



**STUDENT ACTIVITY
FUNDS
Procedures Manual**

July 2010

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FORWARD

This manual has been prepared to provide guidance for the handling of student activity funds.

The procedures outlined in the manual comply with statutory requirements and policies as established by the Board of Education of the Van Buren School District. Through these procedures, it is hoped that all student activity funds of the District will be managed and accounted for in a responsible, effective manner.

Dr. Merle Dickerson
Superintendent of Schools

Statement of Assurance

I have read the Van Buren School District Student Activity Funds Procedures Manual and understand the procedures outlined.

As an activity sponsor, I understand that my obligation as an education professional and an employee of the Van Buren School District is to ensure that these procedures are followed.

Name _____

Date _____

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Activity Funds - Definition, Purpose Responsibility and Record Retention

Definition and Purpose:

Certain Funds collected from students by district personnel are defined as Activity Funds and must be handled through the school Student Activity Funds accounts (Fund 7). Activity Funds consist of monies accumulated from various school approved, money-raising activities, receipt of student dues or fees, vending receipts, commissions, and donations. According to Arkansas law, Activity Funds may be used only to promote the general welfare of the school and the educational development and morale of all students.

Fund-raising activities can provide valuable educational experiences for students if properly supervised, and the fund-raising can also provide the resources for useful projects. It is, however, important that all monies collected within the district's schools shall be handled in a proper fiscal manner and prudently safeguarded. (See Board Policy 7.10)

Money collected for any purpose will be submitted to the school Secretary or designee, who will provide for its proper deposit. Money should never be left in a desk or classroom. When a teacher or other school employee collects money from pupils for any purpose, that employee shall be held responsible for that money until the employee turns it over to a person responsible for receiving and depositing money.

All money raised becomes school funds when fund-raising activities:

- are in the name of the school
- involve a student body or school-sponsored group.

The money raised is for the school unless it is a PTA, or outside organization (i.e. Booster club) sponsored fund-raising activity (see Section 735).

These funds should be used for the benefit of the school-sponsored student group responsible for raising the money.

Approvals Required

- All fund-raising activities must be approved in advance by the school principal.
- Teachers who wish to conduct a fund-raising activity must get formal written approval from the Principal before starting the activity.
- Teachers/sponsors must complete **“Fund Raising Approval Request”** form and submit to Principal for approval. A copy of this form is returned to the teacher/sponsor after necessary approvals are secured. The fund-raising event cannot begin until the teacher is notified that the activity is approved.
- Students or teachers may not initiate or conduct fund-raising activities in the name of the school without prior approval.
- Segregation of duties is required by legislative Audit. Cash handling and record keeping must be separate, e.g., sponsor and one other designated person.

Retention of Records

It is recommended that Activity Fund records be kept on file at the school for at least five (5) years after audit completion. In the case of activities that run for multiple years, e.g., "Class of XX," records should be maintained for five years after completion of the activity. Records may be destroyed after the five-years-past-audit time frame.

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Receipting - By Someone Other Than the School Secretary

Teachers/Sponsors or other school personnel may collect money from students for fund-raising activities.

There are two acceptable receipting forms for proper Activity Fund accounting:

- A. **Class Receipt Record** -- Use this form for small, multiple collections as in the following:
 - Class Pictures
 - Library Fines
 - Trips
 - Symphony, Opera
 - Revenue from fund-raising activities such as candy sales
 - Puppy Pound T-shirts for VBSD Education Foundation

- B. **School Activity Fund Cash Receipt Book** -- Use this for collections where the payer requires a receipt for future reference:
 - Graduation fees
 - Club or class dues and fees
 - Parking fees
 - Collection for yearbooks and other commemorative items

A receipt Must ALWAYS be issued by the person receiving the cash to the person remitting the money. Use permanent ink on this form. Copies of all receipt records should be kept by the sponsor and a copy should be turned in with the funds to the appropriate school employee.

The following points are important:

- If you currently use a spreadsheet or a copy of the teacher grade book, these lists may still be used and stapled to the **Class Receipt Record** to be signed for verification of money collected and deposited.
- School employees will turn in money to the School Secretary on the same day it is collected. School employees should never keep money overnight or take money home. All collections turned in to the School Secretary must be accompanied by either a **Class Receipt Record**, receipt book, or both.
- Monies should be recounted by the school secretary in the presence of the person turning in the cash. If that is not possible, the funds must be counted by two counters. The school secretary will sign the **Class Receipt Record** or cash receipt book, signifying agreement to the amount of funds turned in. The

secretary must give a signed copy of **Class Receipt Record** or receipts to the person turning in the funds.

- Never substitute personal checks for cash collections. Submit all money to the School Secretary in the same form as collected.
- Do not remove money from school premises.
- Do not keep money for any reason.
- Do not deposit money in a personal account or bank deposit box.
- Do not spend any of the collections for any reason.

The School Secretary makes all payments for the Activity Fund utilizing the District requisition/purchase order system, or petty cash. Any time a teacher or other district employee collects money from a student or patron for a school related activity the District requisition/purchase order procedures apply.

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Disbursements - General Policies

Purchases from Activity Funds

- Teachers must follow the same board policies and procedures as budgeted accounts. (See Board Policy 7.10 and 7.12)
- Any purchase that cannot be made utilizing petty cash must be initiated through the use of a requisition/purchase order.
- School personnel making any purchase in the name of the school without getting prior written authorization from the Principal and a requisition/purchase order is not empowered by the District to make any purchase on behalf of the District. In such cases, the employee is personally responsible for the purchase.

Do not make any purchase unless sufficient funds are available in the proper General Activity Fund account. Purchases can be made in advance for goods required in fund-raising activities. In this case, any activity deficit will be encumbered against the school General Activity Fund.

Trips

Monies raised by clubs, class/student groups to finance trips related to student activities for faculty sponsors and students may be expended with Petty Cash or Purchase Order with the approval of the Principal.

Scholarships

Student activity funds may be used to award scholarships to students on the basis of educational merit. The scholarship award should be paid to the educational institution of the recipient's choice, not to the individual.

Awards and Prizes

- Monies raised in the school's name may only be used to pay cash prizes for individuals when such cash awards are clearly delineated and approved in advance of the fund-raising activity. Cash awards or prizes may include currency, check, savings bonds, money orders, or any other medium that can be readily converted to cash. Proof of receipt by the individual should be documented.

- Awards such as merit certificates, trophies, plaques or other means of recognition with reasonable value (less than \$50) may be purchased from student activity funds in recognition of scholastic, attendance or fund-raising achievements for students.
- Awards for Athletics are subject to Arkansas Code 6-20-415.

Gifts

Monies raised in the school's name by the student body or student groups may not be used to purchase gifts for school personnel. However, students may contribute personal money towards the purchase of a gift for school personnel.

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Disbursement Vouchers - Supporting Documents

With the Principal's approval, the School Secretary will prepare a purchase order requisition to authorize the issuance of a check to a vendor for goods or services received.

Supporting documents needed for payments are:

- Signed purchase order
- Vendor's original, unadjusted invoice, and
- Proof of satisfactory receipt of goods or services

The vendor's original unadjusted invoice must include the vendor's name, address, and detailed description of items purchased. Examples include letters, acknowledgments, and cash receipts for reimbursements.

An authorized signature of a receiver constitutes evidence of receipt of the goods or services.

Examples of unacceptable documents include:

- Periodic statements
- Data processing cards that give an amount but lack information such as name of the company or invoice numbers.
- An in-house payment authorization form signed by the Principal with no other support.
- A VBSD purchase order form signed by the Principal with no other support.
- Delivery tickets or packing slips that show what and when but not how much received.

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Disbursements - Police, Security Guards, Physicians

Payments to outside contractors (police, security guards, and physicians) for school events should be made utilizing the district's purchase order procedures. All payments shall be made by check, not cash or money order.

Under no circumstances are admissions or "gate receipts" to be used to pay for any goods or services at the event or at any time.

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Reimbursements and Refunds

Reimbursements

Students and employees may be reimbursed by check for personal money spent for school purposes if:

- the purchase was previously approved in writing by the Principal on a Purchase Order, and
- proper documentation is submitted to support the expense (refer to Section 721).

The following are important points to remember about reimbursements:

- Keep reimbursements to a minimum as a safeguard against unauthorized purchases.
- School personnel may not be reimbursed for paying another individual for services. Only the district can pay the person (or company) performing the service with a district check.

Refunds

Occasionally it may be necessary to make refunds due to cancellations of field trips, overcharges on books, or bus transportation, etc.

Make refunds only for money contributed directly by the student. No money raised in the school's name may be refunded or disbursed to students. All refunds must be processed through the Finance Office by preparing a check request and presenting proper documentation.

Proper documentation for refund requests includes:

- student's copy of cash receipt, or
- copy of **Class Receipt Record** which shows money received from a student.

Checks can be issued directly to students, parents, or as below for multiple/small refunds.

Multiple Refunds

For multiple refunds, a single check may be issued to the Activity sponsor who will distribute the refunds to each student. Each person due a refund must sign a **Class Receipt Record** or receipt verifying that the refund was received and the date it was received. The activity sponsor will return the signed refund list and any undistributed funds to the School Secretary who will issue cash receipt for any money returned.

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Advance Payments

Advance payments may sometimes be requested for necessary expenses expected to be incurred by athletic teams and other groups engaged in out-of-town travel.

Procedures in these cases are as follows:

- The activity sponsor shall make a written request for an advance stating the amount needed, reason needed, and dates of trip. Submit the form for the Principal's approval and preparation of a check request authorizing the issue of a check.
- Within Five days of the completion of the activity, the sponsor shall send to the School Secretary **all** invoices, receipts, sales slips, etc., supporting the actual amount of expenses, and shall return any unused funds.
- The School Secretary will deposit any money returned and credited to the correct Student Activity Fund.

Remember the following important points regarding advance payment requests:

- The activity sponsor receiving an advance is responsible for any money advanced.
- Use advance payments only for the purpose approved by the Principal.
- Do not use advance payments to pay any person for services. Examples include payments to police or security guards, bus drivers, travel agents, game officials, or competition judges.
- Obtain receipts for all advanced money spent.
- Return unspent money and receipts to the School Secretary at the completion of the activity and immediately upon return
- The settlement of all advances must be completed no later than 4 days after termination of the activity.
- The teacher or club sponsor is personally responsible for undocumented money and money spent in violation of these procedures.

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Payments to VBSD Employees for Services

The Principal may occasionally agree to compensate teachers or other employees for additional services performed.

For work similar to regular duties the following applies:

- Pay teachers and counselors at their regular hourly rate.
- Pay nonexempt employees at their hourly rate.
- If the nonexempt employee exceeds 40 hours worked per week, he must be compensated at time and a half of the employee's current rate. Overtime situations must be approved in advance and documented on an Overtime Documentation form.
- Remember that the student activity accounts will be charged for retirement contributions on all payments plus FICA and Med FICA as required.

Examples for student activity fund payments include:

- additional Custodial services.
- additional Food services.

Activity funds may not be used to pay:

- teachers for activities which are part of the VBSD instructional day.
- stipends to employees for attending extra-mural activities.
- stipends to employees for being a departmental chairperson or sponsor of a school organization.
- hiring of school personnel on a permanent basis.

Payment to VBSD Employees will be made only by payroll check. Under no circumstance can a payment to an employee for supplemental services be made directly to the employee from cash collections such as gate receipts or from Petty Cash. Use the following procedures:

- The employee's time should be recorded on the time sheet for the current week.
- Submit the completed form to the School Secretary for approval and by the Principal, as usual.
- The School Secretary will send the time sheet to the Payroll Department.
- The amount to be paid for additional services will be added to the employee's regular payroll check.

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VBSD Education Foundation

The VBSD Education Foundation partners with VBSD to support the educational programs for students and staff of the district. It is not considered as a district recognized Booster Club nor an outside organization but an extension of the district.

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Money-Raisers – for activities administered by a VBSD PTA, a District-Recognized Booster Club or any Outside Organization

VBSD PTA and District-Recognized Booster Clubs

Fund-raising activities sponsored by a VBSD PTA or a District-Recognized Booster Club are allowable subject to the following:

- The VBSD PTA or District-Recognized Booster Club initiates the activity and assumes responsibility for conducting it.
- The VBSD PTA or District-Recognized Booster Club may involve participation by the students (as a whole) and school personnel either as contributors (consumers) or workers (non-cash handling).

The Principal, School Secretary, Teacher, or other school staff cannot be involved with:

- Receiving goods for the VBSD PTA or District-Recognized Booster Club.
- Receipting, depositing, or accounting for money raised by the VBSD PTA or District-Recognized Booster Club.
- Paying vendors or otherwise disbursing money for these organizations.
- No money from the VBSD PTA or District-Recognized Booster Club should be left in the care of school personnel

A VBSD PTA or District-Recognized Booster Club's fund-raising activity requires prior approval (Fund-Raising Approval Request Form) of the Principal when it involves:

- School personnel during school hours, or
- Use of school property

Money raised by a VBSD PTA or District-Recognized Booster Club must be deposited to the account of the VBSD PTA or District-Recognized Booster Club, not the school's activity fund account.

Parent-teacher groups should cooperate fully with the Principal and/or activity director in planning activities or raising money.

Principals will use discretion in limiting such money-raising activities to that necessary for the school.

Outside Organizations

Outside organizations should be valid, stand-alone organizations with their own identities. There should be no confusion of their identity with that of the school.

Fund-raisers by Outside Organizations:

- May not use the school's address, tax ID number, or names of school employees in conducting business.
- Shall manage and assume responsibility for their own finances.
- May make donations to the school or to a student club either for a specific purpose or at the discretion of the Principal.

The Principal, the School Secretary, sponsors, or other school staff cannot be involved with:

- Receiving goods for any Outside Organization.
- Receipting, depositing, or accounting for money raised by any Outside Organization.
- Disbursement of Outside Organization funds.
- Have signature authority on any bank account of an Outside Organization.
- Co-mingle money belonging to an Outside Organization in personal checking or savings account.
- Maintain a checking or savings account that contains money belonging to an Outside Organization.

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Sales Taxes – School Purchases

The Van Buren School District is not exempt from sales tax except for items listed under Arkansas Rules GR-69 Exemption from Tax: Textbooks and other instructional materials.

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Competitive Bids Requirements

Board Policy 7.13 relating to purchasing and payment procedures should be followed for all student activity purchases.

7.10 – PURCHASING AUTHORITY

The authority to purchase supplies, equipment, and services is given to the Superintendent and the Business Manager who shall have final responsibility for all purchases. Principals and Supervisors are also given responsibility to make necessary purchases under the direction of the Business Manager and in accordance with district policy.

Through the budgeting process, certain monies are allocated for expenditure. Principals and/or Supervisors responsible for allocated funds are expected to maintain budget limits. Should funds be depleted from any specific budget category, prior approval for additional expenditures must be obtained in writing from the Superintendent.

Principals and/or Supervisors are expected to follow all policies and procedures of the District concerning purchasing. They are to submit on approved district forms (i.e., Requisitions or Purchase Orders) requests for all purchases, with their signature of approval, to the Business Manager (or his designee) for final approval. District monies may not be disbursed unless this procedure is followed.

Non-budgeted District accounts such as Activity accounts or similar accounts or funds must adhere to the same policies and procedures as budgeted accounts.

Approved by Board of Education 3/8/05

7.12 – PURCHASING OF SCHOOL MATERIALS

All purchasing in the Van Buren School District shall be under the direction of the District Administration. Supplies and equipment needed must be requested from the supervisor or administrator authorized to issue purchase orders and on requisition forms furnished by the individual schools. When a requisition is approved, a purchase order shall be completed by the school principal, assistant principal, the band director, or the athletic director in accordance with the approved budget for the program in which the supplies or equipment shall be used. Upon completion of the purchase order, the principal, assistant principal, band director, or athletic director shall sign the purchase order and submit it to the district office for approval. After approval by the Superintendent or Deputy Superintendent, an order may be placed for the supplies and/or equipment.

The Superintendent, Deputy Superintendent, federal program supervisor, special education supervisor, or program administrator may complete purchase orders in accordance with the budgets of the programs for which they are responsible. Bids shall be taken on those purchases for which bids are required by local, state, or Federal laws or by Arkansas Department of Education regulations, and on any purchases that the Van Buren School District Board of Education or Superintendent deem necessary.

Principals of individual schools may complete purchase orders for the expenditure of activity funds controlled by and raised by the individual school organizations and place the orders for supplies and equipment to be purchased from activity funds without the approval of the district administration.

Ref: A.C.A. 6-21-(304-305)

Approved by Board of Education 11/10/92

Revised by Board of Education 12/14/99

7.13 – Bids, Quotations, and Purchases of Commodities

Purchases shall be made in accordance with State laws and procurement procedures governing school purchases that are deemed to be in the best interest of the District and are the result of fair and open competition between qualified bidders and suppliers.

DEFINITIONS

“Commodities” are all supplies, goods, material, equipment, computers, software, machinery, facilities, personal property, and services, other than personal and professional services, purchased on behalf of the District.

“Specifications” means a technical description or other description of the physical and/or functional characteristics of a commodity.

Purchases of commodities with a purchase price of more than \$ 10,000 require prior approval of the Superintendent and/or Business Manager unless an emergency exists in which case the Superintendent may waive this requirement.

The district shall notify in writing all actual or prospective bidders, offerors, or contractors who make a written request to the district for notification of opportunities to bid. The notification shall be made in sufficient time to allow actual or prospective bidders, offerors, or contractors to submit a bid or other appropriate response.

All purchases of commodities in which the estimated purchase price equals or exceeds ten thousand dollars (\$10,000) shall be procured by soliciting bids. Specifications shall be devised for all commodities to be bid that are specific enough to ensure uniformity of the bid and yet not so restrictive that it would prevent competitive bidding. The bid specifications shall not include the name or identity of any specific vendor. The Board reserves the right to reject all bids and to purchase the commodity by negotiating a contract. In such an instance, each responsible bidder who submitted a bid shall be notified and given a reasonable opportunity to negotiate.

Any commodities purchased by the district through an approved purchasing service satisfies the bidding process.

Bids shall be awarded after examination of the bids to determine the best overall value to the District. Bidders submitting written bids shall be notified in writing of the bid award.

The following commodities may be purchased without soliciting bids provided that the Superintendent and/or Business Manager determines in writing that it is not practical to use other than the required or designated commodity or service, and a copy of this statement is attached to the purchase order:

1. Commodities in instances of an unforeseen and unavoidable emergency;
2. Commodities available only from the federal government;
3. Utility services;

4. Used equipment and machinery; and
5. Commodities available only from a single source.

Prospective bidders, offerors, or contractors may appeal to the district's superintendent if they believe the district failed follow district bidding and purchasing policy or state law.

Any award of a contract shall be subject to revocation for ten working days or, if an appeal is received, after resolution of the appeal. This will give prospective bidders, offerors, or contractors the opportunity to appeal the bid award if they believe the facts warrant an appeal. Any appeal shall be in writing by certified mail and received by the district office, "attention to the superintendent" within seven calendar days following the initial and revocable award of the contract. Any appeal must include a statement of all facts and a description of all reasons the appeal should be considered to qualify as an appeal.

If the district receives a qualified appeal of a bid award, it shall notify in writing those prospective bidders, offerors, or contractors who have made a written request to the district for notification of opportunities to bid that an appeal has been submitted. The notification shall state:

- that the contract award has been halted pending resolution of the appeal and could be revoked;
- the reasons for the appeal;
that the recipient of the letter may respond to the protested issues identified in the appeal;
- the date the decision on the appeal will be made and notification sent;
- that if the appeal is upheld, the bidding process will start all over again;
- that if the bidding is re-opened, changes will be made to the request for bids as necessary to satisfy the reasons for upholding the appeal.

The sole authority to resolve any appeal relating to this policy shall rest with the superintendent. The superintendent's decision shall be final and conclusive. In the event the district upholds an appeal, the sole responsibility of the district to the aggrieved bidder(s) shall be the re-opening of the bidding process. No award of costs shall be made.

Legal References: A.C.A. § 6-21-301, 303, 304, 305, 306(b)
A.C.A. § 6-24-101 et seq.

Ref: Act 639 of 1983 and Act 65 of 1987
Approved by Board of Education 2/9/88
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