



SAS 99 and the Fraud Hotline

Training for Activity Fund
Clerks, Secretaries, & Principals
2017-2018



What is SAS 99?

Statement of Auditing Standards No. 99, Consideration of Fraud in a Financial Statement Audit was published by the AICPA in 2002 and applies to all entities that are audited by an independent auditor. The purpose of this standard is to prompt entities to take proactive steps to diminish the risk of fraud.

Examples of fraud include, but are not limited to:

- Employee theft of supplies, cash, or equipment
- Inflated hours on timesheets
- Employees clocking in and out for other employees
- Claiming reimbursement for business expenses not incurred or for personal expenses
- Forgery or unauthorized alteration of any document, check or financial report
- Failure to disclose conflicts of interest
- Unauthorized disclosure of confidential or proprietary information to outside parties



Board Policies Addressing Fraud

- CAA (LOCAL) includes a definition and prohibition of fraud and financial improprieties. It also contains provisions requiring prompt reporting, investigation, and follow up of suspected fraud.
- DBD (LOCAL) includes mandatory disclosure of employees' potential financial conflicts of interest.
- DG (LEGAL) includes the federal criminal prohibition of retaliation against any employee who in good faith reports a violation of law by the District or another employee to an appropriate law enforcement authority.



Reporting of Suspected Fraud

- Any person who suspects fraud or financial impropriety in the District shall report the suspicions immediately to any supervisor, the Superintendent or designee, the Board President, local law enforcement, or the District's fraud hotline.
- The District has established an anonymous reporting hotline for use by employees as an option to reporting suspected fraud. Information regarding the hotline is available on the District's website at www.mcisd.net under the tab for Staff.



MISSION CISD FRAUD HOTLINE

- Mission CISD is committed to the highest possible standards of ethical, moral and legal conduct. In line with this commitment and the District's commitment to open communication, the District has established an anonymous reporting hotline for use by District employees. The hotline is intended to be used to report serious concerns or questionable actions that could have a large impact on the District that:
 - May lead to incorrect financial reporting
 - Are unlawful
 - Are not in line with Mission CISD policies and procedures
 - Otherwise amount to improper conduct
- The toll free hotline is operated by a third party provider and is available for employee use 24 hours a day, 7 days a week, 365 days a year. All calls are confidential and the caller's identity will remain anonymous. Callers will be provided with a password if they wish to re-contact the hotline to follow-up with concerns reported.

When calling the Mission CISD Fraud Hotline, provide as much information as possible, including:

- Circumstances of the incidents (dates, times, names, places)
- The departments, campuses, and individuals involved
- Location of any available evidence (physical evidence or records)
- Names and telephone numbers of credible witnesses

All calls to the Mission CISD Fraud Hotline should be made in good faith to report fraud, waste or abuse rather than to report dissatisfactions. Do not use the Mission CISD Fraud Hotline to report malicious allegations.

Mission CISD Fraud Hotline (for MCISD employee use only):

1-800-398-1496 (English)

1-800-216-1288 (Spanish)

Other anonymous reporting options for MCISD employees include:

E-mail: reports@lighthouse-services.com

Fax: (215) 689-3885 (must include name of school or Mission CISD)

Regular mail: Lighthouse Services, Inc.

1710 Walton Rd., Suite 204

Blue Bell, PA 19422



Campus and Student Activity Funds

Training for Activity Fund
Clerks, Secretaries, and Principals
2017-2018



Definition and Purpose

- Monies accumulated from the collection of student fees and fundraisers
- Used to promote the general welfare of each school and the educational development and morale of the students
- Two types: Campus Activity Funds and Student Activity Funds



Campus Activity Funds

- Accounted for in Fund 461
- Both Elementary & Secondary campuses have these funds
- Generated by the campus as a whole
- Principal exercises managerial authority over these funds



Student Activity Funds

- Accounted for in Fund 865
- Only secondary campuses have these funds
- Related to a specific club or student group
- Decision making rests with the students under the guidance of a faculty sponsor & principal approval
- District has custodial responsibility



Responsibilities for Activity Funds

- Principals: Directly responsible for proper collection and disbursement
- Activity Clerk: Maintains supply of receipts, receipting teachers/sponsors, bank deposits, reporting balances to club sponsors
- Club Sponsor: Planning fundraisers, receipts to parents as required, submitting cash to clerks, fundraiser reports



Basic Records

- Bank Deposit Slips: Obtain from Finance Dept.
- Activity Fund and Miscellaneous Receipts: Obtain from the Finance Dept, your Fund 461 account will be charged the following month (*never use store bought receipts*)
- Purchase Orders: Use Tyler Munis
- Bank Statements: Reconciled by the Finance Dept, you may receive calls from Finance regarding deposits (*differences in amounts or deposits not posted to the general ledger*)



Miscellaneous Receipts

Used for lost library books, lost textbooks, and for the following:

- Partial payments from students, excluding fundraisers (*trips, cheerleader uniforms, etc.*)
- Advertisements sold by student groups
- Collections on campus to be deposited into another fund (*damages to the school*)
- Collections requiring a payer record for future reference (*yearbooks*)



Activity Fund Forms (page 53)

- **Fundraiser Application:** *Must be submitted for approval for all fundraising activities*
- **Fundraising Application for Outside Organizations:** *PTO's, Booster Club, etc.*
- **Student Collection Reports:** *Must be completed by sponsor/teacher*
- **Fundraiser Report:** *Submit within 30 days of close of fundraiser, must show all receipts, expenses and outstanding items; explanation for loss*
- **School Store Reports:** *Due the 10th of each month, must do inventory*



Campus Fundraisers

- Examples: brochure sales, discount card sales, t-shirt sales, dances, yearbook, book fairs, festivals, school store (attach a list of activities for festivals)
- RAFFLES AND BINGOS PROHIBITED!!
- Fundraiser Applications required for all sales regardless of profit
- If the fundraiser is cancelled, write “cancelled” on the Fundraiser Report, obtain proper signatures and submit right away.

**MISSION CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STUDENT ACTIVITY FUNDRAISER REPORT**

Campus Name: ABC High School Type of Fundraiser: T-shirt Sale
 Club Name: Student Council Dates of Fundraiser: 10/15 - 10/31
 Sponsor: Mary Smith Collection Dates: 10/15 - 10/31

DEPOSITS							
Rept. #	Amount	Rept. #	Amount	Rept. #	Amount	Total	Profit/Loss
<u>CANCELLED</u>							
SUB-TOTAL FROM ATTACHED PAGE							
Total Collections/Revenues						\$	-
OUTSTANDING COLLECTIONS (ATTACH LIST OF STUDENTS)							
EXPENSES (Include: Sales Tax, Top Seller Awards, Credits, attach list of Donated Items)							
NOTE: Cash Payments are Prohibited							
PO#	Vendor	Purpose	Amount Paid	Total			
SUB-TOTAL FROM ATTACHED PAGE							
Total Expenses						\$	
(Provide written explanation for loss)						Net Profit (Loss) \$	
						-	

Mary Smith 11/3/2014 [Signature] 11/4/2014
 Sponsor's Signature Date Principal's Signature Date

This form shall be prepared by the club sponsor and submitted to the internal auditor within 30 days after a fund-raiser. The activity clerk shall keep a copy of this report on file with the corresponding fundraiser application.

Note: To Accounting from Campus Principal:

Please transfer 25% of the net profit to the staff account 461-01" for the purpose of staff incentives.

Signature: _____ Date: _____



Fundraiser Restrictions

(Dances, talent shows, staff vs student games, and similar type fundraisers held during school day)

- Limited to two per campus for the school year
- Allowed only during months of December and May
- Must be held at the end of the day or during PE time and students should attend every class they would normally attend
- Fundraiser should last no longer than 90 minutes during the school day, but can continue after school
- Any exceptions to these restrictions must be approved by the Assistant Supt. for Curriculum & Instruction.



Charity Fundraising

- Examples: Relay for Life (American Cancer Society) and Jump for Heart (American Heart Association)
- Process through Fund 461, using sub-object 002, and follow all procedures
- All fundraising for charity should be clearly identified or promoted as being for charity
- Net any fundraising cost with money raised. Code expenditures to sub-object 002.



Donations

- Donations may be accepted, however, employees and students may not solicit monetary donations from vendors or businesses for the campus or student group. Submit donation form.
- Solicitation websites are not allowed to be used
- Charity fundraising is permitted



Nutrition Policy Restrictions

USDA *Smart Snacks in Schools Standards* (effective 7/1/2014) defines the school day as the period from midnight to 30 minutes after the end of the official school day

- All Schools: No food sales of any kind will be allowed during the school day, except for designated days. No restrictions on after school sales. (*30 minutes after the last bell*)
- Elementary and Jr. Highs: Only water and 100% juice may be sold during the school day. No restrictions on after school sales (*30 minutes after the last bell*)



Nutrition Policy Restrictions

- High Schools: Certain beverages are allowed to be sold during the school day. Please refer to the Mission CISD Nutrition Policy for specific restrictions on size and calories. There are no restrictions on after school sales *(30 minutes after the last bell)*
- The following days are designated fundraiser days in which food sales that comply with USDA Smart Snacks are allowed during the school day:
 1. *Last day before Winter Break*
 2. *Last day before Easter Break*
 3. *Last day of School*

Nutrition labels must be kept to document compliance.



Nutrition/Wellness Policy Restrictions

- All food items given to students during the school day must meet USDA Smart Snacks in Schools Standards except for the three designated days above.



Food cannot be used as a reward.

- Please refer to the Mission CISD School Nutrition Policy, the Mission CISD Wellness Policy and USDA Smart Snacks in Schools Standards for additional info or call the Child Nutrition Program at 323-3800.
- These policies are subject to change and the Alliance for a Healthier Generation may impose more restrictions on the campus.



Alliance for a Healthier Generation

- Bronze: Compliance with MCISD Nutrition and Wellness Policies
- Silver: All foods and beverages sold or served to students during the ***extended school day*** must meet or exceed USDA Smart Snacks standards.
- Gold: Fundraising sales outside of school hours include only non-food items or only food/beverages that meet or exceed USDA Smart Snack standards.

(Note: Additional restrictions/criteria may apply for Silver/Gold levels)



Parent/Booster Organizations

- Board Policy GE (LOCAL)
- Manual developed to assist parent organizations such as PTO/PTA and booster clubs available on-line
- Employees cannot serve as treasurers or sign checks
- Annual requirements:
 - Annual Registration Form must be approved
 - Submit list of officers and by-laws to principal
 - Internal review or audit by members of organization
 - Submit Annual Financial Report detailing revenues and expenditures



Parent/Booster Organizations

- Must use fundraiser application for outside organizations (*raffles & bingos not allowed*)
- Campus staff should not be involved in collecting, holding or storing money
- Tickets (raffle, BBQ, etc.) or sales brochures cannot be distributed to students at school and students may not sale or solicit for these groups
- Concession Sales - parents must be cleared through the Raptor System & obtain ID badge. **Approved fundraiser application must be posted.**



Procedures for Depositing of Funds

- Teachers, librarians, club sponsors: deposit with activity clerks weekly or when amount reaches \$50
- Activity Clerk: deposit at bank weekly or at \$500, and on every Friday or before a school holiday
(These amounts include both cash & checks)



Procedures for Depositing of Funds

- Student collection reports and yellow copies of miscellaneous receipts should be turned in to the clerk with the money
- Teacher/Sponsor must be present while money is recounted
- Activity Clerk will prepare a Student Activity Fund Receipt and the teacher/sponsor will sign after verifying that all info is correct
- Student Activity Fund Receipts: white copy issued to teacher, yellow copy turned into Finance and pink copy remains in book



Procedures for Depositing of Funds

- Activity Clerk will prepare the deposit slip and make the bank deposit (*write receipt # in top corner*)
- Bank deposit slip will consist of 3 parts:
 - White - kept by the bank
 - Yellow - submitted to Finance Dept for posting
 - Pink – remains in the book

Bank should provide two copies of validation receipt. Include one with yellow deposit copy and the other remains in the book.



Procedures for Depositing of Funds

- The Activity Clerk will submit the following items to the Finance Dept for posting within one week:

Deposit slip

Bank validation receipt

Calculator tape (*adding receipts*)

Activity Fund Receipts (*yellow copies*)

Miscellaneous Receipts (*yellow copies*)

Student Collection Reports

Copies of checks received in the mail

Copies of Donation Forms

Any other supporting documentation

47732
47733
47734

DEPOSIT TICKET
6-9-14

MEMBER CLUB
STUDENT ACTIVITY FUND
LAWRENCE UNIVERSITY SCHOOL
MEMBER SINCE 1987

DATE	DESCRIPTION	DEBIT	CREDIT
	COLLACY	335	00
	COMB		00
	CHECKS		00
1	Yasura	57	70
2	Flicks	46	00
3	Flicker	25	00
4	Carozos	40	00
5	O. W. W. A.	90	00
6	D. W. W. A.	27	00
7	Rodolfo	17	88
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
TOTAL DEPOSIT			
TOTAL DEBIT			
TOTAL		566	28

BBVA Compass

1567

June 9, 2014

Receipt # 47732-33-34

0.00
0.00
566.28 -
105.40 +
445.00 +
17.88 +
0.00 =

BBVA Compass

Transaction Receipt

06/09/2014 16:14 18323 0012
02 # 184 8756 Deposit \$566.28

To ensure proper and timely posting of your transaction, please use personalized deposit and/or withdrawal slip with each transaction. To order personal checks, please call 1-800-355-8128.
The book symbol transaction number, date and amount are shown on this document.
All transactions are subject to approval and verification and are subject to applicable laws and regulations.
BBVA Compass is a trade name of Compass Bank, Member FDIC.



Checks

- Checks for less than \$10 should not be accepted
- Post-dated checks and temporary checks should not be accepted
- All checks should have a payee, if missing write or stamp campus name
- Endorse all checks received with a “For Deposit Only” stamp, campus name and bank account number should be on stamp
- Cashing of personal checks is prohibited
- NSF checks: Central Office will attempt collection and then forward to the Hidalgo County District Attorney if unable to collect



Safekeeping

- Maintain a log
- Use lock bags for internal use only
- Bank only accepts clear plastic bank bags for night depository, all required info must be written on the bag
- Sponsor/Teacher must count the money, write the dollar amount on the bag and seal it
- Sponsor/Teacher must sign and date the log when bag is dropped off and picked up



Records Retention

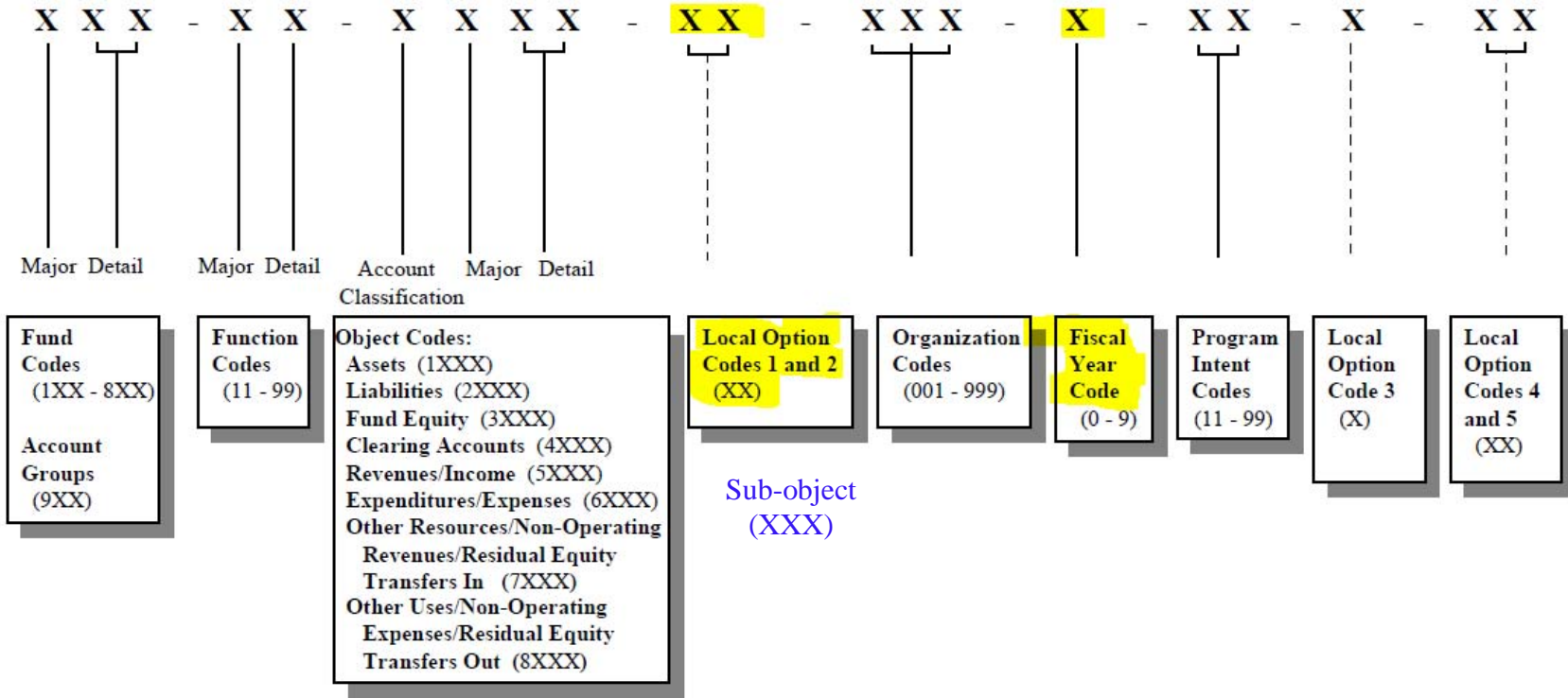
- Activity Clerks shall keep on file the following documents: Approved Fundraiser Applications, Fundraiser Reports, Activity Fund Receipt Books, Deposit Slip Books, Miscellaneous Receipt Books, safekeeping logs, distribution logs (receipts and bank bags), list of club sponsors, club charters, sponsor acknowledgements
- Records must be kept for at least 5 years



General Ledger Account Numbers

- Consists of 20 digits: Fund / Function / Object / Sub-object / Org / PIC / Ed Span / Proj Detail
- Fund 461: Function 36 and PIC 99 are used for all expenditures, different object & sub-object codes
- Fund 865: Object 2191 is used for both deposits and purchases, sub-object will identify the club
- Tyler Munis differences in account structure
 - Sub-object is 3 digits
 - No fiscal year

TEA Account Structure



Tyler Munis Account Structure:

XXX-XX-XXXX-XXX-XXX-XX-X-XX

(Sub-object becomes three digits and fiscal year is not used)



Fund 461 Revenue Accounts

- 5744: donations, a copy of the donation form must be attached to the receipt
- 5749: fieldtrip collections, lost textbooks / library books, ID cards, photo commissions, parking permits *(do not collect for instructional fieldtrips)*
- 5755: fundraising proceeds, school store sales, sale of school supplies/uniform shirts



Staff Accounts

- Principals may elect to transfer 25% of net profit from school store or campus-wide fundraisers
- Submit the Fundraiser Report or school store inventory report to authorize the transfer
- Individual staff incentives/awards cannot exceed \$50 per employee, total staff incentives cannot exceed \$100 annually per employee
- Sunshine or Social Funds: Do not open separate bank accounts for these type of funds



Purchasing

- Purchases from activity funds must comply with purchasing department procedures
- Follow requirements regarding criminal background checks for contractors with applicable student contact
- *Campus Requisition Form* must be signed by club sponsor for all Fund 865 purchases. Submit as attachment.
- Obtain purchase orders in advance for purchases as required, estimate amount for fundraisers
- Use Tyler Munis for requisitions. Principal should approve on the system.



Purchasing (*fundraisers*)


- Contracts or agreements with fundraising companies cannot be approved by the principal or sponsor
- Enter the requisition and send the contract or agreement along with the approved fundraiser application to Purchasing Department for approval
- Include fundraiser application number on requisitions for fundraiser costs
(example: FR #101-8001)



UIL Meets (page 73)

- The hosting campus must submit a Fundraiser Application prior to the meet and pay for all meet related expenses from Fund 461.
- The hosting campus must submit a fundraiser report within 30 days after all UIL fees have been collected and related expenses paid.
- Use an Interdepartmental Charge form to pay for fees for UIL meet held within Mission CISD.
Attach a copy of the approved travel form.

Student Awards/Incentives (page 74)

- Gift cards not allowed to be purchased
- Food cannot be used as a reward/incentive 
- Fund 461 student awards/incentives: limited to a unit cost of \$100 each
- Document receipt of award/incentive items with student signatures for electronics or items with a unit value greater than \$25, keep list on file with PO copy
- Scholarships: minimum award amount of \$250 (paperwork must be submitted to transfer to scholarship fund)



Sales Tax (page 45)

- Purchases made by the District are exempt from sales tax if they are intended for District use
- Students and employees are not exempt from sales tax, so the resale of merchandise may be taxable
- Each campus and secondary campus club may have (2) two one-day tax-free sales per year



Sales: Taxable, Non-taxable, Tax-Free

Some examples of:

- Taxable sales: school supplies, clothing, athletic programs, yearbooks, uniforms purchased by students
- Non-taxable sales: discount cards, dues, fees/fines, food sales, tickets, parking permits, student IDS
- Tax-free sales: any taxable item sold on one of two tax-free sales days (*may count prepaid orders as one day*)



Sales Tax

The sales tax rate is 8.25% of sales. You may sell a product at a price that includes the sales tax or add to the sales price to collect the tax.

Adjusting the selling price to include sales tax:

- Sales Price $\$10.00 / 1.0825 = \9.24
- Sales revenue is $\$9.24$ and the tax is $\$0.76$
(collect \$10.00 from buyer)

Add the tax to price of item:

- Sales Price $\$10.00 \times 0.0825 = \0.83
- Sales revenue is $\$10.00$ and the sales tax is $\$0.83$
(collect \$10.83 from buyer)

When preparing the cash receipt, always divide by 1.0825 to calculate sales. The finance department files the sales tax report; be sure to code sales tax to the correct account number (2181).



Sales Tax (brochure sales & book fairs)

- The school is considered to be acting as an agent of the vendor for brochure sales and book fairs. These type of sales are not eligible as one of the tax-free sales days.
- The school must collect sales tax and remit to the vendor. The vendor will include the sales tax on the invoice.
- Verify with brochure sale vendors that the sales tax is included in the sales price listed on the brochure



Income Statement Report

- Finance Department prepares a monthly income statement report for each campus
- The report will be e-mailed to the campuses around the middle of the following month
- Use this report with Account Inquiries from the general ledger to calculate current balances when planning fundraisers, entering requisitions, and making budget transfers for Fund 461

MISSION CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 Income Statement Report for Activity Funds
ABC Elementary School - 123

December 31, 2015

SAMPLE

Account Name & Account Number	9/1/2015	Total Deposits	POs Encumbered	POS/WHSE Paid	Increase/ (Decrease)	Current Balance
FUND 461						
(.00) Student Sales	\$ 8,176.52	\$ 12,101.06	\$ 600.00	\$ 6,087.05	\$ -	\$ 13,590.53
(.01) Staff	\$ 1,526.43	\$ 1,895.62	\$ -	\$ 2,003.45	\$ -	\$ 1,418.60
(.31) Lost Textbooks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(.36) Lost Library Books	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(.37) Library	\$ 325.47	\$ 5,480.43	\$ -	\$ 5,612.36	\$ -	\$ 193.54
(.68) U I L	\$ 456.62	\$ 2,657.68	\$ -	\$ 2,998.29	\$ -	\$ 116.01
Sub-Total for F461	\$ 10,485.04	\$ 22,134.79	\$ 600.00	\$ 16,701.15	\$ -	\$ 15,318.68

Example – Calculating Current Balances (student account 000) **page 71**

\$8,176.52	Beginning Balance →	(from income statement report)
		<u>G/L Account Inquiries</u>
12,558.78	Plus: Revenues →	461 xx 5xxx 000 123
(6,617.05)	Less: Expenditures →	461 xx 6xxx 000 123
(40.00)	Less: Requisitions	
<u>(1,844.95)</u>	Less: Encumbrances →	461 xx 6xxx 000 123
<u>\$12,233.30</u>	Current Balance	



Budget Transfers (page 37)

- Use Budget Transfers and Amendments screen in Munis
- Type 1 : from expenditure to expenditure
- Type 2: increases both revenue and expenditure accounts
- Keep transfers to a minimum by planning



General Ledger Review

Campuses must review the general ledger for accuracy.

- Account Inquiry: view account totals, click on yellow folder “Actual (Memo)” for detail to review cash receipts, transportation charges, printshop charges and any other journal entries



PO Payment Review

Tyler Munis requires multiple steps to verify accurate payment of a PO.

- Go to *Purchase Order Inquiry*
- Click “Search”, enter PO #, “Accept”
- Click on “Invoices”(yellow folder)
- Double Click line item to view detail
- Click “Detail” from menu to view general ledger account number(s)



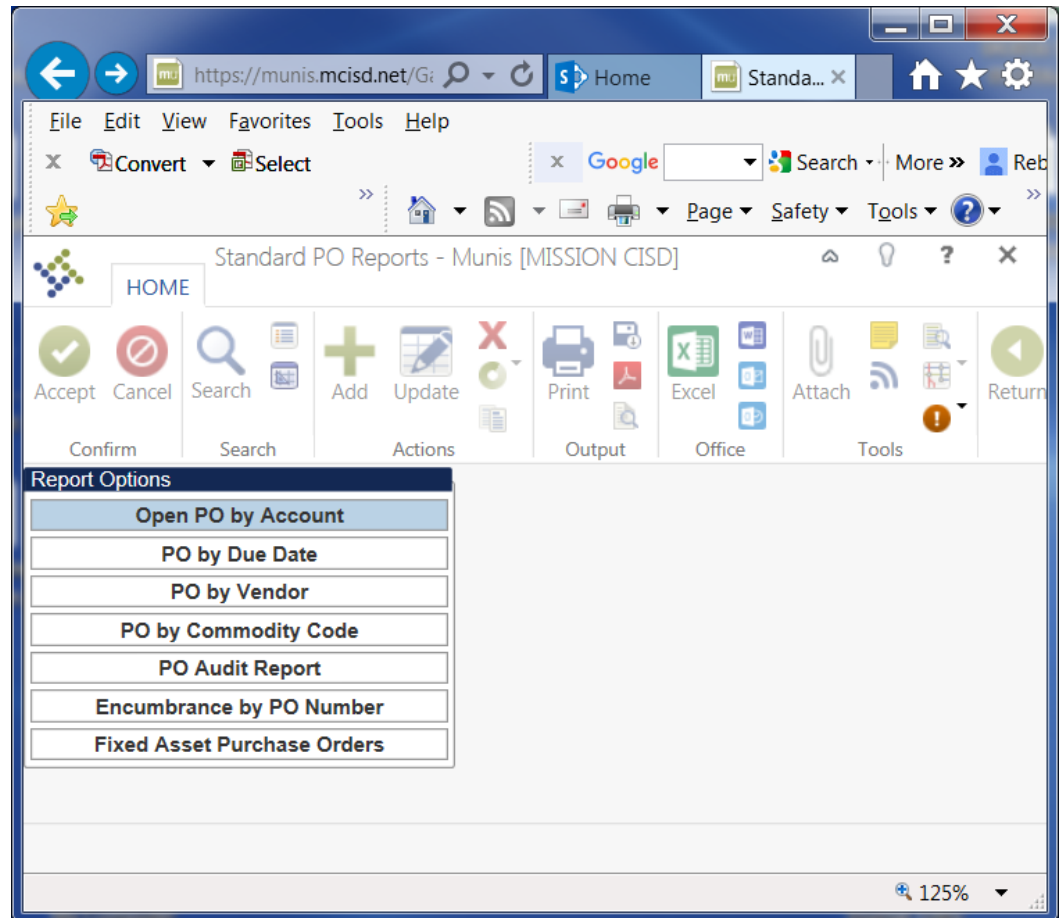
Fund 865 Account Balances

- System limitation of Tyler Munis prevents outstanding PO's from being included on the Account Inquiry screen
- To determine an accurate account balance for Fund 865, an “*Open PO Report*” must be generated and combined with the balance from the Account Inquiry screen

(Note: Pending the closing of FY 2017, you will need to combine the 2017 Actual and 2018 Actual amounts from the Account Inquiry screen)

Open PO Report (page 78)

- Go to Standard PO Reports
- Select Open PO by Account





- Click “Define” on menu
- Enter campus code in “Dept/Loc” field
- Enter 865 for “Fund”
- Enter campus code for “Organization”
- Accounts:
 - Expense
 - Revenue
 - Balance Sheet
- Click “Accept”
- Select “PDF”

HOME

Accept Cancel Search Browse Query Builder Add Update Delete Global Duplicate Print Text file PDF Preview Excel W En Sc Office

Confirm Search Actions Output Office

Standar

General

Initially sort by Dept/Loc

Sort by Fund Organization Account

Inclusion options

PO fiscal year	Next	2018
PO entered	07/01/2017	to 06/30/2018
Dept/Loc		to ZZZZZ
Fund	865	to 865
Function		to ZZZZZZZZZZ
SubObject		to ZZZZZZZZZZ
Organization		to ZZZZZZZZZZ
Prog Intent		to ZZZZZZZZZZ
Ed Span		to ZZZZZZZZZZ
Proj Detail		to ZZZZZZZZZZ
Org		to ZZZZZZZZ
Object		to ZZZZZZ
Project		to ZZZZZ
Accounts:	<input checked="" type="checkbox"/> Expense	
	<input checked="" type="checkbox"/> Revenue	
	<input checked="" type="checkbox"/> Balance Sheet	

Select date range
7/1/2017 to 6/30/2018



Fund 865 Report (page 80)

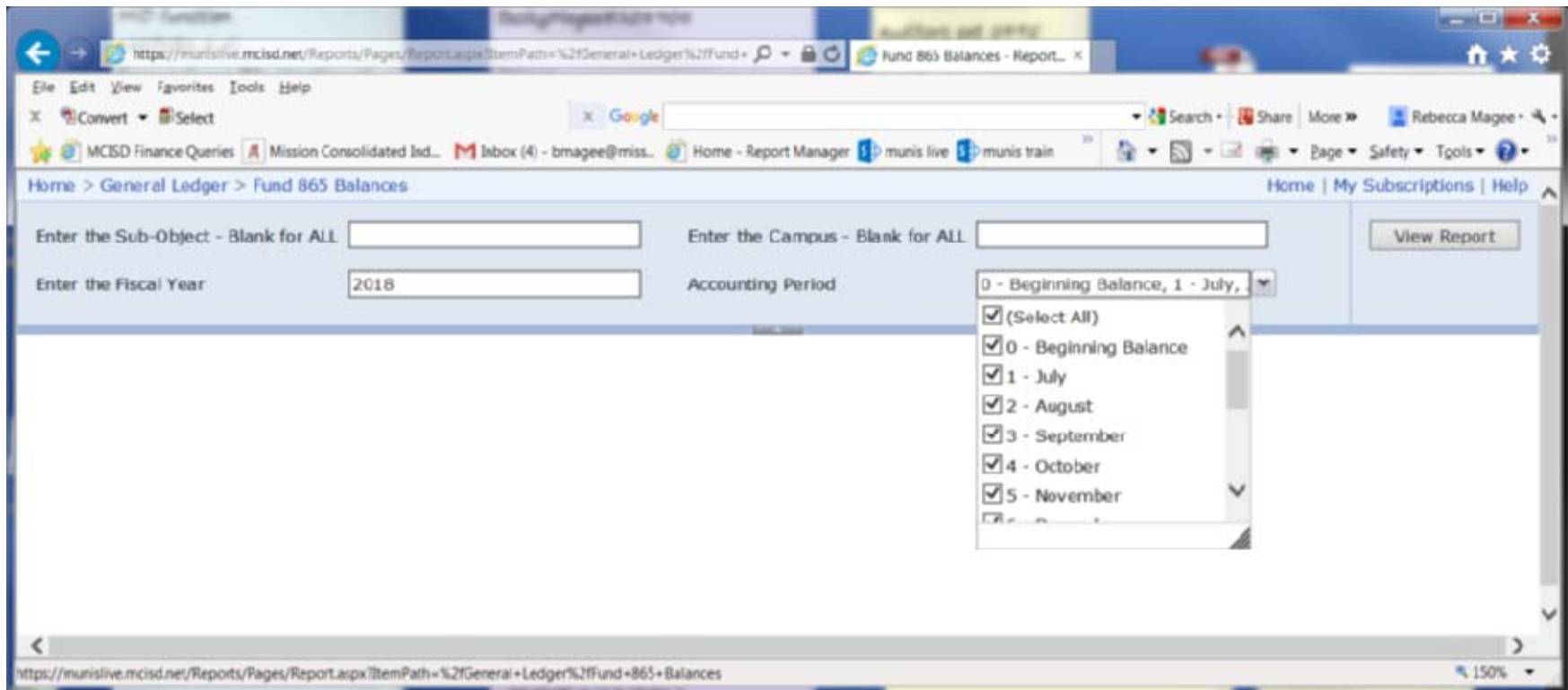
- Go to the following link:

<https://munislive.mcisd.net/reports>

- Select “General Ledger” and “Fund 865 Balances”
- Enter sub-object or leave blank to view all
- Enter your campus organization code
- Enter fiscal year

Fund 865 Report

- Accounting period: click drop-down and check “select all”
- Click “View Report”





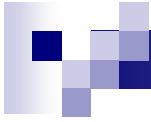
Reminders

- Obtain purchase orders in advance for fundraisers
- Receipt all monies received and deposit timely
- Do not combine receipts of different months on one deposit slip
- Submit Fundraiser Reports within 30 days of the close of the fundraiser. Required for all fundraisers, including book fairs and t-shirt sales. Also, submit for cancelled fundraisers.



Key Items

- All money collected from students must be deposited into the District's bank account used for Activity Funds
- Cash expenditures with undeposited student monies are not allowed. Purchase orders are required.



Questions?

