

BURKBURNETT INDEPENDENT SCHOOL DISTRICT

Activity Funds Manual

2016-2017



FACULTY SPONSOR RESPONSIBILITY AGREEMENT
FUND 461 CAMPUS ACTIVITY FUNDS
FUND 865 STUDENT ACTIVITY FUNDS

Funds collected and raised by a student group are to be expended for the direct benefit of the student group in accordance with the desires of the student group generating the funds. Fundraising activities will contribute to the educational experience of the students and they will not conflict with the instructional program. The money raised by student groups shall be held by Burkburnett ISD in a trustee capacity. The faculty sponsor of a student group or a campus activity is responsible for maintaining adequate financial records as evidence of proper custodianship of money received by and disbursed from club or campus activity accounts.

All BISD *Student Activity Fund* accounts are liability accounts. Therefore, when a balance shows as a negative amount, it means the account is in the positive, if the balance is a positive amount then the account is in the negative.

Example of a positive balance in a BISD Student Activity Fund account:

865-L- 00-2191-69-001-000 HS Athletic Activity, balance: -4,400.00; this example reflects that this activity account has a positive balance of \$4,400.00.

Example of a negative balance in a BISD Student Activity Fund account:

865-L- 00-2191-69-001-000 HS Athletic Activity, balance: 4,400.00; this example reflects that this activity account has a negative balance of (\$4,400.00).

I hereby acknowledge that I have READ the *BISD Activity Fund Manual* and that I am responsible for complying with it. In particular, I acknowledge that:

1. All fundraising activities will be approved in advance by the campus principal using the designated form.
2. I am responsible for both safeguarding and accounting for funds received from and/or on behalf of students.
3. Student activity money will be sent to the BISD Business Office daily, for deposit at FIRST Bank-Burkburnett, in the same form in which it was received.
4. All funds (cash or checks) received by a sponsor will be deposited into the corresponding student/campus activity fund. A sponsor shall never use undeposited cash to purchase merchandise or services. Using undeposited cash for purchases will result in appropriate disciplinary action, including possible termination of employment with Burkburnett ISD.
5. At the completion of all fundraisers, a Fundraiser Analysis Report will be completed and retained for internal audit purposes.
6. All purchases made on behalf of the student organization will be made by check and approved in advance by the principal/BISD Business Office personnel using the appropriate form for the activity (travel advance, purchase requisition, etc). No purchases will be made using undeposited cash.
7. In general, no purchases will be made "on account", meaning that no purchases will be made when a student group account contains a negative balance, unless approved by the BISD Business Office under very rare circumstances.
8. I will maintain a positive balance in my organization's account at all times.
9. I will plan accordingly and submit all requests to the Business Office at least one week prior to a check being issued.

I understand that I will be held responsible for any Student/Campus Activity Funds entrusted to me, and that I will reimburse the student organization for any money (or property purchased with student activity money) which is lost due to carelessness, theft, or fraud on the part of the sponsor.

Student Group or Campus Activity

Campus

Sponsor Signature

Date

This form must be returned to Angie Jordan at the BISD Business Office.

Section 1 Background and Philosophy of Activity Funds

- A. Burkburnett ISD encourages students to participate in worthwhile student organizations and activities because such participation is vital to students' educational welfare. Students gain skills by working effectively together in democratic groups. Research has repeatedly shown that students actively engaged in co-curricular activities generally do better in school and life than those who do not become interested in such functions. Student organizations and activities offer an opportunity for students to develop wholesome relationships with adults; and the teachers have an opportunity to gain valuable insights concerning the students with whom they work. Students may gain valuable experience available only as part of the planning, conducting, and evaluation of school projects. Each campus, therefore, should provide a wide variety of student organizations and activities based on the varying interests and needs of the student population of that campus.
- B. Campuses and campus organizations frequently have a need for financial income in addition to their normal operating budget to carry out their goals, purposes, activities, and functions. In most instances, this income is raised through school-approved money-raising activities, student/teacher dues or fees, donations, commissions, or rentals. For this reason, Texas Education Agency (TEA) guidelines created a Special Revenue Fund (Fund 461) and an Agency Fund (Fund 865) to provide for the proper accounting of these funds.
- C. These funds are held by Burkburnett ISD in a trustee capacity, and are to be expended in accordance with the desires of the student group generating the funds. They are to be used to promote the general welfare of each school and the educational development and morale of all students. All funds raised by student organizations are to be expended for the benefit of the students.

Section 2 Distinction between Student and Campus Activity Funds

- A. The student organizations on secondary campuses are often numerous and diverse. TEA guidelines allow these funds to be accounted for by two methods - depending on the way the funds are controlled:
- B. **Campus Activity Funds (Fund 461)** are funds generated by the student body or campus as a whole, and which are not attributable to the fundraising activities of a particular student group. Campus Activity Funds are used to promote the general welfare of the school and the educational development and morale of the student body as a whole.
1. Generally, persons other than the students (such as teachers, sponsors, or administrators) make the financial decisions on how these funds will be used. Furthermore, the use of these funds generally does not directly benefit the students of a particular group.
 2. Campus Activity Funds are classified as a Special Revenue Fund (Fund 461). These funds are centralized - meaning they are controlled and disbursed through the District's central office. These funds are not subject to recall by the School Board into the General Fund for general school district use.
- C. **Student Activity Funds (Fund 865)** are funds accumulated by student groups - under the supervision of a member of the professional staff, from school approved fundraising activities, student dues or fees, commissions, interest, and/or donations.
1. These funds are to be expended in accordance with the wishes of the student group generating the funds. The members and sponsors of the student group or club must approve these expenditures. The ultimate financial decisions should rest solely with the students, and the funds should be expended in a manner that directly benefits the student group that raised the funds.
 2. Student Activity Funds are classified as an Agency Fund (Fund 865), since the District serves as the trustee of these funds. These funds may be decentralized - meaning they are accounted for and controlled at the campus level. However, Burkburnett ISD Student Activity Funds are centralized- meaning they are controlled and disbursed through the District's central office. These funds are not subject to recall by the School Board into the General Fund for general school district use.
 3. TEA guidelines also allow a limited number of other types of accounts to be accounted for as Student Activity Funds. These include genuine clearing funds and faculty hospitality/sunshine funds (provided that no student-generated revenue is used to supplement these funds).
 4. If a student group wishes to make a donation toward a specific area of school operations, it must transfer the desired amount of money from the Student Activity Fund to the appropriate Campus Activity Fund or the Burkburnett ISD General Fund for expenditure in accordance with approved Burkburnett ISD procedures.

Section 3 Responsibility of Club/Organization Sponsors

- A. The sponsor of each school club/organization is responsible for managing his/her respective Student Activity Fund and maintaining adequate financial records of these funds.
- B. "The educator shall honestly account for all funds committed to his or her charge and shall conduct financial business with integrity." (*Principal 1, Standard 2 of the Code of Ethics and Standard Practices for Texas Educators, State Board for Educator Certification*)
- C. The sponsor is also responsible for ensuring that money is not overspent, causing a negative balance in their respective account, or lost due to carelessness, theft, or fraud on the part of the sponsor. If this occurs, the sponsor can be required to reimburse the negative balance or lost funds.
- D. The responsibility also includes, but is not limited to, developing Fundraising plans, monitoring the financial position of the activity fund, reviewing the accuracy of their account through the Districts Financial Data System (Skyward), and the safeguarding of activity fund money until it is brought to the BISD Business Office by the **fund sponsor**. If a discrepancy should arise between the sponsor's records and the BISD Business Office's records, the sponsor will work with the BISD Business Office to resolve the problem. If the sponsor feels that the circumstances warrant, the Director of Finance should be contacted to help resolve the issue. (Please note that accurate financial records on the sponsor's part ensures self-protection should any discrepancy arise.)
- E. Sponsors' financial records will be subject to review during the annual internal audit of the school's activity funds. As a part of each internal audit, a limited number of club/organization sponsors can be asked to confirm the accuracy of the BISD Business Office's records and the ending balance in the fund. They will also be asked to respond to various questions regarding procedures being used, and provide any necessary comments. If a sponsor maintains adequate documentation of **collections/expenditures**, he/she will be protected from discrepancies that may arise during an audit or review.

Section 4 Cash Receipts and Deposits

- A. All receipts (monies) will be deposited in the District's approved Depository Bank (FIRST Bank-Burkburnett Branch) after being brought to the BISD Business Office. **PAYMENT SHOULD NEVER BE MADE FOR ANY EXPENSES WITH UNDEPOSITED CASH RECEIPTS.**
- B. All cash collections received by a club should be brought to the BISD Business Office by the end of each day, and no longer than 3 days. The sponsor and another person should count this money before bringing to the Business Office, an Activity Fund Deposit form must accompany all monies brought to the BISD Business Office.
- C. Both the sponsor and business office designee shall count the funds to ensure that the amount is verified prior to the issuance of a copy of the Activity Fund Deposit form to the sponsor. The Activity Fund Deposit Form copy serves as a receipt, and must be maintained by the sponsor for their records.
- D. All sponsors should obtain a receipt book and issue receipts for any money received, including donations. This ensures that they have written documentation for all money received and deposited.
- E. Sponsors and students should be advised NOT to accept temporary bank checks or post dated checks as payment for items sold during a fundraiser or for any other type of payment.
- F. A student activity account number or account name should be written or stamped on the back of all checks to be deposited.
- G. Any money collected should not be taken home "for safe keeping" or left overnight in a desk drawer or other vulnerable location. All money should be stored in a bank bag in the school safe or vault or taken to the BISD Business Office.
- H. Personal check cashing using undeposited funds (e.g., fundraiser cash) is not permitted. Likewise, cash should not be taken out of undeposited cash and replaced with the sponsor's personal check.
- I. Money from separate activities should be recorded on separate activity fund deposit forms. This will assist the Business Office in determining the sales tax due at the end of each month, and will facilitate the calculation of profit or loss for each activity.

Section 5 Fundraising Procedures

- A. A fundraising activity is defined as any activity involving the participation of the student body or a school recognized student group undertaken for the purpose of deriving funds for a school or a school-sponsored group.
- B. "Fundraising Activities in the name of the school" occur when students from a club or the student body as a whole are actually the sellers of fundraising merchandise. As an example, if the cheerleaders of Burkburnett High School are the actual sellers of cookie dough, then this fundraiser is a "fundraising activity in the name of the school". An example at the elementary level: If every student on the campus receives an order form to sell merchandise, this type of fundraiser is also classified as a "fundraising activity in the name of the school." TEA Financial Accountability System Resource Guide Section 5.5.6 states: "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."
- C. During fundraising activities where students are selling merchandise, school district personnel are responsible for collecting these funds from the students to hold in a trustee capacity, and these funds are to be expended in accordance with the desires of the campus activity fund sponsors, or in accordance with the desires of the student group generating the funds. TEA Financial Accountability Resource Guide Section 5.5 states: "All funds collected by school district personnel from students are defined as activity funds and must be handled through the activity funds accounts."
- D. PTO/Booster Club Fundraisers are defined as fundraising sales/events where the actual PTO/Booster parents are the sellers of fundraising merchandise or actively participate in the fundraising event. Examples of such fundraisers include, sock hops, carnivals, tee-shirt sales, school supply sales, mat sales, concession sales, raffles, silent auctions, etc. Funds raised from such fundraisers belong to the PTO/Booster club responsible for raising these funds, and must be deposited into a PTO/Booster club bank account.
- E. School Districts are not qualified to hold raffles as fundraisers according to Texas Attorney General Opinion JM-1176 (1990) which states in its summary that "Independent school districts are not qualified to hold charitable raffles under the Charitable Raffle Enabling Act, article 179f, V.T.C.S."
- F. Fundraising activities are not confined to regular school hours; however, they are considered an extension of the school program.
- G. Fundraising activities should contribute to the educational experience of students, and not conflict with the instructional program.
- H. All sponsors complete a Fundraiser Request Form. (Please contact the Campus Office for a copy of this form.) Information on this form should include the dates of the sale, items for sale, projected profit, specific purpose for which the proceeds will be used, club name, number of fundraisers this is for the year, and the name of the fundraising company being used.

- I. The Fundraiser Request Form is to be sent to the principal of your campus for approval. A fundraising project cannot be implemented until the principal has approved the fundraiser.
- J. Clubs/organizations are responsible for paying for all costs associated with a fundraising event. This includes, but is not limited to, supplies, custodial services, and fees for Fine Arts Facilities technicians, etc. This applies both to events where an admission is charged (e.g., athletic tournaments, concerts, theater performances, etc.) or where entry fees are required (e.g., area/regional U.I.L. events, etc.).
- K. Sponsors should keep a detailed record of the amount of proceeds collected for each fundraiser and the amount of disbursements for merchandise, prizes, etc., in order to determine the net profit of each of their fundraisers.
- L. A sponsor's first responsibility is to pay the fundraiser vendor once the funds are available and an invoice has been received. A sponsor should never overspend fundraiser proceeds, thereby causing the club to have insufficient funds to pay the fundraising company. (Please note: BY state law, all invoices must be paid within 30 days after they are received.)
- M. Sponsors should keep in mind that they are allowed two, one-day tax-free fundraisers (pending principal approval) per organization per calendar year (not school year) and should plan accordingly.
- N. NO CASH prizes can be awarded for any fundraiser. This includes money dips or other small cash incentives. Gift certificates, bicycles, toys, electronic equipment or other prizes, however, are valid awards/incentives for fundraising events.

Section 6 Expenditures

- A. NO EXPENDITURE SHOULD EVER BE MADE USING UNDEPOSITED CASH!
- B. Income earned by a specific group should be expended for the benefit of that group. The sponsor shall ensure that expenditures from these accounts are written for the intended purpose of the group, and should not divert it for other uses.
- C. Before a check can be issued, the sponsor must follow the district policy in filling out the online check request through Skyward. Information to be included on the requests should include payee, purpose of expenditure, amount, activity fund account number to be charged, date, sponsor. An invoice or other proper documentation must be attached to the check request.
- D. All requests must be completed and submitted to the BISD Business Office at least a week before the check needs to be issued. It is the responsibility of the sponsor to plan accordingly. The BISD Business Office is not responsible for issuing a check the same day it is requested due to poor planning on the part of the sponsor.
- E. All requests must be submitted by the sponsor and approved by the principal before a check can be issued.

Section 7 Insufficient Fund Checks

- A. The BISD Business Office of Burkburnett ISD will send all insufficient fund checks back to the activity fund sponsor for collection.
- B. Failure to make payment will have the Insufficient Fund Check removed from the existing activity account balance.