



SCHOOL ACTIVITY FUNDS

Legal Authority

Any local or regional Board of Education in the State of Connecticut may establish and maintain in its custody a School Family Partnership Fund to handle the funds of schools and school organizations not otherwise provided for by town appropriations under Section 10-237 of the Connecticut General Statutes.

The principal of each school is authorized to establish and maintain an activity fund in accordance with State law. The purpose of the fund shall be to ensure proper management, safekeeping, and accountability for monies belonging to classes and student organizations acting under the name of the school; monies raised and disbursed as a result of student activities such as publications, plays, and social events; monies which come to the school as gifts or donations.

The principal or his/her designee shall be responsible for the proper management and accounting for the fund in his/her school in keeping with procedures prescribed by the Administrator of Business Services. All accounts shall be subject to audit.

Policy

The Board of Education shall direct the maintenance of a school activity fund through which the following funds may be accounted:

1. That portion of the finances of school lunch programs not provided by town appropriations;
2. Such funds of schools and school organizations approved by the Board of Education, including amounts received by gifts and donations;

The Board shall designate a treasurer(s), who shall be bonded, to:

1. Maintain separate accounts within the activity fund for each school lunch program, and for each school fund and each organization fund included in the fund;
2. Make expenditures from such fund in the manner prescribed and authorized by Board of Education regulations provided the control of school funds and the funds of all school organizations shall remain in the name of the respective schools and organizations.

Gifts, grants, and bequests in cash or checks shall be deposited in the school activity fund and used for the educational benefit of students as designated by the donor or fundraiser.

The accounts of the school activity fund shall be considered town accounts and audited in the same manner as all other town accounts.

Philosophy and Purpose:

The basic purpose of education is to prepare each generation of children for life's experiences. In order for this preparation to occur properly, the programs available to young people must be as broad as life itself. An important segment of these programs are students' extra-curricular activities. These programs supplement and enrich the educational experience for the students of Torrington. Consequently, the manner in which the Student Activity Funds are managed is important in guaranteeing the existence of such activities.

I. Student Activity Funds held within the Schools:

Administration Regulations

Student activity money shall, insofar as possible, be expended in such a way as to benefit those students currently in school who have contributed to the accumulation of such money. The management of student activity funds shall be in accordance with sound business practices including sound budgetary and accounting procedures and thorough audits.

1. Principles Governing Activity Fund Accounting:
 - A. The administration of the activity funds shall be governed by rules and regulations prescribed by the State of Connecticut and the Torrington Board of Education.
 - B. The Administrator of Business Services shall be responsible for conducting the fund in accordance with policies, rules and procedures set forth by the State of Connecticut and the Torrington Board of Education
 - C. Student activity records and financial procedures shall be subject to periodic and random audits by internal personnel and annual audits by outside independent auditors. Audit reports shall be referred to the principal and the central administration for information purposes and possible improvement of procedures.
 - D. The principal of the school, as trustee for the fund, shall be directly responsible for all student activity funds within the school and shall be responsible for the maintenance of records and administration of procedures as prescribed by Central Administration.
 - E. The Administrator of Business Services or his/her designee shall have the responsibility and authority to implement all procedures and rules pertaining to the supervision and administration of student activity funds in schools in accordance with established policies of the Torrington Board of Education.
 - F. All funds contributed, accrued, or credited to accounts established for student activities, clubs, classes or other organizations shall be expended only for the purposes and activities which are school administered, school supervised, and school controlled.
 - G. The Administrator of Business Services or his/her designee will present account balances to the Board of Education Budget Committee on a quarterly basis.
 - H. For all accounts with balances over \$2,500 the school is required to provide quarterly summaries of account balances and expenditures.
 - I. All accounts must maintain a positive balance at all times.

- J. Funds that are designated by a donor and must be used for that sole purpose or modified per the written approval of the donor.
 - K. Interest should be earned on savings and checking accounts whenever possible and shall be applied within the same account.
 - L. Appropriate segregation of duties must be maintained.
2. Establishing an Account:
- A. The Torrington Board of Education will designate the bank being used for the activity accounts and be listed with the District's Business Office.
 - B. Before any new account is opened or established, an "Application for Establishing a New Activity Account" must be submitted to the District's Business Office. This information will serve as the basis for requesting authorization for the account from the Board of Education.
3. Revenue/Receipts
- A. **Collection and Deposits.**
 - 1. Funds should be turned into the school Principal or his/her designee within 24 hours of receipt.
 - 2. Collections should be deposited daily, if reasonable.
 - 3. Money should never be left in the school over weekend or holidays.
 - 4. Monies collected shall be placed in a locked and secure area for safekeeping prior to making the bank deposit, preferably locked in the school safe. In no event should monies be stored in a teacher's desk.
 - 5. Said monies shall remain in the school safe only until such time as a deposit can reasonably be completed.
 - 6. The Principal, Activity Fund Director/Head and student activity fund secretary should be the only one who has access to the safe.
 - 7. All checks to be deposited should be endorsed immediately upon receipt, showing a restrictive endorsement, i.e. FOR DEPOSIT ONLY.
 - 8. Receipts should be posted to a Receipts Ledger on a weekly base.
 - 9. All receipts are to be deposited intact. No expense shall ever be paid in cash directly from any type of receipts or proceeds.
 - B. **Documentation of Receipts**
 - 1. All monies collected from any source must be substantiated by pre-numbered, duplicate-copy receipts. A receipt will be issued immediately upon receipt of funds by the student activity fund secretary. First copy of the receipt is to be given to the person from whom the money is received must verify all monies collected from any source. The second copy is to be retained by the Principal or the Activity Fund Director as permanent record of money received. Each receipt should bear the name of the specified account for which it is intended.
 - 2. Cash receipts should include supporting documentation. For example, if Ms. Jane is organizing a field trip and collecting money from students, the deposit receipt should include a class list of those students who have paid. Other examples would include the number of candy bars, tickets, candles, etc. sold. Minimally, the receipt should also include a brief summary of the reason for the deposit.
 - 3. **Preprinted Ticket** sales should follow the following procedure: A cash box containing a predetermined amount of petty cash and a predetermined dollar amount value of pre-numbered tickets should be used by the ticket seller for each event. This amount should be recorded by the student activity fund secretary

before release of the cash box and tickets. At the end of the day the cash box should be counted for the amount of cash and the remaining unsold tickets. The balancing should be documented and forwarded to the student activity fund secretary with the cash. Any discrepancy must be documented.

4. For **sales at the door**, where no preprinted tickets are used, rolled tickets should be given to each individual attending the event. The beginning number of the ticket roll should be recorded before the sale begins, and at the end of the event, the last ticket number should be recorded. The difference between the beginning and ending numbers are the number of individual attending. This number, multiplied by the entrance fee, should agree with the total cash collected. The balancing should be documented and forwarded to the student activity fund secretary. For different admission amounts, different colored rolls should be used.
5. For all activities for which tickets are not sold, but receipts issued, an analytical accounting should be performed for the total units available. Total sold, and amounts remaining. Example 1, Prom night: Meal count vs. tickets sold and cash recorded. Example 2, Yearbook: Total books ordered, total sold, total complimentary, compared to total cash receipts recorded.
6. For each activity using a cash register to record transactions, the following procedures should be performed: All transactions should be recorded in the cash register. Only supervisory personnel should be permitted to void transactions. Cash should be balanced on a daily shift basis to the cash register totals. Any discrepancies should be documented. The balancing should be documented and forwarded to the student activity fund secretary with the cash deposit.
7. Additional Cash Receipt Controls:
 - a) Complimentary tickets should be controlled by faculty advisor.
 - b) A listing should be prepared noting the name of the receiving party and the ticket number for all complimentary tickets distributed.
 - c) If an advisor removes cash from the box periodically, a slip should be prepared in order to properly balance at the end of the day/shift.
 - d) For any activity having an inventory, a periodic inventory should be taken and balanced to the amount on the inventory control sheet. Any discrepancies should be documented.

4. Disbursements

All disbursements or expenditures shall be made using pre-numbered checks drawn by the student activity fund secretary. The check number will serve as the basis for making an entry recording the disbursement. A Disbursement Ledger shall be maintained for all expenditures or withdrawals.

- A. All purchases are tax exempt. Tax exempt forms are available in the Central Office. The District will not pay tax on any invoice or reimbursement.
- B. In no instance may activity funds be used for any purpose that presents an accommodation, loan or credit to any person.
- C. Invoices bearing signatures certifying receipt of goods or services must support disbursements. In instances when an invoice might not be readily available, such as a deposit or admission fee, other sufficient

documentation must be presented or accompany the request for disbursement.

- D. Accuracy of prices, extensions and totals should be checked prior to payment.
- E. Payments should not be made off of statements or copies of invoices.
- F. If a reimbursement is being made for a direct purchase, an invoice or cash register receipt should accompany it. Reimbursements for direct purchases are discouraged, and since activity funds are considered municipal accounts, and municipalities are exempt from sales tax, no sales tax will be reimbursed.
- G. Under no circumstances is a district employee to be paid directly from an activity account from any type of service.
- H. Under no circumstances is the student activity fund be used to cash personal checks.
- I. When a disbursement is made, the invoice or other supporting documentation should be dated, marked: Paid,” and then filed in an appropriate manner.
- J. Two signatures shall be required for all expenditures or withdrawals. This pertains to savings as well as checking accounts. At least one signature must be from the building level. The only authorized signers at all the schools are the principals, assistant principals or secretary.
- K. Blank checks shall never be issued or signed. Such action makes the signer personally liable for anything recorded over his/her signature.
- L. For expenditures in excess of \$500, a third signature, that of the Administrator of Business Services or his/her designee, shall be required.
- M. Disbursements and expenditures are subject to a positive account balance within the activity.
- N. Funds must be expended in ways to benefit the activity that has contributed to accumulation of such funds and in accordance with the approved fund raising form.
- O. No disbursement may be made unless there is a current W-9 form on file from the payee.

5. Records

- A. Appropriate subsidiary ledgers/accounts are to be maintained for any general type account/fund so as to insure that funds are expended by the activity and/or students who have raised the funds.
- B. Bank statements are to be reconciled on a monthly basis. The end of the month will serve as the cutoff date for reconciling the bank statement and the related activity account(s).
- C. A monthly report should be submitted to the Business Office.
The reports should include:
 - 1. Opening balance (start of the month)
 - 2. All Receipts/revenue for the month
 - 3. All withdrawals/expenditure for the month
 - 4. Closing Balance (end of month)

5. A copy of the most recent bank statement should be submitted for each account (for checking accounts, a copy of the current bank reconciliation should be submitted).

6. Reports should be submitted no later than the 15th of the month for the month proceeding.

- D. A person besides the employee that is receiving the monies, making payments, depositing the monies, etc. should reconcile the bank statements and verify receipts and expenditures.
- E. A detailed list of outstanding checks must support the reconciliation.
- F. Any checks outstanding for more than six months must be brought to the attention of the school principal with a request for approval to either write-off or void and reissue the check.
- G. The appropriate advisor/officer of each organization for which an account is maintained should receive a report at least twice each fiscal year.
- H. Transfers of funds between accounts should be properly documented and signed by an administrator at the building level.
- I. 1099's must be issued as provided for by the IRS regulations. Any vendor used to provide services (sales of goods do not apply), and is not incorporated (LLC's are not considered corporations in this instance) must fill out an IRS Form W-9. If you are not sure if a vendor is incorporated, have them complete the W-9. This should be done before any payment is made and the form should be forwarded to the District's Accounts Payable Office. At the end of the calendar year, the student activity fund secretary should gather the information from all vendors and submit it to the District's Business Office. The District's Business Office will issue a 1099-MISC to all vendors. The student activity fund secretary is not responsible for issuing the 1099-MISC but is responsible for gathering the information and reporting it to the District's Business Office.

6. Other

- A. All accounts are subject to municipal audit in the same manner as City accounts. Copies of the audit report shall be maintained in the Business Office as a permanent record.
- B. Any scholarship funds, which are under the control of the Building Principal, shall be made available to the auditor on an annual basis.
- C. No student activity fund shall be continued for more than one year after class, organization, club association, or other student activity has terminated or its members have graduated. All funds not expended on behalf of a class, organization, club, association, or other student activity has terminated for graduated shall be transferred to the schools general account under the authority of the principal. Prior to this transfer, the principal will give written documentation to the group and allow 90 days to designate its funds to a specific use. All class funds will be designated prior to the graduation by the class.
- D. All school fund raising activities will be required to complete an approval form that details purpose of the fundraising event, type of fund raising

event, amount expected to be collected, and time frame for the expense of the funds. This information will be listed on Fundraising Approval Form and is expected to be completed prior to 30 days from starting the fundraiser. (See Appendix)

- E. All fundraising activities should have prior approval by the Superintendent of School or his/her designee.
- F. A class, organization, club association, or other student activity, must designate to the school principal prior to April 30th of the fiscal year that they intend to carry over funds to the next fiscal year.

II. School Family Partnership Fund:

Administration Regulations

Student activity money shall, insofar as possible, be expended in such a way as to benefit those students currently in school who have contributed to the accumulation of such money. The management of student activity funds shall be in accordance with sound business practices including sound budgetary and accounting procedures and thorough audits.

- A. All activities sponsored by parents or by groups that utilize the Torrington Board of Education's Tax ID number and/or Federal Employer number will be subject to follow the BOE policy regarding student activities. If a group is found using Torrington Board of Education's Tax ID number and/or Federal Employee number that is not following the below policy, the IRS and legal services will be notified immediately.
- B. All activities sponsored by parents or by groups that utilize the Torrington Board of Education's Tax ID number and/or Federal Employer number shall be centralized and the financial accountability will be maintained at Central Office.
- C. All activities sponsored by parents or by groups that utilize the Torrington Board of Education's Tax ID number and/or Federal Employer number shall amend its Bylaws to include approved Board of Education policy.
- D. All activities sponsored by parents or by groups that utilize the Torrington Board of Education's Tax ID number and/or Federal Employer number will operate under the financial review of the Board of Education.
- E. All activities sponsored by parents or by groups that utilize the Torrington Board of Education's Tax ID number and/or Federal Employer number shall maintain the following Insurance Policies:
 - 1. General Liability Insurance - \$1,000,000 per occurrence. The Torrington Board of Education would be listed as the additional insured. Any claim would be paid jointly to the Volunteer Group and the Torrington Board of Education.
 - 2. Fidelity Bond Coverage - \$25,000 Annual Limit
 - 3. Directors & Officers Liability Insurance - \$1,000,000 per occurrence.
 - 4. All activities sponsored by parents or by groups that do not utilize the Torrington Board of Education's Tax ID number and/or Federal Employer number shall be considered private affairs for which the school shall have no legal, financial, or administrative responsibility. Such private affairs, including activities so organized and sponsored for the benefit of students

which are not school administered, school supervised, school controlled, admission to which is made by purchase of ticket or by subscription, shall be deemed not to be entitled to any funds deposited in the accounts maintained by the district for classes or school-sponsored clubs and organizations.

7. Principles Governing Activity Fund Accounting:

- A. The administration of the activity funds shall be governed by rules and regulations prescribed by the State of Connecticut and the Torrington Board of Education.
- B. The Administrator of Business Services shall be responsible for conducting the fund in accordance with policies, rules and procedures set forth by the State of Connecticut and the Torrington Board of Education
- C. Student activity records and financial procedures shall be subject to periodic and random audits by internal personnel and annual audits by outside independent auditors. Audit reports shall be referred to the central administration for information purposes and possible improvement of procedures.
- D. The Administrator of Business Services or his/her designee, as trustee for the fund, shall be directly responsible for all student activity funds and shall be responsible for the maintenance of records and administration of procedures as prescribed by Central Administration.
- E. The Administrator of Business Services or his/her designee shall have the responsibility and authority to implement all procedures and rules pertaining to the supervision and administration of student activity funds in accordance with established policies of the Torrington Board of Education.
- F. All funds contributed, accrued, or credited to accounts established for student activities, clubs, classes or other organizations shall be expended only for the purposes and activities which are school administered, school supervised, and school controlled.
- G. The Administrator of Business Services or his/her designee will present account balances to the Board of Education Budget Committee on a quarterly basis.
- H. For all accounts with balances over \$2,500 the parent/volunteer group is required to provide quarterly summaries of account balances and expenditures.
- I. All accounts must maintain a positive balance at all times.
- J. Funds that are designated by a donor and must be used for that sole purpose or modified per the written approval of the donor.
- K. Interest should be earned on savings and checking accounts whenever possible and shall be applied within the same account.
- L. Appropriate segregation of duties must be maintained.

8. Establishing an Account

- A. The Torrington Board of Education will designate the bank being used for the activity accounts and be listed with the District's Business Office.
- B. Before any new account is opened or established, an "Application for Establishing a New Activity Account" must be submitted to the District's Business Office. This information will serve as the basis for requesting authorization for the account from the Board of Education.

9. Revenue/Receipts

A. **Collection and Deposits.**

1. There must be at least two members of the volunteer group present when counting the collection.
2. Sort contents of collection envelope into 3 separate piles: Cash; Coins; Checks.
3. Count cash, run calculator tape and write total on TPS Cash Receipt Form.
4. Count coins, run calculator tape and write total on TPS Cash Receipt Form.
5. Write each check on the TPS Cash Receipt Form. Write Check number and the amount of each check in designated area.
6. Total all three lines and write the total in the designated area of the TPS Cash Receipt Form.
7. Second volunteer should recount and verify totals. Staple both sets of calculator tape to the TPS Cash Receipt Form. The second volunteer should initial each line on the TPS Cash Receipt Form. The money must be recounted until both parties agree.
8. The TPS Cash Receipt Form must be completed in its entirety and signed.
9. Once the TPS Cash Receipt Form is completed, the banks deposit slip AND the Security Bag cover sheet must be completed in its entirety. All three forms must match.
10. The original TPS Cash Receipt Form, with all backup receipts from the activity/fundraiser, calculator tape, a copy of the Bank Deposit Slip and the "Tear-Off Receipt" from the Security Bag must be attached to the Cash Receipt Form and sent to the Business Office, c/o Student Activity Fund Bookkeeper. The above materials must be submitted to the Business Office within 48 hours of bank deposit.
11. The Bank Deposit Slip and a copy of the TPS Cash Receipt Form should be placed inside the Security Bag along with all Cash, Rolled Coins and Checks.
12. Once all collections are inside the Security Bag, the Security Bag must be sealed.
13. Security Bags should be brought to the bank by the Volunteer Group within 48 hours of receipt.
14. All unused Security Bags are to be stored in a secured location in the school.
15. Collections should be deposited daily, if reasonable.
16. Money should never be left in the school buildings over weekend or holidays.

17. Monies collected shall be placed in a locked and secure area for safekeeping prior to making the bank deposit, preferably locked in the safe. At no time should monies be stored in a desk.
18. Said monies shall remain in the locked and secured location only until such time as a deposit can reasonably be completed.
19. The Principal or his/her designee and student activity fund secretary should be the only ones who have access to the student activity money.
20. All checks to be deposited should be endorsed immediately upon receipt, showing a restrictive endorsement, i.e. FOR DEPOSIT ONLY.
21. All receipts are to be deposited intact. No expense shall ever be paid in cash directly from any type of receipts or proceeds.
22. The cost associated for buying the Security Bags and Bank Deposits Slips will be borne by the District.

B. Documentation of Receipts

1. All monies collected from any source must be substantiated by a receipt. Each receipt should bear the name of the specified account for which it is intended.
2. Cash receipts should include supporting documentation. For example, if Ms. Jane is organizing a field trip and collecting money from students, the deposit receipt should include a class list of those students who have paid. Other examples would include the number of candy bars, tickets, candles, etc. sold. Minimally, the receipt should also include a brief summary of the reason for the deposit.
3. **Preprinted Ticket** sales should follow the following procedure: A cash box containing a predetermined amount of petty cash and a predetermined dollar amount value of pre-numbered tickets should be used by the ticket seller for each event. This amount should be recorded by the student activity fund bookkeeper before release of the cash box and tickets. At the end of the day the cash box should be counted for the amount of cash and the remaining unsold tickets. The balancing should be documented and forwarded to the student activity fund bookkeeper. Any discrepancy must be documented.
4. For **sales at the door**, where no preprinted tickets are used, rolled tickets should be given to each individual attending the event. The beginning number of the ticket roll should be recorded before the sale begins, and at the end of the event, the last ticket number should be recorded. The difference between the beginning and ending numbers are the number of individual attending. This number, multiplied by the entrance fee, should agree with the total cash collected. The balancing should be documented and forwarded to the student activity fund bookkeeper. For different admission amounts, different colored rolls should be used.

5. For all activities for which tickets are not sold, but receipts issued, an analytical accounting should be performed for the total units available. Total sold, and amounts remaining. Example 1, Prom night: Meal count vs. tickets sold and cash recorded. Example 2, Yearbook: Total books ordered, total sold, total complimentary, compared to total cash receipts recorded.
6. For each activity using a cash register to record transactions, the following procedures should be performed: All transactions should be recorded in the cash register. Only supervisory personnel should be permitted to void transactions. Cash should be balanced on a daily shift basis to the cash register totals. Any discrepancies should be documented. The balancing should be documented and forwarded to the student activity fund bookkeeper with the cash deposit.
7. Additional Cash Receipt Controls:
 - a) Complimentary tickets should be controlled by the advisor of the group.
 - b) A listing should be prepared noting the name of the receiving party and the ticket number for all complimentary tickets distributed.
 - c) c If an advisor removes cash from the box periodically, a slip should be prepared in order to properly balance at the end of the day/shift.
 - d) d. For any activity having an inventory, a periodic inventory should be taken and balanced to the amount on the inventory control sheet. Any discrepancies should be documented.

10. Disbursements

All disbursements or expenditures shall be made using pre-numbered checks drawn by the student activity fund bookkeeper. The check number will serve as the basis for making an entry recording the disbursement. A Disbursement Ledger shall be maintained for all expenditures or withdrawals.

- A. All purchases are tax exempt. Tax exempt forms are available in the Central Office. **The District will not pay tax on any invoice or reimbursement.**
- B. In no instance may activity funds be used for any purpose that presents an accommodation, loan or credit to any person.
- C. Invoices bearing signatures certifying receipt of goods or services must support disbursements. In instances when an invoice might not be readily available, such as a deposit or admission fee, other sufficient documentation must be presented or accompany the request for disbursement.
- D. Accuracy of prices, extensions and totals should be checked prior to payment.
- E. Payments should not be made off of statements or copies of invoices.
- F. If a reimbursement is being made for a direct purchase, an invoice or cash register receipt should accompany it. Reimbursements for direct purchases are discouraged, and since activity funds are considered municipal

accounts, and municipalities are exempt from sales tax, no sales tax will be reimbursed.

- G. Under no circumstances is a district employee to be paid directly from an activity account from any type of service.
- H. Under no circumstances is the student activity fund be used to cash personal checks.
- I. When a disbursement is made, the invoice or other supporting documentation should be dated, marked: Paid,” and then filed in an appropriate manner.
- J. Two signatures shall be required for all expenditures or withdrawals. This pertains to savings as well as checking accounts. At least one signature must be from the Administrator of Business Services or his/her designee. The only authorized signers at Central Office are the Superintendent, Administrator of Business Services or his/her designee, or student activity fund bookkeeper.
- K. Blank checks shall never be issued or signed. Such action makes the signer personally liable for anything recorded over his/her signature.
- L. Disbursements and expenditures are subject to a positive account balance within the activity.
- M. Funds must be expended in ways to benefit the activity that has contributed to accumulation of such funds and in accordance with the approved fund raising form.
- N. No disbursement may be made unless there is a current W-9 form on file from the payee.

11. Records

- A. Appropriate subsidiary ledgers/accounts are to be maintained for any general type account/fund so as to insure that funds are expended by the activity and/or students who have raised the funds.
- B. Bank statements are to be reconciled on a monthly basis. The end of the month will serve as the cutoff date for reconciling the bank statement and the related activity account(s).
- C. A monthly report will be completed and held at the Business Office. The reports should include:
 - 1. Opening balance (start of the month)
 - 2. All Receipts/revenue for the month
 - 3. All withdrawals/expenditure for the month
 - 4. Closing Balance (end of month)
 - 5. A copy of the most recent bank statement should be submitted for each account (for checking accounts, a copy of the current bank reconciliation should be submitted).
 - 6. Reports should be submitted no later than the 15th of the month for the month proceeding.
- D. A person besides the volunteer that is receiving the monies, making payments, depositing the monies, etc. should reconcile the bank statements and verify receipts and expenditures.
- E. A detailed list of outstanding checks must support the reconciliation.

- F. Volunteer groups will be notified in writing (e-mail along with a scanned copy of the returned check) of all returned checks within three business days. Any checks outstanding for more than six months must be brought to the attention of the Administrator of Business Services with a request for approval to either write-off or void and reissue the check.
- G. The appropriate advisor/officer of each organization for which an account is maintained should receive a report at least twice each fiscal year.
- H. Transfers of funds between accounts should be properly documented and signed by an administrator at the building level and the Administrator of Business Services or his/her designee.
- I. 1099's must be issued as provided for by the IRS regulations. Any vendor used to provide services (sales of goods do not apply), and is not incorporated (LLC's are not considered corporations in this instance) must fill out an IRS Form W-9. If you are not sure if a vendor is incorporated, have them complete the W-9. This should be done before any payment is made and the form should be forwarded to the District's Accounts Payable Office. At the end of the calendar year, the student activity fund bookkeeper should gather the information from all vendors and submit it to the District's Business Office. The District's Business Office will issue a 1099-MISC to all vendors. The student activity fund bookkeeper is not responsible for issuing the 1099-MISC but is responsible for gathering the information and reporting it to the District's Business Office.

12. Other

- A. All accounts are subject to municipal audit in the same manner as City accounts. Copies of the audit report shall be maintained in the Business Office as a permanent record.
- B. Any scholarship funds shall be made available to the auditor on an annual basis.
- C. No student activity fund shall be continued for more than one year after class, organization, club association, or other student activity has terminated or its members have graduated. All funds not expended on behalf of a class, organization, club, association, or other student activity has terminated or graduated shall be transferred to the central office general account under the authority of the Administrator of Business Services. Prior to this transfer, the volunteer group will give written documentation to the group and allow 90 days to designate its funds to a specific use. All class funds will be designated prior to the graduation by the class.
- D. All school fund raising activities will be required to complete an approval form that details purpose of the fundraising event, type of fund raising event, amount expected to be collected, and time frame for the expense of the funds. This information will be listed on Fundraising Approval Form and is expected to be completed prior to 30 days from starting the fundraiser. (See Appendix)
- E. All fundraising activities should have prior approval by the Superintendent of School or his/her designee.

- F. A class, organization, club association, or other student activity, must designate to the Administrator of Business Services prior to April 30th of the fiscal year that they intend to carry over funds to the next fiscal year.

13. Use of Debit Cards

Under certain circumstances, the use of a district debit card may be the most appropriate method for certain purchases. The following policies and procedures are established to insure internal control and timely payment of charges. Failure to comply with established procedures may result in discontinuance of use by the individual. The policies and procedures provided herein are the **minimum** standards. Additional controls may be established if necessary.

- A. Those who are responsible to make timely or frequent purchases for school-related activities, may be issued a School District Debit Card with a \$500 daily limit.
- B. Debit cards will be issued in the name of the individual and their corresponding school. The debit card may only be used by the person assigned the card.
- C. A maximum of two debit cards can be issued to each volunteer group.
- D. The Administrator of Business Services or his/her designee must contact the bank to authorize the issuance of a debit card to an individual; the bank will not accept requests for cards from anyone except the Administrator of Business Services or his/her designee. She/he will assign a credit limit for purchases based on budgetary limitations, anticipated monthly purchases, and expected frequency of use.
- E. Debit cards will not allow an option for cash advances to be issued under any circumstances.
- F. When an individual must make a district-related purchase, the following procedure shall be used:
 - Present the card to the vendor.
 - Inform the vendor that this is a tax-exempt purchase.
 - The individual must obtain a receipt which lists the item purchased, quantity, unit price, and total price.
 - Upon returning to Central Office, but no less than once a week, the individual shall forward all itemized receipts to the student activity fund bookkeeper along with an itemized purchase log form for items purchased.
 - The student activity fund bookkeeper will review the receipt and purchase log form to insure that it was an appropriate purchase and will match all receipts against the monthly bank statements.
 - Following payment, the student activity fund bookkeeper will charge the proper accounts for purchases made during the month.
 - The Administrator of Business Services will review the monthly invoice, with itemized receipts attached, to verify that purchases are limited to appropriate school district expenses. The Administrator of Business Services or his/her designee is responsible to insure that purchases are within budgetary limits.

- G. To avoid the appearance of impropriety, debit cards shall not be used for travel arrangements, hotels, or meals.
- H. All employees, community members, supervisors, and business office personnel shall report any irregularities, including lost receipts, questionable purchases, etc. to the Administrator of Business Services.
- I. Debit cards are not to be used for purchases of personal items, regardless of the intent to reimburse the district/student activity account for the purchase.
- J. Monthly purchasing activity will be periodically audited by the Administrator of Business Services to insure that credit limits are appropriate.
- K. All individuals who are issued a debit card must be given a copy of the attached memo and must sign the “Agreement to Use Business Debit Card” prior to being issued a card.
- L. The Administrator of Business Services has the authority to revoke debit cards as appropriate. She/he is also responsible to monitor use and take legal action if misuse of cards occurs.
- M. Responsibility of Cardholder:
 - 1. Maintain the Card Log
 - 2. Hold and secure Card
 - 3. Order/receive materials and services
 - 4. Make sure there is no sales tax
 - 5. Collect and save sales receipts
 - 6. Submit all receipts at least weekly with appropriate documentation.
 - 7. Comply with all procurement and debit card policies and procedures
 - 8. Identify and report to Local Administrator disputed items

Legal Reference: Connecticut General Statutes
 10-222a Boards to have use of funds from repayment and insurance proceeds for school materials.
 10-237 School activity funds

Policy 3050: School Activity Funds
 3050: Adopted June 21, 2006; R3050: Adopted June 21, 2006; Consolidated with 3050 on November 17, 2010. Revised and Consolidated November 17, 2010. Implementation for July 1, 2011. Revised, Approved on March 28, 2012; Revised May 2, 2012; Approved May 16, 2012. Revised and approved on May 3, 2021.

TO:

FROM: Administrator of Business Services

DATE:

SUBJECT: Procedures for Using Debit Card for District-Related Purposes

We have made arrangements with _____ Bank to issue a debit card for you to use for school-related purchases. Our goal is to expedite the process to make timely and/or frequent purchases for school-related activities. Procedures are as follows:

1. When making a purchase on behalf of the school activity fund, present your _____ Bank Debit Card.
2. Inform the vendor that this is a sales-tax exempt purchase; the exemption number. Obtain an itemized receipt for the purchase. If the store does not provide you with a detailed receipt, write a description of the item(s) purchased on the copy of the receipt that you do receive. Examples of proper descriptions include: 5 gallons paint; ice melt to supplement existing stock, 16 flashlights to stock emergency kits, etc.
3. Give this copy of the receipt to the student activity fund bookkeeper. The student activity fund bookkeeper will review the receipt, assign the proper account code and initial to indicate approval.

You are responsible to work with your school principal or his/her designee to insure that all purchases are within budgetary limitations. In addition, purchases made with a debit card must adhere to all school district and state requirements for soliciting quotes and bids.

Under no circumstances may you use this card for personal purchases, even if you plan to reimburse the district. Any abuse of this policy will result in immediate disciplinary action.

Please read and sign the attached form and bring it to the school office. The Administrator of Business Services will request a debit card for you. The process takes up to 3 weeks.

AGREEMENT TO USE SCHOOL DISTRICT DEBIT CARD

I, ___(card holders name)____, acknowledge that I have received a _____ School District Debit Card on __ (date)_____, and that I am authorized to make purchases for school-related needs with this card in accordance with the policy and procedures outlined on the attached memorandum.

I understand that I will be responsible to turn in all itemized receipts to the school office following all purchases.

If this card is lost or stolen, I will notify the office of the Administrator of Business Services immediately.

I further understand that I may not, under any circumstances, make personal or unauthorized purchases with this card, and that disciplinary and/or legal action, including possible termination of employment, will result if I do so.

I am aware that this card carries a credit limit of \$_____. However, I must communicate with the school principal to insure that budgetary limitations are honored.

In the event that my employment or volunteer service with Torrington School District ends, I agree that I will surrender this card to the office of the Administrator of Business Services immediately.

Signed:_____

Date:_____

Witness:_____

Date:_____

TORRINGTON SCHOOL DISTRICT

Debit Card Agreement

I, _____ hereby accept a Torrington School District Debit Card. As a Card Member, I certify that I have read, understood and agree to comply with the following terms and conditions regarding my responsibility in the use of the Torrington School District Debit Card issued to me:

1. I understand that I am being entrusted with a valuable purchasing tool. I understand that issuance of this debit card is a delegation of limited purchasing authority. I further understand that by using this card I am financially committing the Torrington School District to a legally binding contract.
2. I understand that the District is solely liable to Card Issuer for all charges made in the use of the District Debit Card.
3. I understand and agree that the Torrington School District Debit Card is for official school business and shall not be used for personal purchases.
4. I understand that all goods and services shall be obtained at a reasonable cost and that all purchases shall be made in a fair and impartial manner with avoidance of any impropriety or the appearance of impropriety.
5. I agree to notify the School Principal and Administrator of Business Services immediately if the Torrington School District Debit Card is lost or stolen.
6. I understand that the Torrington Public Schools Debit Card may be revoked by the Principal or Administrator of Business Services at any time without notice.
7. I agree to surrender the Torrington Public School Debit Card immediately upon request of the Principal or Administrator of Business Services, or upon termination of employment or volunteer service (including voluntary separation and retirement).

_____ Employee's Signature

Date

Please Print Name and Division