

AUXILIARY OPERATIONS MANUAL

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GENERAL POLICY

The Auxiliary Operations Fund will be accounted for as a Special Revenue Fund. The modified accrual basis will be used. This means that revenues are generally recognized when cash is received or when they become both available and measurable, and expenditures are recognized in the accounting period liabilities are incurred.

While Auxiliary Operations funds are not subject to legal budgetary restrictions, in order to enhance financial control and provide a barometer for establishing fees, it is recommended that the Principal/Assistant Principal at each Elementary School, Middle School and High School prepare an annual budget for the fund.

The factors to take into consideration in the budget preparation process are:

1. Estimate of revenue from all sources
2. Estimate of expenditures
3. Estimate of expenditures from other funds
4. Salaries and employee benefits
5. Cost of inventories for sale or rental
6. Cost of supplies and capital equipment
7. District enrollment

The building administrator will ensure that cash is available to meet obligations incurred. Budget Control Group reports should be run from the iVisions Finance system so that revenue and expenditures may be verified. The Finance Department should be contacted if any discrepancies are found.

NOTE

Bookstore Manager and Athletic Director are referred to continually throughout this manual since the majority of Auxiliary Operations funds are used at the high school level, therefore, where applicable; insert your equivalent school level title(s) for the person(s) with comparable responsibility. At the Middle and Elementary Schools this is often the Administrative Assistant/Accounting Clerk.

REVENUE

Cash requires a strong system of internal accounting control because it is the most liquid of all assets. Therefore, the Paradise Valley Unified School District has adopted the following policies, which will be adhered to by all schools that maintain an Auxiliary Operations Fund.

The Governing Board has established an Auxiliary Operations bank account. All schools who maintain an Auxiliary Operations Fund will deposit their receipts, intact, into this account. **No refunds or supplies may be paid for directly out of the receipts before they are deposited.**

Receipts may be derived from various sources including:

1. Fees for fine arts and vocational education
2. Tax Credit donations for extra-curricular activities
3. Fees for optional extra-curricular activities
4. Gate receipts from athletic events
5. Fees for athletic and interscholastic activities

NOTE: All persons handling cash must be bonded. Employees of the District are covered under a blanket bond provided by the District. Non-district employees are not to handle cash.

The school will reconcile district records with school records. The reconciliation must be signed and dated by the person who completes it. The Budget Control Group (BCG) or Student Activity (SA) reports should be run to aid in the reconciliation. Any discrepancies should be reported to the district office so that corrections can be made promptly.

Segregation of duties between cash handling and record keeping must be maintained.

Procedures for Check Handling

The following policy applies to all personnel who collect or receive money for any reason, i.e., bookstore employees, cafeteria personnel, and school admin. assistants, etc. All checks received must comply with the following policy unless otherwise approved by the District Finance Office. Employees are not allowed to take a check in violation of this policy:

1. Checks should include a student identification number
2. NO Two-party personal checks
3. NO Altered checks
4. NO Post-dated checks
5. NO Checks payable to two or more persons
6. NO Insurance drafts, income tax refunds or dividend checks
7. NO Counter checks (no printed information or account number)
8. NO Personal checks except for a specific purchase made.
9. NO Check from a person with an unresolved NSF check on file.
10. Money Orders are accepted with purchaser information and signature only
11. Checks should be payable to P.V.U.S.D. or the school. **Checks made out to a booster club or a parent organization should not be accepted.**

Returned Checks (Checks that do not clear or NSF)

All checks returned from the bank will be entered into the iVisions Finance system reducing the balance in the account by the amount of the NSF. The check and a copy of the cash receipt will be returned to the school.

The school should attempt to collect the returned check. No additional checks should be accepted until the outstanding amount is resolved. The High Schools may use a collection agency to aid in the collection of returned checks if all other attempts have failed.

Once the funds have been collected, the cash or check should be deposited into the school's account as described in the Revenue section. The Cash Collection Report should indicate "NSF redeposit" for the appropriate club or account.

Documentation of Monies Received

All funds collected must be documented. The method may vary according to what works best for each activity. The following section describes several methods that can be used to document funds so that they may be traced back to their source as required by USFR X-H-7.

One of these methods must be used but it will be the school's discretion to decide what is appropriate for each activity:

1. Pre-numbered Receipts –

Elementary & Middle Schools

The money is counted in front of the student or person turning in the money and a pre-numbered receipt is issued. The original receipt is given to the student; the 2nd copy is attached to the school deposit paperwork and the 3rd copy remains in the receipt book as a permanent record of the transaction. If monies are not immediately deposited/receipted into InTouch, a 3-part receipt must be given.

High Schools

In general, students should bring their funds to the bookstore. The Bookstore Manager or Bookstore Clerk will count the money in front of the student and enter the funds into the InTouch system, crediting the proper project. The student is given an InTouch receipt for the total funds paid. The InTouch Closeout report serves as the permanent record of the transaction. If funds are paid to someone other than the bookstore, pre-numbered receipt books may be used, as described above for Elementary & Middle Schools. If monies are not immediately deposited/receipted into InTouch, a 3-part receipt must be given.

2. Class Lists – Elementary, Middle and High Schools ([Finance Website](#))

Instead of issuing pre-numbered receipts (see above) to each student a class list may be developed listing all students purchasing the same item. When a student makes a payment, the collector will sign and date next to the student's name and indicate the amount paid. The students should also initial next to their name. The list should be totaled and signed by the collector (see sample list). **NOTE: The money collected must be reconciled with the class list.**

At the end of the day, the collector will turn in the monies together with the class list and a completed "Cash Distribution Report" to the school administrative assistant/accounting clerk or the school bookstore. The money will be counted in front of the collector and the Cash Distribution Report will be signed. The administrative assistant/accounting clerk or bookstore manager will verify that the class list agrees with the funds deposited. The

administrative assistant/accounting clerk or bookstore manager will then issue a pre-numbered receipt or cash register receipt (InTouch) to the collector and also give the collector one copy of the Cash Distribution Report. Any discrepancies noted between the lists, the cash distribution report and the money should be reconciled while the collector is present.

Alternatively, items can be set up on InTouch to pay either online or with the site in lieu of teachers or other staff members collecting cash.

3. Ticket Sales Reports (Finance Website)

Sales for activities such as dances or plays should be accounted for with pre-numbered tickets. Receipts from events for which tickets are sold will be accounted for as follows:

1. Each school will be responsible for ordering and tracking pre-numbered tickets. These tickets should be tracked using a ticket log to record beginning and ending ticket numbers (USFR X-H-6).
2. The bookstore manager or school administrative assistant/accounting clerk indicates on the Ticket Sales Report the change fund amount (if used) and beginning and ending ticket numbers being issued.
3. The ticket seller signs for the receipt of funds and tickets and is given the Ticket Sales Report to complete.
4. After the event has taken place, the ticket seller reconciles cash to the ticket sales and returns remaining tickets, cash and the completed Ticket Sales Report to the office or bookstore.
5. The school administrative assistant or bookstore manager verifies the Ticket Sales Report and issues either an InTouch receipt or a pre-numbered receipt to the ticket seller and signs the Sales Report, giving a copy to the seller.

NOTE: In some instances GoFan can be used to sell ticketed items online; however, the setup and management of the items and account must be managed per Finance guidelines. Please reach out for additional information.

NO CASH DISTRIBUTION REPORT IS NEEDED WHEN USING A TICKET SALES REPORT

At the end of each year, schools will inventory all remaining tickets and record all numbers in the ticket log. All tickets should be safe-guarded in the same manner as cash. The ticket seller and the person who issues the tickets and receives the money should be two different individuals.

How to Prepare a Deposit

The school admin assistant/accounting clerk or bookstore manager will prepare a deposit daily as revenue is received. High schools are required to process daily, including on days that have no revenue. ES/MS must run their non reconciled receipts and keep on file daily. An end of period must be completed daily when funds are received. If no revenue is received in a given week, an end of period is required and submitted to Finance. (USFR X-G3). Deposit paperwork should include:

Please have the reports in the following order:

- Revenue Summary - At site for all sites (admin signatures)
- Revenue Summary - For site by all sites (report ran in the morning)
- Non-reconciled Receipts - (cash denominations and check tape on report)
- End of Period Summary
- End of Period Check Listing
- Deposit Slips - Taped on separate paper
- Receipt Adjustment - Pre-Void report (admin signatures)
- Revenue Detail
- EOP Detail
- Any backup for EOP

The original copies of all these reports should be stapled together in the upper left-hand corner with pink deposit slip stapled/taped to non reconciled receipts report in the upper right-hand corner inside the packet and sent to the District Office promptly. Funds are not available until the deposit information has been entered into the Financial Management System at the District Office.

The school will retain copies of all these reports as well as any other supporting documentation, including class lists and pre-numbered receipts, cash register reports, and copies of cash advance receipts. Cash Advances should include the signed cash distribution form, original register receipts, copy of the PO, and InTouch receipt returning any unused funds. ~~Two copies are needed.~~ One copy goes into your Finance daily EOP packet and the second copy (originals) is clipped to the EOP (to be given to the AP Tech). **A copy of all deposit paperwork and supporting documentation should be retained by the school in compliance with State retention requirements.**

Deposit Slips will be filled out in triplicate for the deposit with the white and yellow sent to the bank. Checks do not have to be listed individually on the deposit slips. A tape can be run and attached to the deposit slip with the checks to be deposited.

Wells Fargo Deposit (Yellow & White) deposit slips along with cash/checks are put into a daily deposit bag and logged on the **Daily Deposit Log** form and secured in the safe until the morning of pickups. Please see the armored car instructions and daily log form on the Finance website. Armored Car Service The site Axiom log book should be signed by the driver at pickup. If you are in need of a new book, please request it from the driver when they arrive.

Money should be held in safe until it is picked up by the armored car company. No money should be kept in desks or file cabinets at any time. No money should be held over the summer or winter breaks.

Deposit slips are ordered by the Finance Department. Please call or email when you are running low. Do not wait until you use the last deposit slip! **Do not send re-order form directly to the bank!**

Both daily & weekly (Armored) bags are also available from the Finance Department. Please email your deposit slips and/or bag requests to the Finance office. You can reach out to either Linda Stockman (Lstockman@pvschools.net) #92047 or Cheryl Menge (chmenge@pvschools.net) #92049.

EXPENDITURES

Expenditures from the Auxiliary Operations Fund must be approved by the Principal/Assistant Principal and the Governing Board. Auxiliary Operations vouchers will be presented to the Governing Board twice a month for ratification.

Expenditures from Auxiliary Operations must be limited to items for which a fee was collected and not to supplant district expenses. All commitments to vendors must be made by an approved purchase order. **Commitments made by an individual without a Purchase Order will result in personal liability.**

Auxiliary expenditures are subject to sales and use tax in the same manner as all other district expenditures. In addition, bidding laws and regulations apply to these funds in the same manner as other district purchases.

All supporting documentation is to be attached to purchase orders and retained according to the USFR retention schedule. A link to the AZ Retention Schedule may be found on the Site Purchasing Tab in BPlus.

Requisitions

All commitment of funds must be by an approved Purchase Order. The only exceptions will be for refunds and authorized travel reimbursements. **Commitments made by an individual without prior approval will result in personal liability.** (PVUSD Employee Guide to Purchasing, page 10) It is not appropriate for teachers or principals to sign contracts (Governing Board Policies and Procedures Manual, section 6, page 3).

Electronic requisitions need to be entered in iVisions and submitted promptly. It is strongly recommended that they be submitted at least 2 weeks before the date needed. This allows adequate time to ensure that the purchase order or check (if required) is available when needed.

The electronic purchase request needs to be filled out completely. The description should be detailed enough for individuals outside the school site to determine what is being ordered and how it will be used. The description should never begin with "Blanket Purchase Order or Open PO". Internal notes should be used with additional information if needed. If it is unclear what is being ordered or what it's being ordered for, the requisition may be rejected and returned to the requester for more detail.

Procedures for Generating a Purchase from Auxiliary Operations Funds

1. Provide all required information to the Bookstore/School Administrative Assistant/Accounting Clerk, i.e. items, vendor, and pricing, after complete minutes are provided authorizing the purchase.
2. The Bookstore Manager/School Administrative Assistant/Accounting Clerk will enter the information into the iVisions Purchase/Payable Control Panel after determining appropriateness and that sufficient funds are available.
 - a. Attach quotes, proof, and other department approvals or information including minutes, at the time when the requisition is entered.
3. Requisition is then sent through Workflow for the Principal's approval,
4. After the administrative approval is received the requisition flows electronically to the Finance Department where coding is checked and cash balances are reviewed.

5. After Finance approval the requisition goes to the Purchasing Department which checks the information for compliance with the Procurement Code and approves if everything is correct. Their approval turns the requisition into a Purchase Order.
6. If the merchandise is available at the warehouse it may be ordered using the electronic Stores Inventory warehouse program.
7. After the Purchase Order has been issued, a copy is faxed to the vendor, unless the requester has specified it be sent to them.

When merchandise is received, the Bookstore Manager/School Administrative Assistant/Accounting Clerk receives the merchandise electronically in the Receiving Screen in iVisions and if necessary, records the tag number for capital purchases of \$1,000.00 or more. Any invoices or packing slips should be initialed and dated by the receiver and then sent to the Finance Department ASAP.

NOTE:

IF THE DISTRICT IS NOTIFIED BY THE VENDOR THAT THE COST OF THE MERCHANDISE ORDERED EXCEEDS THE AMOUNT INDICATED ON THE PURCHASE ORDER BY \$100 OR MORE, THE SCHOOL WILL BE NOTIFIED TO ENTER AN ELECTRONIC CHANGE ORDER. THE CHANGE ORDER FOLLOWS THE SAME ELECTRONIC PATH AS THE ORIGINAL REQUISITION FOR APPROVALS. IN ADDITION, SCHOOLS MUST COMPLETE AN ADDITIONAL FUNDS JUSTIFICATION FORM AND REQUEST STUDENT APPROVAL FOR THE ADDITIONAL COST. THIS MUST BE REFLECTED IN THE STUDENT MINUTES AND ATTACHED ELECTRONICALLY TO THE ORIGINAL PURCHASE ORDER.

Student Refunds

Refunds of fees paid by students may be made to the student's parent or guardian using the paper requisitioning process.

Remember---all money collected must be deposited. Money may never be returned to a student or parent.

Refunds are available using a blank requisition, if prior to InTouch Pay.

An InTouch Pay refund would include the refund form from In Touch, in place of the blank requisition form.

All refunds must include the following:

- In Touch Refund paperwork
- Receipt Adjustment Info Report (signed and date by the principal and person doing refund)
- Email must include:
 - Student's name and ID number
 - Parent or guardian's first and last name
 - Confirmation of mailing address
 - Amount of the refund
 - Reason for the refund
- Principal's approval (signature)

No refunds shall be issued without proper back-up.

NOTE: Tax Credits are non-refundable and non-transferable.

Payroll Expenses

If the district contracts with an employee of the district to be a game official or for any other services outside the normal scope of their duties, payments for these services are supplemental wages and are subject to payroll tax withholdings. This includes retirees and substitutes. The employee's supervisor must submit an approved timesheet coded to the appropriate auxiliary project.

Epars should be completed detailing the service the employee will perform and the dates involved. The epars are sent electronically through workflow. It will then be forwarded to Personnel. When determining the cost of the service, be sure to include the costs of benefits. For example, an employee agrees to paint a mural in the cafeteria for \$33.00 an hour. The total cost to the fund for each hour would be \$38.94 (\$33.00 + the cost of benefits). **Note:** IVision Projects under Auxiliary, Tax Credit, Student Activity, or Gift & Donations may not go into a negative balance. You must ensure the project has enough funds to cover the cost of all ePars when submitting timesheets.

Prepayments

School districts are prohibited by law to make prepayments for goods or services. Should a vendor not accept our Purchase Orders, every effort should be made to locate the merchandise elsewhere. **Rarely**, will there be an exception to this rule.

CASH ADVANCES

Cash advances may be necessary from time to time. Cash advances are not to be used at vendors that accept purchase orders (PO). Cash advances are for out of Maricopa County student travel, where unexpected expenses may occur; or, for use at vendors that do not accept POs when traveling with students. *Cash advances may not be used to bypass the procurement process. Lunch as a group is not an unexpected expense. The cash advance should only be used for meals as a group, if not provided at the event, and when a PO can not be issued. **When meals are provided as part of the event, to the student group and chaperone, a cash advance reimbursement cannot be claimed.** This includes meals provided by workshops, hotels, airlines, etc. A flyer from the conference, workshop, or activity attended should be turned in when reconciling cash advance meals to demonstrate a meal wasn't provided.

Therefore, items commonly available from vendors who accept purchase orders are not allowable. Cash advances are for supply items only. Electrical equipment, power tools, etc. are not allowable.

To obtain a cash advance, a requisition must be entered in the name of the PVUSD employee who will receive the check. The requisition should indicate the purpose of the cash advance including the type of activity and the date(s) of the event/trip. Checks will only be issued to district employees, and cannot be made out to students or parents.

Itemized receipts (not a credit card statement) for expenditures must be returned to the bookstore or school office, along with remaining cash, promptly after the activity has taken place. The Bookstore Manager or designee will return the Cash Distribution Report form along with the receipts to the Finance Office to clear the PO. Advances will be made on a per-activity basis. No further cash advances will be issued until the previous advance has been reconciled. The principal and/or the person receiving the advance will be held accountable for obtaining receipts and for reconciliation of the advance, following all cash advance guidelines, and will be held personally liable for unauthorized spending and or spending more than the advance amount.

Cash advances may be discontinued if proper receipts are not turned in promptly to the designated employee, or if receipts are from vendors that accept district POs.

SUMMARY OF GUIDELINES FOR CASH ADVANCES:

1. Upon receipt of the PO and check the employee should sign the Cash Distribution Report acknowledgment section and review the cash advance guidelines.
2. Purchases may not be made from vendors that take district POs.
3. Items that are commonly available at vendors who accept our POs may not be purchased with a cash advance.
4. Cash advances are for unexpected supply items and planned items that purchasing couldn't find a vendor that takes POs. Equipment is not allowable.
5. Meals as a group, not provided at the event, can be submitted for reimbursement as long as the receipt is itemized and the flyer or agenda for the event is attached demonstrating the meal being submitted wasn't provided as part of the event.
6. The purpose of the cash advance must be clearly stated on the requisition, as well as the date or time frame for the use of the cash advance must be included.
7. Receipts must be itemized, dated, and include the system-printed vendor name.
8. Receipts are not to be dated before the PO date and should match the dates of travel.
9. Reimbursement will not be made for expenditures over the cash advance PO amount.
10. Bank fees can't be covered by the cash advance, EX check cashing costs, debit card fees, etc.

*Cash Advances shouldn't replace opening a local PO to purchase supplies needed, before departure to take with you on the trip. Such as snacks and water for the bus etc

Supply Inventory for School Store

Annually a physical inventory needs to be taken of all the items for sale in the school store. This should be performed prior to school closing for the summer. The completed inventory should be turned into the Bookstore and then forwarded to the Finance Office each year.

1. Take a physical count of all items on hand at year end.
2. Have someone other than the person who took the physical count spot check for accuracy.
3. Assign a unit cost to each item based on either the last price paid for the item or a weighted average of the cost of the item (document which costing system is used)
4. Multiply the quantity of each item by its unit cost.
5. Total all extended costs.
6. Grand Total for the full value of the inventory

Change Fund

Each high school may establish a change fund from the Auxiliary Operations Fund for use in the Bookstore cash register drawer. Expenditures from the Change Fund are not permitted. The change fund is not to be used for AIA or regional tournaments. All Change Fund monies must be returned to the District Office by June 15th of each fiscal year.

TAX CREDIT

The State of Arizona has authorized a tax credit of up to \$200 for single and head of household and \$400 for married taxpayers for payments to a school for the support of extracurricular activities and other tax credit eligible items. Taxpayers are not required to have a student enrolled at the school in order to make payments eligible for the tax credit.

Guidelines For The Public School Tax Credit

An individual may claim a nonrefundable tax credit for making cash contributions or for certain fees paid to a public school located in Arizona for the support of the following purposes:

- a) Extracurricular activities (See Page 12**)
- b) Character education programs, defined in A.R.S. § 15-719
- c) Standardized testing fees for college readiness
- d) Assessment for career and technical preparation programs
- e) Cardiopulmonary resuscitation (CPR) training defined in A.R.S. § 15-718.01.

From and after **June 30, 2019 through June 30, 2024** individuals may claim a non-refundable tax credit for making contributions or for fees paid for the support of:

- f) Acquiring capital items as defined in the Uniform System of Financial Records, including those items listed in section A.R.S. § Title 15-903, subsection C paragraphs 2 through 8.
 - o Furniture, furnishings, athletic equipment and other equipment, including computer software
 - o Textbooks and related printed subject matter materials adopted by the Governing Board
 - o Instructional Aids (as defined in USFR)
 - o Library books
 - o **Tax Credit monies may not be used for remodels, construction, or building improvements.**
- g) Community school meal programs. These are special school meal programs that take place before or after school (PVUSD currently does not have this program).
- h) Student consumable health care supplies.
 - o These are understood as non-durable supplies that cannot withstand repeated use and are usually disposable; they cannot be used by an individual in the absence of an illness or injury.
 - o Examples of consumable student health care supplies: tissues, band aides, gauze, Q tips, thermometer covers, etc.
- I) Playground equipment and shade structures for playground equipment.
 - o Playground Equipment is generally defined as an outdoor or indoor area featuring equipment designed for recreation and play.
 - o Sitting/waiting areas are not considered playground equipment, as defined by Tax Credit Guidelines for Public Schools.
 - o Please note shade structures out of this fund are for covering playground equipment only.

PROCESS/PROCEDURES: To utilize your tax credit monies for items f-i, the process to enter the requisition is the same; however, if the item is **over \$1,000** you will need to email and receive approval from the Assistant Superintendent's office. Your site council must approve the additional items before purchases can be made. The approval should be attached to the requisition at the time of entry into iVisions. **Additionally: Requests for playground shade structures must include a pre-approved Building and Grounds Improvement Request Form from Facilities.**

Moving Funds between PVUSD Schools (From and After June 30, 2019 Through June 30, 2024)

Recent changes in the Public School Tax Credit guidance will allow school site councils to transfer undesignated tax credit monies to other schools within the same school district for a temporary time (June 30, 2019 through June 30, 2024). All requests to transfer undesignated monies between schools sites will require Assistant Superintendent approval and Finance transfer form with cash balance confirmation.

Undesignated tax credit donations are those donations where the donor did not indicate a purpose. Many times donors will want their monies used as a general tax credit. They will indicate to use the donation for the areas of the most need or any extracurricular activity – these are considered undesignated funds. Please note – General Athletics, General Field Trip, General Fine Arts are all specific categories and are not considered Undesignated unless they meet one of the criteria below.

There are two ways to determine undesignated tax credit donations:

#1 – Tax credit donations that are received at a school site and the donor did not designate a purpose or category. Funds donated to a site with no restrictions or specifications of use.

#2 – Tax Credit donations that are reclassified as Undesignated. A school site council may reclassify contributions that were previously designated for a specific purpose or program under the following two conditions:

- a) The purpose or program has been discontinued OR
- b) the program has not been used in 2 consecutive years

Guidance to reclassify undesignated monies:

Elementary schools – Carryover balances of 400A are considered undesignated unless the site has determined a carryover for a donor specific event.

Middle schools – Carryover balances of 400A are considered undesignated unless the site has determined a carryover for a donor specific event.

High schools – Donations are tracked into appropriate undesignated and designated accounts at the time of the donation.

PROCESS/PROCEDURES: To request transfer of your undesignated tax credit monies to another site within PVUSD you will need to email and receive approval from the Assistant Superintendent's office. Your site council must approve the additional items before purchases can be made. Attach the email approval to the PVUSD Transfer Funds Request Form and documentation that would include a Cash Balance Report. Documentation for newly received donations that are undesignated will also need to be included. If there are any questions about proper documentation, please call finance.

Extracurricular Activities**

Extracurricular activities are school sponsored optional activities or non-credit activities that may require enrolled students to pay a fee in order to participate. The activities must supplement the school's education program. Activities can be offered before, during or after regular school hours. Such activities may include, but are not limited to, use of band uniforms, use of equipment or uniforms for varsity athletics, use of scientific laboratory equipment or materials, or in-state or out-of-state trips that are solely for competitive events. Extracurricular activities do not include any senior trips or events that are exclusively recreational, amusement or tourist activities. Generally, any optional non-credit activities that supplement the education program of the school are considered to be extracurricular activities per § 15-342 (24).

Character Education Programs

A character education program is a program defined in A.R.S. § 15-719. At a minimum, the character education program must include:

- o Instruction in the definition and application of at least six of the following character traits: truthfulness, responsibility, compassion, diligence, sincerity, trustworthiness, respect, attentiveness, obedience, orderliness, forgiveness, virtue, fairness, caring, citizenship and integrity.
- o Use of activities, discussions and presentations to illustrate and reinforce the application of the character traits.
- o Presentations by teachers or mentors who demonstrate the above referenced character traits

PROCESS/PROCEDURE: Approval of all character education expenditures must be approved by the Assistant Superintendent. Approval documentation should be attached to each requisition related to that program prior to approval in workflow.

General Tax Credit Donations – not made for a specific student

An eligible extracurricular tax credit activity for a group may be paid by an individual donation. The donation can be for the actual cost of the trip up to \$200/\$400 (single/head of household or married) as applicable. The donor(s) will pay the fees for all students. If the costs exceed the individual's limit or the cost is shared, a donation up to \$200/\$400 may be paid by a second donor. Any unused balance will remain in the Tax Credit account at the school for future use.

Receipt of Funds

Fee payments or donations toward the support of extracurricular activities may be made at the bookstore of high schools or the front office of elementary and middle schools. Online payments for Tax Credit donations may be made for all schools by accessing the school's website and clicking on the Payment Portal Link. The emailed receipt will act as the Tax Credit receipt for these payments. Credit card payments are accepted online or at High School Bookstores for Tax Credit donations. In Touch receipts are used at all school sites. All Tax Credit items must include Tax Credit verbiage and CTDS#.

Procedures for Accepting Checks (More information on page 3)

All checks received must comply with the following policy unless otherwise approved by an administrator. Checks may not be from businesses, corporations, partnerships, trust accounts, or non-for-profit organizations. All checks must conform to the following:

- 1) Checks are made payable to the name of the school receiving the donation
- 2) No two-party checks
- 3) No altered checks
- 4) No post-dated checks
- 5) No insurance drafts, income tax refunds, or dividend checks
- 6) No counter checks (checks without preprinted account number)
- 7) All checks are subject to bank verification

Fee Payments and the Tax Credit

Extracurricular fee payments are eligible for a State of Arizona Income Tax Credit. Fees for programs meeting the definition in the Eligible Extracurricular Activities section qualify for the tax credit. Parking fees, activity passes, locker fees, dance tickets, supply purchases, or fees not associated with after school activities do not meet the definition of extracurricular fees.

Fee payments for which a School Tax Credit Receipt has been issued are non-refundable. Tax Credit receipts are made out to the top line on check. It is up to the donor to figure out their personal taxes. (See sample attached).

Payment of Fees from a Prior Donation

Fee payments may be made against a donation made earlier in the school or calendar year. The portion of fee payments that represents interscholastic or intramural fee payments should be transferred to the appropriate project on at least a monthly basis. Transfer paperwork should be sent to the district office to be entered into the iVisions system if transfer is a portion of a purchase. If the donor simply chose the wrong item for the full receipt, a wrong item adjustment can be made. In the later incidence a copy of the donor request should be kept on site with EOP packet detail.

Deposit of TAX CREDIT Funds by School

All School Sites

For all Tax Credit eligible items, payee must choose Tax Credit (526) or Non Tax Credit (525) (see form). Tax Credit Funds are to be included with other 525/526 monies when completing the auxiliary deposit paperwork. The donor must choose TC or NTC for all items that are TC eligible. An employee may not choose TC or non TC on behalf of a donor. Please note TC is non-refundable.

Deposits / Projects

All schools will enter donations into the InTouch per donor. Each donor must have their own customer account or make a donation under a student's account. InTouch receipts are issued for each donation received. If the payee does not identify a specific area, the funds should be deposited into undesignated general TC.

Funds must either be spent in the areas where they are deposited or paperwork must be completed to transfer the funds to the areas where they will be spent. Any request for transfer must accompany a written request by the donor. **NOTE:** In FY25 elementary and middle schools have been given additional iVision projects to split donations by General, Field Trip or Fees. (reach out to Finance for additional information)

The administrative assistant/accounting clerk or bookstore manager will prepare an Auxiliary Funds deposit slip including Tax Credit Funds with other Auxiliary Funds to be picked up by the armored car service and deposited at the bank.

Issuance of Receipts After the Deposit of Funds

If a payee chooses Non Tax Credit and wants to change the payment to Tax Credit after the initial transaction, the school may do an InTouch wrong item adjustment or; if partial movement, a journal entry should be completed and sent to the district office (as described in the **Completion of School Tax Credit Receipt Form** section). If the original fee payment has been expended for an activity, the account code of the expense should also be included in the memorandum. The Finance Office will complete the journal entries needed to report the revenue and any associated expense under the School Tax Credit account code rather than the original account code.

To minimize the need for issuing receipts after the deposit of funds, schools should notify parents when fee payments are eligible for the School Tax Credit and the payee must choose Tax Credit or Non Tax Credit for all eligible activities. Both items should be made available on the Webstore for all eligible items. **Sites cannot choose for them.**

Expenditure of Tax Credit Funds

Tax Credit funds may only be used for expenses related to eligible extracurricular activities. Funds must be used for the purpose indicated by the donor. The purchase of items to be used for the school's curricular programs is not to be made from Tax Credit funds. Purchases must comply with district purchasing guidelines including the use of contracted vendors as applicable.

Monthly Reconciliation

The school shall run a Budget Control Group or SA Report at least monthly to review Tax Credit balances. It is the school's responsibility to reconcile school records with the reports in iVisions and to notify the Finance Office of any discrepancies promptly.

Extracurricular Activities Fees

In compliance with A.R.S. §15-342.24, the following are the guidelines for assessing fees for extracurricular activities:

Elementary Schools	<u>Range</u>
All activities	\$1 to actual cost

Middle Schools

Festival Sports	\$75/sport/\$30 All Stars
All activities	\$1 to actual cost

High Schools

AIA Sport Participation Fee	\$200
Performing Arts	\$100

Maximum of \$400/family/year for the above activities. (Does not include tax credit field trips) The student must provide receipts from existing schools to prove the maximum amount between two or more schools.

All other activities	\$1 to actual cost
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The principal may waive the fee if it creates an economic hardship for the pupil. However, fees must be waived on an individual basis, there cannot be a "blanket" waving of fees for an activity. Once approved, any transfer should be completed to move funds from an eligible tax credit to the appropriate fund.

Festival Sports

Monies collected for festival sports must be deposited as tax credit or non-tax credit. The Festival Sports Director determines all expenditures for unit #199. Once approved, any transfer should be completed to move funds from an eligible tax credit to the appropriate fund.

****Any site scholarships must be done by transfer form with backup approvals/requests.**

LAW

ARS §15-1125 and ARS 15-1126 are the laws pertaining to Auxiliary Operations.

ARS §15-1125 - Auxiliary Operations fund defined:

The auxiliary operations fund shall consist of all monies raised with the approval of the school district governing board in pursuance of and in connection with all activities of school bookstores and athletic activities.

ARS §15-1126 - Accounting; deposit; disposition of monies:

- A. Auxiliary operations fund monies shall be accounted for in accordance with the requirements of the Uniform System of Financial Records.
- B. Auxiliary operations fund monies shall be deposited after authorization by the governing board in a bank account designated as the Auxiliary Operations Fund. Disbursements from the fund shall be authorized by the governing board. Disbursements shall be made by check signed by two employees of the governing board. Persons authorized by the governing board to sign checks shall give a bond in an amount determined by the governing board, and the cost of bond premiums shall be charged against the fund.
- C. Auxiliary operations fund monies may be invested and reinvested by the governing board of a school district. All monies earned by investments shall be credited to the auxiliary operations fund of the school district.
- D. The governing board may establish an imprest petty cash fund at each school within the school district for activities that require immediate cash outlays for postage, freight, express, parcel post, travel, or other minor disbursements, but not including salaries or wages, which are proper as ultimate expenditures from the school district Auxiliary Operations Fund. Imprest petty cash funds established by the governing board shall be funded from the school district Auxiliary Operations Fund in an amount to be determined by the governing board.
- E. The governing board may establish a revolving fund bank account for each school within the school district for necessary current expenditures in connection with school bookstore and athletic activities. The revolving funds shall be funded from the Auxiliary Operations Fund in an amount to be determined by the governing board. The school shall return the monies in the revolving fund bank account at the end of each fiscal year to the credit of the school district operations fund.