

## **Activity Fund and Campus Fund Guidelines**

### **Definition and Purpose**

Activity funds are monies primarily consisting of proceeds from organization fundraisers and vending machines. Student activity funds are raised by student-led groups, which are organized as clubs with officers. Campus activity funds are raised by student groups that are organized as classes without officers or are raised by employees. Each school must maintain the student and campus activity funds separately. Activity funds are used to promote the general welfare of each school and/or the educational development and morale of all students.

As a general guideline, funds derived from the student groups shall be used only for purposes authorized by the organization or upon approval of the sponsor. All funds raised by student organizations must be expended for the benefit of these students. The principal or department head shall be authorized to expend funds from the campus administrative activity fund to be used for activities of the students, faculty, staff, or campus. Funds accumulated by the faculty or staff may be used to benefit either that group or students.

### **Responsibility of Club/Class Sponsors and Principals—*Student Activity Funds***

The Sponsor of each school club or class is required to maintain adequate financial records of all cash received by the group for dues, fundraising activities, etc. The sponsor or advisor is responsible for supervising the activities of the student organization or program and any other duties assigned by the proper administrative authority. The sponsor or advisor may be a teacher or an administrative employee of the district.

The principal is normally designated as the campus “supervisor” for all student-related activity funds. As supervisor, the principal has overall responsibility for the operation of the student activity fund, which includes 1) collection and deposit of activity fund moneys, 2) approving disbursements of activity fund monies, and 3) bookkeeping responsibilities. The principal may delegate all or some of his/her supervisory responsibilities to a bookkeeper.

All cash collections received by the student group must be recorded on duplicate bank deposit slips. All collections must be deposited in the appropriate activity fund. The sponsors are required to reconcile their records to the amounts deposited with the activity fund. Any discrepancies between Sponsor records and Principal’s records should be addressed on a monthly basis for any corrections.

### **Responsibility of Principal/Department Head—*Campus Activity Funds***

The appropriate principal or department head is required to maintain adequate financial records of all cash received for dues, fundraising activities, etc of the campus activity fund and is normally designated as the campus activity fund “supervisor” for that campus or building. As supervisor, the principal or department head has overall responsibility for the operation of the activity fund, which includes 1) collection and deposit of activity fund moneys, 2) approving disbursements of activity fund monies, and 3) bookkeeping responsibilities. The principal or department head may delegate all or some of his/her supervisory responsibilities to an office bookkeeper.

### **Campus Duties Related to Activity Funds**

The activity fund sponsor or designated bookkeeper will normally have the most time-consuming tasks related to activity funds. These tasks likely will include collection of activity fund money, preparation of the deposit slip and deposit of the monies, maintenance of the fund accounting records, and preparation of the check request for disbursement of funds, and monthly account reconciliations.

## **ACTIVITY FUND PROCEDURES**

### **Account Codes and Titles**

When a new club or campus account is created, the Business Office should be given the account title and a description of the purpose of the account.

### **Deposit of Funds**

Bank deposits should be made daily as necessary to prevent large sums from accumulating and to prevent money from remaining on campus overnight. Un-deposited receipts should be kept under lock with limited access.

Procedures for making bank deposits are as follows:

- a) The sponsor or designated bookkeeper counts cash and coins and enters amounts appropriately on a triplicate deposit slip. All checks must be listed on the deposit slip (or they can be listed on a separate sheet that accompanies the deposit slip). All checks also need to be totaled with an adding machine tape attached. Two signatures are required on the deposit slip to verify the amount of the deposit.
- b) The name of the organization making the deposit should be noted on the deposit slip.
- c) The deposit should then be delivered to the Business Office. The Business Office staff will be responsible for taking it to the bank.

### **Disbursement Procedures**

A check request form must be filled out and signed by the sponsor and approved by the campus principal. Receipts or invoices for supporting documentation must be attached to the check request form. The check request form should be submitted to the Business Office by Wednesday of each week. Checks are normally written on Thursdays unless it is deemed an emergency. Disbursements shall not be made from any accounts until sufficient cash is available in the account to cover the disbursement.

A check should never be made payable to Cash. A check can be made payable to the sponsor or principal if needed, with invoice attached. Under no circumstances should a blank check be issued. Under no circumstances shall checks be pre-signed by any authorized check signer. No signature shall be affixed to a check until all blanks (date, payee, and amount) have been filled in.

### **Fundraising**

In order to provide administrative control over the extensive fundraising activities promoted by the various school organizations, certain procedures are required before schools can start fundraising projects. Student clubs or classes may be permitted to conduct fundraising drives for approved school purposes and are allowed two tax exempt fundraisers per year. Principal and Superintendent approval are required before a fundraising event may begin. Due to audit requirements, funds raised shall be received, deposited, and disbursed in accordance with Board policy.

Fundraising activities should support the educational goals of the school, and should not exploit students. Activities and projects should be investigated carefully before committing the school's support.

Funds should be used for school activities, not for non-school activities. To do so would violate the public trust through which funds are earned.

### **Sales Tax**

Generally, all items purchased by a school for its own use in providing an education are exempt from the Texas sales tax. For its "own use" means the school making the purchase intends to make exclusive use of the item and will not offer it for resale. A purchase order issued by a school is sufficient proof the school is exempt from payment of sales tax. If the school does not issue a purchase order, an exemption certificate should be used. No identification number is required on exemption certificates.

For fundraising, the purchase of fundraising items for resale would be sales tax exempt but the sale of those items may not be. Per the Texas Comptroller's Office, "School districts, public

schools, qualified exempt private schools and bona fide chapters within a qualifying school (a department of a school is not a bona fide chapter) may conduct two one-day tax-free sales or auctions each calendar year. For the purposes of this exemption, one day is counted as 24 consecutive hours and a calendar year is the 12-month period from January through December...Either the date on which the items are delivered by the vendor to the school organization or the day on which the school organization delivers the items to its customers may be designated as the one-day tax-free sale day...Those buying on subsequent dates owe tax unless the purchase occurs on the organization's other tax-free sale day. If two or more groups hold a one-day tax-free sale together, the event counts as one tax-free sale for each participating organization. Each of those organizations then is limited to one additional tax-free sale during the remainder of the calendar year.”

For other fundraising events that do not qualify as a one-day tax-free sale, the sponsoring organization should collect and remit sales tax. Contact the Business Office for specific details on how to do this.

### **Activity Fund Audits**

At the end of each fiscal year, each organization will be responsible for completing an audit of their activity fund account. The Business Office will prepare and issue the audit statements. The statements must be verified by the sponsor and returned to the Business Office for review by the district's financial auditors.

### **Carry-Over Funds**

All funds shall be left in the appropriate account and each sponsoring group shall retain the carryover funds for the next fiscal year. If an organization ceases to function or exist, the unexpended funds of the organization shall be credited to the general scholarship fund activity account.

### **Carryover Funds – General Scholarship Fund Activity Account**

The General Scholarship Fund Activity Account is established from the unexpended funds of a previously viable organization within the MVISD. It is understood that this is not a self-sustaining activity account; therefore, no regular college or further education scholarships will be drawn from this account. This collection account will be used for students enrolled in MVISD in a hardship situation to participate in an activity or event that would provide substantial learning potential. Examples include a class group attending Sky Ranch or a student who does not have quite the success with fund-raising to be included in an organization trip – band, FFA, etc.

In order to access these funds, a written request must be made to the Superintendent by the Principal and Counselor. Additional signatures on the request must be from the activity/class

sponsor and one other employee familiar with the student's hardship. A maximum of \$150 per student may be awarded as a result of a single request.