

# **Hobbs Municipal Schools Staff and Faculty Activity Account Procedure Statement January 1, 2008**

## **Definition of Activity Funds**

### **Student Activity Funds**

Student Activity Funds are used to account for those resources owned 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.

### **Agency Funds**

Agency Funds are 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 provides bookkeeping and accounting service for these funds, these functions are considered strictly fiduciary in nature.

The school district is holding these funds 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.

## **Definition of Staff and Faculty**

### **Staff and Faculty**

For the purpose of this policy staff and faculty includes all personnel employed by HMS and working at a school or department (i.e., teachers, nurses, counselors, secretaries, coaches, librarians, custodians, cafeteria workers, education assistants, administrators, clerical staff, technicians).

## **Fundraising for Staff and Faculty Activity Account**

### **Generating Funds**

Activity Funds donated to, generated by or allocated to staff/faculty should be deposited in the staff/activity fund for that school location. All funds must be receipted and deposited in accordance with HMS Policy and Procedures for Cash Receipting and Depositing. Funds in either the staff/faculty activity account may be used for the benefit of staff as long as purchases are in compliance with HMS policy regarding purchases for staff.

### **Characterization of Funds**

All funds must retain their initial characterization and may **not** be used to generate proceeds for another fund. Re-characterization of funds, in some cases, is illegal.

For example, student pencils are purchased using Operational funds and then sold to students. The proceeds from selling pencils to students are deposited in an Activity Account. This practice re-characterizes Operational funds to Activity Funds and is illegal.

For example, proceeds from the sale of student pencils may be deposited in an Activity Fund only when the pencils were purchased using funds from an Activity Account.

### **Donations**

When a group donates money to a school specifically for the benefit of staff/faculty the entire amount should be deposited in the Staff/Faculty Activity Account.

### **Specific Fundraising**

When money is raised by the efforts of staff/faculty and students for a specific purpose (i.e., field trip, holiday concert), 100% of funds will go to the specific fund and no staff allocation will be allowed.

### **General Fundraising**

Twenty percent (20%) of general proceeds (not for a specific purpose, i.e., picture money, school wide) generated by the efforts of both staff/faculty and students may be allocated to the Staff/Faculty Activity Account.

### **Vending Contract Revenue**

At schools where both students and staff purchase from the vending machines located at the school 20% of the proceeds may be deposited into the Staff/Faculty Activity Account.

At schools where students are not allowed to purchase from vending machines the entire amount of vending revenue may be deposited to the Staff/Faculty Activity Account.

### **School Picture Commission**

Due to the significant staff effort involved in school pictures, a maximum of 20% of commission money collected, not actual picture sales, may be allocated to the staff/faculty fund and a minimum of 80% will be allocated to student funds.

## **Use of Staff and Faculty Activity Account**

### **Expending Funds**

Expenditures for the sole benefit of staff/faculty utilizing Activity Funds (23000 funds) may be made **only** using the Staff/Faculty Activity Account and must meet the following criteria:

1. The expenditure is consistent with the HMS mission.
2. The expenditure aids or promotes progress towards achieving the HMS mission (public purpose) and will result in achievement (either in whole or in part) of the HMS mission (public benefit).
3. The expenditure is the best choice between available options and it is necessary.
4. The purpose of the expenditure is as intended by the funding source.

Expenditures for staff/faculty are not allowed using any other activity account.

The following types of expenditures for staff/faculty are allowable based on criteria discussed above. For the purpose of this policy, substitutes are considered members of staff/faculty and volunteers are not. Tangible items purchased for staff/faculty may not exceed a value \$5.00 per person for each item and \$25.00 per person per fiscal year.

Employee Achievement Awards and Retirement Awards are an allowable purchase but must be tangible personal property and awarded as part of a meaningful presentation. Cash, gift certificates, gift cards or other intangible property such as meals, lodging, and tickets for entertainment are **not** allowable per IRS Publication 15-B, Employer's Tax Guide to Fringe Benefits, Achievement Awards.

Meals for staff/faculty must occur on the school's campus and are allowed up to a maximum of four times per fiscal/school year. The value of meals furnished is not considered part of the \$25.00 per person per fiscal year limitation. The meals must be De Minimis in nature (of little value) per IRS Publication 15-B, Employer's Tax Guide to Fringe Benefits, De Minimis Meals.

You must have a substantial business reason for providing refreshments at a meeting. An agenda must be included with the purchase order prior to the approval of a PO for refreshments provided to staff/faculty. Agendas must include who is attending, number of persons being fed, date, time, place and agenda items to be discussed. The value of meals furnished for the employer's convenience is not considered part of the \$25.00 per person per fiscal year limitation.

The following are some types of expenditures that are allowed for staff/faculty using only the Staff/Faculty Activity Account:

- Coffee, sugar, creamer, water, and etc. for the school/department coffee room.
- Disposable or reusable cups, plates, napkins, utensils.
- Items valued at \$5.00 or less for a total of \$25.00 per person per fiscal year.
- Occasional (maximum of 4 times per fiscal year) snacks and/or beverages such as doughnuts, fruit, cookies, soft drinks, juices, etc.
- Flowers for staff/faculty due to illness or death.

The following types of expenditures are **not** allowed for staff/faculty from any funding source:

- Cash, gift cards, gift certificates, lottery tickets, or entertainment
- Services considered personal in nature such as manicures, pedicures, massages.

## **Principal's Responsibility**

### **Staff/Faculty Fund Custody**

The building principal is directly responsible for the Staff/Faculty Fund for that school. This responsibility can not be delegated. The principal must control, oversee, and safeguard the accounting, depositing, disbursing and reporting of these funds in accordance with the laws of the State of New Mexico, the policies of the HMS Board of Education and administrative regulations as established.

### **Compliance with Policy and Procedure**

The building principal is responsible for compliance with all aspects of this Policy and Procedure as it applies to accounts under his/her fiscal control.