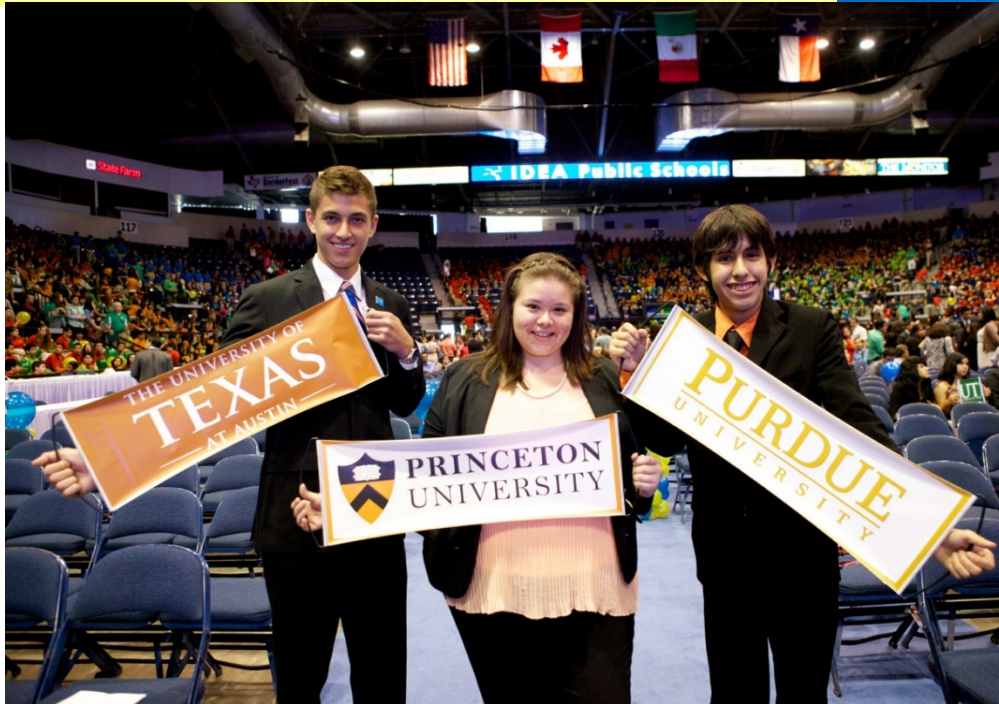


IDEA Public Schools

SCHOOL BASED ACTIVITY ACCOUNTS POLICY



IDEA PUBLIC SCHOOLS BOARD POLICY
SCHOOL BASED ACTIVITY ACCOUNTS POLICY

Contents

Sec. 1. Purpose of Policy..... 2

Sec. 2. Applicability of Policy..... 2

Sec. 3. Authority over Fiscal Matters..... 2

Sec. 4. Definitions..... 2

 Sec. 4.1. Activity Funds..... 2

 Sec. 4.2. Cocurricular Activities..... 3

 Sec. 4.3. Extracurricular Activities..... 3

 Sec. 4.4. Student Activity Funds..... 3

 Sec. 4.5. District or Campus Activity Funds..... 3

 Sec. 4.6. Staff Activity Funds..... 3

 Sec. 4.7. Fundraising..... 3

Sec. 5. Accounting for Activity Funds..... 3

Sec. 6. Activity Fund Responsibilities..... 4

 Sec. 6.1. Principals..... 4

 Sec. 6.2. Sponsors..... 4

Sec. 7. Bank Account..... 4

Sec. 8. Activity Fund Receipts..... 4

Sec. 9. Disbursements From Student Activity Funds..... 4

Sec. 10. Fundraising..... 5

 Sec. 10.1. Raffles and Gambling..... 5

 Sec. 10.2. Taxable Sales..... 5

Sec. 11. Contributions..... 5

Sec. 12. Activity Fund Roll Forward..... 5

Sec. 13. Other Organizations..... 5

Sec. 14. Updates and Training..... 5

Sec. 15. Administrative Procedures..... 5

Sec. 16. Dated Adopted and Effective..... 6

Sec. 17. Retention..... 6

**IDEA PUBLIC SCHOOLS BOARD POLICY
SCHOOL BASED ACTIVITY ACCOUNTS POLICY**

Sec. 1. PURPOSE OF POLICY.

Through this policy, the Board of Directors (“Board”) of IDEA Public Schools (“IDEA”) shall address the legal requirements, as applicable and as may be amended, promulgated at:

- (a) Texas Education Code (“Tex. Ed. Code”) Sections 12.115(a)(2);
- (b) Texas Business Organizations Code (“Tex. Bus. Org. Code”);
- (c) Texas Administrative Code, Title 19 (“19 TAC”), § 100.1047(b);
- (d) Financial Accountability System Resource Guide (“FASRG”); and
- (e) *Government Auditing Standards*.

Sec. 2. APPLICABILITY OF POLICY.

This policy pertains to the receipt, safeguarding, and use of activity funds, as defined herein.

Sec. 3. AUTHORITY OVER FISCAL MATTERS.

In accordance with state law, the Board has primary and ultimate authority over fiscal matters. If a matter or decision-making process is not addressed in this or other duly adopted policies of the Board, authority rests with the Board. In the event of a conflict between this policy and any other Board policy, such conflict shall be brought to the Board for resolution. Refer to the Board’s Authority Over Fiscal Matters Policy (the “Controlling Policy”) for requirements applicable to this policy.

The Delegates (as defined in Sec. 3(b) of the Controlling Policy) shall report to the Board any business arrangement or transaction with an individual that is an officer, as defined in Sec. 5 of the Controlling Policy, and any conflicted,¹ interested² or related³ party, as defined in other Board policy or applicable law. IDEA (and its officers) may not enter into a business arrangement or conduct a transaction in such a manner so as to circumvent this requirement.

Sec. 4. DEFINITIONS.

Sec. 4.1. Activity Funds.

“Activity Funds” are defined as funds consisting of resources received and held by IDEA as trustee to be expensed or invested in accordance with conditions of the trust. Specifically, they are funds accumulated from various school-approved fundraising activities and the receipt of student dues or fees, commissions, investment interest, and donations. These funds are to be used to promote the general welfare of a campus and the educational development and morale of all students. All funds collected by IDEA personnel from students are defined as activity funds.⁴

¹ Tex. Ed. Code § 12.1054; 19 TAC §§ 100.1131 through 100.1135

² 19 TAC § 100.1047(f)

³ Tex. Ed. Code § 12.1166

⁴ FASRG, Module 5. Site-Based Decision Making, Update 14, p. 42 (Jan, 2010)

**IDEA PUBLIC SCHOOLS BOARD POLICY
SCHOOL BASED ACTIVITY ACCOUNTS POLICY**

Sec. 4.2. Cocurricular Activities.

“Cocurricular Activities” are school-sponsored activities that directly add value to classroom instruction and curriculum.⁵

Sec. 4.3. Extracurricular Activities.

“Extracurricular Activities” are school-sponsored activities outside the school day, may be competitive or noncompetitive, and are generally designed to motivate students and provide them with enjoyment and skill improvement.⁶

Sec. 4.4. Student Activity Funds.

“Student Activity Funds” are comprised of monies raised and collected by students typically through school-approved fund-raising activities, club dues, or donations. This fund classification is used as an agency account for student club funds or class funds.⁷

Sec. 4.5. District or Campus Activity Funds.

“District of Campus Activity Funds” are comprised of monies raised and collected by the district or campus through fund-raising efforts or donations. This fund classification is to be used to account for transactions related to a principal’s activity fund if the monies generated are not subject to recall by the school district’s board of trustees into the General Fund.⁸

Sec. 4.6. Staff Activity Funds.

“Staff Activity Funds” are comprised of “flower fund” monies contributed by campus employees to be used for the purchase of an expression of congratulations, encouragement, or sympathy during personal events of employees and retirees.

Sec. 4.7. Fundraising.

For purposes of this policy, “fundraising” is defined as any activity involving the participation of a student body or a school-recognized group undertaken for the purpose of deriving funds.

Sec. 5. ACCOUNTING FOR ACTIVITY FUNDS.

The Delegates or designee shall account for the receipt and use of staff or student fundraising proceeds as a staff or student activity fund and for district or campus fund-raising efforts or

⁵ Texas Association of School Boards, Activity Funds, p. 3 (2017), https://www.tasb.org/Services/Legal-Services/TASB-School-Law-eSource/Business/documents/activity_funds.aspx

⁶ FASRG, Module 11, p. 62 (Jan. 2010)

⁷ Texas Association of School Boards, Activity Funds, p. 3 (2017), https://www.tasb.org/Services/Legal-Services/TASB-School-Law-eSource/Business/documents/activity_funds.aspx

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**IDEA PUBLIC SCHOOLS BOARD POLICY
SCHOOL BASED ACTIVITY ACCOUNTS POLICY**

donations as district or campus activity funds. All monies collected by school district personnel from students are to be categorized as student activity funds.⁹

Sec. 6. ACTIVITY FUND RESPONSIBILITIES.

The Delegates or designee and each campus principal and sponsor shall be responsible for the administration and accounting of activity funds.

Sec. 6.1. Principals.

Principals are responsible for the proper collection, disbursement, and control of activity fund cash, including the safekeeping of activity fund proceeds, the proper accounting of fundraising receipts and activity fund expenses, and adherence to this policy and the related administrative procedures. However, the Principal is not responsible for funds collected, disbursed, and controlled by parents, patrons, or alumni organizations, and these funds should not be accounted for as IDEA activity funds.

Sec. 6.2. Sponsors.

Sponsors are responsible for managing their respective activity funds, including the preparation of fund raising plans, monitoring the financial position of the activity fund, reviewing the activity fund financial statements, safekeeping activity fund money until it is deposited, and other fiduciary responsibilities. In addition, sponsors are responsible for ensuring all cash collected is properly recorded and ensuring a receipt is handed to each student and/or parent. Sponsors must be faculty members.

Sec. 7. BANK ACCOUNT.

IDEA shall establish and maintain a single bank account for all activity funds. The activity funds' bank account must be reconciled monthly.

Sec. 8. ACTIVITY FUND RECEIPTS.

The Delegates or designee shall ensure that IDEA retains adequate custody and control over activity funds and shall ensure that a receipt is issued to any student or parent submitting fundraising or other proceeds. The Delegates or designee shall ensure that all activity fund proceeds are deposited to the activity fund bank account and that the cash collected is not used to make purchases or payments of any kind.

Sec. 9. DISBURSEMENTS FROM STUDENT ACTIVITY FUNDS.

Student activity funds may be expended pursuant to direction from the student group provided that the expenditure is legal and that the vendor and purchase has been authorized. All expenditures drawn from student activity funds must be approved by the designated student officer, sponsor, and principal.

⁹ FASRG, Module 5. Site-Based Decision Making, Update 14, p. 42 (Jan, 2010)

**IDEA PUBLIC SCHOOLS BOARD POLICY
SCHOOL BASED ACTIVITY ACCOUNTS POLICY**

Sec. 10. FUNDRAISING.

Prior to undertaking any fundraising activities, the principal must approve all fundraising and sales activities and said approval must occur within thirty (30) days after a request is submitted. Once the purpose has been declared, funds cannot be repurposed at a later date. Sponsors must keep control of the merchandise and money and maintain records.

Sec. 10.1. Raffles and Gambling.

Raffles and gambling are prohibited.

Sec. 10.2. Taxable Sales.

The Delegates or designee must collect any sales taxes due on all sales which are not specifically exempted.

Sec. 11. CONTRIBUTIONS.

Campuses may receive contributions from donors in the form of cash or check. IDEA shall issue a tax-exempt letter to a donor upon request.

Sec. 12. ACTIVITY FUND ROLL FORWARD.

At the end of each fiscal year, any account balance remaining in a student activity fund shall roll forward to the following fiscal year.

Sec. 13. OTHER ORGANIZATIONS.

Booster clubs and parent-teacher organizations are separate legal entities from IDEA and must maintain separate federal identification numbers, bank accounts, and records.¹⁰

Sec. 14. UPDATES AND TRAINING.

The Delegates or designee shall properly train or ensure training is provided to IDEA officers and employees on the requirements of this policy and any administrative procedures adopted to implement this policy. Additionally, the Delegates or designee shall keep IDEA officers and employees informed of any changes to this policy and related requirements.

Sec. 15. ADMINISTRATIVE PROCEDURES.¹¹

The Delegates shall formally adopt administrative procedures as reasonably necessary to properly administer this policy and to adhere to applicable law and rule. In doing so, the Delegates shall not

¹⁰ FASRG, Module 5. Site-Based Decision Making, Update 14, p. 55 (Jan, 2010)

¹¹ Consistent with 19 TAC § 100.1033(b)(14)(C)(iv), the Board has the final authority to adopt policies governing charter school operations, including authorizing the Delegates or designee to adopt an administrative procedure to implement this policy. Moreover, as set forth in IDEA's Articles of Incorporation and Bylaws and in accordance with Tex. Bus. Org. Code §§ 3.101 and 22.201, the Board is IDEA's governing authority and, as such, manages and directs IDEA's business and affairs through Board actions, resolutions and policy.

**IDEA PUBLIC SCHOOLS BOARD POLICY
SCHOOL BASED ACTIVITY ACCOUNTS POLICY**

adopt, and are prohibited from adopting, an administrative procedure that conflicts with applicable law or this policy. Accordingly, the Delegates shall confer with the Board or legal counsel before deviating from the requirements set forth in this policy. In the event that a deviation from this policy becomes necessary, the Delegates shall either recommend an amendment to this policy or the Board's approval of a specific deviation, including the purpose, scope and duration of the requested deviation.

Sec. 16. DATED ADOPTED AND EFFECTIVE.

As set forth in the pertinent minutes to the meeting of the Board, the Board adopted this policy on May 1, 2020, and it became effective on May 1, 2020.

Sec. 17. RETENTION.¹²

This policy shall be retained until superseded, expired, or discontinued and for five (5) years thereafter in accordance with state law.

CERTIFICATION

The undersigned, being the Secretary of the Corporation, hereby certifies that the foregoing represents a true copy of a Board Policy adopted by the Directors of the Corporation on May 1, 2020, which Policy is in full force and effect and has not been revoked or amended.

DocuSigned by:

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Ryan Vaughan, Secretary

5/7/2020

Date

¹² Tex. Ed. Code §12.1052; 19 TAC §100.1203; See Record Number GR1000-38 and GR1025-25 in Local Schedule GR: Records Common to All Local Governments, Revised 5th Edition (Effective April 17, 2016) adopted by the Texas State Library and Archives Commission at Texas Administrative Code, Title 13, §7.125(a)(1).