



Gallup McKinley County Schools

Financial and Organizational Handbook for Fundraising

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Introduction

The raising and expending of funds should have the objective to promote the general welfare, education, and morale of all students and to finance normal legitimate activities of the club or organization. The successful operation of any program is dependent upon the implementation of sound policy and effective guidelines for its creation, operation and demise. In view of the large amount of funds received from and expended for students through, there is a need for efficient, thorough, and safe management of those funds. Every club or organization should have adequate procedures and guidelines in effect for the accounting and safeguarding of funds.

All clubs and classroom organizations are required to work cooperatively with the building principal and other administrators in the district who have fiduciary responsibility for fundraising and purchasing.

GMCS will allow only one (1) Booster Organization or Parent Teacher Association per school. They must be approved by submitting the necessary documentation outlined in this handbook. Bylaws, Board of Directors, and meeting notes including bank and reconciliation reports must be given to the Assistant Superintendent of Business Services before the 15th of every month.

Definitions

Public Funds: Funds collected through district sponsored and sanctioned activities and/or handled, supervised, or in the custody of a school employee or official

Non-Public Funds: Funds collected by an outside organization. Employees within the scope of their employment may not be directly involved in the handling of these funds.

Outside Organization: An organization of individuals not employed by, or under the direct control of the school district. This includes booster clubs and Parent Teacher Organizations who have their own Tax ID Number.

Concession Stand: A school owned facility to be used for fundraising activities for extra-curricular activities. It may be operated by any school district approved organization including outside organizations. All schools must assure that any food related Activity Fund sales comply with all applicable state laws as annotated in NMSA (1978) Chapter 24 Health and Safety 24-1-1 to 24-31-1.

Booster Organization: Groups of parents and other individuals formed to support a specific extracurricular activity (ies).

Meal Allowance: Meals for each individual participating in an activity shall be no more than Ten Dollars (\$10.00 USD) per individual. Schools shall attach a list of students, sponsor(s), chaperone(s), and if required, bus driver who had a meal paid by the Student Activity Fund when submitting the invoice for payment. Sponsors must provide a fully completed **Attestation for Venue Serving Alcoholic Beverages when Gallup-McKinley County Schools Students Are Present Form** completed prior to submitting a requisition to a venue that serves Alcoholic Beverages. Gratuity or tips are not allowable.

Lodging: Lodging will be limited to twenty-five dollars (\$25.00 USD) per Student. Hotels that serve breakfast should be utilized for overnight trips. Hotel Rooms for Bus Drivers, Chaparones or Sponsors must not exceed one hundred and twenty-five dollars (\$125.00 USD) including all taxes and fees. Rooms that exceed the \$25.00 USD per student or \$125.00 USD per room must receive written approval from the Assistant Superintendent of Business Services prior to submittal of a requisition.

Parent Teacher Association (PTA): an organization registered with the National Parent Teacher Association (PTA). All PTA's must be first approved for organization by the Principal and will be approved by the Board of Education after organization with the National PTA.

Fiscal year: The fiscal year for outside organizations as well as the school district is July 1 through June 30.

Volunteer: A person who enters into or offers service of his or her own free will without compensation.

Scope of Employment: The range of duties in which an employee of the district functions to include the supervision of students.

Bylaws: A rule adopted by an organization chiefly for the government of its members and the regulation of its affairs

501 C 3: Is a provision of the United States Internal Revenue Code (26 U.S.C. § 501(c)), listing 26 types of non-profit organizations exempt from some Federal Income Taxes. Gallup-McKinley County Schools is not a 501 C 3; GMCS is a Local Agency of the State of New Mexico.

State Regulations Regarding Activity Funds

Student Activity Funds

Student Activity Funds are used to account for those resources owned, operated and managed by the student body, under the guidance of a staff member or another adult, for educational, recreational or cultural purposes. These funds are used for a wide range of approved activities.

The appropriate fund classification for each student activity fund is determined by their legal status. If resources accounted for in student activity funds are legally owned by students or student groups, these funds should be classified as Agency Funds. However, if the school district legally owns the resources accounted for in the student activity funds, they should be accounted for in the General or Special Revenue Fund type.

Agency Funds

An Agency Fund is used to account for assets held for other funds, governments or individuals. Agency Funds are custodial in nature and do not involve measurement of operations. While the School District and/or individual school sites provide bookkeeping and accounting service for these funds, these functions are considered strictly fiduciary in nature. These monies are not considered public money for purposes of the Procurement Code and formal budget integration.

The School District is holding these funds strictly in a fiduciary capacity. Therefore, the school district will be held responsible to safeguard the funds and demonstrate prudent judgment in accounting for and disbursing these funds.

Examples of such activity funds that would be designated as Agency Funds are:

1. Money collected for student fund raising activities whose expenditures are determined by the student/class sponsors (i.e., Band, Chorus, Junior Class)
2. Money collected as deposits that are subject to return in whole or in part.
3. Money collected which will be transmitted to other governmental units, agencies, and associations (i.e., lost textbooks and NMSAA playoff receipts.)
4. Money collected for activities not supported by public monies for submission vendors (i.e., class rings, school pictures, yearbooks).

Regardless of the method used to finance school activities, the School District is ultimately responsible for the funds, even though the actual program management of these funds is delegated to the respective school principals.

The School District shall require that accurate records be kept of all monies collected and disbursed, in accordance with section 6-10-2 NMSA, 1978 compilation as amended:

Cash Books for Public Money; Daily Balance; Public Record

“It shall be the duty of every public official or agency of this state who receives or disburses public monies, to keep in his office a cash book wherein shall be entered daily, in detail, all items of receipts and disbursements of public monies, and which shall be balanced daily so as to show the balance of public monies on hand at the close of each day’s business; and such cash book shall be a public record and shall be open to the public.”

No activity fund account shall ever be permitted to incur a deficit. Financial records of student activity funds must be in accordance with Generally Accepted Accounting Principles (GAAP) and an adequate internal control structure established and maintained, as well as audit trails, in the same manner as the School District’s regular funds.

The club sponsor or treasurer shall bring all monies collected to the designated School Site Secretary for receipt and deposit. All funds shall be turned into the designated School Site Secretary on a daily basis; no money shall remain in a classroom overnight.

Student activity funds shall never be used for any purpose that represents accommodation, loan or credit to any individual. Evidence supporting all expenditures must be kept on file and must be in the form of a signed receipt or invoice.

General Fund Activity Accounts

Fund raising monies that are legally owned and under the discretionary control of school districts are considered public monies and are subject to all applicable laws and regulations relating to the Procurement Code and charitable contributions.

Compliance Matters

General Responsibilities

The office of the Assistant Superintendent for Business Services has prepared this manual, which details a uniform bookkeeping system. This system shall be followed without deviation.

Local school districts must advise club sponsors that all activities, clubs and organizations are to notify the principal, school site secretary and SSC Bookkeeper of their existence in order to place the club on the schedule of activities ledger. Each activity account should show an opening balance, beginning of the period, all receipts for the period, all disbursements for the period, and end of period balances.

The principal is responsible for assisting club sponsors and designated school site secretaries in order to assure:

1. deposits are made in a timely manner according to the policies and procedures outlined in this manual
2. appropriate approvals are obtained prior to obligation of funds through the use of the purchase order process

The Business Office will be responsible for:

1. maintaining adequate collateral pledged for monies in Activity Funds
2. an internal control structure is in place to safeguard the assets and promote reliability of the activity financial reports
3. Approval of requisitions and issuance of purchase orders
4. processing all activity fund payments after all required documentation has been obtained and is on file
5. preparation of accurate and timely bank and cash reconciliations

As with all other School District fund checks, activity fund checks shall be void one year from the date on the face of the check. Checks still outstanding one year from date of issue shall be stale dated and removed from the outstanding checklist.

Class Fees

No fees are to be collected and no charge made for workbooks, school supplies, or curriculum based activities.

Grant Awards

Grant awards shall be accounted for through the Business Office. Please work with the district's Grant Management Team for approval and instructions on how to accept a grant. Do not accept any grant funds prior to receiving formal approval from the GMCS Board of Education.

Retention of Records

The Business Office shall retain all activity fund records for at least six complete years (seven counting the current year).

Concepts of Activity Funds

Distinction of Activity Funds from Other Funds:

In our School District, there are four types of funds. These funds are briefly described below. However, this handbook will only deal with Student Activity funds that are accounted for at the individual schools.

1. **Budgeted allocation** – These funds are expended through the Business Office utilizing the requisition and purchase order process. These are funds that the school will need to track. However, the individual school will not be responsible for cash safeguarding. These funds are accounted for within the general operational budget of the District.
2. **Lunch Program funds** – These are funds that the individual school collects and safeguards for the purchase of meals prepared by the school staff for student consumption. Cash handling procedures should be followed as prescribed by the Student Nutrition Department.
3. **Athletic funds** – These funds are typically gate receipts collected at intramural and intermural or inter scholastic sporting events. Cash handling procedures should be followed as prescribed by the Director of Athletic and Business Program's Office.
4. **Student Activity funds** – These are funds that the individual school site collects and safeguards related to Student Activity. These funds are expended through the Business Office utilizing the requisition and purchase order process. "Student Activity Funds are used to account for those resources owned, operated and managed by the student body, under guidance of a staff member or another adult, for educational, recreational or cultural purposes. These funds are used for a wide range of activities that can include the school yearbook, student athletics or various student clubs." ¹

General Principles of Activity Fund Use:

The following principles have been established by the State Department of Education. Please consider them as directives to be used in the administration of these funds:

1. Student Activity funds are to be used to finance a program of non-curricular school activities, which augment but do not replace the activities provided by district funds.
2. Projects for the raising of Student Activity funds shall in general contribute to the educational experience of students and shall not conflict but shall add to the instruction program.

¹ Taken from the New Mexico State Department of Education's MANUAL OF PROCEDURES for PUBLIC SCHOOL ACCOUNTING AND BUDGETING (Chapter 18; page 18-1).

3. Funds derived from the student body as a whole shall be so expended in such a way as to benefit the student body as a whole.
4. Student Activity funds shall be expended in such a way as to benefit those students currently in school who contributed to the accumulation of such benefits.
5. Student body representation is an important factor in the democratic management of funds accumulated and expended for its benefit. Student body representation should be required wherever possible or feasible.
6. Management of Student Activity funds shall be in accordance with accepted business practices, including budgetary and accounting procedures, as well as audits in the same manner as regular school funds.
7. Student body business shall be conducted in such a manner as to offer minimum competition to commercial concerns, while still benefiting the student body as a whole.
8. The School Board shall establish rules and regulations for the supervision and administration of student body financial activities to conform in principle with the laws governing public monies.
9. All money collected must be deposited (into the individual school's official Student Activity Fund bank account). Student Activity Fund money shall never be deposited into private bank accounts or expended as cash.
10. Student activity funds shall not be used for any purpose that represents accommodation, loan or credit to any individual.
11. Policies governing student activity expenditures apply regardless of the method of making payment. Evidence supporting expenditures must be kept on file. These must be in the form of signed receipts of invoices. Cancelled checks do not completely meet this requirement-a voucher system of disbursement is required.
12. No student shall be required to pay for any expenditure made by a student or teacher or any other employee who has not first received a written purchase order or authorization from the proper office.

Responsibilities

The Principal's Responsibility:

The principal is directly responsible for the Student Activity funds at his/her school. This responsibility cannot be delegated. The principal must control, oversee, and safeguard the collection, depositing, and obligation of these funds in accordance with the laws of New Mexico, the policies of the School Board, and the administrative regulations so established.

The record keeping function – such as bookkeeping, receipting of revenue and the depositing of receipts – may be properly delegated to clerical staff. However, the principal shall prescribe a system of “checks and balances” necessary to control and audit the records. The principal shall verify the accuracy and documentation of all fiscal records and reports.

It is recommended that the principal define the responsibility that each of the sponsors and clerical personnel has in the handling of Student Activity funds. All employees and students involved should have an accurate knowledge of what is expected of them.

Principal's Code of Ethics for Activity Fund Custody:²

Because Student Activity fund supervision is a part of the profession of the principal, it is fitting that those who practice it should have a statement of principles guiding their conduct in day-to-day relationship with others. The following standards are herewith offered for consideration in the administration and supervision of fiscal affairs within the scope of the principal:

1. Strives to keep classes and clubs adequately and truthfully informed about all business transactions affecting said activity.
2. Sets standards for business efficiency within the Student Activity and strives to assist activities to obtain maximum value for each dollar expended.
3. Gives a systematic and accurate accounting for all funds property in his/her trust to each activity and to the Business Office.
4. Recognizes the financial limitations, abilities and trends in the community and plans accordingly.
5. Represents his/her extra-curricular program honestly to other segments of the district.
6. Respects the administrative hierarchy and is loyal to them and carries out the policies and directives to the best of his/her ability
7. Selects and hires members of the clerical staff based on qualifications, not for political or other reasons.
8. Instills the highest ideals of service in the members of the staff, encourages, and assists them to give such service.
9. Is fair but firm in cases of misconduct or neglect, reprimanding and dismissing only based on fact.

² Reprinted in entirety from Fund Accounting for the Student Activities Central Consolidated Schools, Kirtland, New Mexico.

10. Fosters and promotes fair, legal and ethical trade practices and cooperates within agencies engaged in the development of such practices.
11. Declines all gifts, gratuities and other personal favors from vendors.

The School Site Secretary's Responsibility:

- Ensuring timely issuance of receipts as needed by teachers/sponsors authorized by the school principal
- Safeguarding and ensure the depositing activity funds into the District's bank account
- Maintaining proper records regarding purchase requests and ensuring signed invoices are submitted timely to the District's Accounts Payable Department
- Reporting activity funds transactions and balances to sponsors and the principal

The Sponsor's Responsibility:

- Management for the activity account that they oversee, including but not limited to the following: developing fund raising plans, monitoring the financial status of their account, safekeeping activity fund monies until they are turned into the designated school site secretary, turning in all funds received to the school site secretary, involving students in the operation of the activity they sponsor, and complying with Student Activity Funds Procurement and Disbursement procedures.

The Business Office's Responsibility:

- Maintaining and updating the processes and procedures for Student Activity Funds to ensure that an internal control structure exists that will safeguard the District's Student Activity Fund assets.
- Providing training for principals and school site secretaries.
- Reviewing the activity of the funds to ensure adherence to the processes and procedures.
- Posting transactions into the general ledger, including payments to vendors.
- Reconciling the District's Student Activity Funds bank account.
- Allocating bank account interest and bank charges to school site's "General Administration" account based on the general ledger balance on the last day of the month.
- Maintaining adequate pledged collateral for the Student Activity Funds deposits.
- Periodic audit of school sites documentation of transactions. The external auditors may audit the District's Student Activity Funds, as well.

Elements of an Accounting System

Components of an Accounting System:

1. **General Ledger** – A general ledger is a set of accounts that contain all activity of the accounting function. It completely reflects dates, receipts and check numbers, history of all cash collected, bank deposits and payments and the complete status of all accounts. Throughout the month, all receipts, transfers, deposits, and disbursements shall be entered; at the end of the month, general ledger cash balance shall be reconciled to the cash balance on the bank statement. All entries should refer to the subsidiary records in which they are entered. For example, the receipt number permits reference to the receipt book; the check number permits reference to the checkbook. These cross-references create a history and clear audit trails that constitutes proper accountability.
2. **Check Stock** – The check stock provides a chronological record of all expenditures and deposits. The check voucher shall detail the vendor, date, account number and invoice number of bills being paid. All checks shall be issued from the Business Office.
3. **Cash Receipt Book** – A receipt is written acknowledgement monetary payment has been received. A receipt book is an integral part of an accounting system that provides a clean audit trail and assists in the detection and correction of errors. A receipt book is a set of pre-numbered forms that provide written documentation, to the payer and the payee, of consideration paid. Receipting procedures are detailed further in Chapter 5.
4. **Deposit Book** – A deposit slip is a form that shall be completed to acknowledge the transfer of funds from the school site to the Student Activity Fund Account. Therefore, a deposit book is a set of the aforementioned forms. Depositing procedures are further detailed in Chapter 6.
5. **Purchase Order (PO)** – A PO provides a procedure for procuring items for activity funds. Additionally, a PO provides a method for applying accounting controls over ordering, receiving and payment of items purchased by activity funds. Expenditure and RPO procedures are further detailed in Chapter 7.
6. **Subsidiary Account** – A subsidiary account details all transactions within a particular activity. The sum of the subsidiary accounts will equal the sum of the control or general ledger accounts. A subsidiary account is also known as an activity. A list of pre-approved activity account program codes is listed below. All of the listed program codes may be established without additional permission. However, written permission shall be obtained for any new account that does not fit in one of the listed activities. The written request should be submitted to the Fiscal Services Director.

Receipts: Accounting Controls and Procedures

Controls and Procedures

1. **Generally:** Probably the most important function of a designated school site secretary job is cash receipting. The money that is being accounted for within the activity funds is either an agency fund, trust fund or public funds (see Chapter 1). Therefore, the general public is quick to indict by opinion because of poor receipting practices. All receipts shall be issued from a receipt book with a triplicate receipt. All receipts are to be dated, neat, legible, complete and correct.

2. **Receipting Procedures:**
 - a. Cash should always be counted and verified by two people before a receipt is issued. The sponsor or person collecting the money shall complete a proof of cash form for all mixed denominations of cash turned in for receipt.

 - b. All receipts shall be pre-numbered and issued in numerical sequence.

 - c. Two people shall sign all receipts. This will normally be the one who receives the money (school site secretary) and the one paying the money (see exhibit 5-1).

Exhibit 5-1

Notes	<p style="text-align: center;">RECEIPT DATE <u>10/15/2018</u> No. 6001</p> <p>RECEIVED FROM <u> Sponsor </u></p> <p>ADDRESS _____</p> <p><u>Forty dollars & 45/100</u> \$ <u>40.45</u></p> <p>FOR <u>Third Grade Account- Candy Sales</u></p> <div style="display: flex; justify-content: space-between; align-items: flex-start; margin-top: 10px;"> <table border="1" style="border-collapse: collapse; text-align: center; font-size: small;"> <thead> <tr> <th colspan="2">Account</th> <th colspan="2">How Paid</th> </tr> </thead> <tbody> <tr> <td style="font-size: x-small;">Amt of Acct.</td> <td rowspan="3" style="width: 15px;"></td> <td style="font-size: x-small;">Cash</td> <td>40.45</td> </tr> <tr> <td style="font-size: x-small;">Amt. Paid</td> <td style="font-size: x-small;">Check</td> <td></td> </tr> <tr> <td style="font-size: x-small;">Balance Due</td> <td style="font-size: x-small;">Money Order</td> <td></td> </tr> </tbody> </table> <div style="width: 70%; margin-top: 5px;"> <p><u>Acct # 1031</u></p> <p><u>Sponsor</u></p> <p><u>School Site Secretary</u></p> </div> </div>	Account		How Paid		Amt of Acct.		Cash	40.45	Amt. Paid	Check		Balance Due	Money Order	
Account		How Paid													
Amt of Acct.		Cash	40.45												
Amt. Paid		Check													
Balance Due		Money Order													

- d. The receipt shall indicate the name of the person turning in the funds for receipt. The original receipt is then given to the payer. The receipt shall list the numeric and written amount received. The receipt should be signed by the individual turning in the funds and the individual completing the receipt. The duplicate receipt must remain intact in the receipt book-no receipts shall be removed entirely from the receipt book.

- e. Sponsor or individual making payment should receive the top copy of the receipt if the payment is being made in person. If the payment has been received in the mail, a receipt will be provided to the individual or organization based upon request.

- f. Receipts shall not be altered. If an error has been made on a receipt, the original receipt shall be void (see voiding procedure below).
 - g. All receipts shall note the monies received in cash or check in the appropriate place on the face of the receipt (see exhibit 5-1).
 - h. The activity receiving the money shall be noted on the face of the receipt along with the corresponding account number. If more than one account is to be credited, the amount to be credited to each account shall be noted.
3. **Multiple Receipting:** Situations will arise that make individual receipting cumbersome (i.e. funding raising sales, class room collections, etc...). In this situation, you may use the multiple receipting form. Multiple receipting procedures are as follows:
- a. Teacher/Sponsor may obtain a multiple receipting form from the school site secretary. The school site secretary shall review multiple receipting procedures with the teacher/sponsor.
 - b. The multiple receipting form is a daily form and shall not be carried over to the following day. At the end of the day or specified time, the completed form and cash collected is given to the school site secretary for receipting.
4. **Safeguarding Receipts:** Funds on hand, and the receipt book that records it, must be adequately protected by being locked in the school site safe when not in use. Proper safeguarding is to deposit all receipts in accordance to District procedures (see-depositing procedure detailed below). Whether in the office or at the sponsor level, custody should be assigned to the responsible individual, and it should be kept in a secure place. In addition, books of un-issued receipts shall be appropriately safeguarded against theft and misuse.
5. **Other Cash on Hand Concerns:**
- a. A signature stamp shall never be used in any function of receipting and depositing process.
 - b. A loan to individuals from activity funds or cash is strictly prohibited.
 - c. Direct payments from cash on hand is strictly prohibited, all payments will be made by check.
 - d. The practice of cashing checks for students, staff or other employees or patrons from available un-deposited receipts as an accommodation is strictly prohibited. Without exception, checks may only be accepted for the exact amount of the purchase or donation.
6. **Voiding Receipts:** All receipts must be prepared in numerical order and every receipt must be accounted for. When a receipt is ruined, all copies must be marked "VOID-NOT ISSUED". All copies should be stapled together and remain

in numerical sequence in the receipt book. Erasures or corrections of any kind on receipts are prohibited (see receipt procedure 2 (e) above).

7. **Posting:** The school site secretary will enter into the District's accounting system each deposit and will scan all required documentation into the financial accounting system.
8. **Filing and Record Retention:** All receipt books shall be filed in chronological order. The school shall retain all receipt books for at least six complete years (seven counting the current year).

Deposits: Accounting and Controls Procedures

Controls and Procedures

1. **Generally:** It is contrary to prudent practices to allow cash to remain in the school overnight. The vault at your school carries no insurance. Consequently, if funds are stolen, your school has no means of recovering the loss.
 - a. Deposits of cash should not be for haphazard amounts. Deposits shall be for the sum of a definite number of receipts. **THE TOTAL DEPOSIT OF CASH IN THE BANK FOR THE MONTH MUST EQUAL THE TOTAL OF ALL RECIEPTS WRITTEN THAT MONTH.**
2. **Procedures:**
 - a. Compare the sum of the receipts to the total cash and checks to be deposited. The sum of the receipts should equal the total deposit; any discrepancy between these two amounts must immediately be investigated.
 - b. Complete a duplicate deposit slip. The deposit slip must clearly note the date, currency and coin counts, names from checks being deposited, and receipt numbers that make up the total deposit. Each deposit slip must account for a complete block of receipts. The Business Office strongly recommends the consolidation of all receipts being deposited to a single deposit slip for that particular deposit date. For instance, “receipt # _____ to and including receipt # _____.” The individual completing the deposit slip shall initial the face of the deposit slip.
 - c. The principal, or his/her designee, shall verify and initial as correct the total on the bank deposit slip. If possible, someone other than the activity secretary completing the deposit should make deposits.
 - d. The original and duplicate deposit slip is removed from the deposit book and taken to the bank along with the deposit. The duplicate deposit slip will remain in the deposit book.
 - e. The bank will issue a receipt for the deposit and validate the duplicate deposit slip. The principal, or his/her designee, shall initial this bank verified deposit slip. The bank verified duplicate deposit slip shall be scanned and uploaded into the District’s financial software system. The bank verified receipt shall be attached to the duplicate deposit slip. The duplicate deposit slip and accompanying bank verified receipt shall remain in the deposit book as a chronological and historical record of deposits.
 - f. A signature stamp shall never be used with any function of the receipting and depositing process.

3. **Deposit Frequency:** Deposit requirements are as follows:
 - a. **In-Town Schools:** In-Town schools shall deposit receipts daily. In-town schools are those schools within 15 miles of Gallup. Under no circumstances, regardless of amount, shall monies remain in the building over the weekend or an extended school holiday.
 - b. **Out-of Town Schools:** Out of town schools shall deposit all receipts at least weekly. Under no circumstances shall monies remain in the building over the weekend or extended school holiday. Therefore, the Business Office recommends the weekly deposits be made on Friday or the last working day of the week.
4. **Posting:** The bank verified duplicate deposit slips shall be entered into the Business Office for posting no less than weekly.
5. **Filing and Record Retention:** All used deposit books shall be filed chronologically by date. The school shall retain all deposit books for at least six complete years (seven counting the current year).

Expenditures: Accounting Controls and Procedures

Controls and Procedures

1. **Generally:** All expenditures from the activity fund shall primarily benefit the students that generated the funds. Ideally, all funds should be expended in the same year they are raised. For example: Membership dues paid to a national principal's organization for the principal's member dues is not an allowable expenditure. However, membership dues paid for the National Honor Society Chapter dues or student dues for a specific sponsored activity is an acceptable expenditure.

A signature stamp shall never be used in any function of the ordering or payment process.

2. **Requisition and Purchase Order System:**

- a. **Responsibilities:** The requisition and purchase order system has been designed to establish a system of accounting in which several individuals play a part. Properly used, it establishes adequate safeguards and responsibilities for each person involved.

1. **The Sponsor:** The sponsor is responsible for the following:

- a. To indicate in writing the items and/or services required by the organization. The listing shall also indicate accurate price estimates.
- b. To initiate a planned expenditure after proper consultation with the organization's students and/or participants. The sponsor must provide any required documentation of democratic management of funds, including but not limited to meeting minutes and signed vote tallies.
- c. To know that the organization has sufficient funds to pay for the requested purchase.
- d. To communicate with the designated school site secretary when items and/or services have been received.
- e. To safeguard items once they are in the organization's possession.
- f. To use the items in a legal and proper fashion according to the intent of the organization.

2. **The School Site Secretary:** The school site secretary is responsible for the following:

- a. To receive and check the incoming written request for correctness (account to be charged, organization identification and proper sponsor authorization).
- b. To refer the written request to the principal promptly for approval.

- c. To enter an electronic requisition for approval by the Business Office and if approved, issuance of a Purchase Order.
- d. To supervise the communication between the sponsor and the Accounts Payable office when goods and/or services have been received.

3. The Principal: The principal is responsible for the following:

- a. To require uniformity in all ordering by use of the requisition and purchase order process.
- b. To ensure that all purchases conform to the New Mexico Purchasing Act.
- c. To approve all requests prior to submission to the Procurement Office for legality, solvency and appropriateness.
- d. Periodically to check all steps and persons involved.

4. Business Services: The Business Office follows the Purchasing Cycle below for all District Purchases:

Purchasing Cycle = Sequential Process

- a. From approved budget in place, a requisition (the request for purchase) is submitted to the Business Office for processing,
- b. The requisition is examined for compliance with activity funds and Procurement Code or policy to determine of other measures need to be taken (Quotes, Formal Bid, Request for Proposals),
- c. When sufficient budget is in place, if an approval is received, then the official purchasing document, the Purchase Order, is issued to the Vendor (at this point funds from the identified budget are encumbered),
- d. When the goods or services requested on the Purchase Order are received, the recipient (school site, department or program) will verify or acknowledge this event to Procurement,
- e. Separately, the vendor furnishes an invoice or statement for payment to the District,
- f. Accounts Payable verifies the receipt of goods from step 5 by the copy forwarded, verifies this to the vendors request for payment and issues payment to the vendor.

Please note these steps are sequential; in order to comply with Statute, Regulation and Policy, a requisition must precede the commitment or expenditure of District/Public funds. There are no exceptions to this requirement.

3. Filing and Record Retention: The Business Office shall be responsible for retention of voucher, invoice and all supporting documentation. All supporting

documentation shall be retained by the Business Office for at least six complete years (seven counting the current year).

4. **Direct Debit/Credit:** A direct debit/Credit is a situation where the bank reduces/increases the bank balance for payment of an order or a bank fee. The best example of this is a check order, monthly service charge or an interest payment. All direct debits/credits will be input into the District Software system during the monthly reconciliation process.
5. **Stale Dated Check:** A stale dated check is one that has not been cashed one full year after the date of issuance. Stale dated check shall be void and removed from the outstanding checklist one year after the date on the face of the check.
6. **Lost Checks/Stop payment:** If a check is lost or stolen, the vendor should contact the Business Office. The Business Office will assure that a lost check affidavit is completed and will follow appropriate procedures to re-issue the payment to the vendor.

Transfers: Accounting Controls and Procedures

Transfers

A transfer may be originated with the authorization of the majority group of a particular activity and attested by the fund sponsor. An example of this type of transfer might be: Prior to graduation, the Senior Class will decide to transfer any amount remaining in their class fund to another fund of their choice. Each school site will complete a necessary transfer form and submit to the Business Services Office. Transfers will be processed through the District's Financial Software System.

- If you find that you need to transfer funds from one account to another, you will need to submit on school site letterhead a request to transfer funds. The letter must include the following (at minimum)
 - Why the Transfer is Occurring
 - The Account From
 - The Account To
 - If it is a temporary loan (i.e. from GA 0100 to a fund to start fundraising) this must list the date the fundraiser will end (this will also be the date that the temporary loan will be repaid)
 - The Amount
 - Signatures: Principal, Sponsor From, Sponsor To

Returned Checks: Accounting Controls and Procedures

Returned Checks

Occasionally, a check tendered in payment to the school will be returned by the bank for various reasons. The Business Office will maintain a log of returned checks and will return the check to the originating school site. The school site will be responsible for the collection of these funds. If funds are unable to be collected, the school must submit a negative deposit in the general ledger system to deduct the uncollected funds from the activity account that was originally credited.

When a returned check is redeposited (only NSF – “Refer to Maker” and “Account Closed” cannot be redeposited), the school site secretary will make out a separate deposit slip for it and identify it as “redeposit of {name on check}’s check” on the face of the deposit slip. Never include the redeposit of a returned item with a deposit of current month receipts. Please remember that checks can only be presented twice – if a check is retired NSF a second time, it cannot be redeposited a third time. The individual who issued the check can repay the school with cash, money order, or cashier’s check – the same depositing procedures apply as noted above.

Reconciliations: Accounting Controls and Procedures

Generally

Activity reconciliations will be prepared by the Business Office on or before the 15th day of the month for the month that just ended. The designated school site secretary is responsible for assuring that all deposits have been posted to the District's financial software no less than weekly to facilitate this closing period. The designated school site secretary must assure that all deposits for the end of the month are entered within three business days of the close of the month. All account balances are available at any time to the school site using the District's financial software. All reconciliations will be maintained in the Business Office for audit and review. The Business Office shall all activity reconciliations for at least six complete years (seven counting the current year).

School sites can monitor their balances at any time by utilizing the iVisions system.

Auditing: Accounting Controls and Procedures

External Auditing

The District is subject to an annual external audit. This audit is either conducted by the State Auditor's Office or an independent auditor contracted to the State Auditor's Office. This audit mainly focuses upon internal accounting controls, accounting procedures of operational and federal funds. However, the activity funds are also subject to review during the audit.

Internal Auditing

The Business Office will periodically schedule and conduct an internal audit of each school's activity funds, make recommendations to the school's principal, and report to the Superintendent any irregularities of a sufficiently serious nature to warrant such a report. The internal audit function documents the school's compliance or non-compliance with established internal accounting controls. The internal audit will focus on the Accounting Controls and Procedures outlined in this manual, failure to comply with established Accounting Controls and Procedures could result in removal of student activity funds from a school.

The internal audit function performed by the office of the Assistant Superintendent for Business Services in no way affects the fiscal responsibility of the school's principal for all activity funds in his/her school.

Proof of Cash



Date:

Account Name:

Sponsor:

Receipt Number:

Cash Count

Currency:

Denomination	Quantity	Extension
\$100.00		
\$ 50.00		
\$ 20.00		
\$ 10.00		
\$ 5.00		
\$ 2.00		
\$ 1.00		

Total Currency

Coin:

Denomination	Quantity	Extension
\$ 1.00		
\$ 0.50		
\$ 0.25		
\$ 0.10		
\$ 0.05		
\$ 0.01		

Total Coin

Checks:

Total Checks

Originator's Signature:

Second Signature (Name & Title):

Receipt Total

Secretary Initials & Date

Proof of Cash Form Instructions

Purpose of Form: The Proof of Cash Form is designed to be used when large amounts of cash are received or if funds are being collected by a sponsor offsite. This form is not required by the Business Office and should not be used when 1) small amounts of cash are collected 2) checks are received in the mail 3) small sums of cash and/or checks are being collected on site and given directly to the school secretary.

Sponsor's Instructions

1. Complete the School Name, Sponsor Name and Date fields at top of form.
2. Complete the Currency, Coin and Checks portion of the form (as applicable). This form must be complete, total correctly and match the receipt identified.
3. Sum the form and recount cash in the presence of another person.
4. Take the Proof Cash Form to the designated school site secretary.

School Site Secretary Instructions

1. Sum the form and verify the sum completed by the sponsor.
2. Review the Proof of Cash Form for completeness.
3. In the Presence of the sponsor, issue receipts and vouch for correctness.
4. Write receipt number in the appropriate box on the bottom of the form.
5. Secretary will initial and date the fom when complete.

Form and Money must be turned in daily to the designated School Site Secretary.

Multiple Receipting Form



School:				Why is Money being Collected?			
Sponsor:							
Date:							
	Student's Name	Initials	Amount		Student's Name	Initials	Amount
1				36			
2				37			
3				38			
4				39			
5				40			
6				41			
7				42			
8				43			
9				44			
10				45			
11				46			
12				47			
13				48			
14				49			
15				50			
16				51			
17				52			
18				53			
19				54			
20				55			
21				56			
22				57			
23				58			
24				59			
25				60			
26				61			
27				62			
28				63			
29				64			
30				65			
31				66			
32				67			
33				68			
34				69			
35				70			
Sponsor's Signature				Receipt#			
School Secretary Signature:							

Multiple Receipting Form Instructions

Purpose of Form: The Multiple Receipting Form is designed to be used in the classroom or in other situations where money will be received from several students making individual receipting cumbersome. This is not a mandatory form and should only be utilized when issuing individual receipts would be inefficient.

Sponsor's Instructions

1. Complete the School Name, Sponsor Name and Date fields at top of form.
2. Give a brief description as to why money is being collected.
3. Complete section of student's name and amount turned in by each student.
4. Attain student's initials on form.
5. Sum the form and recount cash in the presence of another person.
6. Complete Proof of Cash Form.
7. Take Multiple Receipting Form and Proof of Cash Form (if applicable) to the designated school site secretary.

School Site Secretary Instructions

1. Sum the form and verify the sum completed by the sponsor.
2. Review the Proof of Cash and Multiple Receipting Form (if applicable) for completeness.
3. In the Presence of the sponsor, recount receipts and vouch for correctness.
4. Sign Form and Proof of Cash Form and verify the sponsor's signature.
5. Write receipt number in the appropriate box on the bottom of the form.

Form and Money must be turned in daily to the designated School Site Secretary.

Cash Advance Form



Date: _____ Sponsor: _____
 Account Names: _____ Date of Travel: _____
 Purpose of Travel: _____ Account: 90000.0000.50000.____.043____.0000

Estimated Expenditures					Actual (Completed After Event)
Lodging	_____ X Per Night	_____ X # People	_____ X # Days	= _____ \$ Total Est	\$ _____
Meals	_____ X # of Meals	_____ X # People	_____ X # Days	= _____ \$ Total Est	\$ _____
Incidentals					
1 _____		_____ X # People	_____ X # Days	= _____ \$ Total Est	\$ _____
2 _____		_____ X # People	_____ X # Days	= _____ \$ Total Est	\$ _____

Grand Total Est.					B _____ Grand Total Actual

Sponsor Attestation: I, _____, acknowledge that my signature below attests that I will be held personally responsible for these funds. Itemized receipts and remaining cash will be submitted to the school site secretary no later than one business day after the return from travel. It will be my responsibility to reimburse Gallup-McKinley County Schools any amount that I cannot provide itemized receipts, even if funds are lost or stolen.

Sponsor's Signature

Principal's Signature

Reconciliation of Cash Advance & Expenses

Cash Advanced:

Check # _____ Check Amount \$ _____ A

Check Date: _____

Cash Reconciliation:

Total of Itemized Receipts (Attached) _____ B

Cash Returned Receipt No. _____ Amount _____

Total Expenses & Cash Returned _____

Sponsor's Signature

Date

School Site Secretary Signature

Date

Cash Advance Form Instructions

Purpose of Form: To advance expense money to a sponsor for approved student expenses.

Sponsor's Instructions

1. Complete form as to date, sponsor's name, purpose of the trip and account.
2. Complete the Request portion of the form. This section shall reasonably estimate all anticipated expenses.
3. Sign request.
4. Attain principal's signature approving the cash advance.
5. Retain all receipts and cash register tapes.
6. Once trip is completed, complete and the actual expense column.
7. Give all receipts, cash register tapes and excess cash to the designated School Site Secretary no later than one business day after date of travel is complete.

School Site Secretary Instructions

Before Travel

1. Submit signed cash advance form to SSC Bookkeeper

After Travel

1. Upon return of itemized receipts and remaining cash, complete Reconciliation of Cash Advance and Expenses section of Form.
2. Vouch all receipts. If a discrepancy is discovered, notify the principal immediately.
3. Sign and date form and attain the sponsor's signature.
4. Submit all original documents to the SSC Bookkeeper.

SSC Bookkeeper Instructions

Before Travel

1. Submit Requisition for issuance of advance to sponsor.

After Travel

1. Vouch all receipts. If receipts do not match notify Asst. Superintendent of Business Services immediately.
2. Submit electronic copy of documents to AP so that they can be added to the documents attached in the iVisions system.

The sponsor is personally responsible for all missing receipts and or missing excess cash.



GMCS Student Activity Cash Advance Form

(Start-up for Student Activity Cash Box Funds Only)

Date _____ Sponsor _____ School _____

Account 90000.0000.50000._____.043_____.0000

PO # _____

Sponsor Attestation: I, _____, acknowledge that my signature below attests that I will be held personally responsible for these funds. It will be my responsibility to reimburse Gallup-McKinley County Schools the total amount of this advance no later than the required redeposit date of _____, even if funds are lost or stolen.

Sponsors Signature

Date

Principal's Approval

Date

Reconciliation of Cash Advance & Expenses (Submitted with Deposit)

Cash Advanced: _____

Check # _____ Check Amount \$ _____

Check Date: _____

Cash Reconciliation: Cash redeposit must occur prior to _____

Cash Returned Receipt No. _____ Amount _____

Principals Signature

Date

Secondary Signature

Date

Instructions for GMCS Student Activity Fund Cash Advance Form

This form is only to be utilized for Cash Boxes for your activity fundraisers. Do not complete this form for athletic gate receipts.

1. Complete
 - a. Date
 - b. Sponsor
 - c. School
 - d. Location Number
 - e. Sponsor Name for Attestation
 - f. Date for funds to be returned (should be no later than one business day after last event – cannot be later than the last day of the current fiscal year 06/30)
2. Sponsor will sign, Principal will approve, and then school site secretary will submit the form to the SSC Bookkeeper.
3. SSC Bookkeeper will input requisitions for issuance of Purchase Order.
4. The District Bookkeeper will GMCS Student Activity Cash Advance Form to Accounts Payable.
5. Accounts Payable will process and mail the payment to the Sponsor.
6. At the end of the activity, but no later than 06/30 of the current fiscal year, the cash advance funds will be deposited into the School's Student Activity Account.
7. The individual responsible for deposits at the school site will complete the receipt, Reconciliation of Cash Advance & Expenses and submit with the deposit ticket and bank verified deposit information into the iVisions system.



GALLUP-McKINLEY COUNTY PUBLIC SCHOOLS Donation & Gift Form

Date:	Name of Donor:
	Address:
	City, State, Zip:

Description or item(s) Attach additional pages if necessary:

Monetary Value: \$ _____

Donation intended for:
(Name of School/Department/Club or Group)

Check or Cash total: _____ <small>(Check or Cash under 100.00 will be kept at the school site and deposited)</small>	Account Deposit #
--	--------------------------

Check or Cash on hold with Business: <small>(Business receiving initials)</small>	
---	--

Accepted		District Designee – \$100.00 School Principal \$100.01 – \$5000.00 Superintendent Over \$5000.00 Board
Rejected		

District Designee (Printed):

District Designee (signature):

K-850 The Board will make every effort to honor the intent of the donor in its use of the gift, but reserves the right to utilize any gift it accepts in the best interest of the educational program of the District.

Original (Donation Coordinator)	Canary Copy (Superintendent's Office)
Pink Copy (School Site/Program)	Goldenrod Copy (Donor)

Donation Form Reminders

Remember that donations or gifts with any monetary value must be reported on the Gallup McKinley County Public Schools Donation & Gift multi part form. Each school site has received the GMCS Donation form. If you need additional Forms, please contact Amy Hyatt at extension 11025.

The process is as follows:

- A Donation and Gift form must be filled out for all donations with monetary value. You will give:
 - Original (Donation Coordinator)
 - Canary Copy (Superintendent's Office)
 - Pink Copy (School Site/Program)
 - Goldenrod Copy (Donor)
- District Designee equals
 - \$100.00 School Principal
 - \$100.01 – \$5000.00 Superintendent, Over \$5000.00 Board
- Return original and Canary copy to Amy Hyatt – Attach any informative documentation about donation
- Contact Amy Hyatt X11025 for more information on this process.
- Cash and Check donations
 - When filling out the donation form please identify account for deposit
 - Send in Cash or Check donations with the completed GMCS Donation form. Hand deliver these to Amy Hyatt.
 - Cash or checks will be delivered to the Business Office and kept on hold until the donation has been accepted
 - When you receive the signed forms illustrating that the donation has been accepted please call the Business Office to discuss deposit
- District donations - when completing the donation form please discuss with the donor if this is a donation that they are making to other GMCS. Contact Amy Hyatt with questions.

Please remember that donations related to Athletic Teams must receive the approval of the District's Athletic Director prior to acceptance to assure the District's Compliance with the New Mexico Athletics' Equities Act.

Not following the policy may result in the district not accepting a donation that is requested by the donor.

Gallup-McKinley County Schools Request to Order Form

School Site: _____

Name: _____ Date: _____ Date Required _____
(printed)

Contact Information: _____

Name of Preferred Vendor (May Change): _____

Description of Items to be purchased:

Item	Quantity	Unit	Estimated Amount

Account Code: _____ Percentage _____
 _____ Percentage _____
 _____ Percentage _____
 _____ Percentage _____

Please contact your school site SSC Bookkeeper for additional assistance
Transfer Request (District Funds Only, Activity Fund Transfers Require Signed Letter with Justification from Principal)

From: _____ Amount: _____

To: _____ Amount: _____

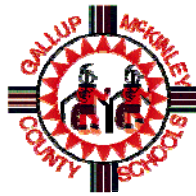
Justification

Principal or Designee Signature: _____ Date: _____

Date Entered by SSC Bookkeeper: _____ Requisition#: _____

Request to Order Form Instructions

1. School Site
 - a. Please enter your school site for which you are placing the order.
2. Name
 - a. Enter your name
3. Date
 - a. Enter the Current Date
4. Date Required
 - a. This should be the very last day you could receive this item and still receive benefit from the item
5. Name of Preferred Vendor
 - a. You can enter a vendor or leave blank. The SSC bookkeeper will select the best product at best price based upon available vendors.
6. Date Required
 - a. Please enter the date you will need the item to be delivered (this may be of consideration when selecting a vendor but will not be the sole source of consideration). Please plan as much in advance as possible.
7. Item
 - a. Who, What, When, Where, Why – please provide as much detail as possible.
8. Quantity
 - a. Number of each, box, hours, days, etc...
9. Unit
 - a. What does your quantity represent?
10. Estimated Amount
 - a. Put in here the total amount you anticipate paying for the item you are requesting. You do not have to be exact, however, the SSC Bookkeeper will not exceed this amount without prior approval from the Principal.
11. Account Code
 - a. You only need to enter one account code if the purchase is all from one-line item. If you need to split the purchase, please enter each line item and the percentage you would like charged to each line item. Please work with your SSC Bookkeeper for additional information.
12. Transfer Request
 - a. If you do not have sufficient funds in your line item for purchase and need to complete a transfer, please complete the transfer from and to with an amount for each. (District funds only, Student Activity Funds require letter of justification from principal with sponsor (s) signatures)
 - b. Include justification for Transfer
13. Please obtain your Principal (or designee)'s signature and fax or e-mail document to your school site's SSC Bookkeeper.



Attestation for Venue Serving Alcoholic Beverages when Gallup-McKinley County Schools Students Are Present

I _____ as an authorized individual for _____
(Printed Legal Name) (Name of Venue)

agree to the following (initial required on each line):

_____ No Gallup-McKinley County Schools student will be allowed to enter an area where any alcoholic beverages are being served

_____ The venue has physical barriers that will separate areas where alcoholic beverages are being served from where Gallup-McKinley County Schools students will be allowed to access

_____ The venue will physically restrict other patrons from entering areas where Gallup-McKinley County Schools students are present

_____ The venue will not serve alcoholic beverages to anyone participating in the Gallup-McKinley County Schools event (including parents, sponsors and other adults who are present and part of the group)

Signature

Date

ANY VIOLATION OF THE ABOVE REQUIREMENTS BY THE VENDOR MAY SUBJECT THE VENDOR TO SUSPENSION OR DEBARMENT IN ACCORDANCE WITH ALL APPLICABLE LAWS

Operating Guidelines for Outside Organizations

The primary purpose of outside organizations is to promote the general welfare, education and morale of all students and to finance normal, legitimate activities of the club or organization. All clubs or organizations shall have a set of bylaws, a copy of which will be placed on file with the Principal's Office or Athletic Department. **The district will approve the formation and operation of all outside organizations and reserve the right to disband any outside organization if it is not operating in the best interest of students and the district's instructional and extracurricular programs.** In addition, each outside organization shall comply with the following guidelines:

1. All outside organizations should be familiar with GMCS policy
2. All outside organizations will have their own separate, unique Tax Identification Number or have applied for and received a separate unique 501 C-3 status. Outside organizations are responsible for obtaining their own tax identification numbers and must comply with all state and federal regulations concerning nonprofit groups.
3. All funds raised should be deposited in a general operating fund bank account and spent according to a membership-approved budget of the outside organization.
4. Each outside organization shall complete an Authorization Form. This form will be reviewed and approved by the building principal/athletic director and the district representatives.
5. The board of directors and/or officers of the organization are responsible for the recommendation of activity programs to their membership. The activities shall, in general, contribute to the educational/extracurricular experience of students and shall add to, not conflict or interfere with the district's instructional program or extracurricular philosophies. Fundraising activities will be tasteful and appropriate for the level of students being supported by the outside organization. Results of fundraising shall be reported to the total membership. Outside organizations should not commit the school community to activities that impinge on instructional time or require an inordinate amount of time, effort or money. **Further, money-making activities by outside organizations should never become the responsibility of district staff or students.**
6. A minimum of six (6) general meetings will be held each year and minutes of those meetings will be prepared and approved by the membership.
7. Monthly bank account reconciliations will be completed and kept on file for a minimum of three (3) years. This reconciliation will be submitted to the Gallup McKinley County School District's Comptroller no later than the 15th of the following month.
8. Monthly financial reports shall be prepared by the treasurer of the organization and submitted to the officers. These reports will be submitted to the membership during their regularly scheduled meetings and included in the minutes.
9. A system of internal controls shall be implemented in order to safeguard the assets of the organization. These controls shall at minimum include double signatures on checks, monthly bank reports, and asset inventory records. At no time will a coach or employee with whom the organization is working be included

- as a signatory on any organization's bank reports or checks. An organization shall not allow coaches or employees with whom the organization is working to have a debit or credit card used against the organizations bank accounts.
10. Fiscal year-end financial statements, ending June 30th of each year, shall be filed with the District's Comptroller in the Business Services Department. The deadline for filing such reports will be July 31st following the end of the school year.
 11. If revenue generated by the organization during a fiscal year exceeds \$10,000, the filing must also include a copy of an annual audit statement by an independent party.
 12. At its discretion, an annual audit may be requested by the district of any organization regardless of the amount of funds generated during the preceding fiscal year. The audit would be conducted by the Gallup McKinley County School District's Comptroller.
 13. The business of the outside organization shall be conducted in an open meeting, per OMA, with adequate notification of all meetings given to the membership.
 14. Any parent organization project that involves changes of any kind to the interior or exterior of buildings, or structural or site improvements including grounds shall follow appropriate Board of Education Policy and must be approved by Gallup McKinley County School District Officials.
 15. Liability insurance coverage is provided for those organizations operating under the jurisdiction and supervision of the Gallup McKinley County Public Schools.
 16. Outside organizations may contribute to but do not make final decisions for the school group or its sponsor on expenditures of public funds.

Public versus Non-Public Funds

All funds in the possession of or handled by public school officials are considered public funds and must be accounted for by the school district. This also includes any funds collected during the regular school day on school property (NMPED regulation IX-A. P.IX-1).

District sanctioned admissions charged for entry to any school sponsored event are district property at any time and are always considered public funds and must be deposited into the district's account within 24 hours. This includes but is not limited to games, plays, concerts, etc.

Voluntary donations collected by outside organizations in conjunction with entry to, or the operation of a district sponsored event outside the regular school day are considered public funds.

School employees who are not supervising students and are not required by their supervisor to help in a fund-raising activity may volunteer for work after school hours. Under this criteria, the employee is a volunteer and outside the scope of employment. The key words regarding an employee's status in participating in outside organization projects are "Scope of Employment" "Regular School Day", and "Volunteer".

The following are examples designed to clarify **public** versus *non-public* funds:

The Thoreau High School Football Booster Organization is having a food sale on Saturday from 9 to 11. They have advertised as: Thoreau High School Football Booster Organization Food Sale. Anyone desiring to purchase food may come by and make their selection and pay the parent acting as a cashier. The revenue raised are non-public funds generated by an outside organization because it was not held during the school day and school staff did not handle the money or supervise the students in the scope of employment.

The same Booster Organization sponsored a food sale but requested the team to pre-sell the items during the school day and the items could be picked up on Saturday. In this procedure, they asked the team to turn in the pre-sell dollars to their Booster Organization representative. These are public funds because students were selling during the regular school day and school staff was handling the money during the school day while supervising students within the scope of their employment.

Fiscal Responsibility

General

Due to the large amount of funds received from and expended for extracurricular activities by outside organizations, it is imperative to set up efficient, thorough and safe management procedures for these funds. If desired, the school district will assist the outside organization in setting up good accounting procedures.

The treasurer should be responsible to the officers and the membership of the organization as outlined in the bylaws. It is also necessary that the treasurer's report appear in the official minutes of the organization at each meeting. Furthermore, an annual financial statement must be submitted to the membership and the Gallup McKinley County School District's Comptroller by July 31st following the end of the school year.

Below is a list of good business practices for handling and receipting cash:

All funds collected from any source should be documented by receipts, pre-numbered tickets or other auditable records. In all cases where tickets are used, there should be an accounting of sold and unsold tickets. The audit trail is most important.

1. Bank deposits of non-public funds should be made within three business days.
2. All disbursements should be documented by checks and backup invoices or cash receipts. Cash disbursements should be used only where a written check is difficult or inappropriate. This should be avoided as much as possible.
3. It is recommended that the treasurer and other officers who handle money be bonded.
4. Two people must always be present during fundraisers when cash is being received and when bank deposits are being prepared.

Fundraising

1. Any fundraising must have, as the primary consideration, the welfare and benefit of the students and the district's instructional and extracurricular programs.
2. Funds may be generated from any legal source or legal means approved and recorded in the minutes of the organization.
3. Students may not be used during the regular school day for raising non-public funds.

Disbursement of funds through checks

1. All checks must be pre-numbered and show the account number. Dual signature checks are required. The coach should never be a signer. The recommendation is it should be the President and Treasurer of the organization.
2. Normally, checks should be made payable to a company.
3. Checks to individuals should be limited to emergency situations.
4. Checks should never be payable to "cash".

5. Checks should be signed only after they are completely prepared.
6. Voided checks should be mutilated (not destroyed) by cutting off the signature line and writing "VOID" across the check to avoid reuse.
7. All checks are to be recorded and accounted for including voided checks.
8. Unused checks should be properly controlled and safeguarded.

Check supporting documents

1. Expenditures should always be supported by properly approved vendor invoices or other documented receipts' clearly identifying what was purchased. Avoid terms like miscellaneous, other, etc.
2. Expenditures are not to be made on the basis of vendor statements.
3. Vendors' invoices should be checked for mathematical accuracy and proper pricing.
4. Invoices should be paid on a timely basis.
5. Check supporting documents should be marked paid to avoid duplicate payments.

Transfer of fiscal responsibility

Each year when new officers are elected, financial files should be transferred to the new treasurer. These files should include:

- Unused check stock;
- Receipt/revenue records;
- Expenditure records;
- Bank statements and reconciliations for the past three years;
- Financial statements for the past three years;
- IRS documents showing the organizations tax ID number;
- NM Taxation and revenue documents (if any);
- Any other documentation relating to the ongoing concern of the organization.

Parent Teacher Associations and Booster Organizations

Parent Teacher Associations and/or Booster Organizations should not commit the student or the school community to activities, which impinge on instructional time or require inordinate amounts of time, effort or money. It is essential that activities, which use the name of the school or implied support of the school or the district, adhere to policies, procedures and financial safeguards normally expected of public bodies. For the protection of the parent groups and the schools, adherence of all parent groups is necessary. School personnel must ensure that the guidelines are adequately distributed and implemented.

Although Parent Teacher Associations or Booster Organizations are affiliated with the school in the sense that they carry the name of the school, are “component units” of the district, and all their activities must be approved by the principal, such clubs are sole and separate entities from the school and are responsible for their own compliance applicable with Federal and State regulations.

Organizational Bylaws

An organization of parents or community leaders affiliated with a school must develop a constitution and/or bylaw. Those documents must be approved each year by the Principal/Athletic Director, in writing, and be filed in the Principal’s Office/Athletic Department. The school Principal/Athletic Director must authorize the use of the school’s name each year prior to approving any of the group’s activities. The principal will use the GMCS Authorization of Parent Teacher Association/Booster Organization form to document authorization. A copy of the signed form will be provided to the Association/Organization as well as maintained on file in the Principal’s Office/ Athletic Department and the Gallup McKinley County Schools Business Services Controller’s Office. The organization’s bylaws must contain the following (example attached):

1. The name of the organization.
2. The objective of the organization including the statement, “This organization will abide by all School Board and Administrative policies and procedures”.
3. Eligibility for membership and membership enrollment procedures.
4. Officer selecting, election procedures and the duties of each officer.
5. Bonding documents for signatures from licensed insurance company within 30 days of receiving \$2,500.
6. The principal or designee who will serve as an ex-officio officer of the organization.
7. Specific fiscal auditing and accounting procedures will be established by each organization. The disbursements must require the signature of two persons being the President and the Treasurer (or equivalent position).
8. The Treasurer (or equivalent position) will file a monthly financial report with the membership and the Business Office.
9. In the event that the organization dissolves, the group will deposit remaining funds into a Gallup McKinley County School District Activity Fund that relates to the dissolved organization.

Business will be conducted in open meetings, with adequate notification of all meetings to all members, and a summary of proceedings kept. A copy of the summary of proceedings, reconciled bank statements and minutes must be on file in the Principals Office, Athletic Department and the Gallup-McKinley County Schools Business Office.

Finances

Any activities or fundraising projects initiated by the organization and which involve the use of the name of the school must be proposed, in writing, and be authorized by the school principal or designee and the Gallup McKinley County Schools Business Office before the activity commences or any final arrangements are made.

A Parent Teacher Association or Booster Organization may conduct a fundraiser on campus or Gallup McKinley County School property (Public Schools Stadiums, etc.) after receiving approval from the school principal. The fundraiser may not involve any type of gambling (50/50, Las Vegas Night, etc.).

If the fundraiser is held during the school (duty) day, including Book Fairs, funds must not be handled by students and/or GMCS employees if they are to remain outside of the school's activity funds. All funds handled by students and/or GMCS employees are considered to be school activity funds (Public Funds) and must follow all procedures applicable under Student Activity Funds.

If the fundraiser is held after the school (duty) day, funds may be handled by students authorized by their parents. These funds are not activity funds (non-public funds), because the students are under their parents' jurisdiction when the school day is over. Parent Teacher Associations/Booster Organizations must make arrangements for revenue collection by a non GMCS employee.

GMCS employees may not be involved in financial activities of the organization in any way during duty/work hours. This includes ordering items, making sales, collecting money or signing checks. If a Gallup McKinley County Schools employee handles funds, they become public funds. The employee's work relationship with the district takes precedence over their relationship with the outside organization. This only states that students and employees handling funds may cause treatment as activity funds. This does not preclude these people from helping the fundraising in other capacities.

Organizations organized as an IRS 501(c) 3 must maintain their own accounts outside of the school. These organizations are required to submit a detailed financial report of expenditures and revenue as well as meeting minutes to the Principal/Athletic Director and the Gallup McKinley County School District Business Office. Parent Teacher Associations and Booster Organizations must submit their monthly financial reports by the 15th day of the subsequent month (i.e. May report is due June 15th).

Organizations may not use the school's mailing permit for mailings nor can the district provide postage or electronic communication.

Fees may only be charged for purposes incidental to the related school program, whereas school fees would cover items required to support the basic program.

Hiring contractors or employees to provide services to be paid by the auxiliary group are permitted once the proper employment status and payment method is determined and approved by the district.

Organizations whose gross annual income exceeds \$10,000 are required by State Law Section 6-5A-1 NMSA 1978, to have an annual audit of their financial affairs by an independent party. The organization/club is financially responsible for the audit.

If procedures are not followed or if there is some irregularity, the organization will voluntarily relinquish fiscal control to the District. The organization understands that, if necessary, the District will seek resolution from the State Attorney General's Office.

An annual report, and external independent audit if applicable, is due to the GMCS Business Office by July 31st following the end of the school year and shall include the following:

- List of Booster Officers
- A monthly financial reconciliation including a copy of the bank statement and cancelled checks
- Year-end statement of financial activity
- Copies of all meeting minutes

At its discretion, an annual audit may be conducted by the district of any organization regardless of the amount of funds generated during the preceding fiscal year. The audit would be conducted by the Gallup McKinley County School Business Services Department.

Gallup McKinley County Schools

Authorization of
Parent Teacher Associations/Booster Organizations

School:	Date:
---------	-------

This Section To Be Completed By The Parent Teacher Association/Booster Club:

Name of Organization:

Federal Tax Identification Number:
(Please attach copy of IRS Notification, or if unavailable, attach copy of current bank statement showing tax identification number) #

New Mexico CRS Identification Number:
(Please attach copy of Taxation and Revenue Notification or other documentation showing this number) #

Objective:

Officers:
List all officers and contact information (i.e., telephone number) – please be reminded that GMCS employees, regardless of their work location, may not handle any of the financial activities of this organization)

President:

Vice President:

Treasurer:

Secretary:

School Principal Use Only:

I certify that the following documents have been reviewed and are on file in my office:

Bylaws Year-end Financial Report from Prior Year Proof of Bonding
(only applicable if group was in existence during prior year)

The above mentioned organization has decided to handle their own funds

Yes No

The above mentioned organization has decided to have the district handle their funds

Yes No

Principal/Athletic Director Signature:

Date:

A copy of the completed form must be provided to the organization/club and sent to the SFPS Business Services Comptroller's Office

Bank Account Reconciliation Template

Depository accounts should be reconciled with book balances monthly.

Example of Reconciliation:

1. Use the following worksheet to calculate your overall account balance.
2. Go through your register and mark each check, deposit or other credit listed on your statement. Be sure that your register shows any interest paid into your account and any service charges, automatic payments, from your account during this statement period.
3. Use the chart below, list any deposits, transfers to your account, outstanding checks, ATM withdrawals, ATM payments or any other withdrawals (including any from previous months) which are listed in your register but not shown on your statement.

Enter	
A. The NEW balance shown on your statement:	+ \$
Add	
B. Any deposits listed in your register which are not shown on your statement:	+ \$
	+ \$
	+ \$
	+ \$
	+ \$
Subtract	
C. The total outstanding checks and withdrawals from the chart below:	- \$
Calculate the ending balance (A+B-C) . This amount should be the same as the current balance shown in your check register:	= \$

Enter total from this table in **C**.

Items Outstanding		Items Outstanding	
Check Number	Check Amount	Check Number	Check Amount
		Total=	\$

Financial Activity Template

Name of Organization
July 1, _____ – June 30, _____

Assets

Cash on Hand July 1st \$ _____
Total Assets \$ _____

Revenue

Fundraiser (Please Identify)

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

Total Revenue \$ _____

Expenditures

Travel	\$ _____
Food	\$ _____
Supplies	\$ _____
Equipment	\$ _____
Services	\$ _____
Donations	\$ _____

(To whom _____)

Total Expenditures \$ _____

Total Assets+ Total Revenue– Total Expenditures = \$ _____
(This amount should equal your ending register balance on June 30th)

- Attachments required: 30th
1. Copy of Bank Statement for period ending June 30th
 2. Copy of Bank Reconciliation for period ending June 30th

President's Signature: _____ Date: _____

Treasurer's Signature: _____ Date: _____
(or equivalent position)

Sample Bylaws

BYLAWS OF _____

ARTICLE I - NAME, PURPOSE

Section 1: The name of the organization shall be _____.

Section 2: The _____ is organized exclusively for charitable, scientific and educational purposes, more specifically to _____.

ARTICLE II - MEMBERSHIP

Section 1: Membership shall consist only of the members of the board of directors.

ARTICLE III - ANNUAL MEETING

Section 1: Annual Meeting. The date of the regular annual meeting shall be set by the Board of Directors who shall also set the time and place.

Section 2: Special Meetings. Special meetings may be called by the Chair or the Executive Committee.

Section 3: Notice. Notice of each meeting shall be given to each voting member, by mail, not less than ten days before the meeting.

ARTICLE IV - BOARD OF DIRECTORS

Section 1: Board Role, Size, Compensation. The Board is responsible for overall policy and direction of the Council, and delegates responsibility for day-to-day operations to the Council Director and committees. The Board shall have up to _____ and not fewer than _____ members. The Board receives no compensation other than reasonable expenses.

Section 2: Meetings. The Board shall meet at least six times, at an agreed upon time and place.

Section 3: Board Elections. Election of new directors or election of current directors to a second term will occur as the first item of business at the annual meeting of the organization. Directors will be elected by a majority vote of the current directors.

Section 4: Terms. All Board members shall serve _____ year terms, but are eligible for re-election.

Section 5: Quorum. A quorum must be attended by at least _____ percent of the Board members before business can be transacted or motions made or passed.

Section 6: Notice. An official Board meeting requires that each Board member have written notice two weeks in advance.

Section 7. Officers and Duties. There shall be five officers of the Board consisting of a Chair, Vice Chair, Secretary and Treasurer. Their duties are as follows:

The Chair shall convene regularly scheduled Board meetings, shall preside or arrange for other members of the executive committee to preside at each meeting in the following order: Vice-Chair, Secretary and Treasurer.

The Vice Chair will chair committees on special subjects as designated by the board.

The Secretary shall be responsible for keeping records of Board actions, including overseeing the taking of minutes at all Board meetings, sending out meeting announcements, distributing copies of minutes and the agenda to each Board member, and assuring that organization records are maintained.

The Treasurer shall make a report at each Board meeting. The Treasurer shall chair the finance committee, assist in the preparation of the budget, help develop fundraising plans, and make financial information available to Board members and the public.

Section 8: Vacancies. When a vacancy on the Board exists, nominations for new members may be received from present Board members by the Secretary two weeks in advance of a Board meeting. These nominations shall be sent out to Board members with the regular Board meeting announcement, to be voted upon at the next Board meeting. These vacancies will be filled only to the end of the particular Board member's term.

Section 9: Resignation, Termination and Absences. Resignation from the Board must be in writing and received by the Secretary. A Board member shall be dropped for excess absences from the Board if s/he has three unexcused absences from Board meetings in a year. A Board member may be removed for other reasons by a three-fourths vote of the remaining directors.

Section 10: Special Meetings. Special meetings of the Board shall be called upon the request of the Chair or one-third of the Board. Notices of special meetings shall be sent out by the Secretary to each Board member postmarked ten days in advance.

ARTICLE V - COMMITTEES

Section 1: The Board may create committees as needed, such as fundraising, housing, etc. The Board Chair appoints all committee chairs.

Section 2: The five officers serve as the members of the Executive Committee. Except for the power to amend the Articles of Incorporation and Bylaws, the Executive Committee shall have all of the powers and authority of the Board of Directors in the

intervals between meetings of the Board of Directors, subject to the direction and control of the Board of Directors.

Section 3: Finance Committee. The Treasurer is chair of the Finance Committee, which includes three other Board members. The Finance Committee is responsible for developing and reviewing fiscal procedures, a fundraising plan, and annual budget with staff and other Board members. The Board must approve the budget, and all expenditures must be within the budget. Any major change in the budget must be approved by the Board or the Executive Committee.

The fiscal year shall be July through June. Annual reports are required to be submitted to the Board showing income, expenditures and pending income. The financial records of the organization are public information and shall be made available to the membership, Board members and the public.

ARTICLE VI - AMENDMENTS

Section 1: These Bylaws may be amended when necessary by a two-thirds majority of the Board of Directors. Proposed amendments must be submitted to the Secretary to be sent out with regular Board announcements.

These Bylaws were approved at a meeting of the Board of Directors of _____
on

_____, 20XX.

Procedures for Expending Gallup McKinley County School District Funds

1. Fill out Purchase Quotation Form (attached). Please note on the form if you would like the approved purchase order
 - a. Mailed directly to the vendor
 - b. Returned to sender
2. Turn in to Athletic Secretary/School Site Secretary
3. Secretary enters purchase order requisition into the GMCS financial system
4. Requisition is approved by site Principal/Athletic Director and sent to appropriate accountant
5. Requisition is checked and approved for budget by appropriate accountant and sent to the Purchasing Department
6. The Purchasing Department then processes the purchase requisition into an approved purchase order
7. The entire process should not take more than three days



PURCHASING QUOTATION FORM

SCHOOL/DEPARTMENT _____ DATE _____

QUOTES OBTAINED BY _____ DATE _____

Written Letterhead of
 Fax _____ Oral _____ Telephone _____

Items/Service being purchased (describe model, color, size, etc.). If service is a banquet list complete menu, date held and sizing capacity needed.

COMPANY CONTACTED			
PHONE NUMBER			
DATE			
PERSON GIVING QUOTE			
PRICE QUOTED			

SUCCESSFUL BIDDER _____

APPROVED BY:

Signature _____ Date _____