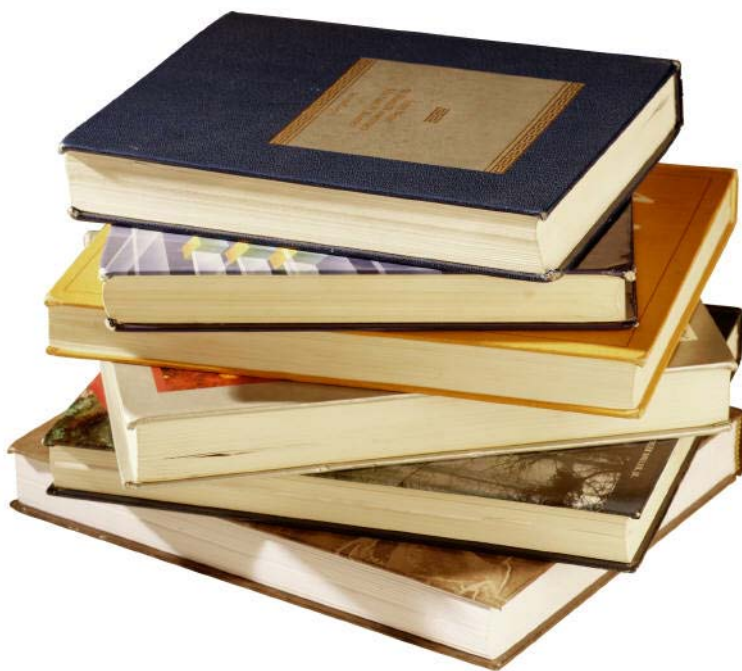




# Activity Fund Manual 2010-2011



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McAllen, TX 78501

# Activity Fund Manual 2010-2011 Table of Contents

## Section 1 - General Information

1.1	Policy & Procedure Manual Disclaimer	2
1.2	Activity Funds	2
1.3	Principal Accounts & Student Accounts	2
1.4	Responsibility for Activity Funds	3
1.5	Administrative Procedures for Principals	4
1.6	Grants	4
1.7	Donations	5
1.8	Monthly Beverage Commission Deposits	5
1.9	Basic Records	5
1.10	Auditing of Activity Funds	6
1.11	Fraud Hotline	6

## Section 2 - Bank Practices

2.1	Bank Accounts	9
2.2	Courier Service	9
2.3	Bank Reconciliation	10

## Section 3 - Receipt of Money

3.1	Receipting	12
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## Section 4 - Deposits

4.1	Deposits	14
4.2	Deposit Documentation	14
4.3	Deposit Preparation	15
4.4	Deposit Posting	16

## Section 5 - Returned Checks

5.1	Returned Checks	18
-----	-----------------	----

## Section 6 - Disbursements

6.1	Checks	20
6.2	Check Request Form	20
6.3	Club Sponsor Advances	21
6.4	Consultant/Contracted Services	21
6.5	Allowable Expenditures	23
6.6	Unallowable Expenditures	25
6.7	Petty Cash	26
6.8	Transfer of Funds between Accounts	27
6.9	Receipts/Invoices	27
6.10	Activity Fund Reimbursements	27
6.11	End of Year Celebration	28

## Section 7 - Travel

7.1	Travel Policies	30
7.2	Travel Advance	30
7.3	Travel Reimbursement	32
7.4	Completing the Activity Fund Travel Advance...	32
7.5	Car Rental & Gasoline	36

## Section 8 - Fund-Raiser

8.1	Fund-Raiser General Information	40
8.2	Fund-Raising Operating Procedures	41
8.3	Charitable Drives	42

## Section 9 - Texas Sales & Use Tax

9.1	Taxable Status of Purchases	44
9.2	Revenue	44
9.3	Taxable vs. Non-Taxable Sales	45
9.4	Texas Sales and Use Tax	47
9.5	One-Day, Tax-Free Sales	48

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# **SECTION 1 - GENERAL INFORMATION**

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## 1.1 POLICY & PROCEDURE MANUAL DISCLAIMER

This manual serves to provide a set of standardized accounting and procedural guidelines for administering of the McAllen Independent School District (MISD) Activity Funds.

Campus Principals, Campus Bookkeepers, Club Sponsors, and all other personnel involved in the handling of Activity Funds are responsible for the policies/procedures in this manual.

This publication supersedes all prior literature regulating the administration of Activity Funds.

## 1.2 ACTIVITY FUNDS

**The Activity Fund** includes both Principal Accounts and Student Accounts and it is intended to account for *campus* funds held by an individual campus. Activity Funds are used to promote the general welfare of each campus and the educational development and morale of all students.

*The accounting function for the Activity Fund is delegated to each campus. Compliance to the established policies and/or procedures described in this manual is mandatory.*

**Non-Activity Funds** are assets of external groups (PTA, Boosters Club, etc.) *not* considered Activity Funds and *are not* the accounting responsibility of the Campus.

**Teacher Funds/Courtesy Accounts** are funds generated and/or contributed by Campus Faculty to be expended at their discretion. Such funds are to be maintained separate and apart from the Activity Fund. Teacher funds are **not** the accounting responsibility of the Campus.

## 1.3 PRINCIPAL ACCOUNTS & STUDENT ACCOUNTS

A distinction exists between monies benefiting student groups (Student Accounts) and monies benefiting the District (Principal's Accounts).

**Principal Accounts** contains money raised locally at the campus or donated to the campus. Principal Activity Fund Accounts belong to the Campus and/or District and the transactions are to be segregated from *Student Accounts* and separately accounted for.

Principal Activity Fund Accounts are considered administrative accounts and must adhere to State and Board Policy, District Regulation, and are thus subject to the procurement laws of the State of Texas. See **CH (LEGAL) – Purchasing and Acquisition** and **CH (LOCAL) – Purchasing and Acquisition**.

**CFD (LEGAL) Activity Funds Management Discretionary Funds** requires the District adopt a policy governing the expenditure of principal accounts that must ensure:

1. Discretionary expenditures of local funds be related to the District's educational purpose and provide a commensurate benefit to the District or its students;
2. Expenditures meet the standards of Section 52, Article III, Texas Constitution, regarding public funds

Activity funds generated from vending machines, gate receipts, concessions, and other local sources over which the District has direct control shall be expended for the benefit of the District or its students and shall be related to the District's educational purpose; reference **CFD (LOCAL) Accounting Activity Funds Management**.

Principal Activity Fund Accounts must be treated in the same manner as the General Fund campus accounts (budgeted allocated accounts).

The Club Sponsors for the Principal Accounts include the Campus Principal as well as departmental people.

**Student Accounts** contain monies accumulated from the collection of student fees and approved fund-raising activities. Funds collected by student groups shall be used only for purposes authorized by the organization or upon approval of the sponsor, **CFD (LOCAL) – Accounting: Activity Funds Management**.

Student Activity Fund monies belong to the various student groups and not the Campus and/or District. The Club Account students have the sole responsibility for deciding how to spend the money. Student Club Accounts must have club charter (bylaws) and elected officers. All expenditures drawn from Student Accounts must be signed by the appropriate Club Account student officer.

Club Sponsors for the Student Accounts must be faculty members who are full-time employees.

## 1.4 RESPONSIBILITY FOR ACTIVITY FUNDS

The responsibility for activity funds involves principals, staff such as the school secretary or clerk, and club sponsors. The responsibilities are that of:

The **Campus Principal** is responsible for the proper collection, disbursement, and control of all Activity Fund monies, **CFD (LOCAL) – Accounting: Activity Funds Management**. Responsibility includes, but is not limited to:

- 1) Providing for the safekeeping of Activity Fund monies
- 2) Proper accounting and adherence to the policies and/or procedures expressed herein
- 3) Adequate training and supervision of all personnel designated to administer Activity Funds

Campus Principals are **not** responsible for assets held by Parent, Booster, and/or Teacher Organizations. External funds cannot be commingled with the Activity Funds.

The **Campus Bookkeeper** is responsible for maintaining an adequate supply of various activity fund forms, issuing and keeping record of all cash receipt books as needed, depositing of activity funds into the bank, accounting and reporting for activity fund activities, etc.

The individual Activity Fund **Club Sponsors** are responsible for managing their respective activity funds. This responsibility can include developing fund raising plans, monitoring the financial position of the activity fund, reviewing the activity fund club financial statements, safekeeping activity fund money until it is deposited by the school district and other fiduciary responsibilities. Club Sponsors must be faculty members who are full-time employees.

## 1.5 ADMINISTRATIVE PROCEDURES FOR PRINCIPALS

The following minimum procedures are to be performed by the Campus Principal in administering the Activity Fund:

- 1) Examine all club balances on a monthly basis and resolve any questionable balances
- 2) Compare the bank reconciliation report to the bank statement. The amounts should be the same. Exceptions and/or discrepancies should be reviewed and corrected
- 3) Review supporting documentation, including a purchase order if applicable, prior to check approval
- 4) Review and approve reporting prepared by the Campus Bookkeeper
- 5) Review transaction documentation for proper compliance with existing policies and/or procedures
- 6) Review and approve/disapprove all fund-raising activity
- 7) Sign final Fund-Raiser Revenue and Expense Sheet (AF-3)
- 8) Ensure all monthly Club Statements are signed by applicable persons, i.e., Club Sponsors

This list is by-no-means intended to be all-inclusive but will help ensure basic accounting procedures are followed.

## 1.6 GRANTS

Campuses may receive Grants from various sources. Observe the following procedures when administering Grants:

- 1) Open a new Principal Activity Fund Account for grants unless otherwise instructed
- 2) Do not commingle Grants and/or transactions
- 3) Grants must be fully expended within the time frame established by the Grantor. Any unconsumed monies or unforeseen circumstance which may affect timely use of funds must be discussed with the Campus Principal
- 4) Expenditures must be in compliance with the Grant
- 5) All documentation regarding deposits, disbursements, etc. must be filed in the appropriate Grant club folder
- 6) Grant monies deposited in the Activity Fund must follow the procedures stated in this manual
- 7) Ensure Grant guidance/direction is adhered to
- 8) All requests for information by either Administration or the Grantor, i.e., *Evaluation Summaries*, must be considered high priority. Campuses not complying with documentation requirements may not receive additional funds

## 1.7 DONATIONS

Per **CDC (LOCAL), Other Revenues, Grants from Private Sources**, the Board welcomes donations from parents, booster clubs, PTOs, PTAs, patrons, and other private entities

The Board delegates to the campus principals the authority to accept gifts of \$5,000 or less that meet the acceptance criteria. Only the Board may accept gifts of \$5,001 or more; Reference CDC (LOCAL) and (EXHIBIT) for further information

The recipient of the donation must complete CDC (EXHIBIT) and submit a copy to the Business Office

## 1.8 MONTHLY BEVERAGE COMMISSION DEPOSITS

Campus Bookkeepers must prepare separate deposits for monthly beverage commission checks. Note the month and describe as **"Coke Commission for Month"**. Do not commingle monthly commission checks with other deposits.

## 1.9 BASIC RECORDS

### ***Cash Receipt Books***

Pre-numbered campus receipts are the means for recording cash, acknowledging receipt, and substantiating bank deposits.

Only pre-numbered receipt books purchased through MISD Central Warehouse are to be used.

### ***Check Request Form***

Check Request Form is the authority from the Campus Principal for an issuance of an Activity Fund Check.

### ***Pre-numbered Checks***

Pre-numbered checks are used to disburse all funds from the Activity Fund checking system. These checks are obtained from the bank as needed. When ordering additional checks, new check numbers should begin with the number succeeding the last check number in the old checkstock. Checks must be printed using the Activity Fund Accounting Software System.

### ***Bank Deposit Slips***

Validated bank deposit slips serve as receipt for all monies deposited and are vital supporting documentation of accurate cash records.

### ***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 the official support for the cash balance indicated in the Activity Fund records.

### ***Activity Fund Transaction Register – Monthly Club Statements***

The Transaction Register serves as a summary of Activity Fund transactions. All transactions must be posted to the transaction register on a **daily basis**. Each club sponsor will be given a

monthly club statement generated from the Activity Fund Transaction Register. These statements shall be signed if the sponsor agrees with the stated balance. Any disagreements should be discussed with the campus bookkeeper. A copy should be kept in the club file.

### **Additional Records**

Each campus **must** maintain adequate Activity Fund documentation. A separate Club file shall be kept for each account; pertinent information regarding the Club is to be filed in each account folder, i.e., invoices, check requests, deposits, signed monthly club statements, etc. For Student Accounts, a list of Club Officers (AF-13), the Club's Charter/Bylaws, and meeting minutes must be on file.

### **Record Retention**

Activity Fund records must be kept current and in order for a period of seven (7) years after the conclusion of the fiscal year. Records are to be available for audit upon request.

## **1.10 AUDITING OF ACTIVITY FUNDS**

Activity Funds will be audited *periodically*; an Internal Audit Project will be performed whenever there is a change in Campus Administration, i.e., Campus Principal, Campus Bookkeeper.

A Campus Principal may request a Special Audit Project if, in their judgment, a situation or event warrants it.

## **1.11 FRAUD HOTLINE**

The McAllen Independent School District is committed to the highest possible standards of ethical, moral and legal business conduct. McAllen ISD's commitment to open communication led to the creation of the **Fraud Hotline**. Its aim is to provide an avenue for employees, citizens and the general public to raise concerns about actions that could have a major impact on McAllen Independent School District. The Hotline is intended to address concerns about questionable actions that:

- 1) May lead to incorrect financial reporting
- 2) Are unlawful,
- 3) Are not in line with district policy
- 4) Otherwise amount to serious improper conduct

To anonymously report any of the following incidents anonymously, please call:

#### **1-800-398-1496 (English)**

- Ethical violations
- Discrimination
- Conflict of Interest
- Embezzlement
- Violation of the Law
- Fraud
- Internal Controls
- Vandalism and Sabotage
- Theft

#### **1-800-216-1288 (español)**

- Threats
- Bribery and Kickbacks
- Violation of Company Policy
- Falsification of Contracts, Reports or Records
- Unsafe Working Conditions
- Alcohol and Substance Abuse
- Misuse of Company Property

**All calls are confidential and the anonymity of the caller will remain confidential.**

### ***How the Complaint Will Be Handled***

The action taken will depend on the nature of the concern. McAllen Independent School District receives a report on each complaint and a follow-up report on actions taken.

### ***Initial Inquiries***

Initial inquiries will be made to determine whether an investigation is appropriate and the form that investigation should take. Some concerns may be resolved by agreed action without the need for investigation.

### ***Report To Complainant***

Whether reported to McAllen ISD personnel or through the hotline, the complainant may request follow-up information on their concern such as:

- Acknowledgment that the concern was received,
- A description of any initial inquiries made,
- Information on how the matter will be handled,
- An estimate of the time that it will take for a final disposition,
- A decision on whether further investigations will follow and the reasons that support that determination.

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## **SECTION 2 – BANKING PRACTICES**

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## 2.1 BANK ACCOUNTS

The Activity Fund Bank Account will be held at the District-approved depository, Compass Bank, **CFD (LOCAL) – Accounting: Activity Funds Management**. Only Activity Fund transactions may be processed through the Activity Fund Bank Account. Each Campus will maintain a single bank account for the Activity Fund.

### ***Bank Signature Cards***

The bank signature card identifies the authorized signers of the Activity Fund bank accounts. The authorized signers are the Campus Principal and his/her designees, i.e., Assistant Principals, Counselors, et al. It is recommended each campus have three authorized signers.

Campuses need to update the bank signature card when applicable staff leaves or as needed by contacting the Business Office.

**Note:** The Campus Secretary/Bookkeeper cannot be an authorized signer.

### ***Bank Services***

The District-approved depository provides services free-of-charge to include:

- 1) Maintenance on all checking accounts
- 2) Stop Payments
- 3) Deposits and credits posted to accounts
- 4) Deposit slips
- 5) Return items re-deposited
- 6) Return items charge backs
- 7) Paper rolls for coins
- 8) Straps for currency wrapping
- 9) Check stock
- 10) Etc.

## 2.2 COURIER SERVICE

Courier service is provided by the MISD Police Department. This service must be used to transport Activity Fund monies. MISD Police will collect funds on a **daily** basis. The Campus Bookkeeper must adhere to the normal daily pick-up schedule. Circumstances requiring special courier service may be arranged with the MISD Police Department. Issues regarding Police courier service should be consulted with the MISD Chief of Police at (956) 928-8990.

MISD Police will only transport bank issued locking money bags. Plastic bags, unlocked money bags, etc. will not be transported. MISD Police Department will not transport employees to and from the bank.

### ***Safeguards over Cash Collections***

Money must always be locked in the campus safe with access restricted. Individual Club Sponsors are responsible for counting and documenting funds. Campuses must utilize disposable plastic bags for deposits. The Campus Bookkeeper cannot accept unsecured, uncounted, and/or undocumented cash. Any money received by the Campus Bookkeeper after the normal scheduled pick-up time is to be locked in the safe and deposited on the following business day.

### ***Deposits and Prolonged Breaks***

Ensure all monies are deposited into the Activity Fund Bank Account on or before the last day prior to any prolonged absence, i.e., Christmas Holidays, summer break, etc.

## **2.3 BANK RECONCILIATION**

### ***Monthly Bank Statements***

The bank statement is the official bank record reflecting all transactions during the preceding month. The statement serves as the official support for the cash balance.

### ***Activity Fund Transaction Register – System Printouts***

The Transaction Register serves as a summary of Activity Fund transactions. All transactions must be posted to the transaction register on a ***daily basis***.

### ***Bank Reconciliation***

Activity Fund accounts are reconciled on a monthly basis. Campus Principals must review and sign the reconciliation and returned to Internal Audit.

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## **SECTION 3 – RECEIPT OF MONEY**

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## 3.1 RECEIPTING

All monies received shall be acknowledged by **immediately** preparing a receipt.

- 1) Pre-numbered campus receipts are the means for recording cash, acknowledging receipt, and substantiating bank deposits. Pre-numbered receipts must be prepared in **triplicate**:
  - a) Original (white) receipt – given to person submitting money
  - b) Yellow receipt – posting copy to be kept in Activity Fund file
  - c) Green receipt – permanent copy retained in the receipt book
- 2) All pre-numbered receipts must be completed in its entirety to include:
  - a) Date
  - b) Amount
  - c) Issuer
  - d) Activity Fund Club
  - e) Description – purpose for which the money was received
  - f) Signature of the party receiving money - signature stamps are *forbidden*
- 3) Post dated checks cannot be accepted from any source.
- 4) Under no circumstance shall a pre-numbered receipt be altered. Should an error occur, void the receipt and reissue.
- 5) Cash receipts are not to be pre-signed or pre-dated. Campus Administration is responsible for all issued and unused receipts.
- 6) *Tabulation of Monies Collected From Students (AF-4)* may be used for small, multiple collections:
  - a) Library fines
  - b) Field trips
  - c) Etc.
- 7) Individuals actually collecting monies are responsible for preparing the deposit.
- 8) Deposits must be submitted to the Campus Bookkeeper on a **daily** basis.

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## **SECTION 4 – DEPOSITS**

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## 4.1 DEPOSITS

Monies remitted for deposit may be in the form of cash and/or checks and are tabulated in the Cash Distribution Form AF-1. When accepting checks observe the following:

**Checks** – All checks received for deposit must be payable to the campus and must be endorsed as follows:

- 1) FOR DEPOSIT ONLY - (School Name & Bank Account #)
- 2) Note the appropriate club account

**Note:** Post-dated checks cannot be accepted from any source.

## 4.2 DEPOSIT DOCUMENTATION

### ***Cash Distribution Form AF-1***

Cash Distribution Form is used for tabulating cash and/or checks received.

- 1) ALL deposits must include a completed Form AF-1
- 2) Form AF-1 is intended as cash distribution documentation and is prepared in ***duplicate***
- 3) Form AF-1 serves as receipt documentation; receipt of remittance only
- 4) Form AF-1 is available through the District Print Shop Department

### ***Bank Deposit Slip***

Bank deposit slips serve as receipt for all monies deposited and are vital supporting documentation of accurate cash records and are prepared in quadruple.

- 1) White – sent to Bank
- 2) Yellow – sent to Bank
- 3) Blue – Club File
- 4) Pink – kept by Club Sponsor

### ***Disposable Plastic Bags***

Disposable plastic bags must be used as follows:

- 1) Monies remitted for deposit must be placed in disposable plastic bags
- 2) Disposable plastic bags are intended to protect both Club Sponsors and Campus Bookkeepers
- 3) Disposable plastic bags are pre-numbered
- 4) Disposable plastic bags are available through the District-approved depository

## 4.3 DEPOSIT PREPARATION

- 1) Individual Club Sponsors are responsible for preparing deposits. Form AF-1 must be prepared for deposits.
- 2) Deposits slips must be prepared in quadruple as follows:
  - a) White – sent to Bank
  - b) Yellow – sent to Bank
  - c) Blue – Club File
  - d) Pink – kept by Club Sponsor
- 3) Club Sponsors must prepare the deposit slip to include:
  - a) Date
  - b) Amount
  - c) Currency and Coin
  - d) Listing of checks by surname and amount
  - e) Notation indicating taxable amount if applicable
- 4) Club Sponsor places monies and/or checks along with prepared white and pink deposit slips into disposable plastic bag.
  - a) If deposit is made up of all cash, **seal the plastic bag**
  - b) if deposit contains checks, **do not seal the bag** until the Campus Bookkeeper endorses the checks.
- 5) Club Sponsor writes the disposable plastic bag number on Form AF-1.
- 6) Club Sponsor submits checks needing endorsement to Campus Bookkeeper. Once endorsed, Club Sponsor places endorsed checks inside the bag, seals the bag, and submits to Campus Bookkeeper.
- 7) Campus Bookkeeper signs and retains the yellow copy of AF-1, and attaches to blue copy of deposit slip.
  - a) Tear off receipt number should match handwritten number on yellow copy AF-1
  - b) Deposit total on yellow copy AF-1 should match deposit total on deposit slip
- 8) The Club Sponsor will keep the signed white copy AF-1 and the tear off receipt
- 9) The Campus Bookkeeper issues a pre-numbered receipt to Club Sponsor when the validated deposit slip is returned by the bank.
- 10) The Campus Bookkeeper files deposit documentation in club file.

## 4.4 DEPOSIT POSTING

### ***Posting of Deposits***

Post deposits upon receipt, prior to sending to bank. The bank will return the validated deposit slip along with any applicable adjustments (bank charges and/or bank credits). File validated deposit slip in club file.

### ***Re-deposits from Check Overages***

All monies not expended from an Activity Fund Check must be re-deposited into the originating account. Use a separate deposit slip and reference the original check number. Do not commingle re-deposits with other deposits.

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## **SECTION 5 – RETURNED CHECKS**

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## 5.1 RETURNED CHECKS

Checks may be returned for “Non-Sufficient Funds” or “Account-Closed.”

### ***Accounting for Returned Checks***

Campus Administration shall attempt to collect NSF's.

- 1) Returned checks must be deducted from the account to which they were originally posted. Returned checks are posted in the “04 – Returned Checks (NSF)” section of the Activity Fund Software
- 2) A copy of each returned check must be sent to the Club Sponsor. The certified copy must be kept by the Campus Bookkeeper until restituted or surrendered to the District Attorney
- 3) The Campus Bookkeeper shall send the issuer a *Notice of Returned Check* via Certified Letter - Return Receipt Requested. The Notice of Returned Check includes the following information:
  - a) The check #, amount, date
  - b) A copy of the returned check

The issuer is given ten (10) business days after the date noted on the *Notice of Returned Check* to make restitution. The *Notice of Returned Check* shall be signed by the Campus Principal

### ***Submission of Returned Checks to District Attorney***

If restitution has not been made after ten days, the Campus Bookkeeper shall prepare return NSF documentation to include:

- a) Image of returned check (or legible, certified photocopy)
- b) The signed return receipt from the certified letter or the unopened, unaccepted letter
- c) A copy of the *Notice of Returned Check*
- d) Complete the *Worthless Check Information And Affidavit* form found at <http://cj.co.hidalgo.tx.us/HotCheck/ChecksGen.html>

Staple and place all NSF documentation in a sealed tamper proof bag. Maintain a log of checks contained in each plastic tamper proof bag. The plastic tamper proof bag shall be given to the MISD Police courier for submission to the Hidalgo County District Attorney's Office. Keep copies of all documentation submitted to the District Attorney.

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## **SECTION 6 – DISBURSEMENTS**

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## 6.1 CHECKS

### **Checks**

Disbursements for payment and/or reimbursement shall follow the approved check request and proper documentation alignment.

Activity Fund checks are the sole means of disbursement. Observe the following items:

- 1) Checks must be generated by the Activity Fund Accounting System and must contain two authorized signatures
- 2) Authorized signatures are those of the Campus Principal and designee(s)
- 3) Under **no** circumstances shall Campus Bookkeepers be authorized signers
- 4) Under **no** circumstances shall checks be pre-signed
- 5) Contact Internal Audit for information regarding Check orders

Lost or returned Activity Fund checks must be voided. Contact Internal Audit via email regarding "stop payment" on checks.

## 6.2 CHECK REQUEST FORM

### **Check Request Form (AF-5)**

Check Request Forms are the means by which disbursements are made.

- 1) The Club Sponsor must complete Form AF-5 to include all required signatures
- 2) All Check Requests for **Student Activity Monies** must be signed by the appropriate student officer(s) and shall include meeting minutes.
- 3) Approval from the immediate supervisor or designee shall be obtained **prior** to reimbursing the Campus Principal, **CFD (LOCAL) – Accounting: Activity Funds Management**
- 4) Use the qualified vendors approved by the Board of Trustees. For a detailed listing, please reference the Purchasing Department website:  
  
[http://mws.mcallenisd.net/purchasing/District\\_Information/Awarded\\_Vendors/newawarde dvendors.htm](http://mws.mcallenisd.net/purchasing/District_Information/Awarded_Vendors/newawarde dvendors.htm)
- 5) *Check Request Forms* must not to be pre-signed
- 6) Original invoice/receipt must accompany Form AF-5; documentation shall be kept on file. Account statements, quotes, copies, credit card vouchers, faxes, etc. are not acceptable
- 7) A participant list must accompany Form AF-5 whenever food/refreshments are provided **off campus**

## 6.3 CLUB SPONSOR ADVANCES

### ***Club Sponsor Advances (AF-8)***

Advances to Club Sponsors may be allowed in anticipation of expenses related to off-campus events, i.e., athletics, band, etc. (Reference Section 7 – Travel). For certain expenses, i.e., supplies, food, etc., subject to Campus Principal approval.

### ***Form AF-8 Final Reconciliation***

Upon return, the Club Sponsor must submit original, detailed receipts/invoices.

If advance exceeds expenses, change should be re-deposited separately into original account. Indicate original check number on re-deposit.

If expenses exceed advance – Reimburse the difference.

### ***Club Sponsor Acknowledgement***

Club Sponsors must acknowledge the following statement per AF-8:

I, \_\_\_\_\_ understand that all original invoices, sales slips, etc., supporting the actual expenses related to this advance must be submitted to the Campus Bookkeeper upon my return. I will also remit any unexpended funds. Should expenses exceed this advance, I understand I will be reimbursed.

**Note:** There shall be no additional advances until all prior receipts have been submitted.

## 6.4 CONSULTANT/CONTRACTED SERVICES

Campuses must comply with the following Internal Revenue Service (IRS) requirements.

### ***Consultant/Contracted Services – Non-employee***

The following procedures will be used when requesting approval for outside consultants (i.e., judge services, disc jockeys, embroidering, catering, etc):

- 1) *Agreement for Consultant/Contracted Services*, Form AF-6 must be completed by the Club Sponsor and/or faculty. AF-6 is required only for contracted/consultants; the AF-6 is not required for vendors such as screen-printing, embroidery, etc. However, all these vendors must be flagged as 1099s
- 2) Vendor completes Internal Revenue Service Form W-9 *Request for Taxpayer Identification Number and Certification* and submits to Campus Bookkeeper and/or faculty
- 3) Use the qualified vendors approved by the Board of Trustees. For a detailed listing, please reference the Purchasing Department website:  
  
[http://mws.mcallenisd.net/purchasing/District\\_Information/Awarded\\_Vendors/newawardedvendors.htm](http://mws.mcallenisd.net/purchasing/District_Information/Awarded_Vendors/newawardedvendors.htm)
- 4) Vendor shall pay all expenses; no advances

- 5) Payment will be processed after services are rendered. All receipts/invoices must to be submitted with Form AF-6, if applicable and attach to Check Request Form
- 6) Consultants shall not be paid with personal checks and/or cash
- 7) **Forward copies of forms AF-6, if applicable, and W-9 to the Business Office upon payment**
- 8) Form 1099 is required by Section 6042 of the Internal Revenue Code and will be issued by the District
- 9) Ensure Consultant/Contracted Services are correctly coded in the check register

***Supplemental Payment to Employees for Additional Services***

A campus may compensate District employees for services performed beyond their regular duties (maintenance, transportation, security). Such auxiliary services are those discharged by the employee in addition to their normal, specified duties and are performed *outside* the normal workday.

**Non-Professional Employees**

Whenever a non-professional employee performs additional services, i.e., bus drivers, police, custodians, etc., compensation must be processed through the Payroll Department.

- 1) A time sheet must be submitted upon completion of the service
- 2) Campuses will then be forwarded an “Account Distribution Form” so an Activity Fund check can be generated
- 3) The Activity Fund check is forwarded to Payroll for processing
- 4) The employee is compensated through the normal payroll cycle

**Professional Employees**

Professional Staff may provide and be compensated for additional services, if, they are substantially different from their normal, routine duties. All staff members acting as contracted consultant services must be processed through the District’s Accounting Department. The Activity Fund will reimburse the campus budgeted allocated accounts (General Fund campus accounts).

- 1) Campus Bookkeeper completes a Vendor Master Form (Accounting Procedures Manual 2010-2011). This form must be signed by the Campus Principal
- 2) Contracted Consultant must complete IRS Form W-9
- 3) Campus Bookkeeper submits completed Vendor Master Form and IRS Form W-9 to Accounting Department
- 4) Once vendor information is available, Campus Bookkeeper enters a Requisition using account #:
  - a) High School: 199-??-6219-??-00?-Y??-A??
  - b) Middle School: 199-??-6219-??-04?-Y??-A??
  - c) Elementary School: 199-??-6219-??-1??-Y??-A??

- 5) Purchase Order will be forwarded to the campus
- 6) Once services are completed, Campus Principal and/or Campus Bookkeeper approve the Purchase Order to authorize payment
- 7) Attach all receipts/invoices to the Purchase Order
- 8) Include copies of Purchase Order and all receipts/invoices for Activity Fund *Check Request* (AF-5) supporting documentation
- 9) Issue an Activity Fund check payable to McAllen Independent School District for reimbursement to Account # 199-??-6219-??-???-Y??-A??.
- 10) Submit Purchase Order documentation and Activity Fund check to the Accounting Department
- 11) Professionals will be paid in the next scheduled Accounting Department Check Run

**To avoid duplication of wages, MISD employees cannot perform any contracted/consultant services during normal work hours and/or call the SmartFind Express System to report absences, i.e., judging UIL events during normal work hours.**

## **6.5 ALLOWABLE EXPENDITURES**

Activity Funds may be used for the following:

**Scholarships** – Disbursements for scholarships require proof of enrollment, i.e., course schedule, university invoice, etc.

**Supplies, Equipment, Furniture, etc.** – Supplies and furniture, through Principal's Accounts must be obtained through Central Warehouse. Whenever the items are not available campuses shall buy from the District Approved Vendor List. See the Purchasing Services – Awarded Vendors.

[http://mws.mcallenisd.net/purchasing/District\\_Information/Awarded\\_Vendors/newawardedvendors.htm](http://mws.mcallenisd.net/purchasing/District_Information/Awarded_Vendors/newawardedvendors.htm)

**Food/Refreshments** – Light refreshments may be integrated as part of a campus/staff meeting provided:

1. They are served during the meeting and are served in order to more efficiently conduct the meeting, i.e., refreshments served at an extended meeting if the refreshments are light and presented for consumption during the meeting
2. Light refreshments are limited to coffee, water, soda, fruit juice, cookies, pastries and/or snack breads
3. The variety of refreshments/snacks is reasonable and does not resemble a buffet
4. Meals may be served during an in-service if the price-per-participant complies with District meal allowance guidelines; the meal is considered a working lunch

that allows participants to remain at the training, rather than leaving for a lunch break

5. An agenda for the meeting should indicate the time of the meeting and a notation of the “working lunch” or “working breakfast” and must be maintained with the check request
6. Et al.

When providing food/refreshments to students follow the applicable Child Nutrition Guidelines; consult Child Nutrition Services (956) 632-3226.

**Electronics** – Purchases of electronics/high pilferage items shall follow District purchasing guidelines, i.e., approved vendors, list price, specifications, etc. Consult Central Warehouse for guidance regarding fixed asset tagging.

#### ***Allowable Expenditures***

**Freight** – Occasionally freight for purchases will be invoiced. Freight should not exceed the price of the merchandise.

**Sam’s Club Membership** – Must be limited to **business** membership and shall be in the name of the campus. Individual membership cards are prohibited. An additional courtesy card is also included in the membership. Sam’s Club will not accept cash for business related transactions. Sam’s Club purchases are now in electronic check format. **There should be no change other than small denominations, i.e., less than \$20.00. Request cash change only.**

**Wal-mart purchases** – Wal-mart purchases are now in electronic check format. The Wal-mart tax number 962-196 and an MISD check are required for all purchases.

**Substitute Teachers (*Principal Accounts only*)** –Substitute Teachers cannot be paid directly with an activity fund check. Checks may only be processed upon receipt of an Account Distribution Form from Payroll. Substitutes are compensated through the normal Payroll cycle.

**Other Allowable Expenditures** include:

- a) Organizational or institutional memberships
- b) School assemblies and field trips
- c) Student body social functions
- d) Award presentations for students, volunteers, or district employees
- e) Awards such as plaques, caps, in recognition of students, staff, or volunteers for services to the school or MISD
- f) Incentives for student involvement
- g) Training for staff
- h) Scholastic magazines and books
- i) Supplemental classroom instructional needs and general office supplies
- j) Improvement of campus and site facilities such as plants, bulletin boards, signs, flags
- k) Expenses and purchases related to fund-raising activities
- l) Supplementing of student organization’s activities
- m) After hour security
- n) Tickets for school related functions when attendance is required by Campus Principal
- o) District approved conference attendance and travel costs for employees subject to DEE (LOCAL) (*Reference Section 7 – Travel*)

- p) Refreshments and snacks for teacher in-service and staff meetings. Appropriate items might include pastries, tacos, fruit, cookies, and drinks
- q) Flowers for campus events to include prom, homecoming, graduation, teacher of the year corsage.
- r) Etc.

This list is not all-inclusive.

Use awarded vendors for purchases from Principals accounts. For a complete detailed listing, please reference the Purchasing Department website:

[http://mws.mcallenisd.net/purchasing/District\\_Information/Awarded\\_Vendors/newawardedvendors.htm](http://mws.mcallenisd.net/purchasing/District_Information/Awarded_Vendors/newawardedvendors.htm)

**All purchases for the exclusive use of a campus shall be tax exempt. A *Texas Sales and Use Tax Exemption Certificate* must be issued to the merchant.**

## 6.6 UNALLOWABLE EXPENDITURES

Unallowable expenditures include:

- 1) Purchases of any GIFT for any person or organization from **Principal Accounts** to include:
  - a) Gift certificates/cards
  - b) Retirement gifts
  - c) Cards/Flowers – sympathy, congratulations, etc.
  - d) Holiday gifts
  - e) Food gifts
  - f) Door prizes at meetings
  - g) Teacher lounge perks, i.e., coffee, creamer, napkins, plates, small candy incentives, etc.

**Gifts of public funds are prohibited under Article III, Section 52 of The Texas Constitution**

- 2) Staff socials, i.e. bridal showers, baby showers, etc.
- 3) Credit cards in the name of the District
- 4) Over-the-counter medications – prohibited by Texas Education Agency
- 5) Foods of minimal nutritional value
- 6) Cashing of personal, payroll, third party, or any other type of check is strictly prohibited
- 7) Payment of an individual's organization dues or fees (even if school business related)
- 8) Reimbursements for luncheons or dinners while attending civic organization's meetings
- 9) Extravagant or high-priced awards such as watches or other jewelry
- 10) Payment of individual's personal bills

- 11) Donations to individuals, organizations, etc. (*Excludes Student Accounts*)
- 12) Loans to employees, parents or students for any reason
- 13) Payment of expenses of spouses or other non-employees
- 14) Payment of professional organization liability insurance on any individual
- 15) Extra compensation or bonuses to employees whether in cash or gift
- 16) Luncheons or dinners that are not associated with District business, i.e., Teacher/Staff appreciation breakfasts and luncheons, holiday luncheons, VIP appreciations, Employee Service Luncheons
- 17) Replacement of an individual's property that was lost, stolen, or damaged on the school or district premises or while being used at a school or district function
- 18) Alcoholic beverages, tobacco products, controlled substances, firearms, and other weapons
- 19) Any expense which appears to benefit private individuals or entities
- 20) Any other expenditure prohibited by federal or state law, Texas Education Agency, Board Policy, and/or MISD regulation

## **6.7 PETTY CASH**

### ***Establishment of a Petty Cash Fund***

A petty cash fund (petty cash) for small, repetitive, miscellaneous items may be established at the Campus Principal's discretion. Petty cash must remain on Campus and is the responsibility of the Principal. It is not intended to circumvent District procurement policies and/or procedures. It must be deposited into the Activity Fund Bank Account prior to prolonged breaks and cannot be commingled with other deposits. The practice of cashing checks is prohibited.

### ***Petty Cash - Operating Procedures***

Petty cash may be established as follows:

Elementary Schools:	\$200.00
Middle Schools:	\$300.00
High Schools:	\$500.00

Disbursements shall be limited to immediate incidents. Replenishments must be made with activity fund check and must include original detailed invoices and/or receipts.

Petty Cash is subject to audit. Retain all documentation.

## 6.8 TRANSFER OF FUNDS BETWEEN ACCOUNTS

Campuses may do inter-account transfers for the purchase of goods, services, etc. A transfer of funds shall be made between accounts in lieu of issuing an Activity Fund check using a completed Transfer Request Form (AF-7). Copies of Form AF-7 must be filed in both club accounts' records.

## 6.9 RECEIPTS/INVOICES

**Original, detailed receipts** must be submitted for purchases, reimbursements, and shall include:

- 1) Name of business
- 2) Date of purchase
- 3) Itemized listing
- 4) Total

Account statements, quotes, copies, credit card vouchers, faxes, etc. are not acceptable.

Internet receipts are acceptable only if a shipping invoice is attached.

**Note:** Make copies for those receipts printed on thermal paper as the ink fades with time.

When original receipts are required by the Accounting Department, copies must be maintained at the campus along with notation stating the original receipts are in Accounting attached to Purchase Order #P???????

## 6.10 ACTIVITY FUND REIMBURSEMENTS

Requests for reimbursement must be submitted within **30 days** from the receipt date. Beyond 30 days, the Campus Principal has no obligation to reimburse.

### ***Activity Fund Reimbursements from Budget***

Whenever Activity Fund expenditures are to be reimbursed from Budgeted Funds, the following procedures must be followed:

- 1) Copied invoices/receipts must be maintained in the Activity Fund files; original invoices/receipts must accompany the purchase order. Indicate purchase order number on copy
- 2) Attach a copy of the Activity Fund check to the purchase order
- 3) Indicate that the check is payable to the individual campus. Under no circumstance shall a check be issued to a Club Sponsor
- 4) When the check is posted in the Activity Fund Accounting Software, the purchase order number must be indicated in transaction register

## 6.11 END OF YEAR CELEBRATION

Observe the following procedures regarding high school project celebration:

- 1) Donations from the public are recommended
- 2) All donations must be deposited into the End of Year Celebration activity account. The recipient of the donation must complete **CDC (EXHIBIT) Other Revenues: Grants from Private Sources** and submit a copy to the Business Office
- 3) Activity Fund pays for all initial expenses
- 4) Activity Fund checks must be issued for all project celebration expenses incurred in order to track all expenses
- 5) Allowable expenses include celebration supplies such as food, games, music and door prizes
- 6) District budget reimbursements are based on fifty percent (50%) of the total actual expenses incurred less donations received. The maximum reimbursable amount is \$5,000
- 7) Requirements for reimbursement must be submitted in ascending order by date:
  - a) Submit copy of Activity Fund End of Year Celebration account statement
  - b) Submit copy of the Activity Fund Check Request Form(s)
  - c) Submit copy of the Activity Fund Check(s)
  - d) Submit original receipts/invoices and make an extra copy of any receipts/invoices printed on thermal paper
- 8) Requisitions for reimbursement, once entered, must be faxed to the Business Office for approval
- 9) Requests for reimbursements are required to be submitted to Accounting prior to the Summer Break

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## **SECTION 7 – TRAVEL**

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# TRAVEL POLICIES

## **General**

The following travel policies shall apply to all individuals traveling on behalf of the McAllen Independent School District. Different travel policies may be imposed on certain employees based on the type of trip or on the funding source of the trip (i.e., various contracts and grants awarded to the District.) All District sponsored travel must be in compliance with the District's travel procedures, **DEE (LOCAL) – Compensation and Benefits: Expense Reimbursement**

For individuals traveling using a federal grant or any other fund that limits the reimbursement amount, the allowable amount of the grant or fund will supersede any amounts contained in this procedure.

**ANY EXCEPTIONS TO TRAVEL PROCEDURES MUST BE APPROVED BY THE SUPERINTENDENT OR HER DESIGNEE.**

**Employee travel without students, excluding In-district mileage, must be approved by Superintendent before travel arrangements are done. Once superintendent approval is obtained, submit travel form to Campus Bookkeeper for payment.**

For general travel guidelines, consult Section B, *Travel Policies*, of the McAllen ISD Accounting Procedures Manual 2010-2011. Also see other guidelines below.

## 7.2 TRAVEL ADVANCE

### **Requisition Completed & Approved (before travel/with advances)**

Individual requesting travel advance completes an Activity Fund Travel Advance/Reimbursement Requisition Form. See Procedures for Completing an Activity Fund Travel Advance/Reimbursement Requisition Form.

Individual forwards completed travel form to their Principal or Lead Director/Assistant Superintendent for approval. Individual traveling cannot approve his/her own travel form.

Employee travel without students, excluding In-district mileage, must be approved by the Campus Principal before travel arrangements are done. Once approval is obtained, submit travel form to Campus Bookkeeper for payment.

Activity Fund Travel Advance/Reimbursement Requisition Form is reviewed and approved (with signature) or denied by the Final Approver. Individual traveling submits travel form to Campus Bookkeeper. (All three copies will be forwarded to Campus Bookkeeper )

### **Processing by Campus Bookkeeper (before travel)**

- 1) Campus Bookkeeper issues checks for registrations and airline for the travel advance after receiving properly completed approved travel form
- 2) Campus Bookkeeper issues checks when student and non-district employees such as sponsors or chaperones travel is involved
- 3) Campus Bookkeeper attaches checks (if applicable) to the two (2) bottom (yellow & pink) copies of the travel form. White copy of Activity Fund Travel Advance/Reimbursement Requisition is kept by the Campus Bookkeeper until the travel is complete

- a) Registration check will be forwarded to the traveling individual if an extra copy of the registration form is *not* submitted
- b) Airline check will be mailed directly to the vendor

***Individual Receives Advance***

Individuals pick up travel advance checks from their Campus Bookkeeper. The (yellow & pink) copies of the Travel Advance/Reimbursement form are left with the Campus Bookkeeper.

**Individual Travels**

- 4) Individual travels and incurs expenses.

***Requisition Completed (after travel)***

- 5) Individual reconciles actual expenses with travel advance requests and **completes the Actual and Reimbursement columns** on the travel form (yellow & pink copies). Individuals attach original receipts to the travel form (yellow & pink copy) and forwards to their Campus Bookkeeper.

***Processing by Campus Bookkeeper (after travel)***

- 6) The Campus Bookkeeper determines if too much, too little or the correct amount was advanced
  - a) If amount advanced was correct:
    - i. Individual traveling forwards a completed (yellow) copy of travel form with original receipts to Campus Bookkeeper within 10 working days
  - b) If amount advanced was too much:
    - i. Individual must return amount of advance not used with the travel form upon return to the campus
    - ii. Individual traveling forwards a completed (yellow & pink copy) travel form with original receipts within 10 working days  
Campus Bookkeeper keeps travel form to be filed in the Club Account
  - c) If amount advanced was too little:
    - i. Individual traveling forwards a completed (yellow & pink copy) travel form with original receipts to Campus Bookkeeper within 10 working days
    - ii. Campus Bookkeeper determines if there are any travel forms pending documentation before the reimbursement is processed. If there is any outstanding travel, subsequent reimbursements will not be processed until outstanding travel is submitted to Campus Bookkeeper
    - iii. If there is no prior travel pending, the Campus Bookkeeper processes the travel reimbursement for the individual by adding any additional amounts due on the vendor section of the (yellow & pink) copies of the travel form
    - iv. Campus Bookkeeper will process the reimbursement and forward to sponsor with the pink copy of the travel form
    - v. Campus Bookkeeper files documentation received in Club Account file

## 7.3 TRAVEL REIMBURSEMENT

### Requisition Completed & Approved (after travel/without advances)

- 1) Individual travels and incurs expenses. Receipts should never be altered
- 2) Individual requesting travel reimbursement completes an Activity Fund Travel Advance/Reimbursement Requisition Form. See Procedures for Completing an Activity Fund Travel Advance/Reimbursement Requisition Form
- 3) Individual forwards completed travel form to their Principal, Lead Director/Assistant Superintendent for approval. Individual traveling cannot approve his/her own travel form
- 4) Principal, Lead Director/Assistant Superintendent reviews request for travel and approves (with signature) or denies
- 5) **Employee travel without students, excluding In-district mileage, must be approved by the Campus Principal before travel arrangements are done. Once approval is obtained, submit travel form to Campus Bookkeeper for payment**
- 6) After the travel form has been signed by Final Approver, the individual traveling forwards the travel form to Campus Bookkeeper
- 7) Campus Bookkeeper receives, matches, and verifies receipts of the travel form and determines whether there is any outstanding travel for that individual. If so, subsequent reimbursements will not be processed until outstanding travel documentation is submitted to Campus Bookkeeper
- 8) Campus Bookkeeper issues check(s)
- 9) Individuals pick up travel reimbursement checks from the Campus Bookkeeper and pink copy of travel form
- 10) Campus Bookkeeper files documentation received in Club Account file

## 7.4 COMPLETING THE ACTIVITY FUND TRAVEL ADVANCE/REIMBURSEMENT REQUISITION

The following information will assist you with the completion of the Activity Fund Travel Advance/Reimbursement Requisition Form. The Activity Fund Travel Advance/Reimbursement Requisition Form is required for all travel, including staff development involving registration fees only.

The travel form consists of three parts: a white, yellow and a pink copy. All three (3) copies will be submitted to the Campus Bookkeeper when asking for a travel advance.

The Activity Fund Travel Advance/Reimbursement Requisition Form will serve the following functions:

- 1) Will provide the required information for on-line entry by Campus Bookkeeper
- 2) Will be used as a reconciliation document for advances against actual expenses for all travel

- 3) Will serve as a document that contains references to all expenses associated with the travel
- 4) Once the Campus Bookkeeper receives the (yellow) copy of the Activity Fund Travel Advance/Reimbursement Requisition Form, your travel will be considered complete unless additional documentation is required

For **Cancelled Trips**, a memo must accompany the travel form indicating the reason for cancellation.

**Note:** You must submit the yellow copy of the travel form even if you are not requesting additional monies.

### ***Travel Requisition/Advance Form Sections***

- 1) Section I and Section III are to be completed by the individual requesting travel and must be accurate and complete
  - a) Indicate whom the Campus Bookkeeper should contact for questions
  - b) Name of individual traveling; last name, first name, do not use nicknames or abbreviations
  - c) Trip location
  - d) Departure and return dates
  - e) Departure and return times; these times are the actual times you left and returned to your campus/home
  - f) Purpose of trip
- 2) Section II is to be completed by the person authorized to approve travel for the individual, Campus Principal, Lead Director/Assistant Superintendent
- 3) Section III is to be completed by the Campus Bookkeeper
- 4) Complete the Advance column for all travel advances
- 5) Complete the Actual column for the actual expenses (after the trip or if no advance was received)
- 6) Complete the Reimbursement column for all final travel

### ***Meals***

**Employees** - Seminar/conference fees that specifically identified a meal such as lunch or dinner will be subtracted from the individual(s) meals being requested. If certain foods may not be consumed due to **health reasons**, notify the sponsor so that a meal modification may be arranged.

Use the following guidelines to determine the meals that you are entitled:

- 1) To claim the breakfast allowance, must leave prior to 6:00 am
- 2) To claim the lunch allowance, must leave headquarters prior to 12:00 pm (noon)
- 3) To claim dinner allowance, must return after 7:00 pm

IN STATE		OUT OF STATE	
Breakfast	\$8.00	Breakfast	23%
Lunch	\$11.00	Lunch	30%
Dinner	\$17.00	Dinner	47%
<b>Total</b>	<b>\$36.00</b>	<b>Total</b>	<b>100%</b>

Select the state you will be traveling and then locate the city

- 1) Write the number of meals in the corresponding boxes then multiply these amounts
- 2) Write the grand total amount in the advance column if traveling with students
- 3) Write the grand total amount in the actual and reimbursement column if traveling without students

**Students** - If using per diem meal allowance, students are required to sign their name and amount received for all meal money. The Student/Sponsor Meal Allowance Form is required to be submitted to the Campus Bookkeeper along with the (yellow) copy of the Activity Fund Travel Advance/Reimbursement Requisition Form upon completion of travel. Meal allowance for students is allowed up to \$6.00 per meal inside and outside of **Region One area**.

- 1) Write the total number of meals that **each** student is receiving
- 2) Write the total number of students receiving meal allowance
- 3) Multiply the correct \$ dollar amount (x) the number of meals (x) the number of students
- 4) Write this total in the appropriate column

**Sponsor Meals** - In the Sponsor Meals section:

- 1) Write the dollar allowance given for each meal
- 2) Write the total number of meals allowed for each sponsor
- 3) Write the number of sponsors
- 4) Multiply the \$ dollar allowance (x) the number of meals (x) the number of sponsors
- 5) Write this total in the appropriate column
- 6) If using per diem meal allowance, sponsors are required to sign their name and amount received for all meal money on the Student/Sponsor Meal Allowance Form

**Meal Certification**

- 1) Individuals traveling must certify that district **meal monies received were spent entirely for that purpose**
- 2) Since the State travel reimbursement policies do not require receipts, MISD will follow State policy

- 3) If the individual agrees with the meal certification, their **original initials will be required on the yellow copy of the travel form**. Campus Bookkeeper will continue to review reimbursements and make any adjustments deemed necessary
- 4) For individuals traveling without students, meals are reimbursed after the trip. Therefore, an individual would be certifying the actual amount after the trip
- 5) For individuals traveling with students or parents, meal advances are allowable. Therefore, the sponsor would be certifying the actual amount after the trip
- 6) If the individual does not agree with the meal certification, the individual must submit actual receipts. Actual meal reimbursements cannot exceed the rate defined by the State of Texas Travel Allowance Guide. Taxes and gratuities are non-reimbursable. Campus Bookkeeper will adjust meal monies accordingly. If meal monies were advanced, reimbursement to the Activity Fund may be required
- 7) If you choose to receive meal reimbursements based upon actual expenditures, you must do so for all meals pertaining to that travel. You may not choose to receive actual meal reimbursements for some meals and per diem on others

### **Registration**

Registration form(s) or receipts are required to be submitted along with the (yellow) copy of the travel form upon request for payment.

**Note:** If Campus Bookkeeper is mailing any registration(s) fee check(s), attach two copies of the registration form, one copy to be mailed with check, the other to be used as documentation on the travel form.

- 1) Write the total number of employees/students requesting registration payment
- 2) Write the amount of registration for each employee/student
- 3) Multiply the number of employees/students (x) the registration fee per employee/student
- 4) Write this total in the appropriate column

### **Hotel**

Original detailed receipts are required to be submitted along with the (yellow) copy of the Activity Fund Travel Advance/Reimbursement Requisition Form upon completion of travel.

- 1) Write the name of the hotel
- 2) Write the total hotel charge in the appropriate column(s). Total must include only room charge and city sales tax, maximum \$85.00 plus allowable taxes per person per night)

### **Air travel**

Original itinerary and final copy of airline ticket are required to be submitted along with the (yellow) copy of the Activity Fund Travel Advance/Reimbursement Requisition Form upon completion of travel. For *ticketless* airfare a print out can be submitted in lieu of an original receipt.

E-ticket print outs must include the detail of any applicable taxes in order to be eligible for reimbursement.

Airline tickets purchased from internet vendors must be at a lower rate than the Board of Trustees approved travel vendors. Please reference the following website for approved vendors:

[http://mws.mcallenisd.net/purchasing/District\\_Information/Awarded\\_Vendors/Awarded\\_Vendors/Travel/7610.pdf](http://mws.mcallenisd.net/purchasing/District_Information/Awarded_Vendors/Awarded_Vendors/Travel/7610.pdf)

One quote from a Board of Trustees approved vendor is required when and Internet ticket is purchased.

Any deviation from the qualified vendors will require three (3) quotes to be obtained before a ticket is purchased. Quotes must be obtained by the person traveling and approved by the Purchasing Director or her designee (initial on the travel form) prior to a trip

**Reminder:** Airfare may not exceed the average coach fare; first-class airfare may be allowed for a disable employee if it is medically necessary.

- 1) Employee/sponsor is responsible for obtaining and submitting all required documentation for student travel
- 2) Write the travel agent that is supplying the airline tickets
- 3) Write the airline ticket amount in the appropriate column

## ***7.5 Car Rental & Gasoline***

**Rental of a vehicle-** When renting a vehicle for school business, the Physical Damage insurance (also referred as Loss Damage Waiver or Comprehensive Damage) needs to be purchased. It is important for all employees who will be driving the vehicle be placed on the physical damage insurance list with the rental agency. District policy only covers liability insurance on a rental vehicle

Personal injury protection, uninsured motorist coverage, and medical payment coverage is not reimbursed by the District.

Vehicle rental services may be purchased from the following qualified vendor:

### **Enterprise Rent-A-Car**

If ten or more students are to be transported, you must requisition a school bus, or a passenger van as defined by TASB Legal Service for every nine (9) students. For further information, contact the Director of Transportation.

Due to the increased liability in case of an at-fault vehicle accident, **the District discourages personal vehicle use to transport students.** The District does not carry auto liability insurance or physical damage insurance for employee owned vehicles. If a district employee has an at-fault vehicle accident and is sued, the employee's vehicle insurance policy will be primary and must respond first. To ensure all liability issues have been addressed, whether renting a vehicle or using a personal vehicle to transport students, you must contact the Insurance and Employee Benefits Department at 618-7380.

**Not all vehicle rental agencies accept the MISD Tax Exempt Certificate.** Therefore, verify that the vehicle rental agency selected will honor the MISD Tax Exempt Certificate prior to traveling. Activity Funds will not reimburse unauthorized taxes.

If you are renting a vehicle, you cannot claim mileage.

Original itemized cash register receipts are required for gasoline purchases.

Vehicles must be filled up with gasoline prior to returning the vehicle to the vehicle rental agency. If the vehicle rental agency must fuel the vehicle, the individual who rented the vehicle will reimburse MISD the difference between the vehicle rental gas rate and the MISD gas rate. The MISD gas rate used will be based on the rate at the service station located on the corner of FM 495 and Bicentennial Street at the time travel is being reviewed for reimbursement by Campus Bookkeeper.

### ***Mileage***

Employees must drive their own vehicle in order to claim mileage. Employees traveling together cannot split the mileage, if only one individual has used his/her vehicle. It is also the employee's responsibility to determine the most economical mode of transportation, driving or flying.

- 1) Write the total mileage
- 2) Multiply the mileage (x) .50¢ (cents)
- 3) Write the total in the actual column

### ***Other Expenses***

Original receipts are required to be submitted along with the (yellow & pink copy) of the travel form upon completion of travel.

- 1) List each additional expense that is not previously indicated
- 2) Write the amount in the appropriate column
- 3) Example: Books, tapes, and supplies (only as authorized by the Campus Principal)

### ***Final Steps***

- 1) Total advance column if receiving a travel advance
- 2) Total actual and reimbursement column after completion of trip
- 3) If money is owed to the District, the individual traveling must return the cash to the Campus Bookkeeper with a **completed** (yellow) copy of the travel form with all original documentation
- 4) If money is due to the individual, **complete** a final (yellow & pink) copy of the travel form for the amount due to the individual. Individual must complete section III. The vendor would be the individual
- 5) Each individual is required to sign their travel request and indicate their position/title
- 6) Individual must answer whether he/she has obtained the most economical and reasonable mode of travel

## **Section II**

The individual is required to obtain the appropriate approval on the Activity Fund Travel Advance/Reimbursement Requisition Form. An individual can not approve his/her own Activity Fund Travel Advance/Reimbursement Requisition Form.

Once the individual has received approval to travel, submit the Activity Fund Travel Advance/Reimbursement Requisition Form to the Campus Bookkeeper.

## **Section III**

The individual traveling is required to complete this section.

- 1) Write the vendor name. If the request is for payment to the individual traveling, the individual would be the vendor on the first line. Write all other vendors next
- 2) On the Club Account # column write the appropriate Activity Fund Club Account number
- 3) Individual traveling writes the amounts
- 4) Do not write in shaded area; designated for Campus Bookkeeper Use

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## **SECTION 8 – FUND-RAISER**

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## 8.1 FUND-RAISER GENERAL INFORMATION

### ***Definition***

A fund-raising activity may be defined as any activity involving the participation of a student body or a school-recognized group undertaken for the purpose of deriving funds. When fund-raising activities are in the name of the school, all funds become school funds, belonging to the school-sponsored group responsible for raising the money.

Campus Principals occasionally have school activities during the year that generate revenue. These activities are considered fund-raisers whether they last one day or two weeks, i.e., "End of Six-Weeks Reward Fund-Raiser", "Campus School Days", etc.

All monies acquired through fund-raising activities are considered public funds. Discretion is advised as public funds are subject to public scrutiny.

### ***Fund-Raiser Responsibility***

Club Sponsors are responsible for monies collected and merchandise purchased. Exercise maximum control when performing fund-raisers. Whenever a fund-raiser nets a loss, the Club Sponsor must submit a written explanation. A copy of the written explanation must be placed in the Club's file.

### ***Fund-Raiser Duration***

Clubs are limited to two (2) fund-raisers per school year. Each fund-raiser may last a maximum of two weeks.

### ***Fund-Raiser Cash Awards/Incentives***

Occasionally, Students award fund-raiser top sellers in the form of incentives. **Student** incentives shall be permitted must be announced prior to fund-raiser, and have a maximum value of \$25. It is recommended gift cards, coupons, etc. be awarded in lieu of cash.

**Principal's Accounts** – Cash incentives are strictly prohibited; constitutes a "gift of public funds", The Texas Constitution, Article 3, Section 52.

### ***Prohibited Fund-Raisers***

- **Raffle** – The District is **not** a "qualified nonprofit organization" for purposes of the Charitable Raffle Enabling Act and shall **not** sponsor or conduct raffles; reference **GKB (LEGAL) – Community Relations: Advertising and Fund raising in the Schools**, and **FJ (LEGAL) – Gifts and Solicitations**. Raffle fund-raisers are strictly prohibited
- **Door-to-Door Sales** - Students are **strictly prohibited** from making door to door sales
- **Bingos**

## 8.2 FUND-RAISING OPERATING PROCEDURES

### **PRIOR TO EVENT**

These guidelines must be followed prior to event:

- 1) Schedule the fund-raiser. Prior to the beginning the fund-raiser have written approval (Form Af-2) **FJ (LOCAL) – Gifts and Solicitations** as well as written parent approval as applicable (Form AF-2A and/or AF-2B). Approval forms are to be maintained (along with other necessary documentation) for the fund-raising activity
- 2) Order merchandise. Upon receipt of merchandise verify quantities and secure merchandise. Verify available vendor credit for unconsumed inventory

### **DURING EVENT**

The general fund-raising guidelines must be followed during the event:

- 1) The Club Sponsor must verify inventory quantities issued. Use *Individual Inventory Release Form* (AF-12). All merchandise not released must remain secured. Inventory records protect both the Club Sponsor and student
- 2) Students must sign their individual record each time money is deposited or merchandise issued/returned
- 3) Deposit all funds daily
- 4) **Activity Funds *may not* be taken home, left in the classroom, etc**
- 5) Activity Funds ***must be*** deposited in the appropriate account at the District depository only

### **AFTER EVENT**

These general fund-raising guidelines must be followed after the event:

- 1) Verify final inventory quantities. Reconcile inventory, i.e., sold, not sold and returned, not sold not returned. Determine outstanding/uncollected monies due from students
- 2) Secure unsold inventory, remit excess to vendor for credit as applicable. Do not delay returns
- 3) Prepare and finalize the *Fund-Raiser Revenues and Expense Form* (AF-3); include all applicable signatures, i.e., Campus Principal, Campus Bookkeeper, Club Sponsor, and Student Officer. Submit Form AF-3 to Campus Bookkeeper for filing

## 8.3 CHARITABLE DRIVES

**FJ (LOCAL) – Gifts and Solicitations**, with the Superintendent's approval, students representing their school may participate in charitable institution and community drives. Such participation, which shall be on a strictly voluntary basis and shall not disrupt the regular school day, shall be open to students in grades K-12. Once approval is granted, charitable drives shall follow fund-raising guidelines contained in this manual.

**Collection of money** (no sale takes place):

- 1) Complete *Charitable Drive Form* (AF-2C) for Superintendent of Schools' Approval
- 2) Open a new *Student Account* and name it as the charitable organization, i.e., American Red Cross Drive
- 3) Charitable drives are limited to two (2) weeks
- 4) Do not accept checks payable to McAllen ISD. Personal checks must be payable to the charitable organization, do not deposit any of these checks in the Activity Fund
- 5) Maintain a separate file/folder for the personal checks. Remit check(s) in disposable plastic bags to campus bookkeeper for **safekeeping** only until the charitable drive is completed
- 6) Prepare daily deposits for **cash** collections only. Post deposits to the charitable organization account
- 7) Once the charitable drive is concluded, complete *Fund-Raiser Revenue and Expense Form* (AF-3) for all collections including both cash and checks payable to the charitable organization
- 8) Request a check payable to the charitable organization for all the cash collected. The account should have no residual monies
- 9) Remit the check along with the personal checks previously received to the charitable organization immediately
- 10) Jar (pennies) drives are prohibited

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## **SECTION 9 – TEXAS SALES & USE TAX**

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## 9.1 TAXABLE STATUS OF PURCHASES

All purchases made for the exclusive use of a campus must be tax exempt. A *Texas Sales and Use Tax Exemption Certification* must be remitted to the merchant.

Sales tax paid on behalf of the campus will *not* be reimbursed.

**Note: PTA, Booster Clubs, or any other external associations are strictly prohibited from using the District's Sales Tax Permit Number.**

## 9.2 REVENUE

### **Sale vs. Not a Sale**

A determination must be made regarding the status of all revenues and whether-or-not they constitute a sale. A sale is the transfer of title or possession of tangible personal property for consideration, i.e., pencils, food, etc.

At times the campus merely acts as a sales agent for a retailer; tax must be collected and remitted to the retailer who would claim the sale and remit the tax to the State Comptroller's Office. Campuses need not report this type of revenue as a sale, i.e., vendor-owned vending machines, school pictures, book fairs, etc. Other examples include money collected for field trips, library fines, etc. Only when campuses purchase inventory/merchandise for resale are they considered the reseller.

Sale	Not a Sale
Admissions - athletic, dances, dance performances, drama performances	Collection of money from students to pay a company for admission or service (i.e., Movies Theatre, Sea World, PSAT test)
Admissions - summer camps, clinics, workshops, project graduation	Commissions received
Donated items that are sold	Donations of money to the school or school group or donations for a commemorative brick
Fund-raisers where the school or school group is the seller, not just the middle-people	Fees - musical instruments maintenance, lab, uniform cleaning, transcripts
Rentals of items	Fieldtrip collections
Rental of facilities	Fines received - textbook, library books, parking, locker, uniforms, calculators, obligations
Sales of food	Fund-raiser - when the school group merely receives a commission (i.e., library book fairs, some author sales)
Sales of merchandise (to include items made by students)	Lost payments - books, handbooks, calculators, ID cards
Sales of services	Marathon fund-raisers - these are donations (i.e., lift-a-thon, jog-a-thon,)
School publication sales	NSF check redeposit
	Summer School, Saturday School

The following list is intended as general guidance and is not all-inclusive:

## 9.3 TAXABLE VS. NON-TAXABLE SALES

Texas Sales Tax Statutes impose tax on the sale, lease, or rental of tangible personal property that can be seen, weighed, measured, felt, touched, or that is perceptible to the senses in any other manner. Whenever an individual purchases a tangible, it becomes personal property and is taxable. It is irrelevant if the Campus/District logo is affixed to the item or in what capacity the item will be utilized.

Districts, campuses, and/or campus groups selling taxable items must collect and remit sales tax on a monthly basis. As a seller, you are responsible for collecting and remitting the correct amount to the Comptroller's Office. If you do not collect and remit the correct amount, you can owe any additional tax plus you may be assessed penalties and interest.

The items or activities on the following lists have been identified as being taxable or non-taxable by the State Comptroller's Office when sold or sponsored by a school. The lists are not all-inclusive but may help in making determinations on other similar items.

<b>Non-Taxable Sales</b>
Admissions - athletic, dances, dance performance, drama and musical performances
Admissions - summer camps, clinics, workshops, project graduation
Admission - banquet fees
Admission - bids, prom, homecoming
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 fund-raisers
Identification Cards - when they are sold to entire student body (not just the fine for a lost ID card)
Labor - automotive, upholstery classes (parts are taxable)
Magazine subscriptions greater than six months
Services - car wash, cleaning

<b>TAXABLE SALES</b>	
Agenda books	Magazines - when sold individually
Agricultural sales	Musical supplies - recorders, reeds
Art - supplies and works of art	Parking Permits
Artistic - CDs, tapes, videos	Parts - Career & Technology classes (not to include products used in cosmetology)
Athletic - equipment and uniforms	Parts - Upholstery
Auction items sold	PE - uniforms, supplies
Automotive - parts and supplies	Pennants
Band - equipment, supplies, patches, badges, uniform sales or rentals	Pictures - school, group (if school is the seller)
Book covers	Plants - holiday greenery, poinsettias
Books - workbooks, vocabulary, library, author (when the school/school group is the seller)	Rentals - equipment of any kind
Brochure items	Rentals - uniform of any kind, towels
Calculators	Repairs to tangible personal property (i.e., computer repair)
Calendars	Rings and other school jewelry
Candles	Rummage, yard, and garage sales
Car - pin striping	Safety supplies
Clothing - school, club, class, spirit	School publications - athletic programs, posters
Computer - supplies, mouse pads	School publications - brochures
Cosmetology products sold to customers	School publications - magazines (unless six month subscription)
Cups - glass, plastic, paper	School publications - newsletters, newspapers (generally not sold)
Decals	School publications - reading books
Directories - student, faculty	School publications - sheet music, hymnals
Drafting - supplies	School publications - yearbooks
Family and Consumer Science - supplies and sewing kits	School store - all items (except food)
Fees - copies, printing, laminating	Science - science kits, boards, supplies
Flowers - roses, carnations, arrangements	Spirit items
Greeting Cards	Stadium seats
Handicrafts	Stationary
Horticulture items	Supplies - any sold to students
Hygiene supplies	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	Woodworking crafts - entire sales to include parts and labor
Merchandise, tangible personal property	Yard signs
Magazines - subscription less than six months	

## 9.4 TEXAS SALES AND USE TAX

**Sales tax** on taxable transactions must be collected, reported, and remitted each month (including the summer months) to the Accounting Department using Sales Tax Report Form – AF-11.

### ***Collection and Remittance of Sales Tax***

The sales tax rate is 8.25%; 6.25% State and 2% Local.

Sales tax shall be collected as follows:

- 1) Add the tax to the price of the item, i.e., if the price of the item is \$1.00 and the tax rate is 8.25%, the school would collect \$1.08
- 2) Absorb the tax into the price of the item, i.e., if an item is sold for \$1.00 including tax, the school would retain \$.92 and remit \$.08 for sales tax

The Accounting Department will forward sales tax collections to the State Comptroller's Office.

Listed below are the deadlines for submission of Texas Sales and Use Tax Monthly Report to Accounting:

<b>Periods Covered</b>	<b>Report Due Date</b>
July 1 to July 31, 2010	June 6, 2010
August 1 to August 31, 2010	September 3, 2010
September 1 to September 30, 2010	October 4, 2010
October 1 to October 31, 2010	November 5, 2010
November 1 to November 30, 2010	December 3, 2010
December 1 to December 31, 2010	January 5, 2011
January 1 to January 31, 2011	February 4, 2011
February 1 to February 28, 2011	March 4, 2011
March 1 to March 31, 2011	April 5, 2011
April 1 to April 30, 2011	May 5, 2011
May 1 to May 31, 2011	June 6, 2011
June 1 to June 30, 2011	June 6, 2011

### ***Activity Fund Sales Tax Report***

Reports are required for all months including those with zero taxable sales. A system-generated Sales Tax Report will automatically calculate the amount due based on taxable deposits.

## 9.5 ONE-DAY, TAX-FREE SALES

### **Definition**

Effective August 30, 1993, all school **districts**, campuses, and campus **bona fide chapters** are permitted two one-day, tax-free sales each calendar year. During these tax-free sale days an organization may sell any taxable item tax-free. The exemption does not apply to items sold for more than \$5,000.

A **bona fide chapter** is a campus group organized for activities other than instruction. Any student group that is recognized by the campus and that has elected officers, holds meetings, and conducts business are bona fide chapters of the campus. Groups meeting for classroom instruction or team sports are not considered bona fide chapters and thus do not qualify for the tax-free day sales.

- The school-wide fund-raiser qualifies for a tax-free day
- The Basketball Club qualifies, but the basketball team does not
- The Cheerleader Club qualifies, but the cheerleader team does not
- The Debate Club qualifies, but the debate team does not
- The French Club qualifies, but the French class does not
- The Senior Class Club qualifies, but not one particular class that has seniors in it

One-day, tax-free fund-raisers may add profitability. One way to qualify a fund-raiser as a one-day, tax-free sale would be to deliver the sellable items on a single day. Pre-paid orders and/or collections could be taken over an extended period before delivery.

### **Non One-Day, Tax-Free Sales**

**Book Fairs** - *do not* qualify as one-day tax-free sales as the school is not the actual seller but merely an agent for the vendor. As an agent, the school receives commissions only and is not eligible for the one-day tax-free status.

The sale of items received from a vendor, in which the school and the respective vendor have an agreement that the vendor will take back any unsold items, would also generally not qualify as a one-day tax-free sale.