

ROLES OF OFFICERS, CONTINUED**5. Activity Treasurer**

- Elected by the pupils of each organization
- Responsible for receipt and remittance of funds to Central Treasurer
- Responsible for paying bills with pay orders
- Keep a ledger showing receipts and disbursements
- Responsible for keeping support and documentation for all entries made

15.

**ROLES OF OFFICERS, CONTINUED****6. Independent Auditor**

- Appointed by BoE
- Responsible for an annual audit
- Required to include extra-classroom activity fund as part of the audit
 - Statement of receipts, disbursements and balances with a reconciliation of cash

16.



BEST PRACTICE

- Admissions
 - Pre-numbered tickets
 - Give each ticket seller a set number of tickets and set drawer
 - Sufficient amount of ticket sellers with no additional responsibilities for later collecting tickets
 - Adult ticket taker
 - Require prompt returning of unused tickets, change and reconciliation
 - Explain the why regarding segregation

19.

**BEST PRACTICE**

- Sales
 - Pre-numbered receipts in duplicate, if possible.
 - Selling of goods – advisor should assist in developing a method to account for how much should have been collected based on how many items were sold and how many are left
- Donations
 - Should be noted in the minutes.
 - Issue a receipt

20.



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BEST PRACTICE

- Inventory
 - Safeguarding of items on hand for resale
 - Use inventory control form to monitor fundraising campaigns

21.

**BEST PRACTICE**

- Purchasing
 - Recommend use of formal purchase order approved by advisor and activity treasurer
 - Contracts, commitments or guarantees should be run through the District Purchasing Agent
 - Central Treasurer should monitor compliance with 1099 reporting
- Advances
 - To activity treasurer or advisor
 - Should include detailed statement of expected costs with request
 - After the activity treasurer or advisor will file a detailed statement with the central treasurer of actual costs with supporting documentation and leftover funds being returned
 - Change account for making change to avoid confusion

22.



BEST PRACTICE

■ Withdrawal (Payment) Procedures

- A pre-numbered payment order is prepared in duplicate and signed by both the activity treasurer and the faculty advisor
- The final bill is attached to the payment order and given to the central treasurer who records the payment order and prepares the check
- The central treasurer files the original pay order and bill as evidence for the payment. The check and the copy of the pay order are then given back to the activity treasurer.
- The activity makes the necessary entries in their books indicating to who and for what the payment is for. The check is then sent to the vendor and the pay order is filed for support.

23.

BEST PRACTICE

■ Custody of Funds

- The central treasurer is the sole custodian of the funds
- Receipts received by the activity treasurer should be given to the central treasurer the same day. The central treasurer should deposit the funds as soon as possible.
- If funds cannot be deposited the same day they should be locked away for the night
- Cash should not be left in a classroom or on a desk at any time

■ Transfer of Funds

- Transfer of funds to another account should be done with a payment order
- No money will actually change hands

24.

BEST PRACTICE

- School Store
 - Operated under guidance of a teacher-coordinator
 - Periodic accounting required
 - Separate policies and procedures manual likely required
 - Inventory counts
 - Register cash out procedures etc.

27.



ACCOUNTING RECORDS

- Receipt and Disbursement Ledger
 - Should be kept by the central treasurer and activity treasurer independently
 - Chronological order of all the receipts and disbursement for an activity through the year
 - Should include date, source of receipt or vendor for payment, receipt or voucher number, amount and a running balance
 - Central treasurer and activity treasurer should also keep independent register of receipts and register of disbursements

28.



ACCOUNTING RECORDS

- Deposit Receipt
 - Prepared in duplicate by the activity treasurer
 - Receipt numbers should be consecutive
 - Should be accompanied by a detailed statement of the source of the receipt signed by the faculty advisor
 - Detailed copy should be given to the central treasurer who then files the receipt chronologically
 - After the central treasurer deposits the receipt the carbon copy is signed off and returned to the activity treasurer for filing

29.



ACCOUNTING RECORDS

- Statement of Profit and Loss
 - Prepared by the activity treasurer with guidance from the faculty advisor
 - Used for when an activity sells goods, services or tickets
 - At the beginning of the year an estimated receipts and disbursements (budget) should be established by the activity treasurer with guidance from the faculty advisor
 - When complete a profit (loss) should be calculated and signed by the activity treasurer and faculty advisor

30.



ACCOUNTING RECORDS

- Central Treasurer's Receipt
 - Pre-numbered form made in duplicate to be filled out every time the central treasurer receives a deposit
 - The central treasurer files the original copy while giving the duplicate to the activity treasurer who also files the receipt
 - Contains date, amount, reason and source of the receipt and the activity name
- Activity Treasurer's Receipt
 - Similar to Central Treasurer's Receipt but prepared by the activity treasurer
 - Original to the purchaser and copy filed by the activity treasurer

31.

M

ACCOUNTING RECORDS

- Purchase Order
 - Purchases by activities should be made by means of a purchase order authorized by activity treasurer and faculty advisor
- Payment Order
 - Prepared and signed by the activity treasurer whenever a payment is to be made and is also approved by the faculty advisor and typically chief faculty counselor and/or central treasurer
 - Payment orders should be accompanied by the original invoice or bill
 - The central treasurer shall put the consecutive check number on the order and file
 - Duplicate copy is returned to the activity treasurer to be filed

32.

M

ACCOUNTING RECORDS

- Reconciliation of Cash Balances
 - Should be prepared monthly by the central treasurer
 - Reviewed and audited monthly by the faculty auditor
- Central Treasurer's Report
 - Prepared by the central treasurer
 - Records all disbursements and receipts for all of the activities in a school's ECAF
 - Keeps a running balance of the cash for the ECAF as a whole

33.

SOLICITATION OF CHARITABLE DONATIONS

- Direct solicitation of charitable donations from students on school property during school hours are prohibited.
- Participation in walk-a-thons are ok as long as the District is not used as a conduit to collect money.
- Food and clothing drives are ok as long as the receptacles are in a common area (no classrooms).
- Raising funds for community members needs (medical etc.) are ok as long as the collection is not during school hours on school premises. Common collection jar is ok.
- Sale of tickets to a student event that have a charitable component like proceeds going to charitable purpose are ok.

34.

SALES TAX

- Extra-classroom activities are not included in the exemption of the district. The District's EIN or exempt documents should not be used to avoid paying sales tax for the purchase of goods subject to sales tax
- Some ECAF organizations may be eligible for tax exempt status as an educational nfp organization.
 - Each eligible club meeting the criteria must apply for and receive its own tax exemption certificate (ST119.2)
 - This exempts specific clubs from paying sales tax on purchases.

35.

SALES TAX

- Exemption from paying sales tax does not relieve responsibility for charging sales tax where required.
- Common misconceptions:
 - We paid sales tax when purchased, so don't need to charge sales tax again when we sell merchandise
 - We don't make a profit – we sell at cost
 - "sales tax is included in the selling price" *
- "District sponsored events vs. organization sponsored events can make a difference (prom, dances for example)

36.

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SALES TAX

- Routine” fundraising activities involving resale of goods or merchandise – register as a vendor, obtain Certificate of Authority.
 - What is “routine”?
 - Quarterly returns will be required
 - Central Treasurer responsible for enforcement and filing of quarterly returns *
 - Use resale certificate (ST-120) to avoid paying sales tax on purchase of goods to be resold.

37.

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SALES TAX

- Best practices for sales tax reporting
 - Organizations made aware of fundraisers that are taxable
 - Central treasurer identifies taxable sales monthly. Sales tax is calculated at this time.
 - withdraws sales tax from Organization account and transfers to sales tax account
 - Prepare and file sales tax returns quarterly.
- See separate sales tax guide Publication 843

38.

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Inventory Control Form

Name of School _____

Club Name: _____

Fundraising Event: _____

Total Number of Items Purchased for Resale: _____

LESS: Total Number of Items Sold: _____

Total Number of Items Remaining in Inventory: _____

LESS: Total Items Unaccounted For: _____

Inventory on Hand: _____

Inventory Tracking Sheet:

Student Name	Date	Number of Items Taken	Date	Number of Items Returned

Purchase Order

School District

Purchase Order _____ No. _____

(Your invoice must show this order number)

TO: _____

DATE ISSUED: _____

DATE WANTED: _____

SEND TO: _____

AT: _____

PLEASE ENTER OUR ORDER FOR THE
FOLLOWING GOODS TO BE DELIVERED
TO: _____

____ EXEMPT FROM SALES TAX-resale

____ NOT EXEMPT FROM SALES TAX

(Check one of the above)

CHARGE TO: _____

Activity

Quantity and Unit	Description	Unit Price	Total Amount		Checked by

FUNDS ARE AVAILABLE. PURCHASE AUTHORIZED BY

ACTIVITY TREASURER_____
FACULTY ADVISER

Purchases by activities should be made by means of a formal purchase order approved by the faculty adviser who is responsible for determining that funds are available before approving purchase order. Like the voucher check, this document involves negotiation with institutions outside of the school and consequently shall bear the signature of the adviser. This form shall be made out in duplicate, the original to the vendor and the copy to the activity treasurer.

**Report on Extraclassroom Activity Account
Reconciliation of Cash Balances**

REPORT AS OF _____, 20

Name of School _____

CHECKING ACCOUNT

BANK STATEMENT BALANCE END OF MONTH \$ _____

Less total outstanding checks _____

Net balance in bank _____

Amount of receipts not deposited (add) _____

BOOK BALANCE END OF MONTH \$ _____

OTHER ACCOUNTS

Petty Cash Funds (add) \$ _____

Certificates of Deposit (add) _____

Savings Account (add) _____

CASH BALANCE END OF MONTH \$ _____

_____, 20

CENTRAL TREASURER

This account was audited for the period _____, 20__ to _____, 20__, and found to be correct.

FACULTY AUDITOR
Extraclassroom Activity Fund