



NORTH EAST
INDEPENDENT SCHOOL DISTRICT

SPONSOR ACTIVITY FUND
ACCOUNTING PROCEDURE MANUAL

Preface

This manual is to provide a standardized accounting procedure for the administration of Activity Funds in elementary and secondary schools of North East Independent School District (NEISD). Principals, sponsors, secretaries, Bookkeepers, and other parties involved in the handling of Activity Funds should become knowledgeable of the instructions prescribed in this manual. The procedures outlined herein comply with statutory requirements and constitute policy as established by NEISD. This manual supersedes all prior publications regulating the administration of Activity Funds

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Introduction

The management of Activity Funds is addressed in [Board Policy CFD \(Local\)](#) and [Administrative Regulation CFD\(R\)](#). Users of this manual should familiarize themselves with this policy and associated regulation. They can be found on the NEISD internet page ([NEISD.net](#)) under the section About NEISD / Board of Trustees / NEISD Administrative Regulations or Board Policies.

Employees shall be subject to disciplinary action as deemed appropriate by the Superintendent or designee for a violation of this policy, depending on the severity of the violation. Such consequences may include, but are not limited to, verbal or written counseling, reprimands, suspension with or without pay, SBEC notification for certificate revocation and termination. The District may undertake appropriate investigations of any potential violation of this policy by any employee and may take action based upon the preponderance of the evidence revealed by such an investigation. Employees who violate this policy may also be subject to potential civil and/or criminal violations of local, state, and federal law, depending on the conduct involved. Additionally, Sponsors may be required to reimburse funds that are lost or stolen while in their possession.

Types of Activity [Funds](#)

The two types of funds are described below. State and District purchasing guidelines must be followed when expending monies from both types of accounts, including using district approved bid vendors.

Student Activity Funds (SAF)

Funds the district/campus holds in trust for the student groups. These student clubs and organizations are defined as student-led groups with formation documents, by-laws, and elected officers. The money does **not** belong to the campus. The students in the SAF organization (NOT the sponsor) determine how the money is spent and what fees to charge. The account numbers are in the 400 through 800 series. The 800 series is used for restricted

funds such as the faculty fund accounts. The funds in these accounts are governed by the same policy and procedures as the General Fund.

Campus Activity Funds (CAF)

Funds belong to the district and the campus. The account numbers are in the 900 and 1000 series. These funds are governed by the same policy and procedures as the General Fund; therefore, the money expended must benefit the student body and must have a public purpose in the realm of education. The 1000 are series of accounts (CAF) is used for monies collected at the campus to be passed through to central office departments. All purchases must be made using [District Only Bid Vendors](#).

Appropriate Sponsors

Only certified personnel may be assigned as official sponsors of Activity Fund Accounts. Paraprofessionals may assist with the collections and preparation of various paperwork transactions for the accounts. Parents and students may also help with activities and count money. However, the official sponsor (administrator, counselor, or teacher) shall be cognizant of all account activities since the sponsor will be held accountable by the campus Principal for certifying the information is true and correct.

Sponsors cannot serve in the financial capacity of a booster club or parent organization. Financial capacity includes holding positions of president, treasurer, fund-raising chairperson, or serving as a check signer.

Change Fund Accounts

A campus may require a year-round [change fund](#) for on-going sales events, such as school stores. A change fund may be established by contacting the [District Bookkeeping Specialist](#). Only one change fund account per campus will be established, although more than one SAF/CAF account can request change from the fund. The amount of change needed by a particular SAF/CAF account shall be determined by the school's administrator.

All permanent change funds shall be recorded in the 461-1878CH Change Fund account and re-deposited at the end of the school year.

A more common practice is to request a change fund for a particular event. A [check request](#) payable to the sponsor (and issued out of the sponsor's account) is submitted for the amount requested. The Bookkeeper shall issue a check from the Activity Fund account and record it to GL account 6499. Each sponsor is responsible for always maintaining the change in locked bags. When not in use, all change will be stored in the campus safe. Change Funds are to be used only for making change; these funds are not to be used to reimburse expenditures or to cash checks.

When a sales event has concluded, a deposit is generated by the sponsor for the amount of the change fund in which the sponsor requested and is then re-deposited into the same SAF/CAF account by the Bookkeeper using the Change Fund GL account.

Recommended Change Fund Amounts

- Athletic Ticket Sales Must be purchased online per Athletic Dept.
- Athletic Uniform Sales \$100.00-\$200.00
- Campus Front Office \$100.00
- Concessions \$100.00
- Library Book Fair \$50.00-\$100.00
- NJHS \$100.00
- School Store \$100.00

Please contact the [Director of the Budget & Finance](#) Department if change funds larger than the above amounts are needed.

Cash Collection Procedures

All cash receipts shall be handled in accordance with the SAF/CAF Accounting Procedures Manual and Board Regulations. All forms can be found on the District's Budget &

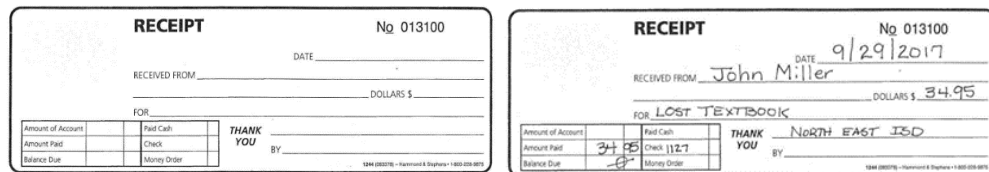


Financial Analysis, [Bookkeepers page / forms](#) as well as embedded into the text. To ensure the protection of all participants the following control measures should be followed:

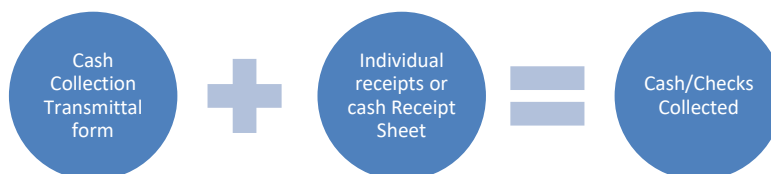
Cash Collection Process

When sponsors are collecting cash/checks one of two available forms must be completed in their entirety, the Class Receipt Record or the Cash Receipts Voucher. These forms are important, as they provide backup documentation as to where deposited funds originated.

- **Class Receipt Records** are used when receiving collections from multiple individuals and it is necessary to maintain a record of who has paid. Examples would be T-shirt sales, field trips, library/textbook fines, uniform payments, dance tickets/bids, brochure sales, etc. Computer-generated lists or handwritten ledger sheets are acceptable, provided all the information requested on the Class Receipt Record is furnished.
- **Cash Receipt Vouchers** are used when collecting funds for activities where it is not necessary to record each individual payee, but only the number of each item sold. Examples include sales at a table (flowers for Valentines), book fairs, and school store sales.
- **Alternate Receipt Books** are used to issue receipts to individuals when a receipt is required for future reference.
 - Examples include yearbook sales, lost textbooks/library books, tuition.
 - Providing just a receipt number with no supporting documentation will not be accepted for collection of funds.



- The Sponsor/Teacher counts the cash to ensure the total agrees to the total collections per the Class Receipt Record or Cash Receipt Voucher used. Sponsors must complete the box on the form noting the breakdown of cash by denomination. This provides the



Bookkeeper detailed information should an amount differ from the amount reported on the sponsor's documentation backup.

Reminders & Recommendations for Cash Collections

These reminders and recommendations will ensure the procedures have been followed and will avoid processing delays:

- A minimum of two people involved in the collecting and depositing of cash. Therefore, all SAF/CAF accounts will have a sponsor separate from the Bookkeeper.
- All monies collected will be deposited into the SAF/CAF account within three (3) days after the event has concluded. Money is not to be held and spent on expenses (spending will be addressed in [Payments from Activity Funds.](#))
- All money collected must be submitted in the same form as collected. A staff member is not to substitute his/her personal check for cash collected. No personal checks are to be cashed from the funds collected.
- Sponsors are not to take money home ([see exceptions in Offsite Cash Handling Procedures section](#)) or kept in unsecured classrooms. Large collections should be deposited with the Bookkeeper each day funds are collected; small collections can be secured daily with the Bookkeeper and deposited at the end of the week.
- In the event a sponsor cannot prepare the funds for deposit, the funds will be counted by the sponsor, secured in a sealed bank deposit bag, and given to the Bookkeeper to store in the vault. (Bank deposit bags can be obtained from the Bookkeeper).
- Sponsors must include the 3-digit school organization number and the SAF/CAF account numbers are stamped or handwritten in black in the upper middle section of all checks included in a deposit. If a check is returned for any reason (non-sufficient funds), this will identify the correct account in which the funds were deposited. Example: 002 690SCO.
- Copies of the alternate receipts issued may be submitted as proper documentation in lieu of the entire receipt book if the alternate receipt book is used continuously by the account sponsor.

- Collection of funds shall be secured and submitted to the Bookkeeper daily. Funds shall be organized when submitted. The Money Count Box located on the bottom left-hand corner of the Class Receipt or Cash Receipt Voucher shall be completed by the account sponsor before submitting funds to the Bookkeeper.
- The Bookkeeper will count the funds for verification against the Class Receipt, Cash Receipt Voucher or Alternative Receipt in the presence of the sponsor or, if not possible, within 24 hours after receiving deposit.
- After verifying the amount of the funds collected and supporting documentation match, the Bookkeeper will prepare the deposit to send to the bank.
- If a discrepancy greater than \$5.00 is found by the Bookkeeper when the funds are counted, the Bookkeeper will email the Sponsor. The sponsor will go to the Bookkeeper's office, obtain all funds and supporting documentation of said deposit and re-count. Under no circumstances will a sponsor only retrieve a portion of the deposit to make the correction.
- Money must not be kept in classrooms (Sponsors will be required to reimburse funds which have been lost or stolen while in their possession).
- Sponsors will be held accountable for timely deposits (turned into the Bookkeeper within three (3) days after the event has ended).
- Unprepared deposits must be sealed in tamper proof bags (provided by the Bookkeeper), signed, and dated by the sponsor, logged in by the Bookkeeper, and placed in the vault or safe until funds can be documented and entered into the SAF/CAF system.
- All funds on the campus MUST be picked up by the Police Department on the Friday before Thanksgiving Break, Christmas Break, and Spring Break. Sponsors must have all funds turned in to the Campus Bookkeeper the Wednesday before said breaks.

Offsite Cash Handling Procedures

Fundraising opportunities can occur off- campus; please refer to [Fund Raising Sales Activities Section](#) for process. When conducting fundraisers offsite from the campus, every

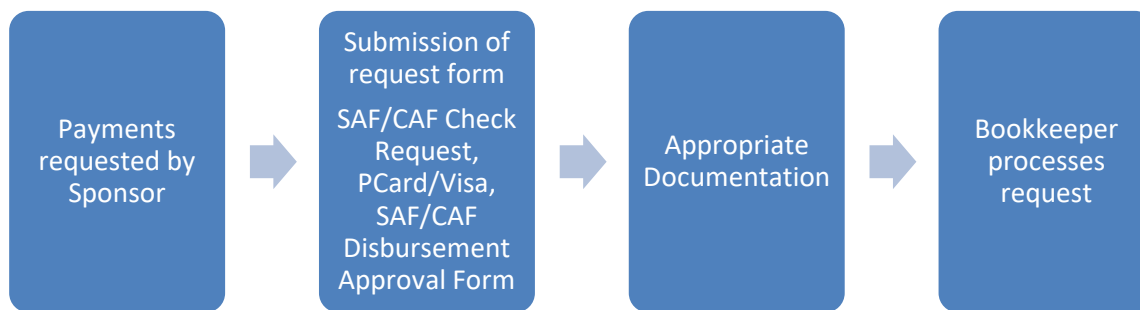
effort will be made to return the funds to the campus safe at the conclusion of the fundraiser. When the funds cannot be returned to the campus money safe, the sponsor can take responsibility for those funds overnight if the following procedures are followed.

- Additional pre-approval is required. The Chief Financial Officer for the District must pre-approve any fundraiser in which the funds will be stored offsite overnight. This is in addition to the campus administrator approval, which is required for all fundraisers.
- The sponsor shall obtain sealable bank bag(s) in advance from the Bookkeeper for the safe storage of the funds.
- Cash must be counted by the sponsor and one other adult prior to sealing the bag(s).
- The agreed total must be written on the bag.
- Both the sponsor and the other adult must sign the bag over the seal.
- The sponsor shall email the Bookkeeper and fundraising administrator after the count with the total amount of funds in the bag(s).
- Any inventory must also be counted and recorded.
- The funds and bank bag(s) must be returned to the campus Bookkeeper on the first business day after the fundraiser.
- The sponsor will be required to reimburse funds which have been lost or stolen while in their possession.

Payments from Activity Funds

Withdrawals from the Activity fund must be made by the Sponsor/Officers (SAF funds) and the Bookkeeper may not disperse funds without the proper authorization from the sponsor of the account from which the funds are being disbursed. Disbursements must be made via a [check request](#), use of the [District SAF/CAF PCard/Visa/Visa](#) or [Request for Payment](#) (RFP).

Payment Process



- Disbursements (payments) are requested by submitting [the SAF/CAF Check Request Form](#) with proper documentation to the Bookkeeper.
- Documentation must support the payment request. The Bookkeeper cannot disburse funds without proper supporting documentation. Acceptable documentation includes vendors' **original** invoices and/or sales receipts and cash register tapes. Acceptable documentation for transactions conducted via the internet and charged to the sponsors personal credit card includes:
 - (1) vendor confirmation (preferred) which maybe a print screen document **or** (2) both a printed copy of the online purchase form and the packing slip from the merchandise received.
 - Balance due statements, copies, and credit card slips are not acceptable because these items do not provide appropriate details.
- The sponsor will prepare a disbursement request in the following manner for the Bookkeeper:
 - copy any laser receipts and include the original and the copy
 - tape numerous receipts on a paper
 - circle the total of each receipt (no highlighting) and
 - prepare a calculator tape showing the individual amounts total and is equal to the amount requested for reimbursement.
- Use of the District SAF/CAF PCard/Visa is preferred over employee reimbursement for District purchases. All payments are to be made by check or the District SAF/CAF PCard/Visa. No payments should be made with cash not deposited into the SAF/CAF account.

- Orders or reimbursable payments for goods or services from the activity funds which are in excess of \$2,000 must be approved by the Principal or designee on the [SAF/CAF Disbursement Approval Form](#) prior to the obligation of the funds.
- The Bookkeeper will process the check request into School Cash after all supporting documentation has been received and verified.

Reminders and Recommendations for Payments

These reminders and recommendations will ensure the procedures have been followed and will avoid processing delays:

- No advance of funds for purchases is allowed (except for student travel as noted in the [Travel section](#)).
- For SAF accounts with Officers, authorization for expenditures must include the Secretary’s minutes attached to the check request.
- The Bookkeeper cannot process disbursements from an activity fund account with a negative balance without written permission from the Campus Budget Manager (Principal/Director). In such cases, approval should be given only if:
 - the sponsor has an activity planned which will produce funds to cover the deficit, or
 - the principal supplements the expenditure from a 900 series Campus Fund account, and the expenditure is allowable under General Fund expenditure guidelines.
- SAF/CAF sponsors are responsible for remitting all invoices to the Bookkeeper on a timely basis. We must pay our vendors on time, the school must generate payment to vendors within 30 days after the later of the date the goods are received, the date of the performance of the service, or the date the invoice was received. If failure to generate payment within the required timeframe, payment of 1% compounded monthly interest to the vendor on past due amounts whether the vendor requires it or not.
- All outstanding invoices must be remitted to the Bookkeeper three (3) days prior to the last working day of the school year to ensure all vendor payments are appropriately paid on time.



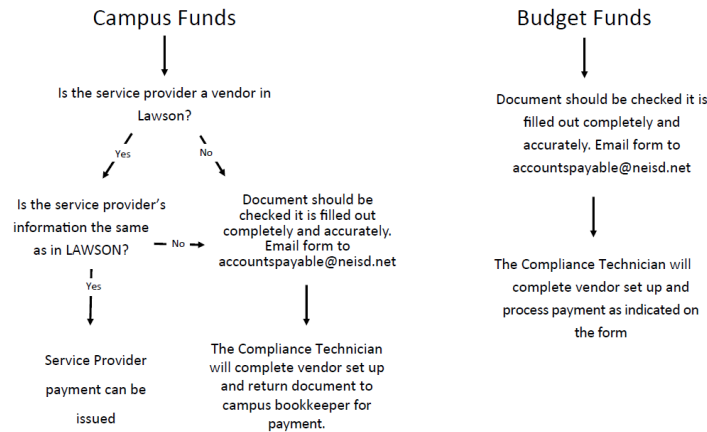
- The purchase of gift cards for faculty or staff members from any account is not permitted as the IRS considers gift cards as income.

Payment from Contracted Services

- Teachers/sponsors are responsible for communicating with the Bookkeeper before committing to any contracted service. The Bookkeeper will determine if a contract is required, and if the vendor is active in the District’s ERP.
- Expenditures classified as ‘Contracted Services’ include:
 - Catering/banquet services
 - Repairs: copiers, machinery, uniforms, mats, etc.
 - Business services: printing, landscaping, framing, photo processing, etc.
 - Rentals: cars, vans, buses, costumes, facilities, machines, pagers, etc.
 - Presenters/Performers (includes disc jockeys, seminar and workshop speakers, dance clinic assistants, etc.)
- Custom services: monogramming, sewing, choreography, engraving, custom T-shirts, T-shirt printing, and screen-printing, etc.
- Lodging, transportation, meals, and miscellaneous costs associated with travel for individuals performing a service must be included in their fee and treated as a contracted service.
- Fine Arts Service Provider RFP Form can be found on the Procurement & eCommerce page under “Purchasing”- “Form”. This form is for the “one-time” individual who may come to assist as a judge, an accompanist, a spotter, or a one-time clinician. The completed form may be used as an invoice after the service has been completed. The form should be completed and signed by the Campus Principal/Budget Manager.
 - The service provider should be a vendor listed in Lawson. If they are not in Lawson, the form will need to be emailed to accountspayable@neisd.net for the Compliance Technician to complete the vendor set up.

- Once the vendor is set up in Lawson, they will return the form to the Bookkeeper to complete the payment process out of campus funds.

Fine Arts Service Provider Request Form
Flow Chart



Reimbursing Third Parties

All SAF and CAF expenditures are paid directly to an approved vendor or reimbursed to a district employee who paid an approved vendor. Reimbursing parents, students, or 3rd parties is not allowed with SAF or CAF accounts. Giving parents, students, or 3rd parties authority to purchase on behalf of the District puts the district in potential violation of the *Texas Constitutional prohibition against gifts of public funds.*

Staff Appreciation by Student Groups

Student groups may use their funds to hold “staff” or “coach/sponsor” appreciation events solely under the following conditions:

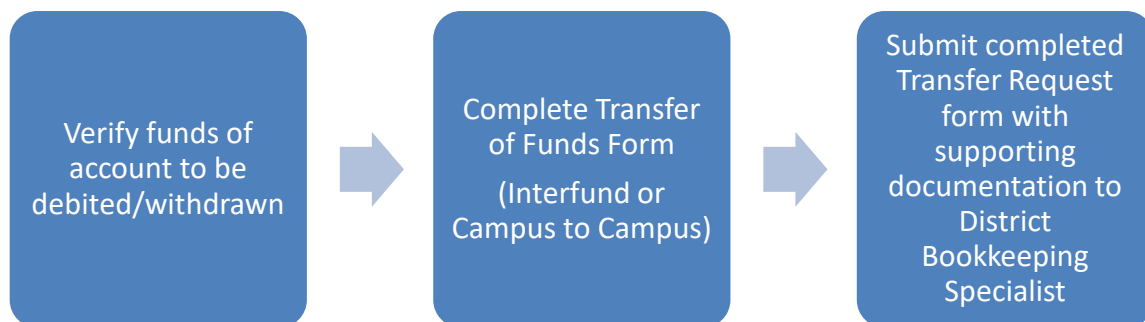
- Student driven - The decision to hold any appreciation event must come directly from the students and cannot be mandated by campus administration or other personnel.
- Documentation - Student minutes with Officer signatures (no photocopies) must reflect the student approval and reason.
- Cost Limits

- Per-person food costs for meals must not exceed \$10 per person for breakfast, \$16 for lunch or \$25 for dinner.
- Gifts must be less than \$25 per person.
- No cash, cash-equivalents, or gift cards allowed.
- Vendor approved purchase
- Time Limits
 - Only two events allowed per student group per year if done for groups (e.g., custodians, teachers, all athletic coaches.)
 - No more than one per month for individuals (e.g., teacher of the month, specific team coaches/sponsors).

Adjustments

Adjusting entries are necessary to update all account balances before financial statements can be prepared. These adjustments are not the result of physical events or transactions but are rather caused by the passage of time or small changes in account balances. A transfer is the movement of assets, funds, or ownership rights from one place to another. A transfer is also used to describe the process by which ownership of funds or assets is reassigned to a new owner.

Transfer Process



Interfund Transfers

- Rather than issuing a school check, a transfer of funds between accounts is requested by the sponsor by submitting a [Transfer Request Form](#) to the campus

Bookkeeper. The Bookkeeper will review the request and then forward it to the [District Bookkeeping Specialist](#) who will enter the transfer into School Cash.

- Prohibited transfers - Transfers from CAF accounts into SAF accounts are prohibited. Only in an extreme situation and with approval from both the Chief of Schools & Leadership as well as the Chief Financial Officer will a transfer from CAF accounts to SAF accounts be allowed. If costs are to be shared between CAF and SAF accounts, then the SAF account can transfer funds into the CAF account, and the purchase made from the CAF account.

Transfers Between Campuses

- The [Campus to Campus Funds Transfer Request Form](#) will be used to request funds to be sent to another campus.
- Once the Bookkeeper receives the check request from the sponsor, completed SAF/CAF Campus to Campus Funds Transfer Request Form, Campus Requesting (in red) information only. The budget manager must sign the completed form. Send this form with documentation to the receiving Bookkeeper/admin assistant and copy the [District Bookkeeping Specialist](#) and the [Senior Financial Analyst](#). The receiving Bookkeeper/admin assistant will complete the Campus Receiving (in green) information and then send the form back to the [District Bookkeeping Specialist](#) and the [Senior Financial Analyst](#) to complete the transfer.
- The transfer will not be complete unless the form is completed correctly, and the backup documentation is attached to the initiating email.
- A report will be provided showing the transactions posted to the proper accounts.

Non-Sufficient Fund Checks (NSF)

- NEISD uses an outside company, Envision Payment Solutions (Envision), to collect for non-sufficient fund (NSF) checks. The company notifies the check writer requesting remittance of the amount owed plus a service fee of \$30 plus tax.
- Sponsor's (or the front office personnel) role in the event the check writer should present a form of payment to clear and NSF check:

- are not to accept the funds to clear an NSF check. All funds must be paid to Envision.
- are not allowed to waive payment of NSF's or the fees associated with the NSF.
- should not continue to accept checks as payment from individuals with outstanding NSF checks.
- The District Bookkeeping Specialist will post a Journal Entry to deduct the NSF from the account balance.
- If funds for the NSF check are recollected by Envision, the District Bookkeeping Specialist will post a Journal Entry to increase the account balance.
- Per the contract with Envision, the District will be charged fees if we accept payments for the NSF's, in which Envision would have collected. Should the District incur any fees because the campus collected the funds from the check writer, the fees will be passed to the SAF/CAF account in which the fees were collected.

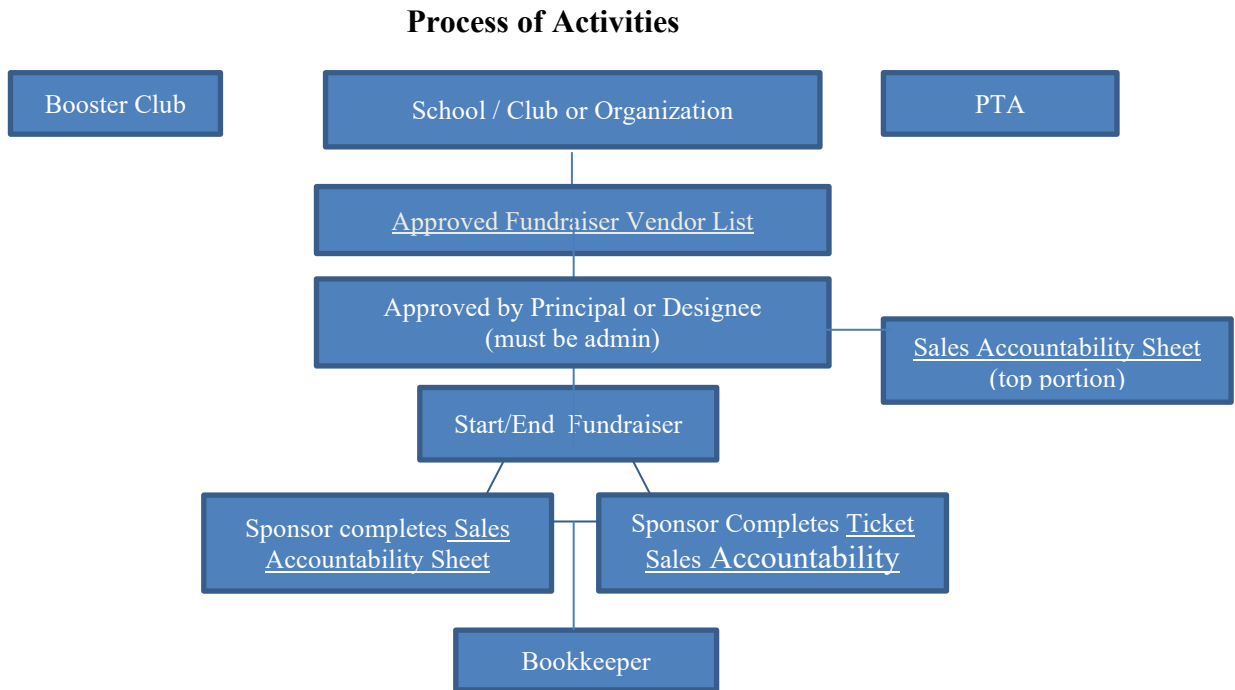
Tax-Free Purchases

Most items purchased for campus use are exempt from sales tax. A [Texas Sales and Use Tax Exemption Certificate](#) is presented to the vendor in order to qualify for a tax exemption.

- Meals purchased for athletic teams, bands, employee meetings, etc., (for any group) for authorized school business are exempt from sales tax, no matter if the meal is planned/contracted ahead of time or purchased more spontaneously while traveling. (Traveling or not, these guidelines would also apply for banquets or for any school group purchases, employee, or student). Therein, the District Employee charged with the responsibility of planning/paying for the group's meal must plan accordingly and present the [Texas Sales and Use Tax Exemption Certificate](#) to the food retailer to have the sales tax properly waived from the bill. Therefore, sales tax on a group's meals mistakenly paid for by an employee cannot be reimbursed.

- School districts are exempt from the state portion of hotel tax. A [Texas Hotel Occupancy Tax Exemption Certificate](#) must be submitted to the hotel. NEISD is required to pay the local taxes; reimbursement is available for the local taxes.
- Rental Cars, SUV's and box trucks can now be rented directly through the [district's vendor online](#) website dedicated to NEISD with an approve PO. Scroll to Policy and Procedures-Vehicle Rentals or Box Truck Rentals to access the information regarding vehicle rentals.
 - CAF groups are to use the [district car rental vendors](#) when renting vehicles.
 - SAF groups must use approved vendors.
 - If the SAF group will be reimbursed from budgeted funds for student travel, they will also be required to use a district vendor. Check with the Bookkeeper as to which vendors to use. Please also note that property damage coverage insurance (collision/comprehensive) should not be purchased when renting vehicles.
- Individual employees of the District who are purchasing a meal for themselves while on school business cannot use the District Texas Sales and Use Tax Exemption Certificate form and therefore must pay sales tax. Accordingly, the employee may be reimbursed for the sales tax they paid for the personal meal if the meal is a reimbursable expense.
- The Bookkeeper cannot pay sales tax to a vendor or reimburse an individual for sales tax paid if the district is not required to pay tax on that type of item.
- Sales tax must be paid on personal items bought through the faculty funds. These items might include flowers, gifts, etc.

Fund Raising/Sales Activities



- Fund raising events are required to be pre-approved by the appropriate campus administrator in accordance with campus policy.
- Fund raising must be conducted separately for Booster Clubs.
- Before commencement of any sales event, the top section of a [Sales Accountability Sheet](#) (or another form provided by the school) shall be completed. Of particular importance are the original or electronic signature of the approving administrator must be on the form and notes of, whether the sale is taxable or not, as well as the selling price of the item (including tax).
- Each time funds are deposited from a sales event the sponsor will record the date and amount of the deposit on the [Sales Accountability Sheet](#).
- At the end of the event the sponsor will complete the Sales Accountability Sheet:
 - Compare the amount to total expected revenue based on the number of items purchased for resale. A notation of any difference will be made at the bottom of the Sales Accountability Sheet.

- If applicable, will include a copy of a sales summary report attached to the form.
- Complete the Sales Accountability Sheet and give it to the Bookkeeper to file.
- Sales of entrance fees must use numbered tickets to account for the sales. These can be accounted for on a [Ticket Sales Accountability Sheet](#).

Reminders

- Current year expenses need to be paid with current year revenue.
- All financial records are to be retained for five years by the account sponsor and the Bookkeeper. Any information supporting sales should be maintained by the sponsor for the five-year period.
- NOTE: School organizations cannot hold raffles.

Fundraising for Third Parties by District Employees or School Groups

Per the IRS, donations to individuals or families are not tax deductible and may also be considered income to the recipient. To minimize any potential tax consequences from the IRS, fundraising may only be conducted for the benefit of a registered 501(c)(3) charitable organization. Examples of prohibited fundraising recipients include but are not limited to:

- Current or former students, or their families
- Current or former employees, or their families
- Volunteers, civic leaders, PTA members, etc., or their families

All charitable organizations must be verified with the IRS at [Tax Exempt Organization Search](#) engine prior to the donation. Alternatively, any 3rd party organization must provide written confirmation of its IRS recognized 501(c)(3) status.

Any fundraising activities where funds are donated to an individual or family, must be conducted by individuals or groups without the involvement of the school district. Some charitable organizations will earmark funds to benefit the individual or family in need when

funds are designated. One way to still help individuals or families would be to donate to a charitable organization with a designation for the individual or family in need.

Individuals can also collect and donate personal funds to an individual or family if the funds are not collected in the name of the district, a school, or a school organization. Additionally, the funds collected may not be deposited into the district's bank account.

Donation Websites & Crowd Source Funding

Guidelines found under [NEISD Administrative Regulations CDC\(R\)](#) must be followed. Prior approvals are required, and the list of allowable websites is limited.

The guidelines for this type of funding can be found under the Board of Trustees – NEISD Administrative Regulations – [CDC\(R\) Other Revenues: Gifts and Solicitations](#). All donated funds and donated property shall become the property of the District or held in trust for District students. The websites shall not be established by the District for the personal benefit of a staff member or student. All donation requests must be submitted and approved by the campus principal before being posted to a website. All requests for technology items must be approved by the Technology Department before principal approval is made. The campus principal is responsible for reviewing the website for appropriateness, ensuring the donation requests meet the goals and objectives as it relates to the campus improvement plan and overseeing the website donation solicitation to ensure compliance.

A [Donation Website Request Form & Agreement](#) must be completed and presented to the campus principal to sign and approve prior to posting to a website. If planning on purchasing Technology products with these funds, Technology Services must first approve. Once the products are purchased, they belong to the campus. All technology products must be “tagged” and entered into the Controlled Resource Management System (CRMS) for tracking. If you transfer campuses and want to take these products with you, you must obtain written approval from the campus principal.

- When creating the website, the following restrictions must be followed:

- Do not use photos of students.
 - Do not withdraw funds into a personal bank account.
 - Do not mail donated items to a home address, it must be sent to the campus.
 - Do not seek funding for personal or political reasons.
 - Do not seek funding for charities or no-District related third parties.
 - Do not make defamatory statements.
 - Do not endorse products.
 - Do not pressure parents for donations.
- You may only use approved websites for crowd sourcing. At this time, (July 2024) the only websites approved are:
 - donorschoose.org
 - pledgecents.com
 - snap-raise.com
 - Read-a-thon.com
 - wefund4u.com
 - Vertical Raise Fundraising
 - Adrenaline Fundraising
 - InstaRaise

Additional websites may be added once approved by Executive Staff. Please keep in mind, just because a vendor is approved for fundraising, doesn't mean they are approved for crowd-sourcing. You may check the [CDC\(R\) Other Revenues: Gifts and Solicitations](#) for updates.

Sales

When items or services are sold, the Bookkeeping Specialist reports this on a monthly Sales Tax Report. There are tax-exempt and taxable sales.

Tax-Exempt Sales

The following items are automatically exempt from sales tax:

TAX-EXEMPT SALES EXAMPLES

Ad Sales – in yearbooks, athletic programs, newspapers, posters
Admission – athletic, dances, dance performances, drama, and musical performances
Admission – banquet fees, bids, prom, homecoming
Admission – summer camps, clinics, workshops, project graduation
Admission - tournament fees, academic competition fees
Cosmetology services (Products sold to customers are taxable)
Discount/Entertainment cards and books
Facility rentals for school groups
Food items sold during fundraisers
Labor - automotive, upholstery classes (parts are taxable)
Magazine subscriptions greater than six months
Parking permits
Services - car wash, cleaning

Taxable Sales

Sales tax must be collected on items purchased by the school and resold to individuals, as it then becomes their personal property.

- The City of San Antonio sales tax is currently 8.25% and must be remitted to the Texas State Comptroller by NEISD monthly. The sales tax is automatically deducted from the amount added into a fund account for all taxable events at the time the deposit is entered into School Cash by the Bookkeeper.
- Sales tax can be computed by adding it to the cost of the item or by including it in the selling price.
- Examples:
 - The price of a yearbook is \$20. Tax of 8.25% is \$1.65, which will be added to the \$20 for a total sales price of \$21.65. The club will owe the Comptroller \$1.65 for each book sold and will retain \$20 in its account.
 - The yearbook can be sold for \$20, tax included. The tax computes to \$1.52 (\$20 divided by 1.0825), and the price of the book reduces to

\$18.50. The club will owe the Comptroller \$1.52 for each book sold and will earn \$18.48 on each book sold.

CAUTION: Tax will be computed by the SAF/CAF System using the second method described above.

- Sales Tax will be deducted from your account based on the type of item you identified as being sold on the documentation provided to your Bookkeeper.
- The Budget & Financial Analysis Department processes the monthly sales tax report and sends this to the Texas State Comptroller’s office.

TAXABLE SALES EXAMPLES

Agenda books	Merchandise, tangible personal property
Agricultural sales	Musical supplies - recorders, reeds
Art - supplies and works of art	Parts - career & technology classes (not to include products used in cosmetology)
Artistic - CDs, tapes, videos	Parts – upholstery
Athletic - equipment and uniforms	PE - uniforms, supplies
Auction items sold	Pennants
Automotive – parts and supplies	Pictures - school, group (if school is the seller)
Band - equipment, supplies, patches, badges, uniforms	Plants – holiday greenery and poinsettias
Book covers	Printing fee – computer
Books - workbooks, vocabulary, library, author (when we are the seller)	Rentals - equipment of any kind
Brochure items – Catalogue sales	Rentals – towels
Calculators	Rentals - uniforms of any kind
Calendars	Repairs to tangible personal property (i.e., computer repair, house remodeling)
Candles	Rings and other school jewelry
Car - painting, pin striping	Rummage and garage sales
Clothing – school, club, class (Spirit Related)	Safety supplies
Computer - supplies, mouse pads	School publications - athletic programs, posters
Cosmetology products sold to customers	School publications – brochures
Cups - glass, plastic, paper	School publications - magazines (unless > six-month subscription)
Decals	School publications - newsletters, newspapers (generally are not sold though)



Directories - student, faculty	School publications - reading books
Drafting – supplies	School publications - sheet music, hymnals
Family and Consumer Science - supplies and sewing kits	School publications – yearbooks
Fees - copies, printing, laminating	School store - all items (except food)
Flowers - roses, carnations, arrangements	Science - science kits, boards, supplies
Greeting Cards	Spirit items
Handicrafts	Stadium seats
Horticulture items	Stationery
Hygiene supplies	Supplies - any sold to students
Identification cards – when they are sold to entire student body (not just the fine for a lost ID card)	Uniforms - any type to include PE, dance team, drill team, cheerleaders, athletic, club shirts
Locks - sales and rentals	Vending - pencils and other non-edible supplies when the school services the machine
Lumber	Wood
Magazines – subscriptions less than six months	Woodworking crafts - entire sale to include parts and labor
Magazines - when sold individually	Yard signs

Tax-Free Days

The school district, the school, and each bona-fide activity fund account are permitted TWO tax-free sales per CALENDAR year.

- Eligible - A bona-fide chapter is a group that must be organized for some business or activity other than instruction or a participatory group. Essentially, any student group which is recognized by the school and is organized by electing officers (not just participatory captains), holding meetings, and conducting business are bona-fide chapters of the school.
- Not Eligible - Groups meeting for classroom instruction or team sports are not categorized as bona-fide chapters and do not qualify for the tax-free day sales. Examples include:

Bona- fide Chapter – qualifies tax free	Not bona-fide Chapter – not tax free
School district	
School wide fundraiser	



Basketball Club	Basketball team
Cheerleader Club	Cheerleader team
Debate Club	Debate team or class
French Club	French class
Senior Class	A class with seniors in it

Sales must commence within a 24-hour period. If items are pre-sold, such as yearbooks, then delivery must take place within a 24-hour period. Items sold after the completion of the one-day event are taxable.

Travel

Travel expenses for sponsors/teachers who are accompanying their students on a club trip can be paid from the club’s account. The use of these funds to reimburse employees shall be subject to all guidelines set forth in [Regulation DEE \(R\)](#). The dollar limitations for lodging, meals, etc. is set forth by the District Travel Policies. These policies are located under the NEISD Accounts Payable webpage and can be found in the [Travel Checklist](#) and the [Travel Guide](#) on the Procurement webpage.

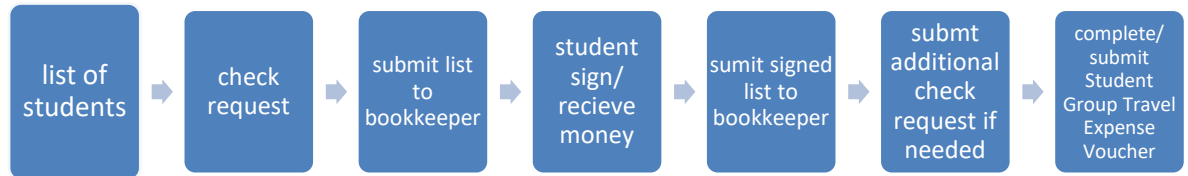
[Regulation FMG \(R\)](#) applies to student travel when budgeted funds are involved, even if club funds are contributing towards the travel.

Certain advances for student travel are eligible from SAF funds. Examples might include hotel payments, car rental charges, and registrations. Receipts for all expenses must be retained and turned into the Bookkeeper within ten days of the return date. The campus principal will be informed if receipts are not received timely. Failure to remit receipts could result in the undocumented advance being added to the sponsor’s W-2 as compensation.

- Exception for travel with pre-payment and refunds– No Pass No Play Protection. Contact [Executive Director of Procurement](#)

Pre-determined cash allotment needed for SAF Group

If the SAF Group needs pre-determined cash allotments, the Sponsor shall:



- prepare a list of all students to receive the funds.
- request a check made out to the sponsor using the list as temporary supporting documentation.
- submit information to the Bookkeeper who will prepare a check based on this list.
- have the students sign the list indicating they received their money.
- present the signed list to the Bookkeeper as final supporting documentation for the expense. The sponsor does not need to provide individual detailed receipts as supporting documentation for the expenses made with the cash allotment.
- Submit an additional check request if additional monies are due to the sponsor.
- shall also complete the [Student Group Travel Expense Voucher](#) to account for all expenses of the student travel.

Scouting trips ([Athletic DEE \(R\)](#))

- The scouting trip must be outside the employee's normal working hours.
- The request for reimbursement must be made through the [Travel Expense Reimbursement](#) application in Employee Portal
- An itemized receipt must be provided
- Maximum amount to be reimbursed for any meal is \$25.00
- Receipts for gasoline purchases are not acceptable; local mileage must be used.

Professional travel

Professional travel (teacher conferences, etc.) may only be paid from a budget account via the [on-line Travel Reimbursement Application](#) which is accessed through Employee Portal. If the principal chooses to use CAF or SAF funds, the campus Bookkeeper will send a [CAF/SAF Wire Payment to NEISD](#) form to the [District Bookkeeping Specialist](#) to

reimburse the budget account charged. Receipts for all expenses must be retained and turned into the Bookkeeper to include with the Travel Reimbursement Request. Regulations [DEE \(R\)](#) and [DMD \(R\)](#) apply to professional travel when budgeted funds and 900 series CAF accounts are involved.

- No employee shall receive a travel advance per [DEE \(R\)](#). Advances to employees for their travel from budgeted and 900 funds are not allowed.

Campus Activity Funds

- Any accounts in the 900 or 1000 series are CAF accounts.
- These are funds owned by the school and the school district.
 - The same guidelines as those used for purchases using budgeted funds shall be followed. Do not purchase or request reimbursement for non-bid vendors. The [list of approved vendors](#) can be found on the Procurement website / [beverages](#)
 - Use of the SAF/CAF Log PO is required for purchases over \$1,500 for High Schools and \$500 for Middle and Elementary campuses. Bookkeepers may require POs for amounts less than this in certain situations.
 - Printing services must be performed by the District Print Shop as stated in [Administrative Regulation CPAA \(R\)](#) [Print Service Online Order Request page](#)
 - Purchases of computer hardware and software shall be approved in writing by the Educational Technology Department (BEFORE purchasing), for example [Apple PO](#)
- Failure to follow NEISD procurement procedures when expending CAF money shall result in the employee being held responsible and accountable for non-conforming purchases and will be subject to the disciplinary actions as stated in Administrative Regulation CH
- Expenditures from CAF accounts must follow local, state, and federal guidelines. The Purchasing Cheat Sheet can be used for guidance as it lists the type of expenditure with any guideline restrictions. The following criteria shall be demonstrated for all CAF expenditures:

- The expenditure must be for a public purpose not for a private purpose, or for the benefit of an individual or group.
- The expenditure shall be for the benefit of all students. Equity does not mean everyone is doing the same thing; it means dealing with everyone’s needs at the level of their need.
- The campus must perceive they will be receiving something of public benefit in exchange for the expenditure.
- The campus must exercise reasonably adequate controls to ensure the benefit is in fact received.
- The campus must be able to correlate the expenditure to a legitimate educational purpose.
- Purchases of Personal Goods

Purchases of a personal nature shall not be commingled with purchases made for District use. Personnel cannot use the District's tax-exempt status to avoid paying sales tax on personal items. If an employee makes both personal and school related purchases from a vendor during the same visit, the two purchases shall be rung up separately and two cash register receipts obtained.
- Section 3.1.3 of the [TEA Financial Accountability System Resource Guide](#) (FASRG) states “ethical standards should be incorporated into the foundation of all purchasing functions. School district personnel should be aware there are penalties for the violation of purchasing laws, ethics which may include criminal prosecution and loss of employment opportunities.”
- Meals - CAF funds may be used to purchase meals during meetings under certain criteria:
 - Cost Limits:
 - In town, off-site meals for reimbursement for meetings amounts \$10/\$16/\$25 (DEE (R)).
 - Staff meals brought onto campus amounts \$10/\$16/\$25. The caterer must be an approved vendor. See [Administrative Reg CFH \(R\)](#)

- Tipping for food deliveries cannot exceed 20% of the total delivery and tip combined or greater than \$30.
 - The Campus Principal may be asked to justify the expense to the Chief of Schools and Leadership as to why the meal was necessary.
- Flowers - CAF funds can be used to purchase flowers for a funeral with certain criteria:
 - The funeral must be of an employee, the spouse of an employee, or a relative in the first degree of consanguinity (parent/child), as defined by Government Code §573.023
 - An approved vendor must be used
 - Maximum \$100.00, unless approved by the Superintendent

900 Series Accounts

The following table is provided as a tool to help CAF sponsors and principals determine what expenditures are appropriate. The listing is not all-inclusive but is designed to provide you with a basis for CAF spending.

NOTE: [Per CFD \(Local\)](#), it shall be the Superintendent’s decision to require a principal to reimburse the District for misuse of CAF funds. At a minimum, misuse shall be brought to the Superintendent’s attention for purposes of counseling and evaluation. A report will be provided to the Superintendent monthly of questionable reimbursements. Contact the [District Bookkeeping Specialist](#), or the [Senior Financial Analyst](#) with specific questions regarding CAF account spending.

Appropriate and Prohibited Expenditures

Appropriate Expenditures	Prohibited Expenditures
Organization or institutional memberships. However, if an individual membership is necessary for students to participate in certain activities, then the expenditure is acceptable if a notation is made to document the necessity.	Payment of an individual’s organization dues or fees (even if school business related).
School assemblies and field trips.	Reimbursement for luncheons or dinners while attending civic organization’s meetings.



Student body social functions.	Purchase of any GIFT for any person or organization; this includes gift certificates, retirement gifts, flowers, holiday gifts, and food gifts. Gifts of public funds are prohibited under Article III, Section 52 of the Texas Constitution.
Awards such as plaques, caps, certificates, in recognition of students, staff, or volunteers for services to the school or NEISD.	Extravagant or high-priced awards such as watches or other jewelry.
Incentives for student involvement.	Payment of an individual's personal bills.
Scholastic magazines and books.	Loans to employees, parents, or students for any reason.
Supplemental classroom instructional needs and general office supplies.	Parties for staff, including food, decorations, and favors.
Improvement of campus and site facilities such as plants, bulletin boards, signs, and flags.	Alcoholic beverages, tobacco products, controlled substances, firearms, and other weapons.
Expenses and purchases related to fund-raising activities.	Payment of expenses of spouses or other non-employees.
Retirement reception costs such as refreshments, plates, napkins, utensils for a retiring member of the school's staff.	Payment of professional organization liability insurance on any individual.
After-hour Security.	Fund raising dinner tickets.
Tickets for school-related functions when attendance is required by the principal.	Extra compensation or bonuses to employees, whether it be in the form of cash or gifts.
District approved conference attendance and travel costs for employees, subject to DEE (R) limitations.	Abuse of number of business meals furnished to staff.
On Campus Business meals for staff. Meals will be reimbursed at actual cost, not to exceed B \$10/ L \$16/ D \$25. Caterer must be an approved vendor. Appropriate documentation indicating who was at the meeting and what was discussed is required. Campus principal may be asked to justify to the Chief of Schools & Leadership why the meal was necessary. CFH(R).	Replacement of an individual's property that was lost, stolen, or damaged on the school or district's premises or while being used at a school or district function. Use of funds in this manner is prohibited by the Texas Tort Claims Act.

In-town, off-site meals for meetings. Meals will be reimbursed at actual cost, not to exceed B \$10/ L \$16/ D \$25. Approved vendors must be used. Must be a business need to hold off-site. Appropriate documentation indicating (who & what discussed) is required. Advance approval is required by the Superintendent or designee for off-campus meals according to DEE(R).	Any expense which appears to benefit private individuals or entities in ways so out of proportion to the overall public benefit that they amount to a virtual donation.
Training for staff.	Donations to individuals, organizations, or scholarship funds.
After-hour Security.	Fund raising dinner tickets.
Logoed “Giveaway Items” not to exceed \$10 per item. If given to employees, limited to two times per year.	Any other expenditure prohibited by federal or state law, TEA or Board policy, or NEISD regulation.
Refreshments and snacks for meetings where the school serves as host for related activities for students, staff, and patrons.	Transfers of funds to the faculty accounts (unless the transfer is to correct a prior error).
Purchase of flowers with CAF funds for funerals (must be an employee, the spouse of an employee, or a relative in the first degree of consanguinity (parent/child), as defined by Government Code §573.023 Maximum \$100.00 (can exceed with prior Superintendent approval). An approved vendor must be used.	
Scouting Trips (outside employee’s normal work hours). Reimbursement request must be made through Travel Expense Reimbursement application. Maximum reimbursement for any meal is \$25 (itemized receipt required). Local Mileage must be used (no gas receipts reimbursed).	
Required school apparel that becomes the employees’ personal property not to exceed a cost of \$100 per year in accordance with IRS guidelines.	

1000 Series Accounts

This series of Campus Activity Funds are used to account for any funds collected at the school which will be remitted ([by wire](#)) to the district office. Examples are state issued textbooks, transportation charges, district uniform fees and cleaning fees, fees for Saturday and Summer School and fees for Intersession and Evening High School.

Financial Ethics– [Board Policy CAA \(Local\)](#)

All trustees, employees, vendors contractors, agents, consultants, volunteers, and any other parties who are involved in the District’s financial transactions shall act with integrity and diligence in duties involving the District’s financial resources

The District prohibits fraud and financial impropriety, as defined below, in the actions of its trustees, employees, vendors, contractors, agents, consultants, volunteers, and others seeking or maintaining a business relationship with the District.

Fraud shall include but not be limited to:

- Forgery or unauthorized alteration of any document or account belonging to the district.
- Forgery or unauthorized alteration of a check, bank draft, or any other financial document.
- Misappropriation of funds, securities, supplies, or other District assets, including employee time.
- Improper handling of money or reporting of District financial transactions.
- Accepting or seeking anything of material value from contractors, vendors, or other persons providing services or materials to the District.
- Failure to provide financial records required by federal, state, or local entities.
- Failure to disclose conflict of interest as required by law or District policy.

Each employee who supervises or prepares District financial reports or transactions shall set an example of honest and ethical behavior and shall actively monitor his or her area of responsibility for fraud and financial impropriety.

Fraud Detection:

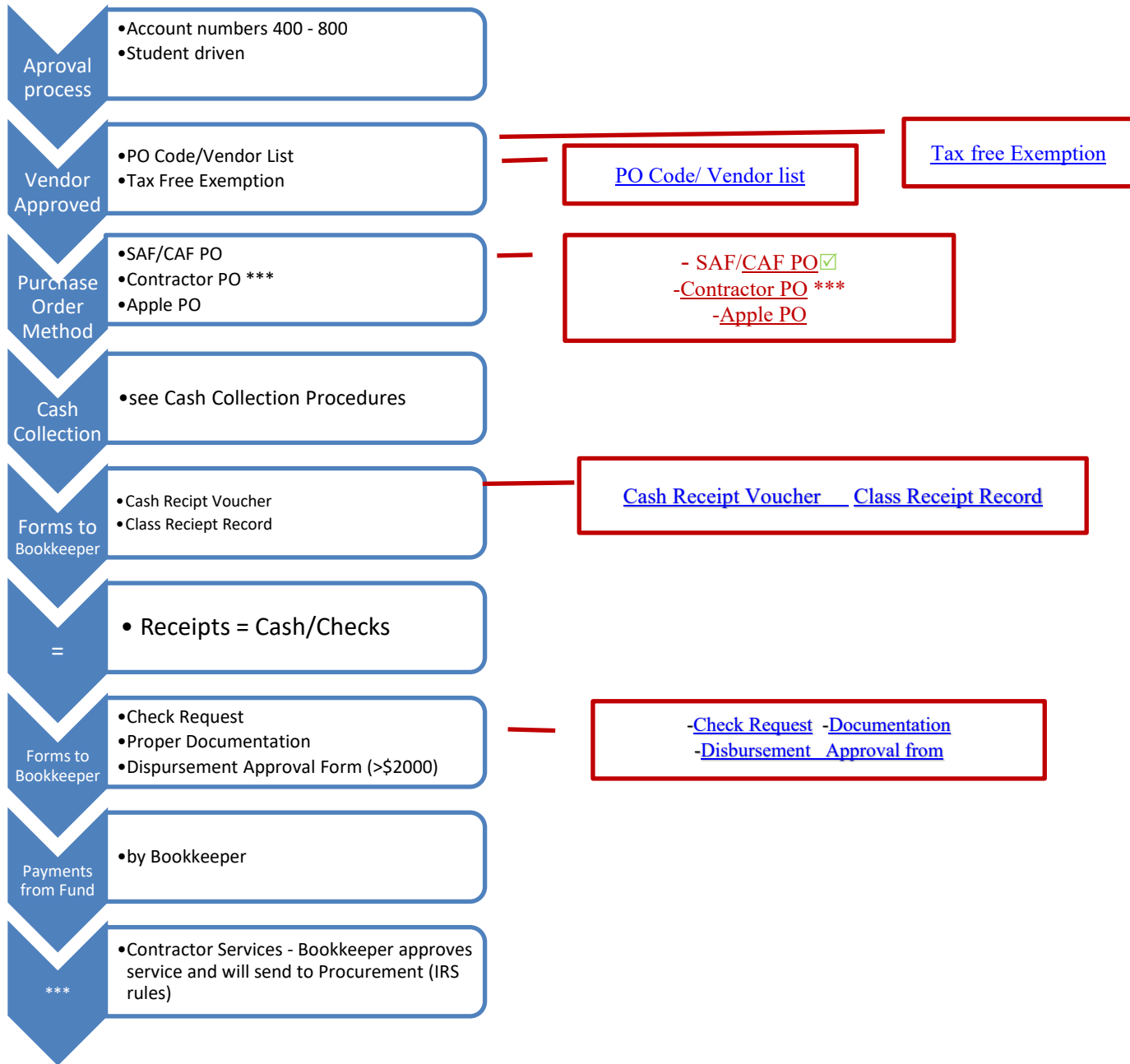
- If you suspect fraud, waste, or abuse contact:
 - Your Bookkeeper,
 - Your principal, or
 - Internal Audit

[Fraud hotline link: NEISD – Departments – Internal Audit](#)

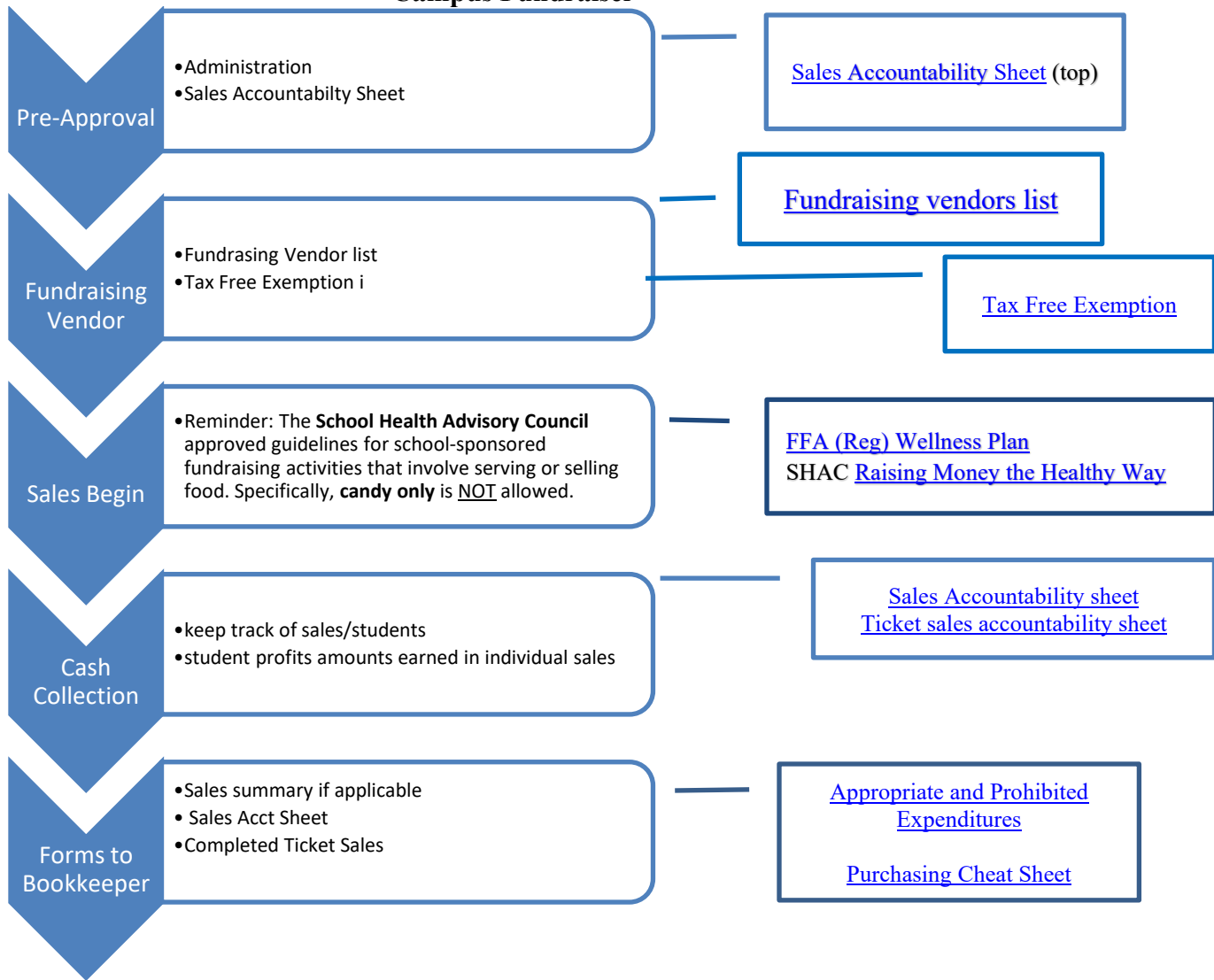
*You may remain anonymous by not disclosing your name, or you can ask that your identity be kept confidential. If you remain anonymous it may be more difficult to investigate your complaint. If you ask that your identity, be kept confidential, Internal Audit will protect your identity and disclose it only to the auditors or investigators assigned to review the complaint.

Examples

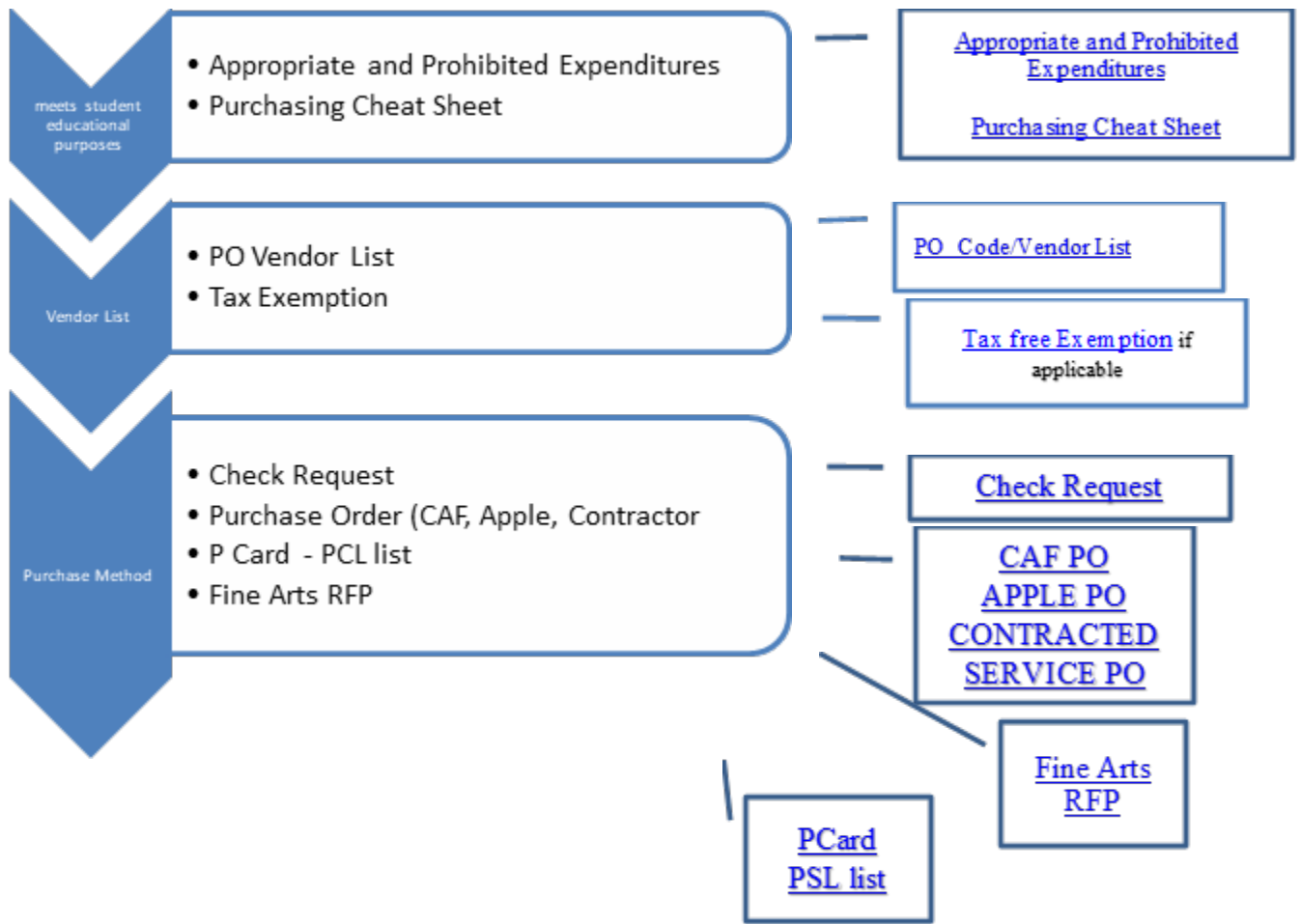
SAF Example



Campus Fundraiser



CAF 900 and 1000 series



Glossary of Accounting Terms

The information found in this procedure manual is for Sponsors. This document offers guidance through the CAF/SAF regulations and processes to ensure that you are protected.

Common accounting terms and their brief definitions which will be found in the sections of this document are listed below:

Funds – a sum of money saved or made available for a particular purpose.

Reserves - are like savings accounts – an accumulation of funds.

Change Fund - A change fund is money advanced to a responsible individual for the purpose of giving change for business transactions made within a department. Normally, the department requesting a change fund is engaged in the selling of merchandise or services to others.

Invoice - is a document that charges a customer for goods or services you've provided. Also called a bill, an invoice shows all the information about a transaction. This includes: the quantity of any goods or services provided. the rate charged.

Cash Collection - the recovery of cash from a business or individual with which you have issued an Invoice.

When you collect money, you need to record the transaction and reflect the sale on your balance sheet /check register.

Checks written (voucher) = Credits = Expenses

Cash (receipts) received = Debits = Income

Receipts – the amount of money that is received by an organization during a particular period of time.

Voucher - a document used by a company's accounts payable department containing the supporting documents for an invoice. A voucher is essentially the backup documents for accounts payable when individual receipts are not given.

Balance sheet /check register - (SchoolCash application) a financial statement that reports an organization's assets (have), liabilities (owe), and +/- balance and all the transactions that take place.

Payment - the exchange of money, goods, or services for goods and services in an acceptable amount to both parties and has been agreed upon in advance.

Income statement (SchoolCash application) shows revenues, expenses, and profitability over a period of time. It is also sometimes called a profit-and-loss (P&L) statement or an earnings statement. It shows your: revenue from selling products or services. expenses to generate the revenue and manage the fund.

Adjustment – a journal entry which impacts the income statement. An adjusting entry can also specifically mean an entry made at the end of the period to correct a previous error or to record unrecognized income or expenses.

Transfers are accounting transactions between funds which are neither revenues nor expenditures.

Inter-fund transfer is an accounting transaction which moves fund balance (reserves) from one fund to another fund. By definition, transfers cannot occur within the same fund.

Campus to campus transfer - movement of fund balance from one campus fund to another campus fund.

Non-sufficient funds (NSF), or insufficient funds, is the status of a checking account that does not have enough money to cover all transactions. ‘Bad check’
Cash Allotment cash set aside to cover expenditures and encumbrances for a certain period or purpose.