

Iowa Park Consolidated Independent School District

Activity Fund Accounting Procedures and Policies

Information for Teachers, Sponsor, Administrators, and Staff

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Introduction

This manual is designed to provide a set of standardized accounting guidelines and procedures for the administration of student activity funds in the Iowa Park Consolidated Independent School District. Principals, campus secretaries, sponsors and other personnel involved in the handling of student activity funds are responsible for following the guidelines and procedures prescribed in this manual. These procedures apply to all employees of the Iowa Park CISD school district. All persons who accept cash and or funds assume the responsibility/accountability of following procedures inside this manual.

Purpose of Student Activity Funds

The student activity fund is used to account for funds held by a school in the capacity of a trustee or as an agent for campus organizations. These funds are used to promote the general welfare of the school and the educational development and morale of all students.

Responsibility for Activity Funds (Board Policy CFD Local)

1. The school principal 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. This responsibility includes:
 - Providing for the safekeeping of funds, including proper collection, disbursement and control of all activity funds.
 - Proper accounting, administration, and authorization of transactions.
 - Expenditure of funds in compliance with applicable state laws, local board policy, and administrative guidelines.
 - Adequate training and supervision of all personnel designated by the principal to administer activity funds.
2. Use and Expenditures of Funds: 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.
3. 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 with the approval of the administration office.
4. Transfers: To transfer funds from one account to another, a requisition must be completed by the sponsor and signed by the principal for documentation. The transfer then will be made as a journal entry by the student activity bookkeeper.

Audits of Student Activity Funds

1. Activity Funds are audited annually by the District's External Auditors. In addition, when there is a change in the principal, campus secretary or sponsor an audit may be performed if deemed necessary. Also, the principal may request an audit in writing if an event or situation warrants it.
2. All records should be kept current and in good working order for a period of **5 years** after the conclusion of the fiscal year and available for audit at any time.

Fundraiser Activity Procedures

1. Any questions regarding the handling of the fundraising monies should be referred to the Business Office.
2. *Fundraising-* Organizations wanting to have a fundraiser must complete a *Fund Raising Application* that must be approved by the School Principal and Board of Trustees before the activity begins. Procedures should be developed before each fundraiser begins regarding how cash receipts will be handled and reconciled.
 - a) Be specific regarding the purpose of the fund raising activity. All funds raised by student organizations must be spent/expended for the benefit of students.
 - b) The funds raised by a student organization are to be expended at the discretion of the students and documented in the minutes.
 - c) Sponsors who do not properly manage their activities and have large monetary amounts outstanding will not be allowed to conduct subsequent fund raisers.
 - d) Texas law prohibits schools from conducting raffles, bingo and any other games of chance.
 - e) Two tax-free sales are allowed in a school year per organization: one in the fall and one in the spring.
 - f) Any person who orders merchandise without prior approval of the fundraiser will assume full responsibility for the bill.
 - g) The sponsor is responsible for keeping accurate records for all fundraising activities.

Sponsors' Responsibilities

1. The sponsor of each student organization is required to sign the **Acknowledgement of Responsibilities form** at the end of this manual and submit it to the principal *annually*.
2. The sponsor is required to maintain adequate records to support the financial activities of the group. These records must be retained for 5 years. These records should include, at a minimum, the following:
 - Copies of money receipts and tabulations of monies collected
 - Copies of fund raising applications
 - Detailed records 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.
3. Each month, the sponsor should compare his/her balances and financial records to those kept by the Administration Office. If there is a discrepancy, the sponsor should promptly contact the office.
 4. 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. **(See Money Handling Procedures)**
 5. Personal check cashing is prohibited.
 6. Cash should not be removed from activity fund collections and replaced with the sponsor's personal check.
 7. 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.
 8. Sponsors will often be collecting money for more than one activity. Each activity should be clearly documented on the collection records. This will help the sponsor measure the profitability of fund raising efforts.

Payments and Purchases

1. All expenditures from student activity funds must be made by check. No expenditures should be made using un-deposited cash.
2. Prior to the expenditure of funds, a requisition must be completed and approved by the principal and forwarded to the Administration Office.
3. The purchase order or check will only be approved if there are sufficient funds available in the student activity account for that particular student group.
4. Checks will be made to a specific person, company or organization. Checks will not be made to "cash" or to the school itself.
5. Student activity funds will not be used to cash personal checks.
6. The school district's tax-exempt status should not be used to avoid paying sales tax on personal items.
7. Purchases should be planned in sufficient time to allow them to be made by a purchase order or student activity fund check. Iowa Park CISD is not required to reimburse a sponsor for purchases not properly approved in advance. 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.
8. Iowa Park CISD is not required to reimburse sales tax paid by a sponsor if a purchase was not properly approved in advance.

9. Student activity funds should be used for the benefit of the students who participate in the group's activities. Every effort should be made to expend these funds on an annual basis so that the students who generated the funds can have the benefit of their use.

MONEY HANDLING PROCEDURES

Section 1: General Information

1. Any activities (other than fundraisers) that involve the collection of money must first be approved, in writing, by the School Principal.
2. *Career and Technology* - classes that collect money for sales of goods or services must follow all money handling procedures and guidelines. All funds received must be deposited daily by the sponsor.
3. Activity Funds are the responsibility of the campus; therefore, accurate accounting records must be kept. Such records should include deposit slips, receipt books, ledgers or a district approved tabulation sheet.
4. The documentation should stand on its own providing a clear representation of beginning balance, items to be sold, the number of transactions, receipts, disbursements, and ending balance amounts.
5. When necessary, the Office Secretary is authorized to accept funds from Teachers, Sponsors, Students, and Parents in the school office.
6. The Office Secretary will issue a receipt to Teachers, Sponsors, Students, or Parents for any amount received in the school office.
7. Office safes are located at each campus for authorized personnel to secure funds when needed.

Section 2: Receiving Funds

- 1) Cash received ***MUST NOT*** be used for purchases, check cashing, loans, advances, reimbursements or for any other purpose and must not be co-mingled with other money.
- 2) Checks written to the school district should be for the amount of purchase only. Post-dated checks are not to be accepted. Checks are not to be held.
- 3) Checks should be stamped immediately with the school stamp that says "For Deposit Only".
- 4) If possible, the teacher/sponsor should deposit the funds in the bank the same day it is collected.
- 5) ***ALL*** exchanges of money (cash, checks, money orders & cashier's checks) must be recorded on a tabulation sheet, receipt book, or ledger book when received.
 - **NOTE:** For field trips or any other situation where the possibility of a refund exists, a cash receipt must be issued.

- 6) Teachers/Sponsors shall avoid keeping money overnight and no money shall be left in classrooms over night. The teacher/sponsor is responsible for all money, merchandise and materials.

Section 3: Receipting & Deposit of Funds

- 1) All money collected by the Teacher/Sponsor will be recorded on pre-numbered triplicate deposit slip. The white copy will stay at the bank, pink stays with the Teacher/Sponsor, and the yellow is turned in to the Administration Office.
 - Upon request deposit booklets will be provided by the office.
 - Endorsement stamps should be used on all checks received by the District.
 - All checks received should be endorsed daily.
 - Deposit bags are available in the campus office.
- 2) If a teacher/sponsor cannot make the deposit the same day, the Office Secretary will:
 - a) Count the money in the presence of the teacher/sponsor and a pre-numbered receipt will be issued to that person.
 - b) The money will be placed in an envelope, sealed and signed by the teacher and the Office Secretary.
 - c) The Office Secretary will then place the funds in the office safe.
 - d) The next business day the Teacher/Sponsor will pick up the funds from the Office Secretary and make the deposit. **Only authorized personnel should have access to the safe.**
- 3) If the Office Secretary is absent during the above periods, a building administrator will count and verify the funds, verify the deposit, and issue a receipt to the Teacher/Sponsor.
 - If access to the safe is not possible with the proper personnel, then contact the Business Office for instructions. Funds are not to be left in the office unsecured!
 - The teacher/sponsor will bear responsibility for any missing deposits or deposit shortages if funds are not verified in the presence of the Office Secretary.
- 4) Being out of authorized receipt books is not an acceptable reason for noncompliance with the collection and deposit procedures.
 - A calculator 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 calculator tape should be retained with the copy of the deposit records.
 - The pre-numbered cash receipts will be totaled and should match the deposit total.
 - Receipt copies are to be kept intact in the receipt book. Once the receipt book is completed it is to be turned in to the Office Secretary and a new one is issued (if needed).

- If it is necessary to void a receipt, write “VOID” on the receipt along with the receipt number that replaces the voided receipt.
- If it is necessary to void a receipt and there is no replacement receipt, an explanation should be written on the receipt marked “VOID”.

Section 4: Extra-curricular Activity Money

- 1) All events charging an admission will use pre-numbered tickets, reconciled after each event and reviewed and approved by a building administrator, independent of ticket sales.
- 2) Ticket duties will be separated into two functions with one employee performing only one function. The functions are: ticket sales and ticket takers.
- 3) The Iowa Park C.I.S.D. Business personnel may periodically make site visits and review cash handling procedures.

Section 5: Discrepancy in Funds

- 1) Any discrepancies found at any step in the process should be reported, verbally and in writing, to the Chief Financial Officer and Campus Principal **immediately**. If an investigation is warranted, the District Police Officer will assume responsibility of the investigation. The District Police Officer shall use any and all relevant resources necessary to conduct a fair and impartial investigation.
- 2) Failure to follow the rules stated in this policy will result in re-payment/re-capture of missing funds and or merchandise. Additional consequences may result in the following:
 - a) Employee warning notice
 - b) Written reprimand
 - c) Lost privilege of fundraisers/field trips
 - d) Legal action/criminal charges
 - e) Loss of employment

Iowa Park Consolidated Independent School District

Acknowledgement of Responsibilities Of Faculty Sponsors of Student Groups

The purpose for the raising and expending of funds by student groups is for the direct benefit of the students. Fund raising activities will contribute to the educational experience of the students and will not conflict with the instructional program. Money raised by student groups and organizations will be held by the school as trustee. The faculty sponsor of a student club or group is responsible for maintaining adequate financial records as evidence of proper custodianship of money received by and disbursed by club accounts.

I hereby acknowledge that I have read the "Activity Fund Accounting Procedures and Policies Manual" and that I am responsible for complying with it. In particular, I acknowledge that:

1. All fund raising activities will be approved, in advance by the Principal and the Board of Trustees using the Fund Raising Application.
2. I am responsible both for safeguarding and accounting for funds received from or on behalf of students.
3. Student activity money that cannot be deposited the same day as received will be turned in to the campus secretary in the same form in which it was received.
4. All purchases made on behalf of the student organization must first have a requisition completed and approved in advance by the principal.
5. I will maintain a positive balance in my organization's account.

I understand that I will be held responsible for any student activity funds entrusted to me and that I will reimburse the student organization for any money which is lost due to carelessness, theft, fraud, or failure to follow established procedures.

Sponsor Signature

Date

Student Club or Organization

Campus