

2019-2020

CORSICANA ISD
ACTIVITY FUND
PROCEDURES MANUAL



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, Business Office Procedure Manual, Administrative Procedures, or other web resources.

HB 3646, 81st Regular Legislative session, requires school districts to adopt a policy governing the expenditure of local funds from vending machines, rentals, gate receipts, or other local sources of revenue over which the district has direct control. The policy must require discretionary expenditures of local funds to be related to the district's educational purpose and provide a commensurate benefit to the district or its students and meet the standards of Section 52, Article III, of the Texas Constitution regarding expenditure of public funds. The Corsicana ISD School Board of Trustees adopted policy CFD Local in response to this legislative change.

The Financial Accountability System Resource Guide (FASRG) has been used as a resource to compile this Activity Account Manual.

The District manages both Campus and Student Activity Accounts through a centralized system. All deposits and disbursements are managed by the business department.

Business Office Mission Statement

The mission of the Corsicana Independent School District Business Office is to provide support to all District students, staff, parents, and the Corsicana Community and to ensure that all business operations are supportive of the instructional goals and objectives of the district in the attainment of the campus performance objectives (Student Achievement Indicators).

Types of Activity Funds

Campus Activity Funds will be accounted for in Fund 461. This includes the principal's activity account and other accounts such as the library and individual grade levels.

Student Activity Funds will be accounted for in Fund 865. This includes all student organizations and clubs that meet the definition of a bona fide club or chapter, i.e. have elected officers and by-laws.

The principals of each campus or Superintendent designated personnel shall closely monitor the activity funds accounts which will periodically be audited by the Business Services staff.

The expenditures of Campus and Student Activity funds shall be in accordance with district policy and procedures. The following Allowable and Non-Allowable expenditures are for illustration purposes only; this is not an all-inclusive list. A final decision regarding allowable/non-allowable, will be made at the time of the purchase order and/or payment approval.

Allowable

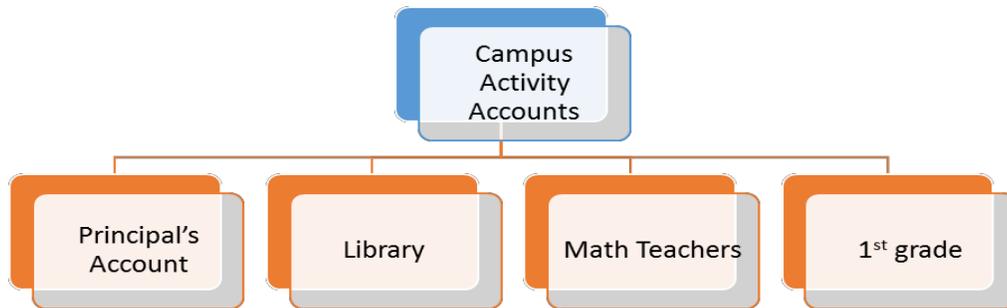
- a. Student trip related expenses such as meals, entry fees, lodging, transportation, etc. (Includes student and staff expenses)
- b. Staff or student meals or refreshments (infrequent and nominal cost)
- c. Club supplies
- d. Equipment, but it must be donated to the campus or district
- e. Rentals such as vehicles, equipment, etc.
- f. Contracted services such as printing, DJ services, motivational speaker, photographer, etc.

Non-Allowable

- a. Alcohol, tobacco or other controlled substance
- b. Payments of wages to district employees
- c. Individual gifts to a specific student or staff member (exceptions may apply to student organization funds)

Campus Activity Funds (Fund 461)

Campus activity funds are school funds managed under the direction of the campus principal. There may be multiple sub-accounts within the Campus Activity Fund such as the Principal's Account, Library Account, 2nd grade teachers, etc. Sub-accounts within the Campus Activity Fund are not student club or organization funds. The funds raised within the sub-accounts shall be used to benefit that respective activity under the direction of the teacher who oversees the account, subject to the approval of the campus principal.



Campus activity funds are primarily used to benefit students. Typical uses include field trip fees, supplies, refreshments, etc.

Campus Activity Funds shall not be used for “gifts” to students and/or staff. General Funds (Fund 199/Operating) and/or resources purchased with the General Fund shall not be used to generate activity funds. Designated campus staff shall not perform Campus Activity Fund activities during the academic day that may incur additional cost from the General Fund such as hiring of a substitute or other additional staff. Giving of staff time to generate Campus Activity Funds shall be voluntary.

Activity funds generation shall be a passive activity and shall not detract from the district's overall primary educational purpose. The generation and expenditure of campus activity funds shall be held to the same standard and scrutiny as that of appropriated funds. A purchase order and/or check request is required for all campus activity fund expenditures. Activity funds shall be audited and must adhere to accepted business practices.

All campus activity fund records must be maintained for a period of five (5) years. This includes merchandise logs, receipt logs/books, recap statements, etc.

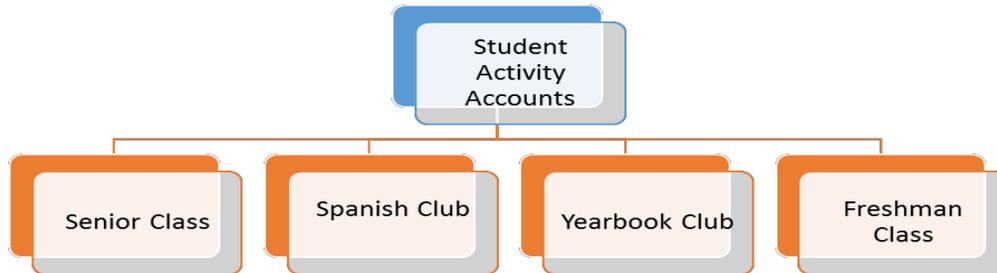
Student Activity Funds (Fund 865)

Student activity funds are held in a trustee capacity by the school and they consist of funds that are the property of students. These funds are not campus funds, but rather trust funds belonging to the students. The funds may be used in any manner to benefit the students, at the direction of the students and are subject to the oversight and approval of the campus principal as “trustee” over the funds.

Each new Student activity organization shall complete a **Student Activity Fund Charter Form**, (obtain at CISD website) and submit to the campus principal or designated personnel for approval. This form must be submitted within the first six weeks of the school year or within six weeks of the formation of the club, if the club is formed subsequent to the beginning of the school year. A copy of the Student Activity Fund Charter shall be submitted to the Business Office for each account set up

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 used exclusively for the benefit of students. Typical uses include student travel, awards, banquets, 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 their class/club funds.**

The assigned organization sponsor (professional staff member) shall be responsible for the proper management of the student activity accounts. All necessary forms are available on the district website or in the campus office, and all reporting is managed through the campus office. All expenditures and payments to vendors shall be centralized through the district's business office.

A **Notification/Permission Request for a Collection of Money Form** (obtained at CISD website) should be submitted to the campus principal or designated personnel in advance of the scheduled fund raising activity or collections of any money. The same form shall be used at the end of the fund raising activity to report a financial recap. This fundraiser recap should be filed with the principal and retained for records purpose. Activity funds shall be audited and must adhere to accepted business practices.

Since Student Activity Accounts are trust funds that the campus manages on behalf of the student, accountability for these funds is extremely high.

All student activity fund records must be maintained for a period of five (5) years. This includes merchandise logs, receipt logs/books, recap statements, etc. At the end of every school year, the Campus Principal or designated personnel, as part of the closeout procedures, shall collect all club records for storage.

Opening and Closing Activity Accounts

To establish an activity account, an organization should have an approved constitution, by-laws, elected officers and complete an **Activity Fund Club Charter form**. The assigned organization sponsor (professional staff member) shall be responsible for the proper management of the student activity accounts.

The students shall designate what to do with any funds remaining at the end of the school year. If an organization ceases to function or exist, the unexpended funds of the organization shall be credited to the appropriate administrative activity account.

PROCEDURES

Cash Handling Procedures

The establishment of strong internal controls for cash collections is necessary to prevent mishandling of funds and to safeguard against loss. Strong internal controls are also designed to protect employees from inappropriate charges of mishandling funds.

All money collected shall be receipted and deposited by designated campus staff.

- Deposits shall be made on a daily basis. If deposits cannot be made the same day, the money must be placed in a secure locked campus safe. Funds cannot be kept in classrooms, vehicles, personal wallets or purses, or at home. **No funds are to be deposited in personal bank accounts with the intent to reimburse at a later date.**
- No cash purchases should be made. Every dollar collected should be receipted and deposited by designated campus staff.
- Post-dated checks or employee checks for cash are not allowed.

Responsibilities of Sponsors/Teachers

- ❖ **Permission Request for a Money Raising Activity** form- Prior to collection of cash, this shall be completed and signed by the principal of the campus. This will act as notification and expectation of cash to be received within the time frame designated.
- ❖ **Cash Collection Information-** Your campus office will provide you with a form for reporting the cash collected. Put the cash you collect in a secure container along with this form and turn in to your campus office.

Responsibilities of Campus Office

- ❖ Maintain Permission Request for a Money Raising Activity form
- ❖ Provide each group with a form to report cash collections
- ❖ Upon receipt of cash collected, count and reconcile funds. Report any discrepancies immediately.
- ❖ A pre-numbered triplicate receipt shall be completed for the total amount received. Receipts shall include the name of the individual turning in the cash, the date, and the reason for cash collection.
- ❖ Endorse all checks with the Activity Fund endorsement stamp and prepare the Activity Fund Deposit Slip with the following information:
 - Write your campus name clearly on the copy of the deposit slip that you turn in to the Business Office
 - Clearly write the 461 or 865 account number where it should be deposited, either on the front of the deposit slip or on the attached receipt
 - List currency & coins in the allotted spot
 - List checks either by name or check number. A large stack of checks may be brought to the Business Office and processed there, eliminating the need to list each one.
- ❖ Attach the receipt, and turn it in to the Business Office when you leave the bank with the validated copy of the deposit slip.

Returned Checks

For a variety of reasons, the bank might return a check that had been previously deposited. These notifications are received at the Business Office. Business Office personnel will decrease the appropriate activity fund for the amount of the returned check and shall notify campus staff of the transaction and the information needed for designated campus staff to obtain collection of returned funds.

The designated campus staff shall immediately notify the maker of the returned check and request resolution of payment. Acceptable form of resolution shall be with cash, under no circumstances should another check be accepted as form of payment for resolution.

Check Requests/Purchasing

The school principal or designated personnel is fully responsible for all purchases and commitments requiring checks/purchasing of the Activity Fund money. Approval of the school principal is required **prior** to committing the activity funds to a purchase. All activity account check/purchase requests (see appropriate form at CISD website) shall be approved by the appropriate principal, student representative, designated personnel and/or administrator and submitted (with appropriate supporting documentation) to the Business Office for processing. The principal or designated personnel **shall not** approve any request unless sufficient funds are available. Disbursement and purchase order requests without sufficient funds, use of proper form, and supporting documentation will not be accepted, nor processed, and will be returned to requestor.

Purchases greater than \$5,000 will fall under the competitive bidding requirements. A required minimum is a written quotation secured from (3) or more competitors. These quotes are recorded on the Quote Tabulation Form (available at CISD website) and turned in with purchase request. If the lowest quote is not accepted, a written explanation by the principal or designated personnel must be attached.

Business Office checks will be printed and released on a weekly basis. **Requests for a check must be received in the Business Office by 10:00 on Wednesday morning in order to be processed that week. If there is a pressing deadline, due to possible delays in the various steps of the approval process, it is sometimes a good idea to personally bring the request rather than rely on campus mail.**

Consultants or Contracted Services

The Contract Management Policies shall be adhered to in reviewing and accepting professional and contracted service contracts to be funded through federal, state or local funds, including Activity Accounts.

Consultants (Independent Contractors) are non-employees who are contracted to perform a personal or professional service. A written contract is required for all contracted services.

All contracts shall be subject to review by the Assistant Superintendent for Business Services. After review, the Superintendent may approve the contract and sign 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, shall be personally liable for the terms of the contract or agreement. Contracts that exceed \$25,000 must be approved by the Superintendent and the Board of Trustees.

Please follow these procedures when submitting a Consultant Service Contract:

- Obtain the following documents from the consultant:
 - Services to be provided
 - A completed W-9 form
 - A Felony Conviction Form
 - If the consultant will work directly with students, a Criminal Check Authorization form and State Board of Educator Certification fingerprinting documentation.

The approval path for all contracts shall be in accordance with the work flow illustrated below:



Contracted services include services such as repairs, maintenance, technical support, and related services. Documentation of insurance, such as general liability, worker’s compensation, and auto liability, shall be in accordance with school policy and submitted to the business office with the purchase requisition. The Certificate of Insurance shall name “Corsicana ISD” as additional insured.

The contract originator (campus or department administrator) shall be directly responsible to ensure that the contractor performs the services covered by the contract. After the contractor originator certifies in writing that the contractor has satisfactorily performed the services, the business office shall make payment to the contractor (vendor).

Service Agreements

All service agreements that commit to a service only and not a return for compensation, such as school pictures, yearbook orders, etc. must be signed by the Superintendent or designee. **No other employee is authorized to sign a service agreement on behalf of the district.** An employee who signs a service agreement, without proper authorization, may be personally liable for the terms of the contract or agreement.

Credit Cards

The district utilizes several credit cards for purchasing of food, supplies, and equipment. Activity account expenditures may be made with district credit cards subject to the Credit Card Procedures and sufficient funds available in the appropriate depository account.

All credit receipts (detailed, itemized) shall be submitted to the business office within five (5) days of the purchase to ensure prompt payment to the vendor. If a receipt is not received from the purchaser, the purchaser may be held liable for reimbursement of the entire purchase. District credit card usage may be suspended and/or revoked if receipts are not submitted on a timely basis.

Donations and Gifts

Donations or gifts of cash or cash equivalents (gift cards), equipment, or materials to individual schools or to the district by individuals or organizations shall become property of the district. The Acceptance of Gift Form shall be completed by the donor. District employees are prohibited by law from intentionally or knowingly offering, conferring, agreeing to confer on another, soliciting, accepting, or agreeing to accept a personal gift or benefit.

Cash donations shall be deposited to the appropriate account in accordance with the cash management handling procedures. Equipment or materials donations shall be approved by Superintendent or School Board, as required by District policy.

District funds may not be donated to another entity; therefore, donations are not allowed from the Campus Activity funds. Student Clubs may donate their funds to other entities, such as Red Cross, March of Dimes, etc.

District staff shall not utilize an external donor website to seek donations for the district or a campus without the written authorization from the Superintendent. Donor websites shall not be established by the district for the personal benefit of a staff member or student. If a district staff member or student establishes a personal donor webpage, the webpage link may be distributed via campus email to all staff and/or students with the written authorization from the Superintendent.

Student activity clubs and organizations may utilize external donor websites to seek donations for their club or organization with the written authorization from the campus principal/designated personnel, and superintendent. Donations, if any, received through the donor website shall be deposited in the appropriate depository account.

Fiscal Year

The fiscal year begins on September 1st and ends on August 31st. All goods and/or services received and invoiced during these dates must be paid from current fiscal year funds.

Fixed Assets & Inventory

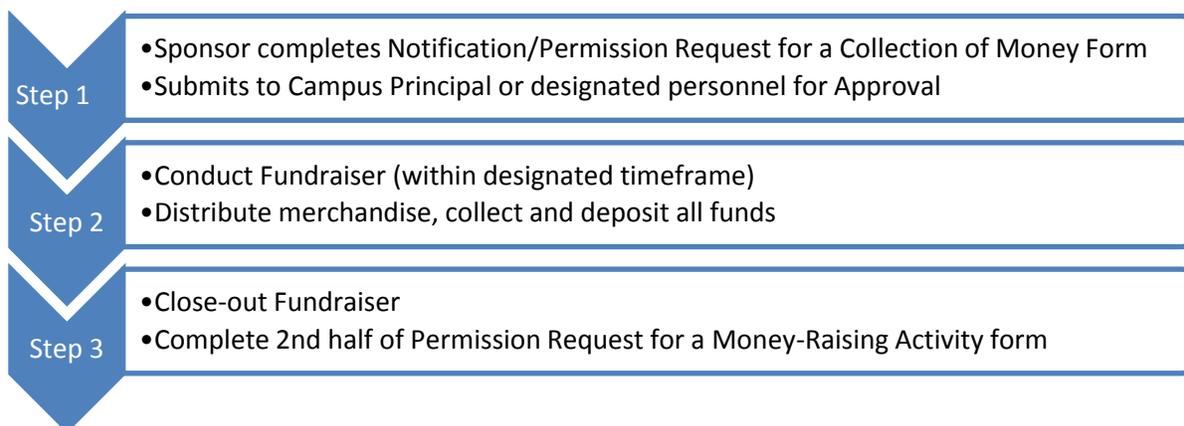
All fixed assets and inventory [equipment] purchased with Campus or Student Activity funds become the property of Corsicana ISD. All assets and inventory shall be tracked in accordance with the district's Fixed Asset & Inventory Procedures.

Fundraisers

A fundraising activity may be defined as any activity involving participation of a student body or a school-recognized student group undertaken for the purpose of deriving funds for a school or a school sponsored group. 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. Funds raised shall be received, deposited, and disbursed in accordance with CISD policies.

The **Notification/Permission Request for a Collection of Money** form shall be completed by the Club Sponsor and submitted to the Campus Principal for approval. The designated campus staff shall keep a copy of all approved collection of money forms to ensure that funds are deposited on a timely basis. All funds raised or collected belong to the school under the school-sponsored project responsible for raising the monies. All fundraising documentation shall be subject to audit and must be kept on file for five (5) years from the date of the fundraising event.

A fundraising flowchart is depicted below:



Generation of student activity funds shall not, in any way, compete with the district's National School Lunch Program (NSLP). **Effective July 1, 2014, the United States Department of Agriculture (USDA) issued a rule known as "Smart Snacks". This rule will limit the types of foods and beverages that may be sold to and consumed by students at school during the school day.** [Note: The school day is defined by the USDA as: the period from the midnight before, to 30 minutes after the end of the official school day.] This standard provides flexibility for exemptions to conduct infrequent school-sponsored fundraisers during which foods that do not meet the nutrition standards for Smart Snacks may be sold. The Texas Department of Agriculture has elected to set the exemption standard for up to six (6) days per school year, per campus. The Smart Snack standards do not apply to food sold during non-school hours, foods sold to adults, parents, staff, and foods brought to school by a student for personal consumption.

Student participation in approved fund-raising activities shall not interfere with the regular instructional program.

Students shall not be permitted to participate in fund drives for non-school charitable organizations as official representatives of their school, except with prior approval from the Superintendent or designee.

No outside organizations, commercial enterprises, or individuals may solicit contributions from students within the school.

The collection of monies that takes the time of the students or teachers during school hours is strictly forbidden, unless the monies collected represent payment for school lunches, monies that will benefit the school or its students, or other authorized fees.

Students in kindergarten – grade 6 are prohibited from door-to-door sales. School programs and plays shall be the only money-making projects for which students may be enlisted to sell tickets.

The District shall cooperate with social and civic campaigns in the belief that students should be trained in good citizenship and civic responsibility. All money-raising campaigns for outside activities shall be prohibited.

The following guidelines shall apply to fund-raising in secondary grades:

- Each group shall be limited to one fundraiser that involves selling a manufactured item. Door-to-door sales shall be prohibited. Each fundraiser shall be limited to a two-week period.
- Groups may have as many bake sales, car washes, or other functions to which interested purchasers may attend.

Fundraising Examples:

Kindergarten-Grade 6	<ul style="list-style-type: none">•Wrapping paper sales for field trip to zoo•Candy sales (USDA Exemption) science project
Secondary Grades	<ul style="list-style-type: none">•Car wash for French club•Shoot-a-thon for Athletic club
USDA Allowed Exemptions	<ul style="list-style-type: none">•Pizza slice sell for CHS Band competitions - (1 of 6 allowed)•Candy sales for MS Band - (1 of 6 allowed)•Donuts sell for CHS Drama Club - (2 of 6 allowed)

In the spring of each year, the principal shall develop a list of campus fundraisers involving students and submit it to the Superintendent and Board for review.

The Board shall periodically review the effect of such activities on the student body, the instructional program and the community.

Campus Activity and Student Activity funds shall not be used to purchase gift cards that will be issued to staff. **Gift cards, in any amount, are taxable to the employee and must be processed through the employee's paycheck and included on the employee's annual tax statement (Form W-2). Gift cards donated to the district by outside sources are also taxable to the employee according to IRS regulations.**

Athletic Tournaments – If the District is hosting a sports tournament and collecting fees, this becomes District money and will be run through Athletic Fund #181.

Hotel Occupancy Tax Exemption Form

This form shall be used for school-related travel to conferences, workshops, etc. Copies may be obtained from the business office or via the CISD website. Lodging taxes in the state of Texas, which should have been exempt, will be unauthorized for reimbursement if the traveler fails to present the certificate to the hotel. The traveler will be held responsible for such charges, if any. The Hotel Occupancy Tax Exempt Form only applies to lodging in the state of Texas.

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, then 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.

Invoices

Vendors are required to submit all invoices to the business office, yet occasionally an invoice will be mailed directly to a campus or department. If any invoices are received at a campus or department, the invoice(s) must be signed (if the goods/services were received) and forwarded to the business office for payment within five (5) days of receipt of the invoice.

Texas law, Texas Prompt Payment Act, requires that all invoices be paid to vendors within 30 days of receipt of the goods/services and/or the invoice, whichever is later. If the business office fails to pay promptly, the vendor can assess penalty interest charges. **If a staff member directly receives an invoice and/or packing list and neglects to submit on a timely basis, he/she may be held personally liable for the penalty interest charges.**

The business office issues invoices for reimbursement requests from outside entities as needed. The invoices are tracked so that funds are collected on a timely basis.

Payroll Expenditures from Activity Funds

All Corsicana ISD employees shall be paid for all work performed through the Payroll system. At no time shall a district employee be paid directly from an activity account, or with cash. Any payment from an activity fund account should be sent to the Business Office with the proper documentation in order to transfer the funds and process the payment.

Purchasing Deadlines

In an effort to maximize the use of budgeted funds during the current fiscal year, the purchasing deadline for supplies and equipment shall be May 1st. At times, the purchasing deadlines for Campus and Student Activity Funds may be extended to support campus or organization activities.

Purchase of Food and Non-Food Items

When food and non-food items are utilized for faculty, site-based meetings, etc., the expense shall be coded to the Campus Activity Account (Fund 461). All other uses, such as professional development, should be coded to the appropriate account code.

Student Activity Funds may be used, at the discretion of the students, to purchase food and non-food items for organization-related activities.

Purchase Requisition and Order Forms

All purchases of goods and services shall be in accordance with the **Purchasing Procedures**. A purchase order form is used to purchase supplies, equipment, or services from an external vendor and submitted to the business office for approval. Prior to submission, verify account balances, select pre-approved vendors, and account codes. These items must be noted on all requisitions.

No employee shall order or receive goods without an approved purchase order. All purchase orders are mailed, emailed or faxed to vendors by the business office. Failure to obtain approval prior to a purchase could result in the employee being liable for the amount of the purchase.

Raffles

School districts are not allowed to conduct raffles. Attorney General Opinion JM-1176 ruled that independent school districts are not qualified to hold charitable raffles. An unauthorized raffle is considered gambling under the Texas Penal Code – Class C Misdemeanor.

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/organization 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.

Copies of the exemption form may be obtained from the business office or via the CISD website. Taxes, which should have been exempt, will be unauthorized for reimbursement if the exemption form is not presented to the vendor at the time of the purchase.

Misuse of the exemption form for personal purchases constitutes a misdemeanor.

Transfers between Activity Accounts

Funds may be transferred between Campus Activity Funds at the discretion of the campus principal. Transfer of funds between Student Activity Funds shall be approved by the members of the student clubs, the club sponsors and the campus principal. It is recommended that transfers between accounts be settled up prior to the end of the school year.

