



**Dalhart ISD 2021 - 2022
Activity Accounts Manual**

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Introduction

This Activity Account Manual has been prepared to provide general information to campus principals, activity account sponsors, and student club officers about managing activity accounts. Additional information may be available within the district's Board Policies, Fiscal Manual, Administrative Procedures, or other web resources.

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

The Financial Accountability System Resource Guide (FASRG) has been used as a resource to compile this Activity Account Manual. The District manages both Campus and Student Activity Accounts through a centralized system. All deposits and disbursements are managed by the business department.

If assistance is needed in any area of our business operations, please contact any of the staff members listed below.

Business Office Staff

Dr. Brian C. Walton	Business Manager	Extension 404
Donna McGinnis	Accounts Payable	Extension 414

Business Office Mission Statement

The Mission of the Dalhart Independent School District Business Office is to provide support to all district students, staff, parents, and the community and to ensure that all business operations are supportive of the instructional goals and objectives of the district.

The Business Office's primary goal is to protect the assets of the district and to ensure that all financial transactions are performed in accordance with generally accepted accounting practices.

Activity Funds (Campus) – Fund 462

The district has made the determination that all Campus Activity Funds will be accounted for in Fund 462. This shall include the principal's activity account and other accounts such as the library, grade level teachers, athletics, etc.

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

Campus Hospitality or other faculty accounts shall be accounted for in Fund 462 in accordance with the FASRG.

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

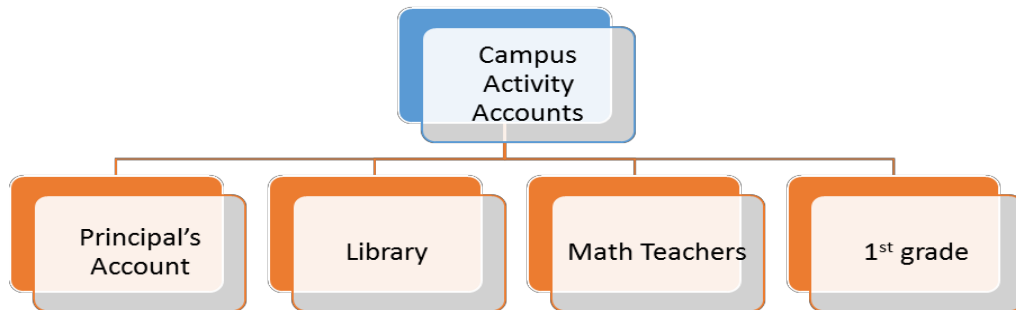
Allowable

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

Non-Allowable

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

Campus activity funds (**Fund 462**) are school funds managed under the direction of the campus principal. These funds shall be referred to as “Campus Activity Funds”. There may be multiple sub-accounts within the Campus Activity Fund such as the Principal’s Account, Library Account, 2nd grade teachers, etc. Sub-accounts within the Campus Activity Fund are not student club or organization funds. The funds raised within the sub-accounts shall be used to benefit that respective activity under the direction of the teacher who oversees the account, subject to the approval of the campus principal.



Campus activity funds (under the control of the principal) shall be collected, receipted, and deposited to the district's business office on a daily basis. Refer to Cash Management Procedures.

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

Campus Activity Funds shall not be used for "gifts" to students and/or staff and shall comply with the **Incentive & Award Procedures**. General Funds (Fund 199/Operating) and/or resources purchased with the General Fund shall not be used to generate activity funds. Campus staff (administrative/support) shall not perform Campus Activity Fund activities during the academic day that may incur additional cost from the General Fund such as hiring of a substitute or other additional staff. Giving of staff time to generate Campus Activity Funds shall be voluntary.

Generating activity funds shall not in any way compete with the district food service activities. Activity funds generation shall be a passive activity and shall not detract from the district's overall primary educational purpose. The generation and expenditure of campus activity funds shall be held to the same standard and scrutiny as that of appropriated funds. Activity funds shall be audited and must adhere to accepted business practices.

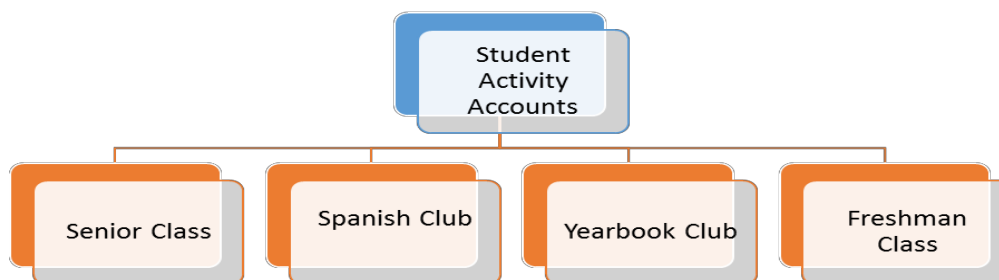
A purchase order is required for all campus activity fund expenditures. The primary Campus Activity Account (462-23-6399-XX-XXX-X000) shall be used for campus-level purchases made by the campus principal. In addition, multiple campus activity accounts may be created segregate funds by purpose.

Activity Accounts (Student Organizations and Faculty Funds) – Fund 865

Student activity funds (**Fund 865**) are held in a trustee capacity by the school and they consist of funds that are the property of students or others. These funds are not campus funds, but rather trust funds belonging to the students. The funds may be used in any manner to benefit the students at the direction of the students Committee subject to the oversight and approval of the campus principal as "trustee" over the funds.

Student Organizations

Student clubs and organizations shall be defined as a student-led group with formation documents, by-laws, and elected officers. All student clubs and organizations shall function under the sponsorship of a campus staff member, i.e. teacher or other staff member.



Student activity funds (under the control of the principal) shall be collected, receipted, and deposited to the district’s business office on a daily basis. Refer to **Cash Management Procedures**. All monies collected should be receipted in a receipt book [bound and pre-numbered receipts] or on the Fundraising Collections Record form.

Student activity funds shall be used exclusively for the benefit of students. Typical uses include student travel, awards, banquets, supplies, DJ for a dance, end-of- the-year trips or events, club t-shirts, etc]. These funds shall be used at the discretion of the student organization through designation of one or more of its officers. **Class/club meeting notes should be on file to support student decisions regarding the expenditure of their class/club funds.**

The assigned organization sponsor (professional staff member) shall be responsible for the proper management of the student activity accounts. Annual training will be scheduled to assist the organization sponsors in managing their respective student activity account(s). All expenditures and payments to vendors shall be centralized through the district’s 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 to a Fundraiser form** should be submitted to the campus principal in advance of the scheduled activity. In addition, at the end of the fund raising activity, a Fundraiser Profit Loss Statement should be filed with the principal. Activity funds shall be audited and must adhere to accepted business practices.

Since Student Activity Accounts are trust funds that the campus manages on behalf of the student, accountability for these funds is extremely high. All Activity Account records must be maintained for a period of five (5) years. This includes merchandise logs, receipt 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 on the campus for one year, then at the records center for the rest of the archival period of time. New receipt books shall be issued to staff members for each fiscal year.

Cash Management

The District receives cash and checks from many sources. These procedures are designed to ensure that all cash received by the District and its employees are deposited and tracked for the benefit of the District and its students. Adherence to these procedures is essential to mitigate fraud. Please refer to the Dalhart ISD Cash Management Procedures Manual for more detail.

Check Processing

Business Office checks will be printed, endorsed, and released on a weekly basis. Generally, checks will be generated on Thursday afternoon of each week. At times, checks may be processed earlier or later in the week, due to holidays, staff work schedules or unforeseen events. All Activity Account check requests shall be approved by the appropriate principal or administrator and submitted to the Accounts Payable Specialist by 12:00 noon on Tuesdays, including all supporting documentation. Requests received after this time will 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 to vendors about check disbursements.

Payment Authorization Form

State law, Texas Prompt Payment Act, requires that the business office pay all invoices within 30 days of the receipt of the good and/or services or the invoice date, whichever is later. Incorrect and incomplete invoices shall be disputed in writing within ten (10) days. To avoid penalty and interest charges, all invoices shall be submitted to the Accounting Specialist on a timely basis for payment. Vendor provided discounts, such as net 10, shall be taken as appropriate.

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

Credit Cards

The district utilizes several credit cards for purchasing of food, supplies, travel, and equipment. Activity account expenditures may be made with district credit cards subject to the Purchasing Manual.

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

All district employees who have been authorized to utilize a credit card for purchases shall sign a **Purchasing Manual Agreement**. Violations of the credit card usage procedures may result in disciplinary action, up to and including termination of employment.

Donations and Gifts

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

Cash donations shall be deposited to the appropriate account in accordance with the cash/check handling procedures. Gift card donations shall be recorded on a **Gift Card Register** and maintained in a safe until utilized by the appropriate individual(s).

All donations with a value equal to or greater than \$1,000 shall be approved by the School Board; Donations of a lesser value shall be approved by the Superintendent. District funds may not be donated to another entity; therefore, donations are not allowed from the Campus Activity funds. Student Clubs may donate their funds to other entities, such as Red Cross, March of Dimes, etc.

Campus Activity Funds may not be donated to another entity. Student Activity Funds may be donated to other entities, such as Red Cross, March of Dimes, etc. The student group shall document the approval to donate funds on meeting minutes and provide the minutes to the campus business office.

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

Student activity clubs and organizations may utilize external donor websites to seek donations for their club or organization with the written authorization from the campus principal and superintendent.

Donations, if any, received through the donor website shall be deposited in the appropriate depository account. All expenditures with the donated funds shall follow the established purchasing and payment procedures.

Fiscal Year

The fiscal year begins on July 1st and ends on June 30th. All goods and/or services received and invoiced during these dates must be paid from current fiscal year funds. All

invoices for goods received before June 30th, shall be submitted to the Business Office by July 10th for processing and payment.

Fixed Assets & Inventory

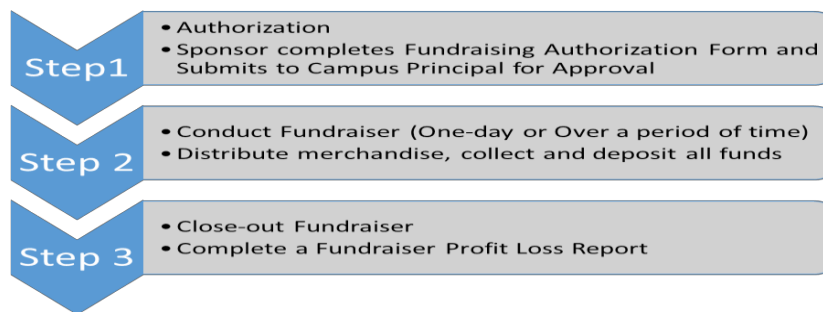
All fixed assets and inventory [equipment] purchased with Campus or Student Activity funds become the property of Dalhart ISD.

Fundraisers

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

The **Authorization to Conduct a Fundraiser** form shall be completed by the Club Sponsor and submitted to the Campus Principal for approval. The secretary/bookkeeper shall keep a copy of all approved fundraiser forms to ensure that funds are deposited on a timely basis.

A fundraising flowchart is depicted below:



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

Generation of student activity funds shall not in any way compete with the district's National School Lunch Program (NSLP). Food sales during the school day shall be limited to the district pre-approved list, or specific approval of the food item by the Food Service Director after reviewing the nutrition label of the food item. **Effective July 1, 2014, the United States Department of Agriculture (USDA) will limit the types of foods and beverages that may be sold to and consumed by students at school during the school day.** [Note: The school day is defined by the USDA as: the period from the midnight before, to 30 minutes after the end of the official school day. These standards will impact all those responsible for selling food to students including: food service departments, fundraisers, school clubs, and groups. The Smart Snack standards do not apply to food sold during non-school hours, foods sold to adults, parents, staff, and foods brought to school by a student for personal consumption. Additional information regarding the Smart Snack guidelines is available at: <http://www.fns.usda.gov/school-meals/smart-snacks->

[school](#).

At the conclusion of all fundraisers, the Club Sponsor shall complete a Fundraiser Profit/Loss Statement and submit to the Campus Principal for review and approval.

All fundraising documentation shall be subject to audit and must be kept on file for five (5) years from the date of the fundraising event.

Gift Cards

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

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

Occupancy Tax Exemption Form applies only to lodging in the state of Texas

Individual Student Accounts

Money raised by student clubs shall be used to benefit the group as a whole rather than being credited to student individual accounts. According to the IRS Publication 557, if individual accounts are used to accumulate fundraising profits for individuals, then a) the money becomes taxable to the student; and b) the people who donate in good faith are not allowed to deduct their contributions.

For example, if students are raising money for their club to pay for an out-of-town trip, the entire amount collected should be divided by the students participating in the trip regardless of the amount that each individual student raised through fundraising activities.

Opening and Closing Activity Accounts

To establish an activity account, an organization should have an approved constitution, by-laws and elected officers. The principal shall submit a list of all clubs and organizations with the elected officers to the business office on an annual basis. A Request to Open/Close a Student Activity Account shall be submitted by the principal when the need arises. The assigned organization sponsor (professional staff member) shall be responsible for the proper management of the student activity accounts.

Annual training will be scheduled to assist the organization sponsors in managing their respective student activity account(s). Every sponsor should complete and submit a **Sponsor Responsibility Affidavit form** to the principal.

Payroll Expenditures from Activity Funds

All Dalhart 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. Activity funds shall not be used to pay district staff directly and/or reimburse payroll expenditures.

Purchasing Deadlines

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

Purchase of Food and Non-Food Items

When food and non-food items are utilized for faculty, site-based meetings, etc., the expense shall be coded to the Campus Activity Account (Fund 462). All other uses, such as professional development, should be coded to the appropriate account code.

Food and non-food purchases for staff campus celebrations, such as holidays, birthdays, or other events shall be paid from the Hospitality and/or Flower Accounts.

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

Purchase Requisition and Order Forms

All purchases of goods and services shall be in accordance with the **Purchasing Procedures Manual**. Please refer to the manual for requirements.

No employee shall order or receive goods without an approved purchase order.

Purchasing Laws

The Texas Education Code (TEC) addresses the requirement to competitively procure purchases that exceed \$50,000, in the aggregate, over a 12-month period. Since non-compliance may result in criminal penalties, this requirement will be strictly enforced. The purchasing laws apply to all purchases with Campus Activity funds, but do not apply to the purchases with Student Activity funds.

Staff members shall NOT use their personal funds or credit card to make purchases. Unauthorized purchases shall not be subject to reimbursement with activity funds.

Raffles

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

Receiving of Goods

The district utilizes a centralized receiving system – all goods must be delivered to the Administration Building. A copy of every purchase order for goods (supplies/equipment) will be forwarded to the receiving clerk. Upon receipt of the goods, all items that require an inventory or fixed asset tag will be tagged [by the receiving clerk] before delivery to the appropriate campus/department. All orders will be delivered to the respective campus or department with a packing list for “check-off” and verification of receipt. Discrepancies, if any, should be reported to the receiving clerk. Upon receipt of the receiving report and the invoice, the vendor will be paid for the order.

Staff members that receive authorization to pick-up goods directly from a vendor shall submit written confirmation of receipt to the receiving clerk.

Records Retention

All Activity Account records must be maintained for a period of five (5) years [TSLG minimum retention period & district’s Local Records Retention Schedule]. This includes receipt books, merchandise logs, fundraiser approval forms, profit/loss statements, etc. At the end of every school year, the principal as part of the closeout procedures, shall collect all Student Activity Account records for storage on the campus for one (1) fiscal year, then at the Records Center for the rest of the archival period of time.

Returned Checks

All makers of returned checks will be charged a \$25.00 fee. The fee is subject to increase based on the district’s depository bank service fee schedule for returned checks. The district shall reserve the right to reject future checks from makers of returned checks.

Upon receipt of returned checks, the Accounts Payable Specialist shall adjust the cash balance of the appropriate account(s). The Accounts Payable Specialist shall forward a **Returned Check Notification Letter** to the maker of checks that are returned by the depository bank.

If the maker fails to make payment within the five (5) day period, the Accounts Payable Specialist shall refer the non-payment to the Business Manager for initiation of collection and/or legal processes.

Roles and Responsibilities

Club Sponsor

- Attends annual training

- Maintains records
- Deposits funds collected on a daily basis
- Submits Requests to Conduct Fundraiser forms as required
- Completes a Fund Raiser Profit/Loss Report for every fundraiser
- Reconciles the activity account to finance reports monthly
- Signs a Responsibility Affidavit

Campus Secretary/Bookkeeper

- Monitors approved fundraising activities and submission of funds
- Receives, counts, and receipts all funds
- Assists sponsors
- Informs Principal of problems and concerns

Campus Principal [Ultimate responsibility for Activity Funds]

- Approval of all campus and student activity fund transactions
- Safekeeping of money on campus
- Proper accounting and administration of all activity funds
- Approval of disbursements in accordance with the procedures manual.

Sales Tax Exemption Form

The Sales Tax Exemption form shall be used for school-related purchases only, such as instructional supplies, items for resale, club/organization supplies, general equipment, etc. Purchase of personal items or items that will provide a private benefit for staff or students are not eligible for the sales tax exemption. For example, all purchases made through the Hospitality/Flower accounts, such as flowers, birthday cards, decorations, food and non-food items, etc., shall be subject to sales tax since the funds belong to the staff and not the campus. Another example shall include personal clothing and/or shoes purchased by students for their own personal use and ownership. Copies of the exemption form may be obtained from the business office or via the web link below. Taxes, which should have been exempt, will be unauthorized for reimbursement if the exemption form is not presented to the vendor at the time of the purchase. Misuse of the exemption form for personal purchases constitutes a misdemeanor.

Student Trips

If a district-owned vehicle or school bus is to be requested, specific details regarding the destination, type of vehicle, departure and return times shall be submitted through the electronic approval path using the Eduphoria system at least 10 days prior to the field trip. If a school bus or vehicle is requested for the trip, specific details regarding the destination, type of vehicle, departure and return times shall be submitted through Eduphoria as a **Transportation/Vehicle Request** at least four (4) weeks prior to the field trip. Only a certified bus driver shall transport students in a school bus. Campuses are responsible for finding their own driver for field trips and extracurricular activities.

If the requestor will be driving a district-owned vehicle, he/she must have a valid drivers license (Class C – CDL with School Bus and Passenger endorsements to drive a bus) and be listed on the Authorized Driver List.

In the event that a staff member transports students to an approved event in a private or leased vehicle, the staff member shall provide proof of automobile insurance coverage.

The Club Sponsor shall follow all **Travel Guidelines** in requesting travel funds for student trips (refer to Purchasing Policy for more details).

Transfers between Activity Accounts

Funds may be transferred between Campus Activity Funds at the discretion of the campus principal. Transfer of funds between Student Activity Funds shall be approved by the members of the student clubs, the club sponsors and the campus principal. It is recommended that transfers between accounts be settled up prior to the end of the school year. If a student organization ceases to function or exist, the unexpended funds of the organization shall be credited to the Campus Activity Account, Principal's Account.

Travel Expense – Advances & Settlements

Campus Activity funds shall not be used to pay for professional development activities. All professional development expenses shall be paid from the General Fund or other available funds subject to the **Travel Guidelines**.

Student Activity funds may be used to pay for student and travel expenses for organization/club-related expenses, such as Student Council, Spanish Club, etc. The Travel Guidelines shall be adhered to in requesting funds for staff and student travel expenses. Travel expenses may include registration fees, meals, mileage, lodging, and transportation costs.

Both Campus and Student Activity funds may be used to purchase on-site or off-site group meals for staff or students, as appropriate. The Purchasing Manual shall be adhered to in requesting approval and funds to purchase on-site and off-site group meals.

DALHART ISD LOCAL VENDORS CHARGE POLICY

We are committed to continue to support local vendors in any purchases when possible and competitive. **Local Vendors charge policy is the same as ALL other VENDORS where the district has charge accounts.**

The purchasing procedures for these vendors are exactly the same as with any other vendor. These vendors include **United Supermarket, SPC Office Supply, A to Z and Bartlett's hardware, Mission Auto, O'Reilly Auto, Gebo's, United Supply, Tractor Supply, Western Equipment** and any other local retailer.

2021 - 2022 DALHART ISD ACTIVITY ACCOUNTS

Acknowledgment

The undersigned acknowledges receipt of the DALHART ISD ACTIVITY ACCOUNTS
MANUAL and agrees that it has been read and will be adhered to as written.

Printed Name

Signature

Date

Delivery Options: Hand deliver to Business Office, interoffice mail to Donna McGinnis at Central Office, or email to purchasing@dalhartisd.org

** This acknowledgment must be signed, dated, and returned to the Business Office before any requisitions will be approved from the individual, every year before August 31.