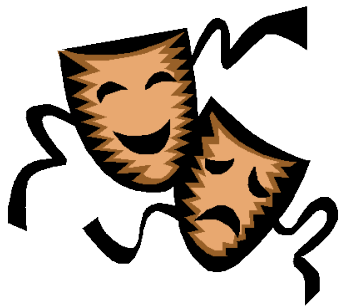


Tyler Independent School District
ACTIVITY FUND
SPONSOR'S HANDBOOK



Effective August 1, 2010

PREFACE

Congratulations on being chosen sponsor of a Tyler ISD Activity Club. I hope the following manual will assist you with the day-to-day requirements of maintaining the activity fund of your club or organization. The role of the sponsor has changed tremendously over the past few years as more and more legal requirements and audit controls have been placed on school districts. It is our goal to take some of the burden off of you by providing you with easy to understand information that will answer most, if not all, of your questions.

Please feel free to call Financial Services with any questions or concerns you might have. We will be happy to assist you in meeting the needs of your club or organization.

Good luck and have a great year!

Tosha Bjork, CPA, RTSBA

Executive Director of Financial Services

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Account Code: _____

Tyler Independent School District
Acknowledgement of Responsibilities for Activity Fund Sponsors

The purpose for the raising and expending of funds by student groups is for the direct benefit of the students. Fundraising activities will contribute to the educational experience of the students and will not conflict with the instructional program. Money raised by student groups and organizations will be held by the school as trustee. The faculty sponsor of a student club or group is responsible for maintaining adequate financial records as evidence of proper custodianship of money received by and disbursed by club accounts.

I hereby acknowledge I have read the *Activity Fund Sponsor's Handbook* and I am responsible for complying with it. In particular, I acknowledge that:

1. All fundraising activities will be approved, in advance, by the principal or designee using the *Fundraising/Charitable Donations to Others/Sales Activity Application*.
2. I am responsible both for safeguarding and accounting for funds received from or on behalf of students.
3. Activity money will be turned in to the office timely in accordance with school district policy.
4. At the completion of all fundraisers, the Fundraising Recap will be completed and submitted to the principal or designee for approval.
5. All purchases made on behalf of the student organization (Fund 865) will be made by purchase order or direct pay, as appropriate, and approved in advance by the principal or designee using the Activity Fund Check Request form. Campus Activity fund (Fund 461) purchases do not require the Activity Fund Check Request form, but, do require principal or designee approval.
6. I will maintain a positive balance in my organization's account.

I understand that I will be held responsible for any student activity funds entrusted to me and that I will reimburse the student organization or campus activity fund for any money which is lost due to carelessness, theft, fraud, or failure to follow established policies.

Sponsor Signature

Print Name

Date

Student Club or Organization

Campus

ACTIVITY FUND OVERVIEW

Campus Activity (Fund 461) and Student Activity (Fund 865)

This handbook is written with Student Activity sponsors in mind. For sponsors of campus activity funds, please note that only campus principal approval is necessary for the expenditure of funds. For student activity funds, both sponsor and student officer approvals are required.

What Am I Responsible For?

The sponsor of each student organization is required to sign an *Acknowledgement of Responsibilities for Activity Fund Sponsors* and submit to the campus secretary/accountant.

The sponsor is responsible for maintaining accurate records of all financial transactions of the club or organization. These records are subject to review during the audit of the school's activity funds and should include, at a minimum, the following:

- Monthly financial reports for the organization (obtained from the campus secretary/accountant)
- Copies of money receipts and cash count forms
- Copies of invoices or disbursement vouchers
- Copies of fundraising applications
- Detailed records, by student, of fundraising proceeds
- Minutes of the organization's meetings which detail, at a minimum, attendance, discussion of fundraising activities, and review and approval of expenditures and financial status.

Each month, the sponsor should compare his or her balances and financial records to those kept by the campus secretary/accountant. If there is a discrepancy, the sponsor should promptly contact the campus secretary/accountant.

The sponsor should ensure bylaws (for student activities only) are established that address how money raised is to be expended. Keep in mind that the money belongs to the students in the group and therefore, should be spent under their direction. The sponsor shall have authority over the fund but should involve the students in the decision making. Funds spent should benefit the students who raised the money.

FUNDRAISERS

The Approval Process

- Review history for prior vendor/fundraiser.
- Each activity is allowed only three approved fundraising events per year.
- All fundraising activities **must be approved by the principal or designee** three weeks in advance (**when practical**) of being scheduled as a school sponsored event.
- Fill out and submit the *Fundraising/Charitable Donations to Others/Sales Activity Application* and submit to your principal or designee. (Attachment 1)
- At time of fundraiser approval, coordinate deposit of monies with the campus secretary/accountant.

Student Participation

- Door-to-door fundraising by students in activities sponsored by the school or by a school related organization is prohibited.

Use of Funds

- If you promote the fundraiser for a particular cause, you *must* do exactly what you promote. In other words, if you sponsor a car wash to help pay the way to Six Flags – then you go to Six Flags! If you promote the fundraiser in “general” terms, you have more flexibility. For example – You sponsor a car wash to “help *support* the cheerleaders.”
- We are not allowed under IRS Regulations to track individual participation for fundraisers. Any funds generated are to benefit the entire group.
- If an individual is expected to pay for part of the activity, then it is acceptable to deposit and track those funds within the activity account. For example: if the fundraiser only generates a portion of what is required and the student is responsible to pay the remaining portion.
- Funds should **not** be used for:
 - Financing the attendance of school personnel at meetings, *except* in the capacity of faculty sponsor on student trips.
 - Payment of professional dues for school personnel.
 - Medical or hospital expense of school personnel.

- Any activity that does not promote the general welfare of the school or the educational development and morale of students.
- Funds *may* be used for:
 - Trips
 - Monies raised by clubs, class/student groups to finance trips *related to student activities* for faculty sponsors and students may be expended with approval of the principal or designee.
 - Scholarships
 - Student Activity Funds may be used to award scholarships to students on the basis of educational merit.
 - The scholarship award should be paid directly to the educational institution of the recipient's choice.
 - Awards and Prizes
 - Monies raised in the school's name may *not* be used to pay cash awards or to buy cash prizes for individuals. For example: Gift cards, cash awards or prizes include currency, checks, savings bonds, money orders, or any other medium which can be readily converted to cash.
 - Awards such as merit certificates, trophies, plaques or other means of recognition with nominal value may be purchased from Student Activity Funds in recognition of scholastic, attendance or fundraising activities for students.
 - 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**.
 - Students *may* contribute personal money toward the purchase of a gift for school personnel. This money should not pass through the activity account.
 - Monies raised in the school's name may *not* be used by the school or school group to make cash contributions to charitable or other outside organizations unless pre-approved by the principal or designee. Possible approved charities: Cancer Society, staff/student tragedies.

Refunds

- Refunds are allowable if money was contributed directly by the student.
- Money raised in the school's name may *not* be refunded to students.
- Refunds can be the result of cancellation of field trips, overcharges on books, etc.
- Follow payment procedures for the Refund Request form (Attachment 2) for checks to be issued directly to students, parents or as below for multiple refunds.
- Multiple Refunds
 - Single check may be issued to the Activity Fund Sponsor, who will distribute the refunds to each student.
 - Each student due a refund shall sign the *CASH ISSUED TO EMPLOYEE OR STUDENT* form (Attachment 8) verifying that the refund was received and the date received.
 - The Activity Fund Sponsor will return the signed *CASH ISSUED TO EMPLOYEE OR STUDENT* form and any undistributed refund to Financial Services.

CLOSING OUT A FUNDRAISER

A fundraiser is conducted to raise as much money as is possible for the student group. In order to evaluate the success of a fundraiser, proper procedures must be followed. Also, activity funds are subject to audit. Records that are not in good order indicate poor management of the activity fund and could result in an audit of previous year fundraisers and possibly the cancellation of the activity fund.

Fundraiser Recap (Profit/Loss Worksheet)

This report must be sent to the campus secretary/accountant at the conclusion of the fundraiser. The report is designed to help the sponsor evaluate the effectiveness of the fundraiser. After all, you will not want to repeat a fundraiser if the profit does not justify the time and effort it took to complete it. (Attachment 1)

Reconciliation of Deposits and Expenditures

- A detailed account activity report is sent to the sponsor each month.
- The sponsor should review this each month to ensure the balance Financial Services shows is correct.

Records to Retain

Activity Fund records shall be retained for a period of seven years. Records retained should include (but is not limited to):

- *Fundraising/Charitable Donations to Others/Sales Activity Application* (Attachment 1).
- Daily collection reports and list of students with outstanding receipts.
- Tabulation of sales tax collections.
- Cash receipts received for money turned into the campus secretary/accountant.
- Receipts of expenditures and copy of ending inventory.
- Receipt books.

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. Therefore, outside organizations may not use the school's address, tax ID number, or names of school employees in conducting business. There are two types of independent outside groups:

- Parental – Parent Teacher Organization (PTO)
- Outside Organizations such as Booster Clubs

The only *different* guideline between the two types is that an outside organization (Booster Club) fundraiser may ***not*** take place during school hours, but a parental (PTO) fundraiser ***may*** take place during school hours.

General Guidelines

- Outside organizations shall manage and assume responsibility for their own activities and finances.
- Outside organizations shall not use the District's tax exempt status to purchase goods and services.
- The outside organization *may* involve participation by the students (as a whole) and school personnel either as contributors (consumers) or fundraisers (workers) only *after* the *approval* of the Principal.

- The fundraising activity requires prior approval of the Principal when it involves:
 - School personnel or students in fundraising.
 - Use of school property.
- The Principal or school staff may *not* be involved with:
 - Receiving goods for the outside organization.
 - Receipting, depositing or accounting for money raised by the outside organization.
- A sponsor or other district employee may *not*:
 - Have signature authority on any bank account of an outside organization in their capacity as a school employee.
 - Commingle money belonging to an outside organization in personal checking or savings accounts.
 - Maintain a checking or savings account that contains money belonging to an outside organization.
 - Maintain a safety deposit box for any money that belongs to an outside organization. Further, cash collections on campus, by outside organizations, should be approved by the principal. The principal should ensure the outside organization's governance understands that TISD is not responsible for their funds collected at the campus.
- Money raised by the outside organizations (Booster Club) must be deposited to the account of the outside organizations (Booster Club), *not* the school's Activity Fund account.
- Parent-teacher groups should cooperate fully with the Principal in planning activities or raising money.
- Outside organizations may make donations to the school or to a student club either for a specific purpose or at the discretion of the Principal.
- Use discretion in limiting such fundraising activities to those necessary for the school.

SALES TAX ON SCHOOL FUNDRAISERS

Although schools may purchase items tax-free, public schools and school-related organizations must collect the sales tax on all sales that are not specifically exempted. You may arrange with the vendor for sales tax to be remitted by the vendor to the State.

Examples of Items on Which to Collect Sales Tax

- Yearbooks, directories, football programs, and other student publications.
- Any type of materials such as pennants, ribbons, pom-poms, etc.
- Any other item(s) sold as personal property.
- Fees for materials when the end product becomes a possession of the student.
- School rings.
- Books sold to students at book fairs.
- All sales of items such as handicrafts, T-shirts, candles, cups, books, and school supplies sold by a school-associated organization during a fundraising drive.
- School-purchased supplies sold directly to students including athletic equipment and physical education uniforms.
- Other items defined as taxable by the State Comptroller's Office.

Specifically Exempted Items

- Vending machine sales.
- Admission tickets (such as athletics, etc.).
- Food, including candy and soft drinks.
- Two one-day Fundraisers (See One-Day Tax-Free Sales Category).

One-Day Tax-Free Sales

The State allows each organization to have two, one-day tax-free sales each calendar year. The items sold must have been *purchased* by the school organization. While the sale of yearbooks can be selected as one of the two one-day tax-free fundraisers, a book fair is usually not a qualified sales event because the school is not the seller, and the school is therefore acting as an

agent for the vendor. When the organization receives a commission, the tax-free sales day cannot apply because the sale is the vendor's sale, not the school's sale.

The following provisions apply:

- Pre-ordered and pre-paid sales *can* be made.
- All items sold are delivered to the purchasers on a single day (24 consecutive hours).
- If any items are left over, they may be sold at a later date, but sales tax must be collected.
- Properly identify on the deposit slip the deposit(s) that are being claimed as the one-day exemption sale.
- When using a one-day sale, a new tax exemption certificate must be issued to the vendor *for each one-day tax-free day*.

Collection and Remittance of Sales Tax

- The school/student group should collect sales tax of 8.25% on all taxable sales.
- There are two options when imposing sales tax:
 - **Adding the tax to the selling price of the item.** If the selling price of an item is \$4.00 and the tax rate is 8.25%, the school will collect \$4.33 (\$4.00 plus \$0.33 tax) from the buyer. Multiply tax rate of .0825 by selling price to determine amount of tax to collect. Round up to the next penny.
 - **Absorbing the tax in the selling price of the item.** If an item sells for \$4.00 including tax, the school keeps \$3.69 and remits \$0.31 for sales tax. Using this method, divide the total collections by 1 plus the sales tax rate (1.0825) to determine the total taxable sales. The difference between total sales and taxable sales equals sales tax due to the state.
 - $\text{Total sales} - (\text{minus}) \text{Taxable Sales} = \text{Sales Tax Due to State}$
- Campus secretaries/accountants submit a monthly sales tax report to Financial Services. Be sure to inform your campus secretary/accountant whenever you deposit funds that include sales tax.
- Financial Services will assume full responsibility for transmitting to the State Comptroller's office all sales tax collections reported.

RECEIPT OF FUNDS

Cash Receipts

- Prepare official 3-part pre-numbered receipt in ink for cash and/or checks received.
- Person preparing the receipt should count cash in front of person turning in money.
- Total of cash and checks should be shown separately on cash receipt.
- The receipt should be signed by the person receiving the money.
- A copy of the receipt should be given to the person paying the money.
- Keep all original receipts (including voided ones) in the activity fund cash receipt book.
- The campus secretary/accountant will keep copies of all checks with his/her record of deposit.
- Cashing of personal checks is not permitted using collected funds.
- Do not spend *any* of the collections. See pages 15-17 for proper expenditure procedures.
- See Attachment 11 for small cash collections (amounts \$5 or less)

DEPOSIT OF FUNDS

Taking Money to the Campus Secretary/Accountant

- Deposits should be made when collections **exceed**:
 - 1) For elementary: \$25 or within 3 days of receipt, whichever occurs first.
 - 2) For secondary: \$100 or within 3 days of receipt, whichever occurs first.
- Receipt books should be presented to the campus secretary/accountant when taking money for deposit. The campus secretary/accountant **is required** to have a copy of all receipts issued that correspond with monies being deposited. The campus secretary/accountant will remove the corresponding receipt copies from the receipt book and mark your book for the last receipt turned in.
- Do not keep cash for *any* reason.
- Do not deposit money in a personal account or bank deposit box.
- Submit all money to be deposited in the same form as collected.

- When a sponsor submits funds collected to the campus secretary/accountant for deposit, these funds should be verified by the campus secretary/accountant in the sponsor's presence. This is simply a prudent cash-handling procedure that protects both the campus secretary/accountant and the sponsor. After counting the funds, the campus secretary/accountant must provide the sponsor with a prenumbered money receipt documenting the amount of the deposit. If for some reason immediate verification is not possible, the funds should be locked in the sponsor's locking bank bag or sealed in a tamper-evident bag and placed in the vault until such time that both individuals are present for cash verification. The sponsor will bear responsibility for any missing deposits or deposit shortages if funds are not verified in the presence of the campus secretary/accountant.
- Complete a cash count form for large deposits, subject to the campus secretary/accountant's discretion.

EXPENDITURE OF FUNDS

General Information

- Do not make any purchase unless sufficient funds are available in the proper Activity Fund account. If funds are not available when payment is due, the Principal will be asked to make payment arrangements.
- All purchases require a Purchase Order (PO). *Exceptions* include items processed by direct pay like registrations and travel reimbursements, or purchases by campus activity checks.
- Student Activity Funds (Fund 865) can be used with any vendor. Competitive procurement laws do not apply.
- Do *not* spend any of the collections prior to deposit with the campus secretary/accountant. Expenditures of money must be made through Financial Services.

SUBMITTING PAPERWORK

How Do I Order Food, Goods or Services?

Financial Services *does* require a purchase order to buy food, goods, or rental of a vehicle. To obtain a purchase order, complete the following procedures:

- Fill out a **Purchase Order (PO) Request Form**
 - The proper account number(s) must be on the form before it can be processed.
 - Student officer and sponsor signatures are required.

- Completely fill in the form with all information required and add any notes that let the campus secretary/accountant know how to properly process the purchase order.
- Attach any needed backup paperwork to the PO Request Form.
- Give the PO Request Form to the campus secretary/accountant, who will process the order electronically and send it to the Purchasing Office for approval and processing.
- The Purchasing Office will deliver the order to the vendor to secure the purchase for the goods or service unless you have given them other special instructions.
- The vendor will deliver merchandise to the campus. Note: Any tagged items will be delivered first to the TISD Fixed Asset Department.
- Short POs may be used, but must be signed by a student officer, sponsor, and campus principal or designee.

What are the Travel Guidelines?

Activity funds can only be used for travel in the capacity of faculty sponsor on student trips or for activity sponsor training.

Sponsor Travel

- Sponsors traveling with students may use a District Travel card. You must abide by the terms of the user agreement, which is on TISD forms, along with the authorization form.
- Pick up the Travel card. Take a Hotel Exemption form. This form is on TISD's Travel Guidelines website.
- Check your bill *before* you leave the hotel to make sure State sales tax has *not* been charged.
- Individuals will be reimbursed for travel expenses after submitting a Travel Voucher form. State sales tax will *not* be reimbursed except for meals and hotel parking, while traveling. Check your tickets!
- A Travel Voucher form should be completed for expenses such as transportation, lodging, meals, etc.
- Turn in the Travel Voucher form to your campus secretary/accountant *immediately* after returning.
- If a travel card was used, a separate voucher for those receipts must be completed, signed by you and your principal, and then submitted directly to Financial Services.

Student Travel

Sponsors may request a cash advance for meals to be given to the students by doing the following:

- Complete a **Travel Voucher and Check the Advance Box**
 - The vendor name section should be filled in with the Activity Fund Sponsor's name that is responsible for giving the cash to the students.
 - The account number(s) must be on the form.
 - Completely fill in the form with all information requested and any notes that let Financial Services know how to properly process the payment.
 - Attach all needed backup paperwork to the travel voucher.
 - Obtain the proper approval signatures *before* sending it to Financial Services.

Note: Financial Services will issue a travel card or an advance for student travel, but not both.

- Submit the completed Travel Voucher to the campus secretary/accountant.
- The Sponsor *must* ensure that:
 - Each student receiving cash shall sign the *Cash Issued to Employee or Student* form (See Attachment 8) verifying that the cash was received and date received.
 - Each sponsor receiving cash shall sign the *Cash Issued to Employee or Student* form.
 - The Activity Fund Sponsor will promptly return the signed "cash issued" form and any undistributed cash to Financial Services.

Can I buy Merchandise with My Own Money and Be Reimbursed?

Only with **prior approval** of your student group and your principal.

Be sure that you do not personally pay for any contracted services; you will not be reimbursed. All contracted services (particularly to individuals) must be paid through Accounts Payable in order to comply with IRS Form 1099 regulations.

ACTIVITY FUND AUDITS

Audits

All activity funds are subject to an annual audit by Internal Audit.

Tips for a Successful Audit

Ensure:

- Fundraiser approved
- Timely deposits
- Purchase orders issued
- Receipts kept
- Fundraising Recap (Profit/Loss Worksheet) completed

Attachments

Attachment 1 - Fundraising/Charitable Donations to Others/Sales Activity Application

Attachment 2 - Refund Request

Attachment 3 - School Fundraisers and Texas Sales Tax Bulletin (July 2009)

Attachment 4 - Cash Receipt Example

Attachment 5 - Cash Count Form

Attachment 6 - Cash Handling Procedures

Attachment 7 - Purchase Order Request

Attachment 8 - Cash Issued to Employee or Student Form

Attachment 9 - Travel Voucher

Attachment 10 - Sample Club/Activity Constitution-Bylaws

Attachment 11 – Receipt Log for \$5 and Under

**Tyler Independent School District
Fundraising/Charitable Donations to Others/Sales Activity Application**

Please Note: This form must be completed in ink.

Fundraiser-3 Allowed	1	2	3
Sale			
Donations			

Campus: _____ Date: _____

Club name: _____ Sponsor: _____

Beginning date of sale: _____ Ending date of sale: _____

Describe the purpose of the sale: _____

Describe the product or activity: _____

Vendor Name: _____ Representative: _____

Address: _____ City/State/Zip: _____

Have all outstanding debts from previous activities been collected? Yes \$ _____
 No _____ Amount Outstanding*

*To be completed by secretary/accountant

Estimate the following:
 Approximate cost per item \$ _____
 Estimated profit \$ _____
 Percentage profit _____

Is this sale taxable?	Yes _____	No _____
If yes, are you using this sale as one of your two tax-free sale days for this calendar year		
	Yes _____	No _____
Is this your 1st or 2nd tax-free sale to date? _____		

I certify that I will exercise strict control over all products in my possession and will remit all collections per district policy to the secretary/accountant. I further certify that I read the sponsor supplement and signed the Responsibilities for Activity Fund Sponsors Acknowledgement form. I will notify the campus secretary/accountant promptly of all outstanding debts so that appropriate action may be taken. I realize that any losses due to my failure to follow established rules and procedures may become my personal responsibility.

Submitted by: _____
 Sponsor _____ Date _____

Campus: _____
 Campus Secretary/Accountant _____ Date _____

Approved by : _____
 Principal or Designee _____ Date _____

Fundraising Recap

Due to Campus Secretary/Accountant within 4 weeks of ending sale date

Total Deposits	\$ _____	Quantity of Inventory Received	_____
Less: Total cost of sale	\$ _____	Less: Inventory Sold	_____
Net profit	_____	Less: Inventory Giveaway**	_____
		Inventory Remaining	_____

Activity Fund Accounting
 Balance @ End of Sale \$ _____

**Explanation for Inventory Giveaway must be attached.

Sponsor _____ Date _____

Principal or Designee _____ Date _____

Campus Secretary/Accountant _____ Date _____



1319 New Sunnybrook • P. O. Box 2035 • Tyler, Texas 75710 • 903.262.1000 • **Dr. Randy Reid, Superintendent**

REFUND REQUEST

Attach copy of receipt showing payment and a print screen of Primary Contact Information from iSeries.

Date of Request

Please refund \$ _____ payable to:

(Parent Name)

Vendor Number

(Address)

(City, State, Zip Code)

Student Name: _____

Reason: _____

Paid by Check#: _____ Paid by Cash: _____ Deposit#: _____

Approval for Payment - TISD USE ONLY

Code: _____

Approving Signature: _____

Principal/ Director

Date of Approval

If applicable:

Sponsor Signature: _____

Student Officer Signature: _____

**BULLETIN**

Susan Combs, Texas Comptroller of Public Accounts

School Fundraisers and Texas Sales Tax

Texas school districts, public schools, qualified exempt private schools and each bona fide chapter within a qualifying school are exempt from the payment of Texas sales and use tax on purchases of taxable items for their use, if the purchases are related to the organization's exempt function.

The organization must obtain a sales tax permit and collect and remit sales tax on taxable items it sells unless one of the exemptions listed below applies. An organization does not have to register for a sales tax permit if all its sales are of exempt items or if its sales take place through tax-free fundraisers.

Two One-Day Tax-Free Sales

School districts, public schools, qualified exempt private schools and bona fide chapters within a qualifying school may conduct two one-day tax-free sales or auctions each calendar year. For the purposes of this exemption, one day is counted as 24 consecutive hours and a calendar year is the 12-month period from January through December. See subsection (h) of Rule 3.322, "Exempt Organizations."

For example, a school may sell taxable items such as t-shirts, hats, uniforms, school supplies or crafts

tax-free on a designated tax-free sale day. These days should be designated in advance so that purchasers are aware that the sales are not subject to tax. The organization may not collect tax on the transactions and keep the tax under the "tax-free" sale provision. The exemption does not apply to any item sold for more than \$5,000 unless it is manufactured by the organization or donated to the organization and not sold back to the donor.



Either the date on which the items are delivered by the vendor to the school organization or the day on which the school organization delivers the items to its customers may be designated as the one-day tax-free sale day. Persons buying from surplus inventory on the designated date do not owe tax. Those buying on subsequent dates owe tax unless the purchase occurs on the organization's other tax-free sale day.

For example, a school group selling yearbooks may accept pre-orders without collecting tax if the day the yearbooks will be delivered to customers is designated as one of the group's tax-free fundraisers. Surplus yearbooks sold during the same day also qualify for the exemption. Surplus yearbooks sold on other days are taxable unless sold at the group's other tax-free fundraiser.



SALES AND USE TAX BULLETIN

School Fundraisers and Texas Sales Tax

If two or more groups hold a one-day tax-free sale together, the event counts as one tax-free sale for each participating organization. Each of those organizations then is limited to one additional tax-free sale during the remainder of the calendar year.

If an exempt organization is purchasing taxable items for resale during its designated tax-free sale days and it holds a sales tax permit, the organization may either give the retailer a resale certificate, Form 01-339 (front), or an exemption certificate, Form 01-339 (back) to purchase the items tax-free. A non-permitted exempt organization, however, may purchase items for resale tax-free by issuing an exemption certificate to the vendor for items sold during its two one-day, tax-free sales.

Schools and Bona Fide Chapters

To qualify as a bona fide chapter of a school, a group of students must be organized for an activity other than instruction or to have a tax-free sale. Bona fide chapters include student groups recognized by the school and organized by electing officers, holding meetings and conducting business. There is no limit on the number of bona fide chapters a school can have. Bona fide chapters can include whole grade levels (e.g. senior class, junior class or freshmen), but cannot be limited to specific classes (e.g. Senior English or Biology II). Various other school groups such as a student council, science club or drama club can qualify if they are composed of students and school staff.

A department of a school, such as a purchasing, accounting, maintenance or IT department, is not a bona fide chapter even though it is part of the school or school district.

Groups that are not considered bona fide chapters, unless otherwise qualified to hold the two one-day tax-free sales, must obtain a sales tax permit and collect and remit sales tax on all taxable items sold at

fundraisers. Non-student organizations such as booster clubs and PTAs/PTOs cannot qualify as bona fide chapters of a school, but may qualify for the tax-free sale days under other provisions of the Tax Code. See the “Nonstudent Nonprofit Organizations” section in this publication for more information.

Non-Qualifying Fundraisers – Acting as an Agent or Sales Representatives

When a school, school group, PTA/PTO, booster club or other exempt organization raises funds by acting as a sales representative or commissioned sales agent for a for-profit retailer, the group is not responsible

for reporting and remitting sales and use tax. As a result, however, the exempt organization is not considered to be the seller and cannot use a tax-free sale day for this type of event. In these cases, the group receives a commission for holding a book fair or for selling candy, gift wrap, holiday ornaments, candles or similar items.

When an exempt organization acts as a commissioned sales agent or representative for a for-profit seller, the seller should provide instructions and information regarding the proper collection of tax. The for-profit retailer may

advertise in the sales catalog or state on each invoice that tax is included or require that tax be calculated and collected based on the selling price of each taxable item. The for-profit retailer is then responsible for remitting the tax collected or backed out to the Comptroller. Similarly, sales of taxable items made through the Web site of a for-profit retailer are also taxable and may not be sold tax-free in connection with a fundraiser.

Nonstudent Nonprofit Organizations

Nonstudent nonprofit organizations that are not bona fide chapters of schools may qualify for two one-day tax-free sales or auctions on their own.

A **booster club** for a band, football team or similar group may hold two one-day tax-free sales or auctions





once it has obtained a sales tax exemption from the Comptroller's office on its purchases.

A nonprofit organization with an Internal Revenue Service (IRS) exemption under Section 501(c)(3), (4), (8), (10) or (19) is exempt from sales and franchise taxes. A booster club that has a 501(c) federal exemptions should complete AP-204 and submit it, along with a copy of its IRS exemption letter, to the Comptroller's office. After the Comptroller's office notifies the club of its exempt status, the club can hold two one-day tax-free sales or auctions each calendar year.

Parent-teacher associations

(PTAs) affiliated with the Texas state PTA or the national PTA are exempt as educational organizations and can hold two one-day tax-free sales or auctions each calendar year. **Parent-teacher organizations (PTOs)**, as well as **parent-teacher-student associations (PTSAs)** and **organizations (PTSOs)**, are also exempt from sales tax as educational organizations.

PTAs *not* affiliated with the Texas state PTA or the national PTA, parent-teacher organizations (PTOs) and parent-teacher-student associations (PTSAs) and organizations (PTSOs) are also eligible for exemption from sales tax as educational organizations. These organizations should complete form AP-207 and submit it to the Comptroller's office. Once the exemption has been granted, these organizations can also hold two one-day tax-free sales or auctions each calendar year.

Sales of taxable items by PTAs, PTOs, PTSAs, and PTSOs made at other times of the year are subject to tax.

Internet Sales

Sales of taxable items over the Internet are treated the same as sales of taxable items made at the school or at any other sales location. Schools, school groups and

other non-student, nonprofit organizations that accept online orders through a Web site must collect sales tax on taxable items they sell online. An online sale occurring during a one-day tax-free sale, however, would qualify for the exemption.

Food and Beverage Sales

A public or private elementary or secondary school, school group or PTA/PTO does not have to collect tax on sales of meals and food products (including candy and soft drinks) if the sales are made during the regular school day and by agreement with the proper school authorities. This exemption includes food, soft drinks and candy sold through vending machines.

PTAs/PTOs and other qualifying groups associated with a specific public or private elementary or secondary school or school group may also sell meals, food, candy or soft drinks tax-free outside of the school day if the sales are part of the organization's fundraising drive and all net proceeds go to the group for its exclusive use.



Concession Stands

Concession-stand food sales are exempt from tax when made by a school group, PTA/PTO or other group (such as a booster club) associated with a public or private elementary or secondary school, if the sales are part of the organization's fundraising drive and all net proceeds go to the organization for its exclusive use. The exemption applies to sales of soft drinks and candy, but does not include sales of alcoholic beverages. The group can issue an exemption certificate in lieu of paying tax on purchases of candy, sodas, gum and other taxable food items sold at its concession stand. The exemption certificate should state that the group will sell the items as a fundraiser.

Annual Banquets and Annual Food Fundraisers

All volunteer nonprofit organizations can hold a tax-free annual banquet or other food sale provided the



event is not professionally catered; is not held in a restaurant, hotel or similar place of business; is not in competition with a retailer required to collect tax; and the food is prepared, served and sold by members of the organization. The exemption does not apply to the sale or purchase of alcoholic beverages. To qualify for exemption, the food sale must:

- be an annual event;
- last no more than one week;
- be a fundraising project exclusively provided by the volunteers of the participating nonprofit organizations;
- be non-commercial in every respect (that is, the food and beverages cannot be prepared or served by a caterer or a restaurant, and must be prepared and served by the participating organizations' volunteers, without pay); and
- not be held in competition with a retailer at the same event who must collect tax on food and beverage sales.

The annual food sale or banquet exemption does not apply to sales of alcoholic beverages or non-food items (e.g., arts, crafts or t-shirts). Alcoholic beverages are not food products and are taxable. The type of tax due (sales tax or mixed beverage gross receipts tax) depends upon the type of permit held by the selling organization. Sales of alcoholic beverages, including beer, wine and mixers, are subject to the Texas 14 percent mixed beverage gross receipts tax when sold by a mixed-beverage permit holder, while sales of beer and wine made by a beer and wine-only permit holder are subject to sales tax.

Nontaxable Sales

Some items are not subject to sales tax no matter who sells them.

Nontaxable Food Items

Sales tax is not due on nontaxable food items. Examples of such items include cookie dough, pizza kits, cheese spreads, meat sticks, jelly, salsa, fresh fruit and mixes packaged for preparation at home.

Magazine Subscriptions

Subscriptions to magazines entered as periodicals-class (formerly called second-class) mail and sold for six months or more are exempt from sales tax. Single issues and subscriptions for fewer than six months are taxable, however.



Bakery Items

Bakery products (including but not limited to pies, cakes, cookies, bagels and muffins) are exempt unless sold with plates or eating utensils.

Gift Certificates and Passbooks

Sales of intangibles such as gift certificates and coupon passbooks are not subject to sales tax. Instead, retailers should collect tax when the certificate or coupon is redeemed for the purchase of taxable merchandise or services. The tax is based on the item's actual retail selling price less any cash discount given at

the time of the sale (e.g., a deduction for a coupon). Of course, if the gift certificate is for a nontaxable service such as a haircut, manicure or facial, no sales tax is due when the certificate is redeemed. Taxable services are listed in "Taxable Services" (Tax Publication 96-259.)

Car Washes

Washing a car is not a taxable service under the Texas Tax Code. Groups holding car washes are not required to collect tax on their charges for this service.

Amusement Services

The sale of an amusement service provided exclusively by a nonprofit organization, other than an IRS Section



501(c)(7) organization, is exempt from sales tax. For example, the sale of an admission ticket to a school carnival, dance, athletic event or musical concert is exempt.

Periodicals and Writings

Periodicals and writings (reading materials including those presented on audio tape, videotape and computer disk) are exempt from tax if published and distributed by a religious, philanthropic, charitable, historical, scientific or other similar organization not operated for profit. A “similar” organization must be organized for a benevolent purpose and must not be operated for profit. Similar organizations include PTAs, PTOs, PTSAs and PTSOs, but exclude all public and private educational organizations.

This means that PTAs, PTOs, PTSAs and PTSOs may publish and sell printed reading materials such as yearbooks, books, calendars, directories, magazines, brochures and newsletters without collecting sales tax. The qualifying organization may issue a properly completed resale certificate to the printer in lieu of paying tax on charges for printing, binding and item placement.

Items that contain printed materials that can be read but primarily serve other purposes or functions, such as school logo t-shirts, bookmarks, photographs and novelties, are subject to sales tax *unless* sold during a qualifying and designated tax-free sale or auction.

School districts, schools and school groups, however, must collect tax on sales of printed reading materials unless the sale is designated as one of the organization’s tax-free fundraisers.

Donations

A purchaser using personal funds may give an exemption certificate to vendors when buying taxable items

that will be donated to a qualifying organization, such as a school, before the individual makes any use of the items. The exemption certificate must state that the taxable item is being purchased by the individual for donation to an exempt organization and must clearly identify the organization accepting the a donation (see Tax Code Section 151.155[b]). If the purchaser makes use of the item before it is donated, the purchaser is responsible for paying or accruing tax on the item’s purchase price.

Donations (gifts) of cash or taxable items or services made to an organization are not taxable sales unless the exempt organization gives the donor a taxable item in exchange for the donation, and the item is of proportionate or equal value to the donation.



Sales to Students

Generally, other than the exemptions previously identified, schools and associated groups must collect, report and remit sales tax on taxable items that they sell or taxable services they provide to others, including sales made to students.

Schools may issue a resale certificate in lieu of paying tax to suppliers when purchasing taxable items to sell. Schools may issue an exemption certificate in lieu of paying tax when purchasing taxable items for their use or for giving away to students or others as part of a course of instruction. A district must collect tax on the sales price of taxable items when selling them to students or to others.

For example, if a school sells uniforms, gloves and shoes to drill team members, it must collect tax on the sales unless it designates their sale as one of its two one-day tax-free sales. The school may purchase the uniforms tax-free for resale to the drill team members.

The table on the following page is a short list of examples of taxable and nontaxable sales.



SALES AND USE TAX BULLETIN

School Fundraisers and Texas Sales Tax

TAXABLE	NONTAXABLE
Rental of tangible personal property such as locks, musical instruments, calculators and computers	Rental of real property such as a gymnasium, auditorium, library or cafeteria
Horticultural products such as flower arrangements, roses, carnations, holiday greenery and poinsettias	Agricultural products (plants and seeds), the products of which ordinarily constitute food for human consumption
Cosmetology products such as shampoo, conditioner and nail polish sold to customers	Cosmetology services such as haircuts, shampoo, manicures and pedicures
Parking permits for the general public	Parking permits for public school students, faculty and staff
Animals that do not ordinarily constitute food or food products, such as hamsters, mice, cats and dogs	Farm animals such as pigs, cows, chickens and other livestock
Publications such as football, basketball or volleyball programs	Sales of advertising space in athletic programs, yearbooks, newspapers
Automobile repair parts (a separately stated charge for parts is taxable; a separately stated charge for repair labor is not taxable)	Automobile repair (a lump-sum charge for parts and labor)
Car carpet shampooing	Car washes
Magazines (single issue or subscription less than six months)	Magazine subscriptions for six months or longer

Need More Information?

For more information, see:

Rule 3.286, "Seller's and Purchaser's Responsibilities"

Rule 3.322, "Exempt Organizations"

Rule 3.293, "Food; Food Products; Meals; Food Service"

Rule 3.298, "Amusement Services"

Rule 3.299, "Newspapers, Magazines, Publishers, Exempt Writings"

Tax Publication 96-122, "Exempt Organizations - Sales and Purchases" — Frequently Asked Questions section provides information about school organizations applying for exemption from state taxes.

Tax Publication 96-259, "Taxable Services"

Please use our Texas Online Sales Tax Registration System to apply for a sales tax permit. An application also can be downloaded from our Tax Forms Online page. You can also obtain an application by calling (800) 252-5555 or by visiting one of our enforcement field offices.

For questions about an organization's Texas tax-exempt status, please use our Texas Tax-Exempt Entity Search, write to exempt.orgs@cpa.state.tx.us, or call Tax Assistance at (800) 531-5441 and ask for the Exempt Organizations Section.

For information on how to apply for federal exemptions, contact the U.S. Internal Revenue Service at (877) 829-5500 or online at <http://www.irs.gov/>.

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Sign up to receive e-mail updates on the Comptroller topics of your choice at www.window.state.tx.us/subscribe.

Always complete in pen and never change a receipt. You can void one if you make an error, but mark it & staple the original back in your receipt book.



TYLER, TEXAS 8-9-10 No. 019603
Received from Chris Stewart
Fifty dollars & no/100 Dollars
FOR 6 flags trip
TYLER INDEPENDENT SCHOOL DISTRICT
By Joy Bond
\$ 50⁰⁰ck CODE .77. DEPT. OR SCHOOL

Note that a check is indicated; be sure to note cash or check.

Put your abbreviated code here. Campus Activity (Fund 461) will be 3 digits, i.e., .081

CASH COUNT / DEPOSIT FORM

Date of Count _____ Activity _____

Currency

_____	x	\$1.00	=	\$ _____
_____	x	\$5.00	=	\$ _____
_____	x	\$10.00	=	\$ _____
_____	x	\$20.00	=	\$ _____
_____	x	\$50.00	=	\$ _____
_____	x	\$100.00	=	\$ _____
Total Currency				\$ _____

Coins

_____	x	\$0.01	=	\$ _____
_____	x	\$0.05	=	\$ _____
_____	x	\$0.10	=	\$ _____
_____	x	\$0.25	=	\$ _____
Total Coins				\$ _____

Check Total (Copy of all checks attached) _____ \$ _____

TOTAL Monies		_____
LESS Startup		_____
TOTAL Deposit		_____

Please ensure Activity Account number is on Deposit Slip!

Ticket Inventory
Students

A Beginning No.	_____
B Ending No.	_____
No. Tickets Sold (B - A)	_____
Ticket Price	_____
Total Student Sales	_____


Adults

A Beginning No.	_____
B Ending No.	_____
No. Tickets Sold (B - A)	_____
Ticket Price	_____
Total Senior Sales	_____
Total Adult Sales	_____

First Person Making Count: _____
(Signature and Date)

Second Person Making Count: _____
(Signature and Date)

Tyler ISD Cash Handling Procedures

DO:	DON'T:
<ul style="list-style-type: none">• Give Pre-numbered cash receipts• Control the cash receipt book inventory• Use triplicate forms:<ul style="list-style-type: none">1 – for the payer2. – with the bank deposit record3. – stays in the book• Match bank deposits to cash receipts• Deposit money as soon as possible• Guard cash & checks• Void and reissue a cash receipt if a correction is needed. Attach the white copy of the voided receipt to the receipt book	<ul style="list-style-type: none">• Cash checks for anyone out of any cash you take in• NEVER deposit cash into your own personal bank account• Use the cash to make purchases – this leaves no audit trail and has the appearance of impropriety – just not good business practice• Leave cash & checks where they could be stolen• Change a cash receipt• Write receipts in pencil 

Cash Issued to Employee or Student Form

Please complete in ink. Do not change amounts, once signed.

Person receiving money must sign.

Purpose of cash issued:

Note: Before a refund can be made, there must be a receipt that indicates prior payment. District receipt copies should be marked as refunded.

Recap of Totals - total check issued:	\$	
Less total distributed below:		
Positive diff due to District/(Negative) diff due to Employee	\$	

Indicate
E for
Employee
S for
Student
E or S?

The following persons received cash:

	Printed Name:	Date Rec'd:	Signature:	Amount:	
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
			Total:		

I issued cash to the above signed for the amounts and purpose indicated.

If the above is for meals:

Breakfast	\$
Lunch	
Dinner	
	\$

Sponsor Signature _____ Date _____

This completed form will be returned to Financial Services as documentation for the check that was issued.

This receipt is documentation for Check# _____ issued to _____ on _____

TYLER INDEPENDENT SCHOOL DISTRICT STAFF AND STUDENT TRAVEL VOUCHER - Local Funds

Travel expense reports must be filed within **10 days** of your return if funds were advanced to you, within **30 days** if advance travel funds were not provided; if the travel takes place in the last month of the fiscal year, it must be submitted immediately upon your return.

Request for Advance
(click in box below)

Name: _____ Campus/Dept _____
 Address: _____ SS#: _____ **

If voucher is for student group travel or meal expense, list student names and provide a breakdown of expenses.

Destination: _____ Function: _____

Date of departure: _____ Time of departure: _____ a.m. / p.m.
(Failure to indicate a.m. or p.m. will delay your reimbursement.)
 Date of return: _____ Time of return: _____ a.m. / p.m.

Amount of Advance Requested:
\$ <input style="width: 80%;" type="text"/>
by: <input style="width: 80%;" type="text"/>

Benefit to district: _____

Statement of Expense

	Amount
Fare: air, bus, rail (attach receipt)	
Leased vehicle charges (attach receipt)	
Private Vehicle _____ miles X \$0.50/mile	
List occupants of car:	
Lodging (attach receipts) - Limit is on GSA's website (\$85 if not listed)/ unless staying at conference hotel	
List other occupants of lodging:	
Student meals (attach list and receipts)	
MEALS - OVERNIGHT TRAVEL ONLY - LOCAL FUNDS (NOT GRANTS)	
To receive reimbursement for breakfast, the employee must depart prior to 6AM	
To receive reimbursement for lunch, the employee must depart prior to noon	
To receive reimbursement for dinner, the employee must depart return home after 6PM	
Complete & attach the Per Diem Worksheet & put total at right	
Local Funds Only for Per Diem Total	
Non-overnight business meals (attach receipts & complete form on page 2)	
Other expenses (list details & attach receipts)	
Less Advance (enter amount with a minus sign ex: -100.00)	
Grand Total	0.00

The amounts have to be entered
in the space provided below.

\$ _____
 Account Code amount

\$ _____

Principal/Supervisor _____ Date _____ Account Code _____

Employee must sign below.

The above expenses are true and correct.
 _____ Employee _____ Date

NOTE: Out of State travel must have prior approval by the Superintendent or Deputy Superintendent.

**By signing this form, permission is given to TISD to deduct advanced amount from payroll if expense report is not filed within 10 days of return.

Charter/Bylaws for Student Club Name

Article I

Name of Organization or Club

The name of this organization shall be Student Club Name.

Article II

Purpose

It shall be the purpose of this organization to promote the general welfare, education and morale of all the students, and to finance the normal legitimate extracurricular activities of the student body organization.

Article III

Aims and Goals

The Student Club Name organization will description of events.

Article IV

Membership

Membership is limited to description of members of the school. A list of members shall be kept in the sponsor notebook.

Article V

Decision Making Structure

- The Student Club Name Sponsor will be selected by the Principal.
- The Sponsor will hold the position until it is reassigned by the Principal.
- Decisions of what events or transactions shall take place will be made by the students with approval of the Sponsor and Principal or designee. If there is a dispute over a decision, a vote will be taken by the membership, but the Principal has final approval authority.

Article VI

Amendments

Amendments can be recommended by any member, but must be approved first by the Sponsor and Principal or designee, and then by majority vote of the members.

Article VII

Operating Procedures, By-laws, and Standing Rules

The Sponsor is required to maintain adequate financial records as evidence of proper custodianship and supervision of receipt and disbursement of club funds as evidenced by signing the Acknowledgement of Responsibilities for Activity Fund Sponsors Form. Club records are subject to review by the District Internal Auditor.

Cash collected for dues must be recorded in a TISD receipt book. All proceeds must be deposited into a Student Activity fund by delivering the receipt book with funds to the campus secretary/accountant. It is the responsibility of the Sponsor to identify the Student Account on the face of each check received for deposit.

All disbursement of club funds should be made according to District guidelines in place for purchases.

The Sponsor should maintain a journal to provide the club with a basic financial record of club transactions. The record should be organized to provide a current balance of club funds, cash receipt and disbursement transactions for general club activities.

Every transaction shall be supported with evidence of the deposit or expenditure.

Article VIII

Meetings

A report of the club's fund balance and expenditures should be available to membership on request and reported at group meetings no less than twice yearly.

Article IX

Dues (optional)

Attachment 10

Members shall pay dues of \$_____ on a yearly basis. The Student Club Name Sponsor will collect the dues at the beginning of the school year. Funds collected for dues must be recorded by the Student Club Name Sponsor in a TISD Receipt book. All proceeds must be deposited into a Student Activity Fund as described in Article VII. It is the responsibility of the Sponsor to identify the Student Account on the face of each check received for deposit.

(Principal's signature)

(Date)

Students wishing to start a bona fide student club shall seek the approval of the Principal. Once the Principal has approved the club and the sponsor has been assigned, the club should elect club officers, create a charter and bylaws.

