

Snyder Independent School District

Student Activity Funds Manual

FOREWORD

This Student Activity Funds manual has been prepared to provide direction for the handling of campus Student Activity Funds.

The procedures outlined in this manual are designed to ensure compliance with statutory and policy requirements as established by the Board of Trustees of the Snyder Independent School District and as found in TEA's Financial Accountability System Resource Guide (FASRG) Module 5, Section 5.5 Activity Fund Accounting. Through these procedures, it is anticipated that all Student Activity Funds of the district can be managed and accounted for in a responsible, effective manner. Additionally, these procedures are established to protect the district and individuals who handle Student Activity Funds.

STUDENT ACTIVITY FUND MANUAL

TABLE OF CONTENTS

<u>Purpose of Student Activity Funds</u>	4
<u>Types of Student Activity Funds</u>	4
<u>Expenditures Prohibited from Student Activity Funds</u>	6
<u>Retention of Records</u>	6
<u>General Procedures for Principals</u>	7
<u>General Procedures for Secretaries</u>	9
<u>Revenues and Cash Receipts</u>	9
<u>Expenditures and Cash Disbursements</u>	10
<u>Transfer of Funds Between Accounts</u>	11
<u>Other Record Keeping Responsibilities</u>	11
<u>Travel Advance Payments</u>	12
<u>Sales Tax Information</u>	13
Sales Tax Report	14
One day Tax-free Sales	14
Taxable Items	15
Clarifying Taxing Procedures	16
<u>Fundraising Activities</u>	17
<u>Bid Law Information</u>	18
<u>1099 Information</u>	20
Background Information	20
Record Keeping Requirements	20
Payments Subject to 1099 Reporting	20
Penalties	20
<u>Reimbursements to Student Activity Funds</u>	21

Background Information	21
Procedures	21
Expenditures Not Eligible for Reimbursement	21
<u>Glossary</u>	22
<u>Personnel Contacts</u>	23

STUDENT ACTIVITY FUND MANUAL

PURPOSE OF STUDENT ACTIVITY FUNDS

Student Activity Funds are established at all campuses in the Snyder Independent School District. These funds are designed to account for funds held by a school in a trustee capacity or as an agent for student groups, general campus fund-raisers, and faculty courtesy funds. Student Activity Funds may be used only to promote the general welfare of the school and the educational development and morale of all students. The accounting function for Student Activity Funds is delegated to each campus and must comply with the guidelines and procedures required by this manual.

TYPES OF STUDENT ACTIVITY FUNDS

Student Activity Funds generally consist of two types of funds as defined below:

1. Student Activity Funds:

- Are comprised of monies raised by, and on behalf of, bona fide student organizations and expended under the provisions of their constitutions and/or charters. Funds raised during classroom time do not qualify.
- Shall be expended in such a way as to benefit those pupils currently in school who have contributed to the accumulation of such money. All funds raised by the students must be spent for a particular purpose.
- Student activity fund financial decisions rest solely with the students.
- Must collect sales tax on taxable sale items.
- May not own assets of any kind. Gifts to the school are the only assets that may be purchased. A letter shall be submitted to the Superintendent for acceptance of the gift by the Board.
- Are to be used to finance a program of non-curricular activities supplementing, but not for replacing, the activities provided by the District
- Sponsors/teachers must submit disbursement requests to the campus principal for the organization.
- The campus principals shall be approvers of any payments for that organization. No other school employee shall be an authorized approver.

- Examples of School Activity Fund groups are:

Individual Class Funds	Cheerleaders
Student Council	FCCLA
Band	FFA

- Funds belonging to outside groups, such as the PTO, band booster clubs, or athletic booster clubs ARE NOT Activity Funds and ARE NOT to be the accounting responsibility of the school district. Although such groups and their activities are closely related to school functions or events, they should be handled by officers of the outside group itself, not by District Employees.

EXPENDITURES PROHIBITED FROM STUDENT ACTIVITY FUNDS

Expenditures prohibited by local policy, regulation, or state law may not be made from Student Activity Funds. Examples of prohibited expenditures are:

- Travel advances
- Loans to employees, parents or students
- Individual's professional dues
- Membership in private clubs
- Alcoholic beverages, controlled substances, firearms
- Purchases from any District employee
- Articles for personal use of District employees
- Gift Cards or Cash may never be given to an employee as a gift
- Charitable contributions
- Spousal travel
- Traffic citations
- Payments to an employee for services within the normal scope of duties

RETENTION OF RECORDS

Student Activity Fund records shall be kept on file at the school through the fiscal year-end plus seven years.

STUDENT ACTIVITY FUND MANUAL

GENERAL PROCEDURES FOR PRINCIPALS

The Principal in each school shall be responsible for the proper administration of each campus Student Activity Fund in accordance with any applicable provisions of state or local law and the appropriate accounting practices and procedures.

The school Principal is the custodian of the Student Activity Fund and is responsible for the management of and "accounting" for it. The management of the Student Activity Fund shall be in accordance with sound business practices including sound accounting procedures and thorough audits.

Principals shall participate in the preparation, modification, and interpretation of policies, regulations, and procedures affecting Student Activity Funds.

The Principal, as trustee, is responsible for replacement of campus activity money improperly spent.

All money deposited in the Student Activity Fund shall be disbursed by the Principal for only such purposes as may be authorized by action of the club or upon approval of the sponsor. The Principal shall not authorize expenditures from individual accounts which would result in a deficit balance in that individual account. **The Principal will not authorize reimbursement to himself/herself.** Any reimbursement to a principal requires the reimbursement authorization to come from the superintendent.

All checks issued on a Student Activity Fund shall be approved by the Principal. An assistant Principal may approve checks instead of the Principal only if the Principal is out of town. The approved check requests will be sent to the business office for check issuance.

The Principal, or his/her designee, shall approve all fund-raising activities in accordance with existing Board policy. A definite need must be established before approval can be granted. Projects for the raising of Student Activity Fund monies shall, in general, contribute to the educational experience of pupils and shall not conflict but add to the instructional program.

The Principal's approval is required for all purchases. The school Principal is responsible for all purchases and purchase commitments requiring the present or future disbursement of Student Activity Fund monies. Sponsors/Teachers must have a check request signed by the school Principal before making any purchase. This requirement includes commitments and obligations to vendors connected with fund-raising activities.

All contracts, installment contracts, lease agreements, and letters of agreement must be signed and approved by the school Principal. This requirement includes commitment and obligations to disc jockeys, bands, reservations at hotels for party rooms, ballrooms, and restaurants. No contract or agreement may extend over a period of one (1) year from the date of the contract or agreement without a specific authorization in writing by the Superintendent or his representative.

STUDENT ACTIVITY FUND MANUAL

GENERAL PROCEDURES FOR SECRETARIES

Revenues and Cash Receipts

1. All funds collected by school groups or organizations shall be deposited in the campus activity account.
2. Receipts must be written for all monies received (with exceptions noted below). Only receipt books issued by Snyder ISD and checked out from the business office will be used. Receipts must be written in duplicate with the second copy (usually yellow) remaining intact in the receipt book.

All monies raised by students must be deposited in the Student Activity Fund. Daily deposits must be made to the secretary at each school for any collections that are made. **NO MONEY IS TO BE LEFT IN THE CLASSROOM.**

3. A **Tabulation of Monies Collected Form** must be prepared and turned in with the deposits from sponsors. This form will indicate the total amount and a breakdown of the monies (currency, checks, nickels, dimes, etc.) A list of the receipts from the **receipt books that correspond with this deposit** must be indicated as well as the source of funds (i.e. dues, candy sales). The total amount of the receipts indicated must match the total of the deposit.
4. When money is turned in to the secretary, a receipt will be issued to the sponsor. The sponsor must be present when the money is counted and receipted. If the money cannot be counted when it is turned in, then the money shall be put in a sealed envelope and put in a vault until such time as both the secretary and the sponsor can be present. In any case the money must be counted and receipted by the close of the following business day.
5. The business office monitors cash balances at the bank for compliance with the depository contract as well as inadequate balances in checking accounts, need for transfers from time deposit accounts, etc.
6. When checks are received from vendors through the mail (i.e. coke commission), no receipt or deposit verification form is required. Simply note on the deposit slip the name of the vendor.
7. Receipts and receipt books should be used in a sequential order. Do not use two different receipt books at the same time.
8. Each deposit slip should indicate the receipt #'s being deposited, if any.
9. Under NO circumstances should cash be sent through the school mail.

OVERALL, THE SECRETARY SHALL CAREFULLY DOCUMENT, ANALYZE, RECORD, AND RECONCILE REVENUE ACCOUNT BALANCES.

Expenditures and Cash Disbursements

1. The business office shall have check request signed by the principal before checks are issued. Before submitting the check request form to the principal, the Student Activity Fund sponsor shall attach an **original** invoice or bill of sale to the disbursement authorization form. Payments shall not be made from "Statements" alone; rather **original** invoices must be matched to the statement and disbursement authorization form. If the correct information is not sent a Return form will be sent back to let the sponsor know what is needed.
2. Activity Fund checks are processed every Wednesday.
3. The business office determines if funds are available before making any disbursements. All invoices are paid by sequential, pre-numbered checks. After payment of vouchers, the original documentation should be defaced to ensure that invoices are not mistakenly paid twice.
4. All bills should be submitted to Accounting for payment in a timely manner. The only exception to this practice is if a dispute exists over a billing. Disputes should be documented in the account records and should be resolved as quickly as possible.
5. Whenever possible an order should be placed using a purchase order. Prepayment on orders is prohibited unless the vendor specifically requires payment in advance.
6. All checks returned NSF from the bank will be forwarded to the appropriate campus. It will then be the responsibility of the sponsor or department head to collect on the funds.
7. Each campus will have a different color coded Check Request. Please use the color of check request that is furnished.
8. The Check Request form must be completed for all expenditures regardless of the amount. A copy of the request will be returned to the sponsor if a duplicate is attached to the documentation. This is to provide a method for the organization to account for expenditures. The copy will include the date that it was paid and the check number.
9. All checks are required to have dual signatures for payment.
10. The business office needs to be aware of the bid law requirements and is also responsible for reviewing the sales tax information, making sure that all sales tax is collected and reported properly.

Transfer of Funds between Accounts

Periodically it may be necessary to adjust accounts due to errors in posting or record the transfer of funds between accounts. The transfers can be done by sending a Check Request form and noting that this is a transfer on the top right hand corner of the form.

Transfers to General Fund will be handled in the same manner. Complete a Check Request Form with the budget number that it needs to be transferred on the form.

Other Record Keeping Responsibilities

1. A summary report for each student activity account (that reflects all transactions for that account) will be provided by the business office monthly. The business office must reconcile bank statements for the Student Activity Fund (including all credit union and savings accounts) and resolve any discrepancies within 10 days of the receipt of the bank statement.
2. After the bank statement is reconciled, reports will be printed that show:
 - a. Balances in each account
 - b. Transactions for the month and how they were categorized
 - c. Bank reconciliation report (detail) with outstanding checks and deposits
3. The business office is to keep the principal informed at all times of any discrepancies found with any account or unusual happenings or circumstances with sponsors (i.e., sponsor turns in a deposit with checks dated six months earlier).
4. The business office is responsible for obtaining a completed W-9 prior to doing business with a vendor, documenting information in the system, and will need to send a 1099 in January for income tax purposes to qualifying vendors.

STUDENT ACTIVITY FUND MANUAL

TRAVEL ADVANCE PAYMENTS

Advance payment may sometimes be requested for necessary expenses expected to be incurred by student groups engaged in out-of-town travel as well as local school activities and events. Procedures in these cases are as follows:

1. Employees will only be allowed travel advances for travel with student groups. Advances for employee-only travel are prohibited.
2. The activity sponsor shall make a written request on the Travel Request form for an advance stating the amount needed, reason needed and date(s) of trip.
3. Requests require the principal's approval. Once approved, the request will go to the business office for payment.

At the completion of the activity, the sponsor shall send to the business office all invoices, receipts, sales slips, etc., supporting the actual amount of expenses and shall return any unused funds.

1. The secretary will issue a cash receipt to the activity sponsor for money returned.

Remember the following important points regarding travel requests:

- The activity sponsor receiving an advance is responsible for any money advanced.
- Use advance payments only for the purpose approved by the Principal on the Travel Request Form.
- 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 competing judges.
- Get receipts for all advanced money spent.
- **The settlement of all advances must be completed no later than 15 days after termination of the activity.**
- The teacher/club sponsor is responsible for undocumented money and money spent in violation of these procedures.

STUDENT ACTIVITY FUND MANUAL

SALES TAX INFORMATION

Generally, all items purchased by a school for its own use in providing education are exempt from the Texas sales tax. For its "own use" means the organization making the purchase intends to make exclusive use of the item and will not offer it for resale. Any items purchased for resale to others (i.e. t-shirts) are taxable.

When reimbursing a district employee for purchases made on behalf of and for the exclusive use of a school, sales tax shall not be reimbursed to that person. To keep the person who makes the purchase from having to absorb the sales tax, complete and give them a "Texas Sales and Use Tax Exemption Certificate" before they make the purchase. A purchase order is sufficient proof of a school's exempt status. The certificate/purchase order authorizes the vendor to make the sale tax exempt.

All items purchased to re-sell during a fund-raising event or as part of students' activities such as P.E. uniforms, school supplies, locks, and t-shirts shall be made as non-taxable purchases from the vendor.

Whether items are purchased in-state or out-of-state does not determine if a transaction is taxable or not taxable. If an item is purchased for resale, vendors should be issued a resale/exemption certificate. It is recommended all purchases be made tax-exempt. This helps prevent duplicate payment of sales taxes.

Reminder: If the items purchased are sold at a profit and tax has already been paid to the vendor when purchased, sales tax is due on the difference between the total selling price and the total costs.

EXAMPLES

Example 1: Cheerleader uniforms are taxable unless sold to an exempt entity. Snyder ISD is exempt; however, students attending Snyder ISD are not exempt. Therefore, if a school buys two uniforms for each cheerleader and the cheerleader purchases one of the uniforms from the school, then the uniform paid for by the student is taxable and belongs to the student, the other uniform would need to be returned to the school.

Example 2: Suppose the school pays for two cheerleader uniforms for each cheerleader. The uniforms are tax exempt because the school purchased and did not resell to the student. The uniforms belong to the school and should be returned.

SALES TAX REPORT

Sales taxes for all taxable transactions shall be properly collected, reported online, and remitted each month, including the summer months, to the Business Office by the tenth (10th) of each month. A report indicating no sales tax due is required for months in which a school has no taxable sales.

Calculate "Amount of Sale" for items sold at your school during a month by using the following formula:

$$\begin{aligned} & \text{Total Money Collected} \\ & \quad (\text{divided by}) \\ & 1 + \text{TAX RATE } (.0825) \\ & = \text{AMOUNT OF SALE} \end{aligned}$$

Let's say your school sells 100 t-shirts for \$6.00 each = \$600.00 total sales money collected. This money includes the sales tax collected also. Apply this information to the formula:

$$\begin{aligned} & \$600.00 / 1 + .0825 \\ & \$600.00 / 1.0825 = \$554.27 \end{aligned}$$

ONE DAY TAX-FREE SALES

Each school (school wide), each organization within a school (Student Council, National Honor Society, Band, Senior Class, FFA), each PTO, and each booster club CAN HAVE TWO (2) ONE DAY TAX-FREE FUND-RAISERS PER CALENDAR YEAR.

The exempt organization may designate which two sales or auctions during the calendar year are exempt one day sales. The one day tax-free event can be either a 24-hour period during which sales are made, or it can be a fund-raiser in which advance orders are taken by the exempt organization over a period of time and delivery of the products ordered is made to the exempt organization in one 24-hour period. Orders should then be delivered to the purchasers by the exempt organization upon receipt of the products. There is no set "reasonable period of time" for distribution, but the persons who placed the advanced orders should receive the merchandise as soon as possible to avoid confusion as to which sales by the exempt organization are the one day tax-free sales. The seller may accept a valid and properly completed exemption certificate from an exempt organization that is holding a qualifying one day tax-free sale.

One day tax-free sales mean that sales taxes do not have to be collected and remitted to the state on these type sales. However, the sales must be reported on the School's monthly tax reports to the Business Office (show the description, date, and the total amount collected for the one day tax-free sale in the lower part of the report).

TAXABLE ITEMS

The following list of items or activities have been identified as being TAXABLE when sold by a school, by an organization within a school, PTOs, Booster clubs, and employee associations. The list is not all inclusive.

- Art supplies
- Athletic equipment and uniforms
- Automotive - parts and supplies (not labor)
- Auctions and silent auctions
- Band equipment and supplies (reeds, recorders, etc.)
- Books including cookbooks, library books, work-books, and textbooks (payments for LOST textbooks are NOT TAXABLE)
- Calculators
- Candles
- Clothing including t-shirts
- Concession sales (except when part of a fund-raiser)
- Copies - collections from coin or manual copiers
- Cups - glass, plastic, paper, etc.
- Directories - student
- Drafting supplies
- Gift wrap paper, balloons, etc.
- Handicrafts
- Horticulture items
- Identification cards
- Lock sales
- Lock rental fees (not the deposit portion)
- Magazines - when sold individually
- Magazine subscriptions sold for less than 6 months
- Musical supplies
- Parking permits
- Pennants
- Pictures - school
- Pompons
- Publications - yearbooks, football programs
- Pre-vocational lab sales - printing, paper goods, etc.
- Programs - athletic, etc.
- Recorders - musical
- Reeds - band
- Rings - school
- School store - all items sold by school stores
- Stationery
- Towel rentals to student - (towel rentals to a school are not taxable); (gym usage fees are not taxable)
- Tickets sold to play a game at a booth for a prize
- Uniforms - P.E., cheerleader (when student property)
- Vending - pencils and other non-edible supplies
- Yearbooks - unless one of two, one day tax-free sales

CLARIFYING TAXING PROCEDURES

A Message from the Office of the State Comptroller:

No sales tax is due if an item is for the school's use or is used to educate students. This includes books, desks, and overhead projectors - almost everything in a classroom.

On the other hand, sales tax is due when an item is for an individual's use and the school sells it to the student. This is true even if the item is used for a school activity. For example, cheerleaders owe tax on their uniforms and band members owe tax on their musical instruments.

When staff or students are on school trips or business, meals which the school buys are exempt from sales tax if the school contracts and pays for the meals. However, any meals that individuals buy are taxable.

Teachers, coaches and others must pay sales tax on individual purchases even though the school reimburses them for expenses.

Schools are exempt from the state's six percent hotel occupancy tax, but not from local hotel taxes, which vary statewide from one to seven percent. Schools are also exempt from the motor vehicle rental tax. An exemption form is available from the business office.

When a school is responsible for an activity, it is also responsible for making sure that tax is paid on any taxable items that are sold there. The school can still buy the items tax free, but it needs to collect the tax when the items are sold. A school-related organization can assume the responsibility for this if the school does not.

Unless the fund-raiser qualifies as a one day tax-free sale, schools shall always collect tax on:

- supplies which the school purchases and later sells to students. This includes athletic equipment and physical education uniforms.
- fees for materials when the student keeps the end product, e.g., wood, jewelry supplies
- student publications such as yearbooks and football programs
- school rings
- any items being sold unless the item is food. Any food or drink sold to students during school hours is exempt.

Schools do not need to collect sales tax on:

- fees and admission tickets, including football and drama tickets
- club memberships
- deposits
- sales of meals and food, including candy and soft drinks sold during a regular school day by a school, student organization or PTA which has an agreement with the school;
- sales of whole cakes or pies; and
- food and drinks sold at PTA carnivals.

There may be some situations that crop up that aren't covered here. If that happens, call the Comptroller's office at 1-800-252-5555 from anywhere in Texas.

STUDENT ACTIVITY FUND MANUAL

FUNDRAISING ACTIVITIES

Fund Raising is an organized activity to raise funds for an organization or campus. All fund raising activities involving a vendor or requiring public solicitation must first be approved by the Principal and Chief Financial Officer. Campuses are not allowed under Texas Law to conduct raffles, bingo, and other games. Each campus and/or organization will be allowed two fund raising activities per year which involve an outside vendor. Additional funds may be generated through service projects with the prior approval of the principal.

Prior to any fund raising activity, all campuses must complete a Fund Raising Application. This requirement includes all sponsors desiring to begin a fund raising activity. This application details the vendor, product to be sold or service to be rendered, and the estimated sales proceeds. Sponsors who do not properly manage their activities and have large monetary amounts outstanding will not be allowed to conduct subsequent fund raising activities. Under no circumstances should door-to-door solicitation be allowed nor should the organization enter into a contract with a solicitation firm.

Monies which are uncollected due to the failure of a student to remit funds should be detailed on the recap form. These records should be maintained by the campus so that the monies can be collected at registration or prior to graduation.

Within one month of the close of the activity, the fund raising recap portion of the Fund Raising form must be completed and forwarded to the Accounting Department. This form details the total receipts and expenditures of the sale and provides a section to detail lost, damaged or returned products. This form can be easily completed from the information on the Tabulation of Money Collected Forms.

A copy of the approved application and the recap should be attached to the voucher for payment of the merchandise.

STUDENT ACTIVITY FUND MANUAL

BID LAW-TEXAS EDUCATION CODE

Sec. 44.031.Purchasing Contracts

- (a) Except as provided by this subchapter, all school district contracts, except contracts for the purchase of produce or vehicle fuel, valued at \$50,000 or more in the aggregate for each 12-month period shall be made by: competitive bidding, competitive sealed proposals, a request for proposals (for services other than construction services), an inter-local contract, a design/build contract, a contract to construct, rehabilitate, alter, or repair facilities that involves using a construction manager, a job order contract for the minor construction, repair, rehabilitation, or alteration of a facility, or the reverse auction procedure defined by Section 2155.062(d), Government Code.

The following are questions and brief answers concerning bid law. The answers are based on bid law or Attorney General Opinion.

- Q: If I find a better price on an office supply from a local retail store, may I buy it and get reimbursed?
- A: No. The majority of office supplies needed by the District must be delivered and billed. In order to get the best price on the majority of items the vendor must feel fairly confident that his company will get the majority of the business. Volume helps to make a small margin go a long way. Although you can find a few products that will be priced less than our contracts, buying off contract causes the majority of item prices to go up so the District pays a great deal more than you save. Try to remember that the Wal-Mart's and Office Depots of the world do not have to cover the cost of delivery or billing.
- Q: Must a school follow the bid law when spending site based funds?
- A: Yes.
- Q: After using school activity money to purchase items off contract, may we get reimbursed from the General fund?
- A: No. General fund money must be spent following the bid law.
- Q: Can a district take advantage of special offers, sales etc.?
- A: Yes. Up to a certain dollar limit, \$50,000 dependent on its current contract status. It is important to remember that the dollar limit is for the whole school district not per school. The per school limit might equal \$520. Only the business office has an idea of when the District has reached that limit per category.
- Q: May a district reject any and all bids?
- A: Yes. If for any reason the district feels the bid received did not meet or exceed specifications the board has the authority to reject bids.

Q: Is direct mailing of bid specifications to vendors required in addition to advertisement in a newspaper?

A: No. Although it is in our best interest to do so.

Q: Must a bid award for personal property automatically be to the lowest bidder?

A: No. It is not always in the best interest of the District to accept the low price. A less expensive item that must be replaced or repaired often costs more. The new state law allows price, vendor reputation, quality, vendor history, total long term cost or any other relevant factor be used when awarding bids.

Q: Is a low bidder that is not awarded a bid required to be notified and provided a public hearing?

A: No. Unless it is a construction project.

Q: Can bidding be restricted to only local bidders?

A: No.

Q: Are there a minimum number of bids that must be received before the bid award?

A: No. Well, at least one.

Q: May a district award multiple bids?

A: Yes. However, awarding bids to every vendor is discouraged because this would not serve to promote competition. Vendors who are aware that their bids will be picked apart will not bid their best prices to products they have exclusive right. Vendors that know they will always get some but not all the business will not provide the best service to an account when they know they have little chance of losing or gaining business.

STUDENT ACTIVITY FUND MANUAL

1099s

BACKGROUND INFORMATION

Snyder ISD is subject to Internal Revenue Service requirements for 1099 reporting. Basically, this means that Snyder ISD must file an informational return with the IRS for payments made to a non-employee when paid \$600 or more.

As a part of the District, payments made from Student Activity Funds must also be included on 1099 reports. The accounting department will actually file the reports. However, the Student Activity Funds must provide the accounting department with information as detailed in the section below.

RECORD KEEPING REQUIREMENTS

For each vendor you pay for services or fees:

- Have the vendor complete a W-9 form BEFORE you make the payment. A W-9 form is included in the forms section; copies can be made.
- Make sure the W-9 has the following:
 1. Name
 2. Address
 3. A tax identification number
 4. Signature

W-9 information will be documented in the system.
PAYMENTS SUBJECT TO 1099 REPORTING

Any payments exceeding \$600 paid are subject to 1099 reporting.

If you have a question about a disbursement, please call the business office.

PENALTIES

Snyder ISD is subject to serious financial penalties from the IRS for failure to provide accurate 1099 information. The penalty is \$50.00 per 1099 per year. Any penalties incurred due to a payment made from a Student Activity Fund will be passed on to the Student Activity Fund.

STUDENT ACTIVITY FUND MANUAL

REIMBURSEMENTS TO STUDENT ACTIVITY FUND

BACKGROUND INFORMATION

Good business practices require that all purchases be made through the business office. This helps to ensure that the District is getting the best price for quality products. Adhering to established procedures also helps to ensure that we comply with all District policies as well as governmental regulations such as bid laws, sales tax, 1099s, etc.

Emergencies and exceptions will arise. The sponsor/principal may request permission from the Business Office to use student activity funds for these exceptions. If approval is granted, the student activity fund will be reimbursed from other district funds.

PROCEDURES

- Reimbursement requires prior approval and must be requested within 30 calendar days of the expenditure. Requests after 30 days will be denied.
- Complete a Check Request form for the items being reimbursed.
- Make copies of the invoices or receipts for your files.
- Attach ORIGINAL invoices or receipts to the hard copy of the Check Request form, and send it to the business office.

EXPENDITURES NOT ELIGIBLE FOR REIMBURSEMENT

The following items will not be reimbursed:

- Items purchased in violation of bid laws
- Sales tax
- Items for which there is no receipt
- Other items prohibited by District policy or state law (i.e. spousal travel, alcoholic beverages, personal expenses, etc.)
- Advances for employee only travel

STUDENT ACTIVITY FUND MANUAL

GLOSSARY

Student Activity Fund	A fund maintained at the school campus for the benefit of that campus.
Bid Law	State of Texas requirement that certain purchases made by state agencies follow a prescribed bidding process.
Bona-fide Student Organization	An organization which consists of a student body, elected student officers, by-laws, and a faculty sponsor/advisor, with program activities approved for the current school year. A department (i.e. English) or classroom activity does not meet this eligibility requirement.
FASRG	Financial Accountability System Resource Guide http://www.tea.state.tx.us/index4.aspx?id=1222
Fiscal Year	The "accounting year" is September 1st through August 31 st .
Sales Tax	A tax levied by taxing authorities (State of Texas and City of Snyder) on the sales of goods and services.

Snyder Independent School District

Activity Funds Personnel Contacts

Dr. Randy Burks
Ext. 3301

Chief Financial Officer
rburks@snyderisd.net

Amanda Weaver
Ext. 3305

Activity Fund Checks
aweaver@snyderisd.net

Kitty Welch
Ext. 3303

Activity Fund Deposits
kwelch@snyderisd.net