

# Cuero ISD Activities Fund Procedures Manual

**Updated: September 1, 2023**

## **Definitions**

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

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

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

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

To secure the deposit of public funds, all activity funds must be deposited with the district's banking institution. Additional bank accounts are strictly prohibited.

**Sponsors' Responsibilities** - The sponsor of each student organization is required to maintain adequate records to support the financial activities of the group. Student Activity records should be retained for 5 years. These records are subject to review during the audit of the school's activity funds and should include, at a minimum, the following:

- Monthly financial reports for the organization (obtained from the bookkeeper)
- Copies of money receipts and tabulations of monies collected
- Copies of invoices or disbursement vouchers
- Copies of fund raising applications
- Detailed records, by student, of fund raising proceeds
- Minutes of the organization's meetings which detail, at a minimum, attendance, discussion of fund raising activities, and review and approval of expenditures and financial status.

Each month, the sponsor should compare his or her balances and financial records to those kept by the campus secretary/bookkeeper. If there is a discrepancy, the sponsor should promptly contact the bookkeeper. If necessary, the Internal Auditor or Comptroller may be requested to assist.

**Collection of Money** - All money collected by an organization or club for fees, dues or other fund raising activities must be recorded in detail using pre-numbered money receipts, 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 locked in a locking bank bag and stored in the campus safe or vault. The sponsor should keep the key to the bag and the funds should remain secured until the sponsor can complete the deposit records. This must occur promptly, however, and, under no circumstances should personal checks be held for more than five days before being submitted to the campus bookkeeper for deposit. Personal check cashing by faculty members is prohibited by District policy. Likewise, cash should not be removed from activity fund collections and replaced with the sponsor's personal check. In addition, cash collections may not be used to purchase supplies, refreshments or for any other purpose. Activity fund collections must be deposited intact, in the same manner in which they were received.

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

### **Depositing Funds Collected:**

When a sponsor submits funds collected to the campus secretary or bookkeeper for deposit, these funds should be verified by the bookkeeper in the sponsor's presence. This is simply a prudent cash-handling procedure that protects both the bookkeeper and the sponsor. After counting the funds, the bookkeeper must provide the sponsor with a pre-numbered money receipt or a copy of the tabulations of monies form documenting the amount of the deposit. If for some reason immediate verification is not possible, the funds should be locked in the sponsor's locking 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 bookkeeper.

### **Fund Raising Activities:**

In order to provide administrative oversight of the extensive fund raising activities promoted by the various campuses and organizations, all fund raising activities involving a vendor or requiring public solicitation must first be approved by the principal. Fundraisers should include a service or product. Under no circumstances should campuses or organizations participate in door-to-door solicitation, formal solicitations, "can shakes" or enter into agreements with solicitation firms. Campus specific donation campaigns will be considered on a case-by-case basis. Raffles, bingo, and other games of chance will not be allowed. Each 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 and the Assistant Superintendent of Business.

Sponsors desiring to begin a fund raising activity are required to complete a Fund Raising application which must be approved two weeks in advance by the Principal and the Assistant Superintendent of Business. Under no circumstances should a campus or organization enter into agreements or advertise an event until approvals from the Principal and the Assistant Superintendent of Business have been received. The fundraising application details the vendor, product to be sold or service to be rendered, and the estimated proceeds. Any amounts 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 allowed, nor should the organization enter into a contract with an outside solicitation firm.

Within one month of the close of the activity, the fund raising recap must be completed and forwarded to the campus bookkeeper. This form details the total receipts and expenditures of the sale; it also provides a section to detail lost, damaged, or returned products. The fund raising recap can easily be completed from the CISD Deposit Form. Money that is not collected due to a student's failure to remit funds should be detailed on the recap form. The campus should maintain these records so that the monies due can be collected at registration or prior to graduation.

The Accounting Department will maintain records of vendor and product performance based upon the completed recaps and an annual campus survey. Vendors who repeatedly fail to meet established standards will not be allowed to conduct business within Cuero ISD.

### **Activity Fund Expenditures**

All expenditures from activity funds must be made by check. No expenditures should be made using deposited cash. Prior to the expenditure of funds, an activity fund disbursement voucher 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 \$5000 not otherwise included on a bid should have three documented quotes. Under no circumstances should purchases be made without proper approval.

To the greatest extent possible, purchases should be planned in sufficient time to allow them to be made by a purchase order, activity fund check or purchasing card. Cuero 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. The maximum out-of-pocket expense for a one-time purchase is \$250. 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.

### **Guidelines**

#### **Alcoholic Beverages**

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

## **Awards**

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.

## **Benevolence/Social Funds**

Social funds are defined as funds generated or contributed solely by school personnel to be utilized and expended at the school's discretion. All expenditures for hospitality, condolence, or any other purpose for the sole benefit of the school personnel shall be paid out of social funds.

## **Benevolence Using Campus/Principal's Funds**

There are specific criteria that must be adhered to when using these funds. Principals may at his/her discretion use funds from the campus/principal's account to purchase flowers in the event of a campus employee's or campus student's death.

At no time should club activity funds or budgeted monies be used for this purpose. Specific requirements are listed below:

- Must be death of a campus employee or campus student (expenditures for spouses, children, siblings, parents or other relatives or any other purpose shall be paid out of social funds)
- Must be limited to purchases of flowers, plants or other similar expression of sympathy
- Purchase should be limited to \$50

Expenses explicitly prohibited are the following:

- Cash or Gift Cards
- Food
- Contributions to organizations in lieu of flowers (American Cancer Society, etc.)

## **Cafeteria Deposits**

On a daily basis, the cafeteria managers will bring the daily lunchroom deposit to the district cafeteria office. The deposits will be rechecked by district cafeteria manager and deposited in the schools financial institution. Receipts form the deposits will be sent to the district office.

## **Cash Balance**

An accurate cash balance must be maintained at all times to ensure that the account is not overdrawn.

## **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. In the event of a cash loss/theft notify the:

Campus Principal  
Assistant Superintendent of Business  
Superintendent

### **Community Service**

In accordance with Board Policy FJ (Regulation), 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 instructional process. An established student organization may adopt a community project with an entity qualified under federal tax law to receive donations for charitable purchases. These organizations must file a copy of their approved 501(c)(3) status with the Financial Services Department prior to the start of the fundraising activity. Adopted projects shall not benefit an individual or an organization without a 501(c)(3) status.

### **Faculty Expenditures Using Campus/Principal's Funds**

Campus activity funds are generated by the school for the general operation of the school. Expenditures should provide a direct or indirect benefit to students. As such, expenditures for the faculty (refreshments, t-shirts, etc.) should be limited. Principals may purchase one t-shirt annually for each staff member in an effort to generate school spirit and for security purposes. Budgeted funds may not be used for this purpose.

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 school year and a cost not to exceed \$10.00 per person. In lieu of a faculty gathering, principals may purchase appreciation gifts for faculty at a cost not to exceed \$10 per person. Appreciation gifts must be items that can be used in the workplace to assist in completing job responsibilities (examples of acceptable gifts: notepads, writing utensils, magnets, lanyards, tote bags, etc.). Purchasing gifts that are of a personal nature are prohibited. At no time should budgeted monies be used for this purpose.

### **Fundraisers**

Under no circumstances should campuses or organizations participate in door-to-door solicitation, donation campaigns of any kind (examples: formal solicitations, letter campaigns, "can shakes", etc.) nor enter into agreements with solicitation firms. Campuses are not allowed under Texas Law to conduct raffles, bingo, and other games of chance.

### **Gift Cards**

In the event a Gift Card is purchased for one of the accepted uses listed below, the following procedures shall be performed to monitor the use. Regular audits will be performed to ensure compliance, including 30-day follow-up requests for receipts.

1. If the gift card is to be used for miscellaneous consumable items (as detailed below under "acceptable uses"), the recipient of the gift card must maintain itemized receipts to support expenses. Unsupported expenses shall be reimbursed to the District.

2. When gift cards are purchased for students, the Gift Card Order Form must be completed and submitted as support for purchasing card statements, reimbursement claims and disbursement vouchers.

### **Unacceptable Uses**

- Appreciation Gifts (except as authorized through Social Funds which are generated solely by campus personnel contributions)
- Gifts to individuals for services performed
- Grant Funds cannot be used to purchase Gift Cards
- Benevolence and Retirement Gifts using the Principal's Fund

### **Acceptable Uses**

- Miscellaneous consumable items necessary in the classroom such as supplies for Science, Life Skills, etc. (\$100 maximum)
- Student Recognitions/awards (\$50 maximum)

#### *(High Schools Only)* High School Graduating Classes

Long-standing traditions have been developed over the years for each class as they enter high school. Typically, during the freshman and sophomore years, a variety of fundraisers take place to generate funds for prom and senior projects.

It is customary for the senior class to present a gift to the school on behalf of the class based on a vote of the class membership. The gift should benefit the campus as a whole. Suggested items include campus beautification projects, improved signage, etc. If desired, the class may also assist with graduation awards & expenses and Project Graduation. Remaining funds should be devoted to assist the incoming freshman class with startup funds.

Expenses for meals, memberships, and floral arrangements are prohibited from senior class funds, except as associated with the prom.

### **Payments to Employees**

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

### **Personal Check Cashing**

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

### **Record Keeping**

A record of all transactions will be kept by the organization sponsor on the school provided spreadsheet. A copy of the spreadsheet will be sent to the Assistant Superintendent of Business on September 1 – the starting date of the next fiscal year. The organization's receipt book will need to be available for the fall financial audit.

## **Refunds**

All refunds for students under eighteen (18) years of age for tuition, textbooks, etc., must be generated on a school check payable to the student's parent or legal guardian. Cash refunds from the petty cash account or previously receipted monies are not allowed.

## **Retirement Gifts Using Campus/Principal's Funds**

There are specific criteria that must be adhered to when using these funds. Principals may at his/her discretion use funds from the campus/principal's account to purchase retirement gifts for a campus employee.

At no time should club activity funds or budgeted monies be used for this purpose. Specific requirements are listed below:

- Must be a campus employee
- Must limit purchases to flowers, plants, plaques or other gifts of appreciation
- Purchase should be limited to \$50

Expenses explicitly prohibited are the following:

- Cash or Gift Cards
- Contributions to an organization in the employee's name (American Cancer Society, etc.)

## **Scholarships**

If a club wishes to donate a portion of their ending balance to the scholarship fund, the officers and sponsors of the organization must submit a signed request to the principal. The funds will then be transferred to the scholarship account. Scholarship checks will be made out and picked up by recipient with proper documentation.

## **School Store**

An accurate inventory of school store supplies must be maintained at all times. This inventory should reflect those items which are given to individuals as a goodwill gesture.

## **1099 Requirements**

In order to ensure that Cuero ISD properly reports all payments to the IRS, a copy of all supporting documentation (personal services agreements, check copy) must be received by the Accounting Department for all contracted services performed by a private individual or company. The personal services agreement must clearly indicate the individual's name and tax identification number so that the District can secure a W-9 form from the vendor. A W-9 form will be required for all vendors who provide a service (consultant, disc jockey, trophy sales, t-shirts). If in doubt, the campus should contact the Accounts Payable-Team Leader for clarification.

**Employee Acknowledgment Form**

I hereby acknowledge receipt of my personal copy of the Cuero ISD Activities Fund Procedures Manual.

I agree to read the manual and abide by the standards, policies, and procedures defined or referenced in this document.

I understand that the information in this manual is subject to change. I understand that changes in LEA policies may supersede, modify, or render obsolete the information summarized in this manual. As the LEA provides updated policy information, I accept responsibility for reading and abiding by the changes.

Name (Printed): \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Campus: \_\_\_\_\_

Organization: \_\_\_\_\_