

# **ACTIVITY FUNDS PROCEDURE MANUAL**



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## ACTIVITY FUND MANUAL

### 101 FOREWORD

A program of activities established by the Board of Trustees should ensure that young people, faculty and staff have an opportunity to take part in co-curricular and extra-curricular experiences; should provide efficient procedures for their creation, operation and demise; and should outline a system for the safeguarding, accounting and internal control of activity funds.

The purpose of this manual is to provide principals and the financial clerks with guidelines for proper accounting procedures relating to activity funds. Principals and financial clerks are encouraged to become well acquainted with the **Activity Funds Manual** and to utilize it as an official guide in the accounting of their funds. Questions regarding activity funds should be directed to Accounting.

This manual has been developed with the cooperation of many members of the district's faculty, staff and administration. This manual will continue to be revised as conditions and needs change. Suggestions for improvement are always welcome.

102 PRINCIPLES

A good student activities program is a necessary facet of the total educational program of each school. The Board of Trustees has an obligation to provide its students with an activity program that is attractive, meaningful, and educational. A well-planned program will ultimately enrich the curriculum, provide new learning experiences, promote interest in classroom work and improve morale and discipline.

The successful operation of any program is dependent upon the formulation of sound policy and effective guidelines. These elements give the program a strong base that will enable it to expand and flourish within the framework of the educational and organizational policies of the Board of Trustees.

In view of the large amount of monies received from and expended for student activities, the demand has developed for efficient, thorough, and safe management of these funds. The Board of Trustees should have in effect rules, regulations, and procedures for accountability of activity funds. One such rule is, no excessive or deficit balances will be maintained in agency funds.

1. The Board of Trustees shall provide implementation of state laws governing campus and student activity funds transactions. Please reference Board Policy CFD (Legal/Local).
2. The Executive Directors shall have the responsibility and authority to implement all policies and rules pertaining to the supervision and administration of campus and student activity fund monies in accordance with established policies and rules of the Board of Trustees.
3. The principal of the school shall be directly responsible for the conduct of financial activities in accordance with the policies, rules, and procedures set forth by the superintendent and the Board of Trustees and shall maintain records and follow procedures as prescribed.
4. All activity funds, including class/club funds, organization funds, and other funds into which pupils or teachers have paid or raised money, shall be controlled and accounted for by a system of receipt and disbursement authorizations. The school principal is responsible for collecting, controlling, disbursing and accounting for all activity funds.
5. Business Services is responsible for prescribing and issuing appropriate accounting procedures to be used in the administration of activity funds. Business Services will provide new schools with start up funds through a transfer of funds from district operating funds in the amount of \$1,500.00 into the school's activity fund bank account.
6. An external auditing firm will be responsible for the planning, organizing, directing and controlling of audits of the activity funds.
7. Each student organization shall establish a student committee composed of student-elected officer representatives and a faculty sponsor. The committee shall be responsible for the management of student organization funds and shall keep records of its transactions and established policies, which shall be available for reference and audit.
8. The principal of the school shall have the power to veto any action of the student organization finance committee which, in his/her judgment, is contrary to the best interests of the school, or to the provisions governing campus/student activity fund financing.

## 201 BACKGROUND

The information presented herein is to aid the school district staff in gaining a good understanding of the requirements that the Texas Education Agency (TEA) has placed on the accounting of campus/student activity funds.

### TWO TYPES OF ACTIVITY FUNDS

In actual practice, there are two types of activity funds that are common to Texas public schools. The first type, campus activity fund (e.g. special revenue), is used for various purposes such as school pictures, vending, commemorative items, etc. These funds are subject to District purchasing requirements.

The second type, student activity or club funds, consists of funds that are basically the property of school groups, such as the student council, pep squad, class funds, clubs, faculty staff club, etc., and that are officially sanctioned by local school district policy. These funds are generally controlled by the students or faculty club under the supervision of a member of the professional staff. The school district's main involvement is to provide stewardship by accounting for the funds.

A good policy limits the size and/or tenure of an activity fund and prohibits the ownership of fixed assets by student groups. Also, no excessive balances will be maintained in campus activity funds, and no deficit balances will be maintained in any fund. (Excessive, for purposes of this manual, is defined as any amount greater than three month's average expenditures for a given activity, club, or organization). **It is recognized that activity funds are NOT considered as campus "Petty Cash" nor are these funds for personal expense. The funds shall not be used for loans, cash advances, or the purpose of cashing checks (personal or commercial).**

Activity funds are monies raised from the collection of student fees and various school-approved fundraising activities. Activity funds are intended to be used to promote the general welfare, education and morale of all the students.

Activity funds represent monies collected for campus and campus-related purposes. Monies collected for campus or campus related purposes can be divided into two primary groups:

1. Campus Activity Funds (Special Revenue Fund)
2. Student Activity/Club funds (Agency Funds)

These funds are more fully defined below:

1. Campus Activity Funds

Campus activity funds are those monies which are district-controlled, both collections and disbursements, and are identified to a particular campus to be administered by a principal within the overall framework of the budget funds. These funds are normally accounted for as part of the District's special revenue funds and are treated as such.

Organizations that generate funds through the normal course of classroom activity are not considered to be student/club activity but are included in the campus activity structure.

The campus activity structure is comprised of various non-tax generated local monies, coming into a school, and is intended solely to benefit that campus. The collecting and expending of monies in the campus activity funds must have as its basic purpose the promotion of the general welfare of the school and the education, as well as the development and morale of all the school's students. These monies are to be used **to supplement the school's operating budget** in providing materials, supplies, equipment, furniture, and other services as deemed appropriate for the normal operation of the campus.

Campus activity funds may not be transferred, donated, pro-rated, or returned to student/club activity accounts without approval by the appropriate Executive Director.

Account types

There are any number of account types that a campus can use for distributing the revenue and expenditures of their activity funds. It is, however, helpful to note which account types work most efficiently for the purpose of the activity. A detailed listing is not necessary; however, new accounts should only be opened when the merit of such an account is exhibited. Overloading your chart of accounts will make your financial statement cumbersome and increase your workload. On page 202.2 is a list and definition of each account type for campus activity funds and the type of revenues and expenditures that should be categorized into these funds.

<b>Account Type</b>	<b>Purpose</b>	<b>Types of Revenues and Expenditures</b>
Administrative Activity (or other income)	To pay for expenditures at the sole discretion of the principal for the overall well-being of the student body	Small office supplies, student awards, theme day projects, etc.
Textbook Accounts	To record the receipt of payment for lost and damaged textbooks	To pay for lost and damaged textbooks at the end of each school year
Vending Account	To record receipt of monies from vending sales in student areas (not faculty staff)	Expenditures are at the discretion of the campus principal and funds may be used for the overall well-being of the student body
Library Account	To record library fines, lost library book payments	To pay for replacement of library books; please see Administrative Procedure III-C Use of Library Funds for a complete listing.
Standardized Dress/Uniform Reimbursement (standardized dress campuses only)	To deposit uniform reimbursements from district operating account and disburse to parents at standardized dress campuses	Flow through cash from district operating budget to reimburse parents meeting financial assistance

## 2. Student/Club Activity (Agency) Funds

Student/club activity funds (also known as agency funds) consist of revenues that are basically the property of student and teacher groups or clubs, such as the student council, pep squad, class funds, clubs, etc.... Collection and disbursement of these funds are generally controlled by the student group itself under the supervision of a member of the school's professional staff. Student activity funds are custodial in nature and are not included in the official budget. The District's main involvement with these accounts is to provide stewardship for the funds.

An official student organization is one which consists of a student body, elected student officers and a faculty sponsor/advisor. Its creation should be documented and approved by the principal on a club charter during the first six weeks of school or club formation.

Student/club activity funds are comprised of monies raised by, and on behalf of, student organizations established within the guidelines of board policy and extended under the provisions of their club charters (see 504.2). These monies will be used to promote the general welfare, education and morale for all students of the organization and to finance the normal legitimate extra-curricular activities of the student body organizations. Student accounts may not own assets of any kind whether fixed or controlled.

Faculty/Staff club funds are defined as funds generated or contributed solely by the school faculty and staff to be utilized and expended with the principal's approval. All disbursements for hospitality, condolence, lounge facilities, or any other purpose for the sole benefit of the faculty, as well as expenses, if any, incurred in the stocking of the faculty vending machines, may be paid out of faculty funds.

The purchase of gifts or favors from the faculty club fund which might reasonably tend to influence the employee, supervisor, or administrator in the discharge of official duties or influence the employee in the official conduct of duties is prohibited. This does not include gifts of condolence or small token gifts (i.e., recognition of birthdays).

All faculty club fund transactions shall be conducted through the school structure and in accordance with established policies and procedures.



Many organizations offer valuable assistance to the District in fundraising, voluntary help, and substantial fan support for school activities. Although the intent of these organizations is to assist and support school activities, these organizations are not to be managed by the District. **In addition, any parent organizations or other outside organizations must adhere to various district policies, UIL guidelines, and state and federal regulatory guidelines including the District Advertising Policy in accordance with GKB Local and the Facilities Use Policy in accordance with GKD Local.**

Outside organizations should be valid stand-alone organizations with their own identities. There should be no confusion of their identity with that of the school's. They should never use the school's address, telephone #, tax ID, or names of school employees in conducting their business.

Outside Organizations may be defined as school district recognized clubs or similar outside groups formed by parents and other interested adults to work for the best interest of students and in a manner contributing to the pursuit of educational programs of the District.; membership consists of parents, students, teachers, administrators, and other interested adults (Includes Booster Clubs, PTA, PSTA, PTO and similar support groups). Please refer to the Outside Organization Guidelines posted on the Accounting Department webpage.

- a. **Booster clubs are allowed at high schools only and MUST adhere to UIL guidelines.**
- b. **Outside organizations must comply with the Outside Organization Guidelines, complete a Statement of Purpose form, and receive approval from the campus principal to be recognized as an official outside organization by the District.**

The district suggests that outside organizations consider filing with the Secretary of State to become an Unincorporated Nonprofit Association. This filing gives the entity authority to acquire, hold and transfer property in its own name; authority to sue and be sued as a separate legal entity; and the contract and tort liability of the association's officers and its members. You can read about this at [http://www.sos.state.tx.us/corp/nonprofit\\_org.shtml](http://www.sos.state.tx.us/corp/nonprofit_org.shtml). Look for forms 208 and 706. In addition, outside organizations are strongly encouraged to read IRS publication 557 and follow the guidance in the publication for tax-exempt status.

The following guidelines must be followed by outside organizations and parental organizations:

- a. Students and/ or parents must not be required to participate in outside organizations to join a campus team or club.
- b. Campus staff cannot direct parents/ students to write checks or give funds to the outside organization or parental organization.
- c. After the treasurer of the outside organization leaves, a thorough review of the organizations financial statements should be completed.
- d. Monies collected from fundraisers organized and conducted by the school must be deposited into the school's activity fund account.
- e. KISD employees may serve as officers for outside organizations with the exception of coaches and group sponsors; coaches and group sponsors may however serve as an advisor for the board of directors/officers. KISD employees cannot serve as Treasurer or in any capacity that requires signature authority over any bank account for an outside organization that is related to KISD.
- f. Funds of outside and parental organizations are not to be commingled with campus or student club activity funds. It is the responsibility of the outside organization (parent group or outside organization) and not the responsibility of the District nor its

- employees to receive, receipt, deposit, or account for the activity of any outside organization.
- g. Booster clubs shall add a disclosure on any flyer, announcement or any medium that they are not acting on behalf of KISD.
    - a. Example Disclosure: School Booster Club is hosting an event/fundraiser. The School Booster Club will receive all proceeds from the event/fundraiser.
  - h. Booster Clubs may participate in donor sites as long as it is discernible who is receiving the money (legal name of Booster Club should be used).
    - a. The split percentages of the cash donations must be posted. Example: School Booster Club will receive 50% of all donations generated and the vendor will keep the remaining 50%.

All outside organizations are required to complete the following reports.

- a. Statement of Purpose  
 Outside organizations are required to complete a Statement of Purpose (Form 285-836) at the beginning of each year and will not be considered official until the form is approved by the campus principal. Items to be reported on this report include the following:
  - i. Name of organization
  - ii. The campus the organization intends to support.
  - iii. List of officers
  - iv. Statement of purpose
  - v. Objectives of the organization
  - vi. Brief statement of how the objectives will have a positive effect on the educational programs of the district
  - vii. Activities planned
- b. Monthly Financial Reports  
 Each month, an officer of the outside organization who is responsible for the financial statements will submit copies of the financial statements, bank statement, and any other financial documentation to either the Principal, Campus Athletic Coordinator or Fine Arts Sponsor or other campus designee associated with the particular outside organization.
  - i. The Principal, Campus Athletic Coordinator or Fine Arts Designee will be responsible for reviewing the submission from the outside organization each month.
  - ii. Outside organization financials should be kept on file at the campus for 3 years to include the current academic year.
- c. Annual Report  
 In addition to the monthly reports, outside organizations are required to complete an Annual Report (Form 285-837) each year and submit to the campus principal at the end of the school year. Items to be reported on this report include the following:
  - i. a. Objectives achieved by the organization.
  - ii. Activities completed by the organization.
  - iii. Total amount of money raised during the school year.
  - iv. Expenditure of funds for the school year.
- d. **The campus principal may require additional information from outside organizations on their campus and may inactivate an outside organization if he/she deems that the group is not operating in the best interest of the students.**

*These forms may be found on the KISD website, by clicking on the Departments link then choose Accounting. Once on the Accounting webpage choose the Outside Organizations drop down menu.*

1. The school principal is the custodian of activity funds and is responsible for the management or an “accounting” of them. The principal shall manage all funds in accordance with the policies, rules and procedures set forth by the Superintendent and the Board of Trustees. The principal, as trustee, is accountable for both campus activity and student/club activity money.
2. The receiving of and disbursement of monies by schools shall be handled in accordance with the provisions and criteria outlined in the “Activity Funds Procedure Manual” (see section 500).
3. Student/club activity fund monies are to be used to finance a program of non-curricular activities augmenting, but not replacing the activities provided by the District. Funds are not to be used to finance items or projects specifically disallowed conceptually by policy or practice.
4. Projects for the raising of student/club activity fund monies shall, in general, contribute to the educational experience of pupils, and shall not conflict with, but shall add to the instructional program. Faculty club projects are not subject to this criterion.
5. Student/Club activity fund money shall be expended in such a way as to benefit those pupils currently in school, who have contributed to the accumulation of such money.
6. The management of the student/club activity funds shall be in accordance with sound business practices, generally accepted accounting principles (GAAP) and subject to thorough audits.
7. Principals shall participate in the preparation, modification and interpretation of policies, regulations and procedures affecting student/club funds.
8. Each student/club activity shall have an individual treasurer charged with the responsibility of maintaining and accounting for the group’s financial situation.
9. All fundraising projects, including efforts involving the collection of money from pupils, must be approved by the principal.
  - a. A club or sponsor should coordinate fundraising activities and expenditures to ensure that an excessive balance is not created or maintained.
  - b. Approval of a fundraising project does not waive any of the requirements contained in Administrative Procedure V-E or Board Policy FMG - Student Travel. These provisions, as adopted and amended by the Board of Trustees, must be adhered to.
10. All equipment purchased on behalf of student groups is considered to be property of the school district; and if possible, will remain on the campus where purchased.
11. Only student/club activity structured fund accounts will exist for groups who have student elected officers, a teacher sponsor, and a charter. A “department” does not meet this eligibility requirement.
12. A roster with the newly elected officers will be furnished to the school principal at the beginning of each school year.
13. The officers of a student/club activity shall surrender the club’s records to the principal’s office at the end of each school year to be available for the next year after sponsor assignments have been made.

14. In the event of the termination of a student club, or graduating class, the principal shall transfer the fund balance(s) to the campus activity account. Proper disposition of such remaining monies may include (but is not limited to):
  - a. The purchase of a memorial which is acceptable to the principal to commemorate the historical accomplishments or services rendered by the group.
  - b. The purchase of equipment or tangible items which would benefit the student body as a whole.
15. Scholarships may be awarded by any student/club activity club or organization, as long as current Board Policy is adhered to.
16. Expenditures from activity funds, campus or student/club, must **NOT** be made for the following:
  - a. Medical or hospital expenses (except for those made by the health services activity fund).
  - b. Loans to employees, parents, or students.
  - c. Personal memberships in professional, private, or civic clubs and organizations.
  - d. Memorial donations or contributions.
  - e. Contributions to or participation in fundraising drives by charities, unless such use of funds is sanctioned by KISD or clearly stated in the student club/ organization's approved charter.
  - f. Gifts, flowers or entertainment for teachers, employees, and non-students (except the faculty club if stated in the approved charter).
  - g. Alcoholic beverages, controlled substances, or firearms.
  - h. Auto repairs.
  - i. Reimbursements to outside organizations.
  - j. Traffic citations.
  - k. Travel or registration of district employees.
  - l. Staff development trips, seminars, courses, etc., for campus administrators, teachers, and staff.
  - m. Purchases from any district employee which are not properly invoiced and documented.
  - n. Faculty registration to schools, seminars, camps, training courses, etc.
  - o. Articles for personal use of district employees, except for items for recognition as outlined in Section 512.1.
  - p. Building repairs, maintenance, and other facilities-type expenditures, i.e. - floor coverings, keys to doors, etc.

- q. Any political purpose.
  - r. Any illegal purpose.
  - s. Items that should be paid from centrally located district funds (reimbursements from district budgeted funds shall not be made).
  - t. Other expenditures that may be deemed inappropriate by the principal.
17. The following activities MUST be transacted through and become part of the campus activity funds.
- a. All vending machines.
  - b. School store and concession sales except those approved as a fundraising activity by a student organization.
  - c. School pictures (student) sales
  - d. Sale of parking permits.
  - e. School newspaper.
  - f. Library book fines or sales, including book fairs and book orders.
  - g. CTE information
18. The school principal is responsible for all purchases and purchase commitments requiring the present or future disbursement of activity fund monies. Teachers and sponsors must have a commitment from the school principal before making any purchase in the name of a campus or student/club activity fund.
19. Only KISD employees may order, purchase and sign for the receipt of goods and services. The district credit card may not be used by anyone that is not a KISD employee.
20. All contracts, lease agreements, and letters of agreement must be signed and approved by the school principal. All of these items, for campus activities, must be transacted through purchasing services. Student/Club activity contracts in excess of \$4,999 or one (1) year in length will be referred to purchasing services.
- No contract or agreement may extend over a period of one (1) year from the date of the contract or agreement without a specific authorization in writing by the appropriate Executive Director and Purchasing Services.
21. Campus activity fund accounts will include monies collected for field trips, vending machines, school pictures, school store, admission tickets, purchase of individual books, enrichment program fees, donations from PTA, PSTA, interested parents, etc.
22. It is recommended that the contract accepted for school pictures (student and group) include the condition that the photographer assume the sales and money collection role and that the school receive the appropriate profit/commission.

23. It is recommended that a contract be negotiated for all campus vending machines. The condition that the vendor assumes the money collection role and that the school receives the appropriate profit/commission shall be so stipulated.
24. No adult account may be maintained through the student/club activity fund, except for the faculty club. The definition of adult account funds includes monies from former students, booster clubs, PTA's, PSTA's, and adult students enrolled in non-school district education programs.
25. A complete program report summarizing the outcome of each fund account, including amounts raised, expenditures, and the use of the profits, must be submitted by the student organization to the campus principal. These reports, subject to compliance and financial audits, may be submitted to the Board of Trustees upon request.
26. Membership fees/ dues of faculty and staff in public organizations, which enhance their professional growth and contribute to the administrative or instructional programs of the district, may be paid from campus activity funds only if the membership is purchased in the name of the district and not any one individual.
27. All monetary donations received must be approved by the principal on a Form AF-117 prior to receiving the donation if the donation is greater than \$25.00.
28. Campus activity funds should be expended in a manner conducive to the betterment of the entire campus. This implicitly includes the student body as a whole, or targeted groups.
29. Bounce Houses: Bounce houses rented for school functions, such as Back to School Rallies or field days, must remain inside and be properly weighted down. (Please reference Admin Procedure III-NN.)

## 301 STAFF AND STUDENT TRAVEL

### 1. STAFF TRAVEL

Funding for staff travel will be provided through the approved district operating budget. In certain situations, Campus Activity Funds can be used to pay for staff travel. This is up to the discretion of the principal. Student Activity Funds can be used if the club votes and approves to pay for staff travel. In no situation will booster club, or PTA/PTSA funds be used to finance staff travel. See the district travel policy for more information on staff travel. Administrative Procedure V-E

### 2. STUDENT TRAVEL

District travel reimbursement guidelines apply to student trips. Expenses for club-related trips may be funded by student/club activity funds for students only.

Approval of a fundraising project does not waive any of the requirements contained in Administrative Procedure V-E or Board Policy FMG – Student Travel. All student travel must comply with this district policy.

Activity Trip Travel is included in Administrative Procedure V-E which specifies guidelines that must be followed for all student travel, regardless of the funding (including booster clubs/Parent Teacher Association/Parent Teacher Organization). This is extended to include any outside organization or affiliate of Killeen ISD.

### 3. CHAPERONE TRAVEL

The District does not pay for chaperone travel from budgeted funds. Chaperone travel can be paid from student activity funds within ratios stated in Administrative Procedure V-E if student members have voted and approved expense.



401 GENERAL ACCOUNT CODING

1. Fund Code (see section 402/405)  
A mandatory 3-digit number used for all financial transactions which identifies a specific fund (student club activity fund or campus activity fund).
2. Function Code (see section 402)  
A mandatory 2-digit number used only for expenditures. Campus activity expenditures will need a function code. Student/Club activity accounts do not have expenditures, only assets and liabilities; therefore, the function code will be 00 for student/club activity accounts.
3. Object Code (see section 402)  
A mandatory 4-digit number identifying the object of a source of revenue, expenditure, an asset, or a liability.
4. Sub-Object Code  
A 2-digit code, if required, to further breakdown an expenditure or a source of revenue. These are not required for campus or student activity funds.
5. Organization Code (see section 404)  
A mandatory 3-digit code identifying the campus affected by the transaction.
6. Program Intent Code  
Identifies students, instructional areas and/or arrangements and program/projects for groups or classes. These codes are not required for student/club activity funds.
7. Local Code  
A 3-digit code to further breakdown an expenditure or a source.

Sub/  
Example:    Fund Func. Object Object Org. Program  
              865    00    2192    00    001    00000

This example shows a transaction to the student club activity fund (865), in the Due to Student Groups Account (2192), at Killeen High School (001).

402 CHART OF FUND CODES FOR ACTIVITY FUNDS

461 – Campus activity fund (special revenues)

This fund is for activity fund transactions that are for the general welfare of the student body as a whole.

865 – Student/Club activity fund (trust and agency fund)

This fund is for activity fund transactions that are for specific club or organization accounts. The benefits or expenses are to be realized solely by the members of a club or group. The faculty club will be accounted for in this fund. These funds only have balance sheet object codes.

CHART OF FUNCTION CODES FOR ACTIVITY FUNDS

00 – Non-Specific

This function is used for balance sheet objects only. It should only be used for the student activity fund (865 fund), not the campus activity fund (461 fund).

11 – Instruction

This function includes those activities dealing with the instruction of students. The expenditures which can be identified as being directly related to the instruction of students in a learning situation are considered as instructional costs.

23 – School Administration

This function covers those activities which have as their purpose directing, managing, and supervising a school. It includes the principal, assistant principal, and other administrative and clerical staff. Costs necessary to provide personnel supplies, and equipment to manage and operate a school should be coded to this function.

36 – Co-Curricular Activities

This function incorporates those activities which are student and curriculum related, but which are not necessary to the regular instructional services. (Example: school pictures, class rings, etc.)

403 CHART OF OBJECT CODES FOR ACTIVITY FUNDS

**ASSETS – 1XXX**

1112 – Cash in Bank – Debit Balance

This account is normally affected only by the total checks written (reduces balance) and the total receipts (increases balance). The balance in this account should equal the end of the month cash balance on the ledger.

1118 – Petty Cash – Debit Balance

The balance in this account represents the amount of cash and evidence of cash disbursements that are held on an imprest basis. Expenditures from this account are recorded (debited) at the time the account is replenished.

**LIABILITIES – 2XXX**

2192 – Due to Student Groups – Credit Balance (Student/Club Activity Funds Only)

These accounts are used to record amounts owed to specific student clubs or organizations. Faculty club monies will be included in this definition. Balances in the accounts reflect the amount of funds held by the activity fund for the group. The balances are considered restricted for use of the club or organization and not for the general use by the school. A debit balance in a club or organization reflects a deficit that must be repaid to the activity fund. A credit balance in the club or organization account is the amount available for expenditures.

**REVENUE – 5XXX (CAMPUS ACTIVITY FUNDS ONLY)**

5755 – General Revenue – Credit Balance

Receipts or receivables as a result of sales or products from school pictures, vending machines, school stores, fundraisers, etc.

**EXPENDITURES – 6XXX (CAMPUS ACTIVITY FUNDS ONLY)**

6291 – Professional Services – Debit Balance

Expenditures for consultants or other professional services.

6399 – General Supplies – Debit Balance

Expenditures for those items of relatively low unit cost (<\$300) necessary for the instruction process and/or for normal administration.

6412 – Student Meals/Entry Fees – Debit Balance

Expenditures for student meals and entry fees

6494 – Field Based Instruction (Student Travel) – Debit Balance

Expenditures for field trips and other student travel.

6499 – Food – Debit Balance

Expenditures for all food purchased.

404 CHART OF ORGANIZATION CODES FOR ACTIVITY FUNDS

High Schools

01	Killeen
02	Ellison
03	KISD Career Center
004	Gateway
006	Pathways Academic Campus
007	Harker Heights
008	Robert M. Shoemaker
013	Early College High School
015	Chaparral High School

Middle Schools

43	Rancier
44	Manor
45	Smith
46	Eastern Hills
48	Palo Alto
49	Liberty Hill
50	Live Oak Ridge
51	Union Grove
52	Audie Murphy
53	Patterson
54	Roy J. Smith
55	Nolan

Elementary Schools

105	Harker Heights	139	Dr. Joseph A. Fowler
108	Meadows	140	Alice W. Douse
109	Peebles	141	Maude Moore Wood
115	Nolanville	142	Pershing Park
116	Clarke	143	Killeen ES
119	Hay Branch	144	Clifton Park
120	Willow Springs	145	Pat Carney
121	Mountain View		
122	Reeces Creek		
123	Clear Creek		
124	Cedar Valley		
125	Brookhaven		
126	Venable Village		
127	Trimmier		
128	Montague Village		
129	Maxdale		
130	Ira Cross		
131	Iduma		
132	Oveta Culp Hobby		
133	Timber Ridge		
135	Saegert		
136	Skipcha		
137	Cavazos		
138	Haynes		

405      EXAMPLES OF ACCOUNTS IN EACH FUND

CAMPUS FUNDS (461 fund) \*

- Concessions (for the school as a whole – not a club)
- Band
- Cheerleaders
- Choir
- Vending
- Other Income
- Pictures
- Class of XX (if the money stays with the school at year end)
- Lost Textbooks
- Damaged Textbook Fines
- Library Fines
- Parking Permits
- Library Book Fair
- Vocational Departments (cosmetology, auto body etc.)

STUDENT FUNDS (865 fund)

- Faculty/Staff
- Annuals/Yearbooks
- Student Council
- Class of XX (if the money moves with the class at year end)
- Builders Club
- National Honor Society

This list is not all inclusive. If you are unsure of which fund an account should be recorded, call the Accounting Department.

\*NOTE: A campus is not required to split campus activity funds other than for textbooks but may do so at the discretion of the principal.

## 501 RESPONSIBILITY AND RECORD RETENTION

### Responsibility for Activity Funds

The school principal is responsible for the proper collection, disbursement, and control of all campus and student/club activity funds. This responsibility includes providing for the safekeeping of funds at the schools.

Principal's monthly financial reports and the auditor's annual report will be made available to the appropriate Executive Director for his/her review to determine sound fiscal operations and control. Deficit spending is not allowed under any circumstances.

Monies on hand will be deposited, via courier, at the school's bank. If this is not feasible, the principal will exercise every precaution protecting these monies (see section 509).

The school principal is not responsible, however, for funds collected, disbursed and controlled by parent, patron or alumni organizations. (see section 203)

### Restitution

An employee who is found responsible for the loss of activity funds will be required to make restitution. The amount will be equivalent to 50% of the loss suffered by the activity fund but not to exceed one month base pay of the employee. However, if a loss is caused by willful or knowing misconduct, the employee will be required to provide restitution in excess of a sum equal to the loss and in excess of one month's base pay.

Repeated loss of activity funds may include but is not limited to reprimand, suspension, and termination under the guidelines set forth in the district policy and procedures manual.

See Administrative Procedures Manual, Section III-AA for more information.

### Retention of Records

In compliance with Board Policy, all activity fund records must be kept on file in the school for a period of at least 3 years after fiscal year end. After 3 years, all activity fund records (cash receipt books, bank statements, deposit slips, and imaged cancelled checks) can be sent to Property Management where they will be kept for an additional 2 years (5 years retention period).

### Activity Fund (Financial) Clerk

The principal is responsible for designating a person from their campus to be the financial clerk. This person is usually the principal's secretary. In addition, another person at the campus should be assigned as a backup to the activity fund (financial) clerk. All financial clerks and backups are required to attend activity fund and QuickBooks trainings. A designation of employee duties will be submitted to the CFO at the beginning of each school year or whenever changes are made.

Annual Audit

Schools should retain all records at the school and have these records available for the annual audit. The annual audit may be conducted at the school by an external auditing firm any time during the school year or at the school year end. At the conclusion of the audit, the results will be discussed with the school principal and the financial clerk. Detailed written responses to the audit report findings may be required from the principals. The responses should detail actions to be taken to correct any deficiencies or errors noted in the audit report.

Detailed instructions regarding the submission of records and reports at year-end will be transmitted to schools before the close of each school year.

Special Audits

All records should be kept current and in good order and available for special audits at any time. These audits will be conducted as needed.

The principal can at any time request an audit of their activity funds by contacting the Chief Financial Officer or Director of Financial Reporting.

Change of Principalship Audits

All activity fund records must be audited when a change of school principalship occurs. The incoming principal should read and discuss results of the audit before assuming financial responsibility. It will be the duty of the appropriate Executive Director to notify Business Services of any change of principalship.

Change of Record Keeper – Financial Clerk and/or School Secretary

Activity fund records may be audited when a change of record keeper occurs.

Audit Findings

A report of audit findings will be submitted to each principal audited, Chief Financial Officer, school board and Superintendent. Campuses that receive a “Needs Improvement” rating will have 20 business days from the date of notification to submit their action plan to the Deputy Superintendent and CFO. The action plan must explain how they will bring the campus into compliance.

If a campus is found to be “Not In Compliance” with activity fund procedures the principal will be required to write an action plan in response to the audit findings, explaining how they will bring the campus into compliance and submit it to the CFO within 20 business days. The principal will meet with the Deputy Superintendent and Chief Financial Officer to discuss their action plan.

KISD Activity Fund Cash Receipts

Cash receipts are the means of accurately recording cash received and provide support to substantiate each bank deposit. Activity fund cash receipt books are to be obtained from the district warehouse (warehouse number 734-040 and 734-041) and must be used for all cash and/or checks received. **Only official KISD cash receipts and alternate receipts may be used.** A sample cash receipt and related policies and procedures are illustrated on page 506.1 of this manual. No other type of receipt is acceptable under any circumstances.

**Note:** To avoid confusion, each receipt book must clearly state whether it is an ‘Official’ or ‘Alternate’ book, the name of the owner (receipt issuer), first date of use and the receipt number range. Once a receipt book is retired, the last receipt date should be added to the date range.

Tabulation of Monies Collected (Form AF-104)

This form is used by a person other than the financial clerk instead of an official alternate cash receipt for multiple small collections.

Activity Funds Authority to Purchase/Check Request (Forms CAF-115 & SAF-115)

These requests are the authority for the issuance of a check drawn on the activity fund checking account and provide support to substantiate each bank withdrawal. Check request forms are to be copied from the forms included in this manual. Related policies and procedures are illustrated in section 513.

Pre-numbered Checks

These checks are used to disburse all funds from the activity fund checking account. Pre-numbered checks printed with the school’s name must be secured from the bank handling the account (exception: If the campus is using the QuickBooks check writing system, checks may be obtained from other sources). Printed checks must also have provision for two signatures and a “VOID AFTER 90 DAYS” provisional statement printed near the signature line. No check shall be issued until the related check request has been properly completed and approved by the principal.

Bank Deposit Slips

Deposit slips shall be obtained from the bank and must indicate the school’s name and account number. These slips, when properly validated by the bank, serve as a receipt for money deposited in the bank on specific dates. As such, these slips, when properly prepared and validated, are vital supporting documents in the maintenance of accurate cash records.

Monthly Bank Statements

This statement is a transcript of the official bank records reflecting all transactions affecting the cash balance on deposit during the preceding month. The monthly statement is accompanied by canceled checks, validated deposit slips and other memoranda which confirm the additions to and the subtractions from the cash balance during that month. When properly reconciled, the statement serves as official support for the cash balance recorded in the activity fund records.



### Club Charters

Club charters must be completed by each club or organization and approved by the principal during the first six weeks of school or within six weeks of formation of the club. Clubs and organizations may not conduct any transactions until this form is completed.

### QuickBooks Reports

These reports are the financial representation of the activity fund balances and changes. These reports must be printed each month. A copy of these reports and bank reconciliations are due to the accounting department by the 20<sup>th</sup> of the next month.

### Activity Fund Monthly Review

This statement is a checklist for principals to conduct monthly reviews of the activity fund transactions. This statement is signed by the principal and accompanies the monthly QuickBooks reports turned into accounting each month.

### Additional Records

The basic records described above do not include all necessary forms used in accounting for activity funds (see section 504).

Sections 503 and 504 describe only the records required by the District. Any additional records may be utilized either for a specific purpose or for better control over activity funds in general. However, any additional records are not to be used to replace the official records but rather to provide additional support for these records and to assure better internal control and/or accountability.

Only District authorized forms may be used. Each activity must have its own form. Activity fund receipt books may be requisitioned from the central warehouse by using the appropriate warehouse catalogue numbers. Non-duplicate forms can be copied from originals found in the activity fund manual. A list of the available activity fund forms with a description of how each form is used follows:

Tabulation of Monies Collected by Person Other than the Financial Clerk (Form AF-104)

This form shall be prepared in duplicate in accordance with the provisions of this manual.

Monthly Collections for Monies Due KISD (Form AF-105 for QuickBooks and OP – 105 for ASB)

This form must be completed in duplicate. The original is submitted monthly with the check to the Treasury Department by the 5<sup>th</sup> business day of the month for sales tax remission. The school's copy of Form AF-105/OP – 105 will constitute the supporting documentation for the check request form corresponding to the check issued for sales tax. See section 536 of this manual for more detailed instructions.

Request for Transfer of Funds (Form AF-107)

This form must be completed in accordance with the provisions of section 522 of this manual.

Permission Request and Operating Report for Fundraising Activity (Form AF-108)

This form must be completed in accordance with the provisions of section 532 of this manual.

Concession Stand Tabulation Form (Form AF-112)

This form shall be prepared by the custodian in charge of receipting concession funds (Coke, candy, etc.) Two people should be involved in counting the money, one to be the counter and one to be the witness. Monies will be submitted to the financial clerk in the same form as receipted on a concession stand tabulation Form AF-112.

Authority to Purchase Goods/Services with Activity Fund/Check Request (Forms CAF-115 and SAF-115)

These forms shall be prepared by the person (usually a teacher/sponsor) requesting permission to purchase goods and/or services from activity funds and submitted to the principal for approval prior to the purchase.

Advance Request (Form AF-116)

This form shall be prepared by the activity sponsor (teacher, club sponsor, etc.) for any school-related duty when requesting an advance payment. This form may be used when requesting an advance payment for a club event or school related activity. The form is submitted to the principal for his/her approval prior to issuance of the advance payment.

Donation Approval (Form AF-117)

This form shall be completed jointly by the donating official and the principal for any monetary donation greater than \$25.00 to the campus. This form must be signed by both parties before any

donation over \$25.00 can be deposited into the activity fund bank account. Any items that are donated must be documented on a District Gift Approval Form.

Club Charter (Form AF-1C and attachment)

These forms must be completed by each club or organization and approved during the first six weeks of school (or within six weeks of the formation of the club, if the club is formed subsequent to the beginning of the school year). Clubs and organizations will not conduct any transactions (checks or deposits) until this form is completed. Form AF-1C Attachment- Summary of Fundraising Request, is optional and may be completed by clubs to compile a summary of fundraising events but should not be submitted to the financial clerk.

Student – Led Activity/Group Request For Charter (Form SLA-1C)

This form shall only be prepared by student-initiated, non-curriculum related group or activity, religious or otherwise that meets in school facilities immediately before or after school or during non-instructional school hours. School employees may **monitor/chaperone** but shall have no sponsorship role in any student-initiated group or activity. The collection/disbursement of funds will follow student activity fund guidelines. (See Board Policy: Student Expression FNA (Local)).

QuickBooks Reports

The following reports must be printed for each month. A copy of each report must be submitted to the Accounting Department no later than the 20<sup>th</sup> of the following month, along with a *copy* of the corresponding bank statement. The Activity Fund Principal Review form must be approved (signed) by the principal and retained with the permanent activity fund records.

- Activity Fund Principal Review Form
- QuickBooks Reconciliation Checklist
- Current Class Balances (dated to the last day of the month)
- Class Balance Changes (dated from the first day of the month to the last day of the same month)
- General Ledger (dated from the first day of the month to the last day of the same month)
- Bank Statement

The Accounting Department must be notified of any changes made to a prior month's activity (if applicable) at the time current month reports are submitted. An example of changes made is when outstanding checks written in prior months are voided in the current month.

Banking Practices and Procedures

Each school shall have only one bank checking account which shall be entitled *(Name of School) School Activity Fund*. This bank account title must be imprinted on all activity fund checks and deposit slips. All monies received will be deposited into this account and all disbursements will be made by a check drawn on this account. No other checking accounts are permitted if related to the school's activity funds.

Only activity funds transactions may be directed through the activity fund bank account. Transactions controlled by the lunchroom, district operating budget, or by outside organizations such as Booster Club, PTA, PSTA, PTO, etc., must be handled through that organization's separate bank account. Student clubs, classes, faculty clubs, etc., are not considered as outside organizations.

The only bank to be utilized for checking account purposes shall be the official District depository bank.

**No funds may be invested in a credit union or savings and loan institution.**

Schools and school organizations are prohibited from borrowing funds or entering into deferred payment contracts from any and all sources without the prior written consent of the District Superintendent or his representative.

Receipting Money

There are four acceptable forms for the receipting of cash or checks into the campus's activity funds bank account: (1) Cash Receipt Books (2) Official Alternate Receipt Books (3) Form AF-104 Tabulation of Monies Collected (see sections 507, 508) or (4) Form AF-112 Concession Sales Report. No other type of receipt should be used under any circumstances (exception – computer generated receipts from the cash receipts program).

Check Signatures

Each bank account shall have a minimum of three authorized check signatories, one of which must be the principal. These names should be kept on file at the school's bank. All checks and investment withdrawals must be signed with two manual signatures, preferably consisting of the signatures of both the principal and the financial clerk. In the event of the absence of the principal or the financial clerk due to illness or other justifiable reason, other than inconvenience, two of the remaining authorized signatures on a check or investment withdrawal shall be deemed acceptable.

Control of Activity Fund Cash Receipt Books

The school financial clerk shall be responsible for maintaining an adequate supply of receipt books which can be obtained from central warehouse.

The financial clerk shall issue alternate receipt books as needed to teachers and other persons authorized by the school principal.

No one other than the Financial Clerk may use the original cash receipt books. Any other authorized person must use the alternate receipt books or AF-104's.

The financial clerk must keep a Receipt Book Check-out list of all alternate receipt books issued; this record is considered part of the official activity fund records.

At the end of the school year, the financial clerk shall recall all outstanding receipt books so that all books issued during the school year are accounted for.

#### Investment Earnings Distribution

When interest is received in the form of a check or draft, a receipt must be issued. The entry will increase both the cash account and a revenue account.

#### General Depositing Procedures

Bank deposit slips shall be prepared in triplicate for each deposit (so that a copy will be in your records when the original is in route to and from the bank). The original deposit slip will be retained by the bank and a photocopy returned with the monthly bank statement, a copy will be validated by the bank at the time of deposit, returned to the campus, and retained by the school with applicable cash receipts attached.

General Receipting Policies

In order to maintain effective cash control, at least two persons must be involved in the functions of collecting and receipting cash. The person who collects cash should not be responsible for receipting cash to herself/himself. Campuses that have limited staffing are not required to implement this procedure. However, careful precautions should be taken to utilize available staff and maintain effective cash control.

General Receipting Procedures

An official receipt shall be prepared immediately for any cash and/or checks received. Receipts must be issued in numerical sequence. Official cash receipts may only be used by the financial clerks. AF-104's and alternate cash receipts should not be completed by the financial clerk. Alternate receipts and AF-104's should only be completed by authorized sponsors, teachers or others.

<b>KILLEEN INDEPENDENT SCHOOL DISTRICT</b>		
<i>KILLEEN SCHOOL</i>		
Date <u> 1/7/11 </u> .		
Received of <u> Tom's Tri City Snacks </u> .		
Acct.		
Code <u> 461-I OTHER INCOME </u> .		
DESCRIPTION	AMOUNT	
<i>Commission on vending machines</i>	<i>43</i>	<i>00</i>
TOTAL	<i>43</i>	<i>00</i>
10628	Rec'd By:	

## Receipt Books

- A. A four-part receipt book must be used for all monies received by the school. Receipts are written individually to each payor.
- B. The receipt must be completed in ink (or ball point) in its entirety. The following information must be furnished on the receipt.
- C. Name of school – may be manual or stamped
- D. The date issued
- E. The amount of money received
- F. The name of the individual or firm whom the monies were received from. A receipt may not be issued to more than one person. A receipt may not be issued to the person that is preparing the receipt.
- G. Description/Purpose – an explanation of the source and/or purpose for which the money was received
- H. The account(s) – the activity fund account(s) to be increased by the amount of the receipt
- I. The Account Code Number – a numeric code is to be assigned to each school’s individual accounts for identification and transaction purposes (see section 400 of this manual)
- J. The signature of the person receiving the money – the signature must be manual; signature stamps are strictly forbidden.
- K. Routing instruction:
  - The white copy should be attached to the copy of the bank deposit slip retained with your activity fund records (If alternate receipts are issued, the white copies are attached to the official white receipt which will indicate the total of the alternate receipts attached.)
  - The yellow copy should be given to the appropriate club sponsor, if the receipt was issued for a student/club activity account. When a receipt is issued for a campus activity account, the yellow copy will be a spare copy and may remain in the receipt book unless a use is found for it.
  - Individual paying the money receives the pink copy.
  - The golden-rod copy is to remain in the receipt book and must be retained by the campus for audit purposes. All receipts must be legible.
- L. Under no circumstances shall a receipt amount (either numeric or written) or the signatures be altered. If **any other error other than the amount or signature occurs, make a correction by drawing a single line** through the incorrect information and writing the correct information. **Initial** the correction.
  - The original copy of a voided receipt must remain attached in the activity fund cash receipt book. The yellow copy of the voided receipt must be stapled (if it has been detached) to the original and both documents clearly marked as VOID.

- Receipts are not to be pre-signed or predated.
- M. An actual cash count should be made by the person signing the receipt in the presence of the person turning in the money; the total of cash and checks should be shown separately on the cash receipt.
- N. The maker of a check must be indicated on the receipt if it is someone other than the person turning in the money. The account name should be placed in the lower left-hand corner of each check. In the event that the cash receipt does not have space for the required information, a list of checks may be attached to the receipt. Also, the number of the cash receipt should be written or stamped on every check. Returned checks will be easy to identify with this system. **Postdated checks will not be accepted by the school from any source. A driver's license must be notated on each check.**
- The pink copy of the receipt shall be given to the person paying the money. If a check is received by mail from an outside source for commission, interest, refund, etc., it is not necessary that the pink copy of the receipt be mailed to comply with this procedure. In these cases, the pink copy of the receipt should be kept on file for review purposes.

**NOTE:**

When receipting concession funds (Coke, candy, etc.) be sure to have two people involved in counting the money (one to be the counter and one to be the witness). All money must be recorded on a concession stand tabulation form (Form AF-112) and turned in to the financial clerk. An official receipt will be issued by the financial clerk for these monies.

- Any supporting documentation for money received, such as forms AF-104, AF-112 or AF-117, must be attached to the white copy of the original receipt and kept with the activity fund records.
- O. The official receipt shall be issued to the individual signing the AF-104, AF-112 or AF-117. If multiple AF-104 or AF-112 forms are submitted by different individuals, an official receipt must be issued to each individual signing the forms.



507 RECEIPTING – BY THE FINANCIAL CLERK

The activity fund receipts issued by the financial clerk provide the basic support for bank deposits. The following procedures are to be observed in addition to those specified in section 506.

1. When funds submitted to the financial clerk have previously been receipted in an official alternate activity fund cash receipt book issued to another authorized employee, the financial clerk shall perform the following tasks:
  - a. Tabulate monies collected and reconcile to official alternate receipts issued from the employee's official alternate activity fund cash receipt book(s).
  - b. Issue a receipt to the employee when monies received have been satisfactorily verified. The financial clerk shall designate on the official cash receipt the corresponding official alternate receipt numbers and alternate book number. The yellow copy of the official cash receipt should be stapled in the alternate activity fund cash receipt book.
  - c. Indicate on the last issued receipt in the employee's official alternate activity fund cash receipt book that monies have been transferred to the activity fund cash receipt book for deposit in the bank.
2. When funds submitted to the financial clerk have previously been tabulated by an authorized employee on Form AF-104, AF-112 or AF-117, the financial clerk shall perform the following tasks:
  - a. Reconcile monies received to the total of amounts listed on the form.
  - b. Issue a receipt when monies received have been satisfactorily verified.
  - c. Indicate on all copies of the form the financial clerk signature, the amount of monies received, the receipt number issued by the financial clerk, and the date of issuance.
  - d. Ensures the authorized employee totaled the amount collected, signed, and dated the form. The signature and date must be handwritten by the authorized employee.
  - e. Retain the original form and return the duplicate copy to the person transmitting the monies. The original form cannot be used again to record additional collections; a new form must be used.

**Note:**

The Financial Clerk cannot accept a Form AF-104, AF-112, or AF-117 that has not been completed correctly or one that has an altered amount, names or collection dates unless the alteration has been initialed by the person completing the form.

Preferably, receipting should be performed only by the Financial Clerk. At the high schools, it is a District requirement that the Cash Receipts Clerk receipt all monies from students other than those for food services. This person is also responsible for collecting return meal money from the coaches returning from out of town trips based on guidelines from the Treasury Department. The Cash Receipts Clerk must have posted hours that allow for an effective collection of money from students, staff, and parents. The cashier will be open for thirty minutes prior to the beginning of the instructional day and will close at the end of their scheduled workday. Students are not allowed to turn in money during instructional class time. A sign must be posted stating who will receive money in the event that the cashier's window is closed (e.g. during classes and cashier lunch). Students, staff, and parents must have the ability to turn in money to be secured in the vault so that no district money will be kept in a classroom or in their person.

The Cash Receipts Clerk performs the following duties (per the job description on file in the auxiliary personnel office- this list is not all inclusive):

- Receives and verifies students, faculty, clubs and organizations monies for fundraisers, field trips, dues, entry fees, tests, registrations, etc.
- Prepares the deposit slips daily. Gives sponsors in charge of accounts copies for receipts for their organization.
- Ensures monies are always secure and locked in the vault.
- Acts as the point of contact for money pick up by the courier.
- Performs other such tasks that may be assigned by the school principal.

Occasionally, at the elementary and middle school campuses, monies may be collected by an authorized individual other than the financial clerk (sponsor, teacher, secretary, clerk, etc., but only as approved by the principal) for such items as books, student fees, pictures, etc. Collections exceeding \$20.00 must be submitted to the financial clerk daily. In such instances, the following operating procedures shall be applicable.

1. An official alternate receipt shall be issued immediately by the person receiving the cash to the person turning in the money. The official alternate receipt must be completed in permanent ink (or ball point) in its entirety. Official alternate activity fund cash receipt books must be obtained from the financial clerk. Alternate receipts may be issued for the following:
  - a. Tuition
  - b. Transportation fees
  - c. Club or class dues and fees
  - d. Collections for yearbooks and other commemorative items with the exception of class pictures
  - e. Any other collection requiring a payer record for future reference
2. Form AF-104, Tabulation of Monies Collected by a person other than the Financial Clerk, may be used instead of official alternate receipts for small, multiple collections for the following:
  - a. Library fines
  - b. Class pictures

- c. Bus trips
- d. Symphony, opera, and movie admission tickets
- e. Revenue from fundraising activities such as candy sales, benefit performances, etc.

Form AF-104, when utilized, must be written in ink (or ball point) in its entirety. Only one organization can be included on each AF-104 on any one day.

Be sure to place your activity's name on the form. The duplicate tabulation of monies form should be attached to the yellow copy of the receipt issued by the school's financial clerk and remitted to the person completing the AF-104. The financial clerk will retain the original Form AF-104 with the white copy of the receipt issued.

3. Form AF-112, Concession Sales Report, may be used instead of official alternate receipts for items sold in a concession environment or payments received for small amounts which will not require proof of purchase or refund.
4. Form AF-117, Activity Fund Donation Approval Form, must be used to document any monetary donations received by the campus for Student Activity Fund. Donations to fundraisers by teachers &/or parents (i.e., Helping Hands) need not be covered by Form AF-117 if the amount is \$25.00 or less.
5. Collections shall be submitted to the financial clerk weekly, or daily when the aggregate amount of such collections exceeds \$20.00.
6. All collections submitted to the financial clerk must be accompanied by the following supporting documents – AF-104, AF-112 or official alternate activity fund cash receipt book(s).
7. All monies collected must be submitted to the financial clerk in the same form as collected. **Employee's personal checks may not be substituted for cash collections.**
8. The collector who receipts monies using a Form AF-104 must sign, and handwrite the date, and total the amount collected and indicate the account to which collected monies are to be credited. After the "Grand Total," the financial clerk will enter the cash receipt number (CR#), amount received and sign and date the form in addition to the issuance of an official cash receipt.

General Depositing Policies

1. Deposits must be prepared daily and be available for the next courier pick up when total monies exceed \$100.00. It is a good idea to deposit daily even if amount collected is less than \$100.00. All monies collected after 12:00 noon will be considered as a part of the next required deposit, if a deposit had previously been made on the day of collection. For example, after making a deposit, the financial clerk receipts an additional \$255.00. That \$255.00 may be kept in a locked safe, but it must be deposited with the next courier pick up.
2. All monies exceeding \$20.00 should always be kept in a locked safe, and **NOT temporarily placed in a desk drawer.**
3. Funds for deposit shall be transported by courier directly to the bank and shall not be kept in any other off-campus location, vehicle, etc.
4. All checks to be deposited should be endorsed (stamped or handwritten) as follows:

FOR DEPOSIT ONLY  
(Name of School) Activity Fund Account  
Account # xxxxxx

5. All cash receipts shall be deposited in numerical sequence.

General Depositing Procedures

1. It is recommended that bank deposit slips be prepared in triplicate for each deposit. The original deposit slip will be retained by the bank and a photocopy will be returned with the monthly bank statement; the duplicate copy will be validated by the bank at the time of the deposit and will be returned to the school by the Treasury Department. The returned copy must be matched to the cash receipt(s) and filed with monthly bank reconciliation.
2. The following information must be indicated on the bank deposit slip:
  - a. The date and amount of the deposit.
  - b. Total amount of checks. Run an adding machine tape on all checks twice. Wrap one tape around the checks for deposit. Retain the other tape with the receipt copy.
  - c. A notation of the cash receipt numbers issued in support of the bank deposit must be on the receipt for QuickBooks; for example, receipts numbered 10628-10630, see below. The receipt # does not need to be on the bank deposit slip for ASB.

- d. Run an adding machine tape on the receipts for deposit. The sum of the amounts of the supporting cash receipts must be in agreement with the amount of the bank deposit.

Recording Receipts (Deposits)

Deposits are keyed into the “make deposits” window in QuickBooks. The “from” is always BBVA Bank. The amount, account code and class columns must be completed for each line. The QuickBooks account code will either be 461-I (for campus activity funds) or 865-I (for student activity funds). The class must be specific (not just campus or student). The memo column should give a brief description of the deposit. Verify the “deposit total” at the bottom of the window – this amount should equal the total on your deposit slip.

Deposit Shortage (Under deposit) and Overage (Over deposit)

To determine shortages and overages you must compare the total amount on the deposit slip attached to campus records with the total amount on the deposit slip returned from the bank and the amount on the bank statement. When making the adjustment, reference the date of the deposit you are adjusting.

Recording Deposit Shortage (Under deposit) and Overage (Over deposit)

To record an under deposit (amount of deposit is less than the amount of corresponding cash receipts):

<u>Account</u>	<b>Debit</b>	<b>Credit</b>	<b>Class</b>
865-I Income Student Activity	\$X.XX		Annual
1112 – Cash in Bank		\$X.XX	* Leave blank*

To record an over deposit (amount of deposit exceeds the amount of corresponding cash receipts):

<u>Account</u>	<b>Debit</b>	<b>Credit</b>	<b>Class</b>
865-I Income Student Activity		\$X.XX	Annual
1112 – Cash in Bank	\$X.XX		* Leave blank*

Recording Standardized Dress Transfers from Operating

Standardized dress campuses must follow Admin Proc. VII-Y. Send an email request to the Financial Services secretary to cover uniform reimbursements being processed. This request should be made at least weekly. Financial Services will electronically transfer the funds from the district’s operating bank account to the campus activity fund bank account. The following journal entry should be made:

<u>Account</u>	<b>Debit</b>	<b>Credit</b>	<b>Class</b>
461-I Income Student Activity		\$X.XX	Standardized Dress
1112 – Cash in Bank	\$X.XX		* Leave blank*

The bank will automatically turn over checks that do not clear because of insufficient funds to our current check collection agent. There will no longer be a redeposit of returned checks. The following procedures will be followed:

1. Upon receipt of the bank statement at the end of the month, the financial clerk shall reverse the entry made to record the deposit for any check that is shown as uncollectible in the bank statement. The check collection agent will notify the Treasury Department of checks that are being collected for us.
2. The check collection agent will recover the money from the payer. They will send the proceeds received to the Treasury Department. Treasury will make an internet credit into the school’s activity fund account in the amount that was collected.
3. The financial clerk will complete a journal entry for the amount of the credit (deposit) using the same class account credited the first time the deposit was entered into QuickBooks.

Recording Uncollectible Checks

When a check is determined to be uncollectible the financial clerk will enter a special transaction (journal entry) that will debit the account and class originally used in the deposit and credit the Cash in Bank. The example below assumes the check was written for a yearbook.

<u>Account</u>	<b>Debit</b>	<b>Credit</b>	<b>Class</b>
865-I Income Student Activity	\$X.XX		Annual
1112 – Cash in Bank		\$X.XX	* Leave blank*

To ensure that you correctly debit the income account and class for the uncollectible check, you receive an email from the Treasury Department which will give you the information you need to process an NSF check or payment from an NSF check.

Purchases from Activity Funds

All purchases must adhere to the procedures set forth by Board Policy.

The school principal is fully responsible for all purchases and commitments requiring the present or future disbursement of activity fund monies. ***Teachers and club sponsors must have a written commitment (Form CAF-115 or SAF-115) approved by the school principal before making any commitment to purchase in the name of the school.*** Vendors who are regularly used should be notified of this requirement.

No purchase shall be made unless sufficient funds are available in the proper activity fund account or will be available at the time payment is due.

If it is necessary to make adjustments to either the CAF-115 or SAF 115 forms, the approver must adhere to the following guidelines:

1. Changes to a purchase request must be made PRIOR to the purchase or disbursement of funds.
2. The Activity Fund Clerk should once again confirm that sufficient funds are available for the purchase.
3. To update the amount, the principal must draw a single line through the request for purchase amount and then initial and date the change in the margin space directly adjacent to the newly requested amount.

Items normally acquired through the operating budget shall not be purchased through the campus activity accounts followed by a request for reimbursement. Exceptions may be granted by the appropriate Executive Director.

Campus Activity Fund

All campus activity fund purchases will be made in compliance with District purchasing policies and TEA regulations. All campus activity fund purchases must be made from approved vendors on the purchasing bid list (unless the item purchased is fresh food, or it is purchased from a sole source vendor). The purchasing department is to be contacted if a potential vendor is not on the approved vendor list.

Student Activity Fund

Student/club activity fund purchases do not have to comply with District purchasing policies. However, no purchase can be made until Purchasing Services assigns a vendor number to the vendor. The assigned vendor number is to be entered on the SAF-115. If a vendor number is not assigned, the vendor will need to complete a W-9 and turn it into Purchasing Services.

You may determine if a W-9 form is on file by reviewing the Maintain Vendor Profile screen in the TEAMS system. The W-9 status box will read “On File”.



### Scholarships

Student/Club activity funds may be used to award scholarships to students on the basis of educational merit. The scholarship award should be paid to the educational institution of the recipient's choice. (The scholarship award may be paid directly to the student only if student provides a fee statement from the attending institution as additional support for the payment).

A school may encounter an outside organization or individual who would like to donate money for the establishment of a scholarship fund. The principal should refer such interested parties to Financial Services for proper procedures regarding the establishment of a scholarship fund with KISD.

### Cash Awards and Prizes

Monies raised in the school's name may not be used to pay cash awards or to buy cash prizes for individuals. Cash awards or prizes include currency, checks, savings bonds, money orders or any other medium which can be readily converted to cash.

Awards such as merit certificates, gift certificates, trophies, plaques or other means of recognition with reasonable value (\$50.00 or less) may be purchased from student/club activity funds in recognition of scholastic, attendance or fundraising achievement for students. Items given away in bulk (as in graduation events) should be properly documented or acknowledged by the recipients using form AF-108D. The documentation should be kept on file with the SAF-115.

Merit certificates, gift certificates, trophies, plaques, or other means of recognition with reasonable value (\$50.00 or less) may be purchased for teachers, students or groups from campus activity funds in recognition of merit or appreciation.

Monies raised in the school's name by the student body or student groups may not be used to purchase gifts for school personnel. However, students may contribute personal money towards the purchase of a gift for school personnel. The financial clerk should indicate on the cash receipt when money is contributed for that purpose on the contrary, campus activity funds may be used to provide teacher appreciation lunches with Executive Officer approval.

513 ACTIVITY FUNDS AUTHORITY TO PURCHASE/CHECK REQUESTS AND ISSUANCE OF CHECKS

Activity Funds Authority to Purchase/Check Request (Check Request)

An approved check request (CAF-115 or SAF-115) written in permanent ink constitutes the authority for the issuance of an activity fund check. An official activity fund check request must be completed prior to the issuance of each check, with one exception – cash disbursed from petty cash (see section 521). If a purchase is made without prior approval on an authority to purchase form the person who made the purchase can be held liable for payment.

Permanent documentation (invoices, etc.) must be obtained in support of the payment and should be attached to the original check request.

It is the sponsor's responsibility to furnish the financial clerk with the copy of the order, invoice or any other supporting documents available as proof of purchase.

**Generally**, checks written from campus activity funds are made payable to a vendor on the bid list or sole source list through purchasing services. **Checks** written out of student/club activity funds may be made payable to any vendor on the approved vendor list, except for vendors being used for student travel. Vendors being paid out of student/club activity funds for student travel must be on the bid list.

**If the vendor is not on the approved vendor list, a completed W-9 form must be submitted to Purchasing, along with a completed SAF-115 before issuing the check.** A completed W-9 includes social security number or federal identification number, name and address. See the forms section for a W-9 letter and form.

Issuance of Checks – Operating Procedures

All requests for the issuance of checks are subject to the following guidelines:

1. All payments shall be made by check with the exception of petty cash disbursement, warehouse purchases, and bus transportation requests which are the subject of sections 521, 528 and 531 respectively.
2. Agreements with outside entertainers to split the proceeds are not precluded by this procedure. However, all outside entertainers shall receive the negotiated percentage of the proceeds by check only (do not pay them with cash proceeds).
3. All activity fund checks must bear the signatures of two of the authorized signatories.
4. No expenditure shall be approved by the principal unless sufficient funds are available in the appropriate activity fund account. If funds are not available, a transfer as an intra-fund loan between two or more accounts may be executed after obtaining required written approvals. All loans must be repaid by the end of the school year in which the loan was granted. Refer to section 522 of this manual.
5. Payments must always be made to a specific person, company, or organization. Checks shall not be made payable to Cash or to the paying school.

6. Under no circumstances shall checks be pre-signed by any authorized signatory. That is, no signature shall be affixed to a check until all blanks (date, payee, and amount) have been filled. The issuance of a blank signed check is a serious offense.
7. If it becomes necessary to void a check, the word "VOID" should be marked across the face of the check and the signature portion should be destroyed (i.e., tear off the signatures from the check). Keep the voided check, with the signature block removed, with the authority to purchase form.

#### Cashing of Checks

**No personal checks shall be cashed from activity funds.**

514 ACTIVITY FUNDS AUTHORITY TO PURCHASE/CHECK REQUEST (CHECK REQUEST) – PROCEDURES

1. **Under no circumstances** shall the dollar amounts, or the signatures be altered. If either of these errors occurs in the preparation of a request, void both the original and the duplicate of the incorrect request and issue a new request. If the purchase amount is found to be greater than the “Not to exceed amount”, fill out an additional request explaining why the estimate was off and attach it the original AF-115 form. If any other error occurs, make a correction by drawing a single line through the incorrect information and writing the correct information. Initial the correction.
2. The original copy of the check request must be retained in the school records for audit purposes.
3. Check Requests should not be written for bank debit/credit memos.
4. SAF-115’s and CAF-115’s shall not be pre-signed or pre-dated. All dates and signatures must be original and handwritten by individual signing the document.
5. **Signature and date stamps are disallowed.**

Student/Club Activity Funds Authority to Purchase/Check Request (SAF-115)

Student/Club activity fund purchases must be initiated by the members of the organization/club using form SAF-115. This form must then be approved by the sponsor, student officer (except in the case of the Faculty/ Staff Club or elementary students) and then the principal.

A completed SAF-115 (check request) constitutes the authority for the issuance of an activity fund check. As such, a SAF-115 must be written prior to the issuance of each check, with one exception – cash disbursed from petty cash. The original request must be written in permanent ink. Procedures governing the preparation of SAF-115’s are as follows:

The SAF-115 (check request) shall be completed in its entirety including:

- a. Campus/Department – Enter the name of the campus.
- b. Class (Club) – Enter the name of the club that is requesting the check.
- c. Permission-types of goods/services proposed to be purchased
- d. Reason for request – purpose of purchase
- e. Vendor – the proposed vendor.
- f. Budget code used to pay for the purchases (865-00-2192)

- g. Not to exceed amount- the maximum amount authorized for the purchase
- h. Sponsor Approval – If the request is made by a student/club activities fund organization, the organization sponsor will sign here to authorize payment.
- i. Date – Org Sponsor enter the date of approval on this line.
- j. Club Officer – If the request is made by a student/club activities fund organization, an officer of that organization must sign here to authorize payment. (Elementary students may or may not sign)
- k. Date – Club Officer enter the date of the request on this line.
- l. Pay to – enter the name of the vendor or payee requesting reimbursement on this line.
- m. Vendor number-The vendor number recorded in the TEAMS system unless this is a reimbursement for staff members or a refund.
- n. Check number-The number of the check issued as payment.
- o. Amount – Enter the amount for which the check should be made. (This amount must not be greater than the not to exceed amount listed as #g above)
- p. Principal/Director-The organization manager will sign here to authorize payment. This must be an original signature. Do not type or stamp the name on this line.
- q. Approved/Disapproved-The organization manager must approve this request before a check may be issued.
- r. Date – Org Manager enter the date of approval on this line.

\*As long as the top portion is completely filled out and includes dates and signatures data on the check request portion at the bottom may be changed **by drawing a single line** through the incorrect information and writing the correct information. **Initial** the correction.

Campus Activity Funds Authority to Purchase/Check Request (CAF-115)

Campus activity fund purchases must be initiated by a member of the staff, or the principal, on form CAF-115. This form must then be approved by the principal before payment may be issued.

A completed CAF-115 (check request) constitutes the authority for the issuance of an activity fund check. As such, CAF-115 must be written prior to the issuance of each check, with one exception

– cash disbursed from petty cash. The original request must be written in permanent ink. Procedures governing the preparation of CAF-115's are as follows:

The CAF-115 shall be completed in its entirety including:

- a. Campus/Department – Enter the name of the campus.
- b. Class Name – Enter the name of the class (per QuickBooks campus class list) that is requesting the check.
- c. Permission-types of goods/services proposed to be purchased
- d. Reason for request – purpose of purchase
- e. Vendor – the proposed vendor. If an individual is requesting reimbursement for purchases, then the vendor from where the individual will make the purchase goes on this line. If the purchase is to be made on the KISD Credit Card, the vendor from whom the purchase will be made goes on this line also.
- f. Expense code used to pay for the purchase.
- g. Not to exceed amount- the maximum amount authorized for the purchase.
- h. Pay to – enter the name of the vendor or payee requesting reimbursement on this line. (If it is a KISD Credit Card purchase then KISD Credit Card fund goes on this line.
- i. Vendor number-The vendor number recorded in the TEAMS system unless this is a reimbursement for staff members or a refund.
- j. Amount – Enter the amount for which the check should be made. (this amount cannot be greater than the not to exceed amount listed as g above)
- k. Check number-The number of the check issued as payment.
- l. Principal/Director-The organization manager will sign here to authorize payment. This must be an original signature. Do not type or stamp the name on this line.
- m. Approved/Disapproved-The organization manager must approve this request before a check can be issued.
- n. Date – Org Manager enter the date of approval on this line.

\*As long as the top portion is completely filled out and includes dates and signatures data on the check request at the bottom may be changed **by drawing a single line** through the incorrect information and writing the correct information. **Initial** the correction.

515 ACTIVITY FUNDS AUTHORITY TO PURCHASE/CHECK REQUEST – SUPPORTING DOCUMENTS

The original Activity Funds Authority to Purchase/Check Request (CAF-115 and SAF-115) shall have attached to it the vendor's original unadjusted invoice.

Evidence of satisfactory receipt of the goods or services must be attached to the Check Request. An authorized signature of a person working at the school on a receiving report, invoice, delivery ticket, or other document will constitute evidence of satisfactory receipt of the goods or services.

Whenever it is necessary to pay an amount other than the amount shown on the original unadjusted invoice, a debit/credit memo from the vendor must be attached to the original unadjusted invoice to justify payment for the different amount. The principal must indicate his/her approval by his/her initials on the face of the original unadjusted invoice.

A request for reimbursement by anyone should be supported by the vendor's original unadjusted invoice; and the person that is requesting the reimbursement of monies spent must write his/her initials on the face of the invoice.

In the event that the vendor's original invoice is unavailable, any other invoice copy such as a carbon or photocopy will be deemed acceptable only when the principal's approval is evidenced by his/her original signature on the face of the invoice copy.

In situations where invoices are not issued by the vendor, other documentation (cash receipt tapes, letters, acknowledgments, renewal notices, etc.) will be deemed acceptable only when the principal's approval is evidenced by his/her original signature on the face of the document. The document must contain the vendor's name, date, and a description and quantity of the goods or services purchased.

AF-116 advance payment forms will be considered adequate temporary support for any advance payments (see section 518).

Examples of documents that do not constitute acceptable support are as follows:

- Periodic statements (except statements that contain the vendor's name, a description and quantity of each item purchased)
- An in-house payment authorization form signed by the principal with no other support
- A KISD purchase order form signed by the principal with no other support
- Delivery tickets and/or packing slips which show what and when, but not how much has been purchased

Care should be exercised to avoid making payments of sales tax for tax exempt purchases. The amount must be deducted from the invoice before making a payment to a vendor. Also, the sales tax amount must be deducted from the invoice before reimbursing any person. Refer to sections 534 and 535 of this manual. Also, care should be exercised to make payment of sales tax for nonexempt school purchases made on behalf of the students for their personal use and for which they themselves pay, such as club jackets, sweaters, T-shirts, etc. All original check requests, with attached support, shall be kept in check number sequence.



Checks Issued

Enter check data into the “write checks” window in QuickBooks. **All vendors must have a valid vendor number and have a W-9 form on file with the Purchasing Services.** The date, check number, vendor name, amount, account and class must be entered.

Recording Bank Adjustments

Bank adjustments originate at the bank. Whenever they find it necessary to decrease the school’s bank balance, they notify the school by sending it a Bank Debit Memo. Whenever, the bank balance is to be increased, the bank prepares a Bank Credit Memo.

- Examples of bank adjustments are as follows
  - “Now” account interest earnings
  - Errors in deposit resulting from an under deposit
  - Errors in deposit resulting from an over deposit
  - Check printing charges
  - Service charges
  - Bank Debit Memo
  - Bank Credit Memo
- To record bank adjustments for general items such as checkbook printing charges, service charges, etc. create a special transaction (journal entry) similar to the following:

<u>Account</u>	<b>Debit</b>	<b>Credit</b>	<b>Class</b>
461 I – Campus Income	\$X.XX		Other Income
1112 – Cash in Bank		\$X.XX	* Leave blank*

All explanations must describe the type of adjustment being made. All bank memoranda notifying the school of bank adjustments must be retained with the activity fund records.

Recording Stop Payments and Reissue of Checks

Bookkeeping entries relative to the stop payment and reissue of a check are as follows:

1. If a check is lost, email a request for stop payment to: FIN – Activity Funds. Include your bank account number, the check number, date of check, payee, and amount. You will receive a confirmation from the Accounting Department when your request has been processed.
2. Void the check in QuickBooks (see 516.2)
3. Send a memo noting the voided check information (date of original issue, check number, amount, payee, vendor name, vendor number, budget code charged to and date of void).
4. When the canceled check is to be reissued, complete a check request for the new check and only record the following notation on the check request:

“Check #\_\_\_ Canceled and Check #\_\_\_ Reissued.”

Attach a copy of the stop payment confirmation to the new check request.

### Voiding a Check

#### **You will no longer void a check in QuickBooks**

To Clear Outstanding Checks:

- Make a deposit for the amount of the check you want to clear and note the voided check number in the memo of the reissued check
- Mark-off the original check and deposit as recorded on the reconciliation
- To Reissue the Check:
  - Follow-steps for monthly outstanding check process to contact payee
  - Complete check request for the new check and record the following notation on the check request: Check #XXX Canceled and Check #XXX Reissued.”

### Outstanding/Uncleared Checks

All outstanding/uncleared checks must stay in QuickBooks for **four** years. Any outstanding check that is voided after four years must either be reissued to the payee or escheated to the state by Treasury. Instructions for escheating this money will be provided prior to each escheatment due date.

Reimbursements

Checks may be issued to students or employees to reimburse them for personal funds expended for the purchase of goods for school purposes, provided that proper documentation (refer to section 515) is submitted in support of the expenditure. If the purchase included sales tax for a purchase that would be tax exempt for the district, the person will not be reimbursed sales tax.

Reimbursements should be kept to a minimum as a safeguard against unauthorized purchases by individuals. The maximum amount an employee can be reimbursed during the school year is \$250.00. It is the principals' discretion to reimburse or not reimburse a student or employee.

Payment for services must be made directly to the person (or company) performing the service, provided that proper documentation (refer to section 515) is submitted in support of the expenditure.

Standardized Dress Reimbursements

Standardized dress campuses must follow Admin Proc. VII-Y. Parents will complete the Application for Financial Assistance for Compliance with Standard Dress. The CAF-115 must be completed and approved by the principal at the same time with a "not to exceed" amount of \$105.00 per student. Parents must submit original receipts showing specific items purchased to the campus. The Application of Financial Assistance, CAF-115 and original receipts must accompany the campus activity fund check to reimburse the parents. There must be principal approval on the CAF-115 prior to issuance of the check. The reimbursement is to be charged to 461-00-5755.

Refunds

Occasionally it may be necessary to make refunds due to cancellations of field trips, overcharges on books or bus transportation, etc.

In cases of multiple refunds, a single check may be issued to the activity sponsor who will distribute the refunds to each student. Each person due a refund shall sign a list (AF-108D) verifying that the amount of refund received and the date it was received. The activity sponsor will return the signed refund list and any undistributed refund to the financial clerk who will issue a cash receipt for any money returned. The financial clerk shall attach the refund list to the original check request and indicate on the check request the receipt number issued for money returned.

No refunds may be made for any money other than that contributed directly by the student or parent. A copy of the original cash receipt, as well as the tabulation sheet in cases of multiple refunds, should be used as support for the check request. No monies raised in the school's name will be refunded to students.

518 ADVANCE PAYMENTS

Advance payment may sometimes be requested for necessary expenses expected to be incurred by groups engaged in out-of-town travel. Once the travel contract has been approved by Purchasing Services, procedures are as follows:

1. The activity sponsor shall make a written request on Form AF-116 for an advance stating the amount needed and the purpose for which the advance is required.
2. The request for advance payment **must be attached to the original check request** (CAF or SAF-115) when presented for the principal's approval. The request should stipulate that the proposed payment is an advance.
3. At the completion of the activity, the sponsor shall transmit to the financial clerk all invoices, sales slips, etc., supporting the actual amount of expenses, and shall return any unused funds. The activity sponsor is responsible for all monies advanced. Receipts for all cash outlays must be obtained. The activity fund sponsor is responsible for all unaccounted monies.

If actual expenditures exceed the advance, complete another check request and issue a check for the excess. Refer to the original check number for documentation.

4. The financial clerk will issue a cash receipt for the money returned and will cross-reference this receipt number to the original disbursement voucher. All supporting documents submitted shall be attached to the original check request.

The settlement of all advances shall be completed no later than ten days after termination of the activity for which the money was advanced, except in cases deemed unusual or exceptional by the principal. It is the dual responsibility of the principal and the financial clerk to properly account for all advances.

519 PAYMENT TO KISD EMPLOYEES FOR SERVICES

The principal may occasionally agree to compensate teachers or other employees for additional services performed outside regular school hours, in accordance with the District's policies and procedures.

All employee compensation will be made through payroll services. Under no circumstances may a payment to an employee for supplemental services or as a cash gift be made directly to the employee from the campus or student/club activity funds. If you are hiring a student to work at the school, see section 520.

Examples of supplemental services are:

- Additional clerical assistance
- Additional custodial services
- Security monitoring outside of regular school hours
- Officiating in extra-curricular athletic competition where the District does not provide for and pay such officials
- Other supplemental services approved by the principal

Campus and Student/club activity funds may not be used to pay:

- Substitute teachers, nurses, counselors, etc.
- Teachers for activities which are part of the KISD instructional day
- Stipends to employees for attending extra-curricular activities
- Stipends to employees for monitoring textbook activities
- Stipends to employees for being a sponsor of a school organization
- Hiring school personnel on a permanent basis

The prescribed procedures for payments from campus activity funds to KISD employees for services are as follows:

1. Supplemental Pay to an employee must have approval from Employee Relations prior to services being performed. Please reference KISD Administrative Procedure VI-WW, Fair Labor Standards Act, and VI-Z, Supplementary-Temporary Pay.
2. Complete Form CAF-115 or SAF-115 (as applicable), Activity Funds Check Request, and have the employee complete a supplemental timecard. The supplemental timecard must be signed by the employee and supervisor/principal.
3. Issue an activity fund check payable to the Killeen Independent School District in the amount of the supplemental payment and send the check to Business Services.
4. Attach a duplicate copy of the supplemental timecard to the original check request as support.
5. When forwarding the next month's payroll information to payroll services, attach the supplemental timecard to the principal's monthly report.
6. The amount to be paid for additional services will be added to the employee's regular payroll check.
7. All compensation for supplemental services must be charged to the appropriate budget code. For example, payment for extra janitorial duties should be charged to maintenance.

520 PAYMENTS TO NON-EMPLOYEES FOR SERVICES

Payment to Non-employees for Contractual Services

Payments for services performed by individuals not employed by the Killeen Independent School District may be made directly from the campus or student/club activity fund. The procedures required are as follows:

Prepare a check request and obtain principal approval.

Have the individual complete a Form W-9 (Request for Taxpayer Identification Number and Certification, see the forms section) and provide an invoice for services rendered. Forward this information to Purchasing.

Make payment by check to the individual performing the services and charge to the proper activity account. An invoice must be provided for services rendered.

Payments to Students for Work Performed

Per IRS rulings, paying students for work performed usually makes the student a KISD employee. All payments for work performed by employees must be made through payroll services. Therefore, if you want a student to perform work at your campus, you must first have it approved through the Personnel Services Department using a District temporary employee request form.

In some circumstances, a student may not necessarily be considered a KISD employee. If you have a question as to if a student would or would not be considered a KISD employee, contact the Accounting Department.

521 PETTY CASH

Petty Cash – General Rules

A petty cash account may be established at the discretion of the principal for the cash purchase of small, miscellaneous items.

**Petty cash may not be used to cash personal checks or to pay individuals for service.**

There shall be a maximum limit of \$250.00 for each high school and the career center in the petty cash account. All other campuses are limited to \$150.00 in petty cash. The maximum amount for any one purchase from petty cash is \$25.00. Since the petty cash remains on the school premises, it is the responsibility of the principal to exercise the maximum available protection of these funds.

Petty cash may be used for small refunds, and small reimbursements besides being available for purchases.

The financial clerk shall be responsible for all petty cash transactions.

The petty cash account is established by issuing a check in an amount not to exceed the maximum limit made payable to the petty cash custodian, (usually the principal), followed by the words “petty cash” i.e.:

Dorothy Smith – Petty Cash  
School Name

The petty cash custodian shall endorse the check and cash it at the bank.

The reimbursement procedures for the Petty Cash expenditures are given below:

1. The financial clerk periodically prepares a check request which charges the account(s) which benefited from the petty cash expenditures.
2. The completed check request names, as payee, the petty cash custodian as follows:

Name of Petty Cash Custodian – Petty Cash

3. The completed check request, with paid invoices and receipts attached, represent the necessary support to prepare an activity fund check payable to the petty cash custodian.
4. The Petty Cash custodian shall then endorse the activity fund check, cash it at the bank, and replenish the Petty Cash balance.

Care should be exercised to avoid making payments of sales tax for tax exempt purchases, including petty cash purchases. The amount must be deducted from the invoice (or other support document) before making a payment to a vendor. Also, the sales tax amount must be deducted from the invoice (or other support document) before reimbursing any person. Refer to section 534 of this manual.

Establishing and reimbursing petty cash are the exceptions to the rule for using couriers for bank transactions. When establishing and reimbursing petty cash, a KISD employee designated by the principal, can take money to or from the bank.

### Recording Petty Cash Transactions

The entry to establish the fund is created by writing a check from the 1112 Cash in Bank account charging the 1118 Petty Cash account (do not use a class).

Once the Petty Cash account is established, reimbursements shall be made only by activity fund check for the total of receipts or invoices on hand that will restore the Petty Cash to its original amount. For example: The Petty Cash account is established for \$150.00. When Petty Cash is down to \$85.00, a reimbursement check for \$65.00 is written and cashed. The Petty Cash balance will then be replenished to the original \$150.00.

**Note: The Petty Cash box must always contain cash and/or receipts (invoices) totaling the amount in the Petty Cash account; i.e., \$150.00 or \$250.00.**

The entry to replenish (or reimburse) the fund is created by writing a check from the 1112 Cash in Bank account charging the appropriate expenditure accounts and classes for the receipts/invoices that justify the amount spent.



Transfer Involving Related or Temporary Accounts

Some activity accounts are established for the single purpose of isolating transactions for a specific activity, collection, solicitation, etc., thereby enabling the profitability of the activity to be determined. Net proceeds remaining in such an account must be transferred to the original account after being approved on Form AF-107. For example, if pictures were taken to provide funds for new library books, then the net proceeds should be transferred to the Library account on Form AF-107.

Some activity accounts are expected to be revenue producing by the very nature of the accounts. Vendor-serviced vending machine accounts and interest accounts are two examples.

The periodic commission check from the vendor servicing the vending machine constitutes revenue that is receipted directly into one or more vending accounts and can be transferred at the option of the principal to accounts related to the supporters/payers from which the revenues were generated.

Transfers of the nature described above may be recommended by the financial clerk but shall only be executed after obtaining the approval in writing of the principal and also the club sponsor(s) when the transfer involves accounts with delegated responsibility. The Executive Director does not need to approve transfers between related or temporary accounts.

Transfers for the Purpose of Payment of Contribution

Occasionally a club will compensate another school organization for goods purchased or services performed. This may occur when a club purchases advertising in the yearbook, newspaper, etc., or when a club purchases materials from the school store. A transfer of funds shall be made between accounts in such instances in lieu of issuing an activity fund check.

Likewise, a club may desire to help partially defray the expenses incurred by another club in directing a certain activity. In such cases, the contribution shall be affected by an internal transfer of funds.

Transfer of the nature described above may be recommended by the financial clerk but shall only be executed after obtaining the approval in writing of the principal and also the club sponsor(s) when the transfer involves accounts with delegated responsibility. The Executive Director does not need to approve transfers for payment of contributions within the same fund.

Transfers Involving Unrelated Accounts

All transfers not encompassed by these first two sections shall only be executed after obtaining the following written approvals:

1. The club sponsor(s) when the transfer involves one or more accounts with delegated responsibility
2. The school principal; and
3. The appropriate Executive Director.

Examples of such transfers are as follows:

- All transfers made from the campus activity accounts to cover deficits in other accounts
- Transfers from all club and organizational accounts
  
- Division of funds from dormant accounts. Funds raised by clubs to support their activities and unexpended at the end of the school year shall remain in the club's account and be carried over to the next school year. If the club becomes inactive and remains so for two (2) school years, any unexpended funds may be transferred at the end of the second year by the principal.
  
- All transfers to temporary accounts such as fundraiser accounts
  
- All transfers as a loan between two or more accounts

#### Documentation of Transfers

Each transfer shall be initiated by the preparation of a Request for Internal Transfer of Funds (Form AF-107) disclosing the amount, date, and the reason for the transfer. When all required approvals have been obtained, the financial clerk may proceed with the necessary journal entries. The original completed form AF-107 shall be maintained with the school activity fund records.

523 TRANSFER ACCOUNTING

To Transfer Funds Between Activity Accounts – create a general journal entry (special transaction) with the following as a basis:

<u>Account</u>	<b>Debit</b>	<b>Credit</b>	<b>Class</b>
461-I Campus Income	X.XX		Other Income
461-I Campus Income		X.XX	Pictures

**Note:** This entry moves money from Other Income to Pictures. Before you create this transaction, you must have an approved AF-107 form.

524 VENDING ACCOUNTS

General Policies

Revenue from vending machines situated in all areas of the school, shall be controlled by the school principal and processed through the campus activity fund.

Vending machine contracts are renewable every school year. The school principal is the main signatory on the contract. A copy of vending contracts should be kept on file at the campus.

Vendor Serviced Machines

A school may not service its own vending machines, therefore, if the school desires to have these machines, it must contract with firms that have been awarded the bids to service these machines and collect the monies. The school should either establish one vending account for all commission checks except for vending machines in the faculty lounge or establish vending accounts according to each machine's location. Commissions for faculty lounge machines should be entered directly into the faculty club account. Any commission check received for vending machines except for faculty lounge machines should be receipted either to the one vending account or to the appropriate vending accounts according to the machines' location. Transfers can be made to other student related accounts including General Fund with the principal's approval.

Campus Activities – Textbooks

“Each Principal is responsible for the care and safeguard of all textbooks. Collection of fees is the responsibility of the Principal and must be completed prior to the Textbook End of Year Inventory.”  
– KISD District Campus Textbook Control Procedures.

A textbook inventory will be completed and confirmed by Property Management. This process is defined as the ‘close out inventory’. It will be completed in June and will determine the number of textbooks that will need to be re-ordered. Upon completion of the close out inventory the campus will be invoiced for lost textbooks. Write a check made payable to Killeen ISD Operating Fund. The check will include all collections received for damaged textbooks fines and the amount invoiced for the lost textbooks. Send the check to Treasury for proper credit to be applied as payment of invoiced textbooks.

Based on the information above, each campus is 100% responsible for payment to the district for all lost and damaged textbooks, even if the campus has not collected for all lost and damaged textbooks. Money received for lost and damaged textbook fines must be deposited into one of the Campus Activity Fund accounts entitled Lost Textbooks or Damaged Textbook Fines. The payment(s) made to the District for lost and damaged textbooks will be paid from these accounts. At the time the payment is made, the balance of the accounts should be zero. If the campus has not collected all money due to the District for lost textbooks, the additional amount owed that is not available in the textbooks account will be taken from other campus activity fund accounts (ex: pictures or other income). In the event that all campus activity funds are exhausted, any additional amount due will be paid using the campus’ budgeted funds.

If money is collected for lost and damaged textbooks after the payment has been made to the District (using other campus activity monies in addition to fines collected), the campus may deposit the late collections into the campus activity accounts used.

Please reference Administrative Procedure III-A for any student who returns textbooks after the last day of school. If a refund is requested after the inventory close out, refer the student/parent to Property Management. If funds were submitted to Property Management by the campus in payment for the lost book and the book is still in adoption, Property Management will initiate a refund that will be paid from district funds.

**Refer any questions regarding the calculation of amount owed for lost and damaged textbooks to the property management department.**

Student/Club Activities – Class/Club Accounts

A class or club account is a trust account to be used for the intended purpose stated in the charter at the time the account was created. The principal must ensure that transfers or expenditures from these accounts are within the intended purpose and cannot divert funds for other uses. To document the authorization for proper transfers and expenditures, Form AF-107 or SAF-115 should be completed, as applicable.

Club sponsors and club supervisors shall have available to them records of the accounts that pertain to their activities. The sponsors shall not be held accountable for the actual bookkeeping procedures, but they have a definite responsibility to know how this money is expended and to approve each payment request for clubs that they sponsor. All monies collected from students for any purpose shall be deposited in the appropriate activity fund account.

### Student/Club Activities – Faculty Club Funds

Faculty club funds will be accounted for in the same manner as student/club activity funds. Faculty club funds are defined as funds generated solely by and for the school faculty to be utilized and expended at its own discretion except that special gifts to the principal should not be taken from these funds. Cash gifts cannot be made from faculty club funds. All expenditures for hospitality, condolence, or any other purpose for the sole benefit of the faculty, shall be paid out of faculty club funds (the approved charter must state the types of expenditures that are allowed). Authorization for all expenditures must be supported by a completed Form SAF-115.

All regulations governing the receipt and disbursement of student/club activity fund monies are applicable to faculty fund transactions.

Financial activities such as condolences and hospitality, involving faculty and all other school staff should be conducted through the activity fund and not as an off-campus activity.

This fund must also have a sponsor. The principal of the school can be elected the sponsor of the faculty/staff club.

General Information

All contracts, installment contracts, and lease agreements for student/club funds must be made in the name of the school and signed by the school principal. This responsibility cannot be delegated. No contract or agreement may extend over a period exceeding one (1) year from the date of the contract or agreement without specific authorization in writing by the appropriate Executive Director.

**Under no circumstances can principals sign contracts, installment contracts or lease agreements where the funds to be utilized come from the school's regular operating budget (General Operating Fund).** The Board of Trustees (for contracts exceeding \$25,000) and the Superintendent are the only authorized parties who can sign purchase contracts.

Any contract with an outside entertainer shall provide that at least 50 percent of the gross proceeds shall go to the activity funds. All outside entertainers must be approved by the appropriate Executive Director. Approval by the Executive Director does not imply that school principals are obligated to schedule such entertainment. It merely means that such entertainment is approved and may be scheduled at the discretion of the principal.

Campus Activities

All campus activity contracts, installment contracts, and lease agreements will be made through purchasing services.

Student/Club Activities

Contracts funded with student/club activity monies may be entered into by the principal on behalf of the club/organization (except for student travel) if the contract or agreement does not extend beyond one (1) year from the date of the contract or agreement and the amount of such contract does not exceed \$4,999 (additional information on page 526.1).

Student/club activity contracts in excess of \$4,999 or one year in length should be referred to purchasing services for review.

528 KISD – WAREHOUSE PURCHASES

Campuses may obtain a variety of needed goods and services through the District because it is more economical and/or convenient.

Schools wishing to take advantage of lower prices offered by the central warehouse, (paid with activity funds), may do so by following the procedures below:

1. Forward a completed Gifts and Purchases form and check to Budgetary Services.
2. Budgetary Services will process the gift form and annotate the proper budget code on the check. Then, Budgetary Services will forward the check to the cash receipts clerk in Financial Services.
3. The cash receipts clerk will issue a cash receipt for the school's check. A copy of the cash receipt will be given to Budgetary Services and a copy will be sent to the school.
4. Upon receiving the copy of the cash receipt, the school may create an online warehouse requisition request in the TEAMS system.
5. The principal must approve the request.
6. The order will be processed and filled by the central warehouse.
7. All transactions must be completed prior to August 31 each year. Charges cannot accumulate from year to year.
8. School clubs or organizations can utilize this service but must do so through the appropriate school utilizing the procedures outlined above.

For more information about the Gifts and Purchases form, see Section III-F of the KISD Administrative Procedures Manual.



529 KISD – FIXED ASSET AND CONTROLLED ITEM PURCHASES

Campuses wishing to purchase fixed assets and controlled items, (paid with campus activity funds), may do so by following the procedures listed below.

1. Forward a completed Gifts and Purchases form and check to Budgetary Services.
2. Budgetary Services will process the gift form and annotate the proper budget code on the check. Budgetary services will forward the check to the cash receipts clerk in Financial Services.
3. The cash receipts clerk will issue a cash receipt for the school's check. A copy of the cash receipt will be made and returned to Budgetary Services. A copy of the cash receipt will be sent to the school.
4. Upon receiving the copy of the cash receipt, the campuses would then input their controlled item on a traditional requisition online in the TEAMS system. All approvals will be processed online. See the budget instruction book, capital/controlled items section, for information on processing-controlled item online.
5. The order will be processed and filled.
6. All transactions must be submitted prior to June 30 each year.

For more information about the Gifts and Purchases form, see Section III-F of the KISD Administrative Procedures Manual.

531 KISD – TRANSPORTATION

To request the use of a KISD bus for an Activity (Field) Trip, the campus representative must complete an online transportation request using TransFinder the District provided software system. This request must be in the automated system at least three weeks before the week the trip is scheduled.

\*Note: Booster Club and parental organizational trips must be approved, and transportation requested by the respective campus principal. Booster clubs/parent organizations cannot reserve transportation for students. They may donate the money to cover the cost of transportation for trips, including commercial buses but cannot pay for the transportation or related travel costs directly.

All trips sponsored by Booster clubs or parent organizations must be paid at least one week in advance of the trip. Money may be gifted to the campus using a District Gift Approval Form or by donating to the Campus Activity Fund by using form AF-117- Donation Approval Form.

If the school is to pay for the trip from activity funds, the following should be listed in the ‘account to be charged’ section:

BILL TO (NAME OF SCHOOL) (NAME OF ACCOUNT) ACTIVITY FUND

Use the following budget code in the combined cash journal when recording the expense:

YY-461-11-6494-00-xxx-11000 for Campus Activity Funds  
YY- 865-00-2192-00-xxx-00000 for Student Activity Funds (xxx = Campus number)

The principal must approve the request online indicating his/her approval to charge the school for the trip. A check, made payable to KISD, should be sent to financial services when the invoice from Treasury is received showing the proper expenditure amount. The budget code listed above should be indicated on the check.

For more information on the Gifts and Purchases form, see Section III-F of the KISD Administrative Procedures Manual.

**\*\*NOTE: Senior trips are not sanctioned, sponsored, or funded by Killeen ISD or any of the individual Killeen ISD campuses. Individuals may work together to organize a senior trip; however, the district assumes no responsibility. District administration suggests that campuses should NOT allow trip organizers to meet on the campus, use their letterhead to promote the trip or otherwise assist in a way that might allow for a false impression of support of the trip.**

Definition of Fundraising Activities

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 generating funds for a school or a school-sponsored group. **It excludes game of chance, gambling, lottery, and charitable raffles. Cash apps are not permitted to be used when collecting funds for fundraising purposes.**

Fundraising Activities for a School

School wide activities are those which involve participation by the student body (as a whole) and the principal and/or other school personnel in the initiation, planning, and sponsoring of fundraisers. Mere participation of student or faculty in connection with a fundraising activity does not automatically make the activity a school-sponsored event.

Club-sponsored activities are those activities which are initiated, planned, and conducted by the student/club members and/or faculty sponsor.

The school principal is reminded that he/she is directly responsible for all types of paid entertainment or fundraising activities carried on for the school or a school-sponsored group for activity fund related activities.

Fundraising activities are not confined to regular school hours but are considered an extension of the school program. When fundraising activities are in the name of the school, all funds raised become school funds belonging to the school-sponsored group responsible for raising the money. When a student body or a school-sponsored group actively participates in the fundraising activity, the money is for the school.

Approvals Required

Only approved fundraising activities may be scheduled.

All fundraising activities must be approved by the principal at least two weeks in advance of the date of the activity. This shall be accomplished by completing the front of Form AF-108, Permission Request and Operating Report for Fundraising Activity, and submitting it for the principal's signature. **Any fundraising activities which do not appear on the standard approved fundraisers list (see page 532.3) must be forwarded to the assigned Executive Director for approval.** Fundraisers are only applicable during the dates listed on the AF-108 and monies can only be accepted during the dates listed. All fundraisers for the year may be listed on the attachment to the charter at the beginning of each school year if the principal so desires as a means of tracking events and summarizing fundraising activities.

All fundraising activities, including Scholastic book fairs, which require a contract **must** be executed by the principal. Principals are the only authorized campus personnel with signing authority for contracts. Any funds, incentives or points **received** from fundraising activities should also be managed by the principal. For example, book fair points available for redemption of books for the school library should **only** be redeemed by the principal or the principal's designee.

In addition, the check request process for cash purchases should be used to redeem points and the requesting party should complete the CAF 115 to request approval from the principal for redemption.

Donation Websites

KISD staff are not permitted to engage independently in donation websites (e.g. Donors Choose or Go Fund Me, etc...) to fund instructional and/or related items while working within the capacity of a KISD Employee. Employees are encouraged to work with their principals to ensure necessary and adequate instructional materials are available. Instructional items and programs can also be awarded through the KISD Education Foundation Grant Program.

KISD Staff should not set up donation websites benefiting staff, students, or their families without appropriate administrator approval.

In the event of a crowdfunding site, the website administrator should be contacted by the personnel with the profile and ask that all the donations be returned to the donors. If the website administrator is unable to refund the donors directly, the personnel with the profile, should be informed that the funds will now be treated as campus activity funds.

#### Accounting for Fundraising Activities

All collections must be receipted in accordance with sections 505 through 509 and all payments must be made in accordance with sections 512 through 515 of this manual. See section 534 through 536 regarding sales tax requirements.

All collections and disbursements associated with any fundraising activity coordinated by the school, or a school-recognized student group shall be transacted through the activity fund.

The reverse side of Form AF-108, Permission Request and Operating Report for Fundraising Activity, shall be completed at the end of the activity by the sponsor/coordinator and a copy filed with the school designee (usually the financial clerk) while retaining the original. Copies shall be forwarded to the principal for review.

The report should indicate gross collections and list any expenses incurred relative to the activity (merchandise, advertising, sales tax, prizes, etc.). Disposition of the net proceeds (net profits) should be disclosed regarding where the funds were approved to be used. The financial clerk (or other person designated by the principal) is ultimately responsible for the final preparation of Form AF-108; however, the person requesting permission to conduct the fundraising activity should prepare and sign the report. If a profit is not realized from a fundraising activity, the sponsor shall attach a written statement of explanation.

The club sponsor or activity chairman is responsible for keeping accurate records for all fundraising activities. Such records shall include at a minimum:

1. Distribution lists
2. Daily collection reports
3. Tabulation of sales tax collections
4. Original cash receipts received for money turned in to the financial clerk.
5. Control of beginning and ending inventory of items held for re-sale.

At the conclusion of the fundraising activity, all records shall be turned in to the principal or financial clerk with the report and retained for audit purposes.

#### Student Safety

The safety of the student should be considered before any fundraising activities are approved. **The Principal should consider student safety before approving any fundraising activities. Students at elementary and middle schools will not participate in any door-to-door sales.**

All off campus fundraisers involving elementary or middle school students require approval from the Executive Director two weeks prior to the event.

Some off-campus fundraisers are pre-approved for high school & middle school students (see 532.3). Fundraisers not on the “Approved Fundraisers” list must be submitted to the Executive Director two weeks prior to the event.

## APPROVED FUNDRAISERS FOR ALL CAMPUSES

Book Fairs	Pictures
Class Rings	School Mugs
Club IDs	School Pride items (with school name or logo)
Dances	School Store (school supplies/seasonal items)
District approved charitable fundraisers	T-shirt sales
Kona Ice Fundraiser*	
Pencil Machine Sales	Yearbooks

**\*Must be parked off district property and provide proof of liability insurance. Please reference Administrative Procedure III-E Vendors on District Property and contact Purchasing.**

## DISAPPROVED FUNDRAISERS FOR ALL CAMPUSES

- Raffles (the exchange of money for ticket for a chance to receive something)
- Fundraisers that violate the Foods of Minimal Nutritional Value requirements
- Fundraisers that may cause bodily injury (bungee jumping, paintball, etc)
- Any game of chance (e.g. Bingo)
- Fundraisers for Mattresses
- Cash for Trash (Box Tops, Labels for Education) cannot be used as a campus activity fundraiser (should be a club, PTO or PTA). Student Activity club sponsors (teachers) may collect, count, and submit box tops outside of the instructional day. Hourly/non-exempt employees (i.e. secretaries and aides) **are not allowed** to be involved in the processing of a box top fundraiser during or after instructional day. All proceeds collected by the student club shall remain in the student club's account.
- Additional staff spirit/jeans day.

## SECONDARY SCHOOL - APPROVED FUNDRAISERS

Admission Tickets (to approved school activities)	Flower Sales
Approved Charitable Events	Magazine sales (6 months + subscriptions)
Bake sales (at appropriate times)	Pizza Kits
Balloon Sales	Relay for Life
Candle sales	Recycling (aluminum, cell phones)
Candy sales (at appropriate times)	School Newspapers
Car Wash	School Pride items (with school name or logo)
Catalog Fundraisers (w/ approved vendors)	School Wide Yard Sales
Concession Sales	Silent Auctions
Cookie Dough	Walk-A-Thon

### Competitive Foods Reminder:

The new United States Department of Agriculture (USDA) Smart Snack in Schools policy, in effect as of July 1, 2014, sets new guidelines for competitive foods. These guidelines pertain to all food and beverages (a-la-carte, competitive foods, fundraisers, and classroom snacks) **provided and sold**

to elementary and middle school students during the school day and only to food and beverages **sold** in the high schools. According to USDA, the “school day” begins at midnight until 30 minutes after the last bell. To find food items that comply with the Smart Snacks guidelines go to: <http://rdp.healthiergeneration.org/calc/calculator/> or contact school nutrition. In addition, competitive foods (any food or beverage not provided by school nutrition), fundraisers, or items given away, are not allowed to be provided to students in elementary and middle schools from 30 minutes before to 30 minutes after meal periods or in areas where reimbursable meals are served or consumed. In high schools they may not be provided to students in areas where reimbursable meals are served or consumed. All fundraisers involving the sale of food items, including items in vending machines must be submitted for approval to school nutrition using the Food Fund Raising & Vendor Request Form including a copy of the nutrition labels for all food items to be made available to students. Catalog sales of food items that do not meet the Smart Snacks guidelines are permitted to be sold. However, these items may not be distributed to students until the end of the school’s day. Parents may pick these items up anytime during the day. Students who ride the bus or who are picked up by a daycare provider may take these items home as long as they are not opened or consumed. Items that are not ready for consumption, such as cookie dough, frozen pizza, etc... may be distributed to students after the last bell. For more information regarding this policy, including information about the “free dates” and other exceptions, please see the District Wellness Policy on the KISD web page or contact school nutrition.

Programs such as “Pennies for Pasta”, “Donuts for Dads”, “Muffins for Moms”, etc... are also considered competitive food items and, if provided to students, must meet the Smart Snacks in Schools guidelines. If these items do not qualify, they are not allowed to be provided to students during the school day. However, they may be allowed if the principal decided to use one of the nine (9) allowable “free dates” on the day these competitive food items are to be served. Campuses may also serve these items after the school day is over. If you have any questions, please contact School Nutrition at 0044.

### **Concessions**

Concessions at campuses are managed by school club(s) or booster club(s) representatives with the approval of the campus principal or designee.

High School and Middle School Campuses may use the concession facilities at Buckley Stadium during junior varsity football games. This will be coordinated through the School Nutrition Department and must be submitted within 5 business days of the scheduled event.

Food handling certification is required for personnel working at Buckley/Searles Stadium concessions. However, it is not required for campus level concessions, but it’s recommended that staff overseeing the concessions be certified to provide guidance to students working the concessions. Food handling certification for campus staff can be provided at no cost through the Bell County Health Department.

Activities which are planned and implemented by the district affiliated outside organization are considered outside organization fundraisers. Monies generated from these activities are to be deposited to the account of the district affiliated outside organization and not to the school's activity funds account. Booster clubs shall add a disclosure on any flyer, announcement or any medium that they are not acting on behalf of KISD. Booster clubs may participate in donor sites but the split percentages of the cash donations must be posted.

Participation by the students (as a whole) and school personnel either as contributors (consumers) or fundraisers (workers) will not prevent the outside organization from conducting a fundraising activity when they have initiated the activity and assumed the responsibility for conducting it.

It is assumed that parent-teacher groups will work in full cooperation with the principal and under his/her supervision in planning special programs and activities or in conducting any activity which involves the raising of money. Activities involving school personnel during school hours, or the use of school property require prior approval of the principal.

Utmost discretion should be used in limiting such fundraising activities to those which are necessary for the school.

Funds of outside and parental organizations are not to be commingled with campus or student club activity funds. It is the responsibility of the outside organization (parent group or outside organization) and not the responsibility of the District nor its employees to receive, receipt, deposit, or account for the activity of any outside organization. Campus staff cannot direct parents/ students to write checks or give funds to the outside organization or parental organization. Monies collected from fundraisers organized and conducted by the school must be deposited into the school's activity fund account.

Killeen ISD employees are encouraged to be actively involved in parental organizations, including becoming officers of the organizations. However, employees may not serve as Treasurer or have signature authority on a bank account for any parental/ outside organization related to Killeen ISD. Under no circumstances may a Killeen Independent School District employee commingle in a personal checking and/ or savings account or maintain a bank account and/ or savings account in which money that rightfully belongs to a parental/ outside organization associated with that campus is kept. In the event that a district employee is a member of any parental/ outside organization, that employee shall act in their individual capacity and not as a representative or employee of the district.

Outside organizations conducting fundraising activities shall manage their own finances and may make donations to the school or an individual student club as they elect. Such contributions may be designated either for a specific purpose or for expenditures at the discretion of the principal. A Donation Approval form (AF-117) must be completed for each merchandise donation received.

**Joint fundraisers between activity funds and outside organizations are not allowed.**

#### Student Safety

Occasionally, parent organizations and booster clubs involve students (outside of school hours) in fundraising activities. When students are involved in these activities, the campuses should inform the parent organizations and booster clubs that the safety of the student should be considered.

During the course of performing fundraising activities, outside vendors sometimes encourage students to sell items door-to-door. The safety of the student should be considered before any fundraising activities are approved. **Students at elementary and middle schools will not participate in any door-to-door sales.**



### Collection of Fundraising Proceeds

If an outside organization is interested in accepting funds on a campus from students or parents, the following rules must be followed:

- a. The outside organization will provide a drop box as well as anchors to secure the drop box to the floor.
- b. The school will provide a secure location for placement of a drop box. The District will provide envelopes for deposits.
- c. If the drop box requires 2 keys for entry, one key shall remain in the possession of the outside organization treasurer or designee and the other key will be controlled by the campus designee. If only one key for the box exists, the outside organization will maintain control of the key.

KISD employees should never receive cash for an outside organization directly from a student or parent. Instead, any monies that a student or parent needs to submit to the outside organization should be deposited into a secured drop box by the following procedures:

- a. Place cash, checks, or other items with cash value in the District provided envelope, Form 987-680. Label the envelope with the students' name, phone number, affiliated organization and amount of cash or equivalents submitted.
- b. The envelope should be sealed and signed by the student prior to depositing into the drop box.
- c. All envelopes are to remain in the drop box until an officer of the outside organization and a Campus Representative are both present to withdraw the envelopes together.
- d. After all envelopes have been opened and verified, both the campus official and outside organization officer should sign and date the district provided, Outside Organization Cash Transfer and Deposit Record (Form 987-679) to document that funds were counted and transferred.
- e. The official copy of Form 987-679 will remain with the designated campus official, and the carbon copies of the form should be given to the outside organization official.
- f. If a discrepancy exists in an envelope, a member of the outside organization should contact the student or parent listed on the envelope to inform them of the discrepancy.
- g. After transfer is completed, the outside organization assumes responsibility for deposit and/or any discrepancies.

During any active fundraiser, the drop box should be emptied at least every 3 days; however, it is strongly recommended that the deposits are transferred to the outside organization daily.

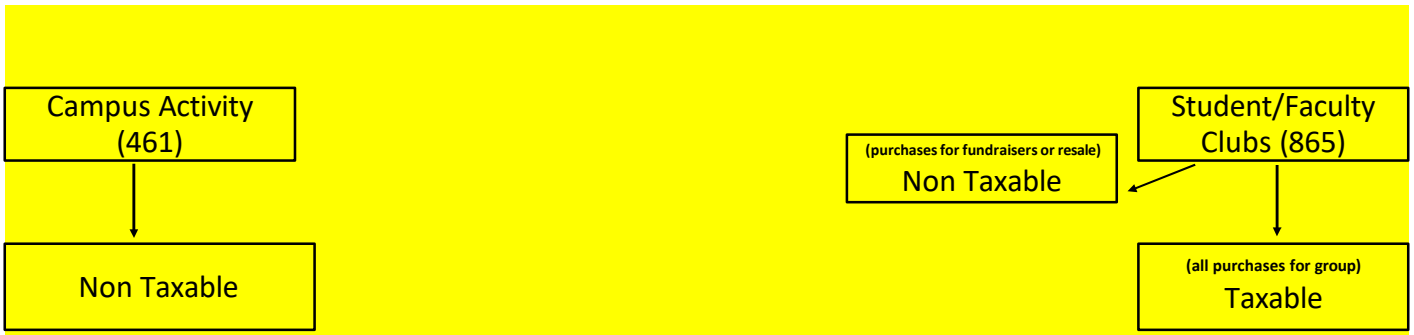
Concession stands operated by an outside organization should follow the Outside Organization Guidelines located on the Accounting Department website under Outside Organizations Info. The end of day process for counting and depositing cash is outlined below for non-varsity and events that are not outlined in Outside Organization Guidelines (p. 7):

- a. At the conclusion of the event, a District employee and outside organization representative should both be present to count the funds.
- b. Both the District employee and organization representative should count the funds for deposit and both individuals should sign the district provided Organization Concessions Sales Report; Form 987-678
- c. The 3 carbon copies of Form 987-78 should be divided as follows:
  1. 1st copy to be submitted with deposit bag
  2. 2nd copy should remain with the campus designee and attached to the monthly statements of the outside organization.

3. 3. 3rd copy should be given to the outside organization representative.
- d. The deposit and signed copy of the Form 987-678 will be sealed in a tamper proof bank bag provided by the District; the outside organization member should take the funds for deposit to the outside organization's bank.

**NOTE: The parties responsible for counting the funds at the end of a shift must not be related in any capacity.**

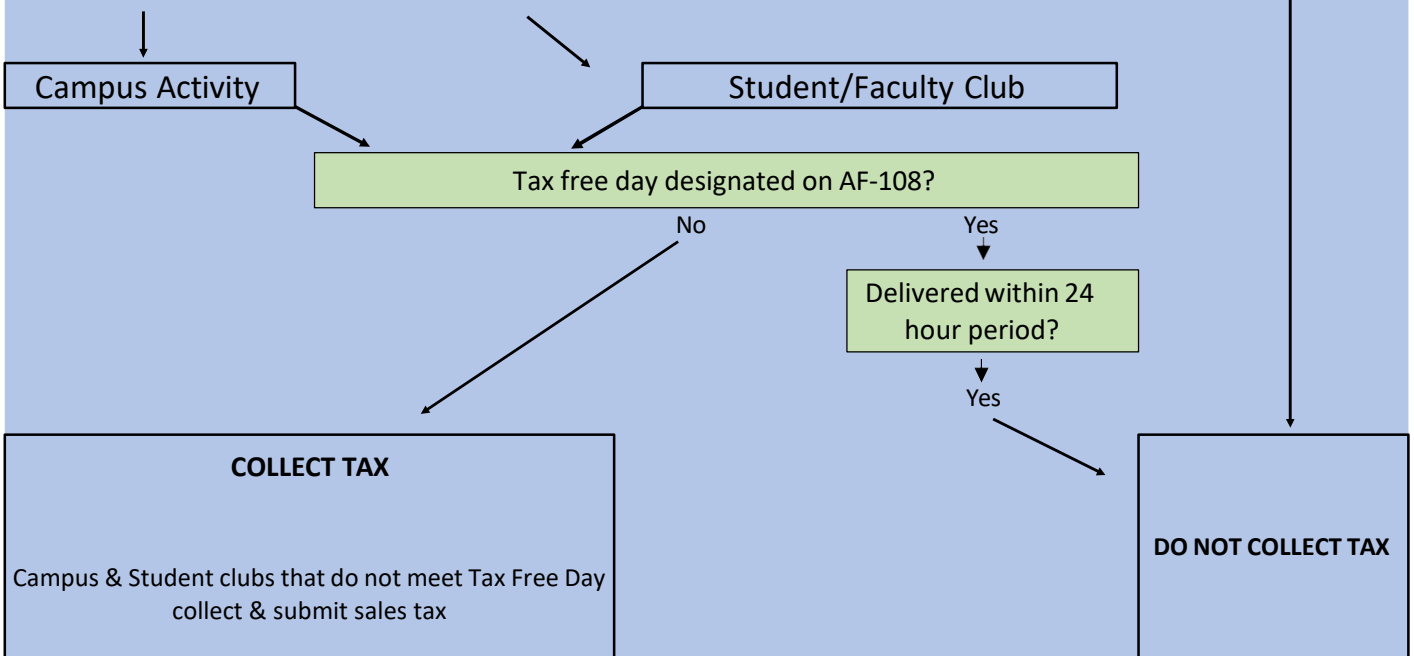
# SALES TAX FLOW CHART



## SALES

- TAXABLE**  
(Sales & Fundraisers)
- |                                 |                     |
|---------------------------------|---------------------|
| Agendas & calendars             | Greeting cards      |
| Art supplies                    | Handicrafts         |
| Athletic equip & uniforms       | Locks               |
| Auto parts & supplies           | Merchandise         |
| Band equip & uniforms           | Magazines           |
| Books & covers                  | Music supplies      |
| Brochure items                  | Career & Tech parts |
| Candles                         | PE uniforms         |
| Cheer Uniforms                  | Pictures            |
| Clothing                        | Pens & Pencils      |
| Computer supplies               | Rentals             |
| Cosmetology products            | Rings               |
| Decals                          | Uniforms            |
| Directories                     | School publications |
| Laminating-copy - printing fees | School store        |
| Flowers                         | Spirit items        |
|                                 | Yearbooks           |

- NOT TAXABLE**
- |                    |                                     |
|--------------------|-------------------------------------|
| Ad sales           | Exam fees                           |
| Admission - camps  | Facility rentals (to school groups) |
| Admission - events | Field trip fees                     |
| Band fees          | Food items                          |
| Car washes         | ID Cards                            |
| Club membership    | Labor                               |
| Commissions        | Library fines                       |
| Concessions        | Lost textbook fines                 |
| Cosmetology Svcs   | Parking permits                     |
| Discount cards     | Passbooks                           |
| Dues               | Transcripts                         |
- Including fines for lost ID cards, calculators, etc. issued by district



**A. Exempt Organization**

1. As a special district authorized by the State of Texas, Killeen ISD is exempt from paying sales taxes on goods and services used for educational purposes.
2. Since the District is exempt from sales taxes when proper purchasing procedures are followed; employees will NOT be reimbursed for sales taxes paid on individual purchases—even if they are for use by the District.
3. The sales tax exemption derives from the special status of the District; therefore, the Killeen ISD tax identification number CANNOT be used by employees, parent groups, patrons, or other organizations to secure exemption from sales taxes under any circumstances.

**B. Purchases by an Exempt Organization**

The purchase, lease, or rental of a taxable item is exempt from tax when:

1. The item is directly related to the educational purpose of the school
2. The item remains school property and ownership does not pass to an employee, student or other individual
3. The school or employee pays for the item; and
4. The vendor is provided with a Texas Sales Tax Exemption Certificate or Purchase Order issued by the District

**C. School Purchases**

1. Campus Activity purchases are exempt. A Texas Sales Tax Exemption Certificate should be provided to vendor at purchase.
2. Student Activity purchases are not exempt from sales tax. However, if the student/faculty club plans to sell items in a fundraiser, the purchase then becomes non-taxable, and a Texas Sales Tax Exemption or Texas Sales and Use Tax Resale certificate is to be given to the vendor at purchase.

**D. Non Taxable Sales**

The following are not taxable, no matter how many sales occur during the year:

1. Food, soft drinks, and candy
  - a. Sold during the regular school day, including sales from vending machines
  - b. Sold by a person under 18 years of age as part of a fundraiser sponsored by the school or club (Includes concession stands run by students which have been approved as a fund-raising project)
2. Fees and admission tickets, including athletic, play, and dance tickets—provided that no part of the proceeds benefit an individual
3. Newspapers sold by subscription or single copy
4. Club Memberships
5. Passbooks/Discount Cards (considered intangible items by the State Comptroller)
6. School sponsored trips:
  - a. Meals purchased by the school for athletic teams, bands, etc., on authorized school trips are exempt from the sales tax if the school contracts for the meals. The SCHOOL must pay for the meals and provide the eating establishment with a Texas Sales Tax Exemption Certificate. Teachers, coaches, sponsors, and others must pay sales taxes on individual purchases even though the school reimburses them for expenses.
  - b. School Districts are exempt from the state's 6% hotel occupancy tax as an "education organization". The Texas Hotel Occupancy Tax Exemption Certificate must be presented when checking into your accommodations. The District will not reimburse staff for state hotel taxes paid. The District, however,

will continue to pay or reimburse local hotel taxes. Complete itemized hotel receipts showing room and tax charges per night are required for reimbursement.

**E. Taxable Sales**

1. Items sold to students/individuals for their own use even if connected with the school. This includes items purchased or produced by the school and later sold to students/individuals that become their own personal property. For example: spirit items/athletic programs sold during an athletic event, clothing (including athletic, band and cheerleader uniforms, t-shirts and shoes kept by the student), pencils, pens, paper, kindergarten mats, kindergarten folders, music recorders, student store items and other supplies sold throughout the year.
2. Fees for materials when the end product becomes a possession of the student or staff member
3. Student publications such as yearbooks and football programs
4. School pictures/yearbooks
5. Staff shirts purchased by the staff
6. Any materials used in the classroom if the end product becomes a possession of the student, such as dress material or art supplies.
7. Stationary, note pads, etc. produced in a classroom or vocational class
8. Books sold to students at book fairs (These sales taxes are paid directly to the vendor at time of payment. Vendor submits sales tax)
9. Purchases from student or faculty clubs for hospitality, condolence, etc.
10. Pre-Sale items that have not been paid for by the delivery date are not considered a “sale” and are taxable items.

535 SALES TAX - Fund-Raising Sales

1. An exempt organization is not required to collect sales taxes on taxable items sold during **qualified one-day fundraisers**. (A sale, such as yearbooks, can qualify as a one-day sale as long as all of the items sold are DELIVERED to the purchasers on one day. The item must be paid for before or during the one-day sale.) If any items are left over, if a new delivery arrives on a separate date, or if the item is paid for after the one-day sale, the items may still be sold, but sales taxes would have to be charged on those items.
2. For a sale to qualify as a **one-day tax-exempt** sale, the merchandise for sale must be transferred by the qualified exempt organization to the purchasers in a 24-hour period. As an example, in order for t-shirts to qualify as a one-day tax exempt sale, all the t-shirts must be delivered by the student club to the purchasers in a 24-hour period. Payment, however, may be collected before or during the 24-hour period, but cannot be collected after the 24-hour period. If t-shirts are left over, they may still be sold, but the sales taxes would then have to be charged on these items.
3. A club does not have to realize a profit for a sale to qualify as a one-day tax exempt sale. The one-day tax-free sale applies to all sales regardless of whether or not the exempt entity realizes a profit or gain from the sale. As an example, if a sponsor plans ahead, uniforms can be delivered to the students (purchasers) in a 24-hour period and qualify as a one-day tax-exempt sale.
4. Each student/faculty activity club, each school, and the District itself are considered separate exempt organizations, and each may hold **two tax-exempt sales per calendar year** (not school year) – provided that the ONE-DAY rule is met.
5. **To qualify as a tax-free sales day, permission for the fundraiser must be acquired by completing and submitting form AF-108. The intent for a tax-free day and the date of delivery must be documented on form AF-108 when submitted for principal approval.** A tax –free sales day cannot be designated at any other time. Other fundraisers (taxable) may be held outside of the club’s two sales tax free days.
6. There is a \$5,000.00 limit on the sales price of any one item to be eligible for tax-free treatment if sold during a one-day sale.
7. If a sale item was manufactured by the District or if a sale item is donated to the District and in turn sold, there is no limit on the sale price for the sale to be eligible for the tax-free treatment if the item is sold during a one-day event.

536 SALES TAX – Collection and Remittance

1. The principal is responsible for ensuring that sales taxes are being collected by the clubs and fundraisers. Amounts owed as a result of an audit will be paid from activity funds.
2. Sales tax is to be collected and submitted for all taxable sales unless there is an approved AF-108 on file designating a tax-free day.
3. All contracts with outside vendors for the sale or rental of items must specify which party is responsible for the collection and remittance of sales tax.
4. If the school assumes responsibility for the activity and/or sales, the school is responsible for ensuring that sales tax is paid. The school will purchase items tax free and must collect the tax when the items are sold.
5. Vendors (Scholastic) that collect sales tax are responsible for submitting the sales tax. Not the campus.
6. The current sales tax rate for Killeen, Harker Heights and Nolanville is 8.25%. Ft Hood has a different rate of 6.75%.
7. The campus has the option of:
  - a) Adding the tax to the selling price of the item
  - b) Absorbing the tax in the selling price of the item. (preferred)
8. All taxable sales, including tax free sales, collected by the campus shall be remitted by the 5<sup>th</sup> business day of each month to the Treasury department on Form AF-105 (QuickBooks users) or OP-105 (ASB users), Monthly Collections for Monies Due to KISD. (see Accounting department web page)
9. If there are no taxable sales (including no tax free Sales) income for the month, an email to the DL-Treasury account stating that your campus has no taxes collected for the month will replace sending the AF-105 (QuickBooks users) or OP-105 (ASB users). (ASB users still may send an OP-105 if other funds are owed to Operating.)
10. Form AF-105 and OP-105 should include the following:

<b>AF-105</b>	<b>OP-105</b>
a) Club Name	a) Campus Name
b) Sales description (t-shirts, yearbooks, etc.)	b) Month End Date
c) Receipt number	c) Athletic Fines
d) Receipt Date	d) Calculator Fines
e) Gross Sales (Taxable & Nontaxable)	e) Football ticket sales
f) Taxable Sales	f) ID Card replacements
g) Sales Tax	g) Other Funds owed to operating
	h) Sales Tax

11. Gross Sales = the total amount of money the campus received from all sales. (Gross sales = Taxable sales – sales tax)
12. Taxable Sales = the amount of money the campus received from taxable sales only. This amount is included in the gross sales amount. Taxable sales are the amount used to calculate the sales tax owed to the state.
13. The Sales Tax forms for each city (located on the Accounting department web page) will calculate sales tax due, including the discount, to remit to Treasury. The forms also allocate the discounted sales tax to each of the clubs. (only Elementary Campuses)
14. The Treasury department will transmit all sales tax collections from AF-105 (QuickBooks users) or OP-105 (ASB users) to the State.

15. The AF-105 or OP-105 submitted to Treasury or email to DL - Treasury account is required to be kept with the bank reconciliation documentation submitted to Accounting each month.

COMPUTATION OF SALES TAX

When imposing sales tax, the school has the option of:

1. Adding the tax to the selling price of the item. Thus, if the selling price of an item is \$10.00 and the tax rate is 8.25%, the school would collect \$10.83 from the buyer for each item sold. Sales tax collected should be shown separately on all master and alternate cash receipts.
2. Absorbing the tax in the selling price of the item. The absorbing tax rate for Killeen, Harker Heights and Nolanville is .0762, and .0632 for campuses on Fort Hood. Thus, if an item is sold for \$10.00 including tax, the school would retain \$9.24 (taxable sales amount), and remit \$.76 for sales tax. If this method is used, multiply the total collection by the appropriate absorbing tax rate that applies to your school. This product is the amount of state and local taxes due on the total collections.

To illustrate absorbing the tax:

Total Sales (Gross)	\$ 10.00
<u>x Absorbing tax rate</u>	<u>x .0762</u>
= Total Sales Tax Collected	\$ 0.762

To compute for taxable sales:

Total Sales	\$ 10.00
<u>- Total Sales Tax Collected</u>	<u>- 0.762</u>
= Taxable Sales	\$ 9.238

To compute for sales tax to be paid:

Taxable Sales	\$ 9.238
<u>x Sales Tax Rate</u>	<u>x .0825</u>
= Sales tax to be paid	\$ .7620



# Instructions for Calculating and Submitting Sales Tax

## 1. Go to the Killeen ISD website and click on Departments

https://www.killeenisd.org

Killeen ISD

TRANSLATE

SEARCH

SITE MAP

HOME ABOUT KISD SCHOOLS NEW TO KISD PARENTS AND STUDENTS DEPARTMENTS SCHOOL BOARD EMPLOYMENT

EDUCATIONAL RESULTS PARTNERSHIP

HONOR ROLL SCHOOLS 2018-2019

Clarke Elementary & Early College High School named Honor Roll Schools among 855 schools and six districts throughout Texas.

Read More

1 JUL To 5 JUL District Offices

9 JUL Board Meeting

23 JUL Board Worksh

31 JUL To 1 AUG Campus Enrol

## 2. Choose Business Services

https://www.killeenisd.org/departments

Killeen ISD

TRANSLATE

SEARCH

SITE MAP

HOME ABOUT KISD SCHOOLS NEW TO KISD PARENTS AND STUDENTS DEPARTMENTS SCHOOL BOARD EMPLOYMENT

**B**

Name: [Bilingual / ESL / Migrant](#)

Address: 902 N 10th St Killeen, TX. 76541-4829

Phone: (254) 336-0227

FAX: (254) 336-0212

Name: [Business Services](#)

Address: 200 N WS Young Dr Killeen, TX. 76543-4025

Phone: (254) 336-0157

FAX: (254) 336-0021

**C**

Name: [Communications Services](#)

Address: 200 N WS Young Dr Killeen, TX. 76543-4025

Phone: (254) 336-0065

FAX: (254) 336-0055

Name: [Community Relations](#)

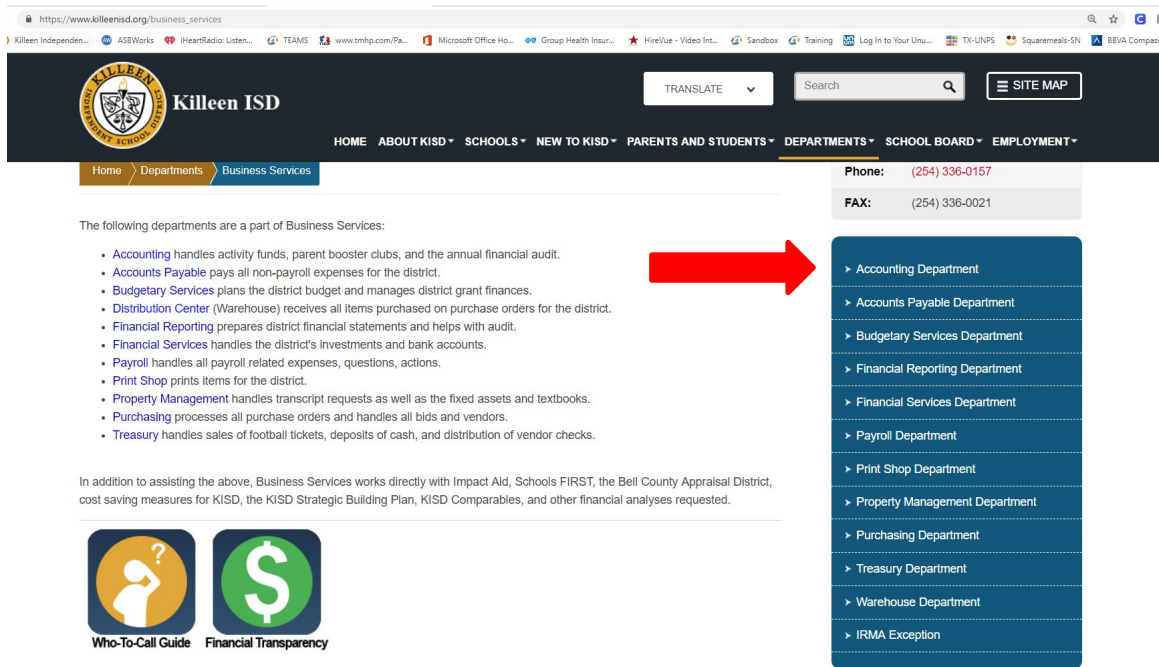
Address: 902 N 10th St. Killeen, TX 76543-5289

Phone: (254) 336-1707

FAX: (254) 336-2790

**D**

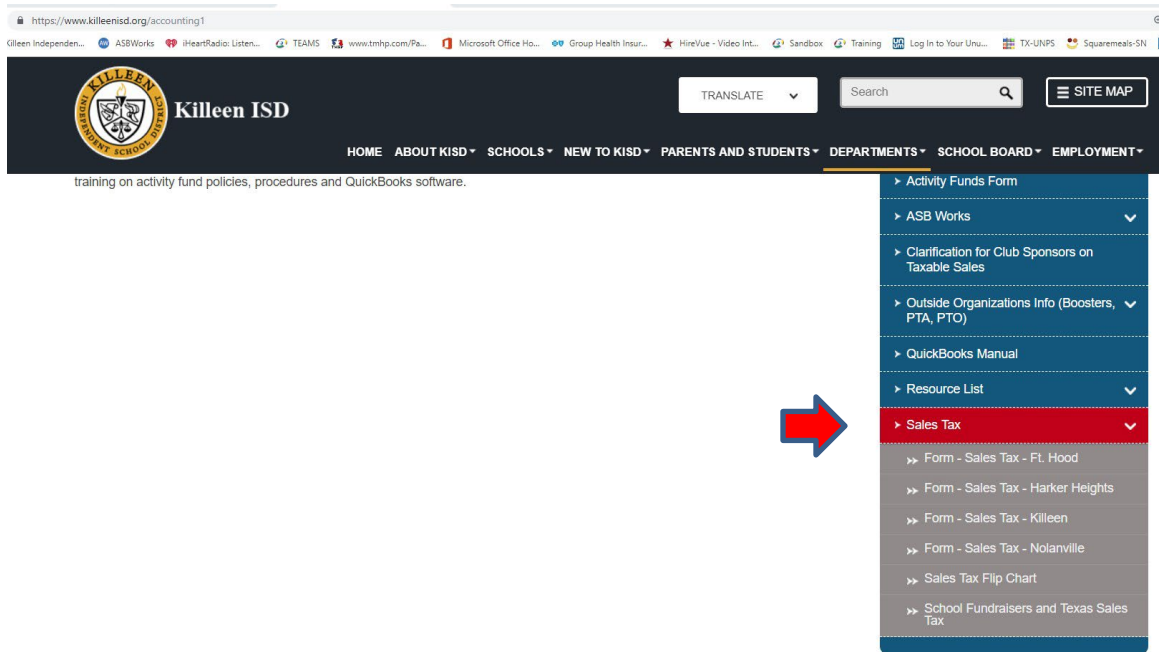
### 3. Choose Accounting Department



The screenshot shows the Killeen ISD Business Services page. At the top, there is a navigation bar with the Killeen ISD logo, a search bar, and a 'SITE MAP' button. Below the navigation bar, there are tabs for 'Home', 'Departments', and 'Business Services'. The main content area lists various departments under Business Services, including Accounting, Accounts Payable, Budgetary Services, Distribution Center, Financial Reporting, Financial Services, Payroll, Print Shop, Property Management, Purchasing, and Treasury. A red arrow points to the 'Accounting Department' link in a dropdown menu on the right side of the page. Below the list of departments, there is a section for 'Who-To-Call Guide' and 'Financial Transparency' with corresponding icons.

### QuickBooks users (Elementary campuses)

#### 1. Choose Sales Tax and then your city.



The screenshot shows the Killeen ISD Accounting page. At the top, there is a navigation bar with the Killeen ISD logo, a search bar, and a 'SITE MAP' button. Below the navigation bar, there is a section for 'training on activity fund policies, procedures and QuickBooks software.' A dropdown menu is open, showing a list of links. A red arrow points to the 'Sales Tax' link, which is highlighted in red. Below 'Sales Tax', there is a list of links for different cities: 'Form - Sales Tax - Ft. Hood', 'Form - Sales Tax - Harker Heights', 'Form - Sales Tax - Killeen', 'Form - Sales Tax - Nolanville', 'Sales Tax Flip Chart', and 'School Fundraisers and Texas Sales Tax'.





5. The information from the “Absorbing Tax” tab will automatically feed over to the “AF-105 Monies Due” tab. Click on the next tab to the right. As seen above, the “AF-105 Monies Due to KISD” form has been completed and is ready to be printed out and signed by the principal. This form and a check for the amount in line 7 “Sales Tax Paid” is submitted to Treasury. (Note – disregard the rounding differences in the calculation. Pay the amount displayed on line 7.)
  
6. Go to the “Tax By Group” tab to the far left. This table will allocate the sales tax across each club’s sales and should be entered into each club’s revenue classification when writing the sales tax check out of QuickBooks. These amounts would also be used if a journal entry is used to record sales tax instead of a check. Do not try to manipulate this sheet. It is a pivot table that is unprotected and will not function properly if any changes are made to it.

Group (club/organization)	Total
student council	\$13.27
Cheerleaders	\$18.96
Faculty staff	\$4.55
Basketball	\$16.68
Chess club	\$4.55
<b>Grand Total</b>	<b>\$56.01</b>



7. Note – we have also added a tab for adding sales tax that you may use if desired. It will feed over into the AF-105 tab but, it will not display the allocation of tax on the “Tax by Group” tab. The “Absorbing Tax” tab is the preferred and most beneficial calculation.

## ASB users (Middle and High school campuses)

1. ASB cash receipting software calculates sales tax and places it in a separate account labeled sales tax. To ensure the software calculates correctly items must be set up with the correct sales price.

## 2. Choose ASB Works then Sales Tax Cheat Sheet

Home > Activity Funds Form > Accounting

Phone: (254) 336-0021  
FAX: (254) 336-0090

- Accounting Staff
- Activity Fund Due Dates
- Activity Fund Manuals
- Activity Funds Form
- ASB Works**
  - ASB New Account Request
  - ASB New Item Request Form (ASB-101)
  - MEP-105 Music Enrichment Program Funds
  - New Vendor Request Procedure
  - OP-105 Collection of Monies Due to KISD
  - Sales Tax Cheat Sheet

- Choose “Calculating Amounts” tab (A) and enter the total purchase amount (B) for the item. The spreadsheet calculates the sales price (C) and tax (D) amounts. Enter the sales price when setting up an item for sale in ASB.

Calculating Other Amounts				
C	D	B		
Sales Price	Tax Amount	Total Purchase Amount		
1,108.55	91.45	1,200.00		

4. An OP-105 will be used to remit sales tax and various other fees/fines due to the District. A report (Balance sheet) from ASB will give the balances due for the month.

Killeen Independent School District			
Campus Name _____		Collections of Monies Due to KISD	
For the Month Ended _____			
Remit To: ATTN: Cash Receipts Clerk Treasury Services			
This form should be completed and submitted to the Treasury Department with a check and required reports (listed below) , each month during the month end reconciliation process.			
Athletic Fines			
CC Convenience Fees			
Calculator Fines			
Football Ticket Sales			
ID Card Replacements			
Other Funds Owed to Operating (attach account statement)			
Gross Sales Tax Due			
<b>Subtotal</b>			<b>\$ -</b>
<b>Total Taxable Purchases</b>			<b>Tax</b>
Accounts:		Tax amt:	
<b>Total Amount Due</b>			<b>\$ -</b>
Paid on check number: _____		Date: _____	
Principal's Signature: _____		Date: _____	
<b>Reports to include in Treasury Packet:</b>			
Daily Posting Report Page 1 Only			
Balance Sheet Report (1 copy)			
Taxable Purchases: include copy of receipt that tax should have been paid			
* Should show ending balances for the month prior to check issue			
<b>Note: Please include one of the check stubs that print with the check</b>			

## 537 ACTIVITY FUND LOSSES

### Insurance Coverage

Student/Club activity funds are insured against fraudulent or dishonest acts of employees under a blanket bond provided by the District.

### Acts Not Insured

This coverage will not cover a fraudulent or dishonest act of students, nor will it cover mysterious disappearance or accidental destruction of money or property.

It is therefore the responsibility of each school principal to provide the maximum security available for the protection of activity funds.

### Report of Loss

In the event that a loss or dishonest act involving activity fund monies is uncovered, it shall be reported immediately. Risk management services will send the principal the necessary form, Proof of Loss that must be completed and returned to risk management services.

For activity fund losses, the specific steps to be taken are as follows;

1. The principal should immediately telephone the appropriate Executive Director, Business Services, the director of Risk Management and the KISD Police to report the loss.
2. The principal should then prepare a detailed written report describing how the loss occurred and his/her recommendation of the necessary action (1) to reimburse the activity fund and/or (2) to obtain the lost funds from some other source.
3. The appropriate Executive Director approves or disapproves the recommendation made by the principal, in step 2, and notifies the school.

### Restitution

Restitution shall be required from the responsible employee for any loss of activity funds. The amount of restitution will be equivalent to 50% of the loss but not to exceed one month's base pay. However, if the loss is caused by fraudulent, knowing or willful misconduct, restitution will be provided in excess of a sum equal to the loss and in excess of one month's base pay (see section 501)

See procedure III – AA for the review process and possible steps for restitution by district employees.



538 DISPOSAL OF EQUIPMENT

Disposal of Supplies and Equipment Purchased from Activity Funds

Equipment that is no longer needed at the school may be disposed of in accordance with KISD Administrative Procedures.

No equipment purchased with District funds or activity funds may be sold by the school for any reason.

For further information on disposal procedures, contact the District property management office.

# ADDENDUM

## Clinician Procedures

A clinician is one who instructs a group of students (more than 3) in the Fine Arts Program.

### Procedure:

It must be determined if the clinician is a temporary employee or contractor. A clinician will be a temporary employee if they have also performed Music Enrichment Program (MEP) services for the district. They will be a contractor if they have NOT performed MEP services for the district.

### Temporary employees:

Must be paid through payroll. Activity funds may not be used to pay for temporary employees directly. Student activity funds may “donate” money to the general fund (199). The students must agree and it will be stated in their charter. A check should be written to Treasury and the appropriate forms (SAF-115 and KISD 285-841 Gift Approval Form) completed for the donation. The completed forms and check should be sent to Budget for processing.

### Contract:

A clinician that does NOT perform MEP services for the district will go through Purchasing for contract purposes. Activity funds may be used to pay for these clinicians directly. Campuses will need to follow Activity Fund rules regarding contracts as stated in 527.1 Section of the Activity Fund Manual.

## Boosterthon Guidelines

Boosterthon Fun Run program is a fundraiser option that incorporates the whole campus.

1. Campus Hosting is not approved.
1. Booster/PTA Hosting
  - a. Must have Principal's PRIOR approval. (KISD 285-836 Statement of Purpose)
  - b. Must adhere to Activity Fund (Outside Org) and Purchasing Procedures.
    - i. It must state that the PTA is receiving the funds and the percentage that the PTA will keep.
    - ii. All monies collected must be verified by a designated Campus Representative and an officer of the outside organization. (ref. Activity Fund Manual/Outside Organization Guidelines pg. 3)
    - iii. Boosterthon Fun Run would need a signed contract to perform services on the campus. This must be approved by Purchasing.
      1. Killeen ISD does not allow any vendors to operate at any time on the school district property except where a specific contract for services exists. (reference Administrative Procedure III-E)

## KISD Career Center

The Career Center has many programs of study. These programs engage students in relevant and meaningful learning experiences that are aligned with post-secondary education and career standards. The outcome of these experiences generally produce products and/or services. A minimum price may be charged for these products and services. These products and services may be made available to KISD employees and the general public. The Career Center sponsors do not have to complete the Campus versus Student Activity Fund Form (CVS).

### **Procedures**

A price sheet of ALL services/products produced or offered by each program must be submitted to the Financial Clerk **no later than August 31** of each school year (within 10 business days if items are created after the start of the school year). The price sheet must be reviewed and approved by the principal. This sheet is needed to inform the Financial Clerk and Cashier of items that need to be set up in the cash receipting software. The price sheet approved at the KISD Career Center will be the universal price for all campuses.

The price sheet will consist of all items/services offered by each program. The price of these items should approximate the cost of materials but not priced to compete with area businesses.

Students will not be paid labor out of activity funds for any items produced or services performed. Payments of this nature must go through the Payroll Department. Please see Administrative Procedures VI-Z Supplementary/Temporary Pay for further information.

### **Collections**

Income received from the programs of study, (e.g. auto body, auto mechanics, welding, horticulture, construction, AV production, commercial photography, graphic design, IT, radio, etc.) for services/products sold are to be remitted to the campus cashier with the exception of Cosmetology and online sales. Cosmetology has its own point-of-sale system. Products sold will have an absorbing tax applied to be remitted to Treasury on Form OP-105 (Collection of Monies Due to KISD), monthly, by the Financial Clerk. Sponsors/Students may **NOT** accept tips. A donation can be made to the student activity fund but not to individual students.

Products/Services that are funded through budgeted funds must go back to the budget when sold. This includes all services/products that use Killeen ISD funded equipment/tools.

### **Budgeted Funds**

The Financial Clerk will remit, monthly, the monies received from the sale of these products/services back to Budget on Form OP-105 (Collection of Monies Due to KISD).

### **Campus Activity Funds**

Campus activity funds are those monies which are district-controlled, both collections and disbursements, and are identified to a particular campus to be administered by a principal within the overall framework of the budget funds. These monies are to be used **to supplement the school's operating budget** in providing materials, supplies, equipment, furniture, and other services is deemed appropriate for the normal operation of the campus.

For further information on Campus Activity Funds please reference pages 202.1, 204.3, and 512.1 of the Activity Fund Manual.

## **Student Activity Funds**

Student/club activity funds (also known as agency funds) consist of revenues that are basically the property of student and teacher groups or clubs, such as the TAFE, Skills USA, Business Professionals of America, faculty/staff, etc.... Collection and disbursement of these funds are generally controlled by the student group itself under the supervision of a member of the school's professional staff.

For further information on Student Activity Funds please reference pages 202.3 and 512.1 in the Activity Fund Manual.

Campus and student activity funds may fundraise through traditional, after school fundraisers to obtain funds for their respective accounts/clubs. Though any items sold that were obtained through budgeted funds will be returned to the budget.