

ACTIVITY FUND PROCEDURE MANUAL

SCHOOL DISTRICT OF RIVERVIEW GARDENS



STUDENT ACTIVITY PROCEDURE MANUAL

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This manual is designed to provide a set of standardized accounting guidelines and procedures for the administration of the Riverview Gardens School District Activity Funds.

Principles, secretaries and clerks, sponsors, and other personnel involved in the handling of Activity Funds are responsible for following the guidelines and procedures prescribed in this manual. Please contact the Business Office if you have questions regarding this information.

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SECTION 1 GENERAL INFORMATION

1.1 PURPOSE OF ACTIVITY FUNDS

The Activity Fund is designated to account for funds held by the district in a trustee capacity or as an agent for student organizations, teachers and the general administration of the school. These funds are used to promote the general welfare of the school and the educational development and morale of all students.

1.2 RESPONSIBILITY FOR ACTIVITY FUNDS

The school principal and/ or program administrator is responsible for overseeing the proper collection, disbursement and control of all activity funds. This responsibility includes:

- Providing for the safekeeping of funds
- Proper accounting and administration of fund transactions
- Expenditure of funds in compliance with applicable state laws, and local board policy administrative guidelines

1.3 AUDIT OF ACTIVITY FUNDS

Activity Funds are audited annually by the District's auditor. The principal may request in writing a special audit if a situation or event warrants it.

1.4 RETENTION OF RECORDS

All records should be kept current and in good order for a period of five years and available for audit anytime.

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SECTION 2 BASIC RECORDS

2.1 ACTIVITY FUND CASH RECEIPTS

Activity Fund cash receipts are the means of accurately recording money received and provides support for each bank deposit. Only pre-numbered receipt books provided by the district are to be used.

2.2 REQUESTS FOR CHECK PAYMENTS

See District Purchasing Procedures

2.3 NUMBERED CHECKS

Numbered checks are used to disburse all funds from the Activity Fund general ledger account. Copies of all activity checks are kept on file in the business office, including voided checks.

2.4 BANK DEPOSIT SLIPS

Deposit slips, once validated by the bank, serve as a record for the specific date that receipts were credited to the bank account.

2.5 MONTHLY BANK STATEMENTS

The bank statement is the official bank record reflecting all transactions affecting the cash balance on deposit during the preceding month. When properly reconciled, the statement serves as official support for the cash balance indicated in the activity fund records. A bank statement should be received and reconciled for all accounts including checking and investments.

2.6 GENERAL LEDGER AND CHECK REGISTER-COMPUTER PRINTOUTS

The General Ledger and Check Register for Activity Funds are maintained in the business office. The General Ledger summarizes all transactions of the Activity Fund during the month. Monthly reports should be maintained and filed for audit purposes.

2.7 PREPARATION OF RECORDS

All records must be completed in ink.

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SECTION 3 ISSUING RECEIPTS

3.1 RECEIPT OF CASH PROCEDURES

A. All cash and check collections shall be recorded by the activity fund sponsor receiving the money. A cash receipt shall immediately be prepared in triplicate. Cash receipts must be issued in numerical sequence. Numbered standardized triplicate cash receipt books are available from the business office.

All collections must be turned in to the business office for deposit.

B. The receipt must be completed in its entirety, including:

- The date and the amount
- Received from – individual or firm. A receipt may not be issued to more than one person
- For – an explanation of the purpose which the money was received
- Activity fund account code on line above signature
- Original signature is required

C. Postdated checks shall not be accepted by the school from any source.

D. Cash receipts are not to be pre-assigned or predated.

E. Employee or other checks must not be cashed from collections.

F. An actual cash count should be made, in the presence of the person turning in the money, by the person signing the receipt.

G. Under no circumstances shall a cash receipt be altered. If an error occurs in the preparation of a cash receipt, both the original and the two copies of the incorrect receipt must be clearly marked as "VOID". The original of the voided receipt should be kept in the receipt book and stapled to the bound copy. The middle copy must be turned in to the business office with the following receipts to assure correct sequence.

H. The original copy of the cash receipt shall be given to the person paying the money. If a check is received by mail from an outside source, it is not necessary to mail the original copy of the receipt unless requested and a stamped self addressed envelope has been provided.

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- I. The yellow copy of the receipt should be attached to the cash/checks and taken to the Business office with a completed Deposit Breakdown form.
- J. The remaining pink copy of the receipt must stay bound in the receipt book to be kept on file for audit purposes.
- K. Tabulation of Collections may be used instead of cash receipts for small, multiple collections for library fines, admission tickets, miscellaneous fees, **less than \$5.00**. When this form is utilized; it must be prepared in duplicate. One copy is to be kept by the person collecting the money and the second copy is to be used when transmitting the monies to the business office.
- L. Collections shall be submitted to the business office at least daily, by 2:00 p.m. to enable ample time for collection to be processed and delivered to the bank for deposit that day.
- M. No collections are to be kept by employee overnight, unless they are in a secure location or in the safe provided by the Business Office.

3.2 SUBMISSION OF FUNDS TO THE BUSINESS OFFICE

The Activity Fund receipts issued by the business office provide the basic support for activity fund bank deposits. The following procedures are to be observed in addition to those specified above.

- A. When funds have been previously recorded in a receipt book issued to the activity fund sponsor, the business office shall:
 - a. Tabulate monies collected and reconcile to receipts issued from the sponsor's receipt book(s). The sponsor should always turn in receipts that are in sequence.
 - b. The sponsor is responsible for insuring that receipts issued to individuals match the amount of money delivered to the business office.

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- c. When funds submitted to the business office have been tabulated and the money received matches the total of the receipts provided by the sponsor the business office will issue an official receipt.

- d. The original will be returned to the person transmitting the monies and one copy will be attached to the deposit slip. The other copy will remain in the receipt book and be retained for audit purposes.

3.3 CONTROL OF ACTIVITY FUND CASH RECEIPT BOOKS BY BUSINESS OFFICE

The business office shall be responsible for maintaining an adequate supply of receipt books. All receipt books should be secured in a locked drawer or cabinet at all times. The business office shall issue receipt books as needed to sponsors and other persons authorized by the school principal. The business office must keep a distribution record of all receipt books issued; this record is considered part of the official activity fund records. A record of all prenumbered documents on hand (unused) should be maintained.

3.4 CONTROL OF PRE-NUMBERED CASH RECEIPTS BY CLUB SPONSORS

All funds received by clubs or school organizations will be a part of the activity fund. The activity fund sponsors should maintain records of all pre-numbered receipt forms used and unused during the year to properly control cash receipts.

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SECTION 4 DEPOSITS OF FUNDS

4.1 GENERAL OPERATING PROCEDURES

- A. Deposits should be made daily by 2:00 pm.
- B. All checks must be endorsed as follows at the time they are received. Each campus office has an endorsement stamp for your convenience.

For Deposit Only
School District of Riverview Gardens
Account #(xxxxxxx)

- C. All cash deposits shall be deposited in the numerical sequence of their supporting receipts.
- D. Do not re-deposits returned checks, individual must bring in a money order or cash to replace insufficient funds.
- E. All funds on hand at the end of the school year, should be deposited prior to closing the books for the year.
- F. Employee responsible for the deposit must deliver money to the Business Office in person.

4.2 PROCEDURES FOR PREPARATION OF BANK DEPOSITS

- A. A bank deposit slip shall be prepared in duplicate by the Business Office and shall include the following:
- The date, amount of the deposit, activity fund code, and description of proceeds.
 - A listing of each check in the deposit on the Deposit Breakdown should be completed by the sponsor and submitted with the deposit to serve this purpose.
- B. The original copy of the deposit slip is retained by the bank; the duplicate copy is validated by the bank and returned at the time of the deposit. The Business Office should verify the validated amount.
- C. The sum of the amounts of the supporting cash receipts must agree with the amount on the deposit slip
- D. For procedures on handling returned checks re-deposits and deposit corrections (see Section 5 of this manual)

The practice of cashing personal checks is not allowed

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SECTION 5 RETURNED CHECKS AND REDEPOSITS

5.1 RETURNED CHECKS

Occasionally, a check which had been previously deposited is returned by the bank for a variety of reasons. A check may be returned for improper signature, insufficient funds, or account closed. When a check is returned by the bank, the following procedures shall be followed:

- A. The Business Office shall immediately notify the sponsor that collected the funds. The activity sponsor should then notify the writer of the returned check and request that it be redeemed with cash or money order.
- B. If the maker of the returned check request that it redeposit, **No checks will be redeposit.** Individual must bring in money order or cash.
- C. Under no circumstances should the returned check be surrendered to the maker except in the receipt of cash.
- D. No checks shall be accepted from a party who has not redeemed a previously returned check
- E. If a person redeems a returned check with cash, give him/her the returned check as a receipt **(Keep photocopy for records)**

5.2 UNCOLLECTED CHECKS

- A. Send a letter to the maker of the check requesting payment in cash or by cashier's check within a 10 day period. Request the full amount of the check. The letter should be mailed to the last known mailing address of the maker and should contain the check number, date and amount of check. **DO NOT SEND ORIGINAL CHECK!** The letter should stipulate that unless payment is received within 10 days it will turned over to the Circuit Clerks Office for filing of criminal charges. **The letter should be sent certified mail- return receipt requested.**
- B. Attempts should be made to collect returned checks of less than \$25.00 until the close of the school year. If not collected, the check may be written off. If the check amount is over \$25.00 and less than \$500.00, the check be written off and the original check and copies of all documentation forwarded to the Circuit Clerks Office for action. All escalated item should be forwarded to the Business Offices for processing.

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SECTION 6 DISBURSEMENTS

6.1 GENERAL POLICIES

- A. All expenditures shall be paid by check from the activity fund using the appropriate general ledger account numbers.
- B. Income received from a specific organization or group should be expended for that group. The principal shall ensure that expenditures from these accounts are written for the intended purpose of the group and should not divert for other uses. The signature of the sponsor and the principal are required prior to funds being moved from one activity account to another.
- C. No expenditure of funds shall be approved by the principal unless sufficient funds are/ or will be available in the appropriate activity account. Thus, no checks shall be drawn on any account with negative balances unless sufficient funds are available.

6.2 REQUESTS FOR CHECK

The Riverview Gardens School district adopted policy for issuing checks will be followed for all activity fund checks. **(See district Purchasing Procedures)**

- A. The request for a check must include:
 - Vendor's original invoices. Periodic statements are not adequate supporting documentation.
 - Credit card statements and customer copy of charge slips are not adequate documentation. Must have original copy of register receipts.
- B. All invoices shall be checked to ascertain that sales tax has or has not been properly charged since most purchases made by schools are tax exempt. **(See Section 9 on Sales tax)**
- C. Travel payments will be made based on the Riverview Gardens School District Travel Procedures. The sponsor should make arrangements in advance for student meals. Many businesses are willing to offer special rates to groups and some will allow the school to send payment at a later date. When this procedure is followed, the transaction should be tax exempt. Checks will not be issued for student meals based on a per diem allowance without reconciliation.

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6.3 PAYMENTS TO NON-EMPLOYEES FOR CONTRACTED SERVICES

- A. Payments for services performed by individuals not employed by the District may be made directly from the Activity Fun

- B. A W-9 form for 1099 should be completed prior to services being rendered. The completed form should be submitted to the Business Office prior to services being performed. Payment will not be made until the form is received by the Business Office.

- C. At the end of each calendar year, a listing of all payees providing services exceeding \$600 during the calendar year will be made by the Business Office and a form 1099 will be issued if required.

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SECTION 7 ACTIVITY FUND MANAGEMENT

7.1 ACTIVITY FUND MANAGEMENT

The principal of the school shall be responsible for the proper administration of each organization's funds in accordance with state and local law, district and DESE approved accounting practices and procedures. Student activity funds shall be included in the annual audit of the District's fiscal accounts.

Requests to open a new activity account must be submitted in writing to the school administrator and approved by the Business Office. This request must be accompanied by the **Student Activity Request form**.

All existing organizations are required to submit the Student Activity Request Form to the business office at least annually and additionally whenever a change occurs.

Funds collected by student groups shall be disbursed only for purposes authorized by the organization or upon approval of the sponsor. The principal shall approve all disbursements. All funds raised by student organizations must be expended for the benefit of the students.

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SECTION 8 VENDING MACHINES AND SNACK SALES

8.1 GENERAL POLICY

Revenue from vending machines situated in all areas of the school or snacks sold otherwise, whether school-serviced or vendor-serviced, shall be controlled by the campus principal and processed through the Activity Fund Account.

8.2 VENDOR-SERVICED MACHINES

The District may contract with a firm whereby the vendor agrees to service the machine and collect the money. The school then receives a periodic commission check from the vendor. The school is not required to establish an Activity Fund account for each vending machine under this type of arrangement. Vending machine profits (i.e., the commission checks) may be placed directly into the account related to the location of the machine, unless otherwise specified.

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SECTION 9 SALES TAXES

9.1 TAXABLE STATUS OF PURCHASES

Exempt organizations may buy, lease or rent taxable items without paying sales tax if those items are necessary to their function as an exempt organization. No item purchased by an exempt organization may be used for the personal benefit of any individual. An exemption certificate must be provided to the supplier.

A. TAX FREE PURCHASES

All items purchased by a public school for the school's own use qualify for an exemption from sales tax if the items purchased relate to the educational process. The school, school district or authorized agent should provide the seller with a Missouri Sales Tax Exemption Certificate. To be valid, the certificate must state that the merchandise being purchased is for the organization's own use in providing education, is being made in the name of the organization, and that payment shall be made from the organization's own funds.

Purchases for their own use by individuals, even though connected with a school or school organization, **are not exempt from the tax.**

B. EXEMPT SCHOOL ITEMS

Public and non-profit private schools and school-related organizations need not collect sales tax on the following:

- Fees and admission tickets, including football and drama tickets
- Club memberships
- Deposits
- Sales of food and soft drinks sold during a regular school day
- Sale of whole cakes or pies
- Food and drinks sold at PTO carnivals

C. SCHOOL SPONSORED TRIPS

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 meals. The school must pay for the meals and provide the eating establishment with an exemption certificate.

Individual members of the athletic team, band, etc. may not claim exemption from the sales tax on the meals they purchase while on a school-authorized trip.

An exemption may also be claimed by the school from the Hotel Occupancy Tax if the school contracts and pays for the accommodations and provides the hotel with a completed Hotel Occupancy Tax Exemption Certificate.

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SECTION 10 FUND RAISING ACTIVITIES

10.1 DEFINITION OF FUND RAISING ACTIVITIES

A fund raising activity may be defined as any activity involving participation of a student body or a school-recognized student group undertaken for the purpose of deriving funds for a school sponsored group.

ALL FUND RAISING ACTIVITIES MUST BE APPROVED BY THE BUILDING ADMINISTRATOR AND THE SUPERINTENDENT PRIOR TO ANY FUND RAISING

10.2 FUND RAISING ACTIVITIES FOR A SCHOOL

General

- Fund raising activities are not confined to regular school hours but are considered an extension of the school program. When Fund-raising 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.
- Each organization is limited to a maximum of five fund-raising activities.
- To request permission to conduct a fund raising activity, the club sponsor should complete the **Student Activity Request Form and Projection Form**. All request submitted will be screened by the building administrator and must be approved by the Superintendent.
- When the fundraiser is complete and all financial transactions have been handled, the club sponsor should complete the Fundraiser Financial Recap form for review by the principal and submission to the Business Office.
- Those fund raising activities and student activities which require solicitation of funds from business or commercial establishments or residents shall be limited to the attendance area served by the school. No student shall solicit funds or attempt to sell ads to the public except in his or her own attendance area. This restriction does not apply to solicitations made outside of the boundaries of the District.
- It is important for the sponsors to account for any fund-raising products distributed to students. Students must be held accountable for the products they received and should return the products or the money collected within the specified time frame. This includes tickets for raffles or events. Tabulation or fundraiser items distributed to students may be used for this purpose.
- At the elementary level, door-to-door fund raising by students in activities sponsored by the school or by a school related organization is prohibited.

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ACCOUNTING FOR FUND-RAISING ACTIVITIES

1. Collections and Disbursements:
 - All collections must be receipted and all payments must be made in accordance with Section 4 of this manual
 - All collections and disbursements associated with any fundraising activity coordinated by the school or school recognized student group shall be transacted through the Activity Fund

2. The activity sponsor is responsible for keeping accurate records for all fundraising activities. Such records should include at minimum:
 - Distribution Lists
 - Daily Collection Reports
 - Original cash receipts received for money turned into the Business Office

3. At the conclusion of the fundraising activity, the **Fundraiser Financial Recap** form should be completed by the sponsor, submitted to the principal and the original filed with the Business Office to be retained for audit purposes. This report should indicate gross collections and list any expenses incurred relative to the activity. Disposition of the net profit should be disclosed if funds were collected for a specific purpose.

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SECTION 11 TRANSFERS OF FUNDS BETWEEN ACTIVITY ACCOUNTS

11.1 GENERAL POLICIES

- A. 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. Payment may be requested using **Fund Transfer Form**.
- B. Likewise, a club may desire to make a voluntary donation or contribution to partially defray the expenses incurred by another club activity. In such cases, the contribution shall be effected by an internal transfer of funds.
- C. Activity Fund accounts with no activity in two (2) consecutive years may be transferred to another existing account.

11.2 DOCUMENTATION OF TRANSFERS

- A. Each transfer shall be initiated by preparation of a Fund Transfer disclosing both the amount of and the reason for the transfer.
- B. Each transfer must be approved by the principal and the superintendent.
- C. When all required approvals have been obtained, the business office may proceed with the necessary journal entries.
- D. The original Fund Transfer Form shall be maintained with the School Activity Fund Records.

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SECTION 12 ACCEPTANCES OF GIFTS

A. Only the Board may accept any bequest or gift of money or property on behalf of the District. The gift shall become the sole property of the District for its use and disposition. All gifts shall be given to the District and not to a particular school or activity. At the discretion of the Superintendent or designee, the gift may be used in a particular school or activity. Personal gifts from Vendors or individuals are prohibited. **(Board Policy KH)**

B. Criteria for acceptance.

- Have purposes consistent with District purposes.
- Place no restrictions on the school program.
- Do not require the endorsement of a business product.
- Do not conflict with policies or actions of the Board or public law.
- Do not require extensive District maintenance

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13.1 Event Ticket Sales

At least one day prior to local athletic events where an entrance fee is being charged, the Athletic Director will pick up the “start” money gate bag from the Business Office.

- Business office will prepare the athletic gate receipt form: for each ticket type, enter the beginning sequence number and per ticket amount and number of tickets.
- When the gate closes, the gate worker will count the money and list dollar amount on the deposit breakdown form, they will also complete the ticket request form noting the amount of tickets sold and returned.
- The administrator responsible for the event will verify information before submitting it to the Business Office for deposit.

Activity Fund Forms

- A. Student Activity Request Form**
- B. Student Fundraiser Projection Form**
- C. Fundraiser Financial Recap Form**
- D. Tabulation of Collections**
- E. Monthly Return Check Log**
- F. Ticket Request Form**
- G. Fund Transfer Form**