



# FARWELL ISD ACTIVITY MANUAL

Policy and Procedures

9/20/2013

**Table of Contents**

Introduction ..... 2

Activity Accounts – Fund 865 ..... 2

Cash Management ..... 3

Check Processing ..... 4

Consultants or Contracted Services ..... 4

Use of School Credit Cards (for Local, Federal and Grant Funds) ..... 4

Fiscal Year ..... 5

Fixed Assets & Inventory..... 5

Fundraisers..... 5

Gift Cards ..... 6

Invoices ..... 6

Payroll Expenditures from Activity Funds..... 6

Purchasing..... 6

Raffles ..... 7

Returned Checks ..... 7

Roles and Responsibilities – Sponsor ..... 7

Sales Tax Exemption Form ..... 8

Travel Guidelines..... 8

Vendors ..... 13

## **Introduction**

The Activity Account Manual has been prepared to provide general information to campus principals, activity account sponsors, and student club sponsors about managing activity accounts. Information in the manual is compiled from the Farwell ISD Finance and Procedures Manual, Board Policies, or other web resources.

HB 3646 81<sup>st</sup> Regular legislative session requires school districts to adopt a policy governing the expenditure of local funds from local sources of revenue over which the district has direct control. The policy must require discretionary expenditures of local funds to be related to the district's educational purpose and provide an appropriate benefit to the district or its students and meet the standards of Section 52, Article III of the Texas Constitution regarding expenditure of public funds. The Farwell ISD Board of Trustees adopted policy CFD local in response to this legislative change.

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

The District manages Activity Accounts through a centralized system. All deposits and disbursements are managed by the business office.

If assistance is needed in any are of our business operations contact the business office.

## **Activity Accounts—Fund 865**

Student active funds shall be collected, receipted, and deposited to the district's business office on a daily basis. Refer to cash/check handling procedures. All monies collected should be receipted in the camps receipt book or on the Fundraising Collections Record form.

Student activity funds shall be used exclusively for the benefit of students. These funds shall be used at the discretion of the student organization through designation of one or more of its officers. All expenditures and payments to vendors shall be through the business office.

Generation of student activity funds shall not in any way compete with the district's National School Lunch Program (NSLP). An authorization to Conduct a Fund Raiser should be submitted to the campus principal in advance of the scheduled activity and once approved at that level submitted to the superintendent for approval. In addition, at the end of the fund raising activity, a profit loss statement should be filed with the principal. Activity funds shall be audited and must adhere to accepted business practices.

Since Activity Accounts are trust funds that the campus manages on behalf of the students, accountability for these funds is extremely high. All Activity Account records must be maintained for a period of seven (7) years. This includes merchandise logs, receipts, logs/books, profit/loss statements, etc. At the end of every school year, the Campus Principal, as part of the closeout procedures, shall collect all club records for storage.

## Cash Management

All cash and checks shall be deposited to the campus secretary on a daily basis and will be kept in a locked campus safe if the bank deposit cannot be made the same day. No post-dated check shall be accepted. Funds should not be kept in classrooms, personal purses, or wallets, or at home for extended periods of time. No cash purchases should be made without written notice and the signature of two sponsors and returned receipts attached to the final accounting. All monies shall be receipted and deposited by the campus secretary and bank deposit receipts forwarded to the business office for positing.

Receipts shall be issued for all money transactions. The example below illustrates the flow of money and proper receipting when a student turns in money to a sponsor.

- Students turn in money to sponsor
- Sponsor notes transaction
- Student initials money amount
- Sponsor fills out a Fund Collection Form and submits form and money to Campus Secretary
- Secretary receipts funds and makes deposit slip for delivery to bank
- Principal delivers deposit to the bank and returns acknowledgement to the secretary
- Secretary forwards Cash Reconciliation form with attached deposit slips to the business clerk
- Business clerk posts the deposit to the appropriate account

If this chain of money movement is “broken”, an audit exception could result. The flow of money and the receipts must support all money collected and deposited. All receipts issued shall follow the following guidelines.

- An official receipt book with pre-numbered, bound receipts\
- The sponsor and at least one other responsible party shall be present when the money is counted and receipted
- A copy of the receipt must remain in the receipt book
- A copy of the receipt must accompany the deposit documentation
- Receipts should not be altered
- Voided receipts must be re-attached to the receipt book
- Receipts are not to be pre-dated or pre-signed
- Receipt numbers must be used consecutively

Personal employee checks shall not be cashed from monies collected at the campus or district level to ensure an adequate audit trail of all funds collected.

## **Check Processing**

Business office checks will be printed, endorsed, and released on a weekly basis. Generally, checks will be generated on Thursday afternoon. At times checks may be processed earlier or later, due to holidays, staff work schedules or unforeseen events. All Activity Account check requests shall be approved by the appropriate administrator and submitted to the business office by 4:00 pm Wednesday, including all supporting documentation. Requests received after this time may be processed the following week. Check requests without all of the supporting documentation will not be accepted, nor processed. The Business Office shall determine the date that vendors will be paid, so employees should not make prior commitments about check disbursements.

State law requires that the district pay all invoices within 30 days to avoid penalty and interest charges, so all invoices should be submitted to the Business office on a timely basis for payment.

Checks not cashed by the expiration date (6 months from the date of issue) will be voided. A new check will be reissued at a fee for \$25.00 if the payee is located and requests a reissue. Otherwise, the funds will be distributed with the State of Texas Unclaimed Property Guidelines.

## **Consultants or Contracted Services**

Consultants are non-employees who are contracted to perform a personal or professional service such as staff development, medical services, DJ's, or other performers.

1. All consulting agreements must go through the business Office/Superintendent's office.
2. Obtain the following documents from the consultant before service.
  - a) A completed W-9
  - b) Conflict of interest Questionnaire
  - c) A Felony Conviction Form
  - d) If the consultant will work directly with students, a Criminal Background Check form and the State Board of Educator Certification fingerprinting documentation.
3. Consultants are never paid in advance. This shall be reflected in any agreement made with consultant. Payment is made after services are rendered. Payments are not sent to campus to give to the consultant at time of presentation.
4. Payment can only be made from an original agreement not from a copy and must follow the steps below:
  - a) Fill out a purchase order including all pertinent information
  - b) Must be approved by campus principal/supervisor
  - c) Must be approved by the Superintendent
  - d) If grant funds are used, it must be approved by grant supervisor or Superintendent

## **Use of School Credit Cards (for Local, Federal and Grant Funds)**

The district utilizes several credit cards for purchasing food, supplies and travel. The guideline for credit card usage follow below:

1. Farwell ISD has State of Texas Procurement Card, Wal-Mart, Sam's, Hobby Lobby, Office Max, Albertson's and Shell credit cards.
2. Credit cards are kept in check out drawer in locked safe in the central office.
3. Credit cards are checked out to employees for travel and items purchased from vendors where Farwell ISD has an account set up.
4. The following procedures must be followed when an employee is used a school credit card.
  - A. Provide a copy of approved purchase order to central office
  - B. Check out card from central office. At that time the employee is made aware of the usage terms and their signature indicates agreement to terms.
  - C. Card must be checked in the next day or the first day back from trip with all original receipts attached.
5. Credit card statements are received in the business office around the 10<sup>th</sup> of each month. Each charge on the statement must have prior approval from the Central office and encumbered in the TxEIS System. If approval is not on file or if for some reason an employee fails to turn in a receipt, it will be the employee's responsibility to cover the charge.

#### **Fiscal Year**

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

#### **Fixed Assets & Inventory**

All fixed assets and inventory (equipment) purchased with Activity funds becomes the property of Farwell ISD. All assets and inventory shall be tagged and tracked in accordance with the district's fixed asset procedures.

#### **Fundraisers**

Fund-raising activities by student groups and/or for school sponsored projects shall be allowed, with prior administration approval and under the supervision of the project sponsor, for students in all grades.

All fund-raising projects shall be subject to the approval of the principal. The Authorization to Conduct a Fundraiser form shall be completed by the Sponsor and submitted to the Campus Principal for approval who in turn, send it to the Superintendent for final approval. The secretary shall keep a copy of all approved fundraiser forms to ensure that the funds are deposited on a timely basis.

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

Merchandise ordered for resale should be distributed to students on a written distribution log. The log should reconcile with the corresponding invoice.

At the conclusion of all fundraisers, the Sponsor submits all invoices, receipts and money collected to the Campus Principal for signatures and processing.

All fundraising documentation shall be subject to audit and must be kept on file for seven (7) years from the date of the fundraising event.

Money raised by student clubs shall be used to benefit the group as a whole. If students are raising money for their club to pay for an out-of-town trip, the entire amount collected should be divided by the students participating in the trip regardless of the amount that each individual student raised through fundraising activities.

### **Gift Cards**

District funds shall not be used to purchase gift cards. Gift cards shall not be issued to staff without prior approval from the business office. Gift cards, in any amount, are taxable to the employee and must be processed through the employee's paycheck.

Gift cards donated to the district by outside sources are also taxable to the employee according to IRS regulations.

### **Invoices**

Vendors are required to submit all invoices to the business office, yet occasionally an invoice will be mailed directly to a campus or department. If any invoices are received at the campus or department, they should be forwarded to the business office.

Texas law requires that all invoices be paid to vendors within 30 days of receipt of the goods/services. If the district fails to pay promptly, the vendor can assess penalty interest charges. If a staff member neglects to submit an invoice on a timely basis, he/she may be held personally liable for the penalty interest charges.

### **Payroll Expenditures from Activity Funds**

All Farwell ISD employees shall be paid for all work performed through the Payroll system. At no time shall a district employee be paid directly from an activity account or with cash.

### **Purchasing**

No purchases are authorized without issuance of a purchase order, as payment will not be made for such purchases. Anyone creating or authorizing such a commitment prior to securing a purchase order number will be held personally liable for payment of such agreement and/or may be liable to prosecution under the Texas Penal Code chapter 39 Abuse of Office, Section 39.01.

### *General Purchasing Guidelines*

1. Purchase Orders are processed on a daily basis. Once a purchase order is approved by the Business Office the budgeted funds are encumbered at the same time.
2. A purchase order is considered to be only a purchase request until approved by the Business Office.
3. Contracts for Purchase will be put into effect by means of a purchase order(s) executed by the Business Office after bids have been awarded to purchase goods or services.
4. The merchandise should not be ordered until the purchase order has been approved by the Central Office.
5. Purchase Orders are not to be modified with the vendor or by schools or departments directly. If it becomes necessary to change the terms of a Purchase Order, the school or department must first advise the Business Office. The Business office has the responsibility to adjust the encumbrance on the Purchase Order.
6. Once a Purchase Order is issued, the same PO number cannot be used for reorders.
7. In the event it is necessary to cancel a Purchase Order, the requisitioner must advise the Vendor and Business Office in writing. The Business Office will liquidate the encumbrance.
8. The Business Office will:
  - a. Verify compliance with bid laws
  - b. Verify correctness of coding according to the Finance Manual and
  - c. Gift final approval if everything is in order or reply via email to the requisitioner if a problem exists.
9. Following final approval, the order may now be placed.
10. When all merchandise/goods/services/expectations have been received on the purchase order sign the purchase order copy or packing slip and submit it for payment.

### **Raffles**

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

### **Returned Checks**

All returned checks shall be deducted from account balance until the outstanding amounts have been collected from the payee.

### **Roles and Responsibilities – Sponsor**

- Reviews Activity Procedures Manual
- Maintains records
- Deposit funds collected daily
- Submits Requests to Conduct Fundraiser forms as required
- Completes a Fund Raiser Profit/Loss Report
- Reconciles account to reports



## **Sales Tax Exemption Form**

The sales tax exemption form shall be used for school-related purchases only. Misuse of the exemption form for personal purchases constitutes a misdemeanor. Purchases of personal items for staff or students are not eligible for the sales tax exemption.

Copies of the form may be obtained from the business office.

## **Travel Guidelines**

### **(FOR LOCAL, FEDERAL AND GRANT FUNDS)**

1. In general, "travel" is defined as travel outside the District boundaries where you are acting as a representative of the District. In this case the District may reimburse you for some or all of your qualified expenses. Approval to travel must be obtained before taking any trip as noted above, regardless of expenses requested.
2. Regardless of the source of any funds requested, a Travel Request must be completed for any travel outside District boundaries. It should be prepared allowing time to obtain all required levels of approvals/signatures, and then be forwarded to the Business Office.
- A. Always completed a PO when requesting funds for food, mileage, and or lodging. This includes athletic scouting, school business meetings such as district or regional UIL meetings, etc.
- B. Purchase Orders must have the following approvals:
  - i. Campus principal/supervisor
  - ii. Business Office
  - iii. If Grant Funds are used, Grant Supervisor
3. Documentation as to the purpose of the trip must be attached to the Travel Request before submitting it. A copy of a brochure, flyer, registration or entry form is acceptable. Documentation must show the location, dates, and times of the vent, and any meals or other expenses that are provided.
4. Registration and other non-travel expense are to be paid for by the employee and will be reimbursed after the event with proper documentation.
5. Proper documentation must be sent as an attachment to the purchase order. All special instructions must be clearly noted. These types of purchase orders should also be prepared in advance and in accordance to the registration deadlines.
6. Payments for actual expenses requested on the travel request form are payable only to the employee/sponsor noted on the travel request.

7. Travel expenses are composed of the costs incurred to reach a destination and return. These costs are as follows:

**A. Lodging**

1. This is the cost of the rental of a room or rooms for District employees, students, or administrators.
2. The original hotel bill or receipt must be furnished after the trip. The hotel bill should clearly indicate the cost assigned to the “In Charge/District Representative” and the cost assigned to the students or bus driver, where applicable.
3. Texas Hotel Occupancy Tax will not be paid, as well as the Texas State Sales Tax on hotel parking. The District is exempt from this.
4. The District will pay state sales tax on out of state travel and no other individual should be included. An exemption form is included in the manual for your convenience.
5. Room service, laundry, phone calls, Internet service, etc. should not be claimed as trip/travel expenses.
6. Hotel accommodations should be at the promotional event/school rate
7. Multiple rooms should be booked at the best rate possible.
8. State Hotel Rates are required. See the following website for Texas destination rates.  
<https://portal.cpa.state.tx.us/hotel/login.cfm?CFID=74062143&CFTOKEN=94161982>
9. Rates for more than the state rate per night will need prior approval.
  - a) Students – 4 per room/separate rooms for males and females
  - b) Adults – 2 per room/separate rooms for males and females
  - c) Principal – 1 room
  - d) Superintendent – 1 room
  - e) Bus driver – 1 room

**B. Meals**

1. The cost of obtaining food during the trip for the “In-Charge”, Students, or bus driver.
2. The costs assignable to the “In-Charge” and the students must be clearly indicated on the bill.
3. Meal allowances are only allowed during the time periods listed below:

	Employee	Student
Breakfast must leave prior to 7:00 am	\$6.00	\$5.00
Lunch must leave before 11:00 am	\$9.00	\$8.00
Dinner must leave before 5:00 pm	\$15.00	\$8.00

- If hotel provides breakfast, the breakfast amount will be subtracted.
- If employee is traveling with students, student meal rates will apply.

4. When an overnight stay is NOT required, the District will reimburse employees for business meals and mileage after returning from the trip, providing original itemized meal receipts are submitted.
5. The employee will be reimbursed the ACTUAL cost, not to exceed the above rates.
6. There is no advance to employees. Trip expenses must be recapped after trip with all necessary receipts to be reimbursed.
7. Advances can be obtained on one day trips for student meals only.
- C. Transportation
  1. This is the cost of traveling to and from a destination while on District business.
  2. For all travel expense claims, the Fisd standard mileage schedule is used.
  3. The standard miles indicated on [www.mapquest.com](http://www.mapquest.com) times the mileage rate is the allowance for transportation.
  4. Transportation claims in excess of the allowable mileage must be explained and documented.
  5. In determining total mileage, the starting point is Farwell ISD, even though the individual may actually leave from his/her residence.
  6. If the cost of airline fare, bus fare, parking fees, for taxi fare exceeds the advance requested, the excess may be claimed for reimbursement upon returning from the trip, if properly documented.
    - a) Documentation includes receipts, where applicable, and explanation of excess mileage.
    - b) For out of state travel, actual cost should be obtained from the carrier, if applicable, and documented.
    - c) The District reserves the right to select the appropriate mode of transportation and does not allow first-class fares.
    - d) The District will not pay mileage expense in excess of airfare for out of state travel unless justified.
  7. The Superintendent shall be authorized to approve the use of chartered buses for bi-district, regional, quarter finals, finals or state playoff contests for any extracurricular activities. Such authority shall not be delegated to a designee.
  8. Registration fees, seminar tuitions, and any other cost incurred relating to a trip are not travel expenses and should be paid with a purchase order after the trip has been approved.
  9. Only the trip expenses of the District employees, students, or administrators should be requested to be paid or reimbursed on travel forms.
    - The District does not pay travel expenses for spouses, or other related guests.
  10. Travel requests, which are not approved, should be returned to the originator and clearly marked "DECLINED" across the travel request form.
    - a) The official should note reasons for decline on the form.
    - b) If a new travel request is submitted for previously declined request, a copy of the declined form should be attached.
  11. Students are required to sign the expense report documenting that meal money was received.

- Expenses, groups or any other individual not approved in advance for travel expenses should not be submitted with the travel request form Originator certified original expense receipts should be used.
12. District Mileage Reimbursement as of July 1, 2017, the District will reimburse employees at the mileage rate of 50 cents per mile.
    - a) Travel paid from Federal Funds must meet the guidelines for eligibility noted in the grant in that it must meet the basic grant criteria.
    - b) If the District adopts lower rates than the state rate, the lower rate must be used.
  13. Scouting – Scouting needs to be handled in the same manner as a teacher travel.
    - a) An approved travel request must be completed prior to travel.
- D. Registration
1. Registration is to be paid of purchase order.
  2. When doing your PO for registration, state date of conference, number of attendees, and their names in the body of your requisition.
  3. Attach registration form and note your purchase order number prior to sending to the Finance office.
  4. No registration can be processed until attachment is received.
  5. Registration is paid in advance of the conference, and is sent directly to vendor of conference.
- E. Employee Travel – Extended Stay
1. Use district travel form
  2. Allow 10 days for processing
  3. Always attach backup, this includes a copy of registration, conference, agenda, etc.
  4. State date and time of departure, as well as return.
  5. Registration is to be paid from a purchase order and will not be paid on travel.
  6. All signatures must be present for payment to be considered.
  7. Provide employee with Hotel Occupancy Tax/Sales Tax Exemption Form.
  8. Mileage is paid on Re-Cap Only. No exceptions
    - a) When traveling, the expectation is that one car is used for mileage reimbursement, and those individuals traveling to the same event are to carpool when possible. There may be exceptions from time to time.
  9. Use of school vehicles is mandatory, unless one is not available.
    - Mileage will not be reimbursed if a school vehicle was available and the personal choice was made not to take it.
  10. Original Hotel receipt must be returned with recap.
    - Online sources such as Expedia, etc. are not acceptable.
  11. Parking and other miscellaneous expenses will be paid by returning the receipts and accompanied by recap.
  12. Travel must be recapped within five business days of return.
  13. Phone calls are not a reimbursable expense.
  14. Do not send cash through interoffice mail.

F. One Day Trips

1. Trips in which you leave and return in the same day are considered One Day Trips.
2. When preparing a travel request for a One Day Trip, you must use the following guidelines:
  - a) Prepare Travel Request, obtaining all the needed signatures.
  - b) State date and time of departure and return, as well as where you are going.
  - c) You MUST keep all receipts for meals in order to be paid for them. You will be paid up to but not over the allotted amount, but only with receipts.
  - d) Turn in any toll road or parking receipts, as well as mileage.
  - e) Complete travel reimbursement form; attach all receipts.
  - f) Employee must sign as well as Principal/Director, turn in for payment.
  - g) Once again allow 10 days for processing
  - h) Registration is to be paid by the employee and turned into the business office for reimbursement with proof of attendance. Call business office for exceptions.
  - i) Travel Request forms and Purchase Orders must be approved by the employee's supervisor
  - j) One day trips are only reimbursed after the fact, and only with original receipts.

G. Student Travel Guidelines

1. Request Travel
2. Attached documents must include a list of students.
3. Travel must state date and time of departure and return.
4. Always include a copy of registration, itinerary, and list all other activities.
5. Registration must be paid on a purchase order, and will NOT be paid on travel request.
6. Account information must be clearly written on travel form.
7. All signatures must be present in order for travel to be considered for payment.
8. All hotel expenses are to be paid of purchase order. You will need to get cost faxed to you from hotel, include all appropriate taxes (i.e., county, city, etc.). Unless a preloaded procurement card was issued.
9. Original hotel receipt must be returned with recap.
10. Phone calls, Internet services, and movies are not reimbursable expenses.
11. Students attending an overnight trip must be approved by the Superintendent.

H. Fisd Vehicle Guidelines

1. A request for Fisd vehicle travel must be submitted by the campus/department as soon as possible prior to the trip in writing to the transportation dept.
2. Cancellations require a 24-hour notice via email to the Transportation Dept.
3. For weather-related cancellations, travel dates will be rescheduled according to availability and preferences of requesting campus/department
4. If rescheduling is not an option, contact the Business Office and funds will be returned to the appropriate account.

I. Leased and Charter Vehicles

1. LEASE AND CHARTER RESERVATIONS WILL NOT BE VALID UNTIL THE VENDOR HAS ACCEPTED THE FISD PURCHASE ORDER.
2. Vendor MUST be contacted to confirm availability and cost, and if both parties agree on the services to be provided, a confirmation number must be obtained to reserve the request information until the purchase order is received.
3. Campus appointed staff must follow ALL purchasing procedures to schedule, change, or cancel lease/charter reservations.
4. Damages, cleaning fees, parking fines, traffic violations, and/or all other additional costs are the responsibility of the campus/department.
5. Accounts Payable MUST receive:
  - a) Any and all lease documents signed by the appointed driver.
  - b) Documentation of any additional fees not included on the Purchase Order.
  - c) Documentation and explanation of any incidents that occurred while in possession of the vehicle.

Lease Vehicle Only

6. ONLY FISD full-time employees may drive lease vehicles.
7. Students, parents, and/or non-employees may NOT drive lease vehicles.
8. Leased vehicles are rented under the credit card and name of the driver, not FISD. Reimbursement will be made to the individual with original receipts.
9. Vehicles should be returned with the same fuel level as when they were received to avoid additional refueling charges.

Vendors

1. Without a purchase order, either faxed or mailed, there is no valid reservation.
2. Weather related cancellations and/or "short notice" changes may be confirmed.
3. All invoices and supporting documents must be mailed to Accounts Payable; address is listed on the purchase order, no exceptions.
4. All vendors must submit a W-9 tax form.