

McKINNEY ISD ACTIVITY FUNDS MANUAL



Revised January 2014

Activity Funds

Definition

Activity funds are funds generated and accumulated by the school that are held in trust and are used to promote the general welfare of the school and educational development and morale of all students.

There are two main categories of activity funds:

Campus activity funds are funds raised locally at the school or donated to the school and include school office and departmental accounts. Campus activity funds are considered by TEA to be district general funds. The expenditure of these funds must comply with state and board policy and with district regulations.

Student activity funds are funds generated by specific student groups, not by the district or campus. The students make decisions about the expenditures of student activity funds.

See Appendix A for a matrix of the definitions of student and campus activity funds.

Accounting

McKinney ISD uses a centralized accounting and bank reconciliation system. Activity is entered by the campus bookkeeper or secretary but is reviewed and processed by the MISD Business Services Group.

Responsibilities

The Superintendent, principal, and sponsor, as applicable, shall be responsible for the proper administration of District and campus activity funds and student activity funds in accordance with state law and local policy, District-approved accounting practices and procedures, and the TEA Financial Accountability System Resource Guide. (CFD (Local)-A)

Campus Principals have ultimate responsibility for the proper handling of activity funds on their campus, the correct accounting for these funds, and overall adherence to the procedures and guidelines set out in this handbook.

Activity Fund Bookkeepers or Secretaries are responsible for following MISD procedures and guidelines in processing transactions. They may assist the sponsor with the entry of purchase orders or direct pays. They will also assist with the deposit of funds.

Club and Activity Sponsors are responsible for following the procedures and guidelines as set out in this handbook. Only certified personnel may be assigned as official sponsors of Activity Fund Accounts. Paraprofessionals may assist with

the collections and preparation of various paperwork transactions for the accounts. Parents and students may help with activities and count money. However, the official sponsor (administrator, counselor, or teacher) should be cognizant of all the account activity and should sign off on all check requests and deposits.

MISD Business Services Group is responsible for maintaining and updating these procedures and guidelines for activity funds, providing training, processing requests for payments, and reviewing the activity of the funds to ensure adherence to procedures and guidelines.

Independent auditors will include activity funds in the annual independent audit of the district's financial records.

Fund Raising

- The campus principal should pre-approve all fundraisers. The sponsor should complete an Authorization to Conduct a Fund Raiser Form (Appendix B-1) for submission to the principal for approval. Upon approval, the principal will send a copy to the Office of Communications for notification of planned fundraisers. The original should be returned to the sponsor.
- The sponsor is responsible for maintaining accurate records of all sales activities and accounting for all items purchased from vendors for resale.
- Sponsors should take care to select a reputable company for the purchase of fundraising materials. In addition, the sponsor should maintain a good relationship with district vendors by submitting bills to the campus bookkeeper/secretary for payment in a timely manner.
- Sponsors must keep control of the merchandise and money. Both should be secured at all times.
- Sponsors should keep accurate records of buyers of purchased items and funds received, collect all money due to the activity account, and keep a detailed list of any amounts due from students. See appendixes B-3 through B-5 for suggested record keeping forms. Sales details should be turned in to the campus secretary/bookkeeper with all funds collected. The principal should be notified if student obligations are not paid.
- Please note that IRS regulations state that fundraising amounts credited to individual students may be considered income to parents. Fundraising revenue should be used to benefit the group as a whole.
- The sponsor should submit a fundraiser profit/loss statement to the principal within 30 days of the conclusion of the project. A copy should be

sent to the campus secretary/bookkeeper. See appendix B-2 for a suggested format.

- Raffles are not allowable fund-raisers for school district or activity fund clubs. Attorney General opinion No. JM-1176 states that independent school districts and their related activity fund accounts are not qualified to hold charitable raffles

Cash Collection Procedures

- For control purposes there should be at least two people involved in the collecting and depositing of cash. Therefore, all activity fund accounts will have a sponsor separate from the bookkeeper or secretary.
- All monies collected will be deposited promptly into the activity funds account. Cash is **never** to be held and spent on expenses; all disbursements must be made with a check as a result of a purchase order or direct pay request.
- All money collected must be submitted in the same form as collected. A staff member is not to substitute his/her personal check for cash collected. No personal checks are to be cashed from the funds collected.
- Sponsors are not to take money home or keep it unsecured in classrooms after hours. Funds should be counted by the sponsor, secured in a locked box or bag, and given to the Bookkeeper or Secretary for storage in a locked secure cabinet or safe until deposited at the bank. Sponsors should not retain funds over three days.

Cash Receipts and Deposits

- All money collected must have some type of back up. The sponsor must provide a listing when receiving collections from multiple individuals and it is necessary to maintain a record of who has paid. Computer generated lists or hand written ledger sheets are acceptable, provided all pertinent information is furnished (date, names, number of items sold, amounts paid, and method of payment.) See appendixes B-3 through B-5 for suggested forms.
- If it is not feasible to record each individual payee but only the number of each item sold (such as sales at a table, tickets, etc.), a cash receipt voucher may be used detailing the beginning inventory, ending inventory, amounts sold and funds received. See appendix B-5 for suggested form. This form will be given to the campus secretary/bookkeeper along with funds collected.

- Copies of individual receipts used when the purchaser requires a receipt for future reference such as yearbook sales, etc may be used as back-up with deposits. Receipts should be prenumbered and accounted for in a numeric sequence. Copies of the receipts including any voids should back-up the deposit given to the campus secretary/bookkeeper. Merely providing the receipt numbers with no other support does not constitute appropriate supporting documentation for collections.
- The sponsor should count cash collected to ensure the total agrees to the total collections per the Cash Deposit Form. It is helpful for the sponsor to provide the breakdown of cash by denomination. Amounts should be turned in daily if possible to the campus bookkeeper or secretary.
- The Bookkeeper should count the funds in the presence of the sponsor, if possible, for verification to the sponsor's cash deposit form.
- Upon verification of the cash count, the bookkeeper should prepare a bank deposit slip. The bookkeeper should provide the sponsor with a cash receipt for funds received for deposit. Sponsors should make sure that a receipt is returned to them. If the sponsor fails to receive a receipt or if the amount does not agree to their records, the bookkeeper should be contacted promptly.

Disbursements from Activity Funds

- All activity fund disbursements shall be expended for the benefit of the District or its students and shall be related to the District's educational purpose.
- All disbursements from activity funds should be in compliance with MISD purchasing policies. Effort should be made to disburse funds by means of a MISD purchase order with an MISD approved vendor. All questions regarding approved vendors and the purchase order process should be directed to the MISD purchasing department.
- Reimbursement payments are discouraged but if they cannot be avoided require acceptable documentation: vendor's original invoices and/or sales receipts or cash register tapes. Balance due statements, copies, and credit card slips that only show a total are not acceptable because the items do not provide appropriate detail.
- The sponsor should provide the appropriate documentation to the bookkeeper/secretary when submitting invoices for payment. The original vendor invoice must be submitted. Invoice copies and vendor statements of the balance due are not acceptable forms of documentation. If disbursement is from a student activity account, a copy of the club minutes detailing the approval of purchase, those present, and signed by the club

president or designee is required. The bookkeeper/secretary will maintain this documentation. Disbursements for campus activity funds require principal approval.

- All requests for payments must be submitted in a timely manner. Late payments to vendors reflect on the entire school district and could result in late payment fees or interest charged to the account. Texas Government Code Chapter 2251 requires the district to pay vendors within 31 days of the later of: the date the goods are received; the date of performance of the service; or the date the invoice is received by the school district.
- All payments are to be made by check. No payments can be made with cash withheld and not deposited into the activity account.
- Payments to district employees must be made through the MISD Payroll department. Cash payments should never be made to employees from the activity fund for services rendered or extra-duty or overtime.
- People or companies who are not district employees and are paid for services provided to an activity fund account must be identified as independent contractors. Payments to contractors will be reported to the IRS and a form 1099 will be issued to the contractor if yearly amounts paid are over \$600. An IRS form W-9 indicating the taxpayer ID must be obtained and forwarded to Accounts Payable before the contractor can be paid.
- Sponsors are responsible for communicating with the bookkeeper before committing to any contracted service. The bookkeeper will determine if a contract is required, and if the vendor is active in the MISD system. Contracts should be forwarded to the Chief Financial Officer for review and signature.

Contracted Services may include:

Catering/banquet services

Rentals: cars, vans, buses, costumes, facilities

Presenter/Performer including disc jockeys, seminar and workshop speakers, etc.

Custom services: monogramming, sewing, choreography, custom T-shirts, etc.

Lodging, transportation, meals and miscellaneous costs associated with travel for individuals performing a service must be included in their fee and treated as a contract service.

- Provisions under Article 21.023 of the Federal Statutes provide tax exemption to the school district. MISD is entitled to an exemption only on items purchased that relate to the educational process. The Texas Sales

and Use Tax Exemption Certificate must be presented each time a purchase is made. The certificate is located in Appendix E or can be obtained from the Accounting Department.

- Purchases by individual members, teachers, or coaches of classes or teams do not have exemption from sales tax even though they are connected with the school or a school organization. Examples of these types of purchases are cheerleaders purchasing their own uniforms, athletic team members purchasing their own jackets, or science students purchasing a science board.
- **Booster clubs, PTA's, and other associated groups may not use the district's tax exemption certificate or employer ID number.** By law, these groups must obtain their own tax exemption status and employer ID number. Sponsors should never give these groups the district's ID number.

Appendix C is a quick reference guide created for principals that provides guidance on allowable/non allowable expenditures from general operating, campus activity, and student activity funds. The list is not all-inclusive and should be used as a guideline.

Sales Tax Collection and Payment

Funds received and deposited into activity funds from the sale of materials or services must be analyzed to determine if the sale is subject to the collection and remittance of state sales tax. All sales, both taxable and non-taxable, must be reported to the state. MISD accounting will report sales and remit the tax to the state on a quarterly basis. A taxable sale is defined as the transfer of title or possession of tangible personal property for consideration (usually money) or the performance of a taxable service for consideration. Schools must collect sales tax on all sales that are not specifically exempt. (See Appendix D-1&D-2 for a list of tax exempt and taxable sales) For example sales tax must be collected on:

- a. school purchased supplies sold directly to students including athletic equipment and physical education uniforms;
- b. fees for materials when the end product becomes a possession of the student;
- c. student publications such as yearbooks and football programs
- d. the sale of a school newspaper if the sales price per copy exceeds \$.75 per issue;
- e. school rings (unless acting as an agent for the vendor and the vendor is collecting and remitting sales tax);
- f. books sold at student book fairs (unless acting as an agent for the vendor and the vendor is collecting and remitting sales tax); and
- g. charges to the general public for parking.

Schools are not required to collect taxes on the following:

- a. fees and admission tickets;
- b. student club membership fees;
- c. Parking permits and fees charged to students, faculty, or staff for parking (Rule 3.315);
- d. Sales of food or soft drinks that are:
 - a. Sold and served during the regular school day
 - b. Sold by a person under 19 years of age who is a member of an organization devoted to the exclusive purpose of education, and groups associated with public or private elementary or secondary schools as part of a fund-raising drive sponsored by the organization for its exclusive use.

In some fund-raising activities, the school group is merely acting as a sales agent for the vendor. Tax must be collected as part of the sale and remitted to the vendor. The vendor then remits the sales tax to the State Comptroller. The school would not report this activity as a sale since it is reported by the vendor.

Sponsors must report taxable sales and collection of sales tax to the campus bookkeeper or secretary. The sales tax rate is 8.25% (6.25% State and 1% local-city of McKinney and .50% economic development and .50% community development) As funds are deposited, the sales amount is reported in the activity fund while the sales tax is recorded to 461.00.2210.03.xxx (campus number).00.000.

When imposing sales tax the school has the option of

1. Adding the tax to the selling price of the item. If the selling price were \$1.00, the school would collect \$1.09 from the buyer.
2. Absorbing the tax in the selling price of the item. If total sales were \$100.00 including tax, the organization would divide the total sales by 1.0825 to find taxable sales or \$92.38. Multiply total sales by .0825 to find sales tax to be remitted of \$7.62.

Tax-free Days

Each bona-fide chapter is permitted TWO tax-free sales days per CALENDAR year.

A bona-fide chapter is a group that must be organized for some business or activity other than instruction or a participatory group. Essentially, any student group that is recognized by the school and is organized by electing officers (not just participatory captains), holding meetings, and conducting business is a bona-fide chapter of the school. Groups meeting for classroom instruction or team sports are not categorized as bona-fide chapters and do not qualify for the tax-free day sales.

For example:

The school district qualifies for a tax-free day.

The school-wide fundraiser qualifies for a tax-free day.
The Basketball club qualifies, but the basketball team does not.
The Cheerleader Club qualifies, but not the cheerleader team.
The Debate Club qualifies, but debate teams and classes do not.
The Senior Class qualifies, but not one particular class that has seniors in it.

Collection and remittance of state sales tax is not required on qualified sales made during each one-day period. One day is defined as a consecutive 24-hour period. Items sold after the completion of the one-day sale are taxable. If items are pre-sold, such as yearbooks, items delivered from the vendor within one 24-hour period are non-taxable. Items sold after the completion of the one-day event are taxable. However, tax-free orders for merchandise can be taken for more than one day, as long as the merchandise is all delivered on the same day and the money has been collected.

Information and clarification regarding all state and local sales tax statutes may be obtained from the Accounting Office.

Recordkeeping Requirements

All records such as receipt books, deposit slips, check requests, purchase orders, sales records, cash reconciliation forms, etc, must be kept in an orderly fashion and retained for audit purposes for a total of seven years. Activity funds may be audited by the district's internal or independent auditors and district Business Services Group staff. All records of the sponsors and secretaries or bookkeepers are subject to audit and must be made available upon request.

Appendix A

Campus and Student Activity Fund Definitions

Campus Activity Funds

Funds are raised locally at the school or donated to the school.

The funds belong to the campus.

The money must be expended to benefit the student body and have a public purpose in the realm of education. The sponsor or principal decides upon the use of the funds.

Funds are deposited and disbursed in 461 fund accounts.

The campus qualifies for two tax-free sales days per CALENDAR year.

The campus principal must approve disbursements.

All fundraisers, cash collection and disbursements are subject to MISD procedures and regulations.

Upon dissolution of the campus, any remaining funds will be transferred to the general fund.

Student Activity Funds

Funds are generated by specific student groups, not by the district or campus.

Funds are held in trust for the student group. The money does not belong to the campus.

The student group must be recognized by the school and have elected officers (not participatory captains). The group must hold meetings and take minutes. Minutes must be approved by the group and signed by the club president.

Funds deposited and disbursed are included in 865 fund accounts.

The group qualifies for two tax-free sales days per CALENDAR year.

Disbursements are authorized by club action. Meeting minutes authorizing the disbursement must be attached to the request for payment and retained by the campus secretary/bookkeeper. The minutes must be signed by the club President or secretary.

All fundraisers, cash collection and disbursements are subject to MISD procedures and regulations.

The group should indicate their wish for the use of any funds left after the student group disbands.

Appendix B-1
McKinney Independent School District
Authorization to Conduct a Fund Raiser Form

General Information:

Campus: _____ Club: _____

Fundraiser Information:

Fundraiser title: _____

What type of merchandise or service will be sold or provided? _____

How will merchandise or service be sold or provided (e.g. catalog sales, individual sales to students on campus, prepaid orders, etc)? _____

Vendor: _____ Representative: _____

Address: _____ Phone: _____

Fundraiser will be conducted from _____ to _____
(month/year)

Funds generated will be used for _____

Sponsor Certification:

I hereby certify that a profit/loss statement will be completed and submitted to the campus principal within 30 days after the termination of the fund raising activity. In addition, I certify that all monies collected will be deposited to the campus secretary/bookkeeper in accordance with the District's cash handling procedures.

Sponsor's signature

Date

Authorization:

() **Approved** **Principal:** _____

() **Disapproved** **Date:** _____

Appendix B-2
McKinney Independent School District
Student Activity Account
Fundraiser Profit/Loss Statement

School: _____ Club: _____

Fund raiser title: _____

Actual Sales:

Receipt No.	Amount Deposited	Sales Tax (if required)
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
Totals	\$ _____	\$ _____

Actual sales (Amt deposited less sales tax) \$ _____

Actual Expenses:

Invoice No.	Invoice Amount
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total Expenses	\$ _____

Net Profit/Loss (total sales less total expenses) \$ _____

Club treasurer: _____ Date: _____

Sponsor: _____ Date: _____

Principal: _____ Date: _____

Appendix B-3
McKinney ISD

Campus: _____
CASH DEPOSIT RECORD

Purpose: Documentation for monies collected from individual students in the fundraising activity.
 To be given to campus bookkeeper or secretary with funds for deposit.
 The sponsor may choose to submit their own record if all requested information is provided.
 The sponsor will total, sign, and date the form. The money count box should be completed.

Club: _____ Account Number: _____

Fund raiser title: _____

	Name	Date	Amount
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			

	Name	Date	Amount
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			

TOTAL

 Sponsor signature

 Date

Money Count (to be completed by sponsor)

	No of bills	\$ total		No. of coins	\$ total
Checks	xxxxxxx	xxxxxxx		Quarters	_____ x .25
\$100's	_____ x 100	_____		Dimes	_____ x .10
\$50's	_____ x 50	_____		Nickels	_____ x .05
\$20's	_____ x 20	_____		Pennies	_____ x .01
\$10's	_____ x 10	_____		Other	_____
\$5's	_____ x 5	_____			_____
\$1's	_____ x 1	_____		Total	_____

Campus: _____

CASH DEPOSIT AND SALES ACCOUNTABILITY RECORD

Purpose: Documentation for monies collected when a detailed Cash Deposit Record is not feasible. Examples include items sold at a table, pre-numbered tickets, etc. The sponsor shall total, sign, and date the form. The money count box must be completed. The form should be given to the campus secretary/bookkeeper. Money collected from sales by individual students in the club should be listed on a cash deposit record.(Appendix B-3)

Club: _____ Account Number: _____

Fund raiser title: _____

Item sold		Number sold		Price per item		Total \$\$ Collected
TOTAL						

Sales Accountability

Opening inventory of items to be sold

Regular price items sold at \$ = \$

Discounted items at \$ = \$

Complimentary items at \$0 = \$0

Total deposit

Items left in inventory -

Sponsor signature _____

Date _____

Money Count (to be completed by sponsor)			
	No of bills	\$ total	No. of coins \$total
Checks	xxxxxxx	xxxxxxx	Quarters x .25=
\$100's		x 100	Dimes x .10=
\$50's		x 50	Nickels x .05=
\$20's		x 20	Pennies x .01=
\$10's		x 10	Other _____
\$5's		x 5	
\$1's		x 1	Total _____

Campus Fund Expenditures Quick Reference Guide for Campus Principals

Yes=Allowed

No=Not allowed

Description	Fund Type		
	199 General Operating	461 Campus Activity	865 Student Activity(1)
1. Instructional Supplies and Activities	Yes	Yes	Yes
2. Equipment, with a unit cost not to exceed \$5,000	Yes	Yes	Yes
3. Equipment, with a unit cost equal to or greater than \$5,000 (must be reported as and accounted for as a fixed asset)	Yes	Yes	Yes
4. Staff Development costs (workshop fees, registration, travel and expenses, etc.)	Yes	Yes	Yes(2)
5. Basic Office Expenses	Yes	Yes	No
6. Student Awards/Incentives:			
a. To all members of a student classroom, grade level, or student activity club	Yes (3)	Yes	Yes
b. Cash to students	No	No	No
c. Gift certificates to students.	No	No	No
d. To a student based upon merit or special achievement, within UIL Guidelines.	Yes	Yes	Yes
e. Qualified scholarships for use as payment of tuition, fees, books, supplies and equipment at an accredited educational institution. Payment must be to the McKinney Education Foundation for disbursement.	No	Yes	Yes

⁽¹⁾ Student Activity Funds are comprised of monies raised by and on behalf of bona fide student organizations.

They must be expended under the provisions of the student organization's constitution.

⁽²⁾ Expenditure of Student Activity Funds solely for staff development requires the approval of the student organization in accordance with their organizational by-laws.

⁽³⁾ Note: Senior High School Campuses only:

Must meet UIL awards guideline

Must be item of property such as a blanket, letter jacket, etc.

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Note: If your purchase does

not **clearly** fit within one of the above categories please call the Business Services Department

Campus Fund Expenditures Quick Reference Guide for Campus Principals

Yes=Allowed
No=Not allowed

Description	Fund Type		
	199 General Operating	461 Campus Activity	865 Student Activity(1)
7. Gifts: (All gifts are limited to a maximum value of \$25.00 or less per person one time a year)			
a. Cash to employees	No	No	No
b. Gift Cards/Certificates to employees	No	No	No
c. To an employee based upon merit or special achievement	No	No	No
d. To an employee for retirement	No	No	No
e. One meal taken to an employee at home for illness or death of an immediate family member or one meal taken to an employee's family at home for the illness or death of an employee	No	No	No
f. One meal taken to a student at home for illness or death of an immediate family member or one meal taken to a student's family at home for the illness or death of a student.	No	No	Yes
g. Flowers at the funeral of an immediate family member of an employee or student	No	No	No
h. Flowers to an employee or student in the hospital	No	No	No
i. Recognition of special event such as a marriage or birth of a baby by an employee or one of their immediate family members.	No	No	No
j. Recognition of employee or student birthdays	No	No	No
k. One act of appreciation or recognition annually for individual staff (e.g. Secretaries' Day)	No	No	No
l. One act of appreciation annually for the custodial and/or food service staff.	No	No	No
m. To recognize volunteers or donors for extraordinary gifts of time or money	No	Yes	Yes

Revised: 01/01/2014

Note: If your purchase does

not clearly fit within one of the above categories please call the Business Services Department

Campus Fund Expenditures Quick Reference Guide for Campus Principals

Yes=Allowed
No=Not allowed

Description	Fund Type		
	199 General Operating	461 Campus Activity	865 Student Activity(1)
8. Purchase tickets to the District's sponsored banquet (TOTY, Retirement)	No	Yes	Yes
9. Meetings and meals :			
a. Campus-wide celebrations for morale building purposes	No	Yes	Yes
b. Employee guest/spouse meal paid for at campus-wide celebrations	No	Yes(honoree only)	No
c. Refreshments for staff placed in the lounge for all employees on a regular work day.	No	Yes	Yes
d. Business related lunch meetings with staff	No	Yes	Yes
e. Food for district-wide staff development days or staff meetings	No	Yes	No
f. Food for SBDM Meetings	No	Yes	No
g. Retirement receptions	No	Yes	Yes
h. Occasional meals for staff during the normal school day where no special event occurs	No	Yes	Yes
i. Snacks during tutoring for state-required examinations, before and during the examination itself.	Yes	Yes	Yes
j. Snacks/meal as a morale booster or to reward exemplary behavior of an entire class or grade level.	No	Yes	Yes
k. Snacks/meal provided off-campus as an award to a student or group of students	No	Yes	Yes
10. Approved District Travel	Yes	Yes (4)	Yes(4)

[4] Note: Travel for students attending a bonafide workshop, conference, or competition.]

Travel for faculty limited to assigned club sponsor or advisor

Travel for faculty not associated with the club or non faculty chaperones must be approved by the principal and in the case of fund 865, by the club in accordance with the club bylaws.

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Note: If your purchase does

not **clearly** fit within one of the above categories please call the Business Services Department

Campus Fund Expenditures Quick Reference Guide for Campus Principals

Yes=Allowed
No=Not allowed

Description	Fund Type		
	199 General Operating	461 Campus Activity	865 Student Activity(1)
11. Clothing/Spirit-Wear/Personal Items (value less than \$25.00 per person):			
a. Sprit wear is limited to \$25 per year	No	Yes	No
b. Outerwear for administrative staff and coaches whose duties require them to attend outdoor after school events. Handbook must state that clothing is only worn for event	No	Yes	Yes
c. For resale to staff or students, not associated with a student activity club fundraiser.	No	Yes(5)	Yes(5)
d. Provided to entire student organization and sponsor as a condition of club membership.	No	Yes	Yes(6)
e. For resale as a fundraiser	No	Yes	Yes
f. Provided to entire faculty in support of a campus wide activity or event such as a field day. Only if it is the one item provided per year.	No	Yes	No
12. Staff Memberships in professional			
a. Statewide/nationwide organizations related to education or staff job.	Yes	Yes	No
b. Memberships in local civic organizations such as Chamber of Commerce.	No	No	No
c. PTA membership	No	Yes	Yes
13. Payments for extra duty (must be recorded on a timesheet and processed through payroll)	Yes	Yes	Yes
14. Loans to employees	No	No	No
15. Receive Payments for Lost Textbooks	No	Yes	Yes

(5) Staff must pay sales tax

(6) The student organization may require the payment of dues as a condition of membership in the club. Dues may include recouping the cost of clothing items provided to club members.

Revised: 01/01/2014

Note: If your purchase does

not **clearly** fit within one of the above categories please call the Business Services Department

Campus Fund Expenditures Quick Reference Guide for Campus Principals

Yes=Allowed
No=Not allowed

Description	Fund Type		
	199 General Operating	461 Campus Activity	865 Student Activity(1)
16. Donations			
a. To PTA/Booster/Foundation/Other Campus or other charitable organizations associated with the District	No	Yes	Yes
b.To other qualified charitable organizations	No	No	Yes
17. Door Prizes (less than \$100 value)	No	No	No
18. Purchases of alcoholic beverages, controlled substances or firearms.	No	No	No
19. Political Contributions or donations	No	No	No

Revised: 01/01/2014

Note: If your purchase does

not clearly fit within one of the above categories please call the Business Services Department

Appendix D-1

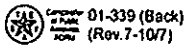
Tax Exempt Sales

The following items are automatically exempt from sales tax:

- Ad sales-in yearbooks, athletic programs, newspapers, posters
- Admission-athletic, dances, dance performances, drama, and musical performances.
- Admission-summer camps, clinics, workshops, project graduation
- Admission-banquet fees
- Admission-bids, proms, homecoming
- Admission-tournament fees, academic competition fees
- Cosmetology services (products sold to customers are taxable)
- Discount/Entertainment cards and books
- Facility rentals for school groups
- Food items sold during fundraisers
- Labor-automotive, landscape classes (parts are taxable)
- Magazine subscriptions greater than six months
- Parking permits
- Services-car wash, cleaning

Appendix D-2
Taxable Sales Examples

Agenda books	Musical supplies – recorders, reeds
Agricultural sales	Parts-career & technology classes (not to include products used in cosmetology)
Art-supplies and works of art	Parts-upholstery
Artistic – CDs, tapes, videos	PE- uniforms, supplies
Athletic-equipment and uniforms	Pennants
Auction items sold	Pictures-school, group (if the school is the seller)
Automotive-parts and supplies	Plants-holiday greenery and poinsettias
Band-equipment, supplies, patches, badges, uniforms	
Book covers	Rentals- equipment of any kind
Books-workbooks, vocabulary, library, author (when MISD is the seller)	Rentals-towels, uniforms of any kind
Brochure items	
Calculators	Repairs to tangible personal property (i.e. computer repair, etc)
Calendars	Rings and other school jewelry
Candles	Rummage and garage sales
Car-painting, pin striping	Safety supplies
Clothing-school, club, class	School publications-athletic programs, posters
Computer-supplies, mouse pads, charge to print	School publications-brochures
Copies, printing, laminating charges	School publications-magazines (unless >six month subscription)
Cosmetology products sold to customers	School publications-newsletters, newspapers
Cups-glass, plastic, paper	School publication- reading books
Decals	School publications sheet music, hymnals
Directories-student, faculty	School publications-yearbooks
Drafting-supplies	School store-all items (except food)
Family and Consumer Science –supplies & sewing kits	Science-science kits, boards, and supplies
Flowers-roses, carnations, arrangements	Spirit items
Greeting cards	Stadium seats
Handicrafts	Stationery
Horticulture items	Supplies-any sold to students
Hygiene items	
Identification cards-when they are sold to entire student body (not just the fine for a lost ID card)	Uniforms-any type to include PE, dance team, drill team, cheerleaders, athletic, club shirts
Locks-sales and rentals	Vending-pencils and other non edible supplies when the school services the machine
Lumber	Wood
Magazines-subscriptions less than six months	Woodworking crafts-entire sale to include parts and labor
Magazines- when sold individually	Yard signs
Merchandise, tangible personal property	



Texas Sales and Use Tax Exemption Certification

This certificate does not require a number to be valid.

Name of purchaser, firm or agency McKinney Independent School District	
Address (Street & number, P.O. Box or Route number) #1 Duvall Street	Phone (Area code and number) 469-302-4000
City, State, ZIP code McKinney, TX 75069	

I, the purchaser named above, claim an exemption from payment of sales and use taxes (for the purchase of taxable items described below or on the attached order or invoice) from:

Seller: _____

Street address: _____ City, State, ZIP code: _____

Description of items to be purchased or on the attached order or invoice:

Purchaser claims this exemption for the following reason:

Independent school district exempt from sales tax as a political subdivision of the State of Texas

I understand that I will be liable for payment of all state and local sales or use taxes which may become due for failure to comply with the provisions of the Tax Code and/or all applicable law.

I understand that it is a criminal offense to give an exemption certificate to the seller for taxable items that I know, at the time of purchase, will be used in a manner other than that expressed in this certificate, and depending on the amount of tax evaded, the offense may range from a Class C misdemeanor to a felony of the second degree.

sign here ▶	Purchaser	Title	Date

NOTE: This certificate cannot be issued for the purchase, lease, or rental of a motor vehicle.

THIS CERTIFICATE DOES NOT REQUIRE A NUMBER TO BE VALID.

Sales and Use Tax "Exemption Numbers" or "Tax Exempt" Numbers do not exist.

This certificate should be furnished to the supplier. Do not send the completed certificate to the Comptroller of Public Accounts.