SAN DIEGO ISD

Home of the Fighting Vaqueros

STUDENT ACTIVITY FUND MANUAL

2025-2026

SAN DIEGO INDEPENDENT SCHOOL DISTRICT STUDENT ACTIVITY FUND MANUAL

SECTION 1
GENERAL INFORMATION

1.1 PURPOSE OF STUDENT ACTIVITY FUNDS

The Student Activity Fund is designed to account for funds held by a school in a trustee capacity or as an agent for students, club organizations of the campus, teachers and the general administration of the school. These funds are used to promote the general welfare of each school and the educational development and morale of all students. The Student Activity Funds are delegated to each campus and must comply with the guidelines and procedure required by this manual.

1.2 RESPONSIBILITY FOR ACTIVITY FUNDS

The school principal is responsible for the proper collection, disbursement and control of all activity fund monies. This responsibility includes:

A. Providing for the safekeeping of monies.
B. Proper accounting and administration of fund transactions.
C. Expenditure of funds in compliance with applicable state laws, and local board policy administrative guidelines.
D. Adequate training and supervision of all personnel designated by the principal to administer activity funds.

The principal is not responsible for funds collected, disbursed and controlled by parent or booster organizations. These parent and booster organizations funds are not to be accounted for in the school's Activity Fund.

1.3 AUDIT OF STUDENT ACTIVITY FUNDS

The Activity Fund is audited annually by the District's Independent Auditor. In addition, an audit is to be performed whenever there is a change in principal or Activity Fund Coordinator. The principal may request in writing a special audit if a situation or event warrants it.

1.4 RETENTION OF RECORDS

All records should be kept current and in good order for a period of fiscal year end +3 years and available for audit at any time.

SECTION 2 BASIC RECORDS

General Policies

All expenditures shall be paid by check from the appropriate account. No checks will be issued without prior authorization from the Principal. **Under no circumstances should cash collected for a fundraiser ever change hands to make a payment**.

Checks will be made to a specific person, company or organization. Checks must not be made to "cash" or to the school itself.

Funds held for either the Campus or Student Activity Account may not be used to cash checks. This practice is strictly prohibited because check cashing, in effect, is a loan until the check has cleared the bank.

Purchases of a personal nature shall not be commingled with purchases made for district use. Personnel cannot use the district's tax-exempt status to avoid paying sales tax on personal items. If an employee makes both personal and school related purchases from a vendor at the same time, the two purchases must be rung up separately.

2.1 ACTIVITY FUND CASH RECEIPTS

The Activity Fund Cash Receipts are the means of accurately recording cash received and provide support for each bank deposit. For control purposes, there should be at least two people involved in the collecting and depositing of cash. Therefore, all student activity fund "fund raising activities" will have a sponsor plus another school employee to count any and all money received.

2.2 REQUSITION AND PURCHASE ORDERS

Before a check for a purchase or an advance may be issued, proper Purchase Order procedures must be followed:

- Purchases must be made using a SDISD approved vendor; the PO must be approved by Campus Principal. All supporting documentation must be turned in at the time of the PO creation.
- Secretaries will enter the requisition in Ascender and the Principal can then approve the requisition. Final approval will be from the Director of Finance & Support services. A purchase order will be created after final approval. After a Purchase Order is assigned, you will be able to place your order.

Under no circumstances will a payment be authorized when there are not sufficient funds in the account.

Every Purchase Order that is ready for payment from the Student Activity Account must be documented further by some additional support. In most cases this will be an invoice which will be presented along with the Purchase Order.

The Principal should use professional judgment to obtain the most appropriate written evidence that the expenditure was made to the payee named on the check, in the amount indicated on the check, and that it was made for legitimate purposes.

The following list, although it is not considered all-inclusive, outlines alternate forms of support until the actual invoice is available.

1. A copy of an order form may be used when an order is placed and paid in advance. This could involve periodicals, seminar fees, etc.

The following are NOT considered support for checks:

1. Statement rather than the invoice they reference.
2. Note from sponsor detailing costs without receipts or invoices attached.

This additional documentation is critical for maintaining control over the Student Activity Accounts. It is the responsibility of the sponsor or other designated employee who requests a check to provide all of the support required in this section. It is ultimately the Principal's responsibility to see to it that these requirements are met.

2.3 BANK DEPOSIT SLIPS

Deposit slips, once validated by the bank, serve as a record for the specific date that receipts were credited to the bank account. Deposit slips are obtained from the bank as needed and must be printed with the school's Activity Fund account name.

2.4 MONTHLY BANK STATEMENTS

The bank statement is the official bank record reflecting all transactions affecting the cash balance on deposit during the preceding month. When properly reconciled, the statement serves as official support for the cash balance indicated in the Activity Fund records. A bank statement should be received and reconciled for all accounts including checking and investments no later than 20 working days after receipt from the bank. The bank should be notified that the bank statement should be prepared on the end of month cycle for all activity fund accounts.

SECTION 3 BANKING PRACTICES AND PROCEDURES

3.1 BANK ACCOUNTS

A. Three bank checking accounts will be used to account for all student activity monies. They are entitled "San Diego High School Student Activity Account", "Bernarda Jaime Junior High Student Activity Account", and "Collins-Parr Student Activity Account". All monies received will be deposited into these accounts, and all disbursements will be made by a check drawn on these accounts.

B. Only Activity Fund transactions may be directed through the Activity Fund bank account. Transactions controlled by outside organizations such as the PTO or booster clubs, must be handled through these supporting groups' own bank accounts. Those supporting groups should use their own federal identification number with the bank accounts and **Can Not** use the federal identification number of the school district.

3.2 CHECK SIGNATURE

A. The student activity bank account shall have two authorized check signers, the Director of Finance & Support Services and the Payroll clerk or Superintendent in the absence of the Director of Finance & Support Services or Payroll Clerk.

B. Each check will be electronically signed.

3.3 BANK RECONCILIATION

A. One of the most important aspects of activity fund management is the prompt reconciliation of the Activity Fund bank account. It is the Director of Finance & Support Services Officer's responsibility to see that the bank reconciliation is completed on time each month.

B. Upon receipt, the bank statement is reconciled to the student activity account.

3.4 MONTHLY REPORTS

The Sponsor should create the following reports on a monthly basis for Student/Parent Information:

A. Detail Receipt of items being purchased by Parent.
B. Report of Balance of Activity Account to Parent.

SECTION 4 ISSUING RECEIPTS

4.1 GENERAL RECEIPTING PROCEDURES

A. The Deposit Verification Form and receipt must be completed in its entirety, including:
   1. Date, activity name and amount.
   2. The individual or firm submitting the money.
   3. An explanation of the purpose for which the money was received.
   4. The signature of the person receiving the money. The signature must be manual; signature stamps are forbidden.

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

C. Personal checks cannot be accepted from any source.

4.2 RECEIPT OF MONEY BY PERSONS OTHER THAN THE CAMPUS SECRETARY/ACTIVITY FUND SPONSOR

A. A distribution record must be kept of all teachers, sponsors and other individuals approved by the principal to collect funds.

B. Money may be collected by an authorized individual other than the Activity Sponsor for such items as books, student fees, fund raising activities, etc. In such circumstances, the individual collecting the monies must account for the monies collected as follows:

1. Deposit Verification Form must be completed with all information provided.
2. Sponsors are not to take money home or keep money unsecured in classrooms after hours. Large cash collections (i.e. Greater than $50.00) should be deposited with the Business Office each day funds are collected.
3. Collections shall be submitted to the Business Office weekly or whenever the aggregate amount of such exceeds $50.00.
4. The original completed Deposit Verification Form shall be sent with monies collected to the Business Office who will count the funds and prepare an Activity Fund Cash Receipt once the deposit total is verified. The Business Office should also sign the Deposit Verification Form.
5. The Business Office should keep on file for 3 years for audit purposes the original Deposit Verification Form.
6. Individual sponsors/collectors should keep verified copies of the Tabulation of Monies collected for 3 years for audit purposes.

SECTION 5 DEPOSITS OF FUNDS

5.1 GENERAL OPERATING PROCEDURES FOR BUSINESS OFFICE

A. Deposits must be made whenever cash collections exceed $50.

B. Deposits should always be made on Friday even though the cash on hand does not exceed the maximum allowable. Un-deposited receipts at the close of the school week (normally Friday except in the case of holidays) should be kept at a minimum.

C. All checks held for deposit shall be endorsed as follows:
"For Deposit Only"
"Student Activity Account name"
"Account Number"
It is recommended that all checks be endorsed at the time they are received or accepted.

D. All monies on hand at the end of the school year, should be deposited prior to closing the books for the year.

5.2 PROCEDURES FOR PREPARATION OF BANK DEPOSITS

A. A bank deposit slip shall be prepared in duplicate and shall include the following:
1. The date and amount of the deposit along with the name of the group to which the deposit belongs.
2. A listing of each check in the deposit.
B. The original copy of the deposit slip should be validated by the bank and returned at

the time of the deposit to the school records. The Business Office should verify the validated amount of the deposit slip.

C. The sum of the amounts of the supporting cash receipts must agree with the amount of the deposit slip.

5.3 CASHING OF CHECKS

A. The practice of cashing personal and/or payroll checks is **Not Allowed.**

SECTION 6 DISBURSEMENTS

6.1 GENERAL POLICIES

A. All expenditures shall be paid by check from the Student Activity Fund checking account.
B. Income received from a specific group can only be expended for that group. The principal shall ensure that expenditures from these accounts are written for the intended purpose of the group and should not be diverted for other uses.
C. No expenditure of funds shall be approved by the principal unless sufficient funds are available in the appropriate activity account. Thus, no check shall be drawn on any account with a negative balance.
D. Any and all checks made payable to vendors through student activity funds is subject to receiving a Form 1099 for providing services to the organization.

6.2 SCHOLARSHIPS

A. Scholarships will be awarded and shall be reviewed by the guidance counselor and Principal.
B. Certificate of award, college/university course schedule or military acceptance letter must be provided along with check request in order for student to receive a check.

6.3 ISSUANCE OF CHECKS

A. No expenditure of funds shall be approved by the principal unless sufficient funds are available in the appropriate activity account.
B. Payments must always be made to a specific person, company or organization. Checks shall **NEVER** be made payable to "cash."
F. Checks will only be issued once a week. All Purchase Order forms and supporting documentation must be turned into the business office no later than 10am on Monday to be issued a check that week.

6.5 ADVANCE PAYMENTS

A. Advance payment may sometimes be requested for necessary expenses to be incurred by clubs or other student groups engaged in out-of-town travel.

B. The Purchase Order shall indicate that the check is for a travel advance.

C. Upon completion of the activity, the sponsor shall return any unused funds for issuance of a receipt. All supporting documentation and receipt for unused funds shall be attached to the original Purchase Order Form.

D. The settlement of all advances shall be completed no later than ten (10) days after completion of the activity for which the advance was made. In all cases, settlement should be attained prior to the end of the school year.

SECTION 7 PETTY CASH

Petty cash accounts are not allowed.

SECTION 8 PURCHASING POLICIES AND PROCEDURES

8.1 PURCHASES FROM ACTIVITY FUNDS

A. The school principal is fully responsible for all purchases and commitments requiring the present or future disbursement of Activity Fund monies. Teachers must have a commitment from the school principal before making any purchase in the name of the school.

B. No purchases shall be made unless sufficient funds are available in the proper Activity fund Account.

SECTION 9 STATE, LOCAL SALES AND FEDERAL EXCISE TAXES

9.1 TAXABLE STATUS OF PURCHASES

Ruling No. 95-0 from the State comptroller, effective October 1, 1969 states: "The sale, lease or rental of tangible property directly to or for storage, use or other consumption of tangible personal property directly by an educational organization…, which property is necessary to its function as such, and paid for by the organization is exempted from the computation of (state and local sales) taxes." Provisions under Article 21-023 of the Federal Statutes provide tax exemption to the School District. In accordance with these rulings:

A. TAX FREE PURCHASES

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

Purchases for their own use by individuals, even though connected with a school or school organization, are not exempt from the tax. Examples – cheerleaders purchasing their own uniforms, band member purchasing their own instruments and athletic teams purchasing their own jackets.

B. EXEMPT FOOD SALES

The sales tax is not collected on meals and food products, including candy and soft drinks, served in a school event, student organization.

This exemption from the sales tax applies to guests, employees, or teachers.

The sale of food, including candy and soft drinks, is exempt from the sales tax when sold by an organization associated with a public or non-profit private elementary or secondary school (Future Farmers of America, National Honor Society, etc.). If:

1. The sale is part of a fund-raising drive sponsored by the organization; and
2. All net proceeds from the sale go to the organization for its exclusive use.

C. TAXABLE SALES

1. Supplies and Publications-

Public and non-profit private schools and school-related organizations must collect the sales tax on the following:

   a. Fees for materials when the end product becomes a possession of the student.

2. Sales by Teachers and Students-
   Teachers and students **MUST COLLECT** the sales tax on merchandise other than food products they sell.
3. There are no Tax-Exempt numbers. Exemption certificates DO NOT require numbers.

SECTION 10 FUND RAISING ACTIVITIES

10.1 DEFINITION OF FUND-RAISING ACTIVITIES

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

10.2 FUND-RAISING ACTIVITIES FOR A SCHOOL

A. General

1. Fund-raising activities are not confined to regular school hours but are considered an extension of the school program. When fund-raising activities are in the name of the school, all funds raised become school funds, belonging to the school-sponsored group responsible for raising the money.
2. Each organization is limited to **ONE** fund-raising activities.
3. To request permission to conduct any fund-raising activities, the club sponsor must complete the Fund-Raising Application.
4. All requests submitted will be screened by the Campus Principal.
5. At the end of each fund-raising activity, the organization shall report to the principal regarding the outcome of each fund-raising activity and how these funds were used.

B. ACCOUNTING FOR FUND-RAISING ACTIVITIES

1. Collection and Disbursements:
   a. All collections must be received and all payments must be made in accordance with Section 4 of this manual.
   b. All collections and disbursements associated with any fund-raising activity coordinated by the school or a school-recognized student group shall be transacted through the Student Activity Fund.
2. Upon completion of fund-raising activities, the sponsor will bring all money fund raised to the Business Office for deposits.
3. The club sponsor or activity chairman is responsible for keeping accurate records for all money-raising activities. Such records should include at a minimum:
   a. Deposit Verification Forms
   b. Original cash receipts for money received and turned in to the Business Office.
4. At the conclusion of the fund-raising activity, all records should be turned into the Business Office with the original copy of the completed Fund-Raising application and all other documentation and retained for audit purposes.

SECTION 11 TRANSFER OF FUNDS BETWEEN ACTIVITY ACCOUNTS

11.1 GENERAL POLICIES

A. Occasionally a club will compensate another school organization for goods purchased or services performed. This may occur when a club purchases advertising in the yearbook, newspaper, etc. A transfer of funds shall be made between accounts in such instances in lieu of issuing an Activity Fund check.
B. Likewise, a club may desire to make a voluntary donation or contribution to partially defray the expenses incurred by another club in directing a certain activity. In such cases, the contribution shall be affected by an internal transfer of funds.
C. Transfers require the approval in writing of the principal and club sponsors.

11.2 DOCUMENTATION OF TRANSFERS

A. Each transfer shall be initiated by preparation of Transfer of Funds Authorization form disclosing both the amount of and the reason for the transfer.
B. When all required approvals have been obtained, the Central Office may post the necessary entries.
C. All copies of the Transfer of Fund Authorization Forms shall be maintained with the Student Activity Fund Records.

SAN DIEGO INDEPENDENT SCHOOL DISTRICT

FUND RAISING APPLICATION

School (Campus)____

Organization____

Beginning Sale date _____________________ Ending Sale date_______________

Description of product(s)____

Who will do the selling? ____

Where? ____

Vendor name______________________ Phone__________________________

Vendor address ____

____

Expected net income $ ____________________________

I am familiar with the school and district policies regarding the sale of merchandise at school and in the community. I accept responsibility for the Sales Tax collection and cash collections involved.

____________________________ (Signature of Sponsor)	____________________________ (Approval of Principal)
____________________________ (Approval of Finance Officer)	____________________________ (Approval of Superintendent)

SAN DIEGO INDEPENDENT SCHOOL DISTRICT
STUDENT ACTIVITY FUNDRAISING
FINANCIAL RECAP

To be completed at the end of fund-raising project

School (Campus) ____

Organization ____

Description of product(s) ____

____

A. Total Sales $__________________

B. Expenses $__________________

C. Actual Income (A minus B) $__________________

Status of any remaining inventory

____

______________________________ ______________________________
(Signature of Sponsor) (Verification by Principal)