of each school and the educational development and morale of all students. The second type of activity fund is the property of student groups, i.e. student council, band, etc. The school district is required to provide stewardship by properly accounting for these funds. Decisions on the use of club funds are the concern of the specific student groups to whom the funds belong, as long as the decisions regarding the use of the funds do not conflict with Board policy and/or legal regulations or restrictions.

Responsibility for Activity Fund

The campus principal is responsible for the proper collection, disbursement, and control of all campus activity funds. This responsibility includes the physical safeguard, accounting, administration, and disbursement of funds in compliance with District policy.

Fund Raising Activities

Fund Raising is an organized activity to raise funds for an organization or campus.

All fund raising activities involving a vendor or requiring public solicitation must first be approved by the Principal. Campuses are not allowed under Texas Law to conduct raffles, bingo, and other games. Each campus and/or organization will be allowed two fund raising activities per year which involve an outside vendor. Additional funds may be generated through service projects with the prior approval of the principal. Prior to any fund raising activity, all campuses and organizations must complete a Fund Raising application. This requirement includes all sponsors, PTA's and booster clubs desiring to begin a fund raising activity. This application details the vendor, product to be sold or service to be rendered, and the estimated sales proceeds. Any amount due from previous fund raising activities should also be noted on the application. Sponsors who do not properly manage their activities and have large monetary amounts outstanding will not be allowed to conduct subsequent fund raising activities. Under no circumstances should door-to-door solicitation be required nor should the organization enter into a contract with a solicitation firm. Within one month of the close of the activity, the fund raising recap portion of the Fund Raising form must be completed and forwarded to the campus principal and business office. This form details the total receipts and expenditures of the sale and provides a section to detail lost, damaged or returned products. Monies which are uncollected due to the failure of a student to remit funds should be detailed on the recap form. These records should be maintained by the campus so that the monies can be collected at registration or prior to graduation. The fund raising recap can easily be completed from the information on the tabulation of money collected forms. A copy of the approved application and the recap should be attached to the voucher for payment of the merchandise. The campus should maintain records of vendor and product performance based on the

completed recaps and an annual survey. Vendors who repeatedly fail to meet established standards will not be allowed to do business with Argyle ISD.

Collection of Money:

All money collected by an organization or club for fees, dues or other fund raising activities must be recorded in detail using prenumbered money receipts, tabulation of monies collected forms, or collection forms provided by fund raising vendors. All collections must be deposited in the school activity fund.

Money collected should not be kept overnight in a desk or file cabinet, nor should it be taken home by the sponsor. If, for some reason, all records cannot be completed and recorded before the end of the day, the funds should be stored in the campus safe or vault. The sponsor complete the deposit records promptly, under no circumstances should personal checks be held for more than five days before being submitted to the campus for deposit.

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

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

Depositing Funds Collected:

When a sponsor submits funds collected to the campus for deposit, these funds should be verified in the sponsor's presence. This is simply a prudent cash-handling procedure that protects both the campus designee and the sponsor. After counting the funds, the campus designee must provide the sponsor with a prenumbered money receipt documenting the amount of the deposit. If for some reason immediate verification is not possible, the funds should be locked in the sponsor's bank bag or sealed in a tamper-evident bag and placed in the vault until such time that both individuals are present for cash verification. The sponsor will bear responsibility for any missing deposits or deposit shortages if funds are not verified in the presence of the campus designee.

Expenditures of Activity Funds:

All expenditures from activity funds must be made by check. No expenditures should be made using undeposited cash. Prior to the expenditure of funds, an activity fund purchase order must be completed and authorized by the principal. Expenditures must be made in compliance with existing purchasing rules, laws, and regulations. Items currently available on bid must be purchased from a bid vendor. Expenditures in excess of \$1000 not otherwise included on a bid should have three documented quotes. Under no circumstances should purchases be made without proper approval. Argyle ISD is not required to reimburse a sponsor for purchases not properly approved in advance by the principal. Therefore, sponsors' requests for personal reimbursement should be limited in nature. In addition, requests for reimbursement should be submitted within 30 days of the date of purchase. Remember, too, that the principal is not required to reimburse sales tax paid by a sponsor if a purchase was not properly approved in advance.

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

Miscellaneous Student Activity Guidelines:

Alcoholic Beverages

The purchase of alcoholic beverages with activity funds is strictly prohibited.

Rewards

At certain times during the school year it may be necessary to reward a student or group of students for their achievements (honor roll, perfect attendance, etc.). The principal of a school should exercise caution when rewarding students for an activity that could be associated with the UIL to ensure compliance with UIL rules and regulations. Students participating in fund raising activities may be awarded a maximum of \$50.00 for top sales.

Community Service

Proposals for any fund-raising activity must be submitted in accordance with the procedures outlined in the Financial Resource Manual. The Board realizes that community service is an integral part of the instruction process. It is permissible for a group of students to adopt a community project on an annual basis. However, gifts shall not be monetary and shall not benefit a special individual or organization.

Faculty Expenditures

Activity funds are generated by the student body. As such, expenditures for the faculty (refreshments, t-shirts, etc.) should be limited. Principals may purchase t-shirts annually for their staff in an effort to generate school spirit and for security purposes. The principal may, at his/her discretion, provide refreshments for a faculty meeting and may assist with the expenditures for a faculty or year-end gathering, a maximum of two times per year and a cost of not to exceed \$6.00 per person. At no time should budgeted monies be used for this purpose.

Payments to Employees

Payments and gifts to employees are not permitted from the student funds. Purchase of gifts for special occasions, e.g. baby showers, retirements, birthdays, should be purchased using the Benevolence/Social Funds.

Spouse's Expenses

Payments for expenses incurred by spouses are considered illegal gifts of public funds unless the spouse is representing the school district in an official capacity. Reimbursement for spouse expenditures must be received within 30 days.

Cash Balance

A record of your organization's cash balance must be maintained at all times to ensure that your account is not overdrawn.

Personal Check Cashing

Employees' personal checks may not be cashed or substituted for cash collections.

Scholarships

If a club or organization wishes to donate a portion of their ending balance to a scholarship fund, the officers and sponsor of the organization must submit a signed request to the principal. The funds will then be transferred to the scholarship account. A committee of faculty members will evaluate the scholarship applicants and will make a recommendation of recipients and award amounts.

Cash Loss

The student activity funds sponsor will be held responsible for any student activity fund entrusted to them. The sponsor will reimburse the student organization for any money which is lost due to carelessness, theft, fraud, or failure to follow established procedures.

Prepare a bank deposit as follows:

1. Verify with sponsor/teacher monies received in their presence.
2. Cash tally sheet should be filled out with coin and currency amounts filled in.
3. Have another person verify the cash tally sheet. If the sponsor/teacher has already filled out the cash tally sheet then you would sign as verification.
4. A tape may be run of any checks included in the deposit rather than indicating the checks individually on the deposit slip form. A copy of the tape should be retained with your copy of the deposit records.
5. Total the deposit slip.
6. Tally the pre-numbered cash receipts and make certain that this total matches the deposit total.
7. There is to be only 1 deposit per bag.
8. Attach the cash receipt verification with a copy of the deposit slip and file in date order.

Accepting and Depositing Checks

Checks may be accepted only for the amount of purchase.

Post dated checks are not acceptable.

An Acceptable Check should contain:

Name

Address

Phone number

Drivers License number

Checks must be deposited every ten days.

Non-Sufficient Funds

NSF's will only be collected if they are less than forty-five (45) days old. Therefore, it is important that checks be promptly deposited.

Unworkables

Unworkables are specifically Non Sufficient Fund (NSF) checks that cannot be actively pursued for payment for a number of reasons, but primarily due to missing information. To assist in the collection effort, criteria have been established which defines an "Acceptable Check".

Notify the club sponsor if applicable.

Petty Cash

Each campus is authorized to maintain a petty cash account of \$50.00 for elementary level and \$100.00 at both the middle school and high school levels. Strict controls must be maintained by

keeping petty cash in a locked box in the school vault accessible by only the principal or his/her designee. In addition, the high schools will be required to maintain a petty cash account for athletic activities. This amount should not exceed \$50.00 except during tournaments when a larger gate is anticipated.

The petty cash funds should be used for purchases of less than \$15.00. All other purchases should be made with a school district check or purchasing card.

All petty cash expenditures must be supported by a cash paid out slip. All receipts for the expenditure must be attached to the cash paid out slip.

Procedures for maintenance of petty cash are as follows:

To open the petty cash account:

- 1) Write a check payable to your school for the amount of petty cash.
- 2) Code the disbursement necessary to the petty cash account.
- 3) Cash the check from previously received monies.

To replenish the petty cash account:

- 1) Write a check payable to your school for the amount of reimbursement necessary.
- 2) Code the disbursement to match the petty cash vouchers which are being reimbursed.
- 3) Cash the check from previously received monies.

To close the petty cash account at the end of the school year:

- 1) Write a check payable to your school for the amount of reimbursement necessary.
- 2) Code the disbursement to match the petty cash vouchers which are being reimbursed.
- 3) Receipt the check and remaining cash to petty cash.
- 4) Deposit to your school account.

Note: The petty cash account must be deposited during the summer months if the campus is closed.

Bank Reconciliation

Each campus will have only one bank account for student activity funds. All monies received by the campus will be deposited and disbursed from that account. Transactions controlled by outside organizations (PTA, booster clubs) must be maintained in separate bank accounts.

Each bank account must have a minimum of two authorized check signers -- the campus Principal, and another district administrator. Under no circumstances shall checks be pre-signed and stored for future use. Upon receipt of the monthly bank statement, the balance indicated on the statement shall be reconciled to the bank account balance in the general ledger as of the last day of the month.

Student Organizations

A student organization is one which has been properly approved by the campus principal and consists of elected student officers and a faculty sponsor. A roster of newly elected officers is to be furnished to the principal by October 1st of each school year. Clubs which do not elect officers and/or hold regular activities for two consecutive school years will be considered inactive and any balances transferred to the principal's activity account. In addition, organizations which do not have a slate of approved officers will not be allowed to conduct fund raising activities.

The sponsor of each school organization is required to ensure that adequate financial records are maintained. These records, which are subject to audit, should include, at a minimum, the following:

- Monthly Detail General Ledger Report

- Sponsor's copy of cash receipt forms
- Sponsor's copy of invoices or disbursement vouchers
- Minutes of each meeting which detail, at a minimum, attendance, approval of expenditures, discussion of fund raising activities and approval of financial status.

Sponsors' Responsibilities:

Each month, the sponsor should compare his or her balances and financial records to those kept by the campus. If there is a discrepancy, the sponsor should promptly contact the principal or his/her designee.

Reports

Unless otherwise noted, the following reports must be bound and kept in the permanent records of the campus.

- General Ledger

This report details any activity for all student activity accounts for each month.

- Cash Receipts Journal

This report is a detailed listing of all cash receipts posted by the activity fund each month.

- Cash Disbursements Journal

This report is a detailed listing of all cash disbursements posted by the activity fund each month.

- Transfers Journal

This report is a detail listing of the transfers posted for the month.

- Adjustments Journal

This report is a detail listing of the adjustments posted for the month.

- Year-to-Date Report

This report is a summary of all activity from the first day of the school year to date.

- Trial Balance

This report is a listing of all active accounts with ending balances.

If the check was issued directly to the individual for an estimated amount of expenditures, a receipt for any monies returned should also be attached to the supporting documentation for the expenditure. When preparing the receipt, the original account charged should be credited. If it is necessary to reimburse the individual for an additional amount in excess of the original distribution, a copy of the original Activity Fund Disbursement Voucher should be used as supporting documentation. All corresponding receipts and invoices should be filed with the original request.

At no time will the student activity fund be reimbursed for amounts incurred in an attempt to circumvent the purchase order process.

An activity fund check may be issued for a Consultant Service Agreement (CSA) if the individual is not any employee. A copy of the check, copy of the CSA and the W-9 form must be sent to the business office for 1099 reporting. CSAs will be used for individuals performing a service and do not normally send invoices, i.e., storytellers, consultants, workshop presenters.

Donations

At various times throughout the school year, sponsoring organizations or individuals may wish to donate monetary amounts or a fixed asset to a specific campus or program. Prior to accepting the

donation, the principal must notify the business office to determine if the donation is acceptable to Argyle ISD.

Activity Funds

Procedures for Handling Student Pictures

Arrangements will be made each school year for individual student pictures to be taken. All commissions from the sale of student pictures shall be retained by the campus and deposited in the Campus Activity Fund.

Campuses must select a vendor from the approved list of providers. Contact Purchasing Department for a complete list of vendors for the current school year.

Vendors selected for handling student pictures ordinarily handle the collection and reporting of sales tax on pictures. The sales tax remitted should be clearly identified on the commission recap form.

Contracts

Individual campus/department administrators do not have the authority to enter into contracts and/or grant agreements without the express written approval of the Associate Superintendent/Chief Financial Officer.

Procedure for Handling Textbook Sales

State-owned textbooks that are lost or destroyed by students will be paid for by the responsible students.

- The price will be the state contract price.
- A receipt should be issued for the money collected.
- Money should be deposited immediately into the textbook account.
- Refunds for books which are subsequently returned are to be made from the textbook account. All refunds must be made within the same school year and should be made payable to the student's parent or guardian.
- Collections for books and damages are to be identified accordingly and forwarded to the Accounting Department at the end of each school year.

Transfer of Funds

Periodically it may be necessary to adjust accounts due to errors in posting or to record the transfer of funds between accounts. Sequentially numbered transfers should be prepared for each transfer of funds using the standard voucher form. Appropriate supporting documentation must be attached to all transfers. Examples would include a signed request by the sponsor and club president to transfer funds, invoice copy, etc. All transfers must be approved by the principal prior to posting

Record Keeping Procedures for Journalism Departments

1. Complete and submit fundraiser application to principal at the beginning of each school year.
2. Obtain a money receipt book, which includes pre-numbered, three-part receipts. Receipts should be prepared for yearbook sales and advertising sales for yearbook. One copy of the receipt should be delivered to the "customer" from whom the money was received. Another copy should be attached to the Tabulation of Monies form that is delivered to the bookkeeper for deposit. The remaining copy should be retained by the Journalism Department and used to develop a database of sales (see Step 7).

3. Receipts should indicate the student's name (company name for newspaper ads), number of yearbooks purchased, date of collection, amount collected, type of payment (cash or check), check # (if applicable), and the signature of the individual collecting the money.
4. All money (cash and checks) should be delivered to the principal/designee daily. Money should not be maintained in the sponsor's room overnight, nor should sponsors take money home. During the day, the money should be secured in a locking drawer or file cabinet. More than one deposit can be made per day.
5. The Tabulation of Monies form must be completed along with all deposits. The total amount of the checks and total amount of cash should be included on the form. As discussed previously, a copy of the money receipt should be attached for all collections included in the deposit. This eliminates the need to individually list student names and amounts on the Tabulation of Monies form since this information is depicted on the cash receipts.
6. At the time of delivery of money to the bookkeeper, obtain a money receipt from the bookkeeper detailing the amount of the deposit. These should be retained in a permanent file by year, along with copies of Tabulation of Monies forms prepared.
7. Maintain a database or spreadsheet of all students who have purchased yearbooks. This database should be sorted by last name and a printed version should be used to record student signatures upon delivery of their yearbook.
8. Take into consideration the total cost of yearbook printing before establishing a selling price and ensure that the selling price is sufficient to cover the cost of printing.
9. Maintain copies of advertising order forms in a file by year to ensure that accurate records are available when needed.
10. The record retention requirement for student activity related funds is five years. All records pertaining to yearbook and newspaper sales, deposit and disbursement documentation, and any other information related to these activities must be retained for the required retention period.